

HOUSE BILL No. 4551

April 9, 2003, Introduced by Reps. Dennis and O'Neil and referred to the Committee on Appropriations.

A bill to amend 1999 PA 94, entitled
"Michigan merit award scholarship act,"
by amending sections 3, 7, and 8 (MCL 390.1453, 390.1457, and
390.1458), sections 7 and 8 as amended by 2002 PA 736.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) The Michigan merit award trust fund is
2 established in the department of treasury. The trust fund shall
3 consist only of interest and earnings from trust fund
4 investments, donations of money made to the trust fund from any
5 source, and the following percentages of tobacco settlement
6 revenue:

7 (a) Thirty percent of the tobacco settlement revenue received
8 in fiscal year 1999-2000.

9 (b) Fifty percent of tobacco settlement revenue received in
10 fiscal year 2000-2001.

1 (c) Seventy-five percent of tobacco settlement revenue
2 received in fiscal year 2001-2002 and in ~~subsequent fiscal~~
3 ~~years~~ **fiscal year 2002-2003.**

4 (d) **Thirty-three and four-tenths percent of tobacco**
5 **settlement revenue received in fiscal year 2003-2004 and in**
6 **subsequent fiscal years.**

7 (2) Money in the trust fund at the close of a fiscal year
8 shall remain in the trust fund and shall not revert to the
9 general fund.

10 (3) The state treasurer shall direct the investment of the
11 trust fund.

12 Sec. 7. (1) The Michigan merit award scholarship program is
13 established. The board shall administer the Michigan merit award
14 scholarship program.

15 (2) Subject to **adjustment under** subsection ~~(6)~~ (5), each
16 student **who meets the applicable requirements and conditions of**
17 **this act and who is** enrolled in grade 11 in ~~or after~~ the
18 1998-1999, ~~school year who meets the requirements of subsection~~
19 ~~(4), and subject to adjustment under subsection (5),~~ **1999-2000,**
20 **2000-2001, or 2001-2002 school year** is eligible for the award of
21 a \$2,500.00 Michigan merit award scholarship if the student is
22 enrolled in an approved postsecondary educational institution in
23 this state or in a service academy, or the award of a \$1,000.00
24 Michigan merit award scholarship if the student is enrolled in an
25 approved postsecondary educational institution outside this state
26 other than a service academy. ~~—if—~~ **Each student who meets the**
27 **requirements and conditions of this act and who is enrolled in**

1 grade 11 in or after the 2002-2003 school year is eligible for
2 the award of a \$500.00 Michigan merit award scholarship if the
3 student is enrolled in an approved postsecondary educational
4 institution in this state.

5 (3) A student is not eligible for a Michigan merit award
6 scholarship under subsection (1) unless the board finds that the
7 student while in high school ~~has taken~~ took the assessment test
8 in the subject areas of reading, writing, mathematics, and
9 science and meets 1 of the following:

10 (a) ~~Has~~ He or she received qualifying results in each of
11 the subject areas of reading, writing, mathematics, and science.

12 (b) ~~Did~~ He or she did not receive qualifying results in 1
13 or 2 of the subject areas of reading, writing, mathematics, and
14 science, but received an overall score in the top 25% of a
15 nationally recognized college admission examination.

16 (c) ~~Did~~ He or she did not receive qualifying results in 1
17 or 2 of the subject areas of reading, writing, mathematics, and
18 science, but received a qualifying score or scores as determined
19 by the board on a nationally recognized job skills assessment
20 test designated by the board.

21 ~~(3) Subject to subsection (6) and to adjustment under~~
22 ~~subsection (5), a student who was enrolled in grade 7 in or after~~
23 ~~the 1999-2000 school year and who the board finds has taken the~~
24 ~~assessment test in each of the subject areas while in grades 7~~
25 ~~and 8 is eligible for 1 of the following additional Michigan~~
26 ~~merit award scholarships:~~

27 ~~—— (a) If the board finds that the student while in grades 7 and~~

~~1 8 received qualifying results in 2 of the subject areas of~~
~~2 reading, writing, mathematics, and science, an additional~~
~~3 Michigan merit award scholarship of \$250.00.~~

~~4 ——— (b) If the board finds that the student while in grades 7 and~~
~~5 8 received qualifying results in 3 of the subject areas of~~
~~6 reading, writing, mathematics, and science, an additional~~
~~7 Michigan merit award scholarship of \$375.00.~~

~~8 ——— (c) If the board finds that the student while in grades 7 and~~
~~9 8 received qualifying results in all of the subject areas of~~
~~10 reading, writing, mathematics, and science, an additional~~
~~11 Michigan merit award scholarship of \$500.00.~~

~~12 (4) In addition to the requirements set forth in subsections~~
~~13 (2) and (3), to~~ **To** ~~be eligible for the award of 1 or both a~~
~~14 Michigan merit award scholarships~~ **scholarship** ~~under this~~
~~15 section, the board must find that a student satisfies all of the~~
~~16 following:~~

~~17 (a) The student has graduated from high school or passed the~~
~~18 general educational development (GED) test or other graduate~~
~~19 equivalency examination approved by the state board.~~

~~20 (b) The student graduated from high school or passed the~~
~~21 general educational development (GED) test or other graduate~~
~~22 equivalency examination approved by the state board within 1 of~~
~~23 the following time periods:~~

~~24 (i) If the student graduated from high school or passed the~~
~~25 test or examination before March 1, 2002, within the 7-year~~
~~26 period preceding the student's application to receive his or her~~
~~27 Michigan merit award scholarship money.~~

1 (ii) If the student graduated on or after March 1, 2002,
2 within the 4-year period preceding the date of the student's
3 application to receive his or her Michigan merit award
4 scholarship money, or if the student becomes a member of the
5 United States armed forces or peace corps during this 4-year
6 period and serves for 4 years or less, the 4-year period is
7 extended by a period equal to the number of days the student
8 served as a member of the United States armed forces or peace
9 corps. The board may also extend the 4-year period if the board
10 determines that an extension is warranted because of an illness
11 or disability of the student or in the student's immediate family
12 or another family emergency.

13 (c) The student is enrolled in an approved postsecondary
14 educational institution **in this state**. For students who qualify
15 under subsection ~~—(2)(e)—~~ **(3)(c)**, the student is enrolled in a
16 vocational or technical education program at an approved
17 postsecondary educational institution.

18 (d) The student has not been convicted of a felony involving
19 an assault, physical injury, or death.

20 **(e) The student is a citizen of the United States or a**
21 **permanent resident.**

22 **(f) The student has resided continuously in this state for**
23 **the immediately preceding 12 months and is not considered a**
24 **resident of any other state.**

25 **(g) —(e)—** The student satisfies any additional eligibility
26 requirements established by the board.

27 (5) In any fiscal year, the board may adjust the amount of a

1 Michigan merit award scholarship available to students eligible
2 under ~~1 or more of subsections (2), (3), and~~ **subsection (2) or**
3 (9), based upon its determination of available resources and
4 amounts appropriated, but the board shall not increase an amount
5 by more than 5% in any fiscal year. The board shall notify the
6 governor, the speaker of the house of representatives, and the
7 majority leader of the senate in writing at least 30 days before
8 an adjustment under this subsection.

9 (6) For assessment tests administered after January 1, 2000,
10 the board shall not use the assessment test to determine
11 eligibility for a Michigan merit award scholarship under this
12 section for a particular year unless the board has reviewed and
13 approved the assessment test before it was administered for that
14 year.

15 (7) The board shall provide each student written notice of
16 whether or not the student is eligible for the award of 1 or more
17 Michigan merit award scholarships described in this section. If
18 the student is eligible, the written notice shall also contain
19 the Michigan merit award scholarship amount for which the student
20 is eligible, how the student applies for payment of Michigan
21 merit award scholarship, and any other information the board
22 considers necessary regarding qualification requirements or
23 conditions relating to the use of the Michigan merit award
24 scholarship.

25 (8) It is the intent of the legislature that the level of
26 student performance required to achieve qualifying results in a
27 subject area of an assessment test remains approximately the

1 same, and that the board not reduce the required level of student
2 performance as a means of increasing the number of Michigan merit
3 award scholarships awarded.

4 (9) If a student who has previously received a \$1,000.00
5 Michigan merit award scholarship as a student enrolled in an
6 approved postsecondary educational institution outside of this
7 state other than a service academy enrolls in an approved
8 postsecondary educational institution in this state and meets the
9 requirements of subsection (4), and subject to adjustment under
10 subsection (5), the student is eligible for the award of an
11 additional \$1,500.00 Michigan merit award scholarship.

12 (10) A pupil who does not initially receive qualifying
13 results shall be extended an opportunity to achieve the requisite
14 qualifying results by taking a subsequent assessment test.

15 (11) A nonpublic school student or home school student may
16 take, and the board shall administer if requested, an assessment
17 test at a site designated by the board.

18 Sec. 8. (1) A Michigan merit award scholarship shall be
19 used only to pay for eligible costs.

20 (2) The board shall determine the manner and form of
21 application for payment of a Michigan merit award scholarship by
22 a student eligible under section 7 and the procedure for payment
23 to the student or to the approved postsecondary educational
24 institution on the student's behalf.

25 (3) As determined by the board, upon the request of a student
26 or parent or legal guardian of a minor student, the board may pay
27 a Michigan merit award scholarship in 2 consecutive annual

1 installments rather than 1 lump sum for a student who graduates
2 from high school or passes the general educational development
3 (GED) test or approved graduate equivalency examination before
4 March 1, 2003. For each student who graduates from high school
5 or passes the general educational development (GED) test or
6 approved graduate equivalency examination on or after March 1,
7 2003 **and before March 1, 2004**, the board shall pay a Michigan
8 merit award scholarship in 2 consecutive annual installments,
9 beginning in the state fiscal year for which the student is
10 otherwise eligible under section 7. The first installment shall
11 not exceed 50% of the award amount, and the second installment
12 shall consist of the remaining award amount. Verification that
13 the student has met the enrollment criteria under section 7(4)(c)
14 is required prior to issuance of the second installment. **For**
15 **each student who graduates from high school or passes the general**
16 **educational development (GED) test or approved graduate**
17 **equivalency examination on or after March 1, 2004, the board**
18 **shall pay a Michigan merit award in 1 lump sum in the state**
19 **fiscal year beginning in the academic year for which the student**
20 **is otherwise eligible under section 7.**

21 (4) ~~—(2)—~~ An approved postsecondary educational institution
22 shall not consider a Michigan merit award scholarship in
23 determining a student's eligibility for a financial aid program
24 administered by this state. It is the intent of the legislature
25 that an approved postsecondary educational institution not reduce
26 institutionally-funded student aid because of the Michigan merit
27 award scholarship program.

1 (5) ~~—(3)—~~ Before payment of a Michigan merit award
2 scholarship to a student or approved postsecondary educational
3 institution, the student shall certify or affirm in writing to
4 the board each of the following:

5 (a) That the student is enrolled at an approved postsecondary
6 educational institution.

7 (b) The name of the approved postsecondary educational
8 institution in which the student is enrolled.

9 (c) That the student agrees to use the Michigan merit award
10 scholarship only for eligible costs.

11 (d) That the student has not been convicted of a felony
12 involving an assault, physical injury, or death.

13 (e) That the student graduated from high school or passed the
14 general educational development (GED) test or approved graduate
15 equivalency examination within 1 of the following time periods:

16 (i) If the student graduated from high school or passed the
17 test or examination before March 1, 2002, within the 7-year
18 period preceding the date of the student's application to receive
19 his or her Michigan merit award scholarship.

20 (ii) If the student graduated on or after March 1, 2002,
21 within the 4-year period preceding the date of the student's
22 application to receive his or her Michigan merit award
23 scholarship, or within a period equal to 4 years plus the number
24 of days the student served as a member of the United States armed
25 forces or peace corps if the student became a member of the
26 United States armed forces or peace corps during this 4-year
27 period and served for 4 years or less. The board may also extend

1 the 4-year period if the board determines that an extension is
2 warranted because of an illness or disability of the student or
3 in the student's immediate family or another family emergency.

4 **(6)** ~~—(4)—~~ The board shall not begin disbursing funds for a
5 Michigan merit award scholarship to a student or an approved
6 postsecondary educational institution on behalf of the student
7 unless it receives the request or application for payment,
8 including the written certification or affirmation described in
9 this section, from the student on or before January 15 in the
10 2002-2003 academic year, ~~—and—~~ **or on or before** September 15 in
11 any other academic year, for disbursement in that academic year.