

# HOUSE BILL No. 4816

June 10, 2003, Introduced by Reps. Hoogendyk and Stahl and referred to the Committee on Appropriations.

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

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 7. (1) The Michigan merit award scholarship program is  
2 established. The board shall administer the Michigan merit award  
3 scholarship program.

4       (2) Subject to subsection (6) **and section 8(1)(c)(iii)**, each  
5 student enrolled in grade 11 in or after the 1998-1999 school  
6 year who meets the requirements of subsection (4), and subject to  
7 adjustment under subsection (5), is eligible for the award of a  
8 \$2,500.00 Michigan merit award scholarship if the student is  
9 enrolled in an approved postsecondary educational institution in  
10 this state or in a service academy, or the award of a \$1,000.00

1 Michigan merit award scholarship if the student is enrolled in an  
2 approved postsecondary educational institution outside this state  
3 other than a service academy, if the board finds that the student  
4 while in high school has taken the assessment test in the subject  
5 areas of reading, writing, mathematics, and science and meets 1  
6 of the following:

7 (a) Has received qualifying results in each of the subject  
8 areas of reading, writing, mathematics, and science.

9 (b) Did not receive qualifying results in 1 or 2 of the  
10 subject areas of reading, writing, mathematics, and science, but  
11 received an overall score in the top 25% of a nationally  
12 recognized college admission examination.

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

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

24 (a) If the board finds that the student while in grades 7 and  
25 8 received qualifying results in 2 of the subject areas of  
26 reading, writing, mathematics, and science, an additional  
27 Michigan merit award scholarship of \$250.00.

1 (b) If the board finds that the student while in grades 7 and  
2 8 received qualifying results in 3 of the subject areas of  
3 reading, writing, mathematics, and science, an additional  
4 Michigan merit award scholarship of \$375.00.

5 (c) If the board finds that the student while in grades 7 and  
6 8 received qualifying results in all of the subject areas of  
7 reading, writing, mathematics, and science, an additional  
8 Michigan merit award scholarship of \$500.00.

9 (4) In addition to the requirements set forth in subsections  
10 (2) and (3), to be eligible for the award of 1 or both Michigan  
11 merit award scholarships under this section, the board must find  
12 that a student satisfies all of the following:

13 (a) The student has graduated from high school or passed the  
14 general educational development (GED) test or other graduate  
15 equivalency examination approved by the state board.

16 (b) The student graduated from high school or passed the  
17 general educational development (GED) test or other graduate  
18 equivalency examination approved by the state board within 1 of  
19 the following time periods:

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

24 (ii) If the student graduated on or after March 1, 2002,  
25 within the 4-year period preceding the date of the student's  
26 application to receive his or her Michigan merit award  
27 scholarship money, or if the student becomes a member of the

1 United States armed forces or peace corps during this 4-year  
2 period and serves for 4 years or less, the 4-year period is  
3 extended by a period equal to the number of days the student  
4 served as a member of the United States armed forces or peace  
5 corps. The board may also extend the 4-year period if the board  
6 determines that an extension is warranted because of an illness  
7 or disability of the student or in the student's immediate family  
8 or another family emergency.

9 (c) The student is enrolled in an approved postsecondary  
10 educational institution. For students who qualify under  
11 subsection (2)(c), the student is enrolled in a vocational or  
12 technical education program at an approved postsecondary  
13 educational institution.

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

16 (e) The student satisfies any additional eligibility  
17 requirements established by the board.

18 (5) In any fiscal year, the board may adjust the amount of a  
19 Michigan merit award scholarship available to students eligible  
20 under 1 or more of subsections (2), (3), and (9), based upon its  
21 determination of available resources and amounts appropriated,  
22 but the board shall not increase an amount by more than 5% in any  
23 fiscal year. The board shall notify the governor, the speaker of  
24 the house of representatives, and the majority leader of the  
25 senate in writing at least 30 days before an adjustment under  
26 this subsection.

27 (6) For assessment tests administered after January 1, 2000,

1 the board shall not use the assessment test to determine  
2 eligibility for a Michigan merit award scholarship under this  
3 section for a particular year unless the board has reviewed and  
4 approved the assessment test before it was administered for that  
5 year.

6 (7) The board shall provide each student written notice of  
7 whether or not the student is eligible for the award of 1 or more  
8 Michigan merit award scholarships described in this section. If  
9 the student is eligible, the written notice shall also contain  
10 the Michigan merit award scholarship amount for which the student  
11 is eligible, how the student applies for payment of Michigan  
12 merit award scholarship, and any other information the board  
13 considers necessary regarding qualification requirements or  
14 conditions relating to the use of the Michigan merit award  
15 scholarship.

16 (8) It is the intent of the legislature that the level of  
17 student performance required to achieve qualifying results in a  
18 subject area of an assessment test remains approximately the  
19 same, and that the board not reduce the required level of student  
20 performance as a means of increasing the number of Michigan merit  
21 award scholarships awarded.

22 (9) If a student who has previously received a \$1,000.00  
23 Michigan merit award scholarship as a student enrolled in an  
24 approved postsecondary educational institution outside of this  
25 state other than a service academy enrolls in an approved  
26 postsecondary educational institution in this state and meets the  
27 requirements of subsection (4), and subject to adjustment under

1 subsection (5), the student is eligible for the award of an  
2 additional \$1,500.00 Michigan merit award scholarship.

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

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

9 Sec. 8. (1) A Michigan merit award scholarship shall be  
10 used only to pay for eligible costs. The board shall determine  
11 the manner and form of application for payment of a Michigan  
12 merit award scholarship by a student eligible under section 7 and  
13 the procedure for payment to the student or to the approved  
14 postsecondary educational institution on the student's behalf,  
15 ~~—~~ **subject to 1 of the following, as applicable:**

16 (a) As determined by the board, upon the request of a  
17 student or parent or legal guardian of a minor student, the board  
18 may pay a Michigan merit award scholarship in 2 consecutive  
19 annual installments rather than 1 lump sum for a student who  
20 graduates from high school or passes the general educational  
21 development (GED) test or approved graduate equivalency  
22 examination before March 1, 2003.

23 (b) For each student who graduates from high school or  
24 passes the general educational development (GED) test or approved  
25 graduate equivalency examination on or after March 1, 2003 **and**  
26 **before March 1, 2004**, the board shall pay a Michigan merit award  
27 scholarship in 2 consecutive annual installments, beginning in

1 the state fiscal year for which the student is otherwise eligible  
2 under section 7. The first installment shall not exceed 50% of  
3 the award amount, and the second installment shall consist of the  
4 remaining award amount. Verification that the student has met  
5 the enrollment criteria under section 7(4)(c) is required prior  
6 to issuance of the second installment.

7 (c) Subject to subsection (5), for each student who  
8 graduates from high school or passes the general educational  
9 development (GED) test or approved graduate equivalency  
10 examination on or after March 1, 2004, the board shall pay a  
11 Michigan merit award scholarship in 3 consecutive annual  
12 installments, as follows:

13 (i) An installment equal to 34% of the award amount, paid in  
14 the first academic year in which the student is otherwise  
15 eligible under section 7.

16 (ii) An installment equal to 33% of the award amount, paid  
17 in the second academic year in which the student is otherwise  
18 eligible under section 7. Verification that the student has met  
19 the enrollment criteria under section 7(4)(c) is required before  
20 the second installment is paid to or on behalf of the student.

21 (iii) An installment equal to 33% of the award amount, paid  
22 in the third academic year in which the student is otherwise  
23 eligible under section 7. A student who was enrolled in a 2-year  
24 degree or certificate program at an approved postsecondary  
25 educational institution in his or her first 2 academic years of  
26 eligibility under subparagraphs (i) and (ii) is only eligible to  
27 receive this installment if he or she is enrolled in an

1 undergraduate program at an approved postsecondary educational  
2 institution in his or her third academic year. Verification that  
3 the student has met the enrollment criteria under section 7(4)(c)  
4 is required before the third installment is paid to or on behalf  
5 of the student.

6 (2) An approved postsecondary educational institution shall  
7 not consider a Michigan merit award scholarship in determining a  
8 student's eligibility for a financial aid program administered by  
9 this state. It is the intent of the legislature that an approved  
10 postsecondary educational institution not reduce  
11 institutionally-funded student aid because of the Michigan merit  
12 award scholarship program.

13 (3) Before payment of a Michigan merit award scholarship to  
14 a student or approved postsecondary educational institution, the  
15 student shall certify or affirm in writing to the board each of  
16 the following:

17 (a) That the student is enrolled at an approved  
18 postsecondary educational institution.

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

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

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

25 (e) That the student graduated from high school or passed  
26 the general educational development (GED) test or approved  
27 graduate equivalency examination within 1 of the following time

1 periods:

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

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

17 (4) The board shall not begin disbursing funds for a  
18 Michigan merit award scholarship to a student or an approved  
19 postsecondary educational institution on behalf of the student  
20 unless it receives the request or application for payment,  
21 including the written certification or affirmation described in  
22 this section, from the student on or before January 15 in the  
23 2002-2003 academic year, and September 15 in any other academic  
24 year, for disbursement in that academic year.

25 (5) **The board may accelerate the installment payments**  
26 **described in subsection (1)(c) to a student who demonstrates that**  
27 **a hardship exists that could be avoided if the board accelerated**

1 the payments. The board shall promulgate rules pursuant to the  
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
3 24.328, that provide for acceleration of the installment payments  
4 described in subsection (1)(c) in hardship cases and the criteria  
5 for determining if a hardship exists.