

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1335

A bill to provide for the administration of the Michigan promise grant program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2 "Michigan promise grant act".

3       Sec. 2. As used in this act:

4       (a) "Academic year" means the period from September 1 of a  
5 calendar year to August 31 of the next calendar year.

6       (b) "Approved postsecondary educational institution" means any  
7 of the following:

1           (i) A public or private college or university, junior college,  
2 or community college that grants degrees or certificates and is  
3 located in this state.

4           (ii) A postsecondary educational institution, other than an  
5 educational institution described in subparagraph (i), that is  
6 located in this state, grants degrees, certificates, or other  
7 recognized credentials, and is designated by the department as an  
8 approved postsecondary educational institution.

9           (iii) A service academy.

10          (c) "Clock hour" means a time period consisting of any of the  
11 following:

12           (i) Fifty to 60 minutes of class, lecture, or recitation in a  
13 60-minute period.

14           (ii) Fifty to 60 minutes of faculty-supervised laboratory work,  
15 shop training, or internship in a 60-minute period.

16           (iii) Sixty minutes of preparation in a correspondence course.

17          (d) "Cumulative grade point average" means the weighted mean  
18 value of the courses considered by an approved postsecondary  
19 educational institution in determining whether to award a student  
20 an associate's degree or a 2-year certificate of completion in a  
21 vocational training program, whether the student has completed a  
22 comparable vocational education program, or whether the student  
23 has completed 50% or more of the academic requirements for the  
24 award of a bachelor's degree, including any courses completed at  
25 another approved postsecondary educational institution if the  
26 student transfers the credits for those courses to the approved  
27 postsecondary educational institution making that determination.

1 (e) "Department" means the department of treasury.

2 (f) "Fiscal year" means a fiscal year of this state. A fiscal  
3 year begins on October 1 of a calendar year and ends on September  
4 30 of the next calendar year.

5 (g) "High school graduate" means an individual who has  
6 received a high school diploma from a high school in this state or  
7 passed the general educational development (GED) diploma test or  
8 any other high school graduate equivalency examination approved by  
9 the state board of education.

10 (h) "Michigan promise grant" means a grant awarded by the  
11 department under this act.

12 (i) "Qualifying score" means a score in a reading, writing,  
13 mathematics, or science component of a state assessment test that  
14 has been determined by the superintendent of public instruction to  
15 indicate readiness to enroll in a course in that subject area in an  
16 approved postsecondary educational institution.

17 (j) "Service academy" means the United States military  
18 academy, United States naval academy, United States air force  
19 academy, United States coast guard academy, or United States  
20 merchant marine academy.

21 (k) "State assessment test" means the Michigan merit  
22 examination described in section 1279g of the revised school code,  
23 1976 PA 451, MCL 380.1279g, and section 104b of the state school  
24 aid act of 1979, 1979 PA 94, MCL 388.1704b, or any other test  
25 administered by the department of education to students in grades  
26 11 and 12 to assure state compliance with the federal no child left  
27 behind act of 2001, Public Law 107-110.

1       (l) "Trust fund" means the Michigan merit award trust fund  
2 established in section 9 of the Michigan trust fund act, 2000 PA  
3 489, MCL 12.259.

4       Sec. 3. By April 1 of each year, the department shall submit a  
5 report on its activities under this act to the governor and to the  
6 standing committees of the senate and house of representatives with  
7 primary jurisdiction over higher education issues. The report shall  
8 contain all of the following information:

9       (a) The number of Michigan promise grants and the amount of  
10 Michigan promise grant money paid by the department in the  
11 immediately preceding fiscal year.

12       (b) A list of the number of Michigan promise grants and the  
13 amount of Michigan promise grant money paid in the immediately  
14 preceding fiscal year at each approved postsecondary educational  
15 institution.

16       Sec. 4. (1) The Michigan promise grant program is established.  
17 The department shall provide Michigan promise grants under this act  
18 from the trust fund and administer the Michigan promise grant  
19 program.

20       (2) Subject to subsection (3), each student who becomes a high  
21 school graduate in or after the 2006-2007 academic year is eligible  
22 for the award of a Michigan promise grant in an amount determined  
23 under section 5 or 6.

24       (3) In addition to the requirements set forth in subsection  
25 (2), the department must find that a student meets all of the  
26 following eligibility requirements to award the student a Michigan  
27 promise grant under this act:

1 (a) The department has received a completed application for  
2 payment as described in section 7(1), including the certification  
3 described in section 7(2) or (3), if applicable, on or before the  
4 deadline established by the department.

5 (b) The student is a high school graduate and a resident of  
6 this state.

7 (c) The student meets 1 of the following:

8 (i) For a grant under section 5, the student was awarded an  
9 associate's degree or a 2-year certificate of completion in a  
10 vocational training program at an approved postsecondary  
11 educational institution, completed a comparable vocational  
12 education program approved by the department at an approved  
13 postsecondary educational institution, or completed 50% or more of  
14 the academic requirements for the award of a bachelor's degree at  
15 an approved postsecondary educational institution within 4 years of  
16 his or her initial enrollment in an approved postsecondary  
17 educational institution and meets 1 of the following:

18 (A) Has a cumulative grade point average of at least 2.5.

19 (B) If the student completed a vocational education program  
20 that does not record grades or grade point averages for its  
21 students, has successfully completed that program.

22 (ii) For a grant under section 6, the student received a  
23 qualifying score in each of the reading, writing, mathematics, and  
24 science components of the state assessment test, and for each  
25 student who becomes a high school graduate in or after the 2010-  
26 2011 academic year, successfully completes at least 3 credits in  
27 mathematics as described in section 1278a(1)(a)(i) of the revised

1 school code, 1976 PA 451, MCL 380.1278a, and 3 credits in science  
2 as described in section 1278b(1)(b) of the revised school code,  
3 1976 PA 451, MCL 380.1278b.

4 (d) The student took the state assessment test.

5 (e) The student enrolled in an approved postsecondary  
6 educational institution within 2 years after he or she became a  
7 high school graduate. The department shall extend the 2-year period  
8 if the student becomes a member of the United States armed forces  
9 or peace corps during the 2-year period.

10 (f) The student did not previously receive a grant under this  
11 act or scholarship money under the Michigan merit award scholarship  
12 act, 1999 PA 94, MCL 390.1451 to 390.1459.

13 (g) The student meets any additional eligibility requirements  
14 established by the department.

15 Sec. 5. (1) Subject to proration under subsection (2) and  
16 adjustment under subsection (3), a student who meets the  
17 eligibility requirement of section 4(3)(c)(i) and the other  
18 applicable eligibility requirements under section 4 shall receive a  
19 Michigan promise grant in the amount of \$4,000.00.

20 (2) If a student satisfies the eligibility requirement  
21 contained in section 4(3)(c) by completing a vocational training  
22 program that as determined by the department generally requires  
23 less than 2 years or fewer than 1,800 clock hours, as applicable,  
24 to complete, the student shall receive a prorated amount of the  
25 amount described in subsection (1) that reflects the number of  
26 clock hours necessary to complete the program, as determined by the  
27 department.

1           (3) If in any fiscal year the department determines that the  
2 amount appropriated by the legislature for the payment of Michigan  
3 promise grants is not sufficient to pay each eligible student the  
4 Michigan promise grant amount required under this section for an  
5 academic year, the department shall adjust the amount of Michigan  
6 promise grants paid under this section by prorating the amounts as  
7 necessary to reflect the available resources and amounts  
8 appropriated in that fiscal year. The department shall notify the  
9 governor, the speaker of the house of representatives, and the  
10 majority leader of the senate in writing at least 30 days before  
11 implementing a proration under this subsection.

12           Sec. 6. (1) Subject to proration under subsection (3) and  
13 adjustment under subsection (4), a student who meets the  
14 eligibility requirement of section 4(3)(c)(ii) and the other  
15 applicable eligibility requirements under section 4 and this  
16 section shall receive a Michigan promise grant in the amount of  
17 \$4,000.00.

18           (2) Except for a student who is enrolled in a program  
19 described in subsection (3), the department shall pay a grant under  
20 subsection (1) as follows:

21           (a) One thousand dollars paid in the student's first academic  
22 year of enrollment at an approved postsecondary educational  
23 institution.

24           (b) One thousand dollars paid in the student's second academic  
25 year of enrollment at an approved postsecondary educational  
26 institution.

27           (c) The remainder of the amount of the grant after completion

1 of 2 academic years of enrollment at an approved postsecondary  
2 educational institution. However, the student is not eligible for  
3 this installment, and forfeits any remaining grant amount to which  
4 he or she is otherwise entitled under this act, unless the student  
5 earned an associate's degree, earned a 2-year certificate of  
6 completion in a vocational education program, completed a  
7 comparable vocational training program approved by the department,  
8 or completed 50% or more of the academic requirements for the award  
9 of a bachelor's degree at an approved postsecondary educational  
10 institution within 4 years of his or her initial enrollment in that  
11 institution and meets 1 of the following:

12 (i) Has a cumulative grade point average of at least 2.5.

13 (ii) If the student completed a vocational education program  
14 that does not record grades or grade point averages for its  
15 students, has successfully completed that program.

16 (3) Subject to adjustment under subsection (4), a student who  
17 meets the eligibility requirement of section 4(3)(c)(ii) and the  
18 other applicable eligibility requirements under section 4 and this  
19 section, and who is enrolled in a vocational training program that  
20 as determined by the department generally requires less than 2  
21 years or fewer than 1,800 clock hours, as applicable, to complete,  
22 shall receive a prorated amount of the amount described in  
23 subsection (1) determined by the department to reflect the number  
24 of clock hours necessary to complete the program.

25 (4) If in any fiscal year the department determines that the  
26 amount appropriated by the legislature for the payment of Michigan  
27 promise grants under this act is not sufficient to pay each



1 eligible student the amount required under this section for the  
2 academic year, the department shall adjust the Michigan promise  
3 grant amounts paid under this section by prorating the amounts as  
4 necessary to reflect the available resources and amounts  
5 appropriated in that fiscal year. The department 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 implementing a proration under this subsection.

9       Sec. 7. (1) The department shall determine the manner and form  
10 of application to receive a Michigan promise grant under section 5  
11 or a grant installment under section 6.

12       (2) A student shall include a written certification to the  
13 department in his or her application to receive a Michigan promise  
14 grant under section 5 that contains both of the following:

15       (a) His or her certification that he or she was awarded an  
16 associate's degree or a 2-year certificate of completion in a  
17 vocational education program, completed a comparable vocational  
18 training program approved by the department, or completed 50% or  
19 more of the academic requirements in a bachelor's degree program at  
20 an approved postsecondary educational institution.

21       (b) The name of the approved postsecondary educational  
22 institution at which the student was awarded the associate's degree  
23 or 2-year certificate of completion in a vocational education  
24 program, completed the comparable vocational training program  
25 approved by the department, or completed 50% or more of the  
26 academic requirements in a bachelor's degree program and the name  
27 of any other approved postsecondary educational institution the

1 student attended if credits from that institution were transferred  
2 to and considered by the approved postsecondary educational  
3 institution in determining whether to award the student the  
4 associate's degree or 2-year certificate of completion in a  
5 vocational training program, whether the student had completed a  
6 comparable vocational education program, or whether the student had  
7 completed 50% or more of the academic requirements for the award of  
8 a bachelor's degree.

9 (3) A student shall include a written certification to the  
10 department in his or her application to receive a Michigan promise  
11 grant installment payment under section 6 that contains both of the  
12 following:

13 (a) His or her certification that he or she meets the  
14 requirements of section 4(3)(c)(ii).

15 (b) His or her certification that he or she is enrolled in an  
16 approved postsecondary educational institution and the name of the  
17 approved postsecondary educational institution.

18 (4) An approved postsecondary educational institution shall  
19 not consider a Michigan promise grant in determining a student's  
20 eligibility for a financial aid program administered by this state.  
21 It is the intent of the legislature that an approved postsecondary  
22 educational institution does not reduce other institutionally  
23 funded student aid for which a student is eligible because of the  
24 student's receipt of or eligibility for a Michigan promise grant.

25 Sec. 8. (1) The department shall pay a Michigan promise grant  
26 under section 5 or a grant installment under section 6 to an  
27 approved postsecondary educational institution on the student's

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1   behalf, according to a payment procedure established by the  
2   department.

3           (2) An approved postsecondary educational institution shall  
4   apply money received under subsection (1) on a student's behalf to  
5   the student's outstanding indebtedness, if any, and [pay the remaining  
6   balance as follows:

      (a) Unless subdivision (b) applies, to the student.

      (b) If the money received by the institution under this subsection  
is a grant installment under section 6(2)(a) or (b) and the student  
elects to leave an approved postsecondary educational institution without  
completing the classes in which he or she enrolled, to the department.  
The student has no further right to any money returned to the department  
under this subdivision.

      (3) Subsection (2)] shall not be  
7   considered as creating an obligation on the part of an approved  
8   postsecondary educational institution to loan or advance money to a  
9   student for the payment of tuition, fees, or other costs or  
10   expenses incurred by the student at that institution.

11           [(4)] The department may promulgate rules to implement and  
12   administer this act, including, but not limited to, 1 or more of  
13   the following:

14           (a) Rules establishing the department's administrative  
15   procedures for the Michigan promise grant program.

16           (b) Rules governing the qualification requirements for or the  
17   award of Michigan promise grants under this act.

18           (c) Rules establishing an appeals process from a determination  
19   of ineligibility for a Michigan promise grant.

20           (d) Rules establishing what information or reports a student  
21   or an approved postsecondary educational institution must provide  
22   to establish eligibility and when that information or those reports  
23   must be provided.

24           (e) Rules prescribing the reports to be made by a student  
25   awarded a Michigan promise grant and by an approved postsecondary

26 educational institution to which a Michigan promise grant is paid.

27 Enacting section 1. The Michigan merit award scholarship act,

- 1 1999 PA 94, MCL 390.1451 to 390.1459, is repealed effective
- 2 September 30, 2017.