

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4001

A bill to establish an undergraduate tuition grant program for children of certain deceased or disabled members of the armed forces of the United States; to provide for the administration of the tuition grant program; to prescribe certain powers and duties of certain state officers, agencies, and departments; 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 "children of veterans tuition grant act".

3       Sec. 2. As used in this act:

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

6       (b) "Authority" means the Michigan higher education assistance  
7 authority created by 1960 PA 77, MCL 390.951 to 390.961.

1 (c) "Eligible institution" means a degree or certificate  
2 granting public or independent nonprofit college or university,  
3 junior college, or community college in this state.

4 (d) "Eligible tuition" means the tuition charged by an  
5 eligible institution for an undergraduate class.

6 (e) "Full-time student" means a student enrolled in at least  
7 12 credit hours in an academic semester or its equivalent number of  
8 credit hours in a term or quarter, as determined by the authority.

9 (f) "Michigan veteran" means an individual whose legal  
10 residence immediately before entering military service was in this  
11 state and who does not later reside outside of this state for a  
12 period of more than 2 years, or an individual who establishes legal  
13 residency in this state after entering military service.

14 (g) "Part-time student" means a student who is not a full-time  
15 student, but is enrolled in at least the number of credit hours in  
16 a semester, term, or quarter that the authority defines as a 1/2-  
17 time course of study.

18 (h) "Undergraduate class" means a class or course that  
19 provides a student with academic credit applicable toward a  
20 bachelor or associate degree from an eligible institution.

21 Sec. 3. The children of veterans tuition grant program is  
22 created, to be administered by the authority. The authority shall  
23 do all of the following:

24 (a) Provide tuition grants to eligible students under this  
25 act.

26 (b) Establish an application form and application timetable  
27 for eligible students to apply for tuition grants under this act.

1 (c) Within 120 days after the effective date of this act,  
2 notify recipients of benefits under 1935 PA 245, MCL 35.111 to  
3 35.112, of the repeal of that act and the availability of tuition  
4 grants under this act.

5 (d) Promulgate rules to implement and administer this act  
6 under the administrative procedures act of 1969, 1969 PA 306, MCL  
7 24.201 to 24.328. The rules may include additional standards of  
8 eligibility for students to receive tuition grants under this act.

9 Sec. 4. (1) Subject to subsection (3), beginning in the 2005-  
10 2006 academic year, the authority shall provide a tuition grant in  
11 an amount determined under subsection (2) to any student who meets  
12 all of the following requirements:

13 (a) Is enrolled in that academic year as a full-time or part-  
14 time student in undergraduate classes at an eligible institution.

15 (b) Is a United States citizen or permanent resident of the  
16 United States.

17 (c) Is more than 16 and less than 26 years of age.

18 (d) Is the natural or adopted child of a Michigan veteran and  
19 the Michigan veteran meets or met any of the following:

20 (i) He or she was killed in action or died from another cause  
21 while serving in a war or war condition in which the United States  
22 was or is a participant.

23 (ii) The United States department of veterans affairs has  
24 determined that he or she died or is totally and permanently  
25 disabled as a result of a service-connected illness or injury.

26 (iii) The United States department of veterans affairs has  
27 determined he or she was permanently and totally disabled as a

1 result of a service-connected illness or injury before death, and  
2 he or she died from any cause.

3 (iv) He or she is officially listed by the United States  
4 government as missing in action in a foreign country.

5 (e) Has resided continuously in this state for the 12 months  
6 immediately preceding the date of his or her application and is not  
7 a resident of any other state.

8 (f) Has maintained a cumulative grade point average of at  
9 least 2.25 in any undergraduate classes he or she completed at any  
10 eligible institution in any previous academic years.

11 (g) Is in compliance with this act and the rules promulgated  
12 under this act.

13 (h) Has not been convicted of a felony involving an assault,  
14 physical injury, or death.

15 (i) Meets any other standards established in rules promulgated  
16 by the authority under section 3.

17 (2) Subject to subsection (3), the amount of a tuition grant  
18 described in subsection (1) in an academic year for a full-time  
19 student is \$2,800.00, or an amount equal to all of the student's  
20 eligible tuition in that academic year, whichever is less. The  
21 amount of the tuition grant for a part-time student is 1/2 of the  
22 amount of a full-time student as determined by the authority. The  
23 authority may reduce the amount of the tuition grants in any  
24 academic year on a pro rata basis to reflect the amount then  
25 available for the tuition grant program, but only after providing  
26 notice to the legislature under section 6(2).

27 (3) If a student receives tuition waiver assistance in the

1 2005-2006 academic year under the tuition waiver program provided  
2 in 1935 PA 245, MCL 35.111 to 35.112, is a person described in  
3 section 1(3) of 1935 PA 245, MCL 35.111, and meets the eligibility  
4 requirements of this act, the amount of the tuition grant under  
5 this act for that student in the 2005-2006 academic year shall be  
6 reduced by the amount of tuition waiver assistance that student  
7 received under 1935 PA 245.

8 (4) An individual shall not receive tuition grant assistance  
9 under this act or tuition waiver assistance under 1935 PA 245, MCL  
10 35.111 to 35.112, or both, in more than 4 academic years.

11 Sec. 5. (1) The department of treasury shall establish and  
12 administer a restricted account in the general fund for the  
13 children of veterans tuition grant program. The department of  
14 treasury shall credit to the account money appropriated or received  
15 from any source, including, but not limited to, amounts  
16 appropriated under section 437 of the income tax act of 1967, 1967  
17 PA 281, MCL 206.437, and earnings on the account. The department of  
18 treasury shall use the money in the account only to provide money  
19 to the authority for tuition grants under this act.

20 (2) Money in the account described in subsection (1) at the  
21 end of a fiscal year shall not revert to the general fund but shall  
22 be carried over in the account to the next fiscal year.

23 Sec. 6. (1) By December 1 of each year, the authority shall  
24 annually submit a report to the state budget director, the house  
25 and senate appropriation subcommittees on higher education and  
26 community colleges, and the house and senate fiscal agencies for  
27 the preceding fiscal year on the children of veterans tuition grant

1 program. The report shall include, but is not limited to, the total  
2 number of tuition grants paid by the authority in the preceding  
3 fiscal year, the total dollar amount of those tuition grants, and  
4 the number of students receiving grants and the total amount of  
5 those grants at each eligible institution.

6 (2) In any academic year, if the authority estimates that  
7 insufficient money will be available in that academic year from the  
8 account established in section 5 to pay a maximum grant under  
9 section 4(2) for a full-time student of \$2,800.00, the authority  
10 shall immediately report to the house and senate appropriations  
11 subcommittees on higher education and community colleges, the house  
12 and senate fiscal agencies, and the state budget director,  
13 regarding the estimated amount of additional money necessary to  
14 fund scholarships for all eligible students in that academic year  
15 at the maximum grant amounts under section 4(2).

16 Enacting section 1. 1935 PA 245, MCL 35.111 to 35.112, is  
17 repealed effective January 1, 2006.

18 Enacting section 2. This act does not take effect unless all  
19 of the following bills of the 93rd Legislature are enacted into  
20 law:

21 (a) House Bill No. 4002.

22 (b) House Bill No. 5091.