

HOUSE BILL No. 5232

September 27, 2005, Introduced by Rep. Caswell and referred to the Committee on Higher Education and Career Preparation.

A bill to amend 1999 PA 94, entitled
"Michigan merit award scholarship act,"
by amending section 8 (MCL 390.1458), as amended by 2004 PA 595.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Michigan merit award scholarship money shall be
2 used only to pay for eligible costs.

3 (2) The board shall determine the manner and form of
4 application for payment of a Michigan merit award scholarship by a
5 student eligible under this act and the procedure for payment to
6 ~~the student or to~~ an approved postsecondary educational
7 institution on the student's behalf, subject to 1 of the following,
8 as applicable:

9 (a) As determined by the board, upon the request of a student

1 or parent or legal guardian of a minor student, the board may pay a
2 Michigan merit award scholarship in 2 consecutive annual
3 installments rather than 1 lump sum for a student who graduates
4 from high school or passes the general educational development
5 (GED) test or approved graduate equivalency examination before
6 March 1, 2003.

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

18 (c) For each student who graduates from high school or passes
19 the general educational development (GED) test or approved graduate
20 equivalency examination on or after March 1, 2004, the board shall
21 pay a Michigan merit award scholarship in 2 consecutive annual
22 installments, beginning in the state fiscal year that begins after
23 the beginning of the academic year for which the student is
24 otherwise eligible. The first installment shall not exceed 50% of
25 the award amount, and the second installment shall consist of the
26 remaining award amount. Verification that the student has met the
27 enrollment criteria under section 7b(1)(c) is required before

1 payment of the second installment.

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

9 (4) Before payment of a Michigan merit award scholarship to ~~a~~
10 ~~student or~~ an approved postsecondary educational institution **ON**
11 **BEHALF OF A STUDENT**, the student shall certify or affirm in writing
12 to the board each of the following:

13 (a) That the student is enrolled at an approved postsecondary
14 educational institution.

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

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

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

21 (e) That the student graduated from high school or passed the
22 general educational development (GED) test or approved graduate
23 equivalency examination within 1 of 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 period
26 preceding the date of the student's application to receive his or
27 her Michigan merit award scholarship.

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

(5) The board shall not begin disbursing funds for a Michigan merit award scholarship to ~~a student or~~ an approved postsecondary educational institution on behalf of ~~the~~ **A** student unless it receives the request or application for payment, including the written certification or affirmation described in this section, from the student on or before 1 of the following dates, for disbursement in that academic year:

(a) In the 2002-2003 academic year, January 15.

(b) In the 2003-2004 academic year, September 15 if the student received notification of eligibility prior to August 1.

(c) In the 2003-2004 academic year, November 15 if the student received notification of eligibility on or after August 1.

(d) In the 2004-2005 academic year, December 15.

(e) In any other academic year, November 15.

(6) THE BOARD SHALL PAY ALL MICHIGAN MERIT AWARD SCHOLARSHIP MONEY AWARDED UNDER THIS ACT TO THE APPROVED POSTSECONDARY

1 EDUCATIONAL INSTITUTION IN WHICH THE ELIGIBLE STUDENT IS ENROLLED.
2 THE EDUCATIONAL INSTITUTION SHALL DEPOSIT THE MONEY IN AN ACCOUNT
3 FOR THE BENEFIT OF THE STUDENT AND DISBURSE MONEY FROM THE ACCOUNT
4 FOR PAYMENT OF ELIGIBLE COSTS.

5 (7) IF A STUDENT ELECTS TO LEAVE AN APPROVED POSTSECONDARY
6 EDUCATIONAL INSTITUTION WITHOUT COMPLETING THE CLASSES IN WHICH HE
7 OR SHE ENROLLED, THE APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION
8 SHALL RETURN ANY MONEY REMAINING IN THE STUDENT'S ACCOUNT DESCRIBED
9 IN SUBSECTION (5) TO THE DEPARTMENT OF TREASURY. THE DEPARTMENT
10 SHALL DEPOSIT THE MONEY RETURNED FROM THE STUDENT'S ACCOUNT INTO AN
11 ACCOUNT IN THE STATE TREASURY FOR THE STUDENT. ANY MONEY REMAINING
12 IN AN ACCOUNT FOR 5 YEARS SHALL ESCHEAT TO THE STATE.