

SUBSTITUTE FOR
HOUSE BILL NO. 6650

A bill to amend 2006 PA 479, entitled
"Michigan promise grant act,"
by amending section 8 (MCL 390.1628), as amended by 2007 PA 42.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) The department shall disburse Michigan promise
2 grant money to an approved postsecondary institution on the
3 student's behalf, **TO A LOCAL PROMISE ZONE AUTHORITY UNDER**
4 **SUBSECTION (4), OR TO A COMMUNITY FOUNDATION,** in the following
5 state fiscal years, according to a payment procedure established by
6 the department:

7 (a) For a Michigan promise grant under section 5 or a Michigan
8 promise grant installment under section 6(2)(c), in the state
9 fiscal year that begins on the first October 1 following the end of
10 the academic year in which the student is eligible for that grant
11 or installment.

1 (b) For a Michigan promise grant installment under section
2 6(2)(a) or (b) or a Michigan promise grant under section 6(3), in
3 the state fiscal year that begins on October 1 in the academic year
4 in which the student is eligible for that installment or grant.

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

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

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

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

21 (4) A STUDENT WHO QUALIFIES FOR A MICHIGAN PROMISE GRANT UNDER
22 SECTION 5, OR WHO QUALIFIES FOR A MICHIGAN PROMISE GRANT
23 INSTALLMENT UNDER SECTION 6(2)(C), MAY ASSIGN THE PROCEEDS OF THAT
24 GRANT OR GRANT INSTALLMENT TO A LOCAL PROMISE ZONE AUTHORITY OR TO
25 A COMMUNITY FOUNDATION. THE AMOUNT OF THE ASSIGNMENT SHALL NOT
26 EXCEED THE AMOUNT THAT THE COMMUNITY FOUNDATION OR LOCAL PROMISE
27 ZONE AUTHORITY HAS PAID ON BEHALF OF THE STUDENT. THE DEPARTMENT

1 SHALL DETERMINE THE MANNER AND FORM OF AN ASSIGNMENT UNDER THIS
2 SUBSECTION. IF THE DEPARTMENT RECEIVES AN ASSIGNMENT THAT COMPLIES
3 WITH THIS SUBSECTION, IT SHALL DISBURSE THE STUDENT'S MICHIGAN
4 PROMISE GRANT MONEY TO THE LOCAL PROMISE ZONE AUTHORITY OR
5 COMMUNITY FOUNDATION, AND NOT TO AN APPROVED POSTSECONDARY
6 INSTITUTION ON THE STUDENT'S BEHALF.

7 (5) ~~(4)~~—The department may promulgate rules to implement and
8 administer this act, including, but not limited to, 1 or more of
9 the following:

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

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

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

16 (d) Rules establishing what information or reports a student
17 or an approved postsecondary educational institution must provide
18 to establish eligibility and when that information or those reports
19 must be provided.

20 (e) Rules prescribing the reports to be made by a student
21 awarded a Michigan promise grant and by an approved postsecondary
22 educational institution to which a Michigan promise grant is paid.

23 (6) AS USED IN THIS SECTION:

24 (A) "COMMUNITY FOUNDATION" MEANS THAT TERM AS DEFINED IN
25 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281, MCL
26 206.261.

27 (B) "LOCAL PROMISE ZONE AUTHORITY" MEANS A PROMISE ZONE

1 **AUTHORITY CREATED UNDER THE MICHIGAN PROMISE ZONE ACT.**

2 Enacting section 1. This amendatory act does not take effect
3 unless Senate Bill No. 861 or House Bill No. 5375 of the 94th
4 Legislature is enacted into law.