

HOUSE BILL No. 4096

January 23, 2007, Introduced by Reps. Vagnozzi, Byrnes, Gonzales, Constan, Lemmons, Cushingberry and Clack and referred to the Committee on Education.

A bill to create the Michigan opportunity scholarship program; to provide for the powers and duties of certain state governmental 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 opportunity scholarship act".

3 Sec. 2. As used in this act:

4 (a) Except as used in section 6, "academic year" means 2
5 semesters or 3 terms of enrollment at an approved postsecondary
6 educational institution.

7 (b) "Approved postsecondary educational institution" means a
8 degree or certificate granting public or independent nonprofit
9 college or university, junior college, or community college in this
10 state.

1 (c) "Assessment test" means the Michigan education assessment
2 program (MEAP) subject area assessments or any successor assessment
3 test approved by the state board.

4 (d) "Authority" means the Michigan higher education assistance
5 authority created by 1960 PA 77, MCL 390.951 to 390.961.

6 (e) "Eligible costs" means tuition and fees charged by an
7 approved postsecondary educational institution; related costs for
8 room, board, books, and supplies; and other costs determined by the
9 authority.

10 (f) "FAFSA" means the free application for federal student aid
11 developed under section 432(m)(1)(c) of part B of title IV of the
12 higher education act of 1965, 20 USC 1082.

13 (g) "Fiscal year" means the fiscal year of this state.

14 (h) "Michigan opportunity scholarship" means a scholarship
15 awarded by the authority under section 3.

16 (i) "State board" means the state board of education.

17 Sec. 3. (1) To increase access to postsecondary education for
18 Michigan high school graduates who need financial assistance, the
19 Michigan opportunity scholarship program is established. The
20 authority shall administer the Michigan opportunity scholarship
21 program.

22 (2) Subject to the conditions and requirements contained in
23 this act, each student enrolled in grade 12 in or after the 2006-
24 2007 school year is eligible for the award of a Michigan
25 opportunity scholarship in an academic year if the authority finds
26 that the student meets all of the following requirements:

27 (a) The student is a United States citizen, has resided

1 continuously in this state for the preceding 12 months, is not
2 considered a resident of any other state, and is not incarcerated.

3 (b) The student graduated from high school or passed the
4 general educational development (GED) test or other graduate
5 equivalency examination approved by the state board within the 4-
6 year period preceding the date of the student's application to
7 receive his or her Michigan opportunity scholarship money. If the
8 student becomes a member of the United States armed forces or peace
9 corps during this 4-year period and serves for 4 years or less, the
10 4-year period is extended by a period equal to the number of days
11 the student served as a member of the United States armed forces or
12 peace corps. The authority may also extend the 4-year period if the
13 authority determines that an extension is warranted because of an
14 illness, disability, or other family emergency of the student or in
15 the student's immediate family.

16 (c) The student took the assessment test in the subject areas
17 of reading, writing, mathematics, and science while in high school.

18 (d) The student is enrolled in an approved postsecondary
19 educational institution.

20 (e) The student has a need for financial assistance as
21 determined by the authority.

22 (f) The student is not a recipient of a scholarship awarded
23 under 1964 PA 208, MCL 390.971 to 390.981, or a tuition grant
24 awarded under 1966 PA 313, MCL 390.991 to 390.997a.

25 (g) If the student has previously received a Michigan
26 opportunity scholarship, the student has maintained satisfactory
27 academic progress, as defined by the approved postsecondary

1 educational institution in which the student is enrolled, since
2 receiving the previous Michigan opportunity scholarship.

3 (h) The student meets any additional eligibility requirements
4 established by the authority.

5 Sec. 4. All of the following apply to the award of a Michigan
6 opportunity scholarship under this act:

7 (a) The authority shall determine the amount of a Michigan
8 opportunity scholarship paid to a student in any academic year,
9 based on an evaluation of the family's financial resources
10 described in the FAFSA and the eligible costs at the approved
11 postsecondary institution in which the student is enrolled.

12 (b) A student attending an approved postsecondary educational
13 institution as a full-time student may not receive a Michigan
14 opportunity scholarship under this act in more than 5 academic
15 years. The authority shall determine the number of academic years a
16 student who is not attending an approved postsecondary educational
17 institution as a full-time student but is attending at least half-
18 time for which the student may receive a Michigan opportunity
19 scholarship. A student attending an approved postsecondary
20 educational institution less than half-time may not receive a
21 Michigan opportunity scholarship.

22 (c) A student must maintain satisfactory academic progress, as
23 defined by the approved postsecondary educational institution in
24 which the student is enrolled, and comply with any rules
25 promulgated by the authority to remain eligible for a Michigan
26 opportunity scholarship.

27 (d) A student may use a Michigan opportunity scholarship only

1 to pay for eligible costs. The authority shall determine the
2 process for payment of a Michigan opportunity scholarship on behalf
3 of a student eligible under this act.

4 (e) The annual cost of the total number of scholarships paid
5 in a fiscal year shall not exceed the amount appropriated by the
6 legislature for the Michigan opportunity scholarship in that fiscal
7 year. If there are not sufficient funds appropriated by the
8 legislature to provide each student with a scholarship in the
9 amount to which those students are eligible in an academic year,
10 the authority shall establish a maximum scholarship level for that
11 academic year. In any fiscal year, the authority may adjust the
12 amount of a Michigan opportunity scholarship available to eligible
13 students, based upon its determination of available resources and
14 amounts appropriated.

15 Sec. 5. If the legislature appropriates money in a fiscal year
16 for the Michigan opportunity scholarship program, the authority
17 shall use the funds for any of the following purposes:

18 (a) Michigan opportunity scholarships under this act.

19 (b) Funding scholarships to students who received a state
20 competitive scholarship in 2006-2007 under 1964 PA 208, MCL 390.971
21 to 390.981, and who meet the eligibility requirements contained in
22 that act at the time a scholarship is provided under this
23 subdivision.

24 (c) Funding grants to students who received a tuition grant in
25 2006-2007 under 1966 PA 313, MCL 390.991 to 390.997a, and who meet
26 the eligibility requirements contained in that act at the time a
27 tuition grant is provided under this subdivision.

1 (d) Payment of necessary expenses properly incurred by the
2 authority in carrying out its powers and duties under this act.

3 (e) Other payments required by law.

4 Sec. 6. The authority shall pay a Michigan opportunity
5 scholarship in the fiscal year that begins October 1 in the
6 academic year in which the student is eligible for the scholarship.
7 As used in this section, "academic year" means a 12-month period
8 that begins on August 1 and ends on the following July 31. The
9 legislature shall annually establish the payment schedule.

10 Sec. 7. The authority shall provide each student written
11 notice of whether or not the student is eligible for the award of a
12 Michigan opportunity scholarship under this act. If a student is
13 eligible, the written notice shall also contain the Michigan
14 opportunity scholarship amount for which the student is eligible,
15 how the student applies for payment of the Michigan opportunity
16 scholarship, and any other information the authority considers
17 necessary regarding qualification requirements or conditions
18 relating to the use of the Michigan opportunity scholarship.

19 Sec. 8. By March 1 of each year, the authority shall submit a
20 report on its activities under this act to the senate and house
21 fiscal agencies and the state budget director. The report shall
22 contain at least all of the following information:

23 (a) The number of Michigan opportunity scholarships awarded,
24 the maximum amount of a Michigan opportunity scholarship paid, and
25 the total amount paid out for Michigan opportunity scholarships in
26 the immediately preceding fiscal year.

27 (b) The number of state competitive scholarships awarded under

1 1964 PA 208, MCL 390.971 to 390.981, the maximum amount of a state
2 competitive scholarship paid, and the total amount paid out for
3 state competitive scholarships in the immediately preceding fiscal
4 year.

5 (c) The number of state tuition grants awarded under 1966 PA
6 313, MCL 390.991 to 390.997a, the maximum amount of a state tuition
7 grant, and the total amount paid out for state tuition grants in
8 the immediately preceding fiscal year.

9 Enacting section 1. Each of the following acts is repealed
10 effective October 1, 2007:

11 (a) 1964 PA 208, MCL 390.971 to 390.981.

12 (b) 1966 PA 313, MCL 390.991 to 390.997a.

13 (c) 1974 PA 75, MCL 390.1021 to 390.1027.

14 (d) 1986 PA 102, MCL 390.1281 to 390.1288.

15 (e) 1986 PA 273, MCL 390.1401 to 390.1409.

16 (f) 1986 PA 288, MCL 390.1371 to 390.1382.

17 (g) 1986 PA 303, MCL 390.1321 to 390.1332.

18 (h) 1990 PA 195, MCL 390.1531 to 390.1532.