

HOUSE BILL No. 6673

November 19, 2008, Introduced by Rep. Alma Smith and referred to the Committee on Tax Policy.

A bill to amend 1964 PA 208, entitled

"An act to grant scholarships to students enrolled in postsecondary education institutions; and to provide for the administration of the scholarship program,"

by amending sections 4, 5, 6, 10, and 11 (MCL 390.974, 390.975, 390.976, 390.980, and 390.981), sections 4 and 5 as amended by 1986 PA 270 and section 6 as amended by 1980 PA 500; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) ~~An~~**SUBJECT TO SUBSECTIONS (3) AND (4), AN**
2 applicant is eligible for the award of a first-year scholarship if
3 the authority finds that the applicant **MEETS ALL OF THE FOLLOWING:**

4 (a) Has resided continuously in this state for the preceding
5 12 months and is not considered a resident of any other state.

6 (b) Has graduated from a high school, or is a student in good

1 standing in a high school who will graduate at the end of the
2 academic year, or an individual who has passed a graduate
3 equivalency examination approved by the state board of education,
4 or, if not a high school graduate, is recommended favorably by an
5 appropriate educational institution as defined in rules promulgated
6 by the authority.

7 (c) Except for the applicant for a graduate scholarship, based
8 upon the state competitive scholarship examination, the applicant
9 shows promise of satisfactorily completing a course of study at an
10 approved postsecondary institution of the applicant's choice in
11 this state. For an applicant for a graduate scholarship, the
12 authority shall determine the examination standards for
13 eligibility.

14 (d) Has complied with this act and the rules promulgated under
15 this act by the authority.

16 ~~—— (e) Is not incarcerated in a corrections institution.~~

17 (2) ~~An~~ **SUBJECT TO SUBSECTIONS (3) AND (4),** AN applicant who
18 the authority determines is eligible for award of a scholarship
19 under this act shall complete using the scholarship within 10 years
20 after his or her eligibility is determined.

21 (3) **THE AUTHORITY SHALL NOT PROVIDE SCHOLARSHIPS UNDER THIS**
22 **ACT IN THE 2007-2008 ACADEMIC YEAR OR ANY SUBSEQUENT ACADEMIC YEAR.**

23 (4) **IF A STUDENT WAS AWARDED A SCHOLARSHIP UNDER THIS ACT**
24 **BEFORE THE 2007-2008 ACADEMIC YEAR, THE AUTHORITY SHALL NOT PAY THE**
25 **AMOUNT OF THE SCHOLARSHIP OR ANY REMAINING UNPAID BALANCE OF THE**
26 **SCHOLARSHIP TO THE STUDENT AFTER SEPTEMBER 15, 2007.**

27 (5) **BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**

1 ADDED THIS SUBSECTION, THE AUTHORITY SHALL NOTIFY EACH NEW
2 SCHOLARSHIP RECIPIENT, EACH EXISTING SCHOLARSHIP RECIPIENT WHO HAS
3 NOT RECEIVED ALL OF HIS OR HER SCHOLARSHIP MONEY, AND EACH APPROVED
4 INSTITUTION OF THE PENDING REPEAL OF THIS ACT AND THE TIMETABLES
5 DESCRIBED IN SUBSECTIONS (3) AND (4).

6 (6) AS USED IN THIS ACT, "ACADEMIC YEAR" MEANS THE PERIOD FROM
7 AUGUST 1 OF A CALENDAR YEAR TO JULY 31 OF THE NEXT CALENDAR YEAR.

8 Sec. 5. (1) There shall be awarded for each academic year
9 BEFORE THE 2007-2008 ACADEMIC YEAR the number of first-year
10 scholarships that may be financed through available money. Of this
11 number not less than 3 scholarships shall be awarded to residents
12 of each legislative district, and the balance of the scholarships
13 shall be awarded to residents of the state at large.

14 (2) Each scholarship described in subsection (1) shall be
15 renewed by the authority upon application of the student awarded
16 the first-year scholarship without further examination if the
17 applicant remains eligible under sections 4 and 6 and is in
18 compliance with rules promulgated by the authority.

19 (3) A scholarship may be renewed for not more than 10
20 semesters or its equivalent in trimesters or quarters of
21 undergraduate education, or the equivalent as determined by the
22 authority for less than full-time but more than half-time students.

23 (4) Beginning after October 1, 1988, a scholarship may be
24 awarded for not more than 6 semesters or its equivalent in
25 trimesters, quarters or terms of graduate education, or the
26 equivalent as determined by the authority for less than full-time
27 but more than half-time students. Money shall not be appropriated

1 for purposes of this subsection for any fiscal year unless the
2 amount appropriated under this act for that fiscal year for state
3 competitive scholarships for undergraduate education equals or
4 exceeds the amount appropriated for the state competitive
5 scholarship program for the fiscal year ending September 30, 1987.

6 (5) A residual scholarship shall be awarded to a qualifying
7 applicant who does not receive an initial scholarship award, but
8 who may be eligible for an award later in the year or during an
9 academic year when initial recipients relinquish their scholarship
10 awards.

11 (6) **SCHOLARSHIPS, RENEWAL SCHOLARSHIPS, AND RESIDUAL**
12 **SCHOLARSHIPS UNDER THIS SECTION ARE SUBJECT TO THE RESTRICTIONS**
13 **DESCRIBED IN SECTION 4(3) AND (4).**

14 Sec. 6. (1) Each first-year scholarship is for a period of 1
15 academic year and the scholarship award shall not exceed the amount
16 of tuition and fees for the full academic year as reported by the
17 approved institution in which the applicant is enrolled, or an
18 amount as the authority finds appropriate in relation to the
19 applicant's own financial resources other than wages that may be
20 due the applicant for part-time work performed by the applicant
21 during the academic year, whichever is the lesser. For the purposes
22 of determining the dollar amount of the scholarship, the financial
23 resources of the applicant shall include the cash or equivalent
24 resources of the applicant's parents available for the
25 postsecondary education of the applicant, and allowance shall be
26 made for other members of the applicant's family enrolled in an
27 approved institution of postsecondary education, pursuant to rules

1 adopted by the authority. If the amount of appropriated funds is
2 insufficient to provide each student with the scholarship amount
3 for which the student is eligible, the authority shall establish a
4 maximum scholarship level for that academic year. Renewal
5 scholarships shall not be less than the initial first-year
6 scholarship awards unless predicated by changes in student or
7 family financial resources.

8 **(2) SCHOLARSHIPS AND RENEWAL SCHOLARSHIPS UNDER THIS SECTION**
9 **ARE SUBJECT TO THE RESTRICTIONS DESCRIBED IN SECTION 4(3) AND (4).**

10 Sec. 10. (1) The authority may accept gifts, grants, bequests,
11 donations and devises, from whatever sources, of real, personal or
12 mixed property and moneys for the purposes described in this act.
13 The authority shall prepare an annual report of all gifts, grants,
14 bequests, donations and devises for the governor and the
15 legislature.

16 **(2) ON SEPTEMBER 30, 2007, ANY RESTRICTED FUNDS OR OTHER MONEY**
17 **HELD BY THE AUTHORITY FOR PURPOSES OF THIS ACT SHALL REVERT TO THE**
18 **GENERAL FUND.**

19 Sec. 11. (1) Four scholarships shall be allotted to each class
20 "A" high school, 3 to each class "B" high school, 2 to each class
21 "C" high school, and 1 to each class "D" high school. Scholarships
22 allotted to a high school shall be awarded to those students having
23 the highest competitive examination score and otherwise meeting all
24 eligibility requirements of this act, including that of
25 demonstrating financial need. The awarding of scholarships through
26 this procedure shall be implemented only after sufficient
27 additional funds are appropriated so as to not displace any student

1 eligible for an award through the other awarding procedures
2 established by this act.

3 (2) The remaining scholarships shall be awarded on a
4 statewide, competitive basis.

5 (3) SCHOLARSHIPS AWARDED UNDER THIS SECTION ARE SUBJECT TO THE
6 RESTRICTIONS DESCRIBED IN SECTION 4(3) AND (4).

7 Enacting section 1. 1964 PA 208, MCL 390.971 to 390.981, is
8 repealed effective October 1, 2007.

9 Enacting section 2. This amendatory act does not take effect
10 unless Senate Bill No. ____ or House Bill No. 6680(request no.
11 01102'07) of the 94th Legislature is enacted into law.