

SUBSTITUTE FOR
HOUSE BILL NO. 5135

A bill to amend 2008 PA 549, entitled
"Michigan promise zone authority act,"
by amending sections 7 and 15 (MCL 390.1667 and 390.1675).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) A promise zone authority created under section 5
2 shall prepare a promise zone development plan.

3 (2) ~~The~~ A promise zone development plan shall include, but is
4 not limited to, all of the following:

5 (a) A complete description of the proposed promise of
6 financial assistance. The proposed promise of financial assistance
7 shall include, but is not limited to, a promise of financial
8 assistance to all **ELIGIBLE** students residing within the promise
9 zone and who graduate from a public high school or nonpublic high

1 school located within that promise zone, **IN AN AMOUNT ESTABLISHED**
2 **BY THE BOARD TO REFLECT THE AMOUNT AVAILABLE FOR DISBURSEMENT TO**
3 **ELIGIBLE STUDENTS AND INCLUDED IN THE ANNUAL BUDGET UNDER SECTION**
4 15. The **AMOUNT OF** proposed promise of financial assistance shall,
5 at a minimum, ~~provide funding~~ **EQUAL OR EXCEED THE AMOUNT THE BOARD**
6 **DETERMINES IS** sufficient to ~~provide~~ **PAY FOR THE TUITION NECESSARY**
7 **FOR** an eligible student ~~the tuition necessary~~ to obtain an
8 associate degree or ~~its equivalent at~~ **A CERTIFICATE FROM** a
9 community or junior college in this state, ~~or combination of~~
10 ~~community or junior colleges in this state and, at most, provide~~
11 ~~funding sufficient to provide an eligible student the tuition~~
12 ~~necessary~~ **OR TO COMPLETE A VOCATIONAL PROGRAM, AND SHALL NOT EXCEED**
13 **THE AMOUNT THE BOARD DETERMINES IS SUFFICIENT TO PAY FOR THE**
14 **TUITION NECESSARY FOR AN ELIGIBLE STUDENT** to obtain a bachelor's
15 degree or its equivalent at a public postsecondary institution in
16 this state or combination of public postsecondary institutions in
17 this state, subject to any limitations authorized under this
18 section. The proposed promise of financial assistance may also, at
19 most, provide funding for an eligible student to attend a private
20 college in this state in an amount ~~not to~~ **THAT DOES NOT** exceed the
21 average tuition necessary to obtain a bachelor's degree at all
22 public universities in this state. The proposed promise of
23 financial assistance may also authorize the expenditure of funds
24 for educational improvement activities designed to increase
25 readiness for postsecondary education at public schools located in
26 the promise zone. **AS USED IN THIS SUBDIVISION, "VOCATIONAL PROGRAM"**
27 **MEANS AN EDUCATION OR TRAINING PROGRAM INTENDED TO TEACH A TRADE,**

1 OCCUPATION, OR VOCATION AND OFFERED BY A PUBLIC OR PRIVATE
2 POSTSECONDARY INSTITUTION IN THIS STATE.

3 (b) A complete description of any limitation on the promise of
4 financial assistance, ~~if~~ **INCLUDING, BUT NOT LIMITED TO, ANY OF**
5 **THE FOLLOWING:**

6 (i) **IF** the promise of financial assistance will be prorated
7 based on the number of years the student has resided within the
8 promise zone. ~~if~~

9 (ii) **IF** the promise of financial assistance will be restricted
10 to students who have resided within or attended a public high
11 school or nonpublic high school within the promise zone for a
12 minimum number of years. ~~if~~

13 (iii) **IF** the promise of financial assistance is predicated on
14 the student maintaining a minimum college grade point average and
15 carrying a minimum college credit hour classload. ~~or if~~

16 (iv) **IF** the promise of financial assistance is restricted to
17 attendance at 1 or more public or private postsecondary
18 institutions in this state.

19 (v) **IF THE PROMISE OF FINANCIAL ASSISTANCE IS LIMITED TO**
20 **STUDENTS WHOSE CUMULATIVE HIGH SCHOOL GRADE POINT AVERAGE EXCEEDS A**
21 **SPECIFIED MINIMUM. HOWEVER, A BOARD MAY REVISE, ESTABLISH, OR**
22 **ELIMINATE A HIGH SCHOOL GRADE POINT AVERAGE REQUIREMENT FOR**
23 **STUDENTS AFTER IT SUBMITS A PROMISE ZONE DEVELOPMENT PLAN TO THE**
24 **DEPARTMENT OF TREASURY AND IS NOT REQUIRED TO AMEND THE PLAN OR**
25 **OBTAIN APPROVAL FROM THE DEPARTMENT OF TREASURY FOR THAT CHANGE.**

26 (c) A requirement that graduates of a public high school or
27 nonpublic high school exhaust all other known and available

1 restricted grants for tuition and fees for postsecondary education
2 provided by a federal, state, or local governmental entity, as
3 determined by the board.

4 (d) How the funds necessary to accomplish the promise of
5 financial assistance will be raised. Any amount received under the
6 state school aid act of 1979, 1979 PA 94, MCL 388.1601 to ~~388.1772,~~
7 **388.1896**, shall not be included as a method of raising the
8 necessary funds. The promise zone development plan shall be
9 financed from 1 or more of the following sources:

10 (i) Donations.

11 (ii) Revenues.

12 (iii) Money obtained from other sources approved by the
13 governing body or otherwise authorized by law.

14 (e) An actuarial model of how much the proposed plan is
15 estimated to cost, based on actuarial formulas developed by the
16 department of treasury.

17 (3) The proposed promise of financial assistance under
18 subsection (2) shall not include funding for attendance at a public
19 or private postsecondary institution not located in this state.

20 (4) The board shall submit the promise zone development plan
21 to the department of treasury promptly after its adoption. The
22 promise zone development plan shall be published on the website of
23 the eligible entity that established the promise zone.

24 (5) The department of treasury shall review the promise zone
25 development plan submitted under subsection (4). Not more than 60
26 days after receipt of a promise zone development plan submitted
27 under subsection (4), the department of treasury shall either

1 approve the promise zone development plan or provide a written
2 notice of deficiencies. If the department of treasury does not
3 approve a promise zone development plan submitted under subsection
4 (4) or provide a written notice of deficiencies within 60 days, the
5 promise zone development plan shall be considered approved. If a
6 promise zone development plan is approved, the department of
7 treasury shall certify that the promise zone development plan meets
8 all requirements under this act and is sustainable.

9 (6) The department of treasury shall review any proposed
10 amendments to a promise zone development plan. Not more than 60
11 days after receipt of proposed amendments to a promise zone
12 development plan, the department of treasury shall either approve
13 the proposed amendments or provide a written notice of
14 deficiencies. If the department of treasury does not approve
15 proposed amendments or provide a written notice of deficiencies
16 within 60 days, the proposed amendments shall be considered
17 approved. If proposed amendments are approved, the department of
18 treasury shall certify that the amendments meet all requirements
19 under this act.

20 Sec. 15. (1) The director of the authority shall submit a
21 budget to the board for the operation of the authority for each
22 fiscal year before the beginning of the fiscal year. The budget
23 shall be prepared in the manner and contain the information
24 required of municipal departments. After review by the board, the
25 budget shall be submitted to the governing body. The governing body
26 must approve the budget before the board may adopt the budget.
27 Unless authorized by the governing body, funds of the eligible

1 entity shall not be included in the budget of the authority.

2 (2) THE BUDGET DESCRIBED IN SUBSECTION (1) SHALL INCLUDE THE
3 AMOUNT THE AUTHORITY INTENDS TO DISBURSE TO EACH ELIGIBLE STUDENT
4 IN THE FISCAL YEAR COVERED BY THE BUDGET. SUBJECT TO THE MAXIMUM
5 AMOUNTS DESCRIBED IN SECTION 7(2)(A), THE BOARD SHALL ESTABLISH THE
6 AMOUNT OF THE ANNUAL PAYMENT TO ELIGIBLE STUDENTS AND, IN MAKING
7 THAT DETERMINATION, SHALL CONSIDER THE FINANCIAL RESOURCES
8 AVAILABLE TO THE AUTHORITY FOR DISBURSEMENT TO THOSE STUDENTS.