

# HOUSE BILL No. 5135

October 27, 2011, Introduced by Reps. Hughes and Bumstead and referred to the Committee on Education.

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  
 10 school located within that promise zone, **IN AN AMOUNT ESTABLISHED**

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

23 (b) A complete description of any limitation on the promise of  
24 financial assistance, ~~if~~ INCLUDING, BUT NOT LIMITED TO, ANY OF  
25 THE FOLLOWING:

26 (i) IF the promise of financial assistance will be prorated  
27 based on the number of years the student has resided within the

1 promise zone. ~~if~~

2 (ii) IF the promise of financial assistance will be restricted  
3 to students who have resided within or attended a public high  
4 school or nonpublic high school within the promise zone for a  
5 minimum number of years. ~~if~~

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

9 (iv) IF the promise of financial assistance is restricted to  
10 attendance at 1 or more public or private postsecondary  
11 institutions in this state.

12 (v) IF THE PROMISE OF FINANCIAL ASSISTANCE IS LIMITED TO  
13 STUDENTS WHOSE CUMULATIVE HIGH SCHOOL GRADE POINT AVERAGE EXCEEDS A  
14 SPECIFIED MINIMUM. HOWEVER, A BOARD MAY REVISE, ESTABLISH, OR  
15 ELIMINATE A HIGH SCHOOL GRADE POINT AVERAGE REQUIREMENT FOR  
16 STUDENTS AFTER IT SUBMITS A PROMISE ZONE DEVELOPMENT PLAN TO THE  
17 DEPARTMENT OF TREASURY AND IS NOT REQUIRED TO AMEND THE PLAN OR  
18 OBTAIN APPROVAL FROM THE DEPARTMENT OF TREASURY FOR THAT CHANGE.

19 (c) A requirement that graduates of a public high school or  
20 nonpublic high school exhaust all other known and available  
21 restricted grants for tuition and fees for postsecondary education  
22 provided by a federal, state, or local governmental entity, as  
23 determined by the board.

24 (d) How the funds necessary to accomplish the promise of  
25 financial assistance will be raised. Any amount received under the  
26 state school aid act of 1979, 1979 PA 94, MCL 388.1601 to ~~388.1772,~~  
27 388.1896, shall not be included as a method of raising the

1 necessary funds. The promise zone development plan shall be  
2 financed from 1 or more of the following sources:

3 (i) Donations.

4 (ii) Revenues.

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

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

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

13 (4) The board shall submit the promise zone development plan  
14 to the department of treasury promptly after its adoption. The  
15 promise zone development plan shall be published on the website of  
16 the eligible entity that established the promise zone.

17 (5) The department of treasury shall review the promise zone  
18 development plan submitted under subsection (4). Not more than 60  
19 days after receipt of a promise zone development plan submitted  
20 under subsection (4), the department of treasury shall either  
21 approve the promise zone development plan or provide a written  
22 notice of deficiencies. If the department of treasury does not  
23 approve a promise zone development plan submitted under subsection  
24 (4) or provide a written notice of deficiencies within 60 days, the  
25 promise zone development plan shall be considered approved. If a  
26 promise zone development plan is approved, the department of  
27 treasury shall certify that the promise zone development plan meets

1 all requirements under this act and is sustainable.

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

13 Sec. 15. (1) The director of the authority shall submit a  
14 budget to the board for the operation of the authority for each  
15 fiscal year before the beginning of the fiscal year. The budget  
16 shall be prepared in the manner and contain the information  
17 required of municipal departments. After review by the board, the  
18 budget shall be submitted to the governing body. The governing body  
19 must approve the budget before the board may adopt the budget.  
20 Unless authorized by the governing body, funds of the eligible  
21 entity shall not be included in the budget of the authority.

22 (2) **THE BUDGET DESCRIBED IN SUBSECTION (1) SHALL INCLUDE THE**  
23 **AMOUNT THE AUTHORITY INTENDS TO DISBURSE TO EACH ELIGIBLE STUDENT**  
24 **IN THE FISCAL YEAR COVERED BY THE BUDGET. SUBJECT TO THE MAXIMUM**  
25 **AMOUNTS DESCRIBED IN SECTION 7(2) (A), THE BOARD SHALL ESTABLISH THE**  
26 **AMOUNT OF THE ANNUAL PAYMENT TO ELIGIBLE STUDENTS AND, IN MAKING**  
27 **THAT DETERMINATION, SHALL CONSIDER THE FINANCIAL RESOURCES**

1 AVAILABLE TO THE AUTHORITY FOR DISBURSEMENT TO THOSE STUDENTS.