

HOUSE BILL No. 6583

December 6, 2018, Introduced by Rep. Kelly and referred to the Committee on Appropriations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending sections 297c and 297k (MCL 388.1897c and 388.1897k),
as added by 2018 PA 227.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 297c. (1) From the appropriation in section 297, there is
2 allocated for 2017-2018 an amount not to exceed \$25,500,000.00 for
3 the Michigan talent pledge scholarship program administered by the
4 department of treasury.

5 (2) From the allocation in subsection (1), there is allocated
6 for 2017-2018 an amount not to exceed \$20,000,000.00 to be used for
7 the purpose of assisting low-income individuals with the cost of
8 obtaining a qualifying degree or credential in high-demand fields.

1 The funds must be used to fund scholarships and stipends for 3
2 cohorts of eligible individuals over 4 years. Awards shall be in
3 the following amounts:

4 (a) \$750.00 scholarship award for individuals enrolled in an
5 eligible program that leads to a 1-year credential, in addition to
6 a \$250.00 stipend paid to the individual.

7 (b) \$500.00 scholarship award each year for 2 years for
8 individuals enrolled in an eligible program that leads to a 2-year
9 credential, in addition to a \$250.00 stipend each year paid to the
10 individual.

11 (3) To be eligible for a scholarship grant under this section,
12 an individual shall meet all of the following:

13 (a) Except for an individual under the age of 18, possess a
14 high school diploma, recognized equivalency, or recognized
15 equivalency certificate.

16 (b) Be a resident of this state and a citizen of the United
17 States of America.

18 (c) File the free application for federal student aid (FAFSA),
19 annually.

20 (d) ~~Meet the same income qualification requirements as the~~
21 ~~Healthy Michigan plan under section 107 of the social welfare act,~~
22 ~~1939 PA 280, MCL 400.107, at the time of application.~~ **HAVE AN ANNUAL**
23 **INCOME AT THE TIME OF APPLICATION THAT IS AT OR BELOW 133% OF THE**
24 **FEDERAL POVERTY GUIDELINES PUBLISHED ANNUALLY BY THE UNITED STATES**
25 **DEPARTMENT OF HEALTH AND HUMAN SERVICES.**

26 (e) Be enrolled full-time in a qualifying program at an
27 eligible postsecondary institution.

1 (f) Apply for a grant in a form and manner prescribed by the
2 department of treasury.

3 (g) Maintain a cumulative grade point average of at least 2.5,
4 if the institution utilizes a standard grading model, or, if the
5 institution utilizes a competency-based grading model during his or
6 her time enrolled in an eligible postsecondary institution, make
7 sufficient progress through the curriculum to complete the program.

8 (h) Is between the ages of 16 and 45 at the time of
9 application.

10 (4) A postsecondary institution is eligible under this section
11 if the postsecondary institution is a public or private nonprofit
12 college or university, junior college, community college, or
13 private training provider that grants degrees or certificates and
14 is located in this state and provides proof, in a form and manner
15 prescribed by the department of treasury, in cooperation with the
16 department of talent and economic development, that it has
17 implemented a talent guarantee for the relevant qualifying program
18 under subsection (5). For the purposes of this subsection, "talent
19 guarantee" means a process by which the institution will provide
20 relevant training in the relevant field at no cost to a graduate
21 who successfully completes a qualifying program under subsection
22 (5), if the graduate is unable to find or keep a job in the
23 relevant field at a relevant level due to a lack of technical
24 skills. Institutions are encouraged to work with their local
25 Michigan works agencies to implement this guarantee.

26 (5) A program must meet all of the following to be a
27 qualifying program under this section:

1 (a) Completion of the program must result in a credential in a
2 qualifying high-demand field.

3 (b) The program is intended to be completed in no more than 1
4 year for an award under subsection (2) (a), or no more than 2 years
5 for an award under subsection (2) (b).

6 (c) The program utilizes a competency-based instructional
7 model.

8 (6) The department of treasury shall develop an application
9 and eligibility determination process that will provide the highest
10 level of participation and ensure that all requirements of the
11 program are met.

12 (7) The department of treasury shall provide payment on behalf
13 of an individual eligible under subsection (3) for the scholarship
14 award amounts described in subsection (2) (a) and (b). The
15 department of treasury shall reimburse the eligible postsecondary
16 institution. ~~no later than 30 days after the start of the fiscal~~
17 ~~year. Subject to subsection (8), the department of treasury shall~~
18 ~~only accept standard per-credit hour tuition billings and shall~~
19 ~~reject billings that are excessive or outside of the guidelines for~~
20 ~~the type of educational institution.~~ For the stipend amounts under
21 subsection (2) (a) and (b), the department of treasury shall
22 collaborate with eligible postsecondary institutions to ensure that
23 a prorated amount of the stipend is forwarded to the student
24 following each regular meeting with a coach, mentor, or counselor
25 as an incentive for the student to meet with the coach, mentor, or
26 counselor.

27 ~~— (8) For the department of treasury to pay a scholarship award~~

~~on behalf of an individual eligible under subsection (3), at least
1 of the following must apply:~~

~~—— (a) For individuals enrolled at a community college in this
state, the individual is charged the current in-district tuition
and mandatory fees.~~

~~—— (b) For individuals enrolled at a public university in this
state, the individual is charged the lower division resident
tuition and mandatory fees for the current year.~~

~~—— (c) For individuals enrolled at an independent, nonprofit
degree-granting college or university in this state or a federal
tribally controlled community college in this state, the mandatory
fees and per-credit payment charged to the individual do not exceed
the average community college in-district per-credit tuition rate
as reported on August 1 of the immediately preceding academic year.~~

(8) ~~(9)~~—The department of treasury shall collaborate with the
center to use the P-20 longitudinal data system to report the
number of students who are engaged in and have completed a program
using an award granted under this section.

(9) ~~(10)~~—From the funds allocated under subsection (1), there
is allocated for 2017-2018 an amount not to exceed \$2,440,000.00
for grants to community colleges, universities, or private
nonprofit colleges for the purpose of providing coaches to students
who receive scholarship awards under this section. The coaches
funded under this subsection shall provide intense mentoring and
advising to recipients of scholarships under this section, focusing
on ensuring that students complete programs for which they receive
scholarships under this section. Grants awarded under this

subsection must be made to eligible postsecondary institutions in the amount not to exceed \$40,000.00 per coach.

(10) ~~(11)~~—From the funds allocated under subsection (1), there is an amount allocated for 2017-2018 not to exceed \$2,300,000.00 to be used for grants to districts for stipends for students and bonus payments to districts that are parties to a talent consortium and whose students successfully earn an in-demand workforce certificate in a high-demand field. For the purposes of funding under this subsection, a workforce certificate must, as determined by the department of talent and economic development, be entry-level or above, recognized by statewide industry, and in a high-demand, high-salary, high-upward mobility career. Grants awarded under this subsection must be in the amount of \$500.00 per student who successfully completes an in-demand credential in a high-demand field in calendar year 2019 or 2020. A grant awarded under this subsection shall be distributed in an amount of \$250.00 to the student and in an amount of \$250.00 to the district. A district seeking a grant under this subsection shall apply in a form and manner prescribed by the department. ~~of treasury.~~ An application for a grant under this subsection must describe the credentials that students will earn using funds awarded under this subsection. The department ~~of treasury~~ shall work with the department of talent and economic development to award grants under this subsection and notify applicants of the decision to award a grant not later than 30 days after receiving an application.

(11) ~~(12)~~—The following do not qualify as in-demand credentials in a high-demand field for the purposes of subsection

1 ~~(11)~~ **(10)** :

2 (a) A high school diploma or equivalent.

3 (b) An advanced placement test other than physics c:

4 electricity and magnetism, physics c: mechanics, computer science
5 a, or computer science principles.

6 **(12)** ~~(13)~~ From the funds allocated in subsection (1), there is
7 an amount allocated not to exceed \$760,000.00 to the department of
8 treasury for costs related to the administration of this section.

9 Sec. 297k. (1) The department shall ensure that grant funds
10 awarded under sections 297a, 297b, and 297d are awarded as follows:

11 (a) ~~50%~~ **AT LEAST 45%** to tier 1 districts.

12 (b) ~~30%~~ **AT LEAST 25%** to tier 2 districts.

13 (c) ~~20%~~ **AT LEAST 15%** to tier 3 districts.

14 (2) If a district from 1 tier applies for a grant with 1 or
15 more other districts in a combined application, or if an
16 intermediate district submits a grant application on behalf of more
17 than 1 of its constituent districts, and the combined application
18 results in a district from 1 tier receiving a grant award that is
19 higher than if a combined application had not been submitted, the
20 portion of the grant award that exceeds what the district would
21 have received in the absence of a combined application must be
22 applied to the tier percentages under subsection (1) in the same
23 proportion that the pupil membership of that district represents of
24 the total pupil memberships in the combined grant application.

25 Enacting section 1. This amendatory act takes effect 90 days
26 after the date it is enacted into law.