

Act No. 233
Public Acts of 2024
Approved by the Governor
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**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2024**

Introduced by Rep. Steckloff

ENROLLED HOUSE BILL No. 5829

AN ACT 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 2, 3, 4, 5, 5a, 6, 7, 8, 9, and 10 (MCL 390.972, 390.973, 390.974, 390.975, 390.975a, 390.976, 390.977, 390.978, 390.979, and 390.980), sections 3 and 4 as amended by 2021 PA 40, section 5 as amended by 1986 PA 270, sections 6, 8, and 9 as amended by 1980 PA 500, and section 7 as amended by 2004 PA 181; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

Sec. 2. (1) The department shall administer the scholarship program created in section 1.

(2) As used in this act, “department” means the department of lifelong education, advancement, and potential.

Sec. 3. (1) Subject to subsection (4), the department shall conduct a competitive examination among eligible applicants for state competitive scholarships at times and places as determined by the department. The department may designate a competitive examination to be administered among eligible applicants for state competitive scholarships. The department shall annually establish the examination scores necessary to qualify for the competitive scholarship according to the funding available to meet the award levels established under section 6.

(2) The department may also use scholastic achievement in determining award winners and shall issue appropriate certificates of recognition to individuals awarded scholarships. The department shall grant annual renewal of scholarships.

(3) The department shall promulgate rules to implement this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, including rules for the conduct of examinations for the award of scholarships, for the procedures for the awarding of annual renewal scholarships, and for the purpose of defining eligible postsecondary institutions under this act.

(4) Notwithstanding any provision of this act or rule to the contrary, scholastic achievement, including, but not limited to, grade point average, class rank, or other measure of academic success as determined by the department, may be used as an alternative to a competitive examination to determine eligibility for scholarships awarded under this act for the 2021-2022 academic year.

Sec. 4. (1) Except as otherwise provided in subsection (3), an applicant is eligible for the award of a first-year scholarship if the department finds that the applicant meets all of the following:

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

(b) Has graduated from a high school, or is a student in good standing in a high school who will graduate at the end of the academic year, or an individual who has passed a graduate equivalency examination approved by the state board of education, or, if not a high school graduate, is recommended favorably by an appropriate educational institution as defined in rules promulgated by the department.

(c) Except for an applicant for a graduate scholarship, based on the state competitive scholarship examination, shows promise of satisfactorily completing a course of study at an eligible postsecondary institution of the applicant's choice in this state. For an applicant for a graduate scholarship, the department shall determine the examination standards for eligibility.

(d) Has complied with this act and the rules promulgated under this act by the department.

(e) Is not incarcerated in a corrections institution.

(2) An applicant who the department determines is eligible for award of a scholarship under this act shall complete using the scholarship within 1 of the following time frames, as applicable:

(a) For an applicant enrolled in an eligible postsecondary institution during the 2020 spring term and the 2020-2021 academic year, 11 years after the applicant's eligibility is determined.

(b) For any other applicant, 10 years after the applicant's eligibility is determined.

(3) Notwithstanding any other provision of this act, students enrolling in postsecondary educational institutions for the first time after the fiscal year ending on September 30, 2023, and students who have not already received state competitive scholarships before the fiscal year ending on September 30, 2023, are not eligible to receive state competitive scholarships under this act.

Sec. 5. (1) There must be awarded for each academic year the number of first-year scholarships that may be financed through available money. Of this number not less than 3 scholarships may be awarded to residents of each legislative district, and the balance of the scholarships must be awarded to residents of the state at large.

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

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

(4) Beginning after October 1, 1988, a scholarship may be awarded for not more than 6 semesters or its equivalent in trimesters, quarters, or terms of graduate education, or the equivalent as determined by the department for less than full-time but more than half-time students. Money may not be appropriated for purposes of this subsection for any fiscal year unless the amount appropriated under this act for that fiscal year for state competitive scholarships for undergraduate education equals or exceeds the amount appropriated for the state competitive scholarship program for the fiscal year ending September 30, 1987.

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

Sec. 5a. The department may award honorary scholarship certificates to those applicants who would otherwise be eligible for a scholarship under this act but because of the lack of financial need are not eligible for a monetary scholarship. The names of the recipients of such awards must be published the same as the names of the winners of monetary scholarships.

Sec. 6. Each first-year scholarship is for a period of 1 academic year and the scholarship award for state competitive scholarships awarded prior to the fiscal year ending September 30, 2023 must not exceed the amount of tuition and fees for the full academic year as reported by the eligible postsecondary institution in which the applicant is enrolled, or an amount as the department finds appropriate in relation to the applicant's own financial resources other than wages that may be due the applicant for part-time work performed by the applicant during the academic year, whichever is the lesser. For the purposes of determining the dollar amount of the scholarship for students awarded state competitive scholarships prior to the academic year 2024-2025, the financial resources of the applicant include the cash or equivalent resources of the applicant's parents available for the postsecondary education of the applicant, allowance made for other members of the applicant's family enrolled in an eligible postsecondary institution, under rules adopted by the department. Notwithstanding any other provision of this act, a student who has not received a state competitive scholarship prior to the academic year 2024-2025 must be considered to lack financial need. If the amount of appropriated funds is insufficient to provide each student with the scholarship amount for which the student is eligible, the department shall establish a maximum scholarship level for that academic year. Renewal scholarships must not be less than the initial first-year scholarship awards unless predicated by changes in student or family financial resources.

Sec. 7. (1) An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the institution in this state that the applicant desires to attend if the institution is an eligible postsecondary institution under rules promulgated by the department, except that a student shall not use a scholarship award at an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect. An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the course of study the applicant wishes to pursue.

(2) An eligible postsecondary institution chosen by the applicant is not required to accept the applicant for enrollment, or once having admitted the applicant, to continue the applicant's enrollment. The eligible postsecondary institution accepting the enrollment of a state competitive scholarship award winner shall notify the department of the recipient's enrollment and shall submit annually to the department reports that are required and necessary to administer this act.

Sec. 8. State competitive scholarships must be awarded by the department on the basis of merit and financial need and without regard to race, sex, religion, color, or national origin.

Sec. 9. The department shall promulgate rules prescribing the reports to be made by the applicants awarded state competitive scholarships or annual renewal scholarships and the eligible postsecondary institutions enrolling the applicants. Before payment of a state competitive scholarship or annual renewal scholarship is made to the applicant, the applicant shall certify in writing the name of the eligible postsecondary institution in which the applicant is enrolled and the applicant's intention to use the scholarship to pay for the tuition and fees to the eligible postsecondary institution. Prorated payments must be made at the beginning of each semester or term to the student or to the eligible postsecondary institution for credit to the student's account.

Sec. 10. The department may accept gifts, grants, bequests, donations, and devises, from whatever sources, of real, personal, or mixed property and moneys for the purposes described in this act. The department shall prepare an annual report of all gifts, grants, bequests, donations, and devises for the governor and the legislature.

Enacting section 1. The following acts are repealed:

- (a) The legislative merit award program act, 1976 PA 228, MCL 390.1301 to 390.1307.
- (b) 1978 PA 105, MCL 390.1271 to 390.1278.
- (c) 1986 PA 102, MCL 390.1281 to 390.1288.
- (d) 1986 PA 273, MCL 390.1401 to 390.1409.
- (e) 1986 PA 288, MCL 390.1371 to 390.1382.
- (f) 1986 PA 303, MCL 390.1321 to 390.1332.

Enacting section 2. The following rules are rescinded:

- (a) R 390.1501 to R 390.1512 of the Michigan Administrative Code.
- (b) R 390.1651 to R 390.1663 of the Michigan Administrative Code.
- (c) R 390.1701 to R 390.1709 of the Michigan Administrative Code.
- (d) R 390.1721 to R 390.1728 of the Michigan Administrative Code.
- (e) R 390.1751 to R 390.1759 of the Michigan Administrative Code.
- (f) R 390.1771 to R 390.1779 of the Michigan Administrative Code.


Clerk of the House of Representatives


Secretary of the Senate

Approved _____

Governor