

REPRINT

SUBSTITUTE FOR

HOUSE BILL NO. 4330

(As passed the House, December 5, 2002)

(As amended by the Senate, December 12, 2002)

A bill to amend 1999 PA 94, entitled  
"Michigan merit award scholarship act,"  
by amending sections 2, 7, and 8 (MCL 390.1452, 390.1457, and  
390.1458), sections 7 and 8 as amended by 2002 PA 537.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. As used in this act:

2       (a) "Approved postsecondary educational institution" means  
3 any of the following:

4       (i) A degree or certificate granting public or private col-  
5 lege or university, junior college, or community college.

6       (ii) A SERVICE ACADEMY.

7       (iii) ~~(ii)~~ An educational institution, other than an edu-  
8 cational institution described in subparagraph (i) OR (ii),  
9 granting degrees, certificates, or other recognized credentials

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1 and designated by the board as an approved postsecondary  
2 educational institution.

3 (iv) ~~(iii)~~ A program of an educational institution, other  
4 than an educational institution described in subparagraph (i) OR  
5 (ii), ~~that grants~~ GRANTING degrees, certificates, or other rec-  
6 ognized credentials and ~~is~~ designated by the board as an  
7 approved postsecondary educational institution.

8 (b) "Assessment test" means the Michigan education assess-  
9 ment program (MEAP) subject area assessments or any successor  
10 assessment test designated by the board.

11 (c) "Board" means the Michigan merit award board established  
12 in this act.

13 (d) "Department of career development" means the department  
14 of career development created in Executive Order No. 1999-1.

15 (e) "Eligible costs" means tuition and fees charged by an  
16 approved postsecondary educational institution; related costs for  
17 room, board, books, supplies, transportation, or day care; and  
18 other costs determined by the board.

19 (f) "Fiscal year" means the fiscal year of this state.

20 (g) "Michigan merit award scholarship" means a scholarship  
21 awarded by the board under section 7.

22 (h) "Qualifying results" means assessment test results,  
23 scores, or ranges of scores determined by the board that qualify  
24 a student for a Michigan merit award scholarship under  
25 section 7.

26 (I) "SERVICE ACADEMY" MEANS THE UNITED STATES MILITARY  
27 ACADEMY, UNITED STATES NAVAL ACADEMY, UNITED STATES AIR FORCE

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1 ACADEMY, UNITED STATES COAST GUARD ACADEMY, OR UNITED STATES  
2 MERCHANT MARINE ACADEMY.

3 (J) ~~(i)~~ "State board" means the state board of education.

4 (K) ~~(j)~~ "Superintendent" means the superintendent of  
5 public instruction.

6 (l) ~~(k)~~ "Tobacco settlement revenue" means money received  
7 by this state that is attributable to the master settlement  
8 agreement incorporated into a consent decree and final judgment  
9 entered on December 7, 1998 in Kelley Ex Rel. Michigan v Philip  
10 Morris Incorporated, et al., Ingham county circuit court, docket  
11 no. 96-84281CZ.

12 (M) ~~(l)~~ "Trust fund" means the Michigan merit award trust  
13 fund established in section 3.

14 Sec. 7. (1) The Michigan merit award scholarship program is  
15 established. The board shall administer the Michigan merit award  
16 scholarship program.

17 (2) Subject to subsection (6), each student enrolled in  
18 grade 11 in or after the 1998-1999 school year who meets the  
19 requirements of subsection (4), and subject to adjustment under  
20 subsection (5), is eligible for the award of a \$2,500.00 Michigan  
21 merit award scholarship if the student is enrolled in an approved  
22 postsecondary educational institution in this state OR IN A SERV-  
23 ICE ACADEMY, or the award of a \$1,000.00 Michigan merit award  
24 scholarship if the student is enrolled in an approved postsecond-  
25 ary educational institution outside this state OTHER THAN A SERV-  
26 ICE ACADEMY, if the board finds that the student while in high  
27 school has taken the assessment test in the subject areas of

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1 reading, writing, mathematics, and science and meets 1 of the  
2 following:

3 (a) Has received qualifying results in each of the subject  
4 areas of reading, writing, mathematics, and science.

5 (b) Did not receive qualifying results in 1 or 2 of the  
6 subject areas of reading, writing, mathematics, and science, but  
7 received an overall score in the top 25% of a nationally recog-  
8 nized college admission examination.

9 (c) Did not receive qualifying results in 1 or 2 of the  
10 subject areas of reading, writing, mathematics, and science, but  
11 received a qualifying score or scores as determined by the board  
12 on a nationally recognized job skills assessment test designated  
13 by the board.

14 (3) Subject to subsection (6) and to adjustment under sub-  
15 section (5), a student who was enrolled in grade 7 in or after  
16 the 1999-2000 school year and who the board finds has taken the  
17 assessment test in each of the subject areas while in grades 7  
18 and 8 is eligible for 1 of the following additional Michigan  
19 merit award scholarships:

20 (a) If the board finds that the student while in grades 7  
21 and 8 received qualifying results in 2 of the subject areas of  
22 reading, writing, mathematics, and science, an additional  
23 Michigan merit award scholarship of \$250.00.

24 (b) If the board finds that the student while in grades 7  
25 and 8 received qualifying results in 3 of the subject areas of  
26 reading, writing, mathematics, and science, an additional  
27 Michigan merit award scholarship of \$375.00.

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1 (c) If the board finds that the student while in grades 7  
2 and 8 received qualifying results in all of the subject areas of  
3 reading, writing, mathematics, and science, an additional  
4 Michigan merit award scholarship of \$500.00.

5 (4) In addition to the requirements set forth in subsections  
6 (2) and (3), to be eligible for the award of 1 or both Michigan  
7 merit award scholarships under this section, the board must find  
8 that a student satisfies all of the following:

9 (a) The student has graduated from high school or passed the  
10 general educational development (GED) test or other graduate  
11 equivalency examination approved by the state board.

12 (b) The student graduated from high school or passed the  
13 general educational development (GED) test or other graduate  
14 equivalency examination approved by the state board within 1 of  
15 the following time periods:

16 (i) If the student graduated from high school or passed the  
17 test or examination before March 1, 2002, within the 7-year  
18 period preceding the student's application to receive his or her  
19 Michigan merit award scholarship money.

20 (ii) If the student graduated on or after March 1, 2002,  
21 within the 4-year period preceding the date of the student's  
22 application to receive his or her Michigan merit award scholar-  
23 ship money, or if the student becomes a member of the United  
24 States armed forces or peace corps during this 4-year period and  
25 serves for 4 years or less, the 4-year period is extended by a  
26 period equal to the number of days the student served as a member  
27 of the United States armed forces or peace corps. The board may

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1 also extend the 4-year period if the board determines that an  
2 extension is warranted because of an illness or disability of the  
3 student or in the student's immediate family or another family  
4 emergency.

5 (c) The student is enrolled in an approved postsecondary  
6 educational institution. For students who qualify under subsec-  
7 tion (2)(c), the student is enrolled in a vocational or technical  
8 education program at an approved postsecondary educational  
9 institution.

10 (d) The student has not been convicted of a felony involving  
11 an assault, physical injury, or death.

12 (e) The student satisfies any additional eligibility  
13 requirements established by the board.

14 (5) In any fiscal year, the board may adjust the amount of a  
15 Michigan merit award scholarship available to students eligible  
16 under 1 or more of subsections (2), (3), and (9), based upon its  
17 determination of available resources and amounts appropriated,  
18 but the board shall not increase an amount by more than 5% in any  
19 fiscal year. The board shall notify the governor, the speaker of  
20 the house of representatives, and the majority leader of the  
21 senate in writing at least 30 days before an adjustment under  
22 this subsection.

23 (6) For assessment tests administered after January 1, 2000,  
24 the board shall not use the assessment test to determine eligi-  
25 bility for a Michigan merit award scholarship under this section  
26 for a particular year unless the board has reviewed and approved  
27 the assessment test before it was administered for that year.

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1           (7) The board shall provide each student written notice of  
2 whether or not the student is eligible for the award of 1 or more  
3 Michigan merit award scholarships described in this section. If  
4 the student is eligible, the written notice shall also contain  
5 the Michigan merit award scholarship amount for which the student  
6 is eligible, how the student applies for payment of Michigan  
7 merit award scholarship, and any other information the board con-  
8 sideres necessary regarding qualification requirements or condi-  
9 tions relating to the use of the Michigan merit award  
10 scholarship.

11           (8) It is the intent of the legislature that the level of  
12 student performance required to achieve qualifying results in a  
13 subject area of an assessment test remains approximately the  
14 same, and that the board not reduce the required level of student  
15 performance as a means of increasing the number of Michigan merit  
16 award scholarships awarded.

17           (9) If a student who has previously received a \$1,000.00  
18 Michigan merit award scholarship as a student enrolled in an  
19 approved postsecondary educational institution outside of this  
20 state OTHER THAN A SERVICE ACADEMY enrolls in an approved post-  
21 secondary educational institution in this state and meets the  
22 requirements of subsection (4), and subject to adjustment under  
23 subsection (5), the student is eligible for the award of an addi-  
24 tional \$1,500.00 Michigan merit award scholarship.

25           (10) A pupil who does not initially receive qualifying  
26 results shall be extended an opportunity to achieve the requisite  
27 qualifying results by taking a subsequent assessment test.

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1 (11) A nonpublic school student or home school student may  
2 take, and the board shall administer if requested, an assessment  
3 test at a site designated by the board.

4 Sec. 8. (1) A Michigan merit award scholarship shall be  
5 used only to pay for eligible costs. The board shall determine  
6 the manner and form of application for payment of a Michigan  
7 merit award scholarship by a student eligible under section 7 and  
8 the procedure for payment to the student or to the approved post-  
9 secondary educational institution on the student's behalf. As  
10 determined by the board, upon the request of a student or parent  
11 or legal guardian of a minor student, the board may pay a  
12 Michigan merit award scholarship in 2 consecutive annual install-  
13 ments rather than 1 lump sum FOR A STUDENT WHO GRADUATES FROM  
14 HIGH SCHOOL OR PASSES THE GENERAL EDUCATIONAL DEVELOPMENT (GED)  
15 TEST OR APPROVED GRADUATE EQUIVALENCY EXAMINATION BEFORE MARCH 1,  
16 2003. FOR EACH STUDENT WHO GRADUATES FROM HIGH SCHOOL OR PASSES  
17 THE GENERAL EDUCATIONAL DEVELOPMENT (GED) TEST OR APPROVED GRADU-  
18 ATE EQUIVALENCY EXAMINATION ON OR AFTER MARCH 1, 2003, THE BOARD  
19 SHALL PAY A MICHIGAN MERIT AWARD SCHOLARSHIP IN 2 CONSECUTIVE  
20 ANNUAL INSTALLMENTS, BEGINNING IN THE STATE FISCAL YEAR FOR WHICH  
21 THE STUDENT IS OTHERWISE ELIGIBLE UNDER SECTION 7. THE FIRST  
22 INSTALLMENT SHALL NOT EXCEED 50% OF THE AWARD AMOUNT, AND THE  
23 SECOND INSTALLMENT SHALL CONSIST OF THE REMAINING AWARD AMOUNT.  
24 VERIFICATION THAT THE STUDENT HAS MET THE ENROLLMENT CRITERIA  
25 UNDER SECTION 7(4)(C) IS REQUIRED PRIOR TO ISSUANCE OF THE SECOND  
26 INSTALLMENT.



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1           (2) An approved postsecondary educational institution shall  
2 not consider a Michigan merit award scholarship in determining a  
3 student's eligibility for a financial aid program administered by  
4 this state. It is the intent of the legislature that an approved  
5 postsecondary educational institution not reduce  
6 institutionally-funded student aid because of the Michigan merit  
7 award scholarship program.

8           (3) Before payment of a Michigan merit award scholarship to  
9 a student or approved postsecondary educational institution, the  
10 student shall certify or affirm in writing to the board each of  
11 the following:

12           (a) That the student is enrolled at an approved postsecond-  
13 ary educational institution.

14           (b) The name of the approved postsecondary educational  
15 institution in which the student is enrolled.

16           (c) That the student agrees to use the Michigan merit award  
17 scholarship only for eligible costs.

18           (d) That the student has not been convicted of a felony  
19 involving an assault, physical injury, or death.

20           (e) That the student graduated from high school or passed  
21 the general educational development (GED) test or approved gradu-  
22 ate equivalency examination within 1 of the following time  
23 periods:

24           (i) If the student graduated from high school or passed the  
25 test or examination before March 1, 2002, within the 7-year  
26 period preceding the date of the student's application to receive  
27 his or her Michigan merit award scholarship.

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1           (ii) If the student graduated on or after March 1, 2002,  
2 within the 4-year period preceding the date of the student's  
3 application to receive his or her Michigan merit award scholar-  
4 ship, or within a period equal to 4 years plus the number of days  
5 the student served as a member of the United States armed forces  
6 or peace corps if the student became a member of the United  
7 States armed forces or peace corps during this 4-year period and  
8 served for 4 years or less. The board may also extend the 4-year  
9 period if the board determines that an extension is warranted  
10 because of an illness or disability of the student or in the  
11 student's immediate family or another family emergency.

12           (4) The board shall not ~~disburse~~ BEGIN DISBURSING funds  
13 for a Michigan merit award scholarship to a student or an  
14 approved postsecondary educational institution on behalf of the  
15 student ~~for use in any academic year~~ unless it receives the  
16 request or application for payment, including the written certi-  
17 fication or affirmation described in this section, from the stu-  
18 dent on or before ~~September 30~~ JANUARY 15 IN THE 2002-2003 ACADEMIC YEAR,  
AND SEPTEMBER 15 IN ANY OTHER ACADEMIC YEAR, FOR DISBURSEMENT in that  
academic year.