

**SUBSTITUTE FOR
HOUSE BILL NO. 6302**

A bill to amend 1999 PA 94, entitled "Michigan merit award scholarship act," by amending sections 2, 6, 7, 7a, 7b, and 8 (MCL 390.1452, 390.1456, 390.1457, 390.1457a, 390.1457b, and 390.1458), sections 2, 6, and 8 as amended and sections 7a and 7b as added by 2004 PA 595 and section 7 as amended by 2006 PA 241; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. As used in this act:

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

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

1 (ii) A service academy.

2 (iii) An educational institution, other than an educational
3 institution described in subparagraph (i) or (ii), granting degrees,
4 certificates, or other recognized credentials and designated by the
5 board as an approved postsecondary educational institution.

6 (iv) A program of an educational institution, other than an
7 educational institution described in subparagraph (i) or (ii),
8 granting degrees, certificates, or other recognized credentials and
9 designated by the board as an approved postsecondary educational
10 institution.

11 (b) "Assessment test" means the middle school assessment test
12 ~~OR~~ the high school assessment test. ~~or the Michigan merit~~
13 ~~examination.~~

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

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

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

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

23 (g) "High school assessment test" means the state assessments
24 described in section 1279 of the revised school code, 1976 PA 451,
25 MCL 380.1279, and section 104a of the state school aid act, 1979 PA
26 94, MCL 388.1704a.

27 (h) "Michigan merit award scholarship" means a scholarship

1 awarded by the board under section 7 or 7a.

2 ~~—— (i) "Michigan merit examination" means the Michigan merit~~
3 ~~examination described in section 1279g of the revised school code,~~
4 ~~1976 PA 451, MCL 380.1279g, and section 104b of the state school~~
5 ~~aid act of 1979, 1979 PA 94, MCL 388.1704b.~~

6 (I) ~~—(j)—~~ "Middle school assessment test" means the Michigan
7 education assessment program (MEAP) subject area assessments given
8 in grades 7 and 8 or any successor assessment test designated by
9 the board.

10 (J) ~~—(k)—~~ "Qualifying results" means assessment test results,
11 scores, or ranges of scores determined by the board that qualify a
12 pupil for a Michigan merit award scholarship under section 7 or 7a.

13 (K) ~~—(l)—~~ "Service academy" means the United States military
14 academy, United States naval academy, United States air force
15 academy, United States coast guard academy, or United States
16 merchant marine academy.

17 (L) ~~—(m)—~~ "State board" means the state board of education.

18 (M) ~~—(n)—~~ "Superintendent" means the superintendent of public
19 instruction.

20 ~~—— (o) "Tobacco settlement revenue" means money received by this~~
21 ~~state that is attributable to the master settlement agreement~~
22 ~~incorporated into a consent decree and final judgment entered on~~
23 ~~December 7, 1998 in Kelley Ex Rel. Michigan v Philip Morris~~
24 ~~Incorporated, et al., Ingham county circuit court, docket no. 96-~~
25 ~~84281CZ.~~

26 (N) ~~—(p)—~~ "Trust fund" means the Michigan merit award trust
27 fund established in section ~~—3—~~ **9 OF THE MICHIGAN TRUST FUND ACT,**

1 2000 PA 489, MCL 12.259.

2 Sec. 6. (1) The board shall conduct business in compliance
3 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The
4 board shall give public notice of the time, date, and place of
5 meetings of the board in the manner required by the open meetings
6 act, 1976 PA 267, MCL 15.261 to 15.275.

7 (2) The board shall meet not less than annually and shall keep
8 a record of its proceedings. The board shall make any writing
9 prepared, owned, used, in the possession of, or retained by the
10 board in the performance of an official function available to the
11 public in compliance with the freedom of information act, 1976 PA
12 442, MCL 15.231 to 15.246.

13 (3) Except as provided in subsection (4), the board shall
14 obtain and make available to the public all of the qualifying
15 questions and answers, along with the corresponding answer key, to
16 a high school assessment test or a middle school assessment test
17 administered at least 3 and not more than 5 years earlier. ~~The
18 board shall obtain and make available to the public preparatory
19 materials for the Michigan merit examination that contain sample
20 test questions and correct answers.~~

21 (4) If any question is designated by the state board of
22 education for use in a future high school assessment test or middle
23 school assessment test for validity purposes, the board may elect
24 not to make that question and the answer available to the public
25 under subsection (3) for a period of up to 2 years from the date
26 the assessment test that first includes the question is
27 administered.

1 (5) By December 1 of each year, the board shall submit a
2 report on its activities to the governor and to the legislature.
3 The report shall contain all of the following information:

4 (a) A list of approved postsecondary educational institutions
5 for the current and immediately preceding fiscal years.

6 (b) The number of Michigan merit award scholarships awarded
7 and the total amount of Michigan merit award scholarship money paid
8 in the immediately preceding fiscal year.

9 (c) A projection of revenues and expenditures from the trust
10 fund for the current fiscal year and the next 10 fiscal years.

11 (d) The dollar amount of the Michigan merit award scholarships
12 available under sections 7 and 7a in the current fiscal year, the
13 amount of any adjustments to the dollar amount under sections ~~7(4)~~
14 ~~7(3)~~ and 7a(2) from the beginning of the immediately preceding
15 fiscal year, and any adjustments to the dollar amount projected for
16 the remainder of the current fiscal year or for the next fiscal
17 year.

18 (e) All of the following results, scores, or ranges of scores:

19 (i) Used as qualifying results in the immediately preceding
20 fiscal year.

21 (ii) Determined by the board as qualifying results in the
22 current fiscal year.

23 (iii) Projected by the board as qualifying results for the next
24 fiscal year.

25 (f) For the immediately preceding fiscal year, the number of
26 pupils who took the assessment tests, the number of pupils by
27 subject area who received qualifying results, the number of

1 graduating high school seniors who met the requirements for a
2 Michigan merit award scholarship, and the total number of pupils
3 who met the requirements for a Michigan merit award scholarship.

4 (g) The number of persons participating in and the amount
5 awarded in the immediately preceding fiscal year under the tuition
6 incentive program described in section 310 of 2003 PA 144 or a
7 successor to that program.

8 (6) At least 60 days before changing the results, scores, or
9 ranges of scores used as qualifying results, the board shall
10 provide written notice of its intent to change the results, scores,
11 or ranges of scores used as qualifying results, and a report
12 explaining the board's decision to change the results, scores, or
13 ranges of scores used as qualifying results, to the standing
14 committees of the senate and the house of representatives that have
15 primary jurisdiction over legislation pertaining to education. The
16 standing committees shall review the board's report and may hold
17 hearings on the board's decision.

18 Sec. 7. (1) The Michigan merit award scholarship program is
19 established. The board shall administer the Michigan merit award
20 scholarship program.

21 (2) Subject to ~~subsection (6) and~~ section 7b(2) and (5), and
22 to adjustment under subsection ~~(4)~~ (3), each student enrolled in
23 grade 11 in or after the 1998-1999 school year and **GRADUATED FROM**
24 **HIGH SCHOOL** before the 2006-2007 school year who meets the
25 eligibility requirements of this subsection and section 7b(1) is
26 eligible for the award of a \$2,500.00 Michigan merit award
27 scholarship if the student is enrolled in an approved postsecondary

1 educational institution in this state or in a service academy.
2 Subject to ~~subsection (6) and~~ section 7b(2) and (5), and to
3 adjustment under subsection ~~—(4)—~~ (3), each student enrolled in
4 grade 11 in or after the 1998-1999 school year who graduated from
5 high school before the 2006-2007 school year and who meets the
6 eligibility requirements of this subsection and section 7b(1) is
7 eligible for the award of a \$1,000.00 Michigan merit award
8 scholarship if the student is enrolled in an approved postsecondary
9 educational institution outside this state other than a service
10 academy. A student is eligible under this subsection if the board
11 finds that the student while in high school had taken the high
12 school assessment test in the subject areas of reading, writing,
13 mathematics, and science and met 1 of the following:

14 (a) Received qualifying results in each of the subject areas
15 of reading, writing, mathematics, and science.

16 (b) Did not receive qualifying results in 1 or 2 of the
17 subject areas of reading, writing, mathematics, and science, but
18 received an overall score in the top 25% of a nationally recognized
19 college admission examination.

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

25 ~~— (3) Subject to subsection (6) and section 7b(5) and to~~
26 ~~adjustment under subsection (4), each student enrolled in grade 11~~
27 ~~in or after the 2006-2007 school year who meets the requirements of~~

1 ~~section 7b(1) is eligible for the award of a \$2,500.00 Michigan~~
2 ~~merit award scholarship if the student is enrolled in an approved~~
3 ~~postsecondary educational institution in this state or in a service~~
4 ~~academy, if the board finds that the student while in high school~~
5 ~~had taken the Michigan merit examination and met 1 of the~~
6 ~~following:~~

7 ~~—— (a) Received qualifying results in each of the subject area~~
8 ~~components of the Michigan merit examination.~~

9 ~~—— (b) Did not receive qualifying results in each of the subject~~
10 ~~area components of the Michigan merit examination, but received an~~
11 ~~overall score in the top 25% of a nationally recognized college~~
12 ~~admission examination.~~

13 ~~—— (c) Did not receive qualifying results in each of the subject~~
14 ~~area components of the Michigan merit examination, but received a~~
15 ~~qualifying score or scores as determined by the board on a~~
16 ~~nationally recognized job skills assessment test designated by the~~
17 ~~board.~~

18 (3) ~~—(4)—~~ In any fiscal year, the board may adjust the amount
19 of a Michigan merit award scholarship available to students
20 eligible under 1 or more of subsections (2) ~~—, (3), and (5)—~~ **AND**
21 (4), based upon its determination of available resources and
22 amounts appropriated, but the board shall not increase an amount by
23 more than 5% in any fiscal year. The board shall notify the
24 governor, the speaker of the house of representatives, and the
25 majority leader of the senate in writing at least 30 days before an
26 adjustment under this subsection.

27 (4) ~~—(5)—~~ If a student who has previously received a \$1,000.00

1 Michigan merit award scholarship under this section as a student
2 enrolled in an approved postsecondary educational institution
3 outside of this state other than a service academy enrolls in an
4 approved postsecondary educational institution in this state and
5 meets the requirements of section 7b(1), and subject to adjustment
6 under subsection ~~—(4)—~~ (3), the student is eligible for the award
7 of an additional \$1,500.00 Michigan merit award scholarship.

8 ~~—— (6) If the United States department of education has not~~
9 ~~approved the use of the Michigan merit examination for the purposes~~
10 ~~of the federal no child left behind act of 2001, Public Law 107-~~
11 ~~110, by December 31, 2006, all of the following apply:~~

12 ~~—— (a) Eligibility for a Michigan merit award scholarship under~~
13 ~~this section shall be determined under subsection (2) until the~~
14 ~~next calendar year that begins after that approval occurs.~~

15 ~~—— (b) Eligibility for a Michigan merit award scholarship under~~
16 ~~this section shall be determined under subsection (3) beginning in~~
17 ~~the next calendar year that begins after that approval occurs.~~

18 Sec. 7a. (1) Subject to section 7b(2) and to adjustment under
19 subsection (2), a student who was enrolled in grade 7 in or after
20 the 1999-2000 school year **AND GRADUATED FROM HIGH SCHOOL BEFORE THE**
21 **2006-2007 SCHOOL YEAR**, who meets the requirements of section 7b(1),
22 and who the board finds has taken the middle school assessment test
23 in each of the subject areas while in grades 7 and 8 is eligible
24 for 1 of the following Michigan merit award scholarships:

25 (a) If the board finds that the student while in grades 7 and
26 8 received qualifying results in 2 of the subject areas of reading,
27 writing, mathematics, and science, a Michigan merit award

1 scholarship of \$250.00.

2 (b) If the board finds that the student while in grades 7 and
3 8 received qualifying results in 3 of the subject areas of reading,
4 writing, mathematics, and science, a Michigan merit award
5 scholarship of \$375.00.

6 (c) If the board finds that the student while in grades 7 and
7 8 received qualifying results in all of the subject areas of
8 reading, writing, mathematics, and science, a Michigan merit award
9 scholarship of \$500.00.

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

18 Sec. 7b. (1) In addition to the requirements set forth in
19 section 7(2) ~~or (3)~~ or section 7a(1), to be eligible for the
20 award of a Michigan merit award scholarship under this act, the
21 board must find that a student satisfies all of the following:

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

25 (b) The student graduated from high school or passed the
26 general educational development (GED) test or other graduate
27 equivalency examination approved by the state board within 1 of the

1 following time periods:

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

6 (ii) If the student graduated **FROM HIGH SCHOOL** on or after
7 March 1, 2002 **AND BEFORE THE 2006-2007 SCHOOL YEAR**, within the 4-
8 year period preceding the date of the student's application to
9 receive his or her Michigan merit award scholarship money, or if
10 the student becomes a member of the United States armed forces or
11 peace corps during this 4-year period and serves for 4 years or
12 less, the 4-year period is extended by a period equal to the number
13 of days the student served as a member of the United States armed
14 forces or peace corps. The board may also extend the 4-year period
15 if the board determines that an extension is warranted because of
16 an illness or disability of the student or in the student's
17 immediate family or another family emergency.

18 (c) The student is enrolled in an approved postsecondary
19 educational institution. For students who qualify under section
20 7(2)(c), the student is enrolled in a vocational or technical
21 education program at an approved postsecondary educational
22 institution.

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

25 (e) The student satisfies any additional eligibility
26 requirements established by the board.

27 (2) For a middle school assessment test or high school

1 assessment test administered after January 1, 2000, the board shall
2 not use that assessment test to determine eligibility for a
3 Michigan merit award scholarship under this section for a
4 particular year unless the board has reviewed and approved that
5 assessment test before it was administered for that year.

6 (3) The board shall provide each pupil written notice of
7 whether or not the pupil is eligible for the award of 1 or more
8 Michigan merit award scholarships described in this act. If the
9 pupil is eligible, the written notice shall also contain the
10 Michigan merit award scholarship amount for which the pupil is
11 eligible, how the pupil applies for payment of Michigan merit award
12 scholarship, and any other information the board considers
13 necessary regarding qualification requirements or conditions
14 relating to the use of the Michigan merit award scholarship.

15 (4) It is the intent of the legislature that the level of
16 pupil performance required to achieve qualifying results in a
17 subject area of an assessment test remains approximately the same,
18 and that the board not reduce the required level of pupil
19 performance as a means of increasing the number of Michigan merit
20 award scholarships awarded.

21 (5) A pupil who does not initially receive qualifying results
22 shall be extended an opportunity to achieve the requisite
23 qualifying results by taking a subsequent assessment test. ~~A pupil~~
24 ~~described in this subsection who is enrolled in grade 12 in the~~
25 ~~2006-2007 school year, or enrolled in grade 12 in the first~~
26 ~~calendar year after the approval described in section 7(6) occurs~~
27 ~~if that subsection applies, may elect either of the following:~~

1 ~~—— (a) To take the high school assessment test for the purpose of~~
2 ~~qualifying for a Michigan merit award scholarship under section~~
3 ~~7(2).~~

4 ~~—— (b) To take the Michigan merit examination for the purpose of~~
5 ~~qualifying for a Michigan merit award scholarship under section~~
6 ~~7(3).~~

7 (6) A nonpublic school pupil or home school pupil may take,
8 and the board shall administer if requested, an assessment test at
9 a site designated by the board.

10 Sec. 8. (1) Michigan merit award scholarship money shall be
11 used only to pay for eligible costs.

12 (2) The board shall determine the manner and form of
13 application for payment of a Michigan merit award scholarship by a
14 student eligible under this act and the procedure for payment to
15 the student or to an approved postsecondary educational institution
16 on the student's behalf, subject to 1 of the following, as
17 applicable:

18 (a) As determined by the board, upon the request of a student
19 or parent or legal guardian of a minor student, the board may pay a
20 Michigan merit award scholarship in 2 consecutive annual
21 installments rather than 1 lump sum for a student who graduates
22 from high school or passes the general educational development
23 (GED) test or approved graduate equivalency examination before
24 March 1, 2003.

25 (b) For each student who graduates from high school or passes
26 the general educational development (GED) test or approved graduate
27 equivalency examination on or after March 1, 2003 and before March

1 1, 2004, the board shall pay a Michigan merit award scholarship in
2 2 consecutive annual installments, beginning in the state fiscal
3 year for which the student is otherwise eligible. The first
4 installment shall not exceed 50% of the award amount, and the
5 second installment shall consist of the remaining award amount.
6 Verification that the student has met the enrollment criteria under
7 section 7b(1)(c) is required before payment of the second
8 installment.

9 (c) For each student who graduates from high school or passes
10 the general educational development (GED) test or approved graduate
11 equivalency examination on or after March 1, 2004 **AND BEFORE THE**
12 **2006-2007 SCHOOL YEAR**, the board shall pay a Michigan merit award
13 scholarship in 2 consecutive annual installments, beginning in the
14 state fiscal year that begins after the beginning of the academic
15 year for which the student is otherwise eligible. The first
16 installment shall not exceed 50% of the award amount, and the
17 second installment shall consist of the remaining award amount.
18 Verification that the student has met the enrollment criteria under
19 section 7b(1)(c) is required before payment of the second
20 installment.

21 (3) An approved postsecondary educational institution shall
22 not consider a Michigan merit award scholarship in determining a
23 student's eligibility for a financial aid program administered by
24 this state. It is the intent of the legislature that an approved
25 postsecondary educational institution not reduce institutionally-
26 funded student aid because of the Michigan merit award scholarship
27 program.

1 (4) Before payment of a Michigan merit award scholarship to a
2 student or an approved postsecondary educational institution, the
3 student shall certify or affirm in writing to the board each of the
4 following:

5 (a) That the student is enrolled at an approved postsecondary
6 educational institution.

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

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

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

13 (e) That the student graduated from high school or passed the
14 general educational development (GED) test or approved graduate
15 equivalency examination within 1 of 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 period
18 preceding the date of the student's application to receive his or
19 her Michigan merit award scholarship.

20 (ii) If the student graduated on or after March 1, 2002 **AND**
21 **BEFORE THE 2006-2007 SCHOOL YEAR**, within the 4-year period
22 preceding the date of the student's application to receive his or
23 her Michigan merit award scholarship, or within a period equal to 4
24 years plus the number of days the student served as a member of the
25 United States armed forces or peace corps if the student became a
26 member of the United States armed forces or peace corps during this
27 4-year period and served for 4 years or less. The board may also

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

4 (5) The board shall not begin disbursing funds for a Michigan
5 merit award scholarship to a student or an approved postsecondary
6 educational institution on behalf of the student unless it receives
7 the request or application for payment, including the written
8 certification or affirmation described in this section, from the
9 student on or before 1 of the following dates, for disbursement in
10 that academic year:

11 (a) In the 2002-2003 academic year, January 15.

12 (b) In the 2003-2004 academic year, September 15 if the
13 student received notification of eligibility prior to August 1.

14 (c) In the 2003-2004 academic year, November 15 if the student
15 received notification of eligibility on or after August 1.

16 (d) In the 2004-2005 academic year, December 15.

17 (e) In any other academic year, November 15.

18 Enacting section 1. The Michigan merit award scholarship act,
19 1999 PA 94, MCL 390.1451 to 390.1459, is repealed effective
20 September 30, 2017.

21 Enacting section 2. This amendatory act does not take effect
22 unless Senate Bill No. 1335 of the 93rd Legislature is enacted into
23 law.