

SENATE BILL NO. 359

June 05, 2019, Introduced by Senators LASATA, BUMSTEAD, HORN and ANANICH and referred to the Committee on Appropriations.

A bill to amend 2008 PA 549, entitled "Michigan promise zone authority act," by amending sections 3 and 7 (MCL 390.1663 and 390.1667), section 3 as amended by 2013 PA 210 and section 7 as amended by 2016 PA 9.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Authority" means a promise zone authority created under
- 3 this act.
- 4 (b) "Board" means the governing body of an authority.

1 (c) "Eligible entity" means a city, township, county, local
 2 school district, or intermediate school district, in which the
 3 percentage of families with children under age 18 that are living
 4 at or below the federal poverty level is greater than or equal to
 5 the state average of families with children under age 18 living at
 6 or below the federal poverty level, as determined by the department
 7 of treasury.

8 (d) "Federal poverty level" means the poverty guidelines
 9 published annually in the ~~federal register~~ **Federal Register** by the
 10 United States ~~department of health and human services~~ **Department of**
 11 **Health and Human Services** under its authority to revise the poverty
 12 line under ~~section 673(2) of subtitle B of title VI of the omnibus~~
 13 ~~budget reconciliation act of 1981, Public Law 97-35, 42 USC 9902.~~

14 (e) "Governing body" means the elected body of an eligible
 15 entity that has legislative powers.

16 (f) **"Intermediate school district" means that term as defined**
 17 **in section 4 of the revised school code, 1976 PA 451, MCL 380.4.**

18 (g) ~~(f)~~ "Nonpublic high school" means a high school operated
 19 by a nonpublic school that includes grades 9 to 12 or 10 to 12 and
 20 that awards a high school diploma. Nonpublic high school also
 21 includes a general education development test.

22 (h) ~~(g)~~ "Nonpublic school" means that term as defined in
 23 section 5 of the revised school code, 1976 PA 451, MCL 380.5.

24 (i) ~~(h)~~ "Promise of financial assistance" means a commitment
 25 by an eligible entity to provide financial resources for public or
 26 private postsecondary education, including a vocational program, to
 27 eligible students living in a promise zone and who have graduated
 28 from ~~a~~ **1 of the following:**

29 (i) **A public high school or nonpublic high school located**

1 within that promise zone.

2 (ii) For eligible students who live in the geographic area of a
3 dissolved school district that was located within the promise zone
4 before being dissolved under section 12 of the revised school code,
5 1976 PA 451, MCL 380.12, a public high school or nonpublic high
6 school located in the geographic area of the intermediate school
7 district to which the dissolved school district, before
8 dissolution, had been a constituent district.

9 (iii) For eligible students who live in the geographic area of a
10 school district that is located within the promise zone and that
11 ceased operating a high school after January 1, 2020, a public high
12 school or nonpublic high school located in the geographic area of
13 the intermediate school district to which the school district is a
14 constituent district.

15 (j) ~~(i)~~—"Promise zone" means that area created by a governing
16 body under this act.

17 (k) ~~(j)~~—"Promise zone development plan" means that plan
18 developed by an authority under this act that will ensure that the
19 financial resources are available to adequately fund the promise of
20 financial assistance.

21 (l) ~~(k)~~—"Public high school" means a public school that
22 includes grades 9 to 12 or 10 to 12 and that awards a high school
23 diploma.

24 (m) ~~(l)~~—"Public school" means that term as defined in section 5
25 of the revised school code, 1976 PA 451, MCL 380.5.

26 (n) ~~(m)~~—"Qualified educational expenses" means tuition and
27 fees required for the enrollment or attendance of a student at an
28 educational institution and expenses for fees, books, supplies, and
29 equipment required for courses of instruction at that educational

1 institution.

2 (o) ~~(n)~~ "School district" means that term as defined in the
3 revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

4 (p) ~~(o)~~ "State education tax" means the tax levied under the
5 state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

6 (q) ~~(p)~~ "Vocational program" means an education or training
7 program intended to teach a trade, occupation, or vocation and
8 offered by a public or private postsecondary institution in this
9 state.

10 Sec. 7. (1) A promise zone authority created under section 5
11 shall prepare a promise zone development plan.

12 (2) A promise zone development plan ~~shall~~**must** include, but is
13 not limited to, all of the following:

14 (a) A complete description of the proposed promise of
15 financial assistance. The proposed promise of financial assistance
16 ~~shall~~**must** include, but is not limited to, a promise of financial
17 assistance to all eligible students residing within the promise
18 zone and who graduate from a public high school or nonpublic high
19 school ~~located within that promise zone,~~**described in section**
20 **3 (i) (i), (ii), or (iii),** in an amount established by the board to
21 reflect the amount available for disbursement to eligible students
22 and included in the annual budget under section 15. The amount of
23 proposed promise of financial assistance ~~shall,~~**must,** at a minimum,
24 equal or exceed the amount the board determines is sufficient to
25 pay for the qualified educational expenses for an eligible student
26 to obtain an associate degree at a community or junior college in
27 this state, and ~~shall~~**must** not exceed the amount the board
28 determines is sufficient to pay for the qualified educational
29 expenses for an eligible student to obtain a bachelor's degree or

1 its equivalent at a public postsecondary institution in this state
2 or combination of public postsecondary institutions in this state,
3 subject to any limitations authorized under this section. The
4 proposed promise of financial assistance may also, at most, provide
5 funding for an eligible student to attend a private college in this
6 state in an amount that does not exceed the average amount of
7 qualified educational expenses to obtain a bachelor's degree at all
8 public universities in this state. The proposed promise of
9 financial assistance may also authorize the expenditure of funds
10 for educational improvement activities designed to increase
11 readiness for postsecondary education at public schools located in
12 the promise zone.

13 (b) A complete description of any limitation on the promise of
14 financial assistance, including, but not limited to, any of the
15 following:

16 (i) If the promise of financial assistance will be prorated
17 based on the number of years the student has resided within the
18 promise zone.

19 (ii) If the promise of financial assistance will be restricted
20 to students who have resided within **the promise zone**, or **who**
21 attended a public high school or nonpublic high school ~~within the~~
22 ~~promise zone~~ **described in section 3(i)(i), (ii), or (iii)**, for a
23 minimum number of years.

24 (iii) If the promise of financial assistance is predicated on
25 the student maintaining a minimum college grade point average and
26 carrying a minimum college credit hour classload.

27 (iv) If the promise of financial assistance is restricted to
28 attendance at 1 or more public or private postsecondary
29 institutions in this state.

1 (v) If the promise of financial assistance is limited to
 2 students whose cumulative high school grade point average exceeds a
 3 specified minimum. However, a board may revise, establish, or
 4 eliminate a high school grade point average requirement for
 5 students after it submits a promise zone development plan to the
 6 department of treasury and is not required to amend the plan or
 7 obtain approval from the department of treasury for that change.

8 (vi) If the promise of financial assistance is limited to
 9 students who comply with requirements established by the board in
 10 order to improve student progress toward degree completion.

11 (vii) If the promise of financial assistance in a promise zone
 12 that encompasses more than 2 school districts is limited to
 13 students who reside in and graduate from high schools located
 14 within the boundaries of fewer than all of its constituent school
 15 districts.

16 (c) A requirement that graduates of a public high school or
 17 nonpublic high school exhaust all other known and available
 18 restricted grants for qualified educational expenses for
 19 postsecondary education provided by a federal, state, or local
 20 governmental entity, as determined by the board.

21 (d) How the funds necessary to accomplish the promise of
 22 financial assistance will be raised. Any amount received under the
 23 state school aid act of 1979, 1979 PA 94, MCL 388.1601 to ~~388.1896,~~
 24 ~~shall-388.1897l, must~~ not be included as a method of raising the
 25 necessary funds. The promise zone development plan ~~shall-must~~ be
 26 financed from 1 or more of the following sources:

27 (i) Donations.

28 (ii) Revenues.

29 (iii) Money obtained from other sources approved by the

1 governing body or otherwise authorized by law.

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

5 (f) A complete description of the criteria and procedures by
6 which the performance of students receiving financial assistance
7 pursuant to the proposed plan will be assessed and reported. This
8 assessment and reporting methodology ~~shall~~**must** include, but is not
9 limited to, the submission of a written report by no later than
10 October 31 of each year to the department of treasury. This annual
11 report ~~shall~~**must** include the following information, which may be
12 obtained, in whole or in part, from any reliable source that
13 complies with applicable laws regarding student privacy:

14 (i) The number of students who received financial assistance
15 pursuant to the authority's approved promise zone development plan
16 during the prior academic year.

17 (ii) Of those students accounted for under subparagraph (i), the
18 number who successfully completed the following:

19 (A) A certificate or associate program.

20 (B) A bachelor's program.

21 (iii) Of those students accounted for under subparagraph (i),
22 the number who withdrew from classes during the prior academic
23 year.

24 (iv) Of those students accounted for under subparagraph (i) who
25 initially reached successful completion of more than the equivalent
26 of 23 semester credits during the prior academic year, the average
27 time to successfully complete the equivalent of 24 semester
28 credits.

29 (v) The 6-year graduation rate for recipients of financial

1 assistance pursuant to the authority's approved promise zone
2 development plan.

3 (3) The proposed promise of financial assistance under
4 subsection (2) ~~shall~~**must** not include funding for attendance at a
5 public or private postsecondary institution not located in this
6 state.

7 (4) The board shall submit the promise zone development plan
8 to the department of treasury within 5 years after the eligibility
9 to establish the promise zone was certified by the department of
10 treasury under section 4(4). If a promise zone development plan is
11 not submitted within this time frame, the department of treasury
12 may dissolve the promise zone. The promise zone development plan
13 ~~shall~~**must** be published on the website of the eligible entity that
14 established the promise zone.

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

27 (6) The department of treasury shall review any proposed
28 amendments to a promise zone development plan. Not more than 60
29 days after receipt of proposed amendments to a promise zone

1 development plan, the department of treasury shall ~~either~~ approve
2 the proposed amendments or provide a written notice of
3 deficiencies. If the department of treasury does not approve
4 proposed amendments or provide a written notice of deficiencies
5 within 60 days, the proposed amendments ~~shall~~ **must** be considered
6 approved. If proposed amendments are approved, the department of
7 treasury shall certify that the amendments meet all requirements
8 under this act.

9 (7) A promise zone development plan approved under this act
10 before ~~the effective date of the amendatory act that added this~~
11 ~~subsection shall~~ **February 16, 2016 must** be amended as necessary to
12 meet the assessment and reporting requirements described in
13 subsection (2) (f). ~~That~~ **The** amendment ~~shall~~ **must** include a first
14 annual reporting deadline not later than October 31, 2017. ~~That~~ **The**
15 **board shall submit the** amendment ~~shall be submitted by the board to~~
16 the department of treasury within 60 days after ~~the effective date~~
17 ~~of the amendatory act that added this subsection~~ **February 16, 2016,**
18 and **the amendment** is subject to the review process set forth in
19 subsection (6).