

Act No. 94
Public Acts of 1999
Approved by the Governor
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STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 1999

**Introduced by Reps. Perricone, Allen, Birkholz, Ruth Johnson, Rick Johnson, Garcia, Julian, Mortimer, Van Woerkom, Ehardt, Pumford, Mead, LaSata, Kowall, Hager, DeRossett, Gilbert, Tabor, Rocca, Shackleton, Toy, Jelinek, Middaugh, DeVuyst, Sanborn and Richner
Reps. Bisbee, Cameron Brown, Cassis, Caul, DeWeese, Faunce, Howell, Jansen, Koetje, Kukuk, Law, Patterson, Richardville, Scranton, Shulman, Vander Roest, Vear and Woronchak named co-sponsors**

ENROLLED HOUSE BILL No. 4666

AN ACT to create the Michigan merit award scholarship trust fund; to create the Michigan merit award scholarship board and prescribe the powers and duties of the board; and to provide for the Michigan merit award scholarship program.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as the “Michigan merit award scholarship act”.

Sec. 2. As used in this act:

(a) “Approved postsecondary educational institution” means any of the following:

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

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

(iii) A program of an educational institution, other than an educational institution described in subparagraph (i), that grants degrees, certificates, or other recognized credentials and is designated by the board as an approved postsecondary educational institution.

(b) “Assessment test” means the Michigan education assessment program (MEAP) subject area assessments or any successor assessment test designated by the board.

(c) “Board” means the Michigan merit award board established in this act.

(d) “Department of career development” means the department of career development created in Executive Order No. 1999-1.

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

(f) “Fiscal year” means the fiscal year of this state.

(g) “Michigan merit award scholarship” means a scholarship awarded by the board under section 7.

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

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

(j) "Superintendent" means the superintendent of public instruction.

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

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

Sec. 3. (1) The Michigan merit award trust fund is established in the department of treasury. The trust fund shall consist only of interest and earnings from trust fund investments, donations of money made to the trust fund from any source, and the following percentages of tobacco settlement revenue:

(a) Thirty percent of the tobacco settlement revenue received in fiscal year 1999-2000.

(b) Fifty percent of tobacco settlement revenue received in fiscal year 2000-2001.

(c) Seventy-five percent of tobacco settlement revenue received in fiscal year 2001-2002 and in subsequent fiscal years.

(2) Money in the trust fund at the close of a fiscal year shall remain in the trust fund and shall not revert to the general fund.

(3) The state treasurer shall direct the investment of the trust fund.

Sec. 4. (1) The Michigan merit award board is established within the department of treasury. The goal of the board is to increase access to postsecondary education and reward Michigan high school graduates who have demonstrated academic achievement.

(2) The board shall exercise its authority, powers, duties, and responsibilities independent of the state treasurer. However, all administrative functions, including budgeting, procurement, and personnel functions, shall be performed under the direction and supervision of the state treasurer.

(3) The board shall consist of 7 members. The members shall include the state treasurer or his or her designee, the superintendent or his or her designee, the director of the department of career development or his or her designee, and 4 members appointed by the governor with the advice and consent of the senate. The state treasurer or his or her designee shall serve as the chairperson of the board.

(4) The term of a member appointed by the governor shall be 4 years. Of the members first appointed by the governor, 2 shall be appointed for 2-year terms and 2 shall be appointed for 4-year terms.

(5) A member appointed by the governor may be removed by the governor for neglect of duty or malfeasance in office.

(6) A vacancy on the board shall be filled for the balance of the unexpired term in the same manner as the original appointment.

(7) The board may incur expenses necessary to carry out its powers and duties under this act and shall compensate its members for reasonable expenses incurred in carrying out their official duties.

(8) The board shall establish a statewide toll-free telephone line and internet access to receive questions, comments, and complaints concerning the assessment test, including, but not limited to, complaints of student cheating on the assessment test, complaints or comments about specific assessment test questions or testing conditions, or other questions, comments, or complaints relating to the development, preparation, distribution, scoring, or dissemination of results of the assessment test.

Sec. 5. Upon appropriation by the legislature, the board shall authorize disbursement of funds from the trust fund for 1 or more of the following purposes:

(a) Michigan merit award scholarships under this act.

(b) Expenses properly incurred by the commission in carrying out its powers and duties.

(c) Costs associated with the development, preparation, distribution, and scoring of the assessment test and any costs associated with dissemination of results of the assessment test.

(d) Funding of the tuition incentive program as described in section 310 of 1998 PA 271 or a successor to that program.

(e) Other expenditures as determined by law.

Sec. 6. (1) The board's business shall be conducted in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of meetings of the board shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

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

(3) Except as provided in subsection (4), the board shall obtain and make available to the public all of the qualifying questions and answers, along with the corresponding answer key, to assessment tests administered during the spring of the preceding school year not later than September 1.

(4) Select questions which will be used for validity purposes in subsequent assessment tests may be held back from release. However, all questions shall be made available no later than 2 years after the assessment test is administered.

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

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

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

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

(d) The dollar amount of the Michigan merit award scholarships available under section 7(2) and (3) in the current fiscal year, the amount of any adjustments to the dollar amount under section 7(5) from the beginning of the immediately preceding fiscal year, and any adjustments to the dollar amount projected for the remainder of the current fiscal year or for the next fiscal year.

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

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

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

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

(f) For the immediately preceding fiscal year, the number of students who took the assessment tests, the number of students by subject area who received qualifying results, and the number of students who met the requirements for a Michigan merit award scholarship.

(g) The number of persons participating in and the amount awarded in the immediately preceding fiscal year under the tuition incentive program described in section 310 of 1998 PA 271 or a successor to that program.

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

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

(2) Subject to subsection (6), each student enrolled in grade 11 in or after the 1998-1999 school year who meets the requirements of subsection (4), and subject to adjustment under subsection (5), is eligible for the award of a \$2,500.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution in this state or the award of a \$1,000.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution outside this state if the board finds that the student while in high school has taken the assessment test in the subject areas of reading, writing, mathematics, and science and meets 1 of the following:

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

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

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

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

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

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

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

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

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

(b) The student graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board within the 7-year period preceding the student's application to receive his or her Michigan merit award scholarship money.

(c) The student is enrolled in an approved postsecondary educational institution. For students who qualify under subsection (2)(c), the student is enrolled in a vocational or technical education program at an approved postsecondary educational institution.

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

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

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

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

(7) The board shall provide each student written notice of whether or not the student is eligible for the award of 1 or more Michigan merit award scholarships described in this section. If the student is eligible, the written notice shall also contain the Michigan merit award scholarship amount for which the student is eligible, how the student applies for payment of Michigan merit award scholarship, and any other information the board considers necessary regarding qualification requirements or conditions relating to the use of the Michigan merit award scholarship.

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

(9) If a student who has previously received a \$1,000.00 Michigan merit award scholarship as a student enrolled in an approved postsecondary educational institution outside of this state enrolls in an approved postsecondary educational institution in this state and meets the requirements of subsection (4), and subject to adjustment under subsection (5), the student is eligible for the award of an additional \$1,500.00 Michigan merit award scholarship.

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

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

Sec. 8. (1) A Michigan merit award scholarship shall be used only to pay for eligible costs. The board shall determine the manner and form of application for payment of a Michigan merit award scholarship by a student eligible under section 7 and the procedure for payment to the student or to the approved postsecondary educational institution on the student's behalf. As determined by the board, upon the request of a student or parent or legal guardian of a minor student, the board may pay a Michigan merit award scholarship in 2 consecutive annual installments rather than 1 lump sum.

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

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

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

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

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

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

(e) That the student graduated from high school or passed the general educational development (GED) test or approved graduate equivalency examination within the 7-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship.

Sec. 9. The board may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement and administer this act, including, but not limited to, 1 or more of the following:

(a) Rules establishing the board's administrative procedures.

(b) Rules governing the qualification requirements for or the award of Michigan merit award scholarships under this act.

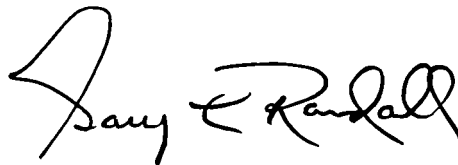
(c) Rules establishing an appeals process from a determination of ineligibility for a Michigan merit award scholarship.

(d) Rules establishing what information or reports a student or postsecondary educational institution must provide to establish eligibility and when that information or those reports must be provided.

(e) Rules prescribing the reports to be made by a student awarded 1 or more Michigan merit award scholarships and by a postsecondary educational institution to which the Michigan merit award scholarship is paid.

(f) Rules governing assessment test administration and addressing cheating on an assessment test.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.