

SUBSTITUTE FOR
HOUSE BILL NO. 4330

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

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

2

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

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

3

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

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

4

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.

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

5

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

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

6

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.

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

7

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 siderers 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.

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

8

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.

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

9

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.

HB4330, As Passed House, December 5, 2002

House Bill No. 4330

10

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 in that academic year.