

Act No. 736
Public Acts of 2002
Approved by the Governor
December 30, 2002
Filed with the Secretary of State
December 30, 2002
EFFECTIVE DATE: December 30, 2002

STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002

**Introduced by Reps. Vander Roest, Meyer, Julian, Middaugh, Kuipers, Bishop, Birkholz, Richardville,
Kooiman, Spade and Bovin**

ENROLLED HOUSE BILL No. 4330

AN ACT to amend 1999 PA 94, entitled "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," 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:

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) A service academy.

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

(iv) A program of an educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and 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) "Service academy" means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

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

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

(l) "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.

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

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 in a service academy, 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 other than a service academy, 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 1 of the following time periods:

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

(ii) If the student graduated on or after March 1, 2002, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship money, or if the student becomes a member of the United States armed forces or peace corps during this 4-year period and serves for 4 years or less, the 4-year period is extended by a period equal to the number of days the student served as a member of the United States armed forces or peace corps. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(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 other than a service academy 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 for a student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination before March 1, 2003. For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2003, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year for which the student is otherwise eligible under section 7. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7(4)(c) is required prior to issuance of the second installment.

(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 1 of the following time periods:

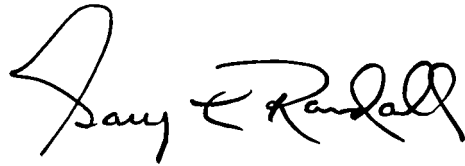
(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship.

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

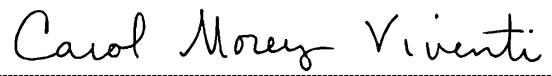
(4) The board shall not begin disbursing funds for a Michigan merit award scholarship to a student or an approved postsecondary educational institution on behalf of the student unless it receives the request or application for payment,

including the written certification or affirmation described in this section, from the student on or before January 15 in the 2002-2003 academic year, and September 15 in any other academic year, for disbursement in that academic year.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.