

## STATE COMPETITIVE SCHOLARSHIPS Act 208 of 1964

AN ACT to grant scholarships to students enrolled in postsecondary education institutions; and to provide for the administration of the scholarship program.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1979, Act 48, Imd. Eff. July 7, 1979.

*The People of the State of Michigan enact:*

### **390.971 State competitive scholarships; establishment; purpose.**

Sec. 1. State competitive scholarships are established by the state to foster the pursuit of postsecondary education and awarded to students showing promise of satisfactory completion of postsecondary study through competitive examinations and a continued satisfactory academic record in a course of study in an eligible postsecondary institution in this state.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1979, Act 48, Imd. Eff. July 7, 1979.

**Compiler's note:** For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 12.194.

### **390.972 Administration of state competitive scholarship program.**

Sec. 2. (1) The department shall administer the scholarship program created in section 1.

(2) As used in this act, "department" means the department of lifelong education, advancement, and potential.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

**Compiler's note:** For transfer of authority, powers, duties, functions, and responsibilities of the Michigan higher education assistance authority, the Michigan higher education student loan authority, and the office of student financial assistance services in the department of education to the department of treasury, see E.R.O. No. 1995-2, compiled at MCL 12.181 of the Michigan Compiled Laws.

For transfer of powers and duties of Michigan higher education assistance authority to department of treasury, see E.R.O. No. 2010-2, compiled at MCL 12.194.

For the transfer of the powers and duties for the administration of certain scholarship and grant programs from the office of postsecondary financial planning within the department of treasury to the director of MiLEAP, see E.R.O. No. 2023-2, compiled at MCL 388.1283.

### **390.973 Competitive examinations; qualifying scores; scholastic achievement; certificates of recognition; renewal of scholarships; rules; exception for 2021-2022 academic year.**

Sec. 3. (1) Subject to subsection (4), the department shall conduct a competitive examination among eligible applicants for state competitive scholarships at times and places as determined by the department. The department may designate a competitive examination to be administered among eligible applicants for state competitive scholarships. The department shall annually establish the examination scores necessary to qualify for the competitive scholarship according to the funding available to meet the award levels established under section 6.

(2) The department may also use scholastic achievement in determining award winners and shall issue appropriate certificates of recognition to individuals awarded scholarships. The department shall grant annual renewal of scholarships.

(3) The department shall promulgate rules to implement this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, including rules for the conduct of examinations for the award of scholarships, for the procedures for the awarding of annual renewal scholarships, and for the purpose of defining eligible postsecondary institutions under this act.

(4) Notwithstanding any provision of this act or rule to the contrary, scholastic achievement, including, but not limited to, grade point average, class rank, or other measure of academic success as determined by the department, may be used as an alternative to a competitive examination to determine eligibility for scholarships awarded under this act for the 2021-2022 academic year.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 103, Imd. Eff. June 22, 1966;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2021, Act 40, Imd. Eff. July 1, 2021;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

**Administrative rules:** R 390.1551 et seq. of the Michigan Administrative Code.

### **390.974 Eligibility of applicant for award of first-year scholarship; duration of scholarship.**

Sec. 4. (1) Except as otherwise provided in subsection (3), an applicant is eligible for the award of a

first-year scholarship if the department finds that the applicant meets all of the following:

(a) Has resided continuously in this state for the preceding 12 months and is not considered a resident of any other state.

(b) Has graduated from a high school, or is a student in good standing in a high school who will graduate at the end of the academic year, or an individual who has passed a graduate equivalency examination approved by the state board of education, or, if not a high school graduate, is recommended favorably by an appropriate educational institution as defined in rules promulgated by the department.

(c) Except for an applicant for a graduate scholarship, based on the state competitive scholarship examination, shows promise of satisfactorily completing a course of study at an eligible postsecondary institution of the applicant's choice in this state. For an applicant for a graduate scholarship, the department shall determine the examination standards for eligibility.

(d) Has complied with this act and the rules promulgated under this act by the department.

(e) Is not incarcerated in a corrections institution.

(2) An applicant who the department determines is eligible for award of a scholarship under this act shall complete using the scholarship within 1 of the following time frames, as applicable:

(a) For an applicant enrolled in an eligible postsecondary institution during the 2020 spring term and the 2020-2021 academic year, 11 years after the applicant's eligibility is determined.

(b) For any other applicant, 10 years after the applicant's eligibility is determined.

(3) Notwithstanding any other provision of this act, students enrolling in postsecondary educational institutions for the first time after the fiscal year ending on September 30, 2023, and students who have not already received state competitive scholarships before the fiscal year ending on September 30, 2023, are not eligible to receive state competitive scholarships under this act.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 141, Imd. Eff. June 24, 1966;—Am. 1976, Act 428, Imd. Eff. Jan. 11, 1977;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 1986, Act 270, Eff. Mar. 31, 1987;—Am. 2021, Act 40, Imd. Eff. July 1, 2021;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

**Administrative rules:** R 390.1551 et seq. of the Michigan Administrative Code.

### **390.975 First-year scholarships; number awarded; renewal; duration; limitation on appropriation; award of residual scholarships.**

Sec. 5. (1) There must be awarded for each academic year the number of first-year scholarships that may be financed through available money. Of this number not less than 3 scholarships may be awarded to residents of each legislative district, and the balance of the scholarships must be awarded to residents of the state at large.

(2) Each scholarship described in subsection (1) must be renewed by the department upon application of the student awarded the first-year scholarship without further examination if the applicant remains eligible under sections 4 and 6 and is in compliance with rules promulgated by the department.

(3) A scholarship may be renewed for not more than 10 semesters or its equivalent in trimesters or quarters of undergraduate education, or the equivalent as determined by the department for less than full-time but more than half-time students.

(4) Beginning after October 1, 1988, a scholarship may be awarded for not more than 6 semesters or its equivalent in trimesters, quarters, or terms of graduate education, or the equivalent as determined by the department for less than full-time but more than half-time students. Money may not be appropriated for purposes of this subsection for any fiscal year unless the amount appropriated under this act for that fiscal year for state competitive scholarships for undergraduate education equals or exceeds the amount appropriated for the state competitive scholarship program for the fiscal year ending September 30, 1987.

(5) A residual scholarship must be awarded to a qualifying applicant who does not receive an initial scholarship award, but who may be eligible for an award later in the year or during an academic year when initial recipients relinquish their scholarship awards.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 103, Imd. Eff. June 22, 1966;—Am. 1970, Act 65, Imd. Eff. July 10, 1970;—Am. 1976, Act 428, Imd. Eff. Jan. 11, 1977;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 1986, Act 270, Eff. Mar. 31, 1987;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

**Administrative rules:** R 390.1551 et seq. of the Michigan Administrative Code.

### **390.975a State competitive scholarships; award of honorary scholarships; publication of names.**

Sec. 5a. The department may award honorary scholarship certificates to those applicants who would otherwise be eligible for a scholarship under this act but because of the lack of financial need are not eligible for a monetary scholarship. The names of the recipients of such awards must be published the same as the

names of the winners of monetary scholarships.

**History:** Add. 1966, Act 186, Imd. Eff. July 1, 1966;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

### **390.976 Duration and amount of first-year scholarship.**

Sec. 6. Each first-year scholarship is for a period of 1 academic year and the scholarship award for state competitive scholarships awarded prior to the fiscal year ending September 30, 2023 must not exceed the amount of tuition and fees for the full academic year as reported by the eligible postsecondary institution in which the applicant is enrolled, or an amount as the department finds appropriate in relation to the applicant's own financial resources other than wages that may be due the applicant for part-time work performed by the applicant during the academic year, whichever is the lesser. For the purposes of determining the dollar amount of the scholarship for students awarded state competitive scholarships prior to the academic year 2024-2025, the financial resources of the applicant include the cash or equivalent resources of the applicant's parents available for the postsecondary education of the applicant, allowance made for other members of the applicant's family enrolled in an eligible postsecondary institution, under rules adopted by the department. Notwithstanding any other provision of this act, a student who has not received a state competitive scholarship prior to the academic year 2024-2025 must be considered to lack financial need. If the amount of appropriated funds is insufficient to provide each student with the scholarship amount for which the student is eligible, the department shall establish a maximum scholarship level for that academic year. Renewal scholarships must not be less than the initial first-year scholarship awards unless predicated by changes in student or family financial resources.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 141, Imd. Eff. June 24, 1966;—Am. 1973, Act 27, Eff. July 1, 1973;—Am. 1977, Act 294, Imd. Eff. Dec. 29, 1977;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

### **390.977 Choice of institution or course of study; exception; accepting or continuing enrollment; notice; reports.**

Sec. 7. (1) An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the institution in this state that the applicant desires to attend if the institution is an eligible postsecondary institution under rules promulgated by the department, except that a student shall not use a scholarship award at an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect. An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the course of study the applicant wishes to pursue.

(2) An eligible postsecondary institution chosen by the applicant is not required to accept the applicant for enrollment, or once having admitted the applicant, to continue the applicant's enrollment. The eligible postsecondary institution accepting the enrollment of a state competitive scholarship award winner shall notify the department of the recipient's enrollment and shall submit annually to the department reports that are required and necessary to administer this act.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1965, Act 153, Imd. Eff. July 12, 1965;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2004, Act 181, Imd. Eff. July 1, 2004;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

### **390.978 Basis for award.**

Sec. 8. State competitive scholarships must be awarded by the department on the basis of merit and financial need and without regard to race, sex, religion, color, or national origin.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

### **390.979 Rules; reports by applicants; certification; payments.**

Sec. 9. The department shall promulgate rules prescribing the reports to be made by the applicants awarded state competitive scholarships or annual renewal scholarships and the eligible postsecondary institutions enrolling the applicants. Before payment of a state competitive scholarship or annual renewal scholarship is made to the applicant, the applicant shall certify in writing the name of the eligible postsecondary institution in which the applicant is enrolled and the applicant's intention to use the scholarship to pay for the tuition and fees to the eligible postsecondary institution. Prorated payments must be made at the beginning of each semester or term to the student or to the eligible postsecondary institution for credit to the student's account.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 1966, Act 103, Imd. Eff. June 22, 1966;—Am. 1979, Act 48, Imd. Eff. July 7, 1979;—Am. 1980, Act 500, Eff. July 1, 1981;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

### **390.980 Higher education assistance authority; acceptance of gifts; annual reports.**

Sec. 10. The department may accept gifts, grants, bequests, donations, and devises, from whatever sources, of real, personal, or mixed property and moneys for the purposes described in this act. The department shall prepare an annual report of all gifts, grants, bequests, donations, and devises for the governor and the legislature.

**History:** 1964, Act 208, Imd. Eff. May 22, 1964;—Am. 2024, Act 233, Eff. Apr. 2, 2025.

**390.981 Allotment of scholarships to high schools; eligibility of students; implementation of awarding procedure; award of remaining scholarships.**

Sec. 11. (1) Four scholarships shall be allotted to each class "A" high school, 3 to each class "B" high school, 2 to each class "C" high school, and 1 to each class "D" high school. Scholarships allotted to a high school shall be awarded to those students having the highest competitive examination score and otherwise meeting all eligibility requirements of this act, including that of demonstrating financial need. The awarding of scholarships through this procedure shall be implemented only after sufficient additional funds are appropriated so as to not displace any student eligible for an award through the other awarding procedures established by this act.

(2) The remaining scholarships shall be awarded on a statewide, competitive basis.

**History:** Add. 1976, Act 415, Imd. Eff. Jan. 9, 1977.