

**THE STATE SCHOOL AID ACT OF 1979 (EXCERPT)**  
**Act 94 of 1979**

**388.1897c Appropriation for Michigan talent pledge scholarship program; scholarship grant requirements; eligibility of postsecondary institution; application; reimbursement; report; appropriation for coaches; workforce certificate; administration.**

Sec. 297c. (1) From the appropriation in section 297, there is allocated for 2017-2018 an amount not to exceed \$25,500,000.00 for the Michigan talent pledge scholarship program administered by the department of treasury.

(2) From the allocation in subsection (1), there is allocated for 2017-2018 an amount not to exceed \$20,000,000.00 to be used for the purpose of assisting low-income individuals with the cost of obtaining a qualifying degree or credential in high-demand fields. The funds must be used to fund scholarships and stipends for eligible individuals over 4 years. Awards shall be in the following amounts:

(a) \$750.00 scholarship award for individuals enrolled in an eligible program that leads to a 1-year credential, in addition to a \$250.00 stipend paid to the individual.

(b) \$500.00 scholarship award each year for 2 years for individuals enrolled in an eligible program that leads to a 2-year credential, in addition to a \$250.00 stipend each year paid to the individual.

(3) To be eligible for a scholarship grant under this section, an individual shall meet all of the following:

(a) Except for an individual under the age of 18, possess a high school diploma, recognized equivalency, or recognized equivalency certificate.

(b) Be a resident of this state and a citizen of the United States of America.

(c) File the free application for federal student aid (FAFSA), annually.

(d) Have an annual income at the time of application that is at or below 133% of the federal poverty guidelines published annually by the United States Department of Health and Human Services.

(e) Be enrolled in a qualifying program at an eligible postsecondary institution.

(f) Apply for a grant in a form and manner prescribed by the department of treasury.

(g) Maintain a cumulative grade point average of at least 2.5, if the institution utilizes a standard grading model, or, if the institution utilizes a competency-based grading model during his or her time enrolled in an eligible postsecondary institution, make sufficient progress through the curriculum to complete the program.

(h) Is between the ages of 16 and 45 at the time of application.

(4) A postsecondary institution is eligible under this section if the postsecondary institution is a public or private nonprofit college or university, junior college, community college, or private training provider that grants degrees or certificates and is located in this state and provides proof, in a form and manner prescribed by the department of treasury, in cooperation with the department of talent and economic development, that it has implemented a talent guarantee for the relevant qualifying program under subsection (5). For the purposes of this subsection, "talent guarantee" means a process by which the institution will provide relevant training in the relevant field at no cost to a graduate who successfully completes a qualifying program under subsection (5), if the graduate is unable to find or keep a job in the relevant field at a relevant level due to a lack of technical skills. Institutions are encouraged to work with their local Michigan works agencies to implement this guarantee.

(5) A program must meet all of the following to be a qualifying program under this section:

(a) Completion of the program must result in a credential in a qualifying high-demand field.

(b) The program is intended to be completed in no more than 1 year for an award under subsection (2)(a), or no more than 2 years for an award under subsection (2)(b).

(c) The program utilizes a competency-based instructional model.

(6) The department of treasury shall develop an application and eligibility determination process that will provide the highest level of participation and ensure that all requirements of the program are met.

(7) The department of treasury shall provide payment on behalf of an individual eligible under subsection (3) for the scholarship award amounts described in subsection (2)(a) and (b). The department of treasury shall reimburse the eligible postsecondary institution no later than 30 days after the start of the fiscal year. Subject to subsection (8), the department of treasury shall only accept standard per-credit hour tuition billings and shall reject billings that are excessive or outside of the guidelines for the type of educational institution. For the stipend amounts under subsection (2)(a) and (b), the department of treasury shall collaborate with eligible postsecondary institutions to ensure that a prorated amount of the stipend is forwarded to the student following each regular meeting with a coach, mentor, or counselor as an incentive for the student to meet with the coach, mentor, or counselor.

(8) For the department of treasury to pay a scholarship award on behalf of an individual eligible under subsection (3), at least 1 of the following must apply:

(a) For individuals enrolled at a community college in this state, the individual is charged the current in-district tuition and mandatory fees.

(b) For individuals enrolled at a public university in this state, the individual is charged the lower division resident tuition and mandatory fees for the current year.

(c) For individuals enrolled at an independent, nonprofit degree-granting college or university in this state or a federal tribally controlled community college in this state, the mandatory fees and per-credit payment charged to the individual do not exceed the average community college in-district per-credit tuition rate as reported on August 1 of the immediately preceding academic year.

(9) The department of treasury shall collaborate with the center to use the P-20 longitudinal data system to report the number of students who are engaged in and have completed a program using an award granted under this section.

(10) From the funds allocated under subsection (1), there is allocated for 2017-2018 an amount not to exceed \$2,440,000.00 for grants to community colleges, universities, or private nonprofit colleges for the purpose of providing coaches to students who receive scholarship awards under this section. The coaches funded under this subsection shall provide intense mentoring and advising to recipients of scholarships under this section, focusing on ensuring that students complete programs for which they receive scholarships under this section. Grants awarded under this subsection must be made to eligible postsecondary institutions in the amount not to exceed \$40,000.00 per coach.

(11) From the funds allocated under subsection (1), there is an amount allocated for 2017-2018 not to exceed \$2,300,000.00 to be used for grants to districts for stipends for students and bonus payments to districts that are parties to a talent consortium and whose students successfully earn an in-demand workforce certificate in a high-demand field. For the purposes of funding under this subsection, a workforce certificate must, as determined by the department of talent and economic development, be entry-level or above, recognized by statewide industry, and in a high-demand, high-salary, high-upward mobility career. Grants awarded under this subsection must be in the amount of \$500.00 per student who successfully completes an in-demand credential in a high-demand field in calendar year 2019 or 2020. A grant awarded under this subsection shall be distributed in an amount of \$250.00 to the student and in an amount of \$250.00 to the district. A district seeking a grant under this subsection shall apply in a form and manner prescribed by the department. An application for a grant under this subsection must describe the credentials that students will earn using funds awarded under this subsection. The department shall work with the department of talent and economic development to award grants under this subsection and notify applicants of the decision to award a grant not later than 30 days after receiving an application.

(12) The following do not qualify as in-demand credentials in a high-demand field for the purposes of subsection (11):

(a) A high school diploma or equivalent.

(b) An advanced placement test other than physics c: electricity and magnetism, physics c: mechanics, computer science a, or computer science principles.

(13) From the funds allocated in subsection (1), there is an amount allocated not to exceed \$760,000.00 to the department of treasury for costs related to the administration of this section.

**History:** Add. 2018, Act 227, Imd. Eff. June 27, 2018;—Am. 2018, Act 586, Imd. Eff. Dec. 28, 2018.

**Compiler's note:** Enacting section 1 of Act 227 of 2018 provides:

"Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending from state sources on state school aid under article V of the state school aid act of 1979, 1979 PA 94, MCL 388.1897 to 388.1897n, as added by this amendatory act for fiscal year 2017-2018 is estimated at \$100,000,000.00 and state appropriations for school aid to be paid to local units of government for fiscal year 2017-2018 are estimated at \$61,235,000.00."

In enacting section 1 of Act 227 of 2018, the reference to "MCL 388.1897 to 388.1897n" evidently should read "MCL 388.1897 to 388.1897l."

For the transfer of powers, duties, functions, and responsibilities under this article from the department of education to the department of labor and economic opportunity and the transfer of powers and duties of the department of treasury to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.