

**SUBSTITUTE FOR
SENATE BILL NO. 926**

A bill to amend 1999 PA 94, entitled
"Michigan merit award scholarship act,"
by amending sections 5, 6, 7, and 8 (MCL 390.1455, 390.1456,
390.1457, and 390.1458).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

4 (a) Michigan merit award scholarships under this act. THE
5 BOARD SHALL NOT DISBURSE FUNDS FOR A MICHIGAN MERIT SCHOLARSHIP
6 TO A STUDENT OR AN APPROVED POSTSECONDARY EDUCATIONAL INSTITUTION
7 ON BEHALF OF THE STUDENT FOR USE IN ANY ACADEMIC YEAR UNLESS IT
8 RECEIVES THE REQUEST OR APPLICATION FOR PAYMENT, INCLUDING THE
9 WRITTEN CERTIFICATION OR AFFIRMATION DESCRIBED IN SECTION 8(3),
10 ON OR BEFORE SEPTEMBER 30 IN THAT ACADEMIC YEAR.

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

3 (c) Costs associated with the development, preparation, dis-
4 tribution, and scoring of the assessment test and any costs asso-
5 ciated with dissemination of results of the assessment test.

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

8 (e) Other expenditures as determined by law.

9 Sec. 6. (1) The ~~board's~~ BOARD SHALL CONDUCT business
10 ~~shall be conducted~~ in compliance with the open meetings act,
11 1976 PA 267, MCL 15.261 to 15.275. ~~Public~~ THE BOARD SHALL GIVE
12 PUBLIC notice of the time, date, and place of meetings of the
13 board ~~shall be given~~ in the manner required by the open meet-
14 ings act, 1976 PA 267, MCL 15.261 to 15.275.

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

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

26 (4) ~~Select questions which will be used for validity~~
27 ~~purposes in subsequent assessment tests may be held back from~~

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1 ~~release. However, all questions shall be made available no later~~
2 ~~than 2 years after the assessment test is administered. IF ANY~~
3 QUESTION WILL BE USED IN A FUTURE ASSESSMENT TEST FOR VALIDITY
4 PURPOSES, THE BOARD MAY ELECT NOT TO MAKE THAT QUESTION AND THE
5 ANSWER AVAILABLE TO THE PUBLIC UNDER SUBSECTION (3) FOR A PERIOD
6 OF UP TO 2 YEARS FROM THE DATE THE ASSESSMENT TEST THAT FIRST
7 INCLUDES THE QUESTION IS ADMINISTERED.

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

11 (a) A list of approved postsecondary educational institu-
12 tions for the current and immediately preceding fiscal years.

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

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

18 (d) The dollar amount of the Michigan merit award scholar-
19 ships available under section 7(2) and (3) in the current fiscal
20 year, the amount of any adjustments to the dollar amount under
21 section 7(5) from the beginning of the immediately preceding
22 fiscal year, and any adjustments to the dollar amount projected
23 for the remainder of the current fiscal year or for the next
24 fiscal year.

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

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

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

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

7 (f) For the immediately preceding fiscal year, the number of
8 students who took the assessment tests, the number of students by
9 subject area who received qualifying results, THE NUMBER OF GRAD-
10 UATING HIGH SCHOOL SENIORS WHO MET THE REQUIREMENTS FOR A
11 MICHIGAN MERIT AWARD SCHOLARSHIP, and the TOTAL number of stu-
12 dents who met the requirements for a Michigan merit award
13 scholarship.

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

18 (6) At least 60 days before changing the results, scores, or
19 ranges of scores used as qualifying results, the board shall pro-
20 vide written notice of its intent to change the results, scores,
21 or ranges of scores used as qualifying results, and a report
22 explaining the board's decision to change the results, scores, or
23 ranges of scores used as qualifying results, to the standing com-
24 mittees of the senate and the house of representatives that have
25 primary jurisdiction over legislation pertaining to education.
26 The standing committees shall review the board's report and may
27 hold hearings on the board's decision.

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

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

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

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

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

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

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

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

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

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

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

26 (b) The student graduated from high school or passed the
27 general educational development (GED) test or other graduate

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1 equivalency examination approved by the state board within ~~the~~
2 ~~7-year period preceding the student's application to receive his~~
3 ~~or her Michigan merit award scholarship money.~~ 1 OF THE FOLLOW-
4 ING TIME PERIODS:

5 (i) IF THE STUDENT GRADUATED FROM HIGH SCHOOL OR PASSED THE
6 TEST OR EXAMINATION BEFORE MARCH 1, 2002, WITHIN THE 7-YEAR
7 PERIOD PRECEDING THE STUDENT'S APPLICATION TO RECEIVE HIS OR HER
8 MICHIGAN MERIT AWARD SCHOLARSHIP MONEY.

9 (ii) IF THE STUDENT GRADUATED ON OR AFTER MARCH 1, 2002,
10 WITHIN THE 2-YEAR PERIOD PRECEDING THE DATE OF THE STUDENT'S
11 APPLICATION TO RECEIVE HIS OR HER MICHIGAN MERIT AWARD SCHOLAR-
12 SHIP MONEY, OR IF THE STUDENT BECOMES A MEMBER OF THE UNITED
13 STATES ARMED FORCES OR PEACE CORPS DURING THIS 2-YEAR PERIOD AND
14 SERVES FOR 4 YEARS OR LESS, THE 2-YEAR PERIOD IS EXTENDED BY A
15 PERIOD EQUAL TO THE NUMBER OF DAYS THE STUDENT SERVED AS A MEMBER
16 OF THE UNITED STATES ARMED FORCES OR PEACE CORPS. THE BOARD MAY
17 ALSO EXTEND THE 2-YEAR PERIOD IF THE BOARD DETERMINES THAT AN
18 EXTENSION IS WARRANTED BECAUSE OF AN ILLNESS OR DISABILITY OF THE
19 STUDENT OR IN THE STUDENT'S IMMEDIATE FAMILY OR ANOTHER FAMILY
20 EMERGENCY.

21 (c) The student is enrolled in an approved postsecondary
22 educational institution. For students who qualify under subsec-
23 tion (2)(c), the student is enrolled in a vocational or technical
24 education program at an approved postsecondary educational
25 institution.

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

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

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

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

17 (7) The board shall provide each student written notice of
18 whether or not the student is eligible for the award of 1 or more
19 Michigan merit award scholarships described in this section. If
20 the student is eligible, the written notice shall also contain
21 the Michigan merit award scholarship amount for which the student
22 is eligible, how the student applies for payment of Michigan
23 merit award scholarship, and any other information the board con-
24 siderers necessary regarding qualification requirements or condi-
25 tions relating to the use of the Michigan merit award
26 scholarship.

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

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

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

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

21 Sec. 8. (1) A Michigan merit award scholarship shall be
22 used only to pay for eligible costs. The board shall determine
23 the manner and form of application for payment of a Michigan
24 merit award scholarship by a student eligible under section 7 and
25 the procedure for payment to the student or to the approved post-
26 secondary educational institution on the student's behalf. As
27 determined by the board, upon the request of a student or parent

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1 or legal guardian of a minor student, the board may pay a
2 Michigan merit award scholarship in 2 consecutive annual install-
3 ments rather than 1 lump sum.

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

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

15 (a) That the student is enrolled at an approved postsecond-
16 ary educational institution.

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

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

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

23 (e) That the student graduated from high school or passed
24 the general educational development (GED) test or approved gradu-
25 ate equivalency examination within ~~the 7-year period preceding~~
26 ~~the date of the student's application to receive his or her~~

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1 ~~Michigan merit award scholarship~~ 1 OF THE FOLLOWING TIME

2 PERIODS:

3 (i) IF THE STUDENT GRADUATED FROM HIGH SCHOOL OR PASSED THE
4 TEST OR EXAMINATION BEFORE MARCH 1, 2002, WITHIN THE 7-YEAR
5 PERIOD PRECEDING THE DATE OF THE STUDENT'S APPLICATION TO RECEIVE
6 HIS OR HER MICHIGAN MERIT AWARD SCHOLARSHIP.

7 (ii) IF THE STUDENT GRADUATED ON OR AFTER MARCH 1, 2002,
8 WITHIN THE 2-YEAR PERIOD PRECEDING THE DATE OF THE STUDENT'S
9 APPLICATION TO RECEIVE HIS OR HER MICHIGAN MERIT AWARD SCHOLAR-
10 SHIP, OR WITHIN A PERIOD EQUAL TO 2 YEARS PLUS THE NUMBER OF DAYS
11 THE STUDENT SERVED AS A MEMBER OF THE UNITED STATES ARMED FORCES
12 OR PEACE CORPS IF THE STUDENT BECAME A MEMBER OF THE UNITED
13 STATES ARMED FORCES OR PEACE CORPS DURING THIS 2-YEAR PERIOD AND
14 SERVED FOR 4 YEARS OR LESS. THE BOARD MAY ALSO EXTEND THE 2-YEAR
15 PERIOD IF THE BOARD DETERMINES THAT AN EXTENSION IS WARRANTED
16 BECAUSE OF AN ILLNESS OR DISABILITY OF THE STUDENT OR IN THE
17 STUDENT'S IMMEDIATE FAMILY OR ANOTHER FAMILY EMERGENCY.