

HOUSE BILL No. 4550

April 9, 2003, Introduced by Rep. Vagnozzi and referred to the Committee on Higher Education.

A bill to create the Michigan opportunity scholarship program; to provide for the powers and duties of certain state governmental officers and entities; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan opportunity scholarship act".

3 Sec. 2. As used in this act:

4 (a) Except as used in section 6, "academic year" means 2
5 semesters or 3 terms of enrollment at an approved postsecondary
6 educational institution.

7 (b) "Approved postsecondary educational institution" means a
8 degree or certificate granting public or independent nonprofit
9 college or university, junior college, or community college in
10 this state.

1 (c) "Assessment test" means the Michigan education assessment
2 program (MEAP) subject area assessments or any successor
3 assessment test approved by the state board.

4 (d) "Authority" means the Michigan higher education
5 assistance authority created by 1960 PA 77, MCL 390.951 to
6 390.961.

7 (e) "Eligible costs" means tuition and fees charged by an
8 approved postsecondary educational institution; related costs for
9 room, board, books, and supplies; and other costs determined by
10 the authority.

11 (f) "FAFSA" means the free application for federal student
12 aid developed under section 432(m)(1)(c) of part B of title IV of
13 the higher education act of 1965, Public Law 89-329, 20 U.S.C.
14 1082.

15 (g) "Fiscal year" means the fiscal year of this state.

16 (h) "Michigan opportunity scholarship" means a scholarship
17 awarded by the authority under section 3.

18 (i) "State board" means the state board of education.

19 Sec. 3. (1) To increase access to postsecondary education
20 for Michigan high school graduates who need financial assistance,
21 the Michigan opportunity scholarship program is established. The
22 authority shall administer the Michigan opportunity scholarship
23 program.

24 (2) Subject to the conditions and requirements contained in
25 this act, each student enrolled in grade 12 in or after the
26 2002-2003 school year is eligible for the award of a Michigan
27 opportunity scholarship in an academic year if the authority

1 finds that the student meets all of the following requirements:

2 (a) The student is a United States citizen, has resided
3 continuously in this state for the preceding 12 months, is not
4 considered a resident of any other state, and is not
5 incarcerated.

6 (b) The student graduated from high school or passed the
7 general educational development (GED) test or other graduate
8 equivalency examination approved by the state board within the
9 4-year period preceding the date of the student's application to
10 receive his or her Michigan opportunity scholarship money. If
11 the student becomes a member of the United States armed forces or
12 peace corps during this 4-year period and serves for 4 years or
13 less, the 4-year period is extended by a period equal to the
14 number of days the student served as a member of the United
15 States armed forces or peace corps. The authority may also
16 extend the 4-year period if the authority determines that an
17 extension is warranted because of an illness, disability, or
18 other family emergency of the student or in the student's
19 immediate family.

20 (c) The student took the assessment test in the subject areas
21 of reading, writing, mathematics, and science while in high
22 school.

23 (d) The student is enrolled in an approved postsecondary
24 educational institution.

25 (e) The student has a need for financial assistance as
26 determined by the authority.

27 (f) The student is not a recipient of a scholarship awarded

1 under 1964 PA 208, MCL 390.971 to 390.981, or a tuition grant
2 awarded under 1966 PA 313, MCL 390.991 to 390.997a.

3 (g) If the student has previously received a Michigan
4 opportunity scholarship, the student has maintained satisfactory
5 academic progress, as defined by the approved postsecondary
6 educational institution in which the student is enrolled, since
7 receiving the previous Michigan opportunity scholarship.

8 (h) The student meets any additional eligibility requirements
9 established by the authority.

10 Sec. 4. All of the following apply to the award of a
11 Michigan opportunity scholarship under this act:

12 (a) The authority shall determine the amount of a Michigan
13 opportunity scholarship paid to a student in any academic year,
14 based on an evaluation of the family's financial resources
15 described in the FAFSA and the eligible costs at the approved
16 postsecondary institution in which the student is enrolled.

17 (b) A student attending an approved postsecondary educational
18 institution as a full-time student may not receive a Michigan
19 opportunity scholarship under this act in more than 5 academic
20 years. The authority shall determine the number of academic
21 years a student who is not attending an approved postsecondary
22 educational institution as a full-time student but is attending
23 at least half-time for which the student may receive a Michigan
24 opportunity scholarship. A student attending an approved
25 postsecondary educational institution less than half-time may not
26 receive a Michigan opportunity scholarship.

27 (c) A student must maintain satisfactory academic progress,

1 as defined by the approved postsecondary educational institution
2 in which the student is enrolled, and comply with any rules
3 promulgated by the authority to remain eligible for a Michigan
4 opportunity scholarship.

5 (d) A student may use a Michigan opportunity scholarship only
6 to pay for eligible costs. The authority shall determine the
7 process for payment of a Michigan opportunity scholarship on
8 behalf of a student eligible under this act.

9 (e) The annual cost of the total number of scholarships paid
10 in a fiscal year shall not exceed the amount appropriated by the
11 legislature for the Michigan opportunity scholarship in that
12 fiscal year. If there are not sufficient funds appropriated by
13 the legislature to provide each student with a scholarship in the
14 amount to which those students are eligible in an academic year,
15 the authority shall establish a maximum scholarship level for
16 that academic year. In any fiscal year, the authority may adjust
17 the amount of a Michigan opportunity scholarship available to
18 eligible students, based upon its determination of available
19 resources and amounts appropriated.

20 Sec. 5. If the legislature appropriates money in a fiscal
21 year for the Michigan opportunity scholarship program, the
22 authority shall use the funds for any of the following purposes:

23 (a) Michigan opportunity scholarships under this act.

24 (b) Funding scholarships to students who received a state
25 competitive scholarship in 2002-2003 under 1964 PA 208, MCL
26 390.971 to 390.981, and who meet the eligibility requirements
27 contained in that act at the time a scholarship is provided under

1 this subdivision.

2 (c) Funding grants to students who received a tuition grant
3 in 2002-2003 under 1966 PA 313, MCL 390.991 to 390.997a, and who
4 meet the eligibility requirements contained in that act at the
5 time a tuition grant is provided under this subdivision.

6 (d) Payment of necessary expenses properly incurred by the
7 authority in carrying out its powers and duties under this act.

8 (e) Other payments required by law.

9 Sec. 6. The authority shall pay a Michigan opportunity
10 scholarship in the fiscal year that begins October 1 in the
11 academic year in which the student is eligible for the
12 scholarship. As used in this section, "academic year" means a
13 12-month period that begins on August 1 and ends on the following
14 July 31. The legislature shall annually establish the payment
15 schedule.

16 Sec. 7. The authority shall provide each student written
17 notice of whether or not the student is eligible for the award of
18 a Michigan opportunity scholarship under this act. If a student
19 is eligible, the written notice shall also contain the Michigan
20 opportunity scholarship amount for which the student is eligible,
21 how the student applies for payment of the Michigan opportunity
22 scholarship, and any other information the authority considers
23 necessary regarding qualification requirements or conditions
24 relating to the use of the Michigan opportunity scholarship.

25 Sec. 8. By March 1 of each year, the authority shall submit
26 a report on its activities under this act to the senate and house
27 fiscal agencies and the state budget director. The report shall

1 contain at least all of the following information:

2 (a) The number of Michigan opportunity scholarships awarded,
3 the maximum amount of a Michigan opportunity scholarship paid,
4 and the total amount paid out for Michigan opportunity
5 scholarships in the immediately preceding fiscal year.

6 (b) The number of state competitive scholarships awarded
7 under 1964 PA 208, MCL 390.971 to 390.981, the maximum amount of
8 a state competitive scholarship paid, and the total amount paid
9 out for state competitive scholarships in the immediately
10 preceding fiscal year.

11 (c) The number of state tuition grants awarded under 1966 PA
12 313, MCL 390.991 to 390.997a, the maximum amount of a state
13 tuition grant, and the total amount paid out for state tuition
14 grants in the immediately preceding fiscal year.

15 Enacting section 1. Each of the following acts is repealed
16 effective October 1, 2003:

17 (a) 1964 PA 208, MCL 390.971 to 390.981.

18 (b) 1966 PA 313, MCL 390.991 to 390.997a.

19 (c) 1974 PA 75, MCL 390.1021 to 390.1027.

20 (d) 1986 PA 102, MCL 390.1281 to 390.1288.

21 (e) 1986 PA 273, MCL 390.1401 to 390.1409.

22 (f) 1986 PA 288, MCL 390.1371 to 390.1382.

23 (g) 1986 PA 303, MCL 390.1321 to 390.1332.

24 (h) 1990 PA 195, MCL 390.1531 to 390.1532.