

SENATE BILL No. 711

September 18, 2003, Introduced by Senators CHERRY, JACOBS, SCHAUER and GOSCHKA and referred to the Committee on Education.

A bill to amend 1999 PA 94, entitled
"Michigan merit award scholarship act,"
by amending section 8 (MCL 390.1458), as amended by 2002 PA 736.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) ~~A~~ Michigan merit award scholarship **money**
2 shall be used only to pay for eligible costs. The board shall
3 determine the manner and form of application for payment of a
4 Michigan merit award scholarship by a student eligible under
5 section 7 and the procedure for payment to ~~the student or to~~
6 ~~the~~ **an** approved postsecondary educational institution on the
7 student's behalf. As determined by the board, upon the request
8 of a student or parent or legal guardian of a minor student, the
9 board may pay a Michigan merit award scholarship in 2 consecutive
10 annual installments rather than 1 lump sum for a student who
11 graduates from high school or passes the general educational

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

13 (2) An approved postsecondary educational institution shall
14 not consider a Michigan merit award scholarship in determining a
15 student's eligibility for a financial aid program administered by
16 this state. It is the intent of the legislature that an approved
17 postsecondary educational institution not reduce
18 institutionally-funded student aid because of the Michigan merit
19 award scholarship program.

20 (3) Before payment of a Michigan merit award scholarship to
21 ~~a student or~~ **an** approved postsecondary educational institution
22 **on behalf of a student**, the student shall certify or affirm in
23 writing to the board each of the following:

24 (a) That the student is enrolled at an approved postsecondary
25 educational institution.

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

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

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

5 (e) That the student graduated from high school or passed the
6 general educational development (GED) test or approved graduate
7 equivalency examination within 1 of the following time periods:

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

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

23 (4) The board shall not begin disbursing funds for a Michigan
24 merit award scholarship to ~~a student or~~ an approved
25 postsecondary educational institution on behalf of the student
26 unless it receives the request or application for payment,
27 including the written certification or affirmation described in

1 this section, from the student on or before January 15 in the
2 2002-2003 academic year, and September 15 in any other academic
3 year, for disbursement in that academic year.

4 (5) The board shall pay all Michigan merit award scholarship
5 money awarded under this act to the approved postsecondary
6 educational institution in which the eligible student is
7 enrolled. The educational institution shall deposit the money in
8 an account for the benefit of the student and disburse money from
9 the account for payment of eligible costs.

10 (6) If a student elects to leave an approved postsecondary
11 educational institution without completing the classes in which
12 he or she enrolled, the approved postsecondary educational
13 institution shall return any money remaining in the student's
14 account described in subsection (5) to the department of
15 treasury. The department shall deposit the money returned from
16 the student's account into an account in the state treasury for
17 the student. Any money remaining in an account for 5 years shall
18 escheat to the state.