MICHIGAN PROMISE GRANT ACT
Act 479 of 2006

AN ACT to provide for the administration of the Michigan promise grant program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

The People of the State of Michigan enact:

390.1621 Short title.

Sec. 1. This act shall be known and may be cited as the "Michigan promise grant act".

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1622 Definitions.

Sec. 2. As used in this act:

(a) "Academic year" means the period from September 1 of a calendar year to August 31 of the next calendar year.

(b) "Approved postsecondary educational institution" means any of the following:

(*i*) A public or private college or university, junior college, or community college that grants degrees or certificates and is located in this state.

(*ii*) A postsecondary educational institution, other than an educational institution described in subparagraph (*i*), that is located in this state, grants degrees, certificates, or other recognized credentials, and is designated by the department as an approved postsecondary educational institution.

(*iii*) A service academy.

(c) "Clock hour" means a time period consisting of any of the following:

(*i*) Fifty to 60 minutes of class, lecture, or recitation in a 60-minute period.

(*ii*) Fifty to 60 minutes of faculty-supervised laboratory work, shop training, or internship in a 60-minute period.

(*iii*) Sixty minutes of preparation in a correspondence course.

(d) "Cumulative grade point average" means the weighted mean value of the courses considered by an approved postsecondary educational institution in determining whether to award a student an associate's degree or a 2-year certificate of completion in a vocational training program, whether the student has completed a comparable vocational education program, or whether the student has completed 50% or more of the academic requirements for the award of a bachelor's degree, including any courses completed at another approved postsecondary educational institution if the student transfers the credits for those courses to the approved postsecondary educational institution making that determination.

(e) "Department" means the department of treasury.

(f) "Fiscal year" means a fiscal year of this state. A fiscal year begins on October 1 of a calendar year and ends on September 30 of the next calendar year.

(g) "High school graduate" means an individual who has received a high school diploma from a high school or passed the general educational development (GED) diploma test or any other high school graduate equivalency examination approved by the state board of education.

(h) "Michigan promise grant" means a grant awarded by the department under this act.

(i) "Qualifying score" means a score in a reading, writing, mathematics, science, or social studies component of a state assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course in that subject area in an approved postsecondary educational institution.

(j) "Service academy" means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(k) "State assessment test" means any of the following:

(*i*) Subject to subparagraph (*ii*), the complete Michigan merit examination described in section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(*ii*) For a student who has previously taken the complete Michigan merit examination, the college examination component of the Michigan merit examination, as described in section 1279g(2)(a) of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b(2)(a) of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(*iii*) Any other test administered by the department of education to students in grades 11 and 12 to assure

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state compliance with the federal no child left behind act of 2001, Public Law 107-110.

(*l*) "Trust fund" means the Michigan merit award trust fund established in section 9 of the Michigan trust fund act, 2000 PA 489, MCL 12.259.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006;—Am. 2007, Act 42, Imd. Eff. July 13, 2007;—Am. 2008, Act 350, Imd. Eff. Dec. 23, 2008;—Am. 2008, Act 517, Imd. Eff. Jan. 13, 2009.

390.1623 Report to governor and legislative standing committees; contents.

Sec. 3. By April 1 of each year, the department shall submit a report on its activities under this act to the governor and to the standing committees of the senate and house of representatives with primary jurisdiction over higher education issues. The report shall contain all of the following information:

(a) The number of Michigan promise grants and the amount of Michigan promise grant money paid by the department in the immediately preceding fiscal year.

(b) A list of the number of Michigan promise grants and the amount of Michigan promise grant money paid in the immediately preceding fiscal year at each approved postsecondary educational institution.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1624 Michigan promise grant program; establishment; eligibility requirements.

Sec. 4. (1) The Michigan promise grant program is established. The department shall provide Michigan promise grants under this act from the trust fund and administer the Michigan promise grant program.

(2) Subject to subsection (3), each student who becomes a high school graduate in or after the 2006-2007 academic year is eligible for the award of a Michigan promise grant in an amount determined under section 5 or 6.

(3) In addition to the requirements set forth in subsection (2), the department must find that a student meets all of the following eligibility requirements to award the student a Michigan promise grant under this act:

(a) The department has received a completed application for payment as described in section 7(1), including the certification described in section 7(2) or (3), if applicable, on or before November 15 of the state fiscal year in which they are eligible to receive payment.

(b) The student is a high school graduate and a resident of this state.

(c) The student meets 1 of the following:

(*i*) For a grant under section 5, the student was awarded an associate's degree or a 2-year certificate of completion in a vocational training program at an approved postsecondary educational institution, completed a comparable vocational education program approved by the department at an approved postsecondary educational institution, or completed 50% or more of the academic requirements for the award of a bachelor's degree at an approved postsecondary educational institution within 4 years of his or her initial enrollment in an approved postsecondary educational institution and meets 1 of the following:

(A) Has a cumulative grade point average of at least 2.5.

(B) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program.

(*ii*) For a grant under section 6, the student received a qualifying score in each of the reading, writing, mathematics, science, and social studies components of the state assessment test, and for each student who becomes a high school graduate in or after the 2010-2011 academic year, successfully completes at least 3 credits in mathematics and 3 credits in social science as described in section 1278a(1)(a) of the revised school code, 1976 PA 451, MCL 380.1278a, and 3 credits in science as described in section 1278b(1)(b) of the revised school code, 1976 PA 451, MCL 380.1278b.

(d) The student took the state assessment test.

(e) The student enrolled in an approved postsecondary educational institution within 2 years after he or she became a high school graduate. The department shall extend the 2-year period if the student becomes a member of the United States armed forces or peace corps during the 2-year period.

(f) The student did not previously receive a grant under this act or scholarship money under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459.

(g) The student meets any additional eligibility requirements established by the department.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006;—Am. 2007, Act 42, Imd. Eff. July 13, 2007;—Am. 2008, Act 517, Imd. Eff. Jan. 13, 2009.

390.1625 Grant amount; prorated amount; adjustment.

Sec. 5. (1) Subject to proration under subsection (2) and adjustment under subsection (3), a student who meets the eligibility requirement of section 4(3)(c)(*i*) and the other applicable eligibility requirements under section 4 shall receive a Michigan promise grant in the amount of $4,000.00.

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(2) If a student satisfies the eligibility requirement contained in section 4(3)(c) by completing a vocational training program that as determined by the department generally requires less than 2 years or fewer than 1,800 clock hours, as applicable, to complete, the student shall receive a prorated amount of the amount described in subsection (1) that reflects the number of clock hours necessary to complete the program, as determined by the department.

(3) If in any fiscal year the department determines that the amount appropriated by the legislature for the payment of Michigan promise grants is not sufficient to pay each eligible student the Michigan promise grant amount required under this section for an academic year, the department shall adjust the amount of Michigan promise grants paid under this section by prorating the amounts as necessary to reflect the available resources and amounts appropriated in that fiscal year. The department shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before implementing a proration under this subsection.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1626 Payments; installments; adjustment.

Sec. 6. (1) Subject to proration under subsection (3) and adjustment under subsection (4), a student who meets the eligibility requirement of section 4(3)(c)(*ii*) and the other applicable eligibility requirements under section 4 and this section shall receive a Michigan promise grant in the amount of $4,000.00.

(2) Except for a student who is enrolled in a program described in subsection (3), the department shall pay a grant under subsection (1) as follows:

(a) One thousand dollars paid in the student's first academic year of enrollment at an approved postsecondary educational institution.

(b) One thousand dollars paid in the student's second academic year of enrollment at an approved postsecondary educational institution.

(c) The remainder of the amount of the grant after completion of 2 academic years of enrollment at an approved postsecondary educational institution. However, the student is not eligible for this installment, and forfeits any remaining grant amount to which he or she is otherwise entitled under this act, unless the student earned an associate's degree, earned a 2-year certificate of completion in a vocational education program, completed a comparable vocational training program approved by the department, or completed 50% or more of the academic requirements for the award of a bachelor's degree at an approved postsecondary educational institution within 4 years of his or her initial enrollment in that institution and meets 1 of the following:

(*i*) Has a cumulative grade point average of at least 2.5.

(*ii*) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program.

(3) Subject to adjustment under subsection (4), a student who meets the eligibility requirement of section 4(3)(c)(*ii*) and the other applicable eligibility requirements under section 4 and this section, and who is enrolled in a vocational training program that as determined by the department generally requires less than 2 years or fewer than 1,800 clock hours, as applicable, to complete, shall receive a prorated amount of the amount described in subsection (1) determined by the department to reflect the number of clock hours necessary to complete the program.

(4) If in any fiscal year the department determines that the amount appropriated by the legislature for the payment of Michigan promise grants under this act is not sufficient to pay each eligible student the amount required under this section for the academic year, the department shall adjust the Michigan promise grant amounts paid under this section by prorating the amounts as necessary to reflect the available resources and amounts appropriated in that fiscal year. The department shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before implementing a proration under this subsection.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1627 Application; manner and form; certification; effect of grant on eligibility for financial aid.

Sec. 7. (1) The department shall determine the manner and form of application to receive a Michigan promise grant under section 5 or a grant installment under section 6.

(2) A student shall include a written certification to the department in his or her application to receive a Michigan promise grant under section 5 that contains both of the following:

(a) His or her certification that he or she was awarded an associate's degree or a 2-year certificate of completion in a vocational education program, completed a comparable vocational training program approved by the department, or completed 50% or more of the academic requirements in a bachelor's degree program at

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an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution at which the student was awarded the associate's degree or 2-year certificate of completion in a vocational education program, completed the comparable vocational training program approved by the department, or completed 50% or more of the academic requirements in a bachelor's degree program and the name of any other approved postsecondary educational institution the student attended if credits from that institution were transferred to and considered by the approved postsecondary educational institution in determining whether to award the student the associate's degree or 2-year certificate of completion in a vocational training program, whether the student had completed a comparable vocational education program, or whether the student had completed 50% or more of the academic requirements for the award of a bachelor's degree.

(3) A student shall include a written certification to the department in his or her application to receive a Michigan promise grant installment payment under section 6 that contains both of the following:

(a) His or her certification that he or she meets the requirements of section 4(3)(c)(*ii*).

(b) His or her certification that he or she is enrolled in an approved postsecondary educational institution and the name of the approved postsecondary educational institution.

(4) An approved postsecondary educational institution shall not consider a Michigan promise grant in determining a student's eligibility for a financial aid program administered by this state. It is the intent of the legislature that an approved postsecondary educational institution does not reduce other institutionally funded student aid for which a student is eligible because of the student's receipt of or eligibility for a Michigan promise grant.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006.

390.1628 Disbursements to approved postsecondary institution; application of money to student's outstanding indebtedness and remaining balance; rules.

Sec. 8. (1) The department shall disburse Michigan promise grant money to an approved postsecondary institution on the student's behalf in the following state fiscal years, according to a payment procedure established by the department:

(a) For a Michigan promise grant under section 5 or a Michigan promise grant installment under section 6(2)(c), in the state fiscal year that begins on the first October 1 following the end of the academic year in which the student is eligible for that grant or installment.

(b) For a Michigan promise grant installment under section 6(2)(a) or (b) or a Michigan promise grant under section 6(3), in the state fiscal year that begins on October 1 in the academic year in which the student is eligible for that installment or grant.

(2) An approved postsecondary educational institution shall apply money received under subsection (1) on a student's behalf to the student's outstanding indebtedness, if any, and pay the remaining balance as follows:

(a) Unless subdivision (b) applies, to the student.

(b) If the money received by the institution under this subsection is a grant installment under section 6(2)(a) or (b) and the student elects to leave an approved postsecondary educational institution without completing the classes in which he or she enrolled, to the department. The student has no further right to any money returned to the department under this subdivision.

(3) Subsection (2) shall not be considered as creating an obligation on the part of an approved postsecondary educational institution to loan or advance money to a student for the payment of tuition, fees, or other costs or expenses incurred by the student at that institution.

(4) The department may promulgate rules to implement and administer this act, including, but not limited to, 1 or more of the following:

(a) Rules establishing the department's administrative procedures for the Michigan promise grant program.

(b) Rules governing the qualification requirements for or the award of Michigan promise grants under this act.

(c) Rules establishing an appeals process from a determination of ineligibility for a Michigan promise grant.

(d) Rules establishing what information or reports a student or an approved postsecondary educational institution must provide to establish eligibility and when that information or those reports must be provided.

(e) Rules prescribing the reports to be made by a student awarded a Michigan promise grant and by an approved postsecondary educational institution to which a Michigan promise grant is paid.

History: 2006, Act 479, Imd. Eff. Dec. 21, 2006;—Am. 2007, Act 42, Imd. Eff. July 13, 2007.

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