

DEPARTMENT OF TREASURY

~~HIGHER EDUCATION ASSISTANCE AUTHORITY~~

COMPETITIVE SCHOLARSHIP PROGRAM

Filed with the secretary of state on

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(6) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the ~~higher education assistance authority~~ **department of Treasury** by section 3 of **the state competitive scholarships act, Act No. 208 of the Public Acts of 1964, 1964 PA 208, MCL** as amended, being S390.973, **and Executive Reorganization Order No. 2010-2, MCL 12.194** of the Michigan Compiled Laws)

R 390.1551, R 390.1552, R 390.1553, R 390.1554, R 390.1555, R 390.1556, R 390.1557, R 390.1559, R 390.1561, R 390.1562, R 390.1565, R 390.1568 and R 390.1570 of the Michigan Administrative Code are amended, and R 390.1571 is rescinded as follows:

R 390.1551 Definitions.

Rule 1. As used in these rules:

(a) "Academic year" means that period beginning August 1 and ending by June of the following year for colleges with 8 or 9-month calendars or August 1 to July 31 for colleges with 12-month calendars.

(b) "Act" means ~~Act No. 208 of the Public Acts of 1964~~ **1964 PA 208** as amended, being S390.971 et seq. of the Michigan Compiled Laws.

~~(c) "Authority" means the Michigan higher education assistance authority.~~

~~(d)~~ (c) "Award" means a competitive scholarship award.

~~(e)~~ (d) "Class A high school," "class B high school," "class C high school," or "class D high school" means a high school with enrollment classifications designated by the Michigan high school athletic association.

~~(f)~~ (e) "Default" means failure to comply with the terms of a loan guaranteed by the ~~authority~~ **department** so that the ~~authority~~ **department** finds it necessary to reimburse the original lending institution for the balance of the loan.

~~(g)~~ (f) **"Department" means the Michigan department of treasury.**

(g) "Full-time" means a student who is enrolled for 12 or more semester credit hours or equivalent in trimester or quarter hours or the equivalent of 24 semester hours or 36 quarter hours per academic year for institutions using credit hours to measure progress, but not using semester, trimester, or quarter hours.

(h) "Part-time" means a student who is enrolled for not less than 6, but not more than 11, semester credit hours, trimester hours, or equivalent in quarter hours or at least 1/2 the credit defined as full-time in subdivision (g) of this rule.

(i) "Parent" means the mother, father, mother and father, or adoptive parents.

(j) "Postsecondary institution" means either a Michigan postsecondary institution listed in the federal publication entitled "Postsecondary Institutions Eligible For The Pell Grants Program" or a Michigan postsecondary institution eligible to be listed in the publication entitled "Directory of Institutions of Higher Education," published by the Michigan department of education.

(k) "Renewal applicant" means an applicant for an award who received such an award for any enrollment period during the previous academic year.

(l) "Residual applicant" means an applicant who, for any reason, failed to receive monetary award assistance through this program during the previous academic year.

R 390.1552 Administration of program.

Rule 2. The ~~authority~~ **department** shall administer competitive scholarships to eligible students registered as undergraduate or graduate students.

R 390.1553 Applicant qualification; examination.

Rule 3. (1) An applicant is eligible for an undergraduate scholarship if he or she qualified on the Michigan competitive scholarship examination. The examination shall be administered on dates designated by the ~~authority~~ **department**.

(2) The qualifying examination score shall be established annually by the ~~authority~~ **department**.

R 390.1554 Eligibility.

Rule 4. (1) An undergraduate applicant is eligible for an award when the ~~authority~~ **department** finds that the applicant meets the requirements of sections 4 and 7 of the act and meets all of the following requirements:

(a) Has resided continuously in this state for the preceding 12 months and is not considered a resident of any other state. A student who is not a United States citizen shall be a holder of the I-151 or I-551 immigration identification card signifying permanent residency in the United States. A refugee who meets the 12-month state residency requirement may be eligible for award consideration.

(b) Has graduated from a high school or meets 1 of the following requirements:

(i) Is a student in good standing in a high school and will graduate at the end of the academic year.

(ii) Is a high school student who completes all high school requirements before the student's class is scheduled to graduate and is recommended by the high school.

(iii) Is a high school dropout who does not have a high school diploma, whose class has graduated, and who is recommended by the college.

(iv) Is a high school dropout who does not yet have a high school diploma, whose class has not graduated, and who is recommended by the high school last attended.

(c) Has not defaulted on a loan guaranteed by the ~~authority~~ **department**. Exceptions may be made if a defaulted borrower has made satisfactory repayment arrangements on the defaulted amount of the loan as determined by the ~~authority~~ **department**.

(2) A graduate student is eligible for an award if the requirements in subrule (1)(a) and (c) are met.

R 390.1555 Honorary scholarship certificate.

Rule 5. An undergraduate applicant is eligible for an honorary scholarship certificate if the applicant qualified on the designated competitive scholarship examination administered on dates designated by the **authority department**.

R 390.1556 Monetary scholarship award; eligibility.

Rule 6. An applicant is eligible for a monetary scholarship award when a qualifying applicant's financial resources show a monetary need for such a scholarship as determined by the **authority department**.

R 390.1557 College enrollment.

Rule 7. An applicant is eligible for an award when the **authority department** determines that the applicant has actually been accepted for enrollment at a Michigan college or university as approved by the department of education.

R 390.1559 Application deadline date.

Rule 9. An applicant is guaranteed scholarship consideration only if the applicant meets the deadline date established by the **authority department**. An applicant who submits application materials after the deadline date may be considered if funds are available to assist students who submit late materials.

R 390.1561 Tuition and fees.

Rule 11. Scholarship awards are to be used to defray the costs of tuition and fees. Tuition and fee charges are defined as those charges required of all students who enroll at an institution and which have been promulgated in the catalog of the institution, and which are certified by the institution prior to the scholarship recipient's enrollment. A deadline date is set each year by the **authority department** for receiving increases in tuition and fee charges.

R 390.1562 Payment of scholarship awards.

Rule 12. A scholarship recipient shall receive the award from the **authority department** after certifying the name of the postsecondary institution in which the recipient is enrolled. Payment of scholarship awards shall be prorated and shall be forwarded to the postsecondary institution in which the recipient is enrolled. Payment shall be issued only after the postsecondary institution has certified that the student is still in good standing.

R 390.1565 Release of award amounts to institution; dismissal or withdrawal of recipient from institution.

Rule 15. (1) A scholarship recipient shall release scholarship award amounts to the institution in order that the institution concerned may refund any allowable amount directly to the **authority department** if the student withdraws from college.

(2) A scholarship recipient who is dismissed or leaves a postsecondary institution before completion of a full enrollment period and who is not eligible for a

postsecondary institution refund does not have to repay to the ~~authority~~ **department** the amount of the scholarship award which was issued for that enrollment period.

R 390.1568 Renewal awards.

Rule 18. Upon application by the student awarded a scholarship during the previous academic year, a scholarship shall be renewed by the ~~authority~~ **department** without further examination if the applicant remains eligible and is in compliance with these rules. To be eligible for a renewal award, an applicant shall maintain a 2.0 cumulative average, which is equivalent to a cumulative C average, and maintain satisfactory academic progress. Each applicant shall submit the application materials which are required by the ~~authority~~ **department**.

R 390.1570 Amount of renewal awards.

Rule 20. A scholarship recipient who is eligible for a renewal scholarship may receive an amount that is more or less than the amount received during the previous year depending upon financial need, but the amount shall not be more than the maximum award for that academic year. In addition, the renewal scholarship recipient shall not receive less than the amount received during the previous year, unless the family financial circumstances or the applicant's financial circumstances have appreciably changed, according to a financial statement approved by the ~~authority~~ **department**, or if the student transfers to a less expensive eligible postsecondary institution.

R 390.1571 Recipient rosters; institution reports Rescinded.

~~Rule 21. (1) Each postsecondary institution which has accepted scholarship recipients for enrollment shall be furnished a roster of recipients who indicated their intent to enroll at that institution. The institution shall certify that the scholarship recipient has actually enrolled at least half time before disbursing the enrollment period payment. A duplicate copy of the roster shall be forwarded with the original and shall be used by the institution to indicate whether a scholarship recipient enrolled at least half time. A copy of the completed roster shall be returned to the authority.~~

~~(2) Near the end of the academic year, each institution accepting scholarship recipients shall receive a roster mailed by the authority. The institution shall certify eligibility of renewal candidates and shall identify students who have achieved less than a 2.0 cumulative academic average and students who have not maintained satisfactory academic progress. Any recipient who has a cumulative academic average less than a 2.0 or who does not maintain satisfactory academic progress, as reported by the institution of latest attendance, is not eligible for a renewal award, but may become eligible as a residual applicant upon certification by the institution that the student has achieved a cumulative 2.0 average and is meeting the satisfactory academic progress requirement.~~