

**SUBSTITUTE FOR  
SENATE BILL NO. 259**

A bill to amend 1986 PA 102, entitled

"An act to establish a grant program for certain part-time, independent students in this state; and to prescribe the powers and duties of certain state agencies and institutions of higher education,"

by amending sections 1, 2, 3, 4, 5, 6, 7, and 8 (MCL 390.1281, 390.1282, 390.1283, 390.1284, 390.1285, 390.1286, 390.1287, and 390.1288), section 3 as amended by 2004 PA 180.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. As used in this act:

2       ~~—— (a) "Authority" means the Michigan higher education assistance~~  
3       ~~authority created by Act No. 77 of the Public Acts of 1960, being~~  
4       ~~sections 390.951 to 390.961 of the Michigan Compiled Laws.~~

5       **(A) "DEPARTMENT" MEANS THE DEPARTMENT OF TREASURY.**

1           (B) "ELIGIBLE STUDENT" MEANS AN INDIVIDUAL WHO MEETS THE  
2 REQUIREMENTS OF SECTION 3.

3           (C) ~~(b)~~—"Financial need" means need as determined by the  
4 institution based upon a need analysis standard established by the  
5 ~~authority. Such~~ DEPARTMENT. THAT standard ~~shall~~ MUST take into  
6 consideration the student's current annual income and exclude his  
7 or her home equity.

8           (D) "GRANT PROGRAM" MEANS THE PROGRAM ESTABLISHED IN SECTION  
9 2.

10          (E) ~~(e)~~—"Independent student" means ~~an independent student~~  
11 THAT TERM as defined in 34 C.F.R. ~~668.1a~~ CFR 668.2.

12          (F) ~~(d)~~—"Part-time" means not less than 3 semester hours and  
13 not more than 11 semester hours per semester, or the equivalent for  
14 a quarter or term.

15          Sec. 2. A grant program is established ~~by the state to foster~~  
16 the pursuit of postsecondary education by ~~part time, independent~~  
17 ~~students who have financial need.~~ ELIGIBLE STUDENTS.

18          Sec. 3. ~~A person~~ AN INDIVIDUAL is eligible to participate in  
19 the grant program if he or she meets all of the following:

20           (a) Is a part-time student.

21           (b) Is an independent student.

22           (c) Has not been enrolled in a high school diploma program  
23 other than general educational development (GED) or adult education  
24 for at least the 2 preceding years.

25           (d) Is enrolled or accepted for enrollment in an undergraduate  
26 program of not less than 9 months duration leading to a degree or  
27 certificate from a ~~Michigan degree-granting educational institution~~

~~that is approved by the department of labor and economic growth.~~  
**POSTSECONDARY EDUCATIONAL INSTITUTION IN THIS STATE.**

(e) Has resided continuously in this state for the immediately preceding 12 months and is not considered a resident of any other state.

(f) Is not incarcerated in a corrections institution.

(g) Has complied with this act and the rules promulgated under this act by the ~~authority.~~  
**DEPARTMENT.**

(h) Is a United States citizen or permanent resident.

(i) Is not enrolled in ~~an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect.~~  
**A PROGRAM OF STUDY LEADING TO A DEGREE IN THEOLOGY, DIVINITY, OR RELIGIOUS EDUCATION.**

(j) Is not in default on a loan guaranteed by the ~~authority.~~  
**DEPARTMENT.**

(k) Is shown by the ~~school~~  
**EDUCATIONAL INSTITUTION** to be making satisfactory academic progress.

**(l) IS SHOWN BY THE EDUCATIONAL INSTITUTION TO HAVE FINANCIAL NEED.**

**(M) HAS COMPLETED AT LEAST 15 SEMESTER HOURS OF COURSEWORK, OR THE EQUIVALENT IN QUARTER OR TERM HOURS, AT A POSTSECONDARY DEGREE OR CERTIFICATE GRANTING EDUCATIONAL INSTITUTION IN THIS STATE.**

Sec. 4. The total of the amount granted to an educational institution shall be proportionate to the number of ~~needy independent students eligible for this program~~  
**ELIGIBLE STUDENTS** enrolled at the institution for the most recent year for which

1 statistics are available. ~~Funds provided to eligible schools~~ **THE**  
 2 **EDUCATIONAL INSTITUTION** shall ~~be used~~ **USE THOSE FUNDS** for awards to  
 3 **ELIGIBLE** students, not for administration of the program.

4 Sec. 5. (1) Upon application of an eligible student, an  
 5 educational institution shall grant to the student an amount ~~of not~~  
 6 ~~more than \$600.00 per~~ **NOT EXCEEDING A MAXIMUM GRANT AMOUNT**  
 7 **ESTABLISHED BY THE DEPARTMENT FOR AN** academic year for not more  
 8 than ~~2-3~~ 12-month periods at any given educational institution.

9 (2) If the number of eligible ~~applicants~~ **STUDENTS** exceeds the  
 10 money available, priority shall be given to ~~persons~~ **ELIGIBLE**  
 11 **STUDENTS AS DIRECTED BY THE ACT THAT APPROPRIATED THAT MONEY.**  
 12 **HOWEVER, IF THAT ACT DOES NOT PROVIDE THAT DIRECTION, THEN PRIORITY**  
 13 **SHALL BE GIVEN TO ELIGIBLE STUDENTS** with the greatest financial  
 14 need as determined by each educational institution.

15 (3) ~~A~~ **SUBJECT TO THE REQUIREMENTS OF SECTION 3, A** student who  
 16 receives ~~a state competitive scholarship award under Act No. 208 of~~  
 17 ~~the Public Acts of 1964, being sections 390.971 to 390.981 of the~~  
 18 ~~Michigan Compiled Laws, or who receives other scholarships or grant~~  
 19 ~~awards, may be~~ **1 OR MORE SCHOLARSHIP OR GRANT AWARDS OTHER THAN A**  
 20 **GRANT AWARD UNDER THIS ACT, INCLUDING A STATE COMPETITIVE**  
 21 **SCHOLARSHIP AWARD UNDER 1964 PA 208, MCL 390.971 TO 390.981, IS**  
 22 eligible for funds under this act if the total amount of ~~the~~  
 23 ~~student's scholarships and grants~~ **THOSE OTHER SCHOLARSHIP AND GRANT**  
 24 **AWARDS** is less than the student's financial need. ~~A~~ **THAT** student's  
 25 **OTHER** scholarship and grant awards may be increased with funds from  
 26 the **GRANT** program under this act up to the level of the maximum  
 27 grant as provided in subsection (1).

1       Sec. 6. A grant awarded to a ~~AN ELIGIBLE~~ student pursuant to  
2 **UNDER** this act shall be disregarded as income for purposes of  
3 determining eligibility for aid or assistance administered under  
4 the social welfare act, ~~Act No. 280 of the Public Acts of 1939,~~  
5 ~~being sections 400.1 to 400.121 of the Michigan Compiled Laws.1939~~  
6 **PA 280, MCL 400.1 TO 400.119B.**

7       Sec. 7. The ~~authority~~**DEPARTMENT** may accept gifts, grants,  
8 bequests, donations, and devises, from whatever sources, of real,  
9 personal, or mixed property and money for the purposes described in  
10 this act. The ~~authority~~**DEPARTMENT** shall prepare an annual report  
11 of all gifts, grants, bequests, donations, and devises for the  
12 governor and the legislature.

13       Sec. 8. The ~~authority~~**DEPARTMENT** shall promulgate rules to  
14 implement this act pursuant to the administrative procedures act of  
15 1969, ~~Act No. 306 of the Public Acts of 1969, being sections 24.201~~  
16 ~~to 24.328 of the Michigan Compiled Laws.1969 PA 306, MCL 24.201 TO~~  
17 **24.328.**