

HOUSE BILL No. 4029

January 27, 2005, 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 this

1 state.

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

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

11 (f) "FAFSA" means the free application for federal student aid
12 developed under section 432(m)(1)(c) of part B of title IV of the
13 higher education act of 1965, 20 USC 1082.

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

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

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

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

23 (2) Subject to the conditions and requirements contained in
24 this act, each student enrolled in grade 12 in or after the 2004-
25 2005 school year is eligible for the award of a Michigan
26 opportunity scholarship in an academic year if the authority finds
27 that the student meets all of the following requirements:

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

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

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

19 (d) The student is enrolled in an approved postsecondary
20 educational institution.

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

23 (f) The student is not a recipient of a scholarship awarded
24 under 1964 PA 208, MCL 390.971 to 390.981, or a tuition grant
25 awarded under 1966 PA 313, MCL 390.991 to 390.997a.

26 (g) If the student has previously received a Michigan
27 opportunity scholarship, the student has maintained satisfactory

1 academic progress, as defined by the approved postsecondary
2 educational institution in which the student is enrolled, since
3 receiving the previous Michigan opportunity scholarship.

4 (h) The student meets any additional eligibility requirements
5 established by the authority.

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

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

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

23 (c) A student must maintain satisfactory academic progress, as
24 defined by the approved postsecondary educational institution in
25 which the student is enrolled, and comply with any rules
26 promulgated by the authority to remain eligible for a Michigan
27 opportunity scholarship.

1 (d) A student may use a Michigan opportunity scholarship only
2 to pay for eligible costs. The authority shall determine the
3 process for payment of a Michigan opportunity scholarship on behalf
4 of a student eligible under this act.

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

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

19 (a) Michigan opportunity scholarships under this act.

20 (b) Funding scholarships to students who received a state
21 competitive scholarship in 2004-2005 under 1964 PA 208, MCL 390.971
22 to 390.981, and who meet the eligibility requirements contained in
23 that act at the time a scholarship is provided under this
24 subdivision.

25 (c) Funding grants to students who received a tuition grant in
26 2004-2005 under 1966 PA 313, MCL 390.991 to 390.997a, and who meet
27 the eligibility requirements contained in that act at the time a

1 tuition grant is provided under this subdivision.

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

4 (e) Other payments required by law.

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

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

20 Sec. 8. By March 1 of each year, the authority shall submit a
21 report on its activities under this act to the senate and house
22 fiscal agencies and the state budget director. The report shall
23 contain at least all of the following information:

24 (a) The number of Michigan opportunity scholarships awarded,
25 the maximum amount of a Michigan opportunity scholarship paid, and
26 the total amount paid out for Michigan opportunity scholarships in
27 the immediately preceding fiscal year.

1 (b) The number of state competitive scholarships awarded under
2 1964 PA 208, MCL 390.971 to 390.981, the maximum amount of a state
3 competitive scholarship paid, and the total amount paid out for
4 state competitive scholarships in the immediately preceding fiscal
5 year.

6 (c) The number of state tuition grants awarded under 1966 PA
7 313, MCL 390.991 to 390.997a, the maximum amount of a state tuition
8 grant, and the total amount paid out for state tuition grants in
9 the immediately preceding fiscal year.

10 Enacting section 1. Each of the following acts is repealed
11 effective October 1, 2005:

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

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

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

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

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

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

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

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