

HOUSE BILL No. 4846

June 18, 2013, Introduced by Rep. Foster and referred to the Committee on Education.

A bill to establish and provide for the administration of the early graduation achievement scholarship program; to create the early graduation achievement scholarship fund; and to provide for the powers and duties of certain state officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "early
2 graduation achievement scholarship act".

3 Sec. 2. As used in this act:

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

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

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

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

9 (iii) A service academy.

10 (c) "Department" means the department of treasury.

11 (d) "Early graduation achievement scholarship" means a
12 scholarship awarded by the department under this act.

13 (e) "Fiscal year" means a fiscal year of this state. A fiscal
14 year begins on October 1 of a calendar year and ends on September
15 30 of the next calendar year.

16 (f) "Fund" means the early graduation achievement scholarship
17 fund created in section 3.

18 (g) "Service academy" means the United States military
19 academy, United States naval academy, United States air force
20 academy, United States coast guard academy, or United States
21 merchant marine academy.

22 (h) "Tuition" means the quarter or semester charges imposed to
23 attend an approved postsecondary educational institution, and all
24 mandatory fees required as a condition of enrollment at that
25 institution, as determined by the department.

26 Sec. 3. (1) The early graduation achievement scholarship fund
27 is established in the department of treasury. The fund shall

1 consist of money deposited into the fund under section 21g of the
2 state school aid act of 1979, 1979 PA 94, MCL 388.1621g; money
3 allocated, donated, or paid to the fund from any other source; and
4 interest and earnings from fund investments.

5 (2) The state treasurer shall direct the investment of the
6 fund.

7 (3) Money in the fund at the close of a fiscal year shall
8 remain in the fund and shall not revert to the general fund.

9 (4) Money in the fund shall be disbursed for grants under this
10 act and the administrative costs of the department and the
11 department of treasury in implementing and administering this act.

12 Sec. 4. (1) The early graduation achievement scholarship
13 program is established. The department shall provide early
14 graduation achievement scholarships under this act from the fund
15 and administer the early graduation achievement scholarship
16 program.

17 (2) Subject to subsection (3), each student who completes the
18 requirements for a high school diploma, and ceases to attend high
19 school, in 7 semesters or 11 trimesters of high school or fewer, is
20 eligible for the award of an early graduation achievement
21 scholarship in an amount determined under section 5.

22 (3) In addition to the requirements set forth in subsection
23 (2), the department must find that a student meets all of the
24 following eligibility requirements to award the student an early
25 graduation achievement scholarship under this act:

26 (a) The department has received a completed application for
27 payment as described in section 6(1), including the certification

1 described in section 6(2), on or before November 15 of the state
2 fiscal year in which he or she is eligible to receive payment.

3 (b) The student attended high school in this state for at
4 least 4 semesters or 6 trimesters, has ceased to attend high
5 school, and is a resident of this state.

6 (c) The student is enrolled in an approved postsecondary
7 educational institution, and first enrolled in that institution
8 within 2 years after he or she ceased to attend high school. The
9 department shall extend the 2-year period if the student becomes a
10 member of the United States armed forces or peace corps during the
11 2-year period.

12 Sec. 5. (1) Subject to subsection (2), a student who meets the
13 eligibility requirement under section 4 shall receive an early
14 graduation achievement scholarship in the amount of \$2,500.00.

15 (2) If in any fiscal year the department determines that the
16 amount appropriated by the legislature for the payment of early
17 graduation achievement scholarships is not sufficient to pay each
18 eligible student the early graduation achievement scholarship
19 amount required under this section for an academic year, the
20 department shall adjust the amount of early graduation achievement
21 scholarships paid under this section by prorating the amounts as
22 necessary to reflect the available resources and amounts
23 appropriated in that fiscal year. The department shall notify the
24 governor, the speaker of the house of representatives, and the
25 majority leader of the senate in writing at least 30 days before
26 implementing a proration under this subsection.

27 Sec. 6. (1) The department shall determine the manner and form

1 of application to receive an early graduation achievement
2 scholarship under section 5.

3 (2) A student shall include a written certification to the
4 department in his or her application to receive an early graduation
5 achievement scholarship that contains all of the following:

6 (a) His or her certification that he or she meets the
7 requirements of section 4.

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

11 (c) The amount of his or her tuition expense at the approved
12 postsecondary educational institution for the current academic
13 year.

14 (3) An approved postsecondary educational institution shall
15 not consider an early graduation achievement scholarship in
16 determining a student's eligibility for a financial aid program
17 administered by this state. It is the intent of the legislature
18 that an approved postsecondary educational institution does not
19 reduce other institutionally funded student aid for which a student
20 is eligible because of the student's receipt of or eligibility for
21 an early graduation achievement scholarship.

22 Sec. 7. (1) The department shall disburse early graduation
23 achievement scholarship money to an approved postsecondary
24 institution on the student's behalf according to a payment
25 procedure established by the department.

26 (2) An approved postsecondary educational institution shall
27 apply money received under subsection (1) on a student's behalf to

1 the student's outstanding indebtedness for tuition and retain the
2 remaining balance on the student's behalf and apply it to his or
3 her future tuition indebtedness. However, if the student is no
4 longer enrolled in the institution, the institution shall return
5 any remaining balance to the department, and the student has no
6 further right to any money returned to the department under this
7 subdivision.

8 (3) Subsection (2) does not create an obligation on the part
9 of an approved postsecondary educational institution to loan or
10 advance money to a student for the payment of tuition, fees, or
11 other costs or expenses incurred by the student at that
12 institution.

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

16 (a) Rules establishing the department's administrative
17 procedures for the early graduation achievement scholarship
18 program.

19 (b) Rules governing the qualification requirements for or the
20 award of early graduation achievement scholarships under this act.

21 (c) Rules establishing an appeals process from a determination
22 of ineligibility for an early graduation achievement scholarship.

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

27 (e) Rules prescribing the reports to be made by a student

1 awarded an early graduation achievement scholarship and by an
2 approved postsecondary educational institution to which an early
3 graduation achievement scholarship is paid.

4 Sec. 8. By April 1 of each year, the department shall submit a
5 report on its activities under this act to the governor and to the
6 standing committees of the senate and house of representatives with
7 primary jurisdiction over higher education issues. The report shall
8 contain all of the following information:

9 (a) The number of early graduation achievement scholarships
10 and the amount of early graduation achievement scholarship money
11 paid by the department in the immediately preceding fiscal year.

12 (b) A list of the number of early graduation achievement
13 scholarships and the amount of early graduation achievement
14 scholarship money paid in the immediately preceding fiscal year at
15 each approved postsecondary educational institution.

16 Enacting section 1. This act does not take effect unless
17 Senate Bill No. ____ or House Bill No. 4845 (request no. 01857'13
18 a) of the 97th Legislature is enacted into law.