

HOUSE BILL NO. 5829

June 25, 2024, Introduced by Rep. Steckloff and referred to the Committee on Higher Education.

A bill to amend 1964 PA 208, entitled

"An act to grant scholarships to students enrolled in postsecondary education institutions; and to provide for the administration of the scholarship program,"

by amending sections 2, 3, 4, 5, 5a, 6, 7, 8, 9, and 10 (MCL 390.972, 390.973, 390.974, 390.975, 390.975a, 390.976, 390.977, 390.978, 390.979, and 390.980), sections 3 and 4 as amended by 2021 PA 40, section 5 as amended by 1986 PA 270, sections 6, 8, and 9 as amended by 1980 PA 500, and section 7 as amended by 2004 PA 181.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. **(1)** The ~~administration of this scholarship program~~

1 ~~shall rest with the higher education assistance authority created~~
2 ~~by Act No. 77 of the Public Acts of 1960, being sections 390.951 to~~
3 ~~390.960 of the Compiled Laws of 1948.~~**department shall administer**
4 **the scholarship program created in section 1.**

5 (2) As used in this act, "department" means the department of
6 **lifelong education, advancement, and potential.**

7 Sec. 3. (1) Subject to subsection (4), the ~~authority~~
8 **department** shall conduct a competitive examination among eligible
9 applicants for state competitive scholarships at times and places
10 as determined by the ~~authority.~~**department.** The ~~authority~~
11 **department** may designate a competitive examination to be
12 administered among eligible applicants for state competitive
13 scholarships. The ~~authority~~**department** shall annually establish the
14 examination scores necessary to qualify for the competitive
15 scholarship according to the funding available to meet the award
16 levels established ~~pursuant to~~**under** section 6.

17 (2) The ~~authority~~**department** may also use scholastic
18 achievement in determining award winners and shall issue
19 appropriate certificates of recognition to individuals awarded
20 scholarships. The ~~authority~~**department** shall grant annual renewal
21 of scholarships.

22 (3) The ~~authority~~**department** shall promulgate rules to
23 implement this act ~~pursuant to~~**under** the administrative procedures
24 act of 1969, 1969 PA 306, MCL 24.201 to 24.328, including rules for
25 the conduct of examinations for the award of scholarships, for the
26 procedures for the awarding of annual renewal scholarships, and for
27 the purpose of defining **eligible** postsecondary institutions under
28 this act.

29 (4) Notwithstanding any provision of this act or rule to the

1 contrary, scholastic achievement, including, but not limited to,
2 grade point average, class rank, or other measure of academic
3 success as determined by the ~~authority,~~**department**, may be used as
4 an alternative to a competitive examination to determine
5 eligibility for scholarships awarded under this act for the 2021-
6 2022 academic year.

7 Sec. 4. (1) ~~An~~**Except as otherwise provided in subsection (3)**,
8 **an** applicant is eligible for the award of a first-year scholarship
9 if the ~~authority~~**department** finds that the applicant meets all of
10 the following:

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

13 (b) Has graduated from a high school, or is a student in good
14 standing in a high school who will graduate at the end of the
15 academic year, or an individual who has passed a graduate
16 equivalency examination approved by the state board of education,
17 or, if not a high school graduate, is recommended favorably by an
18 appropriate educational institution as defined in rules promulgated
19 by the ~~authority.~~**department**.

20 (c) Except for an applicant for a graduate scholarship, based
21 on the state competitive scholarship examination, shows promise of
22 satisfactorily completing a course of study at an ~~approved~~**eligible**
23 postsecondary institution of the applicant's choice in this state.
24 For an applicant for a graduate scholarship, the ~~authority~~
25 **department** shall determine the examination standards for
26 eligibility.

27 (d) Has complied with this act and the rules promulgated under
28 this act by the ~~authority.~~**department**.

29 (e) Is not incarcerated in a corrections institution.

1 (2) An applicant who the ~~authority~~**department** determines is
2 eligible for award of a scholarship under this act shall complete
3 using the scholarship within 1 of the following time frames, as
4 applicable:

5 (a) For an applicant enrolled in an eligible postsecondary
6 institution during the 2020 spring term and the 2020-2021 academic
7 year, 11 years after ~~his or her~~**the applicant's** eligibility is
8 determined.

9 (b) For any other applicant, 10 years after ~~his or her~~**the**
10 **applicant's** eligibility is determined.

11 **(3) Notwithstanding any other provision of this act, students**
12 **enrolling in postsecondary educational institutions for the first**
13 **time after the fiscal year ending on September 30, 2023, and**
14 **students who have not already received state competitive**
15 **scholarships before the fiscal year ending on September 30, 2023,**
16 **are not eligible to receive state competitive scholarships under**
17 **this act.**

18 Sec. 5. (1) There ~~shall~~**must** be awarded for each academic year
19 the number of first-year scholarships that may be financed through
20 available money. Of this number not less than 3 scholarships ~~shall~~
21 **may** be awarded to residents of each legislative district, and the
22 balance of the scholarships ~~shall~~**must** be awarded to residents of
23 the state at large.

24 (2) Each scholarship described in subsection (1) ~~shall~~**must** be
25 renewed by the ~~authority~~**department** upon application of the student
26 awarded the first-year scholarship without further examination if
27 the applicant remains eligible under sections 4 and 6 and is in
28 compliance with rules promulgated by the ~~authority~~**department**.

29 (3) A scholarship may be renewed for not more than 10

1 semesters or its equivalent in trimesters or quarters of
2 undergraduate education, or the equivalent as determined by the
3 ~~authority~~**department** for less than full-time but more than half-
4 time students.

5 (4) Beginning after October 1, 1988, a scholarship may be
6 awarded for not more than 6 semesters or its equivalent in
7 trimesters, quarters, or terms of graduate education, or the
8 equivalent as determined by the ~~authority~~**department** for less than
9 full-time but more than half-time students. Money ~~shall~~**may** not be
10 appropriated for purposes of this subsection for any fiscal year
11 unless the amount appropriated under this act for that fiscal year
12 for state competitive scholarships for undergraduate education
13 equals or exceeds the amount appropriated for the state competitive
14 scholarship program for the fiscal year ending September 30, 1987.

15 (5) A residual scholarship ~~shall~~**must** be awarded to a
16 qualifying applicant who does not receive an initial scholarship
17 award, but who may be eligible for an award later in the year or
18 during an academic year when initial recipients relinquish their
19 scholarship awards.

20 Sec. 5a. The ~~authority~~**department** may award honorary
21 scholarship certificates to those applicants who would otherwise be
22 eligible for a scholarship under this act but because of the lack
23 of financial need are not eligible for a monetary scholarship. The
24 names of the recipients of such awards ~~shall~~**must** be published the
25 same as the names of the winners of monetary scholarships.

26 Sec. 6. Each first-year scholarship is for a period of 1
27 academic year and the scholarship award ~~shall~~**must** not exceed the
28 amount of tuition and fees for the full academic year as reported
29 by the ~~approved~~**eligible postsecondary** institution in which the

1 applicant is enrolled, or an amount as the ~~authority~~**department**
2 finds appropriate in relation to the applicant's own financial
3 resources other than wages that may be due the applicant for part-
4 time work performed by the applicant during the academic year,
5 whichever is the lesser. For the purposes of determining the dollar
6 amount of the scholarship, the financial resources of the applicant
7 ~~shall include~~ the cash or equivalent resources of the applicant's
8 parents available for the postsecondary education of the applicant,
9 ~~and allowance shall be made~~ for other members of the applicant's
10 family enrolled in an ~~approved~~**eligible postsecondary** institution,
11 ~~of postsecondary education, pursuant to~~**under** rules adopted by the
12 ~~authority.~~**department**. If the amount of appropriated funds is
13 insufficient to provide each student with the scholarship amount
14 for which the student is eligible, the ~~authority~~**department** shall
15 establish a maximum scholarship level for that academic year.
16 Renewal scholarships ~~shall~~**must** not be less than the initial first-
17 year scholarship awards unless predicated by changes in student or
18 family financial resources.

19 Sec. 7. (1) An applicant awarded a first-year scholarship or a
20 renewal scholarship is not restricted in the choice of the
21 institution in this state ~~which he or she~~**that the applicant**
22 desires to attend if the institution is an eligible postsecondary
23 institution under rules promulgated by the ~~Michigan higher~~
24 ~~education assistance authority,~~**department**, except that a student
25 shall not use a scholarship award at an institution whose primary
26 purpose is to prepare students for ordination or appointment as a
27 member of the clergy of a church, denomination, or religious
28 association, order, or sect. An applicant awarded a first-year
29 scholarship or a renewal scholarship is not restricted in the

1 choice of the course of study ~~he or she~~ **the applicant** wishes to
2 pursue.

3 (2) An ~~approved~~ **eligible postsecondary** institution chosen by
4 the applicant is not required to accept the applicant for
5 enrollment, or once having admitted the applicant, to continue the
6 applicant's enrollment. The ~~approved~~ **eligible postsecondary**
7 institution accepting the enrollment of a state competitive
8 scholarship award winner shall notify the ~~authority~~ **department** of
9 the recipient's enrollment and shall submit annually to the
10 ~~authority~~ **department** reports ~~which~~ **that** are required and necessary
11 to administer this act.

12 Sec. 8. State competitive scholarships ~~shall~~ **must** be awarded
13 by the ~~authority~~ **department** on the basis of merit and financial
14 need and without regard to race, sex, religion, color, or national
15 origin.

16 Sec. 9. The ~~authority~~ **department** shall promulgate rules
17 prescribing the reports to be made by the applicants awarded state
18 competitive scholarships or annual renewal scholarships and the
19 **eligible** postsecondary institutions enrolling the applicants.
20 Before payment of a state competitive scholarship or annual renewal
21 scholarship is made to the applicant, the applicant shall certify
22 in writing the name of the ~~approved~~ **eligible postsecondary**
23 institution in which the applicant is enrolled and the applicant's
24 intention to use the scholarship to pay for the tuition and fees to
25 the ~~approved~~ **eligible postsecondary** institution. Prorated payments
26 ~~shall~~ **must** be made at the beginning of each semester or term to the
27 student or to the **eligible** postsecondary institution for credit to
28 the student's account.

29 Sec. 10. The ~~authority~~ **department** may accept gifts, grants,

1 bequests, donations, and devises, from whatever sources, of real,
2 personal, or mixed property and moneys for the purposes described
3 in this act. The ~~authority~~**department** shall prepare an annual
4 report of all gifts, grants, bequests, donations, and devises for
5 the governor and the legislature.