

Act No. 595  
Public Acts of 2004  
Approved by the Governor  
January 5, 2005  
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January 5, 2005  
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**STATE OF MICHIGAN  
92ND LEGISLATURE  
REGULAR SESSION OF 2004**

Introduced by Senators Van Woerkom, Kuipers, Switalski, Jelinek, Garcia, McManus and Thomas

# **ENROLLED SENATE BILL No. 1156**

AN ACT to amend 1999 PA 94, entitled "An act to create the Michigan merit award scholarship trust fund; to create the Michigan merit award scholarship board and prescribe the powers and duties of the board; and to provide for the Michigan merit award scholarship program," by amending sections 2, 6, 7, 8, and 9 (MCL 390.1452, 390.1456, 390.1457, 390.1458, and 390.1459), sections 2 and 7 as amended by 2002 PA 736, section 6 as amended by 2002 PA 537, and section 8 as amended by 2004 PA 69, and by adding sections 7a and 7b.

*The People of the State of Michigan enact:*

Sec. 2. As used in this act:

(a) "Approved postsecondary educational institution" means any of the following:

(i) A degree or certificate granting public or private college or university, junior college, or community college.

(ii) A service academy.

(iii) An educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and designated by the board as an approved postsecondary educational institution.

(iv) A program of an educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and designated by the board as an approved postsecondary educational institution.

(b) "Assessment test" means the middle school assessment test, the high school assessment test, or the Michigan merit examination.

(c) "Board" means the Michigan merit award board established in this act.

(d) "Department of career development" means the department of career development created in Executive Order No. 1999-1.

(e) "Eligible costs" means tuition and fees charged by an approved postsecondary educational institution; related costs for room, board, books, supplies, transportation, or day care; and other costs determined by the board.

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

(g) "High school assessment test" means the state assessments described in section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, and section 104a of the state school aid act, 1979 PA 94, MCL 388.1704a.

(h) "Michigan merit award scholarship" means a scholarship awarded by the board under section 7 or 7a.

(i) "Michigan merit examination" means the Michigan merit examination described in section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b.

(j) "Middle school assessment test" means the Michigan education assessment program (MEAP) subject area assessments given in grades 7 and 8 or any successor assessment test designated by the board.

(k) "Qualifying results" means assessment test results, scores, or ranges of scores determined by the board that qualify a pupil for a Michigan merit award scholarship under section 7 or 7a.

(l) "Service academy" means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(m) "State board" means the state board of education.

(n) "Superintendent" means the superintendent of public instruction.

(o) "Tobacco settlement revenue" means money received by this state that is attributable to the master settlement agreement incorporated into a consent decree and final judgment entered on December 7, 1998 in Kelley Ex Rel. Michigan v Philip Morris Incorporated, et al., Ingham county circuit court, docket no. 96-84281CZ.

(p) "Trust fund" means the Michigan merit award trust fund established in section 3.

Sec. 6. (1) The board shall conduct business in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall give public notice of the time, date, and place of meetings of the board in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(2) The board shall meet not less than annually and shall keep a record of its proceedings. The board shall make any writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) Except as provided in subsection (4), the board shall obtain and make available to the public all of the qualifying questions and answers, along with the corresponding answer key, to a high school assessment test or a middle school assessment test administered at least 3 and not more than 5 years earlier. The board shall obtain and make available to the public preparatory materials for the Michigan merit examination that contain sample test questions and correct answers.

(4) If any question is designated by the state board of education for use in a future high school assessment test or middle school assessment test for validity purposes, the board may elect not to make that question and the answer available to the public under subsection (3) for a period of up to 2 years from the date the assessment test that first includes the question is administered.

(5) By December 1 of each year, the board shall submit a report on its activities to the governor and to the legislature. The report shall contain all of the following information:

(a) A list of approved postsecondary educational institutions for the current and immediately preceding fiscal years.

(b) The number of Michigan merit award scholarships awarded and the total amount of Michigan merit award scholarship money paid in the immediately preceding fiscal year.

(c) A projection of revenues and expenditures from the trust fund for the current fiscal year and the next 10 fiscal years.

(d) The dollar amount of the Michigan merit award scholarships available under sections 7 and 7a in the current fiscal year, the amount of any adjustments to the dollar amount under sections 7(4) and 7a(2) from the beginning of the immediately preceding fiscal year, and any adjustments to the dollar amount projected for the remainder of the current fiscal year or for the next fiscal year.

(e) All of the following results, scores, or ranges of scores:

(i) Used as qualifying results in the immediately preceding fiscal year.

(ii) Determined by the board as qualifying results in the current fiscal year.

(iii) Projected by the board as qualifying results for the next fiscal year.

(f) For the immediately preceding fiscal year, the number of pupils who took the assessment tests, the number of pupils by subject area who received qualifying results, the number of graduating high school seniors who met the requirements for a Michigan merit award scholarship, and the total number of pupils who met the requirements for a Michigan merit award scholarship.

(g) The number of persons participating in and the amount awarded in the immediately preceding fiscal year under the tuition incentive program described in section 310 of 2003 PA 144 or a successor to that program.

(6) At least 60 days before changing the results, scores, or ranges of scores used as qualifying results, the board shall provide written notice of its intent to change the results, scores, or ranges of scores used as qualifying results, and a report explaining the board's decision to change the results, scores, or ranges of scores used as qualifying results, to the standing committees of the senate and the house of representatives that have primary jurisdiction over legislation

pertaining to education. The standing committees shall review the board's report and may hold hearings on the board's decision.

Sec. 7. (1) The Michigan merit award scholarship program is established. The board shall administer the Michigan merit award scholarship program.

(2) Subject to subsection (6) and section 7b(2) and (5), and to adjustment under subsection (4), each student enrolled in grade 11 in or after the 1998-1999 school year and before the 2006-2007 school year who meets the requirements of section 7b(1) is eligible for the award of a \$2,500.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution in this state or in a service academy, or the award of a \$1,000.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution outside this state other than a service academy, if the board finds that the student while in high school has taken the high school assessment test in the subject areas of reading, writing, mathematics, and science and meets 1 of the following:

(a) Has received qualifying results in each of the subject areas of reading, writing, mathematics, and science.

(b) Did not receive qualifying results in 1 or 2 of the subject areas of reading, writing, mathematics, and science, but received an overall score in the top 25% of a nationally recognized college admission examination.

(c) Did not receive qualifying results in 1 or 2 of the subject areas of reading, writing, mathematics, and science, but received a qualifying score or scores as determined by the board on a nationally recognized job skills assessment test designated by the board.

(3) Subject to subsection (6) and section 7b(5) and to adjustment under subsection (4), each student enrolled in grade 11 in or after the 2006-2007 school year who meets the requirements of section 7b(1) is eligible for the award of a \$2,500.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution in this state or in a service academy, or the award of a \$1,000.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution outside this state other than a service academy, if the board finds that the student while in high school has taken the Michigan merit examination and meets 1 of the following:

(a) Has received qualifying results in each of the subject area components of the Michigan merit examination.

(b) Did not receive qualifying results in each of the subject area components of the Michigan merit examination, but received an overall score in the top 25% of a nationally recognized college admission examination.

(c) Did not receive qualifying results in each of the subject area components of the Michigan merit examination, but received a qualifying score or scores as determined by the board on a nationally recognized job skills assessment test designated by the board.

(4) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under 1 or more of subsections (2), (3), and (5), based upon its determination of available resources and amounts appropriated, but the board shall not increase an amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

(5) If a student who has previously received a \$1,000.00 Michigan merit award scholarship under this section as a student enrolled in an approved postsecondary educational institution outside of this state other than a service academy enrolls in an approved postsecondary educational institution in this state and meets the requirements of section 7b(1), and subject to adjustment under subsection (4), the student is eligible for the award of an additional \$1,500.00 Michigan merit award scholarship.

(6) If the United States department of education has not approved the use of the Michigan merit examination for the purposes of the federal no child left behind act of 2001, Public Law 107-110, by December 31, 2006, all of the following apply:

(a) Eligibility for a Michigan merit award scholarship under this section shall be determined under subsection (2) until the next calendar year that begins after that approval occurs.

(b) Eligibility for a Michigan merit award scholarship under this section shall be determined under subsection (3) beginning in the next calendar year that begins after that approval occurs.

Sec. 7a. (1) Subject to section 7b(2) and to adjustment under subsection (2), a student who was enrolled in grade 7 in or after the 1999-2000 school year, who meets the requirements of section 7b(1), and who the board finds has taken the middle school assessment test in each of the subject areas while in grades 7 and 8 is eligible for 1 of the following Michigan merit award scholarships:

(a) If the board finds that the student while in grades 7 and 8 received qualifying results in 2 of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$250.00.

(b) If the board finds that the student while in grades 7 and 8 received qualifying results in 3 of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$375.00.

(c) If the board finds that the student while in grades 7 and 8 received qualifying results in all of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$500.00.

(2) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under subsection (1) based upon its determination of available resources and amounts appropriated, but the board shall not increase an amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

Sec. 7b. (1) In addition to the requirements set forth in section 7(2) or (3) or section 7a(1), to be eligible for the award of a Michigan merit award scholarship under this act, the board must find that a student satisfies all of the following:

(a) The student has graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board.

(b) The student graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board within 1 of the following time periods:

(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the student's application to receive his or her Michigan merit award scholarship money.

(ii) If the student graduated on or after March 1, 2002, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship money, or if the student becomes a member of the United States armed forces or peace corps during this 4-year period and serves for 4 years or less, the 4-year period is extended by a period equal to the number of days the student served as a member of the United States armed forces or peace corps. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(c) The student is enrolled in an approved postsecondary educational institution. For students who qualify under section 7(2)(c), the student is enrolled in a vocational or technical education program at an approved postsecondary educational institution.

(d) The student has not been convicted of a felony involving an assault, physical injury, or death.

(e) The student satisfies any additional eligibility requirements established by the board.

(2) For a middle school assessment test or high school assessment test administered after January 1, 2000, the board shall not use that assessment test to determine eligibility for a Michigan merit award scholarship under this section for a particular year unless the board has reviewed and approved that assessment test before it was administered for that year.

(3) The board shall provide each pupil written notice of whether or not the pupil is eligible for the award of 1 or more Michigan merit award scholarships described in this act. If the pupil is eligible, the written notice shall also contain the Michigan merit award scholarship amount for which the pupil is eligible, how the pupil applies for payment of Michigan merit award scholarship, and any other information the board considers necessary regarding qualification requirements or conditions relating to the use of the Michigan merit award scholarship.

(4) It is the intent of the legislature that the level of pupil performance required to achieve qualifying results in a subject area of an assessment test remains approximately the same, and that the board not reduce the required level of pupil performance as a means of increasing the number of Michigan merit award scholarships awarded.

(5) A pupil who does not initially receive qualifying results shall be extended an opportunity to achieve the requisite qualifying results by taking a subsequent assessment test. A pupil described in this subsection who is enrolled in grade 12 in the 2006-2007 school year, or enrolled in grade 12 in the first calendar year after the approval described in section 7(6) occurs if that subsection applies, may elect either of the following:

(a) To take the high school assessment test for the purpose of qualifying for a Michigan merit award scholarship under section 7(2).

(b) To take the Michigan merit examination for the purpose of qualifying for a Michigan merit award scholarship under section 7(3).

(6) A nonpublic school pupil or home school pupil may take, and the board shall administer if requested, an assessment test at a site designated by the board.

Sec. 8. (1) Michigan merit award scholarship money shall be used only to pay for eligible costs.

(2) The board shall determine the manner and form of application for payment of a Michigan merit award scholarship by a student eligible under this act and the procedure for payment to the student or to an approved postsecondary educational institution on the student's behalf, subject to 1 of the following, as applicable:

(a) As determined by the board, upon the request of a student or parent or legal guardian of a minor student, the board may pay a Michigan merit award scholarship in 2 consecutive annual installments rather than 1 lump sum for a

student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination before March 1, 2003.

(b) For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2003 and before March 1, 2004, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year for which the student is otherwise eligible. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7b(1)(c) is required before payment of the second installment.

(c) For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2004, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year that begins after the beginning of the academic year for which the student is otherwise eligible. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7b(1)(c) is required before payment of the second installment.

(3) An approved postsecondary educational institution shall not consider a Michigan merit award scholarship in determining a student's eligibility for a financial aid program administered by this state. It is the intent of the legislature that an approved postsecondary educational institution not reduce institutionally-funded student aid because of the Michigan merit award scholarship program.

(4) Before payment of a Michigan merit award scholarship to a student or an approved postsecondary educational institution, the student shall certify or affirm in writing to the board each of the following:

(a) That the student is enrolled at an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution in which the student is enrolled.

(c) That the student agrees to use the Michigan merit award scholarship only for eligible costs.

(d) That the student has not been convicted of a felony involving an assault, physical injury, or death.

(e) That the student graduated from high school or passed the general educational development (GED) test or approved graduate equivalency examination within 1 of the following time periods:

(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship.

(ii) If the student graduated on or after March 1, 2002, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship, or within a period equal to 4 years plus the number of days the student served as a member of the United States armed forces or peace corps if the student became a member of the United States armed forces or peace corps during this 4-year period and served for 4 years or less. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(5) The board shall not begin disbursing funds for a Michigan merit award scholarship to a student or an approved postsecondary educational institution on behalf of the student unless it receives the request or application for payment, including the written certification or affirmation described in this section, from the student on or before 1 of the following dates, for disbursement in that academic year:

(a) In the 2002-2003 academic year, January 15.

(b) In the 2003-2004 academic year, September 15 if the student received notification of eligibility prior to August 1.

(c) In the 2003-2004 academic year, November 15 if the student received notification of eligibility on or after August 1.

(d) In the 2004-2005 academic year, December 15.

(e) In any other academic year, November 15.

Sec. 9. The board may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement and administer this act, including, but not limited to, 1 or more of the following:

(a) Rules establishing the board's administrative procedures.

(b) Rules governing the qualification requirements for or the award of Michigan merit award scholarships under this act.

(c) Rules establishing an appeals process from a determination of ineligibility for a Michigan merit award scholarship.

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

(e) Rules prescribing the reports to be made by a student awarded 1 or more Michigan merit award scholarships and by a postsecondary educational institution to which the Michigan merit award scholarship is paid.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

- (a) Senate Bill No. 1153.
- (b) Senate Bill No. 1154.
- (c) Senate Bill No. 1155.
- (d) Senate Bill No. 1157.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Jay E. Randall*

Clerk of the House of Representatives

Approved .....

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Governor