

**SUBSTITUTE FOR
HOUSE BILL NO. 4055**

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 3 and 4 (MCL 390.973 and 390.974), section 3
as amended by 1980 PA 500 and section 4 as amended by 1986 PA 270.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) ~~The~~ **Subject to subsection (4), the** authority shall
2 conduct a competitive examination among eligible applicants for
3 state competitive scholarships at times and places as determined by
4 the authority. The authority may designate a competitive
5 examination to be administered among eligible applicants for state
6 competitive scholarships. The **authority shall annually establish**

1 **the** examination scores necessary to qualify for the competitive
2 scholarship ~~shall be established annually by the authority~~
3 according to the funding available to meet the award levels
4 established pursuant to section 6.

5 (2) The authority may also use scholastic achievement in
6 determining award winners and shall issue appropriate certificates
7 of recognition to ~~persons~~ **individuals** awarded scholarships. The
8 authority shall grant annual renewal of scholarships.

9 (3) ~~Rules~~ **The authority shall promulgate rules to implement**
10 **this act pursuant to the administrative procedures act of 1969,**
11 **1969 PA 306, MCL 24.201 to 24.328, including rules** for the conduct
12 of examinations for the award of scholarships, ~~and for the~~
13 procedures for the awarding of annual renewal scholarships, ~~shall~~
14 ~~be promulgated by the authority pursuant to Act No. 306 of the~~
15 ~~Public Acts of 1969, as amended, being sections 24.201 to 24.315 of~~
16 ~~the Michigan Compiled Laws. The authority shall define~~ **and for the**
17 **purpose of defining** postsecondary institutions ~~in the rules~~
18 ~~promulgated under this act.~~

19 (4) **Notwithstanding any provision of this act or rule to the**
20 **contrary, scholastic achievement, including, but not limited to,**
21 **grade point average, class rank, or other measure of academic**
22 **success as determined by the authority, may be used as an**
23 **alternative to a competitive examination to determine eligibility**
24 **for scholarships awarded under this act for the 2021-2022 academic**
25 **year.**

26 Sec. 4. (1) An applicant is eligible for the award of a first-
27 year scholarship if the authority finds that the applicant **meets**
28 **all of the following:**

29 (a) Has resided continuously in this state for the preceding

1 12 months and is not considered a resident of any other state.

2 (b) Has graduated from a high school, or is a student in good
3 standing in a high school who will graduate at the end of the
4 academic year, or an individual who has passed a graduate
5 equivalency examination approved by the state board of education,
6 or, if not a high school graduate, is recommended favorably by an
7 appropriate educational institution as defined in rules promulgated
8 by the authority.

9 (c) Except for ~~the~~**an** applicant for a graduate scholarship,
10 based ~~upon~~**on** the state competitive scholarship examination, ~~the~~
11 ~~applicant~~ shows promise of satisfactorily completing a course of
12 study at an approved postsecondary institution of the applicant's
13 choice in this state. For an applicant for a graduate scholarship,
14 the authority shall determine the examination standards for
15 eligibility.

16 (d) Has complied with this act and the rules promulgated under
17 this act by the authority.

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

19 (2) An applicant who the authority determines is eligible for
20 award of a scholarship under this act shall complete using the
21 scholarship within ~~10-1~~ **of the following time frames, as**
22 **applicable:**

23 (a) **For an applicant enrolled in an eligible postsecondary**
24 **institution during the 2020 spring term and the 2020-2021 academic**
25 **year, 11 years after his or her eligibility is determined.**

26 (b) **For any other applicant, 10 years after his or her**
27 **eligibility is determined.**