

**MICHIGAN PROMISE ZONE AUTHORITY ACT (EXCERPT)**  
**Act 549 of 2008**

**390.1667 Promise zone development plan; provisions; funding for out-of-state postsecondary institution prohibited; submission of plan or amendments to department of treasury; failure to submit plan within certain time frame; review; approval or written notice of deficiencies; amendment.**

Sec. 7.

(1) A promise zone authority created under section 5 shall prepare a promise zone development plan.

(2) A promise zone development plan must include, but is not limited to, all of the following:

(a) A complete description of the proposed promise of financial assistance. The proposed promise of financial assistance must include, but is not limited to, a promise of financial assistance to all eligible students residing within the promise zone and who graduate from a public high school or nonpublic high school located within that promise zone, in an amount established by the board to reflect the amount available for disbursement to eligible students and included in the annual budget under section 15. The amount of the proposed promise of financial assistance must, at a minimum, equal or exceed the amount the board determines is sufficient to pay for the qualified educational expenses for an eligible student to obtain an associate degree at a community or junior college in this state, and must not exceed the amount the board determines is sufficient to pay for the qualified educational expenses for an eligible student to obtain a bachelor's degree or its equivalent at a public postsecondary institution in this state or combination of public postsecondary institutions in this state, subject to any limitations authorized under this section. The proposed promise of financial assistance may also, at most, provide funding for an eligible student to attend a private college in this state in an amount that does not exceed the average amount of qualified educational expenses to obtain a bachelor's degree at all public universities in this state. The proposed promise of financial assistance may also authorize the expenditure of funds for educational improvement activities designed to increase student readiness for postsecondary education at public schools located in the promise zone or success programming designed to increase student degree or certificate attainment at postsecondary partner institutions and their entry into the workforce.

(b) A complete description of any limitation on the promise of financial assistance, including, but not limited to, any of the following:

(i) If the promise of financial assistance will be prorated based on the number of years the student has resided within the promise zone.

(ii) If the promise of financial assistance will be restricted to students who have resided within or attended a public high school or nonpublic high school within the promise zone for a minimum number of years.

(iii) If the promise of financial assistance is predicated on the student maintaining a minimum college grade point average and carrying a minimum college credit hour classload.

(iv) If the promise of financial assistance is restricted to attendance at 1 or more public or private postsecondary institutions in this state.

(v) If the promise of financial assistance is limited to students whose cumulative high school grade point average exceeds a specified minimum. However, a board may revise, establish, or eliminate a high school grade point average requirement for students after it submits a promise zone development plan to the department of treasury and is not required to amend the plan or obtain approval from the department of treasury for that change.

(vi) If the promise of financial assistance is limited to students who comply with requirements established by the board in order to improve student progress toward degree completion.

(vii) If the promise of financial assistance in a promise zone that encompasses more than 2 school districts is limited to students who reside in and graduate from high schools located within the boundaries of fewer than all of its constituent school districts.

(c) A requirement that graduates of a public high school or nonpublic high school exhaust all other known and available restricted grants for qualified educational expenses for postsecondary education provided by a federal, state, or local governmental entity, as determined by the board.

(d) How the funds necessary to accomplish the promise of financial assistance will be raised. Any amount received under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, must not be included as a method of raising the necessary funds. The promise zone development plan must be financed from 1 or more of the following sources:

(i) Donations.

(ii) Revenues.

(iii) Money obtained from other sources approved by the governing body or otherwise authorized by law.

(e) An actuarial model of how much the proposed plan is estimated to cost, based on actuarial formulas developed by the department of treasury.

(f) A complete description of the criteria and procedures by which the performance of students receiving

financial assistance pursuant to the proposed plan will be assessed and reported. This assessment and reporting methodology must include, but is not limited to, the submission of a written report by no later than October 31 of each year to the department of treasury. This annual report must include the following information, which may be obtained, in whole or in part, from any reliable source that complies with applicable laws regarding student privacy:

(i) The number of students who received financial assistance pursuant to the authority's approved promise zone development plan during the prior academic year.

(ii) Of those students accounted for under subparagraph (i), the number who successfully completed the following:

(A) A certificate or associate program.

(B) A bachelor's program.

(iii) Of those students accounted for under subparagraph (i), the number who withdrew from classes during the prior academic year.

(iv) Of those students accounted for under subparagraph (i) who initially reached successful completion of more than the equivalent of 23 semester credits during the prior academic year, the average time to successfully complete the equivalent of 24 semester credits.

(v) The 6-year graduation rate for recipients of financial assistance pursuant to the authority's approved promise zone development plan.

(3) The proposed promise of financial assistance under subsection (2) must not include funding for attendance at a public or private postsecondary institution not located in this state.

(4) The board shall submit the promise zone development plan to the department of treasury within 5 years after the eligibility to establish the promise zone was certified by the department of treasury under section 4(4). If a promise zone development plan is not submitted within this time frame, the department of treasury may dissolve the promise zone. The promise zone development plan must be published on the website of the eligible entity that established the promise zone.

(5) The department of treasury shall review the promise zone development plan submitted under subsection (4). Not more than 60 days after receipt of a promise zone development plan submitted under subsection (4), the department of treasury shall either approve the promise zone development plan or provide a written notice of deficiencies. If the department of treasury does not approve a promise zone development plan submitted under subsection (4) or provide a written notice of deficiencies within 60 days, the promise zone development plan must be considered approved. If a promise zone development plan is approved, the department of treasury shall certify that the promise zone development plan meets all requirements under this act and is sustainable.

(6) The department of treasury shall review any proposed amendments to a promise zone development plan. Not more than 60 days after receipt of proposed amendments to a promise zone development plan, the department of treasury shall either approve the proposed amendments or provide a written notice of deficiencies. If the department of treasury does not approve proposed amendments or provide a written notice of deficiencies within 60 days, the proposed amendments must be considered approved. If proposed amendments are approved, the department of treasury shall certify that the amendments meet all requirements under this act.

(7) A promise zone development plan approved under this act before February 16, 2016 must be amended as necessary to meet the assessment and reporting requirements described in subsection (2)(f). The amendment must include a first annual reporting deadline not later than October 31, 2017. The board shall submit the amendment to the department of treasury within 60 days after February 16, 2016 and the amendment is subject to the review process set forth in subsection (6).

**History:** 2008, Act 549, Imd. Eff. Jan. 13, 2009 ;-- Am. 2013, Act 210, Imd. Eff. Dec. 23, 2013 ;-- Am. 2016, Act 9, Imd. Eff. Feb. 16, 2016 ;-- Am. 2024, Act 109, Imd. Eff. July 23, 2024