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Senate Bill 701 (as introduced 9-16-03)
Sponsor: Senator Gerald Van Woerkom
Committee: Education

CONTENT

The bill would amend the Michigan Merit Award Scholarship Act to delay the deadline for students to apply for a merit award scholarship in the 2003-2004 academic year. Under the Act, the deadline was January 15 for the 2002-2003 academic year and is September 15 for a subsequent academic year, for disbursement in that year. The bill would move the deadline to November 15 for the 2003-2004 academic year. The deadline would remain September 15 for subsequent academic years.

Under the Act, the Michigan Merit Award Board may not begin disbursing funds for a merit award scholarship to a student or an approved postsecondary educational institution on behalf of a student, unless the Board receives a request or application for payment from the student by the deadline.

MCL 390.1458

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Due to the fact that MEAP test results for students who graduated in June 2003 are not yet fully available, the bill would change the deadline for students to apply for a Michigan Merit Award from September 15, 2003, to November 15, 2003. This change also would allow the Department of Treasury to pay these awards out of the fiscal year (FY) 2003-04 appropriation instead of the FY 2002-03 appropriation, because the deadline for application would have been moved into the 2003-04 fiscal year and the State auditors most likely would not require an accrual back to FY 2002-03. This means that FY 2002-03 expenditures for Merit Awards would be about \$60 million less than the appropriation but the FY 2003-04 appropriation would need to increase by \$60 million, resulting in no net change in Michigan Merit Award Trust Fund expenditures over the two fiscal years.

Date Completed: 9-17-03

Fiscal Analyst: Ellen Jeffries