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BILL ANALYSIS

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Senate Bill 861 (as enacted)
Sponsor: Senator Bob Emerson
House Committee: Appropriations
Senate Committee: Appropriations

PUBLIC ACT 241 of 2006

Date Completed: 8-14-07

CONTENT

Senate Bill 861 amended the Michigan Merit Award Scholarship Act to eliminate the \$1,000 Merit Award scholarships for students enrolled outside the State of Michigan beginning with the high school graduating class of 2007.

MCL 390.1457

The Michigan Merit Awards are funded from the Michigan Merit Award Trust Fund which was created when the State received its share of the national tobacco settlement funds in 1999. Any dollars not appropriated and spent on Merit Awards remain in the Merit Award Trust Fund and are available for other purposes, as determined by law.

FISCAL IMPACT

The bill will allow the State to save approximately \$3.5 million to \$5.0 million annually beginning with the budget for FY 2007-08.

The table below outlines the history of Merit Awards for students enrolled outside Michigan.

High School Graduating Class	Fiscal Year of Payment	Number of Out-of-State Merit Awards
2000	FY 2000-01	2,973
2001	FY 2001-02	3,145
2002	FY 2002-03	3,347
2003	FY 2003-04	4,087
2004	FY 2004-05	3,567
2005	FY 2005-06	3,510
2006	FY 2006-07	4,677

Fiscal Analyst: Ellen Jeffries

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