

# Legislative Analysis



## PROMISE GRANTS: INCLUDE MICHIGAN RESIDENTS GRADUATING FROM OUT-OF-STATE HIGH SCHOOLS

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4595**

**Sponsor: Rep. Kathy Angerer**

**Committee: Education**

**Complete to 4-23-07**

### A SUMMARY OF HOUSE BILL 4595 AS INTRODUCED 4-12-07

The bill would amend the Michigan Promise Grant Act (MCL 390.1622 et al.) to expand eligibility for the grant awards of up to \$4,000 for postsecondary education so as to include certain Michigan residents who graduate from out-of-state high schools. The bill also would rewrite the payment procedures to be used by the Department of Treasury in making grant payments to postsecondary institutions of higher learning.

Currently under the law, the term "high school graduate" is defined to mean an individual who has received a high school diploma from a high school *in this state* (or passed a state-approved high school graduate equivalency examination). House Bill 4595 would modify this definition by striking the words "in this state."

The law requires the Department of Treasury to determine if a student is eligible for a Michigan Promise Grant on or before a deadline established by the department. House Bill 4595 would instead put the deadline in statute as *November 15 of the state fiscal year in which applicants are eligible to receive payment*.

Promise Grants currently are disbursed to an approved postsecondary educational institution on a student's behalf according to a payment procedure the department establishes. House Bill 4595 would specify in statute that, generally, (1) grants and installments due to students who have completed the first two years of postsecondary education would be disbursed in the state fiscal year that begins on the first October 1 *following the end of the academic year* in which the student is eligible for the grant or installment; and (2) installments due to students for their first and second year of postsecondary education and grants to students in programs requiring less than two years would be disbursed in the state fiscal year that begins on October 1 *in the academic year* in which the student is eligible.

### FISCAL IMPACT:

Based on information from the Department of Treasury, the bill would allow approximately 40 students per year who are Michigan residents but attend a high school outside the state to claim Promise Grant awards. The bill would increase state costs by an estimated \$80,000 to \$160,000 per year, depending on the number of those students who subsequently completed two years of postsecondary education.

Legislative Analyst: J. Hunault

Fiscal Analyst: Kyle Jen

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

Analysis available at <http://www.legislature.mi.gov>

Page 1 of 1