



Senate Fiscal Agency
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**BILL ANALYSIS**

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Senate Bill 570 (as introduced 6-6-07)
Sponsor: Senator Cameron S. Brown
Committee: Education

Date Completed: 6-20-07

CONTENT

The bill would amend the Michigan Promise Grant Act to allow a Michigan resident who graduated from a high school outside the State to qualify for a Michigan Promise Grant.

Under the Act, a student who becomes a high school graduate beginning in the 2006-2007 school year is eligible for a grant of up to \$4,000, if he or she meets certain eligibility requirements and completes at least two years of postsecondary education (as described below).

Among other requirements, the student must be a high school graduate and a resident of this State.

Currently, "high school graduate" means an individual who has received a high school diploma from a high school in this State, or has passed the GED diploma test or another high school graduate equivalency exam approved by the State Board of Education.

The bill would remove the requirement that the high school be located in this State.

MCL 390.1622

BACKGROUND

The Michigan Promise Grant Act was enacted in 2006 to provide for scholarships of \$4,000 for high school graduates who took the State assessment test and enrolled in an approved postsecondary educational institution within two years of graduation. For students who passed the reading, writing, math, and science components of the State assessment test, an amount of \$1,000 is to be paid during each of a student's first two years of postsecondary enrollment; an additional \$2,000 must be paid when the student completes 50% or more of the academic requirements for a bachelor's degree, earns an associate's degree, or receives a two-year certificate of completion in a vocational education program. The additional \$2,000 is to be paid only if the student has maintained a cumulative grade point average of at least 2.5.

Alternatively, a student is eligible for a \$4,000 scholarship after completing 50% or more of the academic requirements for a bachelor's degree or receiving an associate's degree or a two-year certificate, if he or she has maintained a cumulative grade point average of at least 2.5. In addition, a student enrolled in a vocational education program that takes less than two years to complete may receive a prorated award amount, based on the length of the program.

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would increase State costs for the Michigan Promise Grant Program by up to approximately \$160,000 annually. The Michigan Department of Treasury estimates that 40 students per year who are Michigan residents graduate from a high school that is located outside of the State. The \$160,000 cost amount assumes that all of the estimated 40 students complete two years of postsecondary education with a cumulative grade point average of 2.5 and thus earn a \$4,000 Michigan Promise Grant.

Fiscal Analyst: Ellen Jeffries

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.