



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4595 (as reported without amendment)

Sponsor: Representative Kathy Angerer

House Committee: Education

Senate Committee: Education

CONTENT

The bill would amend the Michigan Promise Grant Act to do the following:

- Allow a Michigan resident who graduated from a high school outside the State to qualify for a Michigan Promise Grant.
- Set a deadline of November 15 for the Department of Treasury to receive Michigan Promise Grant applications.
- Require the Department to disburse certain Michigan Promise Grant payments in the fiscal year that began in the academic year when the student was eligible for the grant, and require other payments to be made in the following fiscal year.

Under the Act, a student is eligible for a \$4,000 grant after completing 50% or more of the academic requirements for a bachelor's degree, earning an associate's degree, or receiving a two-year certificate of completion in a vocational education program. Under the bill, the Department would have to disburse the grant in the State fiscal year beginning on October 1 immediately following the academic year in which the student was eligible for the payment.

A student who passed the reading, writing, math, and science portions of the State assessment test is eligible for a payment of \$1,000 toward the full \$4,000 grant during each of the student's first two years of postsecondary enrollment. The student may receive the remainder of the grant after completing 50% or more of the academic requirements for a bachelor's degree, earning an associate's degree, or receiving a two-year certificate of completion in a vocational education program.

The bill would require the Department to disburse the two \$1,000 payments in the State fiscal year beginning on October 1 in the academic year in which the student was eligible for the installment. The Department would have to disburse the balance in the State fiscal year beginning on the October 1 immediately following the end of the academic year in which the student was eligible for the payment.

MCL 390.1622 et al.

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.

Date Completed: 6-25-07

Fiscal Analyst: Ellen Jeffries