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## BILL ANALYSIS

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House Bill 4595 (as passed by the House)  
Sponsor: Representative Kathy Angerer  
House Committee: Education  
Senate Committee: Education

Date Completed: 6-21-07

**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 Michigan Promise Grant applications to be received by the Department of Treasury.**
- Require the Department of Treasury 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.**

Out-of-State High School

Under the Act, a student who becomes a high school graduate in or after the 2006-2007 school year may be eligible for a grant of up to \$4,000, if he or she is a resident of this State, took the State assessment test, and enrolled in an approved postsecondary educational institution within two years of graduation.

"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.

Application Deadline

Under the Act, for a student to be eligible to receive a Michigan Promise Grant, the Department of Treasury must have received a completed application for payment on or before the deadline established by the Department.

The bill instead would require the application to be received by the Department on or before November 15 of the State fiscal year in which the student was eligible to receive payment.

Grant Disbursal Schedule

The Act requires the Department of Treasury to pay a Michigan Promise Grant to an approved postsecondary educational institution on the student's behalf, according to a payment procedure established by the Department.

The bill would require the Department of Treasury to disburse Michigan Promise Grant money as described below, according to a payment procedure established by the Department.

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, if he or she has maintained a cumulative grade point average of at least 2.5. A student who enrolled in a vocational education program that takes less than two years to complete may receive a prorated award, based on the length of the program.

The bill would require the Department to disburse the grant money under these provisions 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 grant.

Under the Act, a student who passed the reading, writing, math, and science components of the State assessment test is eligible for two payments of \$1,000 each, to be paid during each of the student's first two years of postsecondary enrollment. The student is eligible for the remainder of the grant when he or she 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, if the student has maintained a cumulative grade point average of at least 2.5.

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.

In addition, under the Act, a student who passed the reading, writing, math, and science components of the State assessment test and enrolled in a vocational education program that takes less than two years to complete may receive a prorated amount of the full \$4,000 grant, based on the length of the program. The bill would require this grant to be paid in the State fiscal year beginning on October 1 in the academic year in which the student was eligible for the grant.

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.

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.