



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4851 (Substitute S-1 as reported)
Sponsor: Representative Andy Meisner
House Committee: Appropriations
Senate Committee: Appropriations

CONTENT

The bill would amend the Higher Education Loan Authority Act to allow the Michigan Higher Education Student Loan Authority, in fiscal year 2006-07, to pay money to the Michigan Merit Award Trust Fund for one or more of the following: State Competitive Scholarships, Tuition Grants, Michigan Work-Study Programs, Tuition Incentive Program, Michigan Merit Award Scholarships, and the Nursing Scholarship Program.

MCL 390.1154

FISCAL IMPACT

The fiscal year 2005-06 State of Michigan Comprehensive Annual Financial Report shows \$154.0 million in unrestricted net assets for the Higher Education Student Loan Authority, at the close of the fiscal year. The Michigan Department of Treasury estimates that \$90.0 million to \$94.0 million of that balance is available for transfer to the Michigan Merit Award Trust Fund. These funds are available due to reserves that have accumulated from bond issues over the past 20 to 30 years and the proposed restructuring of old bonds.

This bill would allow the Authority to pay this \$90.0 million to \$94.0 million to the Merit Award Trust Fund; this additional revenue in the Trust Fund then could be used to offset State General Fund expenditures for student scholarship and grant programs.

Date Completed: 6-13-07

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