



Senate Fiscal Agency  
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BILL ANALYSIS

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House Bill 4851 (as enacted)  
Sponsor: Representative Andy Meisner  
House Committee: Appropriations  
Senate Committee: Appropriations

**PUBLIC ACT 34 of 2007**

Date Completed: 7-13-07

**CONTENT**

House Bill 4851 amended 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.

in the fiscal year 2006-07 Higher Education budget.

Fiscal Analyst: Ellen Jeffries

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.

The bill allows the Authority to pay money to the Merit Award Trust Fund; this additional revenue in the Trust Fund then may be used to offset State General Fund expenditures for student scholarship and grant programs. Public Act 41 of 2007 replaced \$90.0 million in State General Fund revenue with \$90.0 million in Michigan Merit Award Trust Fund money for grants and financial aid programs

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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.