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House Bill 5451 (Substitute H-1 as passed by the House)
Sponsor: Representative Bruce R. Rendon
House Committee: Military and Veterans Affairs
Senate Committee: Appropriations

Date Completed: 6-4-14

CONTENT

The bill would create the "Michigan National Guard Tuition Assistance Act" to establish a program that would allow members of the Michigan National Guard to receive tuition assistance of up to \$4,500 per academic year at an eligible educational institution in Michigan; and would create the "Michigan National Guard Tuition Assistance Fund" within the State Treasury. The program would be administered under the direction of the Adjutant General of the Michigan National Guard.

Eligibility

Individuals eligible for this reimbursement would have to meet the following conditions:

- Be in active service in the Army or Air Michigan National Guard.
- Not be absent without leave or under charges within the Michigan Code of Military Justice.
- Maintain a minimum grade point average as determined by the Adjutant General.
- Meet any other criteria determined by the Adjutant General consistent with recruiting and retention requirements.

Tuition Assistance

The program would provide up to \$4,500 per academic year for eligible tuition costs, including the costs of a course of study and any instructional, computer, lab, or other fees directly related to a course of study. Books and other study supplies would not be covered. Assistance could be provided for any course of study intended to culminate on vocational or technical training, a certificate, or the eligible person's first associate, bachelor's, or master's degree. Assistance could be provided before classes began or on a reimbursement basis. An eligible person who received assistance would be required to provide evidence of attendance and completion of coursework in a manner prescribed by the Adjutant General. Tuition assistance provided for incomplete coursework would have to be reimbursed to the Fund the full amount of assistance received, in a manner prescribed by the Adjutant General. Tuition assistance would be provided irrespective of any other educational incentive or benefit received under any other program. An application for assistance to an eligible person would be approved by the Adjutant General should sufficient funds exist within the Fund.

The bill would define "eligible educational institution" as a public or private college, university, vocational school, technical school, or trade school in this State.

Tuition Assistance Fund

The Michigan National Guard Tuition Assistance Fund, created in the Department of Treasury, could receive money or other assets from any source for deposit into the Fund, and the State Treasurer would have to direct investment of the Fund and credit to it any Fund interest and earnings. For auditing purposes, the Department of Military and Veterans Affairs would be the administrator of the Fund. Money in the Fund at the close of a fiscal year would not lapse to the General Fund and remain in the proposed Fund.

FISCAL IMPACT

The bill would result in an estimated \$4.5 million annual cost to the Department of Military and Veterans Affairs. The Department estimates that among its 8,000 Army and 2,200 Air Guard active members, about 8,000 would be eligible for the tuition assistance program, and approximately 15% to 20% of those would likely participate to varying degrees. It is foreseeable that in the future this program could draw, through recruiting, a higher percentage of active guard members eligible and interested in participating in the program, which could increase its potential overall costs.

As the bill states, the Adjutant General would be required to approve applications only if there were sufficient money in the Fund to do so. Currently, there is none, but the FY 2014-15 budget recommendations of the Governor proposed an appropriation of \$5.0 million GF/GP for the program; the Senate-passed FY 2014-15 appropriation bill included the same amount and the House only \$2.0 million. The final FY 2014-15 appropriated amount, if any, has not yet been determined.

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