

Legislative Analysis



PART-TIME INDEPENDENT STUDENT GRANT PROGRAM

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House Bill 4442 Substitute (H-2)

Sponsor: Rep. Paul Muxlow

Committee: Appropriations

Analysis available at
<http://www.legislature.mi.gov>

Complete to 4-20-15

SUMMARY:

House Bill 4442 would amend 1986 PA 102, which provides for a grant program for independent part-time students, to do the following:

- Limit eligibility to students at community colleges. Currently, students at state state-approved Michigan degree-granting institutions may be eligible.
- Delete language limiting awards to \$600 per academic year; the maximum grant amount would instead be established by the Department of Treasury.
- Allow a student to receive an annual grant for up to three years, rather than the current two years.
- Remove a restriction that limits eligible programs to “undergraduate” programs. However, a program would continue to have to be of at least nine months’ duration and lead to a degree or certificate.
- Delete language barring awards to students enrolled at institutions whose primary purpose is to educate clergy for ordination.

MCL 390.1281, et al.

BACKGROUND INFORMATION:

The independent part-time student grant program was enacted to provide a source of financial aid for a group considered underserved by traditional financial aid programs. The statute limits eligibility to financially independent undergraduate students who have been out of high school for at least two years and who are enrolled or accepted for enrollment in an undergraduate program of at least nine months’ duration leading to a degree or certificate from an approved Michigan degree-granting institution.

Historically, funding for the independent part-time student grant program has been apportioned between the postsecondary institutions (community colleges, public universities, and independent colleges and universities) based on the numbers of eligible students. Receiving institutions then would direct the funds based on individual students’ need.

Data submitted to the Department of Treasury in FY 2008-09, reflecting student numbers during academic year 2007-08, indicate that there were 26,646 eligible students at community colleges, 9,397 at public universities, and 14,654 at independent colleges and universities.

The following table shows numbers of awards and total dollars awarded by sector for the last three years that the program was funded:

Independent Part-Time Student Grant Program			
	2006-07	2007-08	2008-09
Community Colleges			
Awards	3,235	3,282	3,256
Amount	\$1,297,250	\$1,285,723	\$1,391,926
Average Award	\$401	\$392	\$427
Public Universities			
Awards	980	998	1,149
Amount	\$463,350	\$494,240	\$490,788
Average Award	\$473	\$495	\$427
Independent Colleges			
Awards	1,822	1,728	1,463
Amount	\$879,554	\$856,444	\$763,266
Average Award	\$483	\$496	\$522
Statewide Total			
Awards	6,037	6,008	5,868
Amount	\$2,640,154	\$2,636,407	\$2,645,980
Average Award	\$437	\$439	\$451
Appropriation (all GF/GP)	\$2,653,300	\$2,653,300	\$2,653,300

FISCAL IMPACT:

The bill would have no direct fiscal impact on the state or local units of government. The program has not been funded since FY 2008-09, when it was funded at \$2.7 million GF/GP.

The FY 2015-16 Executive Recommendation for community colleges proposes to reinstate the program, limit it to community colleges, and fund it with \$6.0 million in School Aid Fund (SAF) revenues. The House Appropriations Subcommittee on Community Colleges proposes to fund the program at \$2.9 million SAF for the coming fiscal year; the difference between the Executive and House versions was utilized to boost the increase for community colleges operations to 2.0%. The Senate Appropriations Subcommittee on Community Colleges concurs with the Executive Recommendation, funding the program at \$6.0 million.

Fiscal Analyst: Marilyn Peterson

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