

Legislative Analysis



CLOSE ELIGIBILITY FOR THE MICHIGAN COMPETITIVE SCHOLARSHIP

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5829 (H-2) as passed by the House
Sponsor: Rep. Samantha Steckloff
Committee: Higher Education
Complete to 12-19-24

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

(Enacted as Public Act 233 of 2024)

SUMMARY:

House Bill 5829 would amend 1964 PA 208 to revise statutory eligibility for the Michigan Competitive Scholarship (MCS) to close it to new recipients. The bill also would change references to the scholarship's program requirements to reflect that the program is now closed and update references to the entity that oversees the MCS to the Department of Lifelong Education, Advancement, and Potential (MiLEAP). Finally, the bill would repeal several acts related to apparently dormant state scholarship and grant programs and rescind the associated administrative rules.

Michigan Competitive Scholarship

The bill would provide that a student enrolling in a postsecondary educational institution for the first time after September 30, 2023, and students who have not already received the MCS by that same date, are not eligible to receive an MCS under the act. The bill would also provide that state competitive scholarships awarded before September 30, 2023, must not exceed the amount of tuition and fees for the full academic year.

The MCS webpage notes that the scholarship is already closed to new awardees who have graduated high school in 2023 or after, with the Michigan Achievement Scholarship (MAS) taking its place.¹ A representative of MiLEAP projects that it has sufficient funds to meet existing obligations to current MCS recipients.

Repeals

The bill also would repeal the following acts:

- The Legislative Merit Award Program Act, 1976 PA 228.
- 1978 PA 105, related to tuition differential grants.
- 1986 PA 102, related to part-time, independent student grants.
- 1986 PA 273, related to the Michigan Educational Opportunity Grant Program.
- 1986 PA 288, related to the Michigan Work-Study Program for undergraduate students.
- 1986 PA 303, related to the Michigan Work-Study Program for graduate and professional graduate students.

¹ <https://www.michigan.gov/mistudentaid/programs/michigan-competitive-scholarship>

Rescissions

Finally, the bill would rescind the following administrative rules, which respectively implement the acts proposed for repeal as described above:

- R 390.1501 to R 390.1512.
- R 390.1651 to R 390.1663.
- R 390.1701 to R 390.1709.
- R 390.1721 to R 390.1728.
- R 390.1751 to R 390.1759.
- R 390.1771 to R 390.1779.

MCL 390.972 et seq.

FISCAL INFORMATION:

House Bill 5829 would result in reduced costs for the state and have no fiscal impact on local governments. The bill would change eligibility for the scholarship to match eligibility for the scholarship program in the Higher Education budget bill that prevents any student first enrolling in a postsecondary institution during FY 2022-23 from receiving a competitive scholarship. This change would slowly phase out the scholarship, reducing costs for the scholarship. The state has appropriated \$19.9 million for state competitive scholarships for FY 2024-25.

Legislative Analyst: Josh Roesner
Fiscal Analysts: Noel Benson
Perry Zielak

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.