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BILL ANALYSIS

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Senate Bill 1020 (as introduced 2-25-04)
Sponsor: Senator Shirley Johnson
Committee: Appropriations

Date Completed: 3-1-04

CONTENT

The bill would amend the Michigan Merit Award Act to make Merit Award scholarships to students payable in the State fiscal year that begins after the beginning of the academic year for which the student is eligible. For example, for a qualified student graduating in June 2004 who plans to attend college this fall (which is academic year 2004-05), payments would be made to the selected college during the State's fiscal year (FY) 2004-05, which begins on October 1, 2004. Under current law, payments must be made to the college from State FY 2003-04 resources. The bill also would change the deadline for a student to certify that he or she is enrolled in an approved postsecondary institution and agrees to use the scholarship only for eligible costs, from September 15 to October 15. The bill would apply to students who graduate from high school or pass the general educational development (GED) test on or after March 1, 2004.

MCL 390.1458

FISCAL IMPACT

If the amendments to the Act are not adopted, the State will not be able to save an estimated \$63 million in FY 2003-04 and an estimated \$63 million in FY 2004-05. This accounting change for Michigan Merit Award payments was a part of the agreement to balance the budget when Executive Order 2003-23 was adopted in December 2003.

Fiscal Analyst: Ellen Jeffries

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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.