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BILL ANALYSIS

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Senate Bill 600 (as introduced 6-20-07)
Sponsor: Senator Cameron S. Brown
Committee: Education

Date Completed: 6-21-07

CONTENT

The bill would amend the Michigan Promise Grant Act to do the following:

- Set an annual deadline of November 15 for Michigan Promise Grant applications to be received by the Department of Treasury.**
- Require the Department to disburse certain Michigan Promise Grant payments in the fiscal year that began in the academic year when the student was eligible for the grant, and require other payments to be made in the following fiscal year.**

Application Deadline

Under the Act, for a student to be eligible to receive a Michigan Promise Grant, the Department of Treasury must have received a completed application for payment on or before the deadline established by the Department.

The bill instead would require the application to be received by the Department on or before November 15 of the State fiscal year in which the student was eligible to receive payment.

Grant Disbursal Schedule

The Act provides for scholarships of \$4,000 for high school graduates who took the State assessment test and enrolled in an approved postsecondary educational institution within two years of graduating. The Act requires the Department of Treasury to pay a Michigan Promise Grant to an approved postsecondary educational institution on the student's behalf, according to a payment procedure established by the Department.

The bill would require the Department to disburse Michigan Promise Grant money as described below, according to a payment procedure established by the Department.

Under the Act, a student is eligible for a \$4,000 grant after completing 50% or more of the academic requirements for a bachelor's degree, earning an associate's degree, or receiving a two-year certificate of completion in a vocational education program, if he or she has maintained a cumulative grade point average of at least 2.5. A student who enrolled in a vocational education program that takes less than two years to complete may receive a prorated award, based on the length of the program.

The bill would require the Department to disburse the grant money under these provisions in the State fiscal year beginning on the October 1 immediately following the end of the academic year in which the student was eligible for the grant.

Under the Act, a student who passed the reading, writing, math, and science components of the State assessment test is eligible for two payments of \$1,000 each, to be paid during each of the student's first two years of postsecondary enrollment. The student is eligible for the remainder of the grant when he or she completes 50% of more of the academic requirements for a bachelor's degree, earns an associate's degree, or receives a two-year certificate of completion in a vocational education program, if the student has maintained a cumulative grade point average of at least 2.5.

The bill would require the Department to disburse the two \$1,000 payments in the State fiscal year beginning on October 1 in the academic year in which the student was eligible for the installment. The Department would have to disburse the balance in the State fiscal year beginning on the October 1 immediately following the end of the academic year in which the student was eligible for the payment.

In addition, under the Act, a student who passed the reading, writing, math, and science components of the State assessment test and enrolled in a vocational education program that takes less than two years to complete may receive a prorated amount of the full \$4,000 grant, based on the length of the program. The bill would require this grant to be paid in the State fiscal year beginning on October 1 in the academic year in which the student was eligible for the grant.

MCL 390.1624 & 390.1628

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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.