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BILL ANALYSIS

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Senate Bill 164

Sponsor: Senator John J. H. Schwarz, M.D.

Committee: Education and Mental Health

Date Completed: 3-8-89

SUMMARY OF SENATE BILL 164 as introduced 2-21-89:

The bill would amend the Higher Education Loan Authority Act, which established the Michigan Higher Education Loan Authority in order to provide loans to eligible students and to parents of students, to require the Authority to exercise its powers as an autonomous entity, independent of the Director of the Department of Education. The Act currently specifies that the Authority is created as a public body corporate and politic within the Department of Education; the bill would retain this provision.

In addition to the powers of the Authority already enumerated in the Act, the bill specifies that the Authority would have the power to purchase or contract for supplies, materials, printing, equipment, and services, including but not limited to, utility, legal, accounting, and consulting services as needed to carry out the Act.

The bill also provides that a majority of the Authority's members who were qualified and serving would constitute a quorum for conducting business. Currently, the Act only specifies that a majority of the Authority's members constitutes a quorum.

MCL 390.1153 and 390.1154

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State and no fiscal impact on local units of government.

The bill would allow the Higher Education Loan Authority to contract for materials and services without utilizing the Department of Management and Budget procurement process. To the extent that the Authority could independently procure commodities and services at a lower cost, there could be savings for the Michigan Department of Education (MDOE). Procured commodities could range from smaller items such as micro-computers to contracts for loan administration services. The FY 1988-89 contractual services, supplies, and materials (CSS&M)

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appropriation for the MDOE's Division of Student Financial Assistance Services is \$3,297,300; the equipment appropriation is \$25,600.

Fiscal Analyst: E. 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.