



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4055 (Substitute H-1 as reported without amendment)
Sponsor: Representative Sara Anthony
House Committee: Education
Senate Committee: Education and Career Readiness

CONTENT

The bill would amend Public Act 208 of 1964, which grants scholarships to students enrolled in postsecondary education institutions, to do the following:

- Allow scholastic achievement to be used as an alternative to a competitive examination to determine eligibility for scholarships awarded under the Act for the 2021-2022 academic year.
- Require a scholarship recipient under the Act who was enrolled in an eligible postsecondary institution during the 2020 spring term and the 2020-2021 academic year to complete using the scholarship up to 11 years after his or her eligibility was determined.

MCL 390.973 & 390.974

Legislative Analyst: Dana Adams

FISCAL IMPACT

The bill itself would have a neutral fiscal impact on State and local units of government, but likely would increase the number of students who qualified for the Michigan Competitive Scholarship (MCS). The bill would allow the Department of Treasury to use a measure of scholastic achievement, such as grade point average, instead of a standardized test to qualify for the MCS, as well as offer two additional semesters of MCS eligibility to students enrolled at a postsecondary institution for the Spring 2020 semester or 2020-21 academic year. Both of these changes generally would increase the number of students eligible to receive the MCS. Basic arithmetic dictates that an increase in the number of students receiving the scholarship would increase the cost of the scholarship to the State; however, absent an increase in appropriations for the program, any costs in excess of appropriations (\$29.9 million for fiscal year 2020-21) would be eliminated through existing statutory authority that allows Treasury to prorate MCS awards if the awards will exceed total appropriations for the program.

Date Completed: 6-22-21

Fiscal Analyst: Josh Sefton