
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 564 (as reported without amendment)
Sponsor: Senator Joel D. Gougeon
Committee: Education

CONTENT

The bill would amend the Higher Education Loan Authority Act, to make ineligible for that aid a person who was subject to a court order denying a Federal benefit due to the conviction of any State or Federal offense for the distribution or possession of controlled substances. The person would not be eligible for the financial aid for the duration of the court order. The bill refers to Federal benefits as described in the Federal Comprehensive Drug Abuse Prevention and Control Act.

(Under the Comprehensive Drug Abuse Prevention and Control Act, "Federal benefit" means the issuance of any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States. "Federal benefit" does not include any retirement, welfare, Social Security, health, disability, veterans benefit, public housing, or other similar benefit, or any other benefit for which payments or services are required for eligibility.)

MCL 390.1154a & 390.1162

Legislative Analyst: L. Arasim

FISCAL IMPACT

There could be additional administrative costs for the Department of Treasury to determine if an individual was subject to a court order under the Federal Controlled Substances Act. The Department of Treasury's Higher Education Loan Authority has the power to loan money to students or parents of students, and may issue bonds to provide loans. The level of bonding and the amount of money available for loans would not be affected but there could be redistribution of loan funds to eligible students. The bill would have no fiscal impact on local government.

Date Completed: 2-4-98

Fiscal Analyst: E. Jeffries

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