



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 4316 (Substitute H-1 as reported by the Committee of the Whole)
Sponsor: Representative Terry London
House Committee: Higher Education
Senate Committee: Human Resources, Labor and Veterans Affairs

CONTENT

The bill would amend Public Act 245 of 1935, which provides for a tuition waiver for the children of certain Michigan veterans, to remove a requirement that those children be admitted to a State tax supported institution; cap the amount of a tuition waiver for some students; increase the maximum age of eligibility for the tuition waiver; limit the program to undergraduate studies; and extend eligibility to students at educational institutions that are not Michigan tax-supported.

Currently, a person not under 16 or over 22 years of age who has been a Michigan resident for the preceding 12 months, and who is a child of a Michigan veteran must be admitted to and may attend, without paying tuition, a Michigan State tax-supported educational or training institution of a secondary or college grade, if the veteran was killed in action or died from another cause during a war or war condition in which the United States has been, is, or may be a participant; died or is totally disabled, as a result of a service-connected illness or injury; or is officially listed by the U.S. government as missing in action in a foreign country. Under the bill, a person over 16 and under 26 would be eligible for the program. A person admitted to an institution that is not State tax-supported, before October 1, 1996, would be eligible for an annual tuition waiver of up to \$2,800. A person admitted to an institution in Michigan on or after October 1, 1996, would be eligible for an annual waiver of up to \$2,800 while he or she was a full-time college undergraduate student.

The bill also would delete a provision that a person whose education is interrupted by military service, or by a physically or mentally disabling condition or illness that interrupts education for at least one month, has his or her eligibility extended beyond the maximum age limit for a period equal to the time lost due to the disabling condition. In addition, the bill would delete a provision that a person otherwise eligible for the Act's benefits is ineligible if he or she is receiving an educational benefit, scholarship, or financial aid from another state.

MCL 35.111

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State's veterans tuition program. Four main features of the bill would have a fiscal impact on the program; two would increase costs to the program while two would serve to decrease program costs. Extending the age eligibility limit from 22 to 25 years and extending tuition benefits to include private school tuition would increase costs. Including private school would have a minimal fiscal impact, especially since the bill also includes a cap on tuition benefits. Extending the age eligibility could have a more substantial impact, but to what extent is not known at this time. Limiting benefits to undergraduate tuition would save the program approximately \$20,000 per year in tuition payments, and capping yearly tuition benefits would have a substantial impact on containing program cost in four or five years. If the tuition cap were in place for FY 1995-96, savings would likely be in excess of \$100,000.

Date Completed: 5-29-96

Fiscal Analyst: B. Baker

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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.