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HOUSE FISCAL AGENCY

124 N. Capitol Avenue 4 – North, HOB Lansing, MI

HB4330 AS INTRODUCED

Sponsor Committee Rep. Jerry VanderRoest

EDUCATION

Analyst(s) Prince, Hank

Completed

2/23/01

State Fiscal Impact

Local Fiscal Impact

Cost

Indeterminate/Increase

Cost

None

Revenues None

Revenues

None

HB4330 proposes to amend the Michigan merit award scholarship act to increase the value of Merit awards used by students enrolling in one of three military service academies (West Point, Annapolis, or Colorado Springs) from \$1,000 to \$2,500. Current law limits out-of-state use of a Merit award to \$1,000.

If HB 4330 had been in effect for 2000, the estimated 15 award recipients who enrolled in either the U.S. Military Academy, the U.S. Naval Academy, or the U.S. Air Force Academy would have received a total of \$22,500 more in awards. Since these service academies are selective in admissions, it is unlikely that the annual cost of this proposed change will exceed \$50,000 through 2007 or 2008, when the number of Michigan high school graduates will peak and begin to decline due to demographic factors.

HB 4330 also proposes to permit award recipients enrolled in military service academies to use the award for reimbursement of application fees.

The increase in state costs is indeterminate, since the number of award recipients enrolling in these military service academies for 2001 is unknown at this time.