

Legislative Analysis



MICHIGAN NATIONAL GUARD TUITION ASSISTANCE

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<http://www.house.mi.gov/hfa>

House Bill 5184 as introduced
Sponsor: Rep. Joe Tate
Committee: Appropriations
Complete to 11-2-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5184 would amend the Michigan National Guard Tuition Assistance Act to allow the spouse of an eligible Michigan National Guard servicemember to use the eligible person's tuition assistance benefits as provided by the Michigan National Guard Tuition Assistance Program (MINGTAP) and authorized by the Michigan National Guard Tuition Assistance Act.

The Michigan National Guard Tuition Assistance Act requires the adjutant general of the state to be the administrator of MINGTAP and to form procedures and policies to carry it out. It defines "eligible person" as a member of the Michigan National Guard who is in active service, is not absent without leave or under charges described in the Michigan Code of Military Justice, and who fits any other criteria determined by the adjutant general.

The bill would not amend the definition of "eligible person" but would allow the adjutant general to establish a policy that allows the spouse of an eligible person to utilize the eligible person's tuition assistance benefits in a manner consistent with the Michigan National Guard Tuition Assistance Act.

MCL 32.433 and 32.434

BACKGROUND

The Michigan National Guard Tuition Assistance Act, 2014 PA 259, created MINGTAP along with the state restricted Tuition Assistance Fund to support tuition assistance payments to Michigan National Guard soldiers and airmen and support administration of the program. Participants in the program can apply the assistance at any public or private college, university, vocational school, technical school, or trade school located in Michigan in pursuing vocational or technical training, a certificate, a first associate degree, a bachelor's degree, or a master's degree. MINGTAP benefits are similar to the Federal Tuition Assistance (FTA) program benefits available to Army National Guard members and can be applied simultaneously with FTA benefits. Participants must maintain a minimum grade point average (GPA) of 2.0. MINGTAP policy establishes the minimum GPA as 3.0 for participants enrolled in graduate-level work¹.

MINGTAP reimburses participants up to \$600 per credit hour per year, with a maximum lifetime benefit of 144 semester hours of undergraduate credit, sufficient for most bachelor's degrees, and 42 semester of graduate level credit, sufficient for most master's degrees.

¹ https://www.michigan.gov/documents/dmva/STAP_Policy_-_Signed_728991_7.pdf

FISCAL IMPACT:

An extension of benefits would result in increased payments from the Tuition Assistance Fund. The need for additional general fund/general purpose (GF/GP) appropriations to the fund would depend on the amount of benefits paid to spouses of eligible persons and the amount of savings to the fund achieved through MINGTAP efficiencies.

The Tuition Assistance Fund may receive money from any source for deposit into the fund and has been supported annually through state GF/GP deposits appropriated to the fund through the budget of the Department of Military and Veterans Affairs (DMVA). Money remaining in the fund at the end of the fiscal year remains in the fund and does not lapse to the general fund. The balance in the fund must not exceed \$10.0 million. Any balance in excess of \$10.0 million will lapse to the general fund. The fiscal year (FY) 2020-21 closing balance of the fund has not yet been determined as part of the currently ongoing year-end book closing process. The 2019-20 closing fund balance was \$3.4 million. This carryforward balance, added to the FY 2020-21 appropriation of \$6.5 million, brought the FY 2020-21 peak balance to \$9.9 million, or just below the statutory cap.

Program participation has increased each year, with numbers tapering over the last five years. Despite increasing participation, the annual appropriation has remained largely steady at approximately \$6.5 million, with the exception of FY 2018-19, in which the program received an additional \$2.5 million supplemental appropriation.

The dollar amount of payments to eligible servicemembers' spouses is indeterminate at this time. The DMVA has previously reported that the bill's increased payments from the Tuition Assistance Fund can be supported through efficiencies achieved within MINGTAP, such as ensuring that payments are in accordance with statutory and policy GPA requirements and that FTA payments are utilized before MINGTAP payments, thereby not requiring an increase in the annual GF/GP deposit into the fund. If increased efficiencies are not able to cover the costs of expanding eligibility to spouses, the balance of the fund would support the increased costs until it is depleted. Assuming that the adjutant general makes no policy changes decreasing the maximum benefits, additional revenue to the fund would be needed.

Tuition Assistance Fund Appropriations, Expenditures, Balances, and Participation

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Appropriations	\$3,542,100	\$3,741,600	\$3,505,000	\$6,507,000	\$9,006,700	\$6,509,900
Expenditures						
Tuition/Fees	\$1,568,239	\$3,241,446	\$5,649,560	\$5,771,804	\$4,700,313	\$4,989,981
Administrative	\$230,666	\$436,024	\$589,612	\$594,428	\$265,178	NA
Total	\$1,798,905	\$3,677,470	\$ 6,239,172	\$6,366,233	\$6,850,633	\$5,760,984
Fund Balance	NA	NA	NA	\$463,990	\$2,620,057	\$3,434,383
Participation*						
Air Guard	134	174	183	350	402	477
Army Guard	388	503	922	1,301	1,268	1,244
Total	522	677	1,105	1,651	1,670	1,721

*Note: Participation numbers represent total applications received and include applications that have been rejected or did not receive payment due to eligibility requirements.

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