

# Legislative Analysis

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## GAMING COMPACT FUNDS: SCHOLARSHIPS

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### Senate Bill 1097 (H-1)

**Sponsor: Sen. Ron Jelinek**

**Committee: As Passed Committee**

### Floor Analysis

#### **SUMMARY:**

SB 1097 would amend the Revised School Code by allowing school districts to establish and administer scholarships for their students or graduates to attend a postsecondary educational institution with funds a school district receives from a gaming compact entered into between the State and a federally recognized Indian tribe. For a student to be eligible for a scholarship the student or graduate must be a resident of the district and is enrolled in the school district for all of grades 9 to 12. The amount of the scholarship awarded to a student or graduate who was not enrolled in and a continuous resident of the school district for all of grades K to 12 shall be adjusted based on length of enrollment and continuous residency.

#### **FISCAL IMPACT:**

The bill would have no state fiscal impact.

As of 2008, 10 tribes operated casinos in Michigan. Under the compact agreement with the State the tribes are required to pay 2% of their electronic video gaming and slot machine profits to local revenue sharing boards (local government units). Each board then decides the distribution of the funds. Currently all of the local boards allocate some portion of the funds to school districts. The proposed legislation would allow school districts to set up a scholarship program with any portion of the allocated funds.

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