

POLICE AND FIRE SURVIVOR TUITION GRANTS

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House Bill 4426 as introduced
Sponsor: Rep. Matt Koleszar
Committee: Appropriations
Complete to 12-9-19

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

SUMMARY:

House Bill 4426 would amend the Police Officer's and Fire Fighter's Survivor Tuition Grant Act to revise the Survivor Tuition Grant (STG) calculation.

Current law provides that the STG is the amount of tuition not covered or paid by any scholarship, statutory benefit, trust fund, or any other source of tuition coverage. The bill would amend the calculation of STG awards to equal the amount that results from the cost of tuition less all other gift aid. The bill adds a definition of gift aid, which would be defined as formal scholarships or grants that do not require repayment.

Current law also requires that the program use financial need to determine if a student is eligible to receive STG funding. Financial need is determined by the financial aid offices of public community colleges and universities, who then certify to the Department of Treasury what the certified need and awarded grant would be. The bill would remove the need component entirely from the program.

Current law also includes a restriction that removes death benefits received due to a police officer's or fire fighter's death from income when calculating financial need, if the family's income is below 400% of the federal poverty level. The bill would remove this restriction as part of removing the need component for the STG program.

MCL 390.1242 and 390.1243

BACKGROUND:

Students who are the surviving children or spouses of police officers and fire fighters who have been killed in the line of duty are eligible for the Survivor Tuition Grant program at a participating public community college or university. Children must have been under 21 at the time of the police officer's or fire fighter's death, and eligible students must apply for the program before turning 26. The student must apply for the program through the Department of Treasury and meet various additional requirements to qualify for the aid.¹ If a student qualifies, the tuition is waived and Treasury reimburses the institution in an amount equal to the waived tuition.

¹ More STG program requirements can be found here:
https://www.michigan.gov/documents/mistudentaid/STGFactSheet_636650_7.pdf

The STG program currently has a financial need component, which is determined by institutions when a student completes the Free Application for Federal Student Aid (FAFSA).

Based on the most recent data by the Department of Treasury, nine students participated in the waiver program at a cost of \$70,600 in FY 2017-18.

FISCAL IMPACT:

The bill could increase STG program costs for the state. The change could increase both the amount of STG awards given to eligible students and the number of students who would receive an award due to the elimination of the need component. However, due to the small number of participants currently in the program along with the number of students who would be now eligible for funding, this increased impact to the state would be minor.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.