

Legislative Analysis



MICHIGAN PROMISE ZONE AUTHORITY ACT REVISIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 555 (S-3) as passed by the Senate

Sponsor: Sen. Sarah Anthony

House Committee: Appropriations

Senate Committee: Appropriations

Complete to 2-20-24

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

SUMMARY:

Senate Bill 555 amends the Michigan Promise Zone Authority Act to add residency requirements for members appointed to promise zone authority boards, expand the definition of student success programming, and clarify the definition of administrative costs.

Current law provides for the various requirements for members appointed to a promise zone authority board. The bill would add residency requirements for members appointed by legislative leadership. Residency would be defined as either residing within the borders of the promise zone or within reasonable proximity of it. Reasonable proximity would include residing within a county contiguous to the promise zone.

Promise zones may currently authorize expenditures on activities that help improve student readiness at a postsecondary institution. The bill would expand student readiness to include success programming that aims to increase degree or certificate attainment.

Finally, the bill adds limitations to the definition of administrative costs. Current law limits promise zone administrative costs to 15% of revenue received from capture of the State Education Tax. The bill would exclude both costs for student services personnel and expenditures related to educational improvement activities or success programming and postsecondary readiness as eligible administrative costs.

MCL 390.1665, 390.1667, and 390.1671

FISCAL IMPACT:

Senate Bill 555 would not have a fiscal impact on state or local governments. However, promise zone authorities could face increase costs if they chose to offer additional readiness and student success initiatives under the expanded definitions of the bill.

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