



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 406 (Substitute S-1 as reported)
Senate Bill 407 (Substitute S-1 as reported)
Sponsor: Senator Sarah E. Anthony (S.B. 406)
Senator Mary Cavanagh (S.B. 407)
Committee: Appropriations

CONTENT

Senate Bill 406 (S-1) would amend the Michigan Reconnect Grant Recipient Act to reduce, until September 30, 2032, the age of eligibility to receive Michigan Reconnect grants and skills scholarships under the Reconnect Short-Term Training Program from 25 to 21, provided that sufficient funds are available for all eligible applicants aged 25 years and older first.

Senate Bill 407 (S-1) would amend the Michigan Reconnect Grant Act to reduce the age of eligibility under the Act from 25 years to 21 years, subject to exceptions identified in the Michigan Reconnect Grant Recipient Act.

MCL 390.1711 et al. (S.B. 406)
MCL 390.1701 (S.B. 407)

BACKGROUND

The Reconnect program was created in 2020 to provide financial assistance to students aged 25 and older seeking an associate's degree or an industry-recognized certificate or credential. It is also intended to help Michigan achieve the goal of increasing the number of residents in the State, aged 25 to 64, with a college degree to 60% by 2030.

Students who qualify for a grant under the Reconnect program who pursue a degree or certificate at a community college can receive an award of up to full in-district tuition and mandatory fees for their program of study. Students who apply for a Reconnect Short-Term Training Program grant can receive a grant award of up to a program maximum of \$1,500 to offset the cost of their chosen program.

FISCAL IMPACT

Because the bills would not require the Department of Lifelong Education, Advancement, and Potential (MiLEAP) to extend awards under the Michigan Reconnect program to individuals between the ages of 21 and 24 unless sufficient funding were available, the bills would have no direct fiscal impact on State or local units of government. If the Legislature did not provide an additional appropriation to support the expansion of Reconnect for students of that age group, MiLEAP presumably would not expand the program to cover those students, and the cost of Reconnect would not increase.

However, it may be valuable to estimate the cost of an expansion in the context of discussing these bills. Public Act 119 of 2023, the fiscal year (FY) 2023-24 general omnibus budget bill, provided a FY 2022-23 supplemental appropriation to temporarily expand the Michigan Reconnect program for students ages 21 to 24 using Federal funds received under the

American Rescue Plan Act. According to Spring 2024 Reconnect recipient data from MiLEAP, 2,551 of the 14,512 Reconnect recipients that semester were of the 21 to 24 age category, representing an increase in total Reconnect awards of about 21.3% for that semester. There is a risk associated with using this particular data point to extrapolate future costs for an ongoing expansion of Reconnect for students ages 21 to 24, as only 49 students in that age range received a Reconnect award during the Fall 2023 semester. It is likely that the large increase between Fall 2023 and Spring 2024 was at least partially related to timing and outreach. The expansion happened only a few months before the beginning of the Fall 2023 semester and many students who may have qualified for an award may have been unaware of the expansion at that time. It is possible that this cohort of Reconnect recipients is still growing but Fall 2024 Reconnect recipient data are currently unavailable as colleges are still in the process of certifying awards for the current academic year.

An alternative method of estimating the potential increased cost of expanding Reconnect to students ages 21 to 24 is to look at application data. Data from MiLEAP's Reconnect dashboard indicate that 18,985 out of the 41,695 Reconnect applications received from January through September 2024, or about 45.5%, were students ages 21 to 24. Contrasting these data with the same time period in previous years, in 2023 there were 18,862 applicants, and in 2022 there were 17,599 applicants. Assuming that a similar percentage of 2024 applicants matriculate into recipients, it is reasonable to assume that the number of awards would increase by about 80.0% on an ongoing basis if students ages 21 to 24 were made eligible, at an additional cost of roughly \$40.0 million per year. For context, the existing Reconnect program for adults ages 25 and over received an appropriation of \$52.0 million in FY 2024-25.

Date Completed: 11-14-24

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