

Senate Bills 350 and 555 provide Promise Zones greater flexibility and local representation to meet student needs

Since the passage of Promise Zone legislation in 2008, Michigan has been a leader among the states when it comes to providing place-based scholarships to students in communities struggling with high rates of poverty. The 13 Michigan Promise Zones created through this legislation comprise the Michigan Promise Zones Association (MPZA). Over the years, the MPZA's advocacy has led to important changes in the Promise Zone statutes that allow the scholarship programs to better serve the students of their communities. The association is supporting Senate Bills 350 and 555 to give the Promise Zones greater flexibility to address student needs, as well as ensuring Promise Zones boards better represent their communities.

SENATE BILL 350

While existing legislation limits Promise Zone scholarships to tuition, mandatory fees, and qualified educational expenses like books/supplies or other required equipment, SB 350 would allow Promise Zones to address the full range of student needs as defined by their institution's Cost of Attendance. This broader definition of qualified educational expenses can include costs for room and board, transportation, and/or childcare. The average full-time undergraduate student can cover just 19% of non-tuition costs with Federal Work-Study earnings. Furthermore, nearly half of community college students have experienced food or housing insecurity, and the average student spends almost \$2,000 a year on transportation. Promise Zones must have the option to address these needs.

Key points in SB350:

- Gives Promise Zones flexibility to address additional student needs outlined in their Cost of Attendance
- Retains the current law's minimum scholarship requirement — a tuition-free path to an associate degree for all eligible high school graduates
- All new spending categories are optional — no additional Promise Zone spending is mandatory
- Requires Promise Zone assistance to be channeled through the student's postsecondary institution

MICHIGAN PROMISE ZONES ASSOCIATION

SENATE BILL 555

Promise Zones recognize that in addition to needing flexible scholarships, their students need support that promotes readiness for college, as well as success in postsecondary education and entry into the workforce. SB555 specifies that Promise Zones can support these activities and distinguishes these expenditures from administrative expenses. The legislation also requires that legislative appointees to local Promise Zone boards come from the area served by the Promise Zone.

Key points in SB555:

- Specifies that expenditures for postsecondary success activities are allowable Promise Zone expenses, in addition to postsecondary readiness activities
- Distinguishes expenses for program activities that promote college readiness and success from a Promise Zone's administrative expenses
- Neither college readiness nor postsecondary success expenditures are required of any Promise Zone
- Ensures that legislative appointees to local Promise Zone boards come from the community served by the Promise Zone

BRINGING US CLOSER TO SIXTY BY 30

Both SB350 and SB555 will help our state achieve its Sixty by 30 attainment goal — 60 percent of Michigan residents earning a postsecondary certificate or degree by the year 2030. The Promise Zones have helped open the door to postsecondary education for students across Michigan by providing scholarships focused primarily on tuition and fees. While proud of this accomplishment, the Promise Zones are ready to do more.

These new bills will allow Promise Zones to have an even greater impact on college affordability in Michigan while providing the critical support our students need to complete college and successfully enter the workforce. They will also build on our state's unprecedented investments in higher education through the Michigan Achievement Scholarship and other financial aid programs, ensuring Promise students have equitable access and support to earn an affordable postsecondary education. Together, these efforts increase our commitment to making Michigan a state of education opportunity for all.