

# The State News

# Weekend

## At the Capitol crossroads

State officials weigh reinstating Michigan Promise Scholarship; MSU might receive \$7M in stimulus funds



SEAN COOK/THE STATE NEWS

In the twilight, the state Capitol building sits as legislators try and figure out how to balance the state's \$40 billion budget in the coming days. Scholarships and stimulus funding are among some of the issues.

"If the government is going to promise scholarship money for doing well and then take it away whenever they feel like it, there was no point in me taking the exam in the first place."

**Sam Meux,**  
journalism  
sophomore

**By Abby Lubbers and Meredith Skrzypczak**  
THE STATE NEWS

The Michigan Promise Scholarship might not go up in smoke because of a bill submitted Thursday by the state House Appropriations Committee and MSU could receive \$7 million in stimulus funds, if two plans working their way through the state government are approved.

The scholarship, which provides more than 7,700 MSU students and 96,000 students state-wide with up to \$4,000 for college, could be saved by generating about \$68 million in taxes.

The \$120 million needed to keep the state's promise in the next fiscal year could be funded by tightening tax loopholes and extending a tax to pop and bottled water. The tax plans were suggested by Rep. George Cushingberry, D-Detroit, who chaired the House committee, and are not listed in the House bill, said Griffin Rivers, Cushingberry's chief of staff.

The \$7 million in stimulus funding could ease tuition increases, fund financial aid or some combination of both, MSU officials said. The money would come from the state through funds in President Barack Obama's American Recovery and Reinvestment Act.

"They're designed to help institutions boost their operational budgets," said Paul Haszen, spokesman for the Association of Public and Land-Grant Universities.

#### State deliberations

The fate of the Michigan Promise Scholarship will be tested when the House bill reaches the Republican-controlled Senate.

"If the Democrats hold fast, it will come out of the

House, but we don't know about the Senate," Rivers said.

A higher education conference committee comprised of both senators and representatives voted Wednesday to eliminate the scholarship along with another \$60 million in cuts to financial aid. Thursday's House bill remedied the cut by adding another piece of legislation that provided \$120 million in funding for the scholarship.

Legislators are working to meet an Oct. 1 deadline to balance the state budget to avoid a government shutdown. The budget, which totals about \$40 billion, faces a \$2.7 billion shortfall.

Gov. Jennifer Granholm has fought to keep the scholarship while the Senate has proposed eliminating the program altogether.

House Republicans suggested keeping it at 2009 funding levels. Cutting it would trim about \$140 million from the state budget.

Those opposed to funding the reinstated \$120 million grant said the problem with the appropriation committee bill is how the money might be raised.

"If (Cushingberry) doesn't have a funding source, I don't see how this could pass," said

Rep. Dave Agema, R-Grandville.

But that does not necessarily mean the grant will be eliminated, Agema said. Figuring out where the money comes from must be a priority, he added.

And some Senators share the same concerns, said Matt Marsden, spokesman for Senate Majority Leader Mike Bishop, R-Rochester.

"Where are they going to get the money?" he said. "There is no \$120 million to budget in."

When there is more money, Bishop plans to introduce legislation to reinstate the scholarship. But until that happens, promises can't be kept, Marsden said.

If the state can't figure out how to balance the budget, MSU students and the university might hang in the balance until a decision is reached. Journalism sophomore Sam Meux said she took the Michigan Merit Exam and deserves her money.

"If the government is going to promise scholarship money for doing well and then take it away whenever they feel like it, there was no point in me taking the exam in the first place," she said.

See BUDGET on page 2A