



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

STUDENT EDUCATION ACCOUNT

**House Bill 5126
Sponsor: Rep. Jessie Dalman
Committee: Education**

Complete to 10-18-93

A SUMMARY OF HOUSE BILL 5126 AS INTRODUCED 10-13-93

The bill would create the Student Education Account Act, under which the Department of Treasury would maintain a student education account for each K-12 student in the state. Each year, the department would credit to each student's account the base state and local revenue per pupil of the school district in which the student lives (the state foundation grant, any supplemental grant that applied, and local operating taxes levied by the district, if any). Further, each year the department would charge against each student's account the base state and local revenue per pupil of the school the student attended. Expenditures would be charged only against amounts credited for the same school year, and expenditures would be charged first against any credit attributable to local revenue, and then against the credit attributable to state revenue. Both the amounts credited and charged would be prorated among the appropriate schools if the student changed schools or changed residences during a school year.

Any unused balance in a student education account could be used with the consent of the student or his or her parent or guardian for:

--Tuition and fees for an academic course or career-technical/vocational training at a school (but the school could not receive state school aid for the student).

--Tuition and fees at a degree-granting postsecondary institution for an academic course or a career/technical program.

-- Tuition and fees at a postsecondary institution while dually enrolled in high school and the postsecondary institution (and for which partial payment of tuition was paid under the state school aid act).

Student education accounts would be terminated and any remaining credit canceled when the student reached age 25, graduated from high school with a zero balance in the account, or upon the death of the student.

House Bill 5126 (10-18-93)