



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

House Bill 4643 (Substitute S-3 as reported by the Committee of the Whole)

Sponsor: Representative Jessie Dalman

House Committee: Higher Education

Senate Committee: Education

CONTENT

The bill would create the "Postsecondary Enrollment Options Act" to provide for payment from a school district's State aid foundation grant for enrollment of certain high school students in postsecondary courses of education. The bill would establish eligibility criteria for students, institutions, and courses; require eligible charges (tuition, mandatory course or material fees, and registration fees) to be billed to a school district; establish enrollment and credit requirements; require school districts to provide counseling and information to eligible students and their parents; and require intermediate school districts to report to the Department of Education. The Act would be repealed on June 30, 2001.

The bill would take effect on July 1, 1996, and is tie-barred to House Bill 4640, which would amend the School Code to require that the board of a school district or public school academy ensure that each pupil in the eighth grade or higher was given information about college level equivalent courses; and, House Bill 4642, which would amend the State School Aid Act to replace language dealing with dual enrollment in high school and college level courses with a reference to the proposed Postsecondary Enrollment Options Act.

If the Michigan Supreme Court ruled that provisions concerning the adoption of rules under the Administrative Procedures Act were unconstitutional and a statute requiring legislative review of administrative rules were not enacted within 90 days after the Court's ruling, the Department of Education could not promulgate rules.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bills would increase minimally the cost of State government and are estimated to increase total local district expenditures for students dually enrolled in high school and a postsecondary institution. This is discussed further below.

State Impact

The bills would not affect State School Aid Act expenditures. They would, however, cause a minimal increase in the administrative expenses of the Department of Education due to the additional rule-making authority that would be provided in House Bill 4643 (S-3) and the requirement in House Bill 4640 (S-3) to publish a directory of Michigan postsecondary institutions offering college credit for college level equivalency courses (advanced placement courses) taken in high school.

Local Impact

It is expected that expenditures by local school districts and public school academies for payments to postsecondary institutions for dually enrolled high school students would increase under House Bill 4643 (S-3) due to the larger number of students who would be eligible for dual enrollment. The required payment for each dually enrolled student, however, would decline.

Currently, for a dually enrolled student, a district must pay the postsecondary institution the lesser of the actual tuition and fees or an amount up to the entire foundation allowance, adjusted for the proportion of time the student is enrolled in postsecondary courses. The Department of Education reported that in FY 1993-94, 1,061 students participated in dual enrollment and \$212,089 of tuition and fees was paid on their behalf by local districts. This is an average payment of approximately \$200 per participant, an amount that on average is below the adjusted foundation allowance limit. House Bill 4643 (S-3) would further limit the required payment by a local district to the State portion of the foundation allowance, adjusted for the portion of time the student was enrolled in postsecondary courses.

Local districts would be affected differently by the use of the State share of the foundation allowance, instead of the total foundation allowance as under current law, as the basis for determining the amount of a district's required tuition and fee support of a dually enrolled student.

The estimated State share of the foundation allowance varies greatly between districts with similar foundation allowances. For example, the school districts of Maple Valley and Kaskaska both have foundation allowances of \$4,506 in FY 1995-96. The estimated State share of the foundation allowance, however, is \$4,330 in Maple Valley and \$2,201 in Kaskaska. A student enrolled at a college for one-sixth of the school year under the bill would receive support of up to \$722 in Maple Valley, but only \$367 in Kaskaska. This compares with the current law figure of \$751 per pupil in both districts. The Bridgman district, with a foundation allowance of \$7,007 per student in FY 1995-96, has an estimated State share of \$1,140. The required tuition support for a Bridgman student enrolled in college for one-sixth of the year would decline from \$1,168 to \$190 under the bill.

The estimated State share of the foundation allowance is recalculated by the Department of Education monthly during the school year based on the most recent available data on pupil membership. For the first half of the school year, before the October pupil membership count data are tabulated and reported, the estimated State share of the foundation allowance is calculated using prior year data.

Date Completed: 2-22-96

Fiscal Analyst: E. Pratt
A. Rich

floor/hb4643

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.