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SFA**BILL ANALYSIS**

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Senate Bill 1109 (as introduced 5-6-98)
Sponsor: Senator Mike Rogers
Committee: Human Resources, Labor and Veterans Affairs

Date Completed: 5-7-98

CONTENT

The bill would create the "Vocational Education Enrollment Options Act" to do the following:

- Allow an eligible student to enroll in, and receive payment by his or her school district of all or part of eligible charges for, an eligible course offered by a vocational education program operated by a community college.
- Allow an eligible student to receive high school credit or postsecondary credit, or both, for an eligible course.
- Require school districts to provide information to all high school students on the vocational education enrollment options, and to provide counseling services to eligible students and their parents.
- Require intermediate school districts to collect certain information and report it to the Department of Education.

The bill would take effect April 1, 1999, and would be repealed June 30, 2004. Payment of all or part of eligible charges for eligible courses would have to begin in the State fiscal year beginning on October 1, 1999.

The bill states that its purpose would be "to provide a wider variety of options to high school pupils by encouraging and enabling interested pupils to enroll in courses or programs in eligible postsecondary vocational education programs".

Enrollment

An eligible student could apply to a vocational education program to enroll in one or more eligible courses offered by that program and, if accepted, could enroll in one or more of those courses. ("Vocational education program" would mean a

program that taught a trade, occupation, or vocation and that was operated by a community college located in this State that chose to comply with the bill. "Eligible student" would mean a student enrolled in at least one high school class in at least grade 11 in a school district in this State, except a foreign exchange pupil enrolled in a school district under a cultural exchange program. "Eligible course" would mean a course offered by a vocational education program that was not offered by the school district in which the eligible student was enrolled, or that was offered by the district but was determined by the school board not to be available to the student because of a scheduling conflict beyond the student's control; that was a vocational education course not ordinarily taken as an activity course; that was a course that the vocational education program normally applied toward satisfaction of certificate, degree, or program completion requirements; and that was not a hobby craft or recreational course.)

Within a reasonable time after registration, the vocational education program would have to send written notice to the eligible student and his or her school district. The notice would have to indicate the student's course or courses and hours of enrollment. The program also would have to notify the student about tuition, fees, books, materials, and other related charges, as determined by the program, in the customary manner used by it, and would have to notify the student of the estimated amount of the eligible charges that would be billed to the school district. ("School district" would mean a general powers school district organized under the Revised School Code, a first class school district, a local act school district, or a public school academy. "Eligible charges" would mean tuition and mandatory course fees, material fees, and registration fees required by a vocational education program for enrollment in an eligible course. Eligible charges also would include any late fees

charged by a program due to the school district's failure to make a required payment according to a timetable prescribed under the bill. Eligible charges would not include transportation or parking costs or activity fees.)

Billing and Payment

Unless otherwise agreed between a vocational education program and a school district, after the expiration of the program's drop/add period for a course, the program would have to send a bill to an eligible student's school district detailing the eligible charges for each eligible course in which the student was enrolled.

Upon receiving the bill, the school district would have to pay to the program on the student's behalf an amount equal to the lesser of 1) the amount of the eligible charges or 2) the prorated percentage of the State portion of the foundation allowance paid on behalf of that student, with the proration based on the proportion of the school year that the student attended the vocational education program. A school district could pay more money than required under the bill, and could use local school operating revenue for that purpose. The student would be responsible for paying the remainder of the costs associated with his or her enrollment in the program that exceeded the amount the school district was required to pay and that was not paid by the district.

A vocational education program could not charge a late fee to an eligible student or a school district for a payment that was made in compliance with the timetable prescribed under the bill, even if the program otherwise would consider the payment late.

If an eligible student did not complete an eligible course in which he or she had enrolled, and if the school district had paid for the course on the student's behalf, the program would have to forward to the district any funds that were refundable due to noncompletion of the course. The district then would have to forward to the student any refunded money in excess of the amount paid by the district.

These provisions of the bill would not apply to any vocational education courses in which an eligible student was enrolled in addition to being enrolled full-time in his or her school district; to a vocational education course an eligible student was retaking after failing to achieve a satisfactory grade; or to a course contrary to the bill's eligibility provisions. In

determining full-time enrollment in a school district or full-time equated membership under the State School Aid Act, for a pupil enrolled in a vocational education program under the bill, the pupil's enrollment in both the program and the school district would have to be counted as enrollment in the school district, and a pupil could not be considered enrolled in a district less than full-time solely because of the effect of his or her enrollment in one or more vocational education programs, including necessary travel time, on the number of class hours provided by the district to the pupil.

Course Credit

When a student enrolled in a vocational education course, he or she would have to designate whether the course was for high school or postsecondary credit, or both, and notify his or her high school and the vocational education program of that designation. A student taking more than one eligible course could make different credit designations for different courses. A student could not audit a course in which he or she was enrolled under the bill.

A school district would have to grant academic credit to an eligible student enrolled in an eligible course for high school credit if he or she successfully completed the course. The district would have to determine the amount of high school credit granted.

The high school credits granted to an eligible student under the bill would have to be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and high school credits granted would have to be included in the student's high school record. Subject to the Federal Family Educational Rights and Privacy Act, a vocational education program would have to give the school district a copy of the student's grade in each course taken for high school credit under the bill. Upon the student's request, his or her high school record and transcript would have to include evidence of successful completion and postsecondary credits granted for a course taken for postsecondary credit. In either case, the student's high school record and transcript would have to indicate that the credits were earned at a vocational education program and identify the program.

If a student enrolled in a vocational education program after leaving high school, the program, in accordance with institutional policy, would have to

award postsecondary credit for postsecondary courses successfully completed by the student for high school credit at that program.

Provision of Information and Counseling

Each school district would have to provide information to all high school students on the vocational education enrollment options under the bill, including the following:

- Enrollment eligibility.
- The programs and types of courses eligible for participation.
- The decision-making process for granting academic credits.
- An explanation of eligible charges that the district would pay, and of financial arrangements for eligible charges and for paying costs not paid by the district.
- Eligibility for payment of all or part of eligible charges by the district.
- An explanation that, if the student qualified for payment of all or part of eligible charges by the district, the district would pay that support directly to the vocational education program upon being billed by it, and that the student would not be responsible for that payment but would be responsible for paying costs not paid under the bill.
- Available support services.
- The need to arrange an appropriate schedule.
- Consequences of failing or not completing a vocational education course in which the student enrolled.
- The effect of enrolling in a postsecondary course on the student's ability to complete the required high school graduation requirements.
- The academic and social responsibilities that the student and his or her parent or guardian would have to assume.

To the extent possible, a school district would have to provide counseling services to an eligible student and his or her parent or guardian before the student enrolled in vocational education courses under the bill, to ensure that they were fully aware of the benefits, risks, and possible consequences of enrolling in the course. The person providing the counseling would have to encourage the student and his or her parent or guardian also to use available counseling services at the vocational education program before the quarter or semester of enrollment to ensure that anticipated plans were appropriate. A district could provide the required

counseling in a group meeting if additional personalized counseling also were made available.

Before enrolling in an eligible course at a vocational education program, an eligible student and his or her parent or guardian would have to file with the program a signed form provided by the district stating that the student was an eligible student and had received the required information and counseling, and that the student understood the responsibilities that would have to be assumed in enrolling in the course. Upon request, the Department of Education would have to provide technical assistance to a school district and to a vocational education program in developing appropriate forms and counseling guidelines.

By May 1, 1999, and by March 1 of each succeeding year, a school district would have to provide general information about the vocational education enrollment options under the bill to all pupils in grade eight or higher.

Reporting

Each intermediate school district annually would have to collect from each of its constituent school districts, and provide to the Department at the same time it submitted the annual comprehensive financial report required under the State School Aid Act, information for the immediately preceding school year on all of the following:

- The amount of money spent by the school district for payments required under the bill.
- The number of eligible students who were enrolled in the school district and the number of them who enrolled in one or more eligible courses and received payment of all or part of eligible charges, both in the aggregate and by grade level.
- The percentage of the school district's enrollment represented by those eligible students, in the aggregate and by grade level.
- The total number of eligible courses for which the school district made payment under the bill, the number of those courses for which postsecondary credit was granted, the number for which high school credit was granted, and the number that were not completed by the eligible student.

By March 1 each year, the Department would have to prepare and submit to the House and Senate Fiscal Agencies and the Department of Management and Budget a summary annual report

on this information.

Legislative Analyst: S. Lowe

Other Provisions

A school district could require an eligible student to provide, on a form supplied by the district, reasonable verification that the student was regularly attending a vocational education course under the bill.

A school district would have to make available to an eligible student enrolled in the district copies of all correspondence in the district's possession regarding the student's participation in a vocational education course. The district would have to keep this correspondence for at least one year.

The bill specifies that it would not require a school district to pay or otherwise provide financial support for transportation or parking costs necessary for an eligible student to participate in a vocational education program. A district would not be liable for any injury incurred by an eligible student that was related to transportation necessary for the student to participate in a vocational education program.

An eligible student could not participate in intercollegiate athletics while he or she was enrolled in a vocational education program. A student who violated this provision would forfeit his or her eligibility under the bill.

A vocational education program could give priority to its postsecondary students when enrolling eligible students in vocational education courses for high school credit only. Once an eligible student had been enrolled in a vocational education course, the program could not displace him or her with another student.

The bill states that it would not restrict the ability of an eligible student or any other pupil to enroll in any vocational education program without tuition and fee support under the bill.

The Department of Education could promulgate rules it considered necessary to implement the bill. The Department could not promulgate rules under this provision, however, if the Michigan Supreme Court ruled that Sections 45 and 46 of the Administrative Procedures Act (concerning legislative review of proposed rules) were unconstitutional and a statute requiring legislative review of administrative rules were not enacted within 90 days of that ruling.

FISCAL IMPACT

The bill would have no fiscal impact on State government. The fiscal impact on community colleges and local school districts is described below.

Local School Districts

The requirement that local school districts (including public school academies) use a portion of the State payment for the foundation allowance to pay tuition and fees for certain students to attend vocational education courses at community colleges would reduce the amount of unrestricted foundation allowance revenue available to school districts.

The total amount of foundation allowance revenue that a district would be required to use for this purpose would vary depending on student participation. It also would depend on the State share of the district's foundation allowance. In FY 1997-98, the State portion of the foundation allowance varies from \$0 (six districts with an estimated 865 full-time equivalent pupils) to approximately \$6,488 per pupil. Among districts with the same foundation allowance, the State portion may differ greatly. For example, for districts at the basic foundation allowance of \$5,462 in FY 1997-98, the State portion varies from \$2,302 to \$5,462 per pupil. The State average community college tuition is \$48.92 per credit hour. The cost of fees and required materials varies by course.

The number of students who would participate in the proposed program or the costs that would be incurred is unknown. Local districts would incur additional administrative expenses in complying with the notification and reporting requirements under the bill.

Community Colleges

The bill would have little fiscal impact on community college as many of the procedural and administrative requirements in the bill in many cases either are already in place, or would not be so burdensome as to require the additional expenditure of funds.

Fiscal Analyst: E. Pratt

M. Hansen

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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.