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BILL ANALYSIS



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Senate Bill 624 (as introduced 9-7-11)
Sponsor: Senator Phil Pavlov
Committee: Education

Date Completed: 9-13-11

CONTENT

The bill would amend the State School Aid Act to remove geographic boundaries for the purposes of schools of choice enrollment. Under the bill, a student would be allowed to enroll in any district in the State, as long as the student was a resident of Michigan and the enrolling district participated in schools of choice and had capacity. The bill also proposes to do the following:

- Require a district participating in schools of choice to determine whether it has capacity to accept applications, rather than whether it will or will not accept applications.**
- Require (rather than allow) a district to enroll nonresident applicants from a waiting list, if any positions become available due to the failure of accepted applicants to enroll or the addition of more positions.**
- Require (rather than allow) a district to enroll nonresidents, when an unlimited number of positions are available.**
- Require (rather than allow) a district to enroll nonresidents for the second semester or trimester, if a district determines during the first semester or trimester that it has positions available, subject to existing procedures.**
- Clarify that a district may limit the number of nonresident pupils it accepts based on available capacity, at its discretion.**
- Add to Section 105 language that currently is in Section 105c, pertaining to the enrollment of nonresident special education pupils, both within the resident intermediate district (ISD) and outside of the resident ISD.**

Under current law, a district may enroll a nonresident pupil and count that pupil in membership (generating foundation allowance payments) without the approval of the district of residence, as provided under either Section 105 of the State School Aid Act or Section 105c of the Act. Section 105 allows a pupil to enroll in a district other than the district of residence, as long as the enrolling district is located within the geographic boundaries of the intermediate school district in which the resident district is located. Section 105c allows a pupil to enroll in a participating choice district if it is located in an ISD that is contiguous to the resident district's ISD.

The bill would remove the geographic boundaries under Section 105, and would repeal Section 105c, such that districts participating in schools of choice could enroll pupils from anywhere in the State, as long as the other (existing) requirements of Section 105 were met. Participating districts would be allowed to determine their capacity for all schools of choice enrollments. However, once that capacity was determined, the bill would require districts to enroll nonresidents pursuant to the processes in statute, rather than allowing the districts to enroll choice pupils.

The bill would repeal Section 105c, which provides for the enrollment of choice pupils in a district located in an ISD that is contiguous to the ISD in which the resident district is located. Section 105c also contains language detailing the procedures for enrolling a special education pupil outside of the resident ISD. This language would be retained under the bill, but moved to Section 105 of the Act.

Specifically, under current law, when a special education student participates in schools of choice and enrolls in a district that is located within the same ISD as the resident district, then the enrolling district is considered the resident district for the purpose of providing the pupil with a special education programs and services. However, when a special education student wants to enroll in a district outside the resident ISD, the enrolling district may not enroll the student unless the district has a written agreement with the resident district that includes an agreement on the responsibility for the payment of the added costs of special education programs and services for that student. Again, this language (currently in Section 105c) would be retained and moved to Section 105 under the bill.

The bill is tie-barred to Senate Bills 618, 619, 620, and 621. Senate Bill 618 would make changes in the Revised School Code concerning the formation, operation, and termination of public school academies, urban high school academies, and schools of excellence, and would allow school districts to contract with other people and entities for the provision of teachers. Senate Bill 619 would amend the Code to delete the limit on the number of cyber schools and revise requirements for their formation. Senate Bill 620 would amend the Code to provide for the organization and administration of "conversion schools". Senate Bill 621 would make changes in the State School Aid Act concerning the provision of State aid for the instruction of nonpublic students by public schools.

MCL 388.1606 & 388.1705

FISCAL IMPACT

Under current law, when a schools of choice student is enrolled in a participating district, the educating district receives the lesser of the resident district's foundation allowance or the educating district's foundation allowance. This practice would continue under the bill. It is anticipated that the removal of geographic boundaries would likely lead to increased participation in schools of choice, though the extent is unknown. Districts would see changes in their revenue based on the participation levels: Resident districts losing students to educating districts would see reduced revenue, and vice versa. The net impact on State costs should be fairly minimal, and would depend upon the overall difference between the foundation allowances of the resident districts and those of enrolling districts.

While not a direct fiscal impact, it is important to note that the removal of geographic boundaries beyond the ISD level would mean that students could enroll in areas not directly supported by the taxes levied and paid within the region. Vocational and special education millage rates, for example, are levied by an ISD and the millage revenue is typically for the support of students within the ISD boundary or, as allowed under Section 105c, for students enrolling within contiguous ISDs. Removal of those boundaries could mean that taxation levels originally voted in support of the local student population could instead be used for support of students not local to the region.

In the 2010-2011 school year, there were more than 91,000 students, or nearly 6%, participating in schools of choice. Also, 449 out of 551 local districts participated in choice in the past school year.

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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.