



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



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

Senate Bill 664 (Substitute S-1 as reported)  
Sponsor: Senator Wayne Schmidt  
Committee: Education and Career Readiness

### **CONTENT**

The bill would amend the State School Aid Act to do the following:

- Include eligible students in quarantine who were receiving education through physical educational materials (e.g., 'packets') to be counted in the definition of "pupils in grades K to 12 actually enrolled and in regular daily attendance". (Section 6(8))
- Define "pupils in quarantine who are being educated through physical educational materials". (Sec. 6(10))
- Remove the virtual learning requirements of parental consent and education development plans for eligible students in quarantine being educated under Section 21f, for the duration of eligible quarantine. (Sec. 21f)
- Extend the definition of virtual learning 'provider' through August 31, 2022, to include any other institution or individual that the primary school district pays to provide a virtual course (current law extended the definition (beyond district, intermediate school district, community college, or the Michigan Virtual University) for the 2020-21 school year; this would continue that extension for the 2021-22 school year). (Sec. 21f)
- Include in the calculation of average daily attendance students who were educated under Section 21f (virtual learning) during quarantine, who were exempted from needing parental consent or education development plans; to be considered in attendance for any given school day, at least one two-way interaction would have to occur between the student and teacher. (Sec. 101(3))
- Require at least one two-way interaction to occur between a student receiving education through packets and his or her teacher each day that would be counted in the calculation of average daily attendance.
- Allow a district to count hours and days of instruction provided to students receiving education through packets equivalent to the hours and days of pupil instruction for which those materials would have been discussed, completed, provided, or otherwise instructed to students attending school in person. (Sec. 101(7)(f))
- Waive, for the 2021-22 school year, penalties assessed to school districts for employing teachers in areas for which those teachers were not 'appropriately placed'. (Sec. 163)

The bill states that it is "intended to apply retroactively to the beginning of the 2021-2022 school year".

MCL 388.1606 et al.

### **FISCAL IMPACT**

The bill would have a positive fiscal impact for local units of government (i.e., schools) and would have an equal cost on the State because the bill would expand the number of pupils who could be counted in membership. Under current law, students educated via packets are

not allowed to be counted in membership; the bill would allow eligible students to be counted, and the State would pay for these memberships in the School Aid budget. The number of students who would be in quarantine and educated using packets on the count day is unknown.

In addition, the flexibility for districts to educate quarantine students under Section 21f without obtaining parental consent or creating education development plans (for the duration of the quarantine) likely would result in additional quarantine students counted on count day than otherwise would have occurred under current law.

The proposed changes on calculating average daily attendance would have an indeterminate impact on districts, although that impact likely would be small and negative. Under current practice, all pupils educated under Section 21f (virtual learning) are excluded from the calculation of average daily attendance. The bill would include in the calculation those virtual learning quarantine students for whom a district does not need to seek parental approval or for whom the district does not need to develop an educational plan.

The extension of the definition of a 'provider' of virtual learning likely would result in more flexibility for districts to continue to address learning during the pandemic, which could reduce district costs.

The waiving of financial penalties for not employing teachers in 'appropriately placed' grades and subject areas would mean a slight decrease in revenue to the State, and an equal gain to districts that otherwise would face these penalties. These penalties were in the \$400,000 range for fiscal years (FYs) 2016-17 through 2018-19, rising to just under \$1.0 million for FY 2019-20. (Penalties were waived for FY 2020-21.)

Date Completed: 10-5-21

Fiscal Analyst: Kathryn Summers