

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

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1110 (Substitute S-2 as passed by the Senate)
Sponsor: Senator Mike Rogers
Committee: Human Resources, Labor and Veterans Affairs

Date Completed: 7-2-98

RATIONALE

A public school academy is an independent public school organized as a nonprofit corporation, funded on a per-pupil basis from the State School Aid Fund, and operated under a contract issued by an authorizing body. Michigan became the ninth state to enact public school academy legislation when Public Act 362 of 1993 added Part 6A to the School Code to authorize the creation of public school academies, and permit the governing body of a school district, intermediate school district, community college, or State public university to act as an authorizing body for granting contracts to organize and operate an academy. Public Act 416 of 1994 revised Part 6A and added new provisions on academies in a new Part 6B. These amendments prohibited the combined total number of contracts for public school academies issued by all State public universities from exceeding 75. Subsequently, Public Act 289 of 1995 amended the School Code, which it renamed the Revised School Code, and increased the total number of public school academy contracts that all State public universities may issue to 100 through 1997, 125 through 1998, and 150 thereafter.

Trade academies are established as public school academies or as schools within a school under the Revised School Code. Trade academies specialize in preparing high school students for careers in high-skill, high-wage professions such as manufacturing, engineering, hospitality science, and health services. Trade academies integrate academic learning with work-based occupational learning through employer-designed curricula, employer-developed occupational skill standards, and applied use of academics. Students can obtain an endorsed high school diploma and occupational skill certificates, and further training may lead to a postsecondary certificate or other advanced degree.

For some students who are more interested in pursuing specialized occupations, obtaining an education through the traditional public school system apparently can be a frustrating experience that inhibits their educational development and interest. The career interests and goals of these students, some people contend, can best be met in trade academies where the students can obtain an education that will give them practical experience and career opportunities to prepare them for employment. Consequently, some people believe that the Code should be amended to exempt trade academies from the cap on the total number of academies that State public universities may authorize and the cap on the total number of academies that any one university may issue.

CONTENT

The bill would amend the Revised School Code to exempt trade academies from the cap on the combined total number of contracts allowed for public school academies whose authorizing body is the governing board of a State public university. ("Trade academy" would mean a public school academy that was required by the contract issued by its authorizing body to operate a curriculum that would require all pupils to engage in job-shadowing, work-study, externships, cooperative programs, or similar vocational experience opportunities with one or more specified businesses or industries.)

The Code limits the combined total number of contracts for public school academies issued by all State public universities to 125 through 1998 and 150 thereafter. The total number of contracts issued by any *one* university must not exceed 50% of the maximum combined total number that may be issued. The bill would exclude trade academies from both of these caps.

Currently, a public school academy must be organized and administered under the direction of a board of directors. The following boards of directors may act as an authorizing body to issue a contract to organize and operate one or more public school academies:

- The board of a school district that operates grades K-12.
- An intermediate school board.
- The board of a community college.
- The governing board of a State public university.

Under the Code, if the State Board of Education finds that an authorizing body is not engaging in appropriate continuing oversight of one or more public school academies operating under a contract, the State Board may suspend the power of the authorizing body to issue new contracts. The bill would replace the State Board with the Superintendent of Public Instruction

MCL 380.502

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

According to the Michigan Jobs Commission, there are currently 14 trade academies open in Michigan including one in Saginaw, Howell, Taylor, Southgate, New Haven, Pontiac, Westland, Ann Arbor, Detroit, and Dearborn; and two in both Grand Rapids and Traverse City. Trade academies are based on a collaborative effort between businesses and the community. Many trade academies include a high school academic program, combined with practical experience and skilled training through job-shadowing, work-study, externships, cooperative programs, or similar vocational opportunities to help prepare students for employment in certain vocational careers. Trade academies bring innovation to the concept of learning and future preparation by allowing the student to experience and focus on a specialized vocation. For many of these students, traditional public schools do not address their career interests and goals. By removing trade academies from the cap on public school academies authorized by State universities, the bill would enable the universities to create more trade academies that would provide positive learning experiences and

lucrative career opportunities for many students.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. Of the 107 public school academies currently in operation, 89 were authorized by State public universities. Exempting trade academies from the limit on authorizations by universities would tend over time to increase the number of public school academies by an unknown amount.

It is estimated that 75% of public school academy enrollment comes from students previously enrolled in a local school district. The transfer of a student from a local district to a public school academy results in reduced foundation allowance revenue to the local school district. Approximately 25% of public school academy enrollment consists of students formerly in private or home schools. Enrollment of these students in public school academies would increase the State cost of the foundation allowance. The foundation allowance appropriation, however, is set in the State School Aid Act. Pupil enrollment in excess of the budgeted amount could result in proration of foundation allowance payments to local districts and public school academies.

Fiscal Analyst: E. Pratt

A9798\S1110A

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.