

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1110 (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 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 contract issued by its authorizing body to operate a curriculum that would require all pupils to engage in job-shadowing, work-study, 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. In addition, the total number of contracts issued by any *one* State public 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.

Under the Code, a public school academy must be organized and administered under the direction of a board of directors. The following board 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.

MCL 380.502

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government.

Under current law, State public universities are limited to authorizing not more than 125 public school academies through 1998 or 150 thereafter. 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