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Senate Bills 709 and 710 (as introduced 9-28-10)
Sponsor: Senator Judy K. Emmons
Committee: Education

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CONTENT

Senate Bills 709 and 710 would amend the Career and Technical Preparation Act and the Postsecondary Enrollment Options Act, respectively, to:

- **Extend provisions for dual enrollment in postsecondary institutions to high school students in State-approved nonpublic schools and home-schooled children.**
- **Require the State Treasurer to pay the tuition for a postsecondary course taken by a nonpublic school student or home-schooled child based on a prorated percentage of the statewide pupil-weighted average foundation allowance.**
- **Allow a dually enrolled nonpublic school student or home-schooled child to receive only postsecondary credit for a course, unless it would be considered a "nonessential elective course".**

(The Postsecondary Enrollment Options Act and the Career and Technical Preparation Act permit eligible high school students to enroll in courses at community colleges or universities, or at career and technical preparation programs operated by colleges and universities, for the purpose of earning high school or postsecondary credit or both. As discussed in the fiscal analysis below, a nonpublic or home-schooled student currently may dually enroll in a postsecondary institution only if he or she also enrolls in a nonessential elective course at a public school.)

The bills are tie-barred to each other and to Senate Bills 622 and 623. Those bills would

amend the same Acts to include in the definitions of "eligible student" a student enrolled in a State-approved nonpublic school; remove the requirement that a student be in at least grade 11 to participate; and delete the requirement that a student achieve a qualifying score in a subject area, before enrolling in a course in that subject area at a postsecondary institution.

Senate Bills 709 and 710 are described in detail below. Except where noted, the provisions in both bills are the same, and references below to a "postsecondary institution" include a career and technical preparation program as well as a community college or university.

Letter of Eligibility; Notice of Enrollment

Each Act requires the school district in which an eligible student is enrolled, upon his or her request, to give the student a letter signed by the principal indicating the student's eligibility under the Act. The bills would extend this requirement to a State-approved nonpublic school. For a home-schooled child, his or her parent or legal guardian could supply the letter.

Currently, within a reasonable time after registration, a postsecondary institution must send to an eligible student and his or her school district written notice indicating the student's course or courses and hours of enrollment. Under the bills, this would apply in the case of an eligible student enrolled in a school district.

For an eligible student enrolled in a State-approved nonpublic school, the postsecondary institution would have to notify the student, the nonpublic school, and the State Treasurer. For an eligible student who was home-schooled, the institution would have to notify the student, his or her parent or legal guardian, and the State Treasurer.

Billing & Payment

Currently, unless otherwise provided between a postsecondary institution and a eligible student's school district, after the institution's drop/add period for the course expires, the institution must send the school district a bill detailing the eligible charges for each eligible course in which the student is enrolled under the Act.

The school district then must pay to the postsecondary institution an amount equal to the lesser of the amount of the eligible charges or a percentage of the State portion of the foundation allowance paid on behalf of the student, prorated by the proportion of the school year that the student attends the postsecondary institution.

Under the bills, these provisions would apply in the case of an eligible student enrolled in a school district.

If an eligible student were enrolled in a State-approved nonpublic school or were a home-schooled child, unless otherwise agreed between the postsecondary institution and the State Treasurer, after the drop/add period for the course expired, the institution would have to send the bill to the State Treasurer.

The State Treasurer then would have to pay to the postsecondary institution an amount equal to the lesser of the amount of the eligible charges or a percentage of the statewide pupil-weighted average foundation allowance for all school districts for the State fiscal year beginning on October 1 of the academic year of enrollment, prorated by the proportion of the school year that the eligible student attended the postsecondary institution. In the calculation of the statewide pupil-weighted average foundation allowance, however, if a school district's foundation allowance were above the basic foundation allowance, then the district's foundation allowance would have to be

considered to be the basic foundation allowance.

Senate Bill 710 would require the Department of Education, by September 1 each year, to notify the State Treasurer of the amount of the statewide pupil-weighted average foundation allowance as calculated for this purpose.

Under each bill, the eligible student would be responsible for payment of the remainder of the costs associated with his or her enrollment in the postsecondary institution that exceeded the amount paid by the State Treasurer.

(The Acts define "eligible charges" as tuition and mandatory course fees, material fees, and registration fees required for enrollment in an eligible course. Eligible charges do not include transportation or parking costs, or activity fees.

An "eligible course" is a course offered by a postsecondary institution that is not offered by the school district (or intermediate school district or area vocational-technical education program, under the Career and Technical Preparation Act) in which an eligible student is enrolled, or that is offered but is not available to the student because of a scheduling conflict beyond the student's control; that is an academic course not ordinarily taken as an activity course; that is a course the postsecondary institution normally applies toward satisfaction of degree requirements; and that is not a hobby craft or recreational course. Also, under the Postsecondary Enrollment Options Act, an eligible course must be in a subject area other than physical education, theology, divinity, or religious education.)

Repayment

Currently, if an eligible student is enrolled in an eligible course under either Act, and the student does not complete the course, and if the school district has paid money for the course on the student's behalf, the postsecondary institution must forward to the school district any funds that are refundable. The school district then must forward to the student any refunded money in excess of the amount paid by the district for the course. The Career and Technical Preparation Act also requires the student to repay the district any funds it spent for the

course that were not refunded to the school, unless the student did not complete the course due to a family or medical emergency, as determined by the program.

Under the bills, these provisions would apply in the case of an eligible student enrolled in a school district.

For an eligible student who was enrolled in a State-approved nonpublic school or was a home-schooled child, if the student did not complete an eligible postsecondary course, and if the State Treasurer had paid money for the course on the student's behalf, the postsecondary institution would have to forward to the State Treasurer any funds that were refundable. The State Treasurer would have to forward to the student any refunded money in excess of the amount paid by the Treasurer for the course on the student's behalf.

Senate Bill 709 also would require the student to repay to the State Treasurer any funds that the Treasurer spent for the course that were not refunded by the career and technical preparation program, unless the student did not complete the course due to a family or medical emergency, as determined by the program.

Course Credit

The Acts allow an eligible student enroll in, and receive payment by the school district for, an eligible course for high school credit or postsecondary credit, or both. At the time of enrollment, the student must designate whether the course is for high school credit or postsecondary credit, or both, and must notify his or her high school and the postsecondary institution of that designation.

Under the bills, except as provided below, an eligible student in a State-approved nonpublic school or a home school could enroll in, and receive payment by the State Treasurer for, an eligible course only for postsecondary credit, and could not receive high school credit for the course.

If an eligible nonpublic school student or home-schooled student were enrolled in an eligible course that would have been considered a nonessential elective course under *Snyder v Charlotte Public School District*, 421 Mich 517 (1984), then the

student could enroll in, and receive payment by the school district of all or part of eligible charges for an eligible course under either Act for high school credit or postsecondary credit, or both. At the time of enrollment, the student 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 postsecondary institution of that designation.

(In *Snyder v Charlotte Public School District*, the Michigan Supreme Court addressed whether the public school district was required to provide "shared time instruction" in a band class to a student who was enrolled in the Charlotte Christian Academy. The Court held that a State-approved nonpublic school must teach subjects comparable to those taught in the public schools, such as basic reading, writing, mathematics, and English, but is not required to offer identical courses. "Thus, 'nonessential elective courses,' such as band, art, domestic science, advanced math, and science classes, etc., need not be taught in nonpublic schools. These are the types of courses that have traditionally been offered on a shared time basis.")

As currently provided, an eligible student taking more than one eligible course could make different credit designations for different courses.

Full-Time Enrollment

The Acts' requirements for notice of enrollment, billing, payment, and repayment do not apply to postsecondary courses in which an eligible student is enrolled in addition to being enrolled full-time in his or her school district. Under the bills, the requirements also would not apply if a student were enrolled full-time in a State-approved nonpublic school or home school program.

Currently, 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 postsecondary institution, the pupil's enrollment in both the school district and the postsecondary institution must be counted as enrollment in the school district, and a pupil cannot be considered to be enrolled in a school less than full-time solely because of the effect of his or her postsecondary

enrollment on the number of class hours provided by the district to the pupil.

The bills would add comparable provisions concerning full-time enrollment in a State-approved nonpublic school or home school program.

Information & Counseling

Currently, each school district must provide information to all high school students on the postsecondary enrollment options under the Acts, including enrollment eligibility, the programs and types of courses eligible for participation, the decision-making process for granting academic credits, and an explanation of eligible charges that will be paid. To the extent possible, a school district must provide counseling services to an eligible student and his or her parent or guardian before the student enrolls in a postsecondary course.

By March 1 of each school year, a school district must provide general information about the postsecondary options to all pupils in grade 8 or higher.

Before enrolling in an eligible course at a postsecondary institution, an eligible student and his or her parent or guardian must file with the institution a signed form provided by the school district stating that the student is eligible and has received the required information and counseling. Upon request, the Department of Education must provide technical assistance to a school district and a postsecondary institution in developing forms and counseling guidelines.

The bills would extend these provisions to State-approved nonpublic schools.

MCL 388.1904 et al. (S.B. 709)
388.514 et al. (S.B. 710)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

State: The bills would require the State Treasurer to make payments to eligible postsecondary institutions for eligible courses, on behalf of nonpublic or home-schooled students participating in dual enrollment as allowed under the bills. Under current practice, a nonpublic or home-schooled student is able to participate in

dual enrollment and generate State payment for the course if the student first enrolls in at least one nonessential elective course at a public school. When a nonpublic or home-schooled student enrolls in at least one elective course at a public school, *the public school can count the portion of the day that student is enrolled in both the elective and the dual enrollment course*, and the State pays a portion of the district's foundation allowance equal to the portion of time spent in the elective course and eligible postsecondary course.

The bills would allow a nonpublic or home-schooled student to directly dually enroll in an eligible postsecondary course and would require the State Treasurer to pay for that portion of the day spent in the dually enrolled course, without requiring the student to first enroll in a class at the public school. The bills do not specify whether the funding would be from the State's General Fund or the State's School Aid Fund, but an appropriation would be necessary in order to comply with the bills' requirement that the Treasurer directly pay to a postsecondary institution the eligible expenses (or, the prorated percentage of the statewide pupil-weighted average foundation allowance, if a lesser amount) for a dually-enrolled nonpublic or home-schooled student. This would be different from the current practice, because current practice has the public school count the student, receive a foundation allowance payment, and pay the postsecondary institution out of that foundation allowance funding.

The net fiscal impact on the State is indeterminate. First, by removing the requirement that a nonpublic or home-schooled student enroll with a public school first before dually enrolling, the bills likely would lead to increased participation, which would result in increased State costs. At the same time, if some of the existing participants (those who are enrolled in at least one public school course plus the dual enrollment course) chose to disenroll from the public school and directly enroll at the postsecondary institution, there would be some State savings because the State would be paying only for the portion of the day spent at the postsecondary institution, rather than also the portion of the day enrolled at the public school. However, it seems likely that the probable increase in participation would outweigh the potential

savings (which would occur only when those students who would have dually enrolled instead enrolled only at the postsecondary institution), though the magnitude is unknown. Again, a direct appropriation, likely either in the Department of Treasury, or the Higher Education or Community Colleges budget bills, would be necessary in order to provide funding for the eligible expenses. In FY 2010-11, \$12.6 million was spent by school districts to pay for eligible expenses under the dual enrollment provisions; this included the costs for both public and nonpublic students.

Local: Because the legislation would allow nonpublic or home-schooled students to use dual enrollment provisions without first enrolling in a public school, it is likely that public schools would see a decrease in revenue. Under current practice, a public school that enrolls a nonpublic or home-schooled student in at least one course, as well as a dual enrollment course, receives foundation allowance payments for the portion of the school year the student is enrolled. Therefore, if removing the requirement that a nonpublic student first enroll in the public school before dually enrolling resulted in fewer nonpublic students enrolling at the public school, the public schools would see decreased foundation allowance revenue from the State.

Fiscal Analyst: Kathryn Summers

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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.