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



BILL ANALYSIS

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Senate Bill 1109 (Substitute S-1 as reported) Sponsor: Senator Mike Rogers Committee: Human Resources, Labor and Veterans Affairs

<u>CONTENT</u>

The bill would create the "Vocational Education Enrollment Options Act" to do the following:

- -- Allow an eligible student to enroll in, and receive payment by his or her school district of all or part of eligible charges for, an eligible course offered by a vocational education program operated by a community college.
- -- Allow an eligible student to receive high school credit or postsecondary credit, or both, for an eligible course.
- -- Require school districts to provide information to all high school students on the vocational education enrollment options, and to provide counseling services to eligible students and their parents.
- -- Require intermediate school districts to collect certain information and report it to the Department of Education.

The bill would take effect April 1, 1999, and would be repealed June 30, 2004. Payment of all or part of eligible charges for eligible courses would have to begin in the State fiscal year beginning on October 1, 1999.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on State government. The fiscal impact on community colleges and local school districts is described below.

Local School Districts

The requirement that local school districts (including public school academies) use a portion of the State payment for the foundation allowance to pay tuition and fees for certain students to attend vocational education courses at community colleges would reduce the amount of unrestricted foundation allowance revenue available to school districts.

The total amount of foundation allowance revenue that a district would be required to use for this purpose would vary depending on student participation. It also would depend on the State share of the district's foundation allowance. In FY 1997-98, the State portion of the foundation allowance varies from \$0 (six districts with an estimated 865 full-time equivalent pupils) to approximately \$6,488 per pupil. Among districts with the same foundation allowance, the State portion may differ greatly. For example, for districts at the basic foundation allowance of \$5,462 in FY 1997-98, the State portion varies from \$2,302 to \$5,462 per pupil. The State average community college tuition is \$48.92 per credit hour. The cost of fees and required materials varies by course.

The number of students who would participate in the proposed program or the costs that would be incurred is unknown. Local districts would incur additional administrative expenses in complying with the notification and reporting requirements under the bill.

Community Colleges

The bill would have little fiscal impact on community colleges as many of the procedural and administrative requirements in the bill in many cases either are already in place, or would not be so burdensome as to require the additional expenditure of funds.

Date Completed: 5-11-98

Fiscal Analyst: E. Pratt M. Hansen

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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.