

## ENROLLMENT PRIORITY FOR LOW-INCOME STUDENTS

Phone: (517) 373-8080  
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**House Bill 4327 (as reported from committee as H-3)**  
**Sponsor: Rep. Stephanie Chang**  
**Committee: Education Reform**  
**Complete to 6-7-17**

Analysis available at  
<http://www.legislature.mi.gov>

**BRIEF SUMMARY:** House Bill 4327 would amend three sections of the Revised School Code (MCL 380.504, 380.524, and 380.556) to allow a public school academy (PSA), urban high school academy, and school of excellence board of directors to include in the school's admissions policy an enrollment priority for low-income students, or to include one of the existing enrollment priorities. These schools are described below.

**FISCAL IMPACT:** The bill would have no fiscal impact for the state or for local school districts, intermediate school districts (ISDs), or public school academies (PSAs).

### **THE APPARENT PROBLEM:**

According to committee testimony, this bill was inspired by the James & Grace Lee Boggs School, a public charter school on the east side of Detroit. The school was intended to serve as a neighborhood school, with the school providing an excellent educational experience to the low-income residents of the neighborhood. However, because the school was successful in attracting students, and because enrollment is determined by a random lottery system, school officials testified that, today, only about 20% of students are drawn from within 1.5 miles of the school. An additional 70% live elsewhere in Detroit, and 10% are from the suburbs surrounding Detroit. School officials further testified that at the school's inception, 90% of students were free- or reduced-price lunches, and that number has declined to 70% in the four years the Boggs School has existed.

Others testified about Charlton Heston Academy, in the northern Michigan community of St. Helen. After the community lost its elementary school in 2010, the community rallied to set up a charter school, which now serves grades kindergarten through 12th grades. However, students from surrounding areas have entered CHA's enrollment lottery so that, reportedly, 30 students, including five from St. Helen were put on a waiting list at the start of the 2016-2017 school year.<sup>1</sup>

The bill is intended to give a geographic preference to neighborhood students in areas with high numbers of students eligible for free- or reduced-price lunch.<sup>2</sup>

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<sup>1</sup> *Why a Michigan Charter School Wants Enrollment Preference for Students from This Community*, [http://www.mlive.com/news/index.ssf/2017/05/why\\_one\\_northern\\_michigan\\_char.html](http://www.mlive.com/news/index.ssf/2017/05/why_one_northern_michigan_char.html)

<sup>2</sup> The bill would provide that 70% of the students within the geographic boundaries specified in the charter school's charter must qualify for free- or reduced-price lunch. Although that information is not readily available, 75.9% (82 of 108) of students at Boggs School and 76.0% (368 of 484) of students at CHA were eligible for free- or reduced-

## ***THE CONTENT OF THE BILL:***

House Bill 4327 would allow a public school academy (PSA), urban high school academy, and school of excellence board of directors to include in the school's admissions policy an enrollment priority for low-income students, or to include one of the existing enrollment priorities in the policy.

Currently and under the bill, these three types of public schools academies—or charter schools—may not discriminate on any basis that would be illegal if used by a school district, but may use legal methods to limit admission. If there are more applications than there are spaces available at the school, students are selected to enroll using a random selection process. (Existing students at the school are automatically retained).

However, the Code lists criteria under which the schools may give enrollment priority: when a sibling is already enrolled at the school, or when a parent is employed by, at, or on the board of directors at the school. PSAs and schools of excellence also give priority to students who transfer to those schools from other public schools under a matriculation agreement between the schools, so long as certain other requirements are met. (The bill extends this priority to students who transfer to an urban high school academy pursuant to a matriculation agreement between the schools, as long as other requirements are met).

The bill would add another enrollment priority for the three types of schools for **a student who lives within the geographic boundaries listed in the school's contract that do not extend beyond the territory of the school district in which the PSA is located, and who meets the income eligibility criteria for free- or reduced-price breakfast, lunch, or milk.** This preference would apply as long as at least 70% of students in the geographic boundaries also meet the income eligibility criteria and the school's board of directors has adopted a resolution determining that the enrollment priority is needed to serve low-income and at-risk students in the area. (After an initial determination that the 70% threshold is met, the eligibility will be reassessed every five years or when the PSA renews its contract, whichever occurs first.)

If the PSA gives the income-based enrollment priority, it must post information about the priority on its website and include it in its enrollment application. The PSA must also include the geographic boundaries specified in the PSA's contract.

If more students are eligible for the enrollment priorities than there are spaces available, students will be selected using a random selection process.

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price lunch for the 2015-2016 school year.  
<https://www.mischooldata.org/Other/DataFiles/StudentCounts/HistoricalFreeAndReducedLunchCounts.aspx>

## Definitions

A *School of Excellence*, as defined by the Michigan Department of Education (MDE),<sup>3</sup> is a charter school entity authorized under MCL 380.551 -380.561, commonly referred to as Part 6E of the Revised School Code. Schools of Excellence are established as either (1) a replication of a high performing school, (2) a cyber school, or (3) a conversion of a 6A PSA based on criteria that define superior academic performance.

An *Urban High School Academy*, as defined by the MDE, is a charter school authorized under MCL 380.521 – 380.529, commonly referenced as Part 6C of the Revised School Code. These schools can only be authorized by state public universities.

The bill would take effect 90 days after enactment.

## **BACKGROUND INFORMATION:**

A 2016 report from the Education of the States, a nonpartisan research organization, found that many states with charter school laws allow some type of enrollment preference based on geography or income, or both.<sup>4</sup> Reportedly, those numbers are as high as 30 out of 43.<sup>5</sup> Because different states use different terms to describe populations—including free or reduced lunch, at-risk, underserved, disadvantaged, etc.—it is difficult to provide a definitive count.

Many of these give a preference to students "residing within a reasonable distance of the charter school" (Idaho), "within a five-mile radius of the school [or] within the regular school district in which the school is located" (Delaware), or "living in geographic proximity" to the school (Alabama). Other states go further, allowing schools to target residents of certain residential areas (Ohio) or requiring schools to give priority to in-district versus out-of-district children, with a cap on out-of-district children in the absence of approval by school boards (South Carolina). (Conversion charter schools, or schools converted from traditional to charter public schools, are often allowed to exert a geographic preference in order to account for neighborhood students who would otherwise be displaced).

## **ARGUMENTS:**

### **For:**

Those supporting the initiative state that this is a narrowly tailored preference to allow poor students in poor communities to attend the neighborhood school which seeks to cater to those students. Currently, even if a charter school is established in the midst of a poor community for the stated purpose of providing an excellent education to those students in particular, a student from a wealthy suburban community has the same likelihood of

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<sup>3</sup> *Michigan Department of Education Charter Schools—Questions and Answers*, [https://www.michigan.gov/documents/PSAQA\\_54517\\_7.pdf](https://www.michigan.gov/documents/PSAQA_54517_7.pdf)

<sup>4</sup> *Education Commission of the States: 50 State Comparison*, <http://ecs.force.com/mbdata/mbquestNB2?rep=CS1504>

<sup>5</sup> [http://www.mlive.com/news/index.ssf/2017/05/why\\_one\\_northern\\_michigan\\_char.html](http://www.mlive.com/news/index.ssf/2017/05/why_one_northern_michigan_char.html)

attending the school as a free- or reduced-lunch student living across the street from the school.

For most charter schools, this random selection process will remain. However, the bill would simply allow a qualifying school's board of directors the option to include the low-income preference in the school's enrollment policies.

***Against:***

Although they operate independent of a school district, charter schools are public schools. They are funded by local, state, and federal tax dollars based on student enrollment, and are open to all students. If the number of applicants exceeds the enrollment capacity, the school must use a random lottery. Opponents argue that giving a preference to certain students, to the detriment of other students, violates a main function of charter schools. Giving a geographic preference may become a slippery slope to excluding other groups of students from attending state-funded charter schools. [Note: Charter schools are prohibited from screening out students based on disability, race, religion, gender, or test scores.<sup>6</sup>]

***Response:***

Supporters of the bill argued that this would only be a concern if the preference was likely to give the schools an advantage. Instead, this legislation would give the preference only to low-income children, in low-income communities, in proximity to the school. Given the educational difficulties facing such populations, the preference is far more likely to have a detrimental effect on the schools' assessment scores. Should we stand in the way of a school seeking to help our most vulnerable students—students without the ability or reliable transportation to seek out other high-performing schools?

***POSITIONS:***

Representatives of the James & Grace Lee Boggs School testified in support of the bill. (4-20-17)

A representative of the Michigan Association of Public School Academies testified in support of the bill. (4-20-17)

The following organizations support the bill:

- West Michigan Talent Triangle (4-20-17)
- Michigan Authorizers (4-20-17)

The ACLU of Michigan is neutral on the bill. (5-18-17)

The following organizations oppose the bill:

- Barry, Branch, Calhoun, Jackson, Lenawee & Monroe ISDs (4-20-17)
- Oakland Schools (4-20-17)
- Michigan Association of Intermediate School Administrators (4-20-17)

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<sup>6</sup> *Michigan Department of Education Charter Schools—Questions and Answers*, [https://www.michigan.gov/documents/PSAQA\\_54517\\_7.pdf](https://www.michigan.gov/documents/PSAQA_54517_7.pdf)

- Wayne RESA (4-20-17)
- ESA Legislative Group (4-20-17)
- Michigan Association of School Administrators (4-20-17)
- Michigan Association of School Boards (5-18-17)
- Middle Cities Education Association (5-18-17)
- American Federation of Teachers (5-18-17)

Legislative Analyst: Jenny McInerney  
Fiscal Analysts: Bethany Wicksall  
Samuel Christensen

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.