



**Senate Fiscal Agency**  
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BILL ANALYSIS



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Senate Bill 950 (Substitute S-1 as reported)  
Sponsor: Senator Glenn D. Steil  
Committee: Education

### **CONTENT**

The bill would amend the Revised School Code to permit a public school academy to limit enrollment only to special education pupils, if it were stated in the authorizing contract that the academy was established specifically for enrolling pupils whose primary disability had been determined to be a specific learning disability or another particular characteristic or set of characteristics recognized under special education rules of the State Board of Education. Currently, a public school academy may not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis that would be illegal if used by a school district. A public school academy, however, may limit admission to pupils who are within a particular range of age or grade level, or on any other basis that would be legal if used by a school district.

MCL 380.504 & 380.514

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

The bill could have a fiscal impact on State and local government. In FY 1995-96, the State will receive approximately \$70,000,000 in Federal funds for special education. Most of this revenue is distributed by the State to local and intermediate districts to fund a portion of special education costs. The State School Aid Act provides, however, that up to \$3,000,000 of these funds may be used by the Michigan Department of Education for competitive grants designed to improve special education statewide.

The State must meet eligibility requirements to receive the Federal funds. In particular, 20 USCA Section 1412 provides that:

In order to qualify for assistance under this subchapter in any fiscal year, a State shall demonstrate to the Secretary that the following conditions are met: ...The State has established...procedures to assure that, to the maximum extent appropriate, children with disabilities, including children in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with disabilities from the regular educational environment occurs only when the nature or severity of the disability is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily...

If a public school academy with enrollment restricted to a certain special education population opened pursuant to the bill, it is possible that Michigan's compliance with Federal special education law could come under review. A determination by the U.S. Department of Education that the State did not comply with the requirement described above, could make the State ineligible for Federal special education funding.

Date Completed: 5-13-96

Fiscal Analyst: E. Pratt

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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.