

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

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4959 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Representative Terry Geiger
House Committee: Education
Senate Committee: Education

CONTENT

The bill would amend the Revised School Code to permit the board of a general powers school district, a public school academy, or an intermediate school district to receive a gift of real or personal property, and transfer a gift of intangible personal property or proceeds from that gift to a community foundation. The bill also would do the following in regard to public school academies (PSAs):

- Increase to 200 the limit on the number of PSAs that may be authorized through 2000 by the governing board of a State university, and exempt trade academies from the limit. Currently, university governing boards may authorize up to 150 academies. The bill specifies that this limit would apply through 1999.
- Permit State universities to authorize an additional 25 PSAs each year after 2000 and until 2004.
- Specify that up to 10% of the PSA contracts issued by State universities during 2000 could be for academies located in a first class school district.
- Require a university governing board, beginning in 2000, to ensure that at least one-third of the contracts would authorize the operation of PSAs for grades nine through 12.
- Create a seven-member Public School Academy Oversight Board as an autonomous agency within the Department of Education. Membership would include four persons representing various school interests appointed by the Governor, with the advice and consent of the Senate; one appointed by the Senate Majority Leader; one appointed by the Speaker of the House; and the Superintendent of Public Instruction.
- Permit the Oversight Board to issue up to 100 PSA contracts until 2003. The academies could be established to operate an adult basic education program, a high school completion program, and/or a GED testing preparation program; special education programs; and/or programs for students who had been expelled or displayed behavioral problems.
- Require the Oversight Board to establish an oversight reporting process for all authorizing bodies; and require each authorizing body to file an oversight report annually.
- Permit a PSA to limit enrollment to pupils of a single gender, if it were established specifically for students placed in the academy by a court, or by the Family Independence Agency (FIA) or a county juvenile agency under the direction of a court. A PSA also could limit enrollment to pupils who had been expelled or exhibited behavioral problems if the academy were authorized for that purpose.
- Permit a PSA to give enrollment priority to a sibling of a student enrolled in the academy, or the child of an academy employee.
- Prohibit an academy from refusing to enroll a pupil who was eligible for special education programs and services solely because of the pupil's eligibility.
- Specify that an academy would not be intended to enroll or be used to educate persons who were committed to a high- or medium-security juvenile facility operated by the FIA or another State department or agency. In addition, the bill specifies that if the FIA, the Department of Corrections, or another State department or agency had custody of or jurisdiction over a child, it would have the financial responsibility for educating the child.
- Permit a PSA to borrow money and issue bonds.
- Provide that PSA contracts could require educational management companies that operate academies to submit to audits by an academy or an authorizing body.
- Require that title to all real and personal property and other assets owned by a PSA revert to the State

- when the academy was no longer authorized to operate.
- Specify requirements that would have to be met before a Federal tribally controlled community college board could authorize academies.

MCL 380.371 et al.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have a minimal fiscal impact on State resources. There would be a minimal cost for the staffing and administration of the proposed Public School Academy Oversight Board. The dollar amount of this impact is indeterminate at this time.

There would be a local fiscal impact with the proposed language that would allow a PSA to borrow money and issue bonds. If a PSA were successful in the issuance of bonds, local taxpayers would be responsible for the repayment of those bonds. The PSA also would face the additional cost associated with securing the loans and the cost of promoting the local election that would be necessary for voter approval of the bond issue. The exact cost would vary depending on the amount of the money that was borrowed by the PSA.

Date Completed: 12-8-99

Fiscal Analyst: J. Carrasco

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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.