

Legislative Analysis



CHARTER SCHOOLS: ALLOW RESIDENTIAL BOARDING SCHOOLS FOR AT-RISK YOUTH

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House Bill 4725

Sponsor: Rep. John Olumba

Committee: Education

Complete to 10-1-13

A SUMMARY OF HOUSE BILL 4725 AS INTRODUCED 5-14-13

House Bill 4725 would amend the Revised School Code to allow public school academies (customarily called charter schools) to operate residential boarding schools for students who meet certain criteria.

Under the bill, if provided in its contract, a public school academy could operate a residential academy, and all of the following would apply to that residential academy:

- The charter school would operate both an academic program and a residential program. Enrollment in the academic program would be open to all individuals who met the charter school's enrollment policy, and it would be operated in the manner required under the law. However, the charter school would be required to limit participation in the residential program to students who met the income eligibility criteria for free and reduced-price lunch, and, in addition, could limit participation in the residential program to students who met other requirements set forth in the charter school's contract.
- The residential program would provide lodging and meals for students in any or all of grades 5 to 12, including weekends and school days, and would have to meet all applicable federal, state, or local laws regarding a residential program for children.
- The academic program would be funded through per pupil funding for charter schools, and other available funding under the State School Aid Act. The bill says "the legislature shall appropriate funds" in the Department of Human Services budget for support of the residential programs operated by residential academies.

MCL 380.504

FISCAL IMPACT:

The bill would have no fiscal impact for the State's School Aid budget as the education component of the program would be paid for under the existing school finance system as are the costs of all new public school academies currently.

The bill would increase state costs within the Department of Human Services (DHS) by an unknown amount. The actual fiscal impact to the Department of Human Services depends on the size of the residential program, the contractual per diem, and whether the youth that participate in the residential program are diverted from a different child welfare placement or are not currently under DHS or court supervision.

For example, if the residential program receives DHS's minimum residential per diem of \$190.51 for 50 youth and does not operate a program during the summer break, the fiscal impact would be \$2.7 million annually (a year-round residential program would \$3.5 million).

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