



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

BILL ANALYSIS



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

House Bill 4735 (Substitute H-4 as passed by the House)
Sponsor: Representative Aaron Miller
House Committee: Education Reform
Senate Committee: Education

Date Completed: 11-9-17

CONTENT

The bill would amend the Postsecondary Enrollment Options Act to allow an eligible student to enroll in an out-of-State postsecondary institution for high school or college credit, if the student's school district shared a border with the other state.

The Act permits eligible high school students to enroll in courses at eligible postsecondary institutions for the purpose of earning high school or postsecondary credit or both. Depending on whether the student is enrolled in a public school or in a State-approved nonpublic school, the school district or the Department of Treasury pays to the postsecondary institution either the amount of eligible charges for a dual enrollment course or a prorated percentage of the statewide average foundation allowance, whichever is less.

The Act defines "eligible postsecondary institution" as a State university, community college, or independent nonprofit degree-granting college or university that is located in this State and that chooses to comply with the Act.

Under the bill, an out-of-State college located within 20 miles of a border with Michigan that chose to comply with the Act also would be an eligible postsecondary institution for an eligible student if at least one of the following were met:

- The eligible student was enrolled in a school district that shared a border with the state in which the out-of-State college was located.
- The eligible student was enrolled in a public school academy located in a school district described above.
- The eligible student was enrolled in a State-approved nonpublic school located in a school district described above.

The bill would define "out-of-state college" as a state university, community college, or independent nonprofit degree-granting college or university that is located in another state and that is legally established under the laws of that other state.

The Act defines "eligible charges" as tuition and mandatory course fees, material fees, and registration fees required by an eligible postsecondary institution for enrollment in an eligible course. Eligible charges do not include transportation or parking costs or activity fees.

Under the bill, for eligible students enrolled in an out-of-State college that would be an eligible postsecondary institution, eligible charges could not exceed the lesser of the in-district rate

for the community college located in the district in which the eligible student resided or the in-district rate for the out-of-State college in which the eligible student would be enrolled.

The bill would take effect 90 days after it was enacted.

MCL 388.513

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government for public school students. Section 6 of the State School Aid Act (MCL 388.1606) allows schools to have postsecondary enrollment agreements with higher education institutions in bordering states. The Department of Education reports that some schools already have these agreements. The bill, then, would align the Postsecondary Enrollment Options Act with provisions already enacted in the School Aid Act for public students.

The bill would increase costs to the State for nonpublic students who enrolled in postsecondary courses at out-of-State colleges. Any increase in costs for nonpublic students would be paid out of an appropriation to the Department of Treasury for this purpose, which currently is funded at \$2,007,600.

Fiscal Analyst: Cory Savino

S1718\4735sa

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.