

# State Notes

## TOPICS OF LEGISLATIVE INTEREST

Summer 2017



### **Recent Trends and Changes in Shared Time Public/Private/Home-School Education** **By Kathryn Summers, Associate Director**

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In Michigan, "shared time" educational programs are partnerships between public school districts and private or home schools, in which a nonpublic or home-school student can take classes at a public school, or be educated by a public school teacher in a private school, and the public school receives funding for the portion of the day the student attends nonessential elective public classes. This article will explore recent trends in shared time as well as recent changes to funding of the program and to definitions that pertain to the program.

#### **Background**

A nonpublic or home-school pupil may be enrolled on a part-time basis in nonessential elective courses provided by a public school district. This type of arrangement is referred to as "shared-time", since the pupil is enrolled both in the nonpublic or home-school, and in the public school, on a part-time basis.

The public school's nonessential elective courses in which public school students may enroll must be made available, upon request, to nonpublic school or home-school students who are residents of the school district. According to the Michigan Department of Education, a public school may count a nonpublic or home-school student in membership (and receive State funding) if various conditions are met. These conditions include the following:

- The pupil meets eligibility requirements laid out in the School Aid Act;
- The pupil is enrolled and in attendance;
- The nonpublic school is registered with the Department;
- The course is part of the pupil's class schedule (not an extracurricular activity);
- The instruction is provided directly by a certified teacher if at the public school;
- The curricular offering is available to full-time pupils in the district;
- The curricular offering is restricted to nonessential elective courses;
- The pupil is a part-time pupil for purposes of State school aid; and,
- The nonpublic or home-school pupil is enrolled and attending courses at the public school site, or is attending courses provided by the public school, or at the nonpublic school site.

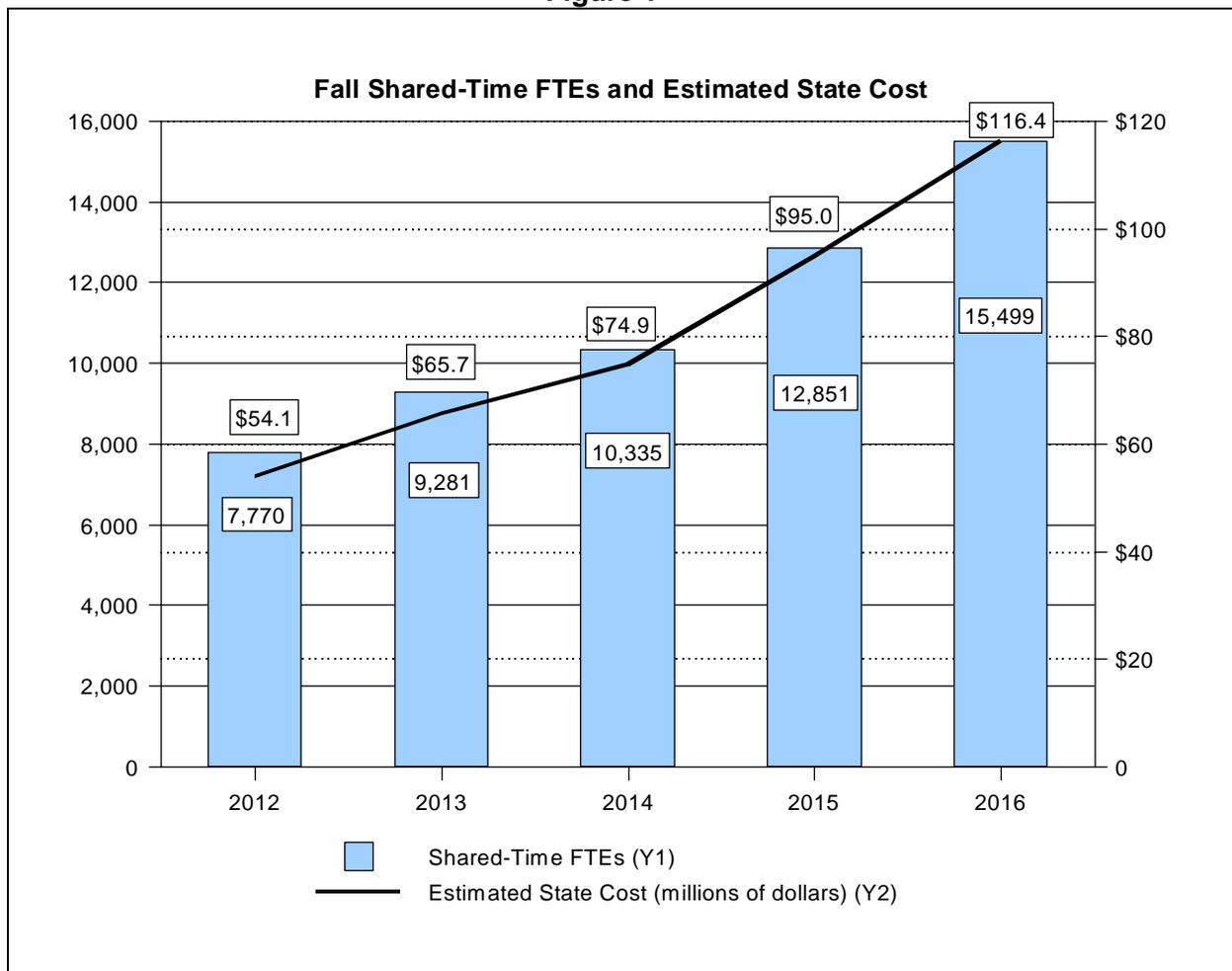
According to the Department, eligible courses are nonessential electives in the areas of physical education, art, foreign language, music, driver education, and computer science. Ineligible courses are those that are considered essential curriculum pursuant to the Michigan Supreme Court's 1984 decision in *Snyder v. Charlotte Public School District* (421 Mich 517). Specifically, such core classes include those in mathematics, reading, English, social studies, science, writing, the Constitution of Michigan and of the United States, and the history and present form of civil government of the United States, the State of Michigan, and the political subdivisions of this State, according to the Department. In addition, remedial courses also are considered core and therefore ineligible for State aid reimbursement.



**Trends**

Over the past five years, the number of pupils claimed in shared-time programs has nearly doubled statewide. Figure 1 shows the annual fall count of pupils claimed in shared-time programs, on a full-time equated student (FTE) basis. As shown, in the fall of 2012, roughly 7,770 FTEs were claimed by public districts, for total State costs of roughly \$54.0 million. (The State pays a foundation allowance for each FTE claimed by a district; in FY 2012-13, the minimum foundation allowance was \$6,966 per FTE.) By the fall of 2016, the number of FTEs claimed had risen to just under 15,500, for total State costs of roughly \$116.0 million (based on a minimum foundation allowance of \$7,511 per FTE). The change between the fall of 2012 and the fall of 2016 was 7,729 FTEs, or an increase of 99.5%.

**Figure 1**



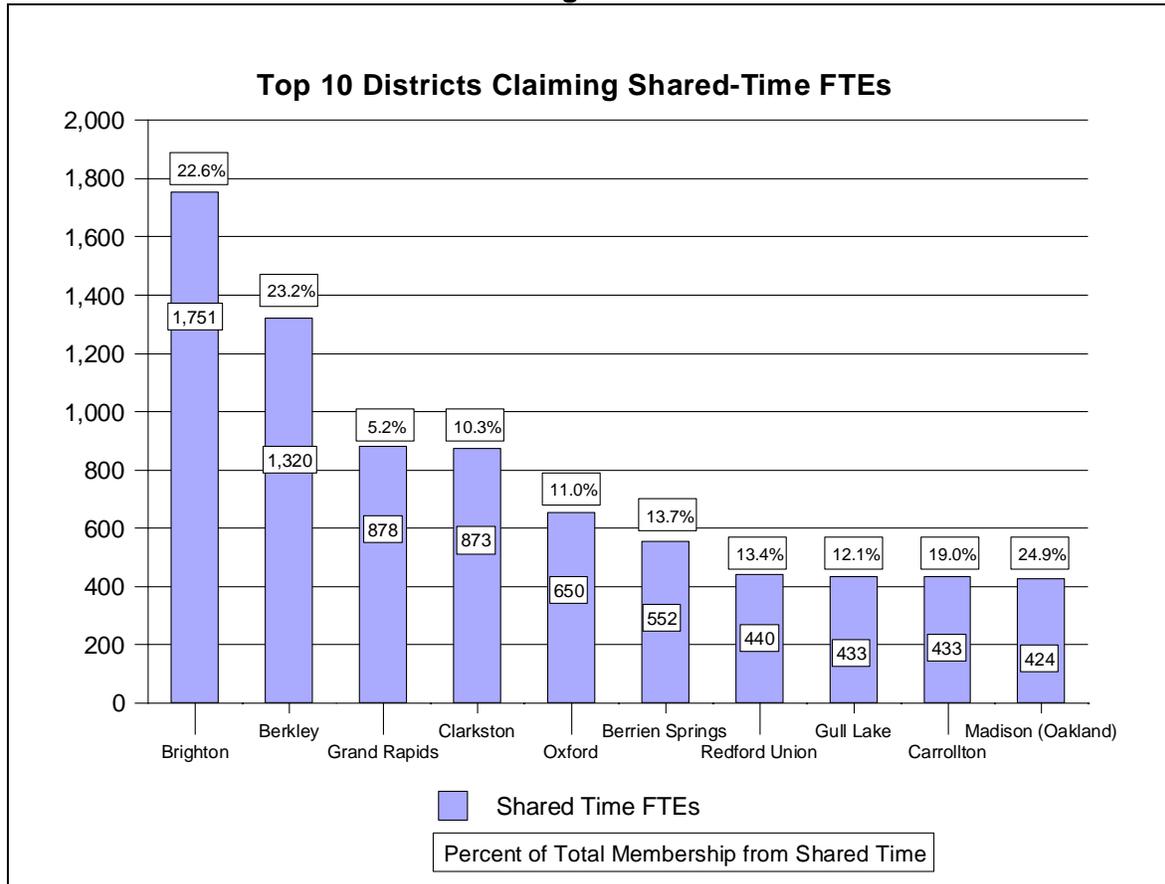
Source: Center for Educational Performance and Information (CEPI) and SFA Estimates

The average number of total FTEs claimed by the 296 participating districts in the fall of 2016 was 52, although the lowest number claimed was 0.02 and the highest was 1,751. Figure 2 shows the 10 districts that claimed the highest number of total shared-time FTEs in the fall of



2016. In addition, the chart shows the percentage of the districts' total pupil membership that was accounted for by the shared-time FTEs.

**Figure 2**



Source: Fall 2016 Data from CEPI

### Recent Governor's Recommendations

In response to the growing amount of State aid being paid for shared-time students, at the beginning of the past two budget cycles, the Governor recommended changes in how much State aid would be paid to school districts for pupils enrolled in shared-time programs. (As noted above, schools are paid based on the number of pupils in membership, with each FTE generating a foundation allowance payment equal to at least \$7,511 in fiscal year 2016-17.)

In the fiscal year (FY) 2016-17 proposed budget for School Aid, the Governor recommended a cap on the amount each day a nonpublic or home-school pupil may be counted in membership, with the cap being 33% of a full-time student, or 0.33 of an FTE. The rationale for a cap at this level was as follows: If a typical school day consists of six hours of instruction, and if there are generally four core classes in a day (math, English, science, and social studies), that leaves two instructional hours out of the six (or one-third) available for elective courses. The Governor's proposal was not adopted by the Legislature, and no cap was

implemented for FY 2016-17. Instead, the FY 2016-17 budget included a requirement that a workgroup be established to examine the issue of providing a uniform definition of nonessential elective courses and a definition of a part-time pupil for the purpose of shared-time instruction. (The workgroup's recommendations are described below.)

In the FY 2017-18 budget recommendation, the Governor again proposed to reduce the amount of funding paid to districts for pupils in shared-time programs. In this budget proposal, the Governor allocated a total of \$60.0 million for the program, which was roughly a 50% reduction (\$55.0 million) in anticipated spending on the program, based on FY 2016-17 data. This proposal was not adopted by the Legislature, but a cap on the amount of FTE membership that may be claimed for any particular student was included, as described below.

### **Workgroup Recommendations**

The FY 2016-17 workgroup was directed to "examine the issue of providing a uniform definition of nonessential elective courses, and to provide a uniform definition of a part-time pupil...". In January 2017, the workgroup released a report with the following definitions:

- **Nonessential courses:** Nonessential courses in grades K-8 are those other than mathematics, science, social studies, and English Language Arts. Nonessential elective courses in grades 9-12 are those other than Algebra I, Algebra II, English 9-12, Geometry, Biology, Chemistry, Physics, Economics, Geography, American History, Western History, the Constitution, and Government, or courses that fulfill the same credit requirement as these courses. Nonessential elective courses include courses offered by the local district for high school credit that are also capable of generating postsecondary credit, such as advanced placement and International Baccalaureate courses. Remedial courses for any grade in any of the above subjects are considered essential.
- **Part-time pupil:** A nonpublic or home-school pupil counted in membership in nonessential courses for less than the number of hours of instruction required to be counted as a full-time (1.0 FTE) pupil under Section 101 of the State School Aid Act (MCL 388.1701).

According to the Department's workgroup report, though the definition above for part-time pupil was agreed to by the workgroup, some members voiced concern that the definition should be more restrictive. Some of the more restrictive options cited include limiting a part-time pupil to a certain fraction of an FTE, or defining the limit as a certain number of courses.

### **Final FY 2017-18 Changes Enacted for Shared Time**

The FY 2017-18 enacted budget eliminated the requirement that shared-time courses be offered during regularly-scheduled school hours. Also, the budget included the workgroup's definition for nonessential elective courses, with the addition of civics and a change from "western history" to "world history" for nonessential courses in grades 9-12.

The FY 2017-18 budget did not include the work group's definition of part-time pupil, but did enact a cap of 0.75 on the portion of an FTE that a public school district may claim. This means



that a nonpublic or home-school pupil who takes courses offered at or by a public school may be counted for no more than 0.75 of a full-time equated membership.

The vast majority of shared-time pupils counted in a public school district's membership generally fall below 0.75 FTE, which means that the change enacted in the FY 2017-18 budget will have no effect on funding for most districts. In the fall of 2016, a total of 296 districts claimed some amount of shared-time pupils in membership, with 194 of those districts claiming less than 0.75 FTE for each shared-time pupil (meaning the cap would have had no effect on these districts had it been in place in FY 2016-17).

Only in cases where a district claimed an FTE in excess of 0.75 would there have been a fiscal impact. Using fall 2016 data, 102 districts claimed one or more individual students in excess of 0.75, although roughly half of those claimed 0.25 or less *in total* FTEs above the 0.75 cap per student. The cumulative total of FTEs claimed in excess of 0.75 was 239.09 in FY 2016-17; had the cap been in place during the past school year, it would have resulted in State savings of roughly \$1.8 million. The top 10 districts (shown below) that claimed one or more individual FTEs in excess of the 0.75 cap accounted for 184.28 (or 77%) of the 239.09 cumulative statewide FTEs claimed in excess of the cap.

**Affected Districts Based on Fall 2016 Data**

The top 10 districts that claimed one or more individual FTEs in excess of 0.75 are shown in Table 1 below, along with the total estimated State savings (i.e., reduction in State aid paid to the district) that would have occurred had the cap been in place in the prior school year. As shown, Oxford Community Schools had the highest cumulative total of FTEs claimed in excess of 0.75, where that cumulative total was 39.15, which equates to roughly \$300,000 that the State would have saved (and the district not received) if the cap had been in place.

**Table 1**

<b>Top 10 Districts that Claimed Individual Shared-Time FTEs in Excess of 0.75 in Fall 2016</b>			
<b>County</b>	<b>District Name</b>	<b>Cumulative Total of FTEs Claimed in Excess of 0.75</b>	<b>Total State Savings if 0.75 FTE Cap were effective in FY 16-17</b>
Oakland	Oxford.....	39	\$294,056
Oakland	Madison.....	25	184,470
Oakland	Berkley.....	23	186,915
Kalamazoo	Gull Lake.....	23	169,373
Berrien	Berrien Springs.....	21	158,482
Houghton	Calumet, Laurium, & Keweenaw.....	21	157,280
Berrien	Niles.....	11	80,217
Allegan	Hamilton.....	10	74,134
Grand Traverse	Traverse City.....	7	54,830
Oakland	Clarkston.....	5	36,428
<b>Total for Top 10</b> .....		<b>185</b>	<b>\$1,396,185</b>

Source: CEPI



## Summary

Recent growth in nonpublic school or home-school pupils counted by public districts in shared-time programs has generated gubernatorial and legislative discussion during the past two budget processes. The FY 2017-18 enacted K-12 budget included a definition of nonessential elective course, as well as a cap on how much each student may be counted in membership (at no more than 0.75 of an FTE). The estimated State savings due to the cap is \$2.0 million for FY 2017-18; assuming the same cap is in place, the savings will grow over time if districts would have claimed more FTEs in excess of 0.75 in shared-time programs, but instead will be capped at 0.75 per student.