



**House  
Legislative  
Analysis  
Section**

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**ISD TO USE FUNDS FOR SPECIAL ELECTION**

**House Bill 4541** as introduced  
First Analysis (4-12-89)

**Sponsor: Rep. Claude Trim**  
**Committee: Education**

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H.B. 4541 (4-12-89)

***THE APPARENT PROBLEM:***

Last year, Public Act 468 amended the School Code to permit an intermediate school district (ISD) board to use special education funds to cover the cost of a millage election to renew or increase tax rates for the district's special education program. Before this legislation, an ISD that wished to hold a special election to request more mills for this area had to pay for the election out of the ISD's general fund, which some felt was inappropriate since most intermediate districts have a special education fund separate from their general fund. Some ISDs found the general fund was not able to bear the cost of a district-wide election to increase tax revenues only for special education programs, which limited a board when trying to increase funding in this area. Currently, the same situation exists for an ISD that has a separate fund for a vocational-technical education program. In light of last year's legislation, some feel an ISD board should also be allowed to expend vocational education funds to pay for a vocational-technical education millage election.

***THE CONTENT OF THE BILL:***

The School Code prohibits an intermediate school district (ISD) board from expending budgeted area vocational-technical education funds (raised through annual property tax levies) for purposes other than those set forth in the act, such as for operating state board-approved vocational-technical education and programs, acquiring land, buildings and equipment. The bill would amend the act to permit an ISD board to use the funds received through the levying of taxes specifically to pay for costs related to holding a special election to renew or increase the millage limit on annual property tax levied for area vocational-technical education purposes.

MCL 380.684

***FISCAL IMPLICATIONS:***

According to the Department of Education, the bill would not affect state or local expenditures. (4-11-89)

***ARGUMENTS:***

***For:***

The bill would make the act's provisions more consistent regarding how an ISD could use vocational education funds, similar to the way special education funds can be used under Public Act 468 of last year, to pay for a special millage election for this specific area.

***POSITIONS:***

The Northern Michigan Schools Legislative Association, which represents local and intermediate school districts, supports the bill. (4-11-89)

The Kalamazoo Valley Intermediate School District supports the bill. (4-11-89)