

Legislative Analysis



INTERMEDIATE SCHOOL DISTRICT ELECTIONS, EXPENDITURES, & AUDITS

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House Bill 6004

Sponsor: Rep. Brian Palmer

Committee: Education

Complete to 5-2-06

A SUMMARY OF HOUSE BILL 6004 AS INTRODUCED 4-26-06

House Bill 6004 would amend six sections of the Revised School Code to revise the procedures for electing intermediate school district (ISD) boards; clarify certain provisions of the law concerning ISD expenditures; and modify the responsibilities of the attorney general if an audit of an ISD found violations of the law that resulted in the misuse of public funds. Two sections of the law that would be revised—Sections 620 and 622a concerning expenditures and audits, respectively—would take effect July 1, 2006. A detailed explanation of the bill follows.

Elections. Currently under the law, the members of most ISD boards are elected biennially on the first Monday in June by an electoral body composed of one person designated by the board of each constituent school district. The board of a constituent school district designates its representative to this electoral body by a resolution that must be adopted at least 21 days before the date of the June election, and the resolution must be considered during at least one public meeting before the resolution is adopted. Under the bill, these provisions would be retained. However, the bill also specifies that the public meeting could not be held on the same day as the meeting at which the resolution was adopted, although the public meeting could be held as part of a regularly scheduled board meeting.

Currently under the law, in its resolution designating its representative, the board of a constituent district also identifies the candidate the board supports for each position to be filled on the ISD board, and directs its voting representative to vote for that individual (or individuals) at least on the first ballot taken by the electoral body. House Bill 6004 would retain this provision of the law. However, the bill specifies that if a majority of the constituent boards named the same candidate for a particular position in their resolutions, then that candidate would be considered to be elected, and the electoral body would not be required to vote on that position. Further, if that position were the only position to be filled that year, then the election meeting now specified in the law would not be required.

Currently under the law, no more than three members of a single constituent school district board may serve on an ISD board. House Bill 6004 would retain the three-member limit. In addition, the bill specifies that if the election of a candidate would result in the ISD having more than three members who were also members of a constituent district board, then all of the following would apply:

--the ISD board member-elect whose election caused the violation would be required to resign either the seat on the ISD board or the seat on the constituent district board;

--if the violation was caused by the election of more than one member-elect, then the member-elect with the lowest number of votes would be required to resign either the seat on the ISD board or the seat on the constituent district board (although, in the instance of a tie-vote, the member-elect required to resign would be determined by a coin toss);

--if a member-elect resigned the seat on the ISD board as a result of either of the previous provisions, then at the meeting of the electoral body, nominations would be taken from the floor, and a new member-elect not serving on a constituent board would be elected at the meeting. (The bill specifies that a candidate nominated at the meeting would not be required to have filed petitions or to have paid a filing fee.)

Currently under the law, candidates for ISD boards must circulate nominating petitions, and the number of signatures required on a petition depends upon the population of an ISD—the greater the population, the more signatures ranging from a minimum of six to a maximum of 100. The nominating petitions are filed with the school district filing official not later than 30 days before the date of the biennial election meeting in June. House Bill 6004 would specify instead, that the petitions be filed with the secretary of the intermediate school board not later than 60 days before the June election meeting.

Expenditures. House Bill 6004 would also make three changes in the way ISDs account for the expenditure of funds. Currently under the law, not later than December 31 each year, an ISD must post on its website a report containing information about its operations, the details of which are described in the law. The bill would retain these requirements, but would add that payments for legal services could be reported as an annual aggregate amount. Other payments required to be reported would have to be reported by specifying each individual payment.

Currently under the law, an ISD board must seek bids for expenditures that exceed \$17,932. House Bill 6004 would increase that threshold to \$18,490.

Currently under the law, in any one-month period, an ISD board member or administrator is prohibited from accepting from a person who does business (or seeks to do business) with the ISD, any money, goods, or services with a value in excess of \$44. Under the bill, this prohibition would not apply to a breakfast, luncheon, dinner, or other refreshment consisting of food or beverage for immediate consumption.

Audits. Finally, under current law, ISDs are subject to audit by the Department of Treasury. Every two years, the department selects five ISDs and reviews their financial operations. If an audit discloses violations of any state law, the ISD is given time to dispute the determination and appeal the decision. If the department finds that the initial

determination is correct and the situation is not corrected, then department officials must file a copy of the report with the attorney general. The attorney general reviews the report and, if appropriate, commences, or directs the prosecuting attorney for the county in which the violations occurred to commence, appropriate proceedings against the ISD board, official, or employee. Under the law, these proceedings must include at least a civil action in a court of competent jurisdiction for the recovery of any public money determined by the audit to have been illegally expended. House Bill 6004 would require, instead, that the attorney general refer the matter to a prosecuting attorney (rather than direct a prosecuting attorney to commence action), and specify that the proceedings should (rather than shall) include at least a civil action to recover any public money illegally expended.

FISCAL IMPACT:

The bill would have no significant fiscal impact to the State or intermediate school districts.

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