

Legislative Analysis



CONSTITUTIONAL AMENDMENT: SCHOOL AUDITS & 65 PERCENT OF SCHOOL BUDGET ON INSTRUCTION

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Joint Resolution L

Sponsor: Rep. Jacob Hoogendyk, Jr.

Committee: Education

Complete to 5-31-06

A SUMMARY OF HOUSE JOINT RESOLUTION L AS INTRODUCED 6-21-05

House Joint Resolution L would amend Section 53 of Article IV of the Michigan Constitution in order to expand the auditor general's audit authority to include school districts, and also add a new Section 10 to Article VIII to require school districts to spend at least 65 percent of their general operating budgets on instruction.

Article IV, Section 53 of the Constitution requires the legislature to appoint an auditor general. Under the Constitution, the auditor general conducts post audits of financial transactions and accounts of the state, and of all branches, departments, offices, boards, commission, agencies, authorities, and institutions of the state established by the State Constitution or by law. The Constitution also specifies that the auditor general conducts performance post audits. House Joint Resolution L would retain all of these provisions, and also require the auditor general to conduct post audits of financial transactions and accounts, and performance post audits, of local school districts and of intermediate school districts. (Note: House Joint Resolution M contains this same language.)

In addition, House Joint Resolution L would add Section 10 to Article VIII. Under the proposal, beginning in the 2007-2008 school fiscal year, the board of a school district would be required to ensure that at least 65 percent of the district's general operating budget was spent for instruction. If a school district was not in compliance with the 65 percent requirement, the board would be required to increase the amount spent on instruction by at least two percent each school fiscal year until the district complied.

The proposal defines "instruction" to mean an activity dealing directly with interaction between pupils and teachers or other classroom and instructional personnel, tutors, books, computers, general instruction supplies, instructional aides, and learning support staff such as librarians, and also includes school activities such as field trips, athletics, arts, and multi-disciplinary learning.

Not later than June 1 of each year, the board of a school district would be required to submit its proposed budget to the superintendent of public instruction, along with documentation verifying compliance with the 65 percent requirement. If the board of a school district determined that the school district could not comply, it could request that governor to grant a waiver (or a partial waiver). To obtain the waiver, the board would send a written waiver request to the state superintendent (not later than June 1 before the

beginning of the school fiscal year), and also a written action plan detailing the steps the district would take toward achieving compliance. The state superintendent would promptly evaluate the request and the action plan, and make a recommendation to the governor. Within 30 days after receiving the request, the governor would take action to grant or deny the waiver. A waiver would be valid for one year, and could be renewed upon submission and approval of a new request.

The proposal specifies that the legislature could prescribe penalties for noncompliance with Section 10, Article VIII.

Finally, House Joint Resolution L requires that these proposed constitutional amendments be submitted to the people of the state at the next general election so they could vote whether to add them to the state constitution.

FISCAL IMPACT:

The proposal would create an indeterminate cost increase for the Department of Education due to administrative costs associated with implementing the oversight requirements of this proposal.

Local school districts also could see an indeterminate increase in administrative costs associated with complying with the requirements of this proposal.

At present, the costs to the auditor general are indeterminate.

Legislative Analyst: J. Hunault
Fiscal Analyst: Mary Ann Cleary
Bethany Wicksall
Al Valenzio

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.