

# Legislative Analysis



## CONSOLIDATION OF EDUCATION SERVICES STUDY

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**House Bill 4592 as passed by the House**

**Sponsor: Rep. Tim Melton**

**Committee: Education**

### **First Analysis (7-13-07)**

**BRIEF SUMMARY:** The bill would require that school district officials throughout the state conduct a study to identify opportunities for sharing services. A local district would have to report its results to the appropriate intermediate school district. An ISD would have to send a summary of reports from its constituent local districts to the Department of Education, which in turn would have to compile a report for the committees of the legislature with jurisdiction over education legislation.

**FISCAL IMPACT:** There would be an indeterminate increase in state costs. The Department of Education would incur costs associated with compiling the information submitted by the ISDs and submitting a report to the legislature.

There would be an indeterminate increase in local costs to the school districts for the cost of conducting the required study on sharing services, and to ISDs for the cost of compiling the information and submitting a summary to the Department of Education on the findings of the constituent districts.

### **THE APPARENT PROBLEM:**

The Michigan Public School System is loosely coordinated by an elected state school board whose members appoint a superintendent of public instruction. The system comprises over 550 local K-12 school districts (guided by locally elected boards), more than 200 public school academies or charter schools, and 57 regional intermediate school districts (also guided by local boards—some elected and some appointed). The enterprise employs more than 150,000 classroom teachers and other non-instructional staff, and educates about 1.7 million students in more than 3,600 school buildings. During the 2006-07 fiscal year, the state legislature appropriated about \$11.6 billion to fund the public school system (including school aid, general fund, and retirement system funding). An additional \$2.5 billion was generated by the local 18 mill property tax assessment.

To realize economies of scale and achieve a sharper strategic focus within the sprawling public school system, the 57 regional intermediate school districts make centralized services available to the constituent school districts within their jurisdictional boundaries. (See *BACKGROUND INFORMATION* below.) For example, various ISDs (sometimes called RESAs or Regional Education Service Agencies) offer customized business services, instructional programs (such as career and technical education, special education, and gifted and talented classes), and teacher professional development opportunities.

In order to save money and avoid duplication of services, legislation has been proposed that would require school district officials to work with each other, as well as with their intermediate school district administrators, to identify services that could be consolidated, and then prepare a written report about their findings for submission to the Michigan Department of Education. The department would, in turn, compile a report for the legislature.

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

The bill would amend the Revised School Code (MCL 380.761) to require that school district officials throughout the state conduct a study to identify opportunities for sharing services.

Under the bill, not later than six months after this legislation was enacted into law, the board of a school district would be required to submit a report on the results of its study to the intermediate school district, in a form prescribed by the Michigan Department of Education. A school district's study and report would have to address possibilities for sharing at least all of the following non-instructional services:

- Student transportation for all classes of students and all types of programs.
- Human resources administration.
- Procurement of supplies and other purchasing.
- Technology support services, including, but not limited to, information technology.
- Professional development.
- Accounting and other financial services.
- Legal services.
- Food and child nutritional services.
- Event management.
- Production printing and graphics.
- Shipping and receiving services.
- Any other services described in the code.
- Any other non-instructional services identified by the superintendent of public instruction.

The bill specifies that education services could be shared with other providers of similar services—such as an intermediate school district, or one or more other school districts or intermediate school districts, or other units of local government, or other programs designed to achieve cost savings.

The bill requires that in making its report, a school district include a detailed description of the school district's cost per pupil for each of the services listed.

Within three months of receiving the report, an intermediate school district would be required to compile the reports received from its constituent districts, and submit a summary report on service sharing to the Department of Education. Within two months of receiving the report from the ISDs, the department would be required to compile the

information, and submit a summary to the standing committees of the legislature having responsibility for education legislation.

**BACKGROUND INFORMATION:**

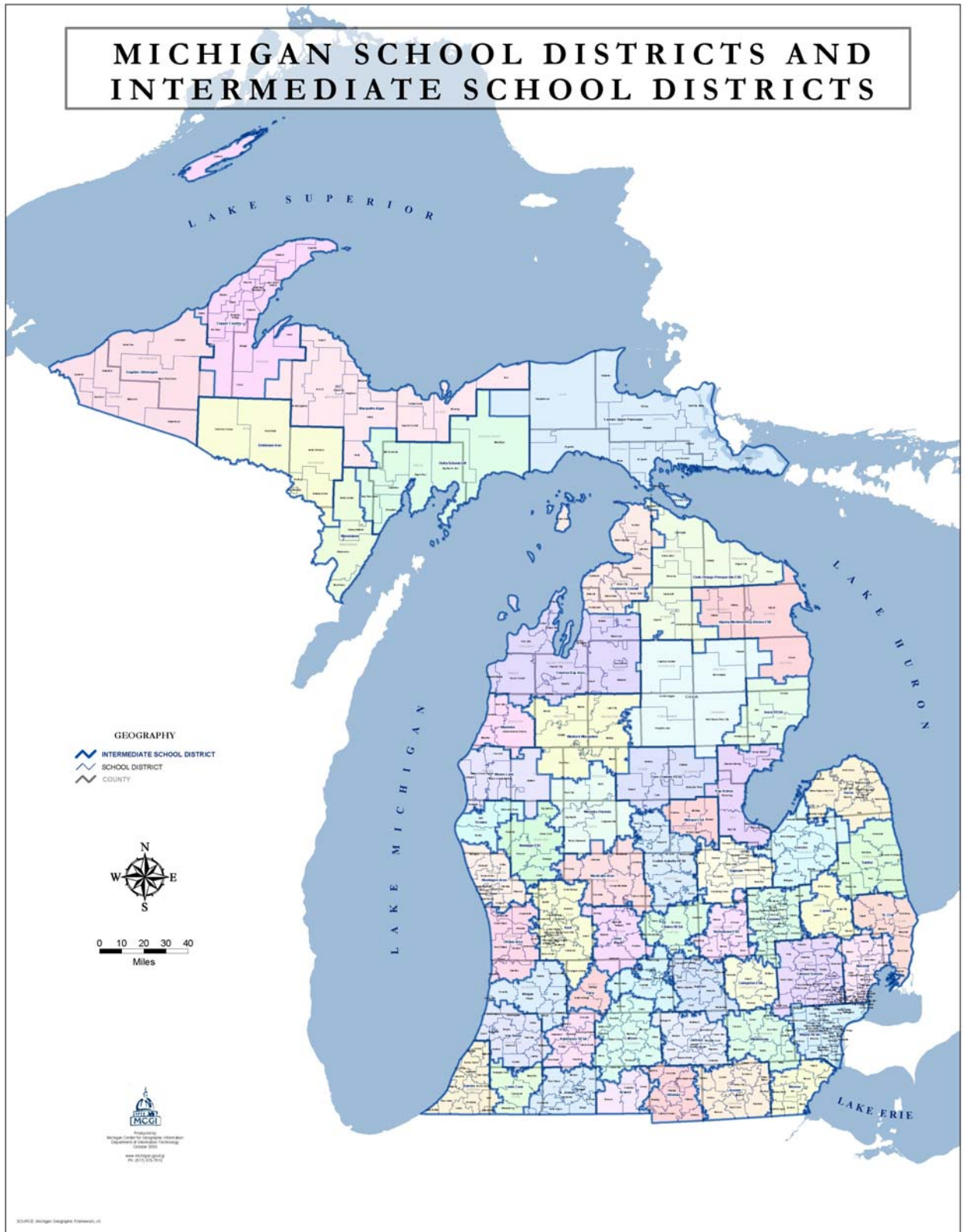
Michigan's 83 counties are served by 57 intermediate school districts (ISDs)—sometimes called Regional Educational Services Agencies (RESAs) or districts. The counties served by the ISDs are apparent, as follows:

Allegan Area Educational Service Agency	Lapeer ISD
Alpena-Montmorency-Alcona ISD	Lenawee ISD
Barry ISD	Livingston ISD
Bay Arenac ISD	Macomb ISD
Berrien ISD	Manistee ISD
Branch ISD	Marquette Alger RESA
Calhoun ISD	Mason Lake ISD
Lewis Cass ISD	Mecosta Osceola ISD
Charlevoix Emmet ISD	Menominee ISD
Cheboygan Otsego Presque Isle ISD	Midland ISD
Eastern UP ISD	Monroe ISD
Clare Gladwin ISD	Montcalm Area ISD
Clinton County RESA	Muskegon ISD
Delta Schoolcraft ISD	Newaygo County RESA
Dickinson-Iron ISD	Oakland ISD
Eaton ISD	Oceana ISD
Genesee ISD	Ottawa ISD
Gogebic Ontonagon ISD	COOR ISD (Crawford, Oscoda, Ogemaw, Roscommon)
Traverse Bay ISD	Saginaw ISD
Gratiot-Isabella RESD	St. Clair RESA
Hillsdale ISD	St. Joseph ISD
Copper Country ISD	Sanilac ISD
Huron ISD	Shiawassee RESD
Ingham ISD	Tuscola ISD
Ionia ISD	VanBuren ISD
Iosco ISD	Washtenaw ISD
Jackson ISD	Wayne RESA
Kalamazoo RESA	Wexford Missaukee ISD
Kent ISD	

For more information about the regional and customized services that ISDs provide their constituent school districts, consult the report published in May 2001 and entitled "Michigan's Intermediate School Districts: Leaders for Educational Excellence—the Mission, Role, and Essential Services of Michigan's Intermediate School Districts," available at the website of the Michigan Association of Intermediate School District Administrators, [www.gomaisa.org/Resources/essential\\_serv\\_fulldoc.pdf](http://www.gomaisa.org/Resources/essential_serv_fulldoc.pdf)

A map of Michigan school districts together with their ISD boundaries follows. A color-coded version of the map can be found at the website of Grand Valley State University whose library serves as a depository for both U. S. and Michigan government documents. Visit [www.gvsu.edu/library/govdoc/index.cfm?id](http://www.gvsu.edu/library/govdoc/index.cfm?id) Select "Map Collection" on the left,

then click on "Michigan Maps Online" on the dropdown menu. Under "Boundary Maps" select "Michigan School Districts and ISDs."



## ***ARGUMENTS:***

### ***For:***

The 57 Educational Service Agencies in Michigan are driven by a mission statement to enhance the educational effectiveness, efficiency and success of all learners. Fundamentally, their strategic focus has a consistent theme across Michigan: customized services. Consequently, each ISD's reach and focus varies. As school district officials search for ways to save money during Michigan's economic downturn, they have begun to network—sharing resources and expertise. To expand and make more uniform those efforts, this legislation would require each school district's leaders to identify possible shared services, and compile a report about them for their local intermediate school district. Those reports would then be forwarded to the Michigan Department of Education, where they would be compiled for submission to the legislature.

### ***POSITIONS:***

The Middle Cities Education Association supports the bill. (5-22-07)

Oakland Schools supports the bill in concept. (5-22-07)

Wayne RESA supports the bill in concept. (5-22-07)

Ottawa, Muskegon, and Kalamazoo ISDs support the bill. (5-22-07)

The Michigan Association of School Boards supports the bill in concept. (5-22-07)

The Michigan Elementary and Middle School Principals Association supports the bill in concept. (5-22-07)

The Michigan Education Association supports the bill. (5-22-07)

The Michigan Association of School Administrators supports the bill in concept. (5-22-07)

The Michigan Association of Intermediate School Administrators supports the bill in concept. (5-22-07)

The Detroit Public Schools are neutral on the bill. (5-22-07)

Michigan Small & Rural Schools Association is neutral on the bill. (5-22-07)

Allegan & VanBuren ISDs are neutral on the bill. (5-22-07)

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■ 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.