

CONSOLIDATION OF EDUCATION SERVICES STUDY

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House Bill 4592 as enrolled
Public Act 63 of 2007
Sponsor: Rep. Tim Melton
House Committee: Education
Senate Committee: Education

Second Analysis (1-3-08)

BRIEF SUMMARY: The bill would require that intermediate school district officials throughout the state conduct studies to identify opportunities for sharing services. An ISD would have to send its report (written with the cooperation of its constituent local school 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 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 levy.

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.) 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 intermediate school district officials to work with their local constituent 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 intermediate school district officials throughout the state conduct studies to identify opportunities for sharing services among their local constituent school districts.

Under the bill, not later than six months after this legislation is enacted into law, the board of an intermediate school district would be required to submit a report on the results of its study to the Michigan Department of Education (in the form and manner prescribed by the department). An intermediate 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 requires that in making its report, an intermediate school district include a detailed description of the average cost per constituent district for each of the services listed. (If an intermediate school district has already conducted such a study, then its findings would be submitted to the Department of Education.)

Within two months of receiving the reports from the intermediate school districts, the Department of Education would be required to compile the information and submit a summary to the standing committees of the legislature having responsibility for education legislation.

Finally, the bill specifies that there are sufficient funds allocated to intermediate school districts under section 81 of the State School Aid Act for the purposes of this section, and

the intermediate school districts are directed to use those funds to comply with these reporting requirements.

BACKGROUND INFORMATION:

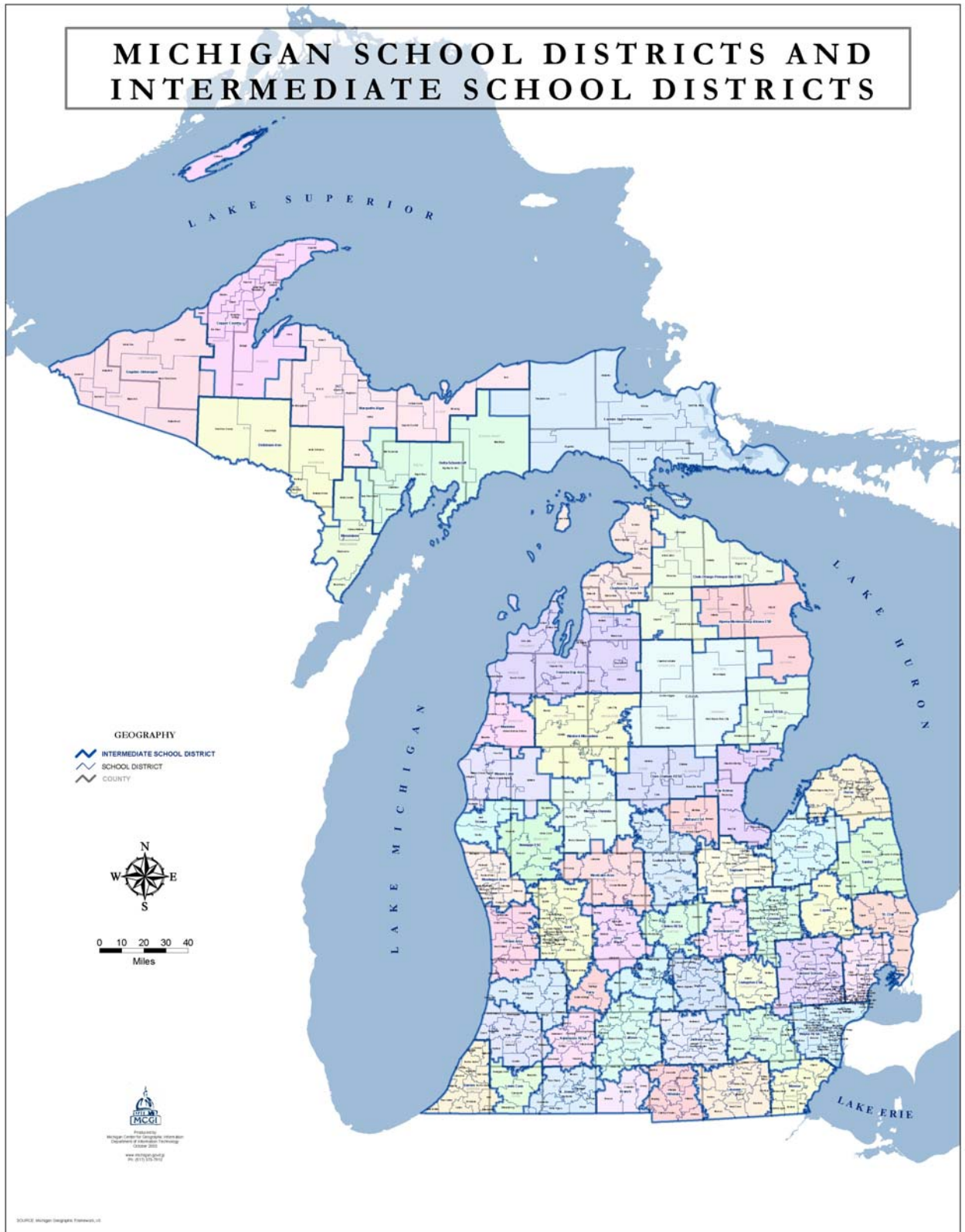
Michigan's 83 counties are served by 57 intermediate school districts (ISDs)—sometimes called Regional Educational Services Agencies (RESAs) or districts. The counties served by the ISDs are apparent, as follows:

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

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 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."

MICHIGAN SCHOOL DISTRICTS AND INTERMEDIATE SCHOOL DISTRICTS



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 intermediate school district's leaders to identify possible shared services and compile a report about them for use by their local constituent school districts. Those reports would be forwarded to the Michigan Department of Education, where the information in them would be summarized for submission to the legislature.

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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.