



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 4592 (Substitute H-1 as passed by the House)

Sponsor: Representative Tim Melton

House Committee: Education

Senate Committee: Education

Date Completed: 8-1-07

CONTENT

The bill would add Part 7B (Consolidation of Services) to the Revised School Code, to do all of the following:

- Require a school board to study opportunities for sharing noninstructional services with other entities, and submit a report to its intermediate school district (ISD).**
- Require ISDs to compile the reports received from school districts and submit a summary report on service sharing to the Michigan Department of Education (MDE).**
- Require the MDE to compile the information submitted by ISDs and submit a summary to the legislative committees responsible for education legislation.**

Specifically, the board of a school district would have to conduct a study concerning the opportunities for sharing services with other providers of similar services, such as the ISD, one or more other districts or ISDs, other units of local government, or other programs designed to achieve cost savings. Within six months after the bill's effective date, the school board would have to report the results of its study to the ISD in the form and manner prescribed by the MDE. A school district's study and report would have to address possibilities for sharing of at least all of the following noninstructional services:

- Pupil transportation for all classes of pupils and all types of programs.
- Human resources administration.
- Procurement of supplies and other purchasing.
- Technology support services, including 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 service described in Section 627 of the Code.
- Any other noninstructional services identified by the Superintendent of Public Instruction.

(Section 627 provides for ISDs to furnish management services to school districts; conduct various cooperative programs on behalf of districts, ISDs, or public school academies)

(PSAs); provide comprehensive school improvement support services to districts or PSAs; and offer to provide cost-effective business services to districts or PSAs.)

A school district's report also would have to include a detailed description of its per-pupil cost for each of the services listed above.

Within three months after receiving them, an ISD would have to compile the reports from its constituent districts and submit a summary report on service sharing to the MDE, in the form and manner the Department prescribed. Within two months after receiving the reports from the ISDs, the MDE would have to compile the information from them and submit a summary to the standing committees of the Senate and House of Representatives having responsibility for education legislation.

Proposed MCL 380.761

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

State: The Department of Education would see increased administrative costs under this legislation, resulting from the required compilation, summary, and presentation of intermediate school district reports.

Local: Both local and intermediate school districts would see increased costs. Local districts would face the costs of conducting the required study on sharing noninstructional services, and costs to ISDs would arise from compiling the constituent districts' reports and submitting a summary to the MDE.

Fiscal Analyst: Kathryn Summers-Coty

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.