

HOUSE BILL NO. 5931

September 11, 2024, Introduced by Reps. Steele, Jaime Greene, Martin and Johnsen and referred to the Committee on Government Operations.

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 11x (MCL 388.1611x), as amended by 2023 PA 103.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11x. (1) The school consolidation and infrastructure fund
2 is created as a separate account within the state school aid fund
3 for the purpose of improving student academic outcomes, increasing
4 the efficiency of the state's public education system, and creating
5 a healthy and safe space for students in this state.

6 (2) The state treasurer may receive money or other assets from

1 any source for deposit into the school consolidation and
2 infrastructure fund. The state treasurer shall direct the
3 investment of the school consolidation and infrastructure fund. The
4 state treasurer shall credit to the school consolidation and
5 infrastructure fund interest and earnings from school consolidation
6 and infrastructure fund investments.

7 (3) Money in the school consolidation and infrastructure fund
8 at the close of the fiscal year remains in the school consolidation
9 and infrastructure fund and does not lapse to the state school aid
10 fund or the general fund.

11 (4) The department of treasury is the administrator of the
12 school consolidation and infrastructure fund for auditing purposes.

13 (5) Money available in the school consolidation and
14 infrastructure fund must not be expended without a specific
15 appropriation.

16 (6) From the state school aid fund money appropriated under
17 section 11, there is allocated for 2022-2023 only an amount not to
18 exceed \$5,000,000.00 for grants to districts and intermediate
19 districts to support the cost of a feasibility study or analysis of
20 consolidation or the consolidation of services among 1 or more
21 buildings within a district, among 1 or more districts, or among 1
22 or more intermediate districts. Districts and intermediate
23 districts may apply for a grant under this subsection to the
24 department on a first-come, first-serve basis. The maximum amount
25 of a grant to be distributed under this subsection may not exceed
26 \$250,000.00. Notwithstanding section 17b, the department shall make
27 payments under this subsection on a schedule determined by the
28 department.

29 (7) To be eligible for a grant under subsection (6), a

1 district or intermediate district must demonstrate to the
2 department, in the manner prescribed by the department, that it
3 will conduct a feasibility study or analysis and that all of the
4 following will be met:

5 (a) Within 30 days after completion of the study or analysis,
6 the district or intermediate district will make the results of the
7 study or analysis available to all districts and intermediate
8 districts included in the study or analysis. Within 60 days after
9 the completion of the study or analysis, the district or
10 intermediate district will make the results available on a publicly
11 available website.

12 (b) The study or analysis may include, but is not limited to,
13 consolidation opportunities in the following areas:

14 (i) Financial services, which may include, but is not limited
15 to, the following:

16 (A) Budgeting and staffing.

17 (B) Payroll.

18 (C) Employee benefits.

19 (D) State reporting.

20 (E) Software consolidation to achieve common software
21 throughout the intermediate district.

22 (ii) Human resources, which may include, but is not limited to,
23 the following:

24 (A) Onboarding.

25 (B) Title IX administration.

26 (C) Hiring.

27 (D) Software consolidation to achieve common software
28 throughout the intermediate district.

29 (iii) Information technology, which may include, but is not

1 limited to, the following:

2 (A) Software consolidation to achieve common software
3 throughout the intermediate district.

4 (B) Fiber projects.

5 (C) Cybersecurity.

6 (D) One-to-one device management.

7 (iv) Grant management and reporting, which may include, but is
8 not limited to, the following:

9 (A) Management of all state grant sites and databases.

10 (B) Grant reporting.

11 (v) Cash management, which may include, but is not limited to,
12 the opportunities for intermediate districts and districts to
13 contract on cash flow management to maximize interest earnings.

14 (vi) Debt issuance and management, including at least all of
15 the following:

16 (A) Refunding opportunities.

17 (B) New bond issue analysis.

18 (vii) School facility consolidation.

19 (viii) Consolidation of transportation-related activities.

20 (ix) The physical consolidation of districts.

21 (x) **Administrative functions, which may include, but are not**
22 **limited to, those performed by superintendents.**

23 (xi) **Service functions, which may include, but are not limited**
24 **to, the following:**

25 (A) **Food services.**

26 (B) **Janitorial and maintenance services.**

27 (8) An intermediate district that receives a grant under this
28 section shall meet with its constituent districts located within
29 the intermediate district to discuss the results of the study or

1 analysis and to implement changes where feasible. The application
2 for an intermediate district must include a brief description of
3 how the intermediate district will conduct these meetings.

4 (9) To be eligible for the receipt of funding for
5 infrastructure-related projects appropriated from the school
6 consolidation and infrastructure fund created under this section, a
7 district must allow for the facility condition assessments
8 described in section 11y to be conducted in the district. It is the
9 intent of the legislature that money in the school consolidation
10 and infrastructure fund will not be appropriated for infrastructure
11 projects until the completion of the facility condition assessments
12 described in section 11y.