

## ALLOWABLE USES OF INTERMEDIATE SCHOOL DISTRICT CAREER AND TECHNICAL EDUCATION MILLAGE

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

**House Bill 4060 as reported from committee**

**Sponsor: Rep. Curt S. VanderWall**

**House Committee: Education**

**Complete to 3-11-25**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4060 would amend the Revised School Code to allow an intermediate school district (ISD) to contract with another ISD for the purposes of operating an *area career and technical education (CTE) program*,<sup>1</sup> and to add language specifying that money raised through a CTE millage by an ISD can be spent on a program that is operated under a contract with another ISD. This would apply to millage dollars collected in school years after the effective date of the bill.

*Area career and technical education program* means a program of organized, systematic instruction designed to prepare the following individuals for useful employment in recognized occupations:

- Individuals participating in CTE readiness activities that lead to enrollment in a CTE program in high school.
- Individuals enrolled in high school in a school district, intermediate school district, public school academy, or nonpublic school.
- Individuals who have completed or left high school and who are available for full-time study in preparation for entering the labor market.
- Individuals who have entered the labor market and who need training or retraining to achieve stability or advancement in employment.

As used in this term, as well as in the term “area vocational-technical education program,” *area* means the geographical territory within the boundaries of a K-12 school district, an intermediate school district, or a community college district that is designated by the Michigan Department of Education (MDE) as the service area for the operation of an area vocational-technical education program.

Under current law, the board of an ISD in which an area CTE program has been established can contract with a local school district or community college to operate the CTE program. The bill would modify this to allow an ISD in which an area CTE program has been established to contract for the entire or partial operation of a CTE program to also contract with another ISD within or outside of the service area designated by MDE for the operation of the CTE program.

Also under current law, if an ISD is not within a community college district, it could contract with a private post-secondary degree granting institution if a written agreement existed with

---

<sup>1</sup> R 395.241 of the Michigan Administrative Code contains the definition of a state-approved CTE program.  
[https://www.michigan.gov/-/media/Project/Websites/mde/CTE/cte\\_admin/CTE\\_AdminCode.pdf](https://www.michigan.gov/-/media/Project/Websites/mde/CTE/cte_admin/CTE_AdminCode.pdf)

that private institution on or before July 1, 1992. House Bill 4060 would remove the date requirement for having a contract with a private institution in place so an ISD could pursue such an agreement with a private post-secondary degree granting institution.

MCL 380.681 and 380.684

## **BACKGROUND:**

The bill is substantively identical to House Bill 4279 of the 2023-24 legislative session, which was passed by the House of Representatives.<sup>2</sup>

## **BRIEF DISCUSSION:**

The bill would allow ISDs to use the proceeds from CTE millages to pay the costs of sending a student in a district under that ISD's service area to a neighboring ISD to participate in a CTE program. Currently, ISDs can contract with neighboring ISDs to allow students to participate in CTE programs, with the costs of doing so covered by general fund dollars. According to committee testimony offered by the superintendent of an ISD that does not presently have a CTE millage, passage of the bill will allow his ISD to reimburse their general fund expenditures for CTE program participation if voters approve a CTE millage.

## **FISCAL IMPACT:**

The bill would have no impact on the state and could reduce costs for certain intermediate school districts.

The bill would allow ISDs that currently have pupils enrolled in CTE programs operated under a contract with another ISD to seek a millage to cover the costs of contracting with another ISD for the CTE programs, which would increase revenues if passed. Additionally, ISDs with their own CTE program may choose to instead contract with another ISD to reduce costs.

The bill would also allow an ISD that is not within a community college district to contract with a private institution of higher education for a CTE program without needing a written agreement before July 1, 1992, to do so. An ISD that is not within a community college district and did not have a prior written agreement may realize reduced costs by contracting with a private institution of higher education for a CTE program.

## **POSITIONS:**

A representative of the Manistee Intermediate School District testified in support of the bill. (2-19-25)

The following entities indicated support for the bill (2-19-25):

- Associated Builders and Contractors of Michigan
- Home Builders Association of Michigan
- Michigan Alliance for Student Opportunity

---

<sup>2</sup> <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2023-HB-4279>

- Michigan Association of Intermediate School Administrators
- Michigan Association of School Administrators
- Michigan Association of School Boards
- Michigan Association of Secondary School Principals

Legislative Analyst: Josh Roesner  
Fiscal Analysts: Jacqueline Mullen  
Noel Benson

---

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