



**House
Legislative
Analysis
Section**

Manufacturer's Bank Building, 12th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

DEFINITION OF ELECTIVE OFFICE

House Bill 6206 as introduced
First Analysis (11-29-90)

Sponsor: Rep. Gordon R. Sparks
Committee: Elections

THE APPARENT PROBLEM:

Among the many changes made to the campaign finance act by Public Act 95 of 1989 was an exemption from the act's filing and reporting requirements for candidates for school board in primary and fourth class school districts. The intent of the amendment, apparently, was to excuse candidates for school board in small school districts because little or no money is spent on their campaigns. However, it turns out that some fourth class school districts are actually quite large, sometimes larger than third-class districts, and that considerable amounts are sometimes spent on school board races in large fourth class districts. (The Rochester school district has been offered as an example.) School systems were placed in these districts many years ago and are not required to be reclassified when school populations grow (or decline), unlike school athletic league designations. In fact, a school district can only go to a higher classification (from fourth class to third class, for example) with a vote of the people. In any case, the recommendation has been made that the exemption for school board candidates be based on actual school district pupil populations and not on the somewhat anomalous classification system found in the School Code.

THE CONTENT OF THE BILL:

The bill would amend the campaign finance act to make the exemption from registration and disclosure requirements for school board members in small school districts apply to school districts with 2,400 or fewer students rather than to candidates in primary and fourth class districts. It would do this by modifying the act's definition of "elective office." Currently, the act says that an elective office does not include a school board member in "a primary or fourth class school district." The bill would delete that language and instead make the exclusion apply to a school board member in "a school district that has a pupil membership of 2,400 or less on the most recent pupil membership count day."

MCL 169.205

BACKGROUND INFORMATION:

The Department of State has offered the following examples of neighboring school districts where fourth class districts (exempt from the campaign finance act) are larger than third class districts (not exempt from the act).

Fourth Class

Mason (3,144)
Grand Ledge (4,564)
Bloomfield Hills (5,601)
Warren Consolidated
(14,008)

Third Class

Holt (4,375)
West Bloomfield (4,623)
Berkley (4,329)
Ferndale (4,459)

The School Code of 1976 appears to classify school districts based on the number of students as follows:

Fourth Class — more than 75 and under 2,400
Third Class — more than 2,400 and under 30,000
Second Class — more than 30,000 and under 120,000
First Class — At least 120,000

According to information from the Department of Education, there are 18 primary districts; 404 fourth class districts; 133 third class districts; 3 second class districts; and 1 first class district. There are also two so-called special act districts. A district that has sufficient enrollment to move to a higher classification can do so, but need not. Districts do not move to a lower classification when enrollment declines.

FISCAL IMPLICATIONS:

There is no information at present.

ARGUMENTS:

For:

The bill aims to restore the original intent of a 1989 amendment to the campaign finance act that sought to exempt from the registration and disclosure requirements candidates for school boards in small school districts. It grants the exemption based on school district enrollment rather than on the apparently less reliable school district classification system in the School Code.

Against:

It is not obvious that school district size ought to be the basis of an exemption from the campaign finance act, since it is conceivable that sizable contributions could be made in a hotly contested or controversial election in a small school district.

POSITIONS:

The Department of State supports the bill. (11-28-90)