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BILL ANALYSIS

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House Bill 4508 (Substitute S-1 as reported)
Sponsor: Representative Bill McConico
House Committee: Commerce
Senate Committee: Education

CONTENT

The bill would amend the Revised School Code to:

- Dissolve the powers of the current Detroit Public Schools reform board and its chief executive officer (CEO) on January 1, 2005.
- Delete the requirement that the question of whether to retain the reform board and its CEO be placed on the ballot in the November 2004 general election.
- Require that a special election be held in Detroit on March 16, 2004, to decide whether to approve the return of the school district to the form of governance in effect before March 26, 1999 (an 11-member elected school board).
- Provide for the appointment of a new CEO and the election of an advisory board, if the ballot question were not approved.

Specifically, if the ballot question were not approved, the mayor of Detroit, by January 31, 2005, would have to appoint a new CEO of the Detroit Public Schools, who would assume all rights, duties, and obligations of an elected school board of the district. By April 1, 2004, the mayor would have to establish nine voting districts within the Detroit school district boundaries; the voting districts would have to be approved by the State Board of Education. Detroit voters would have to elect one school board member per voting district at the November 2004 general election. The nine-member elected board would serve in an advisory role to the CEO and the mayor. The mayor and the CEO would be prohibited from entering into contracts with parties with whom they had a substantial conflict of interest.

(The Code and the bill refer to a "first class school district", which means a school district with at least 100,000 pupils; the Detroit school district currently is the only first class district. Under the bill, all requirements applying to mayoral appointment of a CEO, CEO powers and duties, voting districts, board elections, board responsibilities, and reform boards also would apply to any district that became a first class district in the future.)

MCL 380.3 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

Section 20(20) of the School Aid Act provides additional funding to the Detroit Public Schools in the amount of \$15 million. That funding is contingent upon there being a reform board in place. This bill could result in the elimination of the reform board and the subsequent loss of \$15 million to the Detroit school system. On the other hand, the State then would save \$15 million as this funding would no longer be required under Section 20(20) of the School Aid Act.

The cost of the March special election is estimated to be \$1.5 million.

Date Completed: 12-15-03

Fiscal Analyst: Joe Carrasco
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