



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4224 (as reported without amendment)
 Sponsor: Representative Deborah Whyman
 House Committee: Education
 Senate Committee: Education

Date Completed: 3-30-95

RATIONALE

The Plymouth-Canton School District is leasing from the Livonia School District a former junior high school building, which the Plymouth-Canton School District is using as a middle school. In 1991, voters in Plymouth-Canton passed a \$59.6 million bond issue, of which \$12 million has been set aside to make improvements to school buildings to support the introduction of fiber optic technology in 20 school buildings in the district. The district is using the bond funds to equip its 20 school buildings, and is relying on operational funds to cover the \$40,000 cost to equip the leased building. The School Code, however, does not authorize school districts to spend bond or operational funds on buildings that are not part of a school district. Some people believe the Plymouth-Canton School District should be allowed to modify the building it is leasing from the Livonia School District so that students attending this school would be able to use the same fiber optic technology that is available to students attending school buildings located within the Plymouth-Canton School District.

CONTENT

The bill would amend the School Code to permit a school board, if it leased a school building from another school district, to spend operating funds to renovate or make structural improvements to the school building. These improvements could include, but would not be limited to, energy conservation measures for improving the technological or instructional capabilities of the school buildings owned by the district. A school district, however, could not spend more than 5% of its operating funds for these purposes.

The bill specifies that the Code's restrictions concerning sites not owned by a school district

would not apply to expenditures authorized under the bill. (The Code currently prohibits a school board from building a school on a site without having prior title in fee to the site, a lease for at least 99 years, or a lease for at least 50 years from the U.S. government, or the State, or a political subdivision of the State. A school board cannot build a frame school on a site for which it does not have a title in fee or a lease for 50 years without securing the privilege of removing the school.)

Proposed MCL 380.1363a

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would allow the Plymouth-Canton School District to renovate a school building it leases from the Livonia School District to install in that building the same fiber optic technology that has been installed in school buildings located within the Plymouth-Canton School District. As a result, students and teachers located in the leased building would be treated equally with students and teachers in the district's other school buildings. According to Plymouth-Canton school officials, the lease arrangement between the two school districts has been adjusted to take into account the cost of the improvements that would be made. Furthermore, the bill would prohibit a district from spending more than 5% of its operating funds for renovations or improvements to a leased school building. This would be consistent with a provision in the State School Aid Act that prohibits a district from transferring more than 5% of its State aid to

a building and site fund or to a debt retirement fund for debt service.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: A. Rich

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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.