

**A HISTORY OF THE RELATIONSHIP  
BETWEEN  
THE DETROIT BOARD OF EDUCATION  
AND  
THE CITY OF DETROIT**

**A Report Prepared at the Request of  
New Detroit, Inc.**

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# A HISTORY OF THE RELATIONSHIP BETWEEN THE DETROIT BOARD OF EDUCATION AND THE CITY OF DETROIT

## Introduction

Public education has been a subject of controversy in Detroit since the earliest days of the settlement. More recently, concerns about the many serious problems of the school system have prompted various responses: decentralization and recentralization of the school board; criticism of the administration of the system; charges that the state, which is constitutionally responsible for public education, is not doing enough to insure the availability of quality education; several proposals to increase and/or shift funding for schools.

Administration of Detroit public schools is the responsibility of the 11 elected members of the school board and the superintendent they appoint. The administration of the school system is now completely separate from Detroit city government, although the mayor of the city was originally ex officio president of the school board. It was not until 1949 that the Detroit Board of Education achieved fiscal independence from the city government.

This paper describes the legal relationship between the Detroit public school system and the city government, and places that relationship in the context of the historical development of the Detroit Public School System. Sources used for this report include various reports of the City of Detroit Public Schools dating back to the mid-nineteenth century, City of Detroit reports, state statutes, and several accounts written by early Detroit educators and historians. Documentary sources for the earliest period were incomplete and fragmentary, making the exact date of certain changes difficult to identify.

## Early History of Education in Detroit

**First Efforts** Although the first parochial school in Detroit was opened around 1755, it was not until 1817 that a “public” school opened. The Catholepistemiad, which consisted of a primary school and an academy, represented movement toward free public education: the tuition of the poor was paid by the territory. The curriculum proved too complex, however, and the school closed after only ten years. In 1837, the Catholepistemiad was reorganized and moved to Ann Arbor; it was subsequently named the University of Michigania and finally the University of Michigan.

Other early 19th century efforts to provide free public education were made by the Women’s Literary Society and the Free School Society. An 1829 law provided that parents or guardians of children attending public school were required to pay tuition and furnish fuel for the school, but pauper children were allowed to attend free. The Michigan Constitution of 1835 provided for a system of common schools, and the state legislature in 1837 chose to delegate the basic responsibility for education to primary school districts. State funds for education first became available to Detroit in 1839; state funding was initially \$ .64 for each child on the census. A local school property tax equal to \$1.00 for each child included in the census was initiated in 1841.

The actual establishment of a system of free public schools in Detroit was the result of efforts led by Dr. Zina Pitcher, who was elected mayor in 1841. The concerns at that time were twofold: many children were not receiving an education, but were creating a nuisance and engaging in

mischievous. On February 18, 1842, Michigan Governor John S. Barry signed a law establishing free public schools in Detroit for children from ages five to 17. The board of education responsible for those first schools was to be comprised of the mayor, who would act as president of the board; the recorder of the city, who would attend meetings for the purposes of deliberation and of serving on committees, but who had no vote except in the absence of the mayor, when the recorder acted as president; and two inspectors elected from each of the six wards of the city, all of whom served without pay. Inspectors were to be elected to two-year terms, and vacancies were to be filled by the common council. Dr. Douglas Houghton, who was elected mayor of Detroit in 1842, became president of the first Detroit Board of Education, and oversaw the establishment of a primary school in each ward.

Until 1846, the mayor had the right to vote, and in his absence, the recorder exercised this right and acted as executive. In 1846, however, the legislature amended Public Act 70 of 1842, to allow the board of education to elect its own president.

By 1852, there were ten wards from which inspectors were elected. In 1855, the school tax levy was increased from \$1.00 to \$2.00 per child. The first school superintendent was appointed in 1856. The state legislature authorized the common council to levy a tax of no more than \$20,000 per year for school sites and buildings in 1857. Although the mayor and recorder were still listed as ex officio members of the school board in 1855, by 1861 they were no longer listed. By 1864, reorganization of the school board was being proposed, with the board president suggesting a reduction in the number of board members, and the mayor suggesting mayoral nomination of school board members, subject to council approval. The school tax for operations was raised to \$3.00 per child in 1865. In 1873, the board obtained authority to appoint a secretary and a treasurer. Legislation provided that the superintendent of schools could act as secretary of the board, but would not receive extra compensation for this service.

**The Detroit Public Library** On March 31, 1871, the board of education was authorized to appoint a board of library commissioners and transfer the public library to their supervision. Public Act 164 of 1877 authorized cities to establish and maintain free public libraries; Public Act 26 of 1921 required that in cities of over 250,000 population, the public library was subject to the fiscal control of the city government. Today the Detroit Public Library constitutes a separate fund within the City of Detroit's accounting system. The library director is appointed by the library commission (which is appointed by the board of education), rather than by the mayor, and the library maintains its own personnel, labor relations, and purchasing functions. The library is supported by city general fund contributions, as well as a .64 mill levy passed through from the board of education's county-allocated millage, a one-mill extra-voted tax levy, \$7.2 million in state equity grants to Detroit and other state aid, court fines, and miscellaneous revenue.

**The Late 19th Century** In 1875, there were 26 members from 13 wards on the board of education. By 1876, citizens were charging the board with extravagance, influence, and bribery, and demanding reorganization. Reorganization occurred in 1881, and while Mayor William G. Thompson revived the demand that members be mayoral nominees, selected equally from both parties and approved by the common (city) council, Public Act 314 provided for 12 inspectors elected at large to four-year terms. Vacancies were to be filled by the mayor, with city council confirmation. The board at that time made the superintendent of schools its executive officer. In 1889, the method of electing the board was again changed, with one inspector elected from and

by each of the 16 wards. Board members continued to serve four-year terms. Also in 1889, charges of fiscal mismanagement resulted in board of education funds being transferred to the city controller.

Although a state compulsory attendance law had been passed in 1871, it was not until 1897, 45 years after the establishment of the first legislated free public schools in Detroit, that there were sufficient seats in schools for all of the children who attended public school.

By 1900, the superintendent had gained substantial authority, but the mayor and council retained very significant control over school system administration. As new wards were added to the growing city, new members were added to the board; by 1915 the school board was comprised of 21 members. State legislation passed in 1913 allowed board of education reorganization, but this was not submitted to the voters until 1916, when reorganization resulted in the establishment of a seven-member, non-partisan board, elected at large. At this time the power of the school superintendent was again strengthened.

### **The First Comprehensive School Code - 1927**

**Public Act 319 of 1927** In 1927, Public Act 319, the school code, replaced numerous statutes dealing with public education.

Chapter 8 of Part I of Act No. 319 of the Public Acts of 1927 regulated school districts of the first class, defined as those cities having a population of more than 500,000. (In the Bureau of the Census estimates for July 1, 1986, the second largest city in Michigan was Grand Rapids, which had grown only to 186,530 residents. By that time, Detroit's population had declined from a high of about 1.8 million to 1,086,220.) Public Act 319 of 1927 specified that the board of a first class school district was to be comprised of seven members elected at large to six-year terms; the officers of the board were to be a president, vice-president, secretary, the city treasurer was to serve as ex officio treasurer, and the city controller was to serve as ex officio controller. Neither the treasurer nor the controller was allowed to vote on matters before the board.

The act defined the relationship between the board of education and the municipal government, including the city treasurer's custody of school funds; the necessity of city approval of board of education budget requests, payrolls, contracts, vouchers, and borrowing; mayoral approval or veto of proposed expenditures, including pension expenditures; city sale of board of education bonds, and the city clerk's conduct of elections and presentation of ballot issues for the board of education. Although members of the board of education were directly elected, the power of the mayor and city council over the activities of the school district effectively made the public school system a department of the city.

Section 9 of Chapter 8 of Part I of the 1927 school code required the city clerk to notify candidates for the school board of their election within the time specified for notification of city officials. This requirement is still in effect.

Section 13 stated:

The city treasurer shall be ex-officio treasurer and the city controller shall be ex-officio controller of said board with the duties hereinafter set forth, but without

the power to vote ... The treasurer shall have the custody of all moneys belonging to the school district and shall pay out the same only upon orders as in this chapter specified. All funds shall be deposited with the same depositories as are selected by the properly constituted authorities for the deposit of city funds and the interest derived therefrom unless otherwise herein appropriated shall be paid into and become a part of the maintenance fund of the board. The board shall require from the city treasurer a separate bond of not less than one hundred thousand dollars and from the city controller a separate bond of not less than twenty-five thousand dollars to protect the separate funds of the board.

The city treasurer, now a division head in the finance department, still has custody of school funds and issues checks drawn on school accounts.

Section 16 of the 1927 school code gave the city council fiscal authority over the board of education:

The board shall annually prepare its budget at the same time and in the same manner as the city's budget and transmit the same to the same appropriating bodies as is provided for in the city's budget.... So much of said budget as the appropriating bodies of said city shall approve shall be levied and collected the same as city taxes: Provided, however, That the amount so approved for every child in the city between the ages of five and twenty years ... shall be not less than five dollars: Provided further, That the appropriating bodies may cause the whole or any part of the appropriation for the purchase of land and the erection of buildings to be made by the issue of bonds in lieu of raising the same by taxation; said bonds shall be issued in the name of the "city of....." in the same manner as are city bonds....Provision shall be made for the retirement of said bonds in a sinking fund the same as other city bonds.

The city controller was assigned the duty to examine, and if correct to certify all vouchers, including payrolls, bills, accounts, and claims, transmitted by the board, to issue a warrant for payment on the city treasurer, and to charge the appropriate school accounts. The city controller was also responsible for certifying that money to be spent under any board of education contract for the purchase of real estate, or for building construction, remodeling or repair, was available or that an appropriation had been made for that expenditure. In order for the controller to certify these capital contracts, the board had first to submit all contracts for the completed work covered by the appropriation to the controller. In 1955, the city controller was relieved of the authority to insure that school funds had been appropriated and were available for expenditures.

The consent of the legislative body of the city was required for the board to authorize its financial officers to borrow for up to a year, on the best possible terms, to pay condemnation awards.

Actions of the board which initiated the expenditure of property or money had to be recorded and had to be presented by the secretary to the mayor. If the mayor approved and signed, the resolution or proceeding, it went into effect. If the mayor did not approve it, the resolution or proceeding was returned to the board with the mayor's objections in writing. If the mayor neither approved nor returned the item within five days of receiving it, it went into effect. The board could

override a mayoral veto by a two-thirds vote. The same requirement for mayoral approval applied to actions of the school pension board of trustees.

**Borrowing** In order for the school district to borrow money by selling bonds, the legislative body of the city had to pass a resolution approving the board resolution to purchase buildings or sites, institute condemnation proceedings, erect or equip buildings, or make any other permanent improvement which the board was authorized to make.

A board resolution to issue and sell bonds was to be transmitted to the legislative body of the city, which could approve the contemplated issue and sale, submit the request to the electors, or refuse to approve. If approval were obtained from the city council or the voters, council would by resolution determine the amounts of the individual bonds, the medium in which principal and interest would be payable, and where the bonds would be payable. Council would direct the controller or other city officer to advertise for sealed proposals to be received at a specified time, or for open proposals to be received at a bond auction to be conducted by a city officer. The city council could accept or reject proposals, and could direct the city officer to re-advertise for proposals. Council could by resolution accept proposals for bonds, authorize the sale of those bonds, determine the form of the bonds to be issued and sold, and order the city officer to prepare the bonds. This city resolution was to be transmitted to the board of education, and if ratified by the board, the city officer would prepare the bonds.

The bonds were to be signed by the president of the board of education, countersigned by the mayor or other like executive officer of the city, and by the issuing city officer, be attested by the city clerk, and delivered to the treasurer of the school district, who would certify that: "This bond has been issued and sold in compliance with law; has been duly entered in the books of this office; and the par value of same, and all premiums on sale, and interest accruing before delivery have been paid into this office." After receiving payment, the treasurer would deliver the bonds to the purchaser.

All provisions of law that required that the proceedings of the board of education or legislative body be submitted to the mayor and which regulate the procedure of the board or body on a veto of their proceedings applied to the issue and sale of bonds.

All officers of the city who participated in the issuance and sale of board of education bonds were made ex-officio officers of the school district.

The board of education could elect to submit to the qualified voters of the school district any measure or question not coming under its general power or authority for adoption that the board deemed "Just and proper toward the prosperity of, and the advancement of education in the free schools." The secretary of the board was required to file with the city clerk, a notice of the question to be submitted to the voters at least 20 days before the election. The city clerk would publish the notice in accordance with applicable laws governing city elections. Board of education elections were to be governed by the same laws as governed city elections.

**School Legislation in the 1940s** Section 6 of Chapter IV of Public Act No. 202 of 1943 required the Detroit School District to obtain the approval of the Detroit City Council to authorize the district's sale of tax anticipation notes and pledge the taxes of the school district for payment. Chapter VI of that act dealt with refunding bonds and certificates of indebtedness; Section 3 re-

quired that the legislative body of the city comprising a first class school district must apply to the Michigan Municipal Finance Commission on behalf of the school district, and that refunding bonds for the school district be issued on the faith and credit of the city.

Public Act No. 114 of 1945 amended Section 16 of Chapter 8 of Part 1 of Act No. 319 of the Public Acts of 1927 by adding “The budget shall specify the amount to be appropriated for the retirement of the employees of the board of education, which item shall be classified as the ‘employees’ retirement fund.” Public Act 122 of 1945 modified Section 18 of Chapter 8 of Part 1 of Public Act 319 of 1927 by deleting the requirement that the board president also sign bills and payrolls submitted to the city controller.

### **Attainment of Fiscal Independence from Detroit City Government - 1949**

**Public Act 2 of 1949** The achievement of fiscal independence from the mayor and common council was considered a triumph by the Detroit Board of Education. Public Act No. 2 of 1949 amended Sections 16 and 29 of Chapter 8 of Part 1 of Act No. 319 of the Public Acts of 1927, Section 16 as amended by Act No. 114 of the Public Acts of 1945. The board of education was freed of the requirement for city approval of budgets and borrowing: it could adopt a budget, determine what part of the capital plan was to be funded by bond proceeds, and determine the tax levy required. The city would levy, collect, and distribute the property tax.

The revised Section 16 stated:

The board shall annually prepare estimates of its needs for the ensuing fiscal year on or before the last Tuesday in April.... The board may cause the whole or any part of the appropriation for the purchase of land and the erection of buildings to be made by the issue of bonds in lieu of raising the same by taxation. Provision shall be made for the retirement of such bonds in a debt retirement fund, and such bonds shall bear interest at a rate not exceeding 6 per cent per annum. The board shall thereafter, adopt a budget in the same manner and form as required for its estimates and determine the amount of tax levy necessary for such budget and shall certify on or before the Friday following the third Monday in May said amount to the assessing officers of the city who shall apportion the school taxes together with other taxes of the city; the amount so apportioned shall be assessed, levied, collected, and returned for the school district in the same manner as taxes of the city; and the city treasurer shall return to the school district its portion of the total tax collections on a percentage basis: Provided, however, That the tax levied by the board of education may in the discretion of the legislative body of the city be stated separately on each tax bill.

Section 29 of the 1949 act allowed the board of education to incur debt; it replaced the requirement in the 1927 act for city approval of proposed expenditures.

Section 51 of Chapter 8 of Part 1 of Act No. 319 of the Public Acts of 1927, which required that the issue and sale of board of education bonds be approved by the mayor, was repealed.

**Public Act 3 of 1949** Public Act No. 3 of 1949 amended Section 54 of Chapter 8 of Part 1 of Act No. 319 of the Public Acts of 1927. The revised Section 54 stated that board of education

ballot issues would be submitted to the voters at the next scheduled state or city election, and required that the notice be filed with the city clerk at least 20 days before the election. The requirement that board of education questions be placed on a separate ballot and that they be placed in a separate ballot box was deleted.

### **The School Code of 1955**

Public Act 269 of 1955 Act No. 269 of the Public Acts of 1955 was “the school code of 1955.” Chapter 6 defined and regulated school districts of the first class, still defined as those in cities with populations of at least 500,000. Various sections of the 1955 code (Sections 189, 193, 218, 220, 221, 222, 225) duplicated sections of the 1927 code or later statutes.

Section 196 duplicated prior language, except that the board of education was required to certify the amount of the tax levy to the assessing officers of the city on or before the Wednesday following the first Monday in June.

Section 198 modified prior law by relieving city officials of the right and duty to review requests from the board for payment of board funds:

All payrolls, bills and accounts which become due and payable under any contract or by reason of any previous authorization or action of the board after the same have been registered in a book provided for that purpose and the same are charged to the appropriations from which the same are payable, shall be paid and the secretary of the board shall issue and sign a warrant therefor upon the treasurer, who, upon receipt of warrant, shall issue his check in payment thereof. All other bills, accounts and claims in excess of \$100.00 shall be approved by the board and charged to the appropriation from which the same are payable and shall be paid by the city treasurer in the manner provided for above...

The secretary of the board of education was substituted for the city controller as the officer who was required to certify that money proposed to be spent was actually in the treasury or that an appropriation had been made for the contracted expense.

The board was still required to obtain the consent of the legislative body of the city to borrow for one year or less sums necessary to pay condemnation awards.

The board was required to obtain annual financial audits of school district books. The board could request these audits be performed either by a firm of certified public accountants or by the city’s auditor general if that city auditor’s duties were limited to post auditing of finances and investigation of operations. The audit was to be reported to the board and be a public record.

No mayoral approval was required for the board to spend money or create debt.

Section 210 provided for the pensioning of non-teaching employees and stated in part:

It is further provided that if provision is made by general law or the charter of the city for a retirement system for the employees of the city, the employees of said board, except public school teachers, may, by concurrent action of the board and

the legislative body of the city, be placed under the provisions of the retirement system provided for the employees of the city.

There was no provision in the 1955 law requiring the submission of the proceedings of the board of education pension board to the mayor, as was required by the 1927 school code.

Section 227 of the 1955 school code changed the requirement found in Public Act No. 3 of 1949 that the notice of a measure or question approved by the board of education to be placed on the ballot at a general or special election be submitted to the city clerk at least 30 days before the election. The 1955 act required submission of that notice at least 60 days before the election.

**Wayne University** The Detroit Board of Education exercised control of Wayne University, which was formed by the 1933 consolidation of existing colleges, the first of which was founded in 1868. Section 229 of the 1955 school code provided that the board could by resolution establish a board of governors for the college, university, or other institution of higher learning which it maintained. That board of governors would be subject to and governed by all the provisions of the law pertaining to the board of education, and would have all the powers and duties of the board of education with respect to the college, university, or institution of higher learning. Curiously, the university board was not granted the fiscal independence from the city that had been granted to the board of education in 1949.

The officers of the board of governors shall be a chairman, vice-chairman, secretary, and treasurer. The city treasurer shall be ex-officio treasurer, and the city controller shall be ex-officio controller of said board of governors with such duties hereinafter or heretofore set forth, but without power to vote. The attorney or corporation counsel of the city shall be attorney for said board of governors.... The regents shall make an annual report to the mayor and the board of education setting forth all receipts and expenditures, and a report of their activities and recommendations.... No real estate of the corporation shall be sold or leased without the express consent of the legislative body of the city. The board of governors may, with the consent of the legislative body of the city, acquire by condemnation real estate for the use or ownership of said-corporation in the same manner as is provided for the board of education in this chapter.... The said board of governors shall by majority vote annually prepare its budget and transmit the same to the same appropriating officer and bodies as the said board of education.... The appropriating bodies may allow said budget or may reduce same in gross or in the amounts specified in any of the categories herein designated, and no transfers of funds from one category to another shall be made thereafter by said board of governors without the express approval of the chief executive officer of the city.... the appropriating officials and bodies may cause the whole or any part of the appropriations to be made by the issue of bonds in lieu of raising the same by taxation in the same manner as is provided by law for the board of education under this chapter It shall be mandatory for the appropriating bodies to annually levy and collect taxes in a minimum amount of \$100.00 for each equated full time student enrolled in the university during the previous fiscal year.

In the next year, 1956, Public Act 183 made Wayne University a state university, completely independent of city government and the Detroit Board of Education.

**Experiments with Decentralization** In 1956, the Detroit School District had 298,000 students, 10,000 teachers, and more than 300 schools. Governance was an issue, and discussions of the benefits of decentralization led to the administrative division of elementary schools into districts. Administrators were appointed to run unified districts encompassing elementary, junior high, and high schools in 1957.

In April of 1960, the Detroit City Plan Commission, Comprehensive Planning Division, published Proposed Standards for Public Education Facilities, a reappraisal of the city's Master Plan which focused on the type, size, and location of public schools.

Two years later, in March 1962, the Citizens Advisory Committee on Equal Educational Opportunities included several recommendations that involved cooperation between the board of education and the City of Detroit municipal government, including advising the board to work closely with city planning, housing, and recreation departments in developing sites for public housing projects; to transfer costs associated with indigent students to the city's welfare department; and to negotiate with the city and federal governments to obtain financing for school construction through the urban renewal program. At that time, the city health department provided medical examinations for indigent students, and the committee advised that the board hire physicians to do this in-house.

During the 1960s there was substantial public sentiment in favor of community control of schools. This demand for meaningful change was not satisfied by administrative decentralization. A bill (HB 3801) was introduced in 1967 to divide Detroit into 16 completely separate school districts; another (HB 4078, introduced in 1968) proposed 12 regions operating under a central board.

Public Act 244 of 1969 required decentralization of the school board into from seven to 11 regional school districts. The act was repealed in 1970, when Public Act 48 required a central board comprised of 13 members, eight of whom were to be elected from regions, with the remaining five elected at large. A five-member regional board was to be elected for each of the eight regions.

**The 1972 Deficit** The Detroit School District reported a 1972 deficit of \$70 million. The state legislature provided a remedy in Public Acts 1 and 2 of 1973.

Public Act 1 of 1973 amended Section 681 and added Section 689 to the 1955 school code (Public Act 269 of 1955). The revised Section 681(2) permitted a district with an operating deficit or projected deficit of at least \$100 per pupil, based on normal school accounting practices, to borrow an amount not to exceed the lesser of the deficit or \$75 million by issuing notes or bonds. Annual debt service was limited to 50% of the district's sales tax state aid payments. The bonds or notes were to be secured primarily by an ad valorem property tax of not more than 2.25 mills or an income tax levied pursuant to the new Section 689. Section 689 provided that the

board of a district of the first class having boundaries coterminous with those of a city which imposes a city income tax...may, by resolution adopted by a majority

of its members elected and serving, adopt, levy, assess, and collect an excise tax, upon income received, earned, or otherwise acquired by corporations and resident individuals. An excise tax so adopted shall not exceed 50% of the liability of the corporations or resident individuals for a 2% income tax imposed by the city with coterminous boundaries.

The district was to report having adopted an income tax to the city clerk within five days. The school district income tax was to be administered by the municipal administrator who was charged with administering the city income tax, and the treasurer of the city was to be responsible for collecting and accounting for the revenue from the school income tax, including remitting the school portion of withholding and estimated taxes to the school district at least monthly.

The Detroit School District used the authority granted in Public Acts 1 and 2 of 1973 to issue deficit bonds to retire the \$70 million debt. These bonds were repaid from a 2.25 mill property tax levy imposed in 1974 through 1979. The school income tax provision was not implemented, but reappeared in the school code of 1976.

**Desegregation** In August 1975 a federal court ordered the desegregation of the Detroit Public Schools; court jurisdiction was retained until January 1989.

### **The Current School Code**

**Public Act 451 of 1976** Part 6 of the school code of 1976 (the most recent school code) defines and contains provisions for governing school districts of the first class. Although districts of the first class are defined as those attaining 120,000 members, districts with enrolled pupil membership of 100,000 were to be comprised of eight regions, each with a regional board consisting of five members -- a provision that was later amended.

Section 411 of Part 6 of Act No. 451 of 1976 deals with the at large election of five members of the board of education.

Section 413 maintains the city clerk's responsibility to notify successful candidates for school board of their election.

Section 416 restates old relationships:

- (1) The officers of the first class school district board shall be a president, vice-president, secretary, and treasurer. The city treasurer shall be ex officio treasurer of the board without the power to vote.
- (4) The treasurer shall have the custody of all moneys belonging to the school district and shall pay out moneys pursuant to section 433. The funds shall be deposited with the same depositories as are selected by the properly constituted authorities for the deposit of city funds and the interest derived shall be paid into the general fund of the board.
- (5) The board shall require from the city treasurer a separate bond of not less than \$100,000.00 to protect the separate funds of the board.

The referenced Section 433 directs the treasurer, upon receipt of a warrant signed by the secretary, to issue a check.

The powers and duties of the treasurer of a school district are enumerated in Section 125 of the school code, and include having the care and custody of all moneys of the district, which are to be deposited as directed by the board; making payments upon the lawful order of the secretary of the board; maintaining records and accounts of the funds; presenting an annual accounting of revenues and disbursements to the board; and performing other duties required by law or the board.

The revised code retains the requirement of an annual financial audit, and the board's option to engage either a CPA firm or the city's auditor general for that purpose.

The board retains the right to adopt a budget and determine the tax levy to be collected by the city. Section 432 states:

The board shall adopt a budget in the same manner and form as required for its estimates and determine the amount of tax levy necessary for that budget and shall certify on or before the date required by law the amount to the city.... The proper officials of the city shall apportion the school taxes in the same manner as the other taxes of the city are apportioned, and the amount apportioned shall be assessed, levied, collected, and returned for the school district in the same manner as taxes of the city. The tax levied by the board, in the discretion of the legislative body of the city, may be stated separately on each tax bill.

Throughout Michigan, cities and townships collect and return school property taxes.

The secretary of the board of education retains authority to approve payments of school funds by the city treasurer.

**Long-Term Debt** The board is required to obtain the consent of the Detroit City Council to borrow any amounts necessary to pay awards in condemnation proceedings.

Detroit city officials who participate in the issuance and sale of school bonds continue to be ex officio officers of the Detroit School Board.

Subsection 5 of Section 445 of the 1976 school code deals with issuance of capital bonds:

The secretary of the board shall file with the city clerk a written notice of the adoption of the resolution with a draft of the form of the bonding proposition to be submitted to the school electors of the school district. The notice shall be under the seal of the board and filed with the city clerk at least 60 days before the date fixed by the board for the election.

**Local Income Tax** The City of Detroit instituted an income tax of 1% on residents, nonresidents, and corporations in fiscal 1963. On January 1, 1965, the rate on nonresidents was decreased to 0.5%. On October 1, 1968, the rate on residents and corporations was increased to 2%. On July 1, 1981, the rate on residents was increased to 3%; the rate on nonresidents was increased to 1.5%.

Subsection 1 of Section 451 of the 1976 school code grants the right of the only Michigan first class school district to impose an income tax, but only if the district levies less than 24.76 mills for operations:

The board of a first class school district having boundaries coterminous with those of a city which imposes a city income tax ... by resolution adopted by a majority of its members elected and serving, may adopt, levy, assess, and collect an excise tax, upon income received, earned, or otherwise acquired by corporations and resident individuals.... The board of a first class district authorized by law to levy at least 24.76 mills ad valorem tax for the operation costs of a district shall not levy an excise tax on income.

In 1975, the Detroit Board of Education levied 24.76 mills for operations; the Detroit board now levies 35.90 mills for operations.

If a first class school district income tax were allowed by repealing the 24.76 mill restriction, the Headlee amendment to the state constitution would require voter approval. The school code would place the responsibility for collecting, accounting, and distributing the school income tax with the city. Subsection 5 of Section 451 states:

A school district tax imposed by resolution passed pursuant to this section shall be administered by the administrator designated by the city having boundaries coterminous with the district to administer the city tax, and the treasurer of that city shall collect and account for the revenue. After deducting the amount of refunds, the city treasurer shall pay over the balance to the school district as soon as is practicable. As often as practicable, but not less often than monthly, the city treasurer shall pay over and distribute to the school district the amount of taxes which it is estimated to be entitled to which are received in the form of withholding remittances and estimated taxes paid.

The 1976 code continues to enable the school board to resolve to place ballot issues before the voters. Those issues approved by the board are to be filed by the secretary of the board with the city clerk at least 60 days before the election.

**Recentralization** In 1981, Public Act No. 96 allowed first class school districts to ask the electors of the district whether regional boards should be eliminated. Detroit voters agreed to return to administration by a central board of education. The act required the filing of board member nominating petitions with the city clerk, the city clerk's validating of signatures, and the city clerk's notification of the county clerk of the names and addresses of candidates. In Section 314(a) the city clerk is required to "serve notice of election upon each member of the first class school district board elected at the election." Section 418(a)(3) states:

the board may employ a firm of certified public accountants to make the (complete annual) audit (of its financial transactions) or, if the city within which the school district is located has an auditor whose duties are limited to postauditing of finances and investigation of operations, the board may arrange for the city's auditor to make the audit.

Public Act 71 of 1982 requires an 11-member Detroit school board, with seven members elected from districts and four elected at large.

The most recent compilation of the school code deletes references to regional school boards, but in all areas describing the relationship of the board of education to the City of Detroit, duplicates the school code of 1976.

### **Conclusion**

In Detroit, as in other Michigan cities, the school district today is an entity separate and distinct from the municipal government. Over time, the directly elected board of education has become an independent authority, and though the city government performs same financial and election services for the board of education, as is done in many other school districts, neither the mayor nor the city council of Detroit now has any formal authority over the board.