# Council Comments:

## Citizens Research Council of Michigan

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CITIZENS RESEARCH COUNCIL OF MICHIGAN IS A 501(C)(3) TAX EXEMPT ORGANIZATION

No. 995 December 1990

### SCHOOL DISTRICT ORGANIZATION IN MICHIGAN

The organization of Michigan school districts was a public policy issue before Michigan became a state and continues as an issue today. The number of school districts increased to 7,362 districts in 1912 and then began to decline, but there has been a continuing concern that there were too many school districts. This **Council Comments** provides background information useful for a serious discussion of school district reorganization. A more detailed 19-page report (**No. 298**) is available on request.

Over time, a consensus was reached on one principle of school district organization. That was the desirability of having all students reside in a K-12 school district. However, 38 non-K-12 districts remain today in addition to 524 K-12 districts.

Over the past 20 years enrollment has declined by 24 percent, but the number of K-12 districts has declined by less than one percent. For the foreseeable future, it appears that public school membership in Michigan will level out or possibly continue to decline. For the last nine years, the number of births in Michigan has stabilized between 135,000 and 140,000.

Serious consideration should be given to establishing, by statute, state goals for organizing districts, and developing a process that provides a method for achieving these goals. Examples of possible goals include reducing the per pupil revenue disparities among school districts and making a comprehensive educational program available in each public high school in the state. One model that could be used is the one established by Public Act 289 of 1964, that provided for the development of reorganization plans at the intermediate school district level.

### The Evolution of Michigan School Districts

Although Michigan historically has had a large number of school districts, there has been a nucleus of comprehensive school districts going back to the latter part of the nineteenth century (see **Table 1**). The attributes of these districts have changed as the needs and expectations of society have evolved. While the one-room school was once common, there were also a number of graded school districts that employed teachers for each grade. The next change was the formation of union districts usually from two or more operating districts. The union district might include a high school but there was no requirement that a union district operate a high school. The distinctive feature of a union school district was that it was comprised of two or more graded schools. This change was followed by the creation of comprehensive high school districts that operated a K-12 program and was defined as a district with six or more teachers. This definition accounts for the 1,305 districts in 1940, while in 1945 only 629 districts were operating a K-12 program.

#### BOARD OF DIRECTORS

Table 1

Number of School Districts and Pupil Enrollment

	<b>Total Number</b>	Comprehensive	Pupil
<u>Year</u>	of Districts	<b>Districts</b>	<b>Enrollment</b>
1860	4,087	94	193,107
1880	6,352	389	362,196
1900	7,163	711	504,985
1920	7,273	691	663,948
1940	6,386	1,305	1,101,912
1960	2,149	582	1,624,262
1970	638	527	2,164,386
1980	575	529	1,910,385
1990	562	524	1,639,021

Source: <u>Michigan Manual</u>, Department of Education Bulletins <u>1011</u>, <u>1012</u>, and <u>1014</u>, and Department of Education unpublished data for 1990.

**The Nineteenth Century** Michigan's first public school law was passed on April 12, 1827, by the Legislative Council of the Michigan Territory. This act began a practice of organizing school districts within a township, with township officials responsible for drawing district boundaries, and requiring any township with 50 or more families to provide a schoolmaster. After statehood, the Legislature passed a Primary School Law in 1837.

In 1843, Public Act 50, a new primary school district act, was passed. A township board of inspectors was created and was made responsible for the establishment of school districts within a township. No school district could be larger than nine sections (usually nine square miles). Act 50 provided the basis for the creation of union districts. Public Act 161 of 1859 authorized the establishment of a graded high school district for any district with more than 200 children between ages four and 18.

In 1873, a significant public policy was established by Public Act 119 that required the approval of a majority of the resident taxpayers before an existing district could be divided into two or more districts, or before two or more districts could be consolidated into a single district. This was the beginning of a policy that continues to exist today requiring voter approval for consolidation and annexation. Public Act 176 of 1891 authorized the establishment of township school districts in the upper peninsula. By 1900, all townships in the upper peninsula were organized as township school districts.

**The Twentieth Century** Public Act 117 of 1909 extended the authorization for township school districts to the lower peninsula. All cities organized as school districts and graded school districts were exempt from the act. Public Act 31 of 1909 abolished the township board of inspectors and transferred its responsibilities for establishing districts to the township board.

In 1917, the Legislature passed Public Act 226 that authorized the consolidation of three or more rural schools into a rural agricultural school district. A district formed under this statute was required to teach agriculture, manual training, and home economics.

Public Act 319 of 1-927, the school code, established and defined first, second, and third class school districts, that were continued in subsequent school recodifications. Other organizational designations in the 1927 school code have been subsumed in the existing school district classification system.

In January 1944, the Michigan Public Education Study Commission made recommendations concerning the reorganization of school districts. However, the recommendations were not adopted.

The most recent effort to effect school district reorganization was in 1964 with the adoption of Public Act 289. This statute provided for the gubernatorial appointment of a seven-member committee on reorganization of school districts. The law required the 60 intermediate school districts to submit a plan of organization that resulted in all areas being part of a K-12 school district. The final report on the activities of the reorganization committee in 1968 indicated that the number of school districts was decreased by more than 50%, from 1,438 local school districts to 676.

#### **Modifying School District Boundaries**

There are five existing statutory methods for modifying the boundaries of local school districts. They are:

- Consolidation is a process used to merge two or more existing districts into a new district. Before an election can be held, petitions must be signed by 50% of the registered general electors in a primary district and five percent in other districts.
- The annexation process occurs when one district attaches another district to itself.
- Annexation and transfer occurs when a portion of a district is annexed to a district and the balance of the annexed district's territory is transferred to one or more districts.
- Dissolution occurs when a school district loses its organizational identity and its territory is attached to other school districts. A district loses its organization where there are not enough persons in the district qualified to hold office or who will accept the offices.
- A property transfer is the detachment of a portion of territory from one district and attaching it to another.

With one minor exception under annexation, the first three methods require voter approval before reorganization can occur. Dissolution can occur without a vote of the people but it has had limited application. Under property transfer, if 10% or more of the property valuation of a district is involved, a vote of the electorate is required.

Excluding property transfers, there were 22 reorganization attempts from July 1, 1981, through June 30, 1990. All included a vote of the people except one involving dissolution. Of the 21 elections, 10 were successful.

#### **Rationale for School District Reorganization**

One argument for school district reorganization is to establish a student base adequate to provide a comprehensive instructional program. Some people believe that the geographic area of school districts will become too large if significant consolidation occurs. If significant reorganization were to occur, there is little reason to believe that many elementary schools would be affected, but it is recognized that there would be an effect on high school attendance areas. One salutary effect of reorganization is the opportunity to reduce administrative overhead by eliminating duplicate support services.

Between 1969-70 and 1989-90, there was a membership decline of 525,365, from 2,164,386 pupils to 1,639,021 pupils. There was a reduction of 76 districts, but with a handful of exceptions they were primary school districts. Generally, districts had smaller memberships in 1990 than they had in 1970. For example, in 1970 there were 12 districts with a membership between 20,000 and 49,999, but in 1990 there were only four such districts.

More of the pupil membership is found in districts with fewer than 2,500 pupils in 1990 than was found in 1970. This is true in absolute numbers and percent of total membership (438,753 pupils in 1990 as compared with 428,116 in 1970, and 27% of the membership in 1990, and 20% in 1970).

The concern with the number of school districts with limited memberships is not confined to rural areas. Based on 1989-90 data, there were 14 counties each with a total membership in excess of 25,000 pupils. The 14 counties contained 92 school districts with memberships below 2,500 pupils, including 18 districts with a membership of fewer than 1,000 pupils. Wayne County has 28 school districts, 10 of which had fewer than 2,500 pupils.

Absent any state initiative, there is little reason to be optimistic that there will be any significant additional voluntary reorganization of school districts.