



# CRC MEMORANDUM



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## PUBLIC EDUCATION GOVERNANCE IN MICHIGAN

### Part of a Series on Public Education in Michigan

This paper will review the governance structure of elementary and secondary education in Michigan. Michigan's system of education governance leads to overlapping authority and policies, but also creates checks and balances. This paper will provide a framework to understand education governance, funding, and policy development in Michigan. Future papers will discuss education policy issues, such as school finance and governance reforms, in more detail. The full report, CRC Report #359, can be accessed at [www.crcmich.org/PUBLICAT/2000s/2009/rpt359.html](http://www.crcmich.org/PUBLICAT/2000s/2009/rpt359.html).

Because education is crucial to a functioning democracy, economic competitiveness, and personal achievement, it is considered a high priority by officials at all three levels of government, as well as by the public in general. An understanding of the governance structure of education in Michigan is fundamental to understanding school finance and the implications of policy decisions made at all levels.

In Fiscal Year (FY) 2009, Michigan's public education system provided education to 1.66 million students. Programs were delivered by 551 traditional local school districts, 57 intermediate school districts (ISDs), and 232 public school academies (PSAs) operating in approximately 4,000 buildings. The different government actors and agencies with a formal role in the public K-12 education system include the President, Congress, and the United States Department of Education; the governor, state legislature, state board of education, state superintendent of public instruction, Michigan Department of Education (MDE), and other state departments; local school boards and superintendents; PSAs and their authorizing bodies (state university boards, community college boards, ISD boards, and local school boards); and ISDs. In addition, other groups and actors have influence over education governance and policy, including federal and state courts, unions, state and local education associations, and community interest groups.

### Education Governance Structure

**Table 1** details the education functions performed by different levels of government. The policy functions include influencing education policy, creating policy, and implementing policy. Education oversight responsibilities encompass holding education providers and students accountable for outcomes (e.g., test scores, drop-out rates, spending levels, etc.), as well as holding teachers and schools responsible for district-level policies. The funding section of the table indicates the government officials who have authority over education funding decisions, as well as those who have responsibility for creating and adopting a budget to provide education-related services.

**The Federal Role.** Initially, federal government officials did not consider education to be within the federal government's purview. The Tenth Amendment in the Bill of Rights to the U.S. Constitution declares that "The powers not delegated to the United States

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**Table 1  
Education Governance Functions**

|                                      | State Government |           |              |             |                 |     |             | Traditional Local School Districts |       | Public School Academies |              |      |
|--------------------------------------|------------------|-----------|--------------|-------------|-----------------|-----|-------------|------------------------------------|-------|-------------------------|--------------|------|
|                                      | Fed Govt         | Gov-ernor | Legis-lature | Board of Ed | Superin-tendent | MDE | Other Depts | School Boards                      | Admin | Schools/ Districts      | Autho-rizers | ISDs |
| <i>Policy:</i>                       |                  |           |              |             |                 |     |             |                                    |       |                         |              |      |
| Direction Development Implementation | X                | X         | X            | X           | X               | X   | X           | X                                  | X     | X                       | X            | X    |
| <i>Oversight:</i>                    |                  |           |              |             |                 |     |             |                                    |       |                         |              |      |
| Certification/ Accreditation         |                  |           |              | X           | X               | X   | X           |                                    |       |                         | X            |      |
| Evaluation                           | X                | X         | X            | X           | X               | X   | X           | X                                  | X     | X                       | X            | X    |
| Develop Standards                    | X                | X         | X            | X           | X               | X   |             | X                                  | X     | X                       | X            | X    |
| Hold Accountable                     | X                | X         | X            | X           | X               | X   |             | X                                  | X     | X                       | X            | X    |
| <i>Direct Provision:</i>             |                  |           |              |             |                 |     |             |                                    |       |                         |              |      |
| K-12 Education                       |                  |           |              |             |                 |     |             |                                    | X     | X                       | X            | X    |
| Preschool Education                  |                  |           |              |             |                 |     |             |                                    | X     | X                       | X            | X    |
| Vocational Education                 |                  |           |              |             |                 |     | X           |                                    | X     | X                       | X            | X    |
| Adult Education                      |                  |           |              |             |                 |     | X           |                                    | X     | X                       | X            | X    |
| Special Education                    |                  |           |              |             |                 |     | X           |                                    | X     | X                       | X            | X    |
| Gifted Education                     |                  |           |              |             |                 |     |             |                                    | X     | X                       | X            | X    |
| English as a Second Language         |                  |           |              |             |                 |     |             |                                    | X     | X                       | X            | X    |
| Technical Support for Schools        |                  |           |              | X           | X               | X   | X           | X                                  |       |                         |              | X    |
| <i>Funding:</i>                      |                  |           |              |             |                 |     |             |                                    |       |                         |              |      |
| Budget Setting and Adoption          |                  | X         | X            |             |                 |     |             | X                                  | X     | X                       |              | X    |
| Operational                          | X                | X         | X            |             |                 |     |             |                                    |       |                         |              | X    |
| Capital                              | X                |           |              |             |                 |     | *           | X                                  |       |                         |              | X    |

\* The Department of Treasury houses the School Bond Loan Qualification Program, which allows qualified districts to participate in the program, but it has no role in authorizing capital funding for districts.

by Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people.” Education is not mentioned in the U.S. Constitution, and is, therefore, a power reserved to the states.

The federal government’s authority over education is conditioned on federal funding. The power of the purse allows the federal government to attach terms to federal dollars, which states and districts must meet in order to receive the federal money. States do not have to do as Congress mandates, provided they are willing to forego the receipt of federal education funds. Federal education funds totaled \$1.54 billion in Michigan in FY2007 (this compares to \$11.38 billion in K-12 education revenue from state sources and \$6.73 billion from local sources). Federal funding for education and intervention into education increased with the passage of the No Child Left Behind (NCLB) Act of 2001, and then again with the 2008-2009 American Recovery and Reinvestment Act (ARRA).

**State Functions.** The Michigan Constitution singles out education as a uniquely important state function and states that “the means of education shall be forever encouraged.”<sup>1</sup> The State of Michigan has primary authority over education. This responsibility is shared among the governor, legislature, and state board of education. The state board of

education is quasi-independent and was created in the State Constitution as an education body separate from the general government. While the board has a constitutional role and some independence, the legislature is the body that is tasked with maintaining and supporting (i.e., financing) a system of free public education in the Michigan Constitution.<sup>2</sup> State departments, mainly the MDE, also play a role in education governance.

While the state government has ultimate authority over education, it delegates a lot of that authority to the local school districts. Education is provided locally and governed and funded at both the state and local levels. Education used to be primarily governed and funded at the local level, but passage of Proposal A in 1994 centralized school funding and the state has been reasserting its authority over education governance, mirroring a nation-wide trend toward more centralized education funding and governance.

**Local Districts.** While education is technically a state responsibility, the services are delivered by local school districts, which can be thought of as distinct, special-purpose units of local government. Every Michigan resident lives within the boundaries of a local school district. As of FY2009, Michigan had 551 traditional local school districts (excluding PSAs, which are also con-

sidered to be local districts) providing education to 1.54 million students in pre-kindergarten classes through the twelfth grade (this number also includes special education students outside of grades K-12).

Local actors with a role in education governance include local school board members, who are elected to represent the needs and preferences of their local communities, and local superintendents, who are appointed by local boards to bring professional management to the administration of school districts. While school boards reflect local control of schools, they are ultimately agents of the state government. The multiple roles and functions of school boards require them to be accountable to the state, the federal government, and local constituents.<sup>3</sup>

Prior to the school finance reforms of the 1990s, local school boards had primary responsibility for school operating funding, which they raised through county-apportioned and voter-approved local property taxes. The passage of Proposal A in 1994 changed the school finance system dramatically creating a system where the majority of revenues are raised by the state government and funding is distributed on a per pupil foundation allowance

<sup>3</sup> Margaret L. Plecki, Julie McCleery, and Michael S. Knapp. *Redefining and Improving School District Governance*. Center for the Study of Teaching and Policy, University of Washington, October 2006: pgs. 5-7.

<sup>1</sup> The Michigan Constitution, Article VIII, Section 1.

<sup>2</sup> The Michigan Constitution, Article VIII, Section 2.

formula determined annually by the state. The state now controls almost all funds supporting K-12 education, including local operating property tax revenues. Local districts maintain control over capital funding, which is raised through local property taxes.

The role of local school boards in Michigan has been diminished as the state has assumed authority over issues that were previously within the purview of school boards, including determining school operating funding levels, setting mandatory curriculum standards, and setting some school calendar requirements. State legislation<sup>4</sup> also promotes competition among districts by allowing districts to more easily accept students from outside their boundaries and by eliminating districts' ability to prevent their resident students from attending a different public school district.

**Public School Academies (PSAs).** PSAs (i.e., charter schools) are public schools organized as nonprofit corporations under the Michigan Nonprofit Corporation Act.<sup>5</sup> In FY2009, Michigan had 232 PSAs serving six percent of the students in the public school system. PSAs are semi-autonomous public schools. They operate under a charter authorized by a public body (lo-

cal school district, ISD, community college, or state university board) and they are required to meet the same student accountability standards as traditional districts, but they are provided freedom from some of the regulations facing traditional districts. Because PSAs operate somewhere between traditional public schools and private schools, they are similar to traditional districts in some ways and unique from them in others.

**Intermediate School Districts (ISDs).** Michigan has 57 ISDs, which cover the entire state and overlap school district boundaries. ISDs as they are structured today were established by state legislation in 1962 and serve as educational service agencies providing services to local districts and the state, and to students directly. ISDs are responsible for developing, establishing, and continually evaluating and modifying a plan for special education within their boundaries. This is done in cooperation with constituent districts. Special education services and programs are provided by both ISDs and local districts, but ISDs are expected to coordinate these programs and services and to maintain records of all students with disabilities within their boundaries.<sup>6</sup>

While coordination of a special education plan and provision of special education services are required of ISDs, state legislation

organizing ISDs is permissive and allows them to do many other things without requiring them to do specific things. Examples of services that ISDs may provide include school improvement services, cooperative educational programs, and educational media centers, among other things. Services provided by ISDs reflect ISD and local district service needs and ISD capacity, and vary dramatically. This structure allows for local variation and local district needs to be met, however, it also creates differences in the levels of central services provided to local districts and makes it difficult for citizens to understand exactly what it is that ISDs do.

ISDs have taxing authority, but their budgets must be approved by their constituent school districts. Since 1995, ISDs have been authorized to levy, with voter approval, additional property taxes for general operating purposes (not to exceed 1.5 times the number of mills allocated to the ISD in 1993), special education (not to exceed 1.75 times the number of mills allocated to the ISD in 1993), and vocational education. Since 1997, ISDs have been able to levy a regional enhancement property tax of no more than three mills to supplement state and local operating funding for local school districts. The tax must be approved by a majority of ISD electors and is not available to the ISD, but is divided among its constituent districts.<sup>7</sup>

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<sup>4</sup> The State School Aid Act of 1979, Michigan Public Act 94 of 1979, MCL 388.1705-1705c.

<sup>5</sup> Nonprofit Corporation Act, Michigan Public Act 162 of 1982.

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<sup>6</sup> The Revised School Code, Michigan Public Act 451 of 1976, MCL 380.1711.

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<sup>7</sup> MCL 380.624-625a, 705, 1722-1729.

**Other Actors Who Influence K-12 Education Governance.** The above sections detail the formal education governance structure, but education governance gets even more complicated when all the actors and groups with an interest in and/or influence over education policy are included in the discussion. Some of these groups have important roles in

education governance and exert significant authority over education policy. The court system has legal authority over public education and has played an important role in school governance and finance throughout the years. Unions play a vital role in the collective bargaining process in Michigan and have amassed considerable political power at the

local, state, and federal levels of government. Other groups that have a more informal role in education governance, but that still exert influence over school policy and governance, include state and local education associations, business groups, local advocacy groups, and philanthropies.

## Implications of Michigan's Education Governance System

The education governance structure determines how education funding and policy decisions are made and implemented. Therefore, understanding education governance in Michigan is critical to understanding public education and affecting change in Michigan's public education system.

**Complex Political Environment.** From the President of the United States to the elected local school board member, many different government officials (elected and appointed) have a role in education governance and this can create confusion for education officials and for the public. One education policy researcher has called U.S. school governance complex and fragmented, a structure "in which it appears that everybody – and therefore nobody – is in charge."<sup>8</sup> With everybody

(and therefore nobody) in charge, it can be difficult to hold any one person or group (the governor, the legislature, a school board, a teacher) responsible for educational outcomes because the picture of who has control over what becomes obscured.<sup>9</sup>

Expending excessive time and resources complying with educational policies from all different levels requires districts to use funds that otherwise could be devoted to the classroom. However, these overlapping systems do create checks and balances and the multitude of actors and groups may have a legitimate role to play in balancing power and accountability within the educational system, a potentially necessary, although messy, tenet of democracy.<sup>10</sup> However, the average citizen is not aware of the complexities surrounding education governance and this can cre-

ate accountability issues. The average school district resident holds their local school board accountable, but school boards are agents of the state, are dependent on the state for funding, and must be responsive to state and federal policies.

Within this complex political environment, the role of ISDs is a bit ambiguous because the services provided by ISDs are not uniform across the state and some of the services originally provided by ISDs have been acquired by other layers of government (e.g., vocational education and workforce training programs are now provided by both ISDs and community colleges). ISDs today still provide specialized education services and opportunities for collaboration, however, the level of services provided and the opportunities for local district collaboration vary across the state. It is time to revisit the role of ISDs and to discuss what services should be provided at the local school district level and what should be done on a more regional level.

<sup>8</sup> Michael W. Kirst. "Turning Points: A History of American School Governance." *Who's In Charge Here? The Tangled Web of School Governance and Policy*. Ed. Noel Epstein, Education Commission of the States, Washington DC: Brookings Institution Press, 2004: pg. 16.

<sup>9</sup> Plecki, et al. *Redefining and Improving School District Governance*: pgs. 2-3.

<sup>10</sup> Plecki, et al. *Redefining and Improving School District Governance*: pg. 22.

**School Funding Issues.** As a result of the passage of Proposal A in 1994, the state determines school districts' operating funding levels. Local districts are still in charge of creating their budgets and determining spending priorities (within the requirements created by state and federal laws), but they must adjust their spending priorities within the revenue levels set by the state. The centralization of school funding has had many effects, including decreasing the funding gap in per pupil revenue levels in districts

across the state, as well as making school districts more reliant on state revenues, which tend to be more directly linked to the economy and more volatile, than local revenues.

**Competition.** Michigan's education governance structure, which allows for charter schools and schools of choice, creates competition in public education. Competition from charter schools and other traditional public schools for students (and their accompanying tax dollars) causes districts to

review how they spend their money and attract students. It may lead districts to spend more money in the classroom, provide more specialized programs (e.g., full-day kindergarten, math programs, art programs), foster closer relationships with parents and residents, and reevaluate their priorities and procedures on a more regular basis. Competition also causes some districts to spend money on advertising and marketing. It can create winners and losers and can inhibit collaboration among districts.

## Conclusion

An understanding of education governance requires knowledge of federal education policy, the state government's role, the responsibilities of local and regional

districts, and the role played by other groups and actors with an interest in public education. These multiple actors may have a legitimate role to play in public

education governance, but they create a complex educational policy web that can be difficult for the interested citizen to understand and navigate.

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