

THE REVISED SCHOOL CODE (EXCERPT)

Act 451 of 1976

Article 1

Part 1

GENERAL PROVISIONS

380.1 Short title.

Sec. 1.

This act shall be known and may be cited as "the revised school code".

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1995, Act 289, Eff. July 1, 1996

Former Law: The School Code of 1955, deriving from Act 269 of 1955 and formerly compiled as MCL 340.1 to 340.984, was repealed by Act 451 of 1976 and Act 454 of 1976. Certain sections of the School Code of 1955 had been previously repealed by the following acts: Act 45 of 1959; Act 112 of 1959; Act 271 of 1959; Act 190 of 1962; Act 92 of 1963; Act 59 of 1964; Act 270 of 1964; Act 28 of 1965; Act 31 of 1966; Act 317 of 1968; Act 320 of 1968; Act 19 of 1969; Act 170 of 1969; Act 7 of 1971; Act 198 of 1971; Act 2 of 1972; Act 254 of 1972; and Act 166 of 1975. The School Code of 1927, deriving from Act 319 of 1927 and formerly compiled as MCL 341.1 to 386.12, was repealed by Act 269 of 1955.

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380.2 Meanings of words and phrases.

Sec. 2.

For the purposes of this act, the words and phrases defined in sections 3 to 7 shall have the meanings respectively ascribed to them in those sections.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.3 Definitions; A to C.

Sec. 3.

(1) "Area" as used in the phrase "area vocational-technical education program" or "area career and technical education program" means the geographical territory, within the boundaries of a K to 12 school district, an intermediate school district, or a community college district, that is designated by the department as the service area for the operation of an area vocational-technical education program.

(2) "Area vocational-technical education program", "area career and technical education program", or "career and technical education program" means a program of organized, systematic instruction designed to prepare the following individuals for useful employment in recognized occupations:

(a) Individuals participating in career and technical education readiness activities that lead to enrollment in a career and technical education program in high school.

(b) Individuals enrolled in high school in a school district, intermediate school district, public school academy, or nonpublic school.

(c) Individuals who have completed or left high school and who are available for full-time study in preparation for entering the labor market.

(d) Individuals who have entered the labor market and who need training or retraining to achieve stability or advancement in employment.

(3) "Board" or "school board" means the governing body of a local school district unless clearly otherwise stated.

(4) "Boarding school" means a place accepting for board, care, and instruction 5 or more children under 16 years

of age.

(5) "Community district" means a school district organized under part 5b.

(6) "Constituent district" means a local school district the territory of which is entirely within and is an integral part of an intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004 ;-- Am. 2007, Act 45, Imd. Eff. July 17, 2007 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016

Compiler's Notes: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011. For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

Popular Name: Act 451

380.4 Definitions; E to I.

Sec. 4.

(1) "Educational media center" means a program operated by an intermediate school district and approved by the state board that provides services to local school districts or constituent districts under section 671.

(2) "Intermediate school board" means the board of an intermediate school district.

(3) "Intermediate school district" means a corporate body established under part 7.

(4) "Intermediate school district election" means an election called by an intermediate school board and held on the date of the regular school elections of constituent districts or on a date determined by the intermediate school board under section 642c of the Michigan election law, MCL 168.642c.

(5) "Intermediate school elector" means a person who is a school elector of a constituent district and who is registered in the city or township in which the person resides.

(6) "Intermediate superintendent" means the superintendent of an intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2005, Act 61, Imd. Eff. July 7, 2005 ;-- Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008 ;-- Am. 2011, Act 232, Eff. Jan. 1, 2012

Popular Name: Act 451

Admin Rule: R 340.1702 of the Michigan Administrative Code.

380.5 Definitions; L to R.

Sec. 5.

(1) "Local act school district" means a district governed by a local act or chapter of a local act. "Local school district" and "local school district board" as used in article 3 include a local act school district and a local act school district board.

(2) "Membership" means the number of full-time equivalent pupils in a public school as determined by the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent of public instruction.

(3) "Michigan election law" means the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(4) "Nonpublic school" means a private, denominational, or parochial school.

(5) "Objectives" means measurable pupil academic skills and knowledge.

(6) "Public school" means a public elementary or secondary educational entity or agency that is established under this act or under other law of this state, has as its primary mission the teaching and learning of academic and vocational-technical skills and knowledge, and is operated by a school district, intermediate school district, school of excellence corporation, public school academy corporation, strict discipline academy corporation, urban high school academy corporation, or by the department, the state board, or another public body. Public school also includes a laboratory school or other elementary or secondary school that is controlled and operated by a state public university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(7) "Public school academy" means a public school academy established under part 6a and, except as used in part 6a, also includes an urban high school academy established under part 6c, a school of excellence established under

part 6e, and a strict discipline academy established under sections 1311b to 1311m.

(8) "Pupil membership count day" of a school district means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(9) "Qualifying school district" means a school district that was previously organized and operated as a first class school district governed by part 6 that has a pupil membership of less than 100,000 enrolled on its most recent pupil membership count day, including, but not limited to, a school district that was previously organized and operated as a first class school district before June 21, 2016.

(10) "Regular school election" or "regular election" means the election held in a school district, local act school district, or intermediate school district to elect a school board member in the regular course of the terms of that office and held on the school district's regular election date as determined under section 642c of the Michigan election law, MCL 168.642c.

(11) "Reorganized intermediate school district" means an intermediate school district formed by consolidation or annexation of 2 or more intermediate school districts under sections 701 and 702.

(12) "Rule" means a rule promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1982, Act 215, Imd. Eff. July 8, 1982 ;-- Am. 1992, Act 263, Eff. Jan. 1, 1993 ;-- Am. 1993, Act 335, Imd. Eff. Dec. 31, 1993 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 1999, Act 23, Imd. Eff. May 12, 1999 ;-- Am. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2005, Act 61, Imd. Eff. July 7, 2005 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 232, Eff. Jan. 1, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2016, Act 385, Eff. Mar. 29, 2017 ;-- Am. 2019, Act 38, Eff. Sept. 24, 2019

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

Admin Rule: R 340.1 et seq. of the Michigan Administrative Code.

380.6 Definitions; S, T; "department" defined.

Sec. 6.

(1) "School district" or "local school district" means a general powers school district organized under this act, regardless of previous classification, a community district, or a school district of the first class.

(2) "School district filing official" means the school district election coordinator as defined in section 4 of the Michigan election law, MCL 168.4, or an authorized agent of the school district election coordinator.

(3) "School elector" means a person qualified as an elector under section 492 of the Michigan election law, MCL 168.492, and resident of the school district or intermediate school district on or before the thirtieth day before the next ensuing regular or special school election.

(4) "School month" means a 4-week period of 5 days each unless otherwise specified in the teacher's contract.

(5) "School of excellence" means a school of excellence established under part 6e.

(6) "Special education building and equipment" means a structure or portion of a structure or personal property accepted, leased, purchased, or otherwise acquired, prepared, or used for special education programs and services.

(7) "Special education personnel" means persons engaged in and having professional responsibility for students with a disability in special education programs and services including, but not limited to, teachers, aides, school social workers, diagnostic personnel, physical therapists, occupational therapists, audiologists, teachers of speech and language, instructional media-curriculum specialists, mobility specialists, teacher consultants, supervisors, and directors.

(8) "Special education programs and services" means educational and training services designed for students with a disability and operated by a school district, intermediate school district, the Michigan schools for the deaf and blind, the department of health and human services, or a combination of these, and ancillary professional services

for students with a disability rendered by agencies approved by the superintendent of public instruction. The programs must include vocational training, but need not include academic programs of college or university level.

(9) "School safety commission" means the following:

(a) Before January 1, 2025, the school safety commission created under section 5 of the comprehensive school safety plan act, 2018 PA 548, MCL 28.805.

(b) Beginning January 1, 2025, the school safety and mental health commission created under section 6 of the comprehensive school safety plan act, 2018 PA 548, MCL 28.806.

(10) "Special school election" or "special election" means a school district election to fill a vacancy on the school board or submit a ballot question to the school electors that is held on a regular election date established under section 641 of the Michigan election law, MCL 168.641.

(11) "State approved nonpublic school" means a nonpublic school that complies with 1921 PA 302, MCL 388.551 to 388.558.

(12) "State board" means the state board of education created by section 3 of article VIII of the state constitution of 1963 unless clearly otherwise stated.

(13) "Student with a disability" means that term as defined in R 340.1702 of the Michigan administrative code.

(14) "Department" means the department of education created under sections 300 to 305 of the executive organization act of 1965, 1965 PA 380, MCL 16.400 to 16.405.

(15) "State school aid" means allotments from the general appropriating act for the purpose of aiding in the support of the public schools of the state, including, but not limited to, appropriations from the state school aid fund under the state school aid act of 1979.

(16) "The state school aid act of 1979" means the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1981, Act 87, Imd. Eff. July 2, 1981 ;-- Am. 1982, Act 215, Imd. Eff. July 8, 1982 ;-- Am. 1989, Act 159, Eff. Mar. 13, 1990 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2024, Act 264, Eff. Apr. 2, 2025

Popular Name: Act 451

380.7 Definitions; V.

Sec. 7.

(1) "Valuation of a fractional school district" means the sum of the valuations of the fractions thereof, each of which shall be computed in the same manner as the valuation of a whole school district.

(2) "Valuation of the state" means the equalized value as determined by the state board of equalization.

(3) "Valuation of a whole school district" means the total assessed value of the property contained in the district as fixed by the township or city board of review, which in turn is proportionately increased or decreased to the basis of the valuation of the county containing the district as fixed by the county board of equalization, and the result in turn proportionately increased or decreased to the basis of the valuation of the county containing the district as last fixed by the state board of equalization, known as the "state equalized valuation".

(4) "Vocational education" or "career and technical education" means education designed to provide career development and the knowledge and skills leading to technical employment or higher education in a technical field. Career and technical education programs include classroom and laboratory experiences and work-based instruction. The term includes guidance and counseling for a pupil related to the career for which the pupil is being educated and trained or designed to help the pupil benefit from the training. Allowable expenses related to career and technical education delivery include all instructional, support, and administrative costs associated with providing these activities, including, but not limited to, staff salaries, wages, and benefits for career and technical education programs only; information and awareness activities; acquisition and rental of real property; construction of buildings; acquisition of equipment and supplies; and maintenance, repair, and replacement of buildings, lands, equipment, and supplies.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2007, Act 45, Imd. Eff. July 17, 2007

Popular Name: Act 451

380.10 Rights of parents and legal guardians; duties of public schools.

Sec. 10.

It is the natural, fundamental right of parents and legal guardians to determine and direct the care, teaching, and education of their children. The public schools of this state serve the needs of the pupils by cooperating with the pupil's parents and legal guardians to develop the pupil's intellectual capabilities and vocational skills in a safe and positive environment.

History: Add. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

380.10a Posting requirements of certain constitutional and statutory provisions in public school.

Sec. 10a.

(1) Beginning January 1, 2023, the board of a school district or intermediate school district or board of directors of a public school academy shall ensure that the text of section 1 of article VIII of the state constitution of 1963 and section 10, as added by 1995 PA 289, is prominently posted and maintained in all of the following areas, in a manner that is easily accessible by the public:

(a) The room or rooms in which the board or board of directors conducts its meetings.

(b) An office in the school district's, intermediate school district's, or public school academy's administrative building.

(c) The principal's or chief administrator's, as applicable, office at each school operated by the board or board of directors.

(2) Beginning January 1, 2023, the department shall ensure that the text of section 1 of article VIII of the state constitution of 1963 and section 10, as added by 1995 PA 289, is prominently posted and maintained in each building operated by the department. Beginning January 1, 2023, the department shall also ensure that the text described in this subsection is included in each manual and in training materials provided to each employee of the department.

(3) Beginning January 1, 2023, the state board of education shall ensure that the text of section 1 of article VIII of the state constitution of 1963 and section 10, as added by 1995 PA 289, is prominently posted and maintained in each meeting room in which the state board of education meets. Beginning January 1, 2023, the state board of education shall also ensure that the text described in this subsection is included in each manual and in training materials provided to each employee of the state board of education.

History: Add. 2022, Act 213, Eff. Mar. 29, 2023

Popular Name: Act 451

380.11 Organization of school district.

Sec. 11.

Each school district, except a school district of the first class or a community district, shall be organized and conducted as a general powers school district regardless of previous classification.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.11a General powers school district.

Sec. 11a.

(1) Beginning on July 1, 1996, each school district formerly organized as a primary school district or as a school district of the fourth class, third class, or second class shall be a general powers school district under this act.

(2) Beginning on July 1, 1996, a school district operating under a special or local act shall operate as a general powers school district under this act except to the extent that the special or local act is inconsistent with this act. Upon repeal of a special or local act that governs a school district, that school district shall become a general powers school district under this act.

(3) A general powers school district has all of the rights, powers, and duties expressly stated in this act; may exercise a power implied or incident to a power expressly stated in this act; and, except as otherwise provided by law, may exercise a power incidental or appropriate to the performance of a function related to operation of a public school and the provision of public education services in the interests of public elementary and secondary education in the school district, including, but not limited to, all of the following:

(a) Educating pupils. In addition to educating pupils in grades K-12, this function may include operation of preschool, lifelong education, adult education, community education, training, enrichment, and recreation programs for other persons. A school district may do either or both of the following:

(i) Educate pupils by directly operating 1 or more public schools on its own.

(ii) Cause public education services to be provided for pupils of the school district through an agreement, contract, or other cooperative agreement with another public entity, including, but not limited to, another school district or an intermediate school district.

(b) Providing for the safety and welfare of pupils while at school or a school sponsored activity or while en route to or from school or a school sponsored activity.

(c) Except as otherwise provided in this section, acquiring, constructing, maintaining, repairing, renovating, disposing of, or conveying school property, facilities, equipment, technology, or furnishings.

(d) Hiring, contracting for, scheduling, supervising, or terminating employees, independent contractors, and others, including, but not limited to, another school district or an intermediate school district, to carry out school district powers. A school district may indemnify its employees.

(e) Receiving, accounting for, investing, or expending public school money; borrowing money and pledging public school funds for repayment; and qualifying for state school aid and other public or private money from local, regional, state, or federal sources.

(4) A general powers school district may enter into agreements, contracts, or other cooperative arrangements with other entities, public or private, including, but not limited to, another school district or an intermediate school district, or join organizations as part of performing the functions of the school district. An agreement, contract, or other cooperative arrangement that is entered into under this act is not required to comply with the provisions of the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, as provided under section 503 of that act, MCL 124.503.

(5) A general powers school district is a body corporate and shall be governed by a school board. An act of a school board is not valid unless approved, at a meeting of the school board, by a majority vote of the members lawfully serving on the board.

(6) The board of a general powers school district shall adopt bylaws. These bylaws may establish or change board procedures, the number of board officers, titles and duties of board officers, and any other matter related to effective and efficient functioning of the board. Regular meetings of the board shall be held at least once each month, at the time and place fixed by the bylaws. Special meetings may be called and held in the manner and for the purposes specified in the bylaws. Board procedures, bylaws, and policies in effect on the effective date of this section shall continue in effect until changed by action of the board.

(7) The board of a school district shall be elected as provided under this act and the Michigan election law. The number of members of the board of a general powers school district shall remain the same as for that school district before July 1, 1996 unless changed by the school electors of the school district at a regular or special school election. A ballot question for changing the number of board members may be placed on the ballot by action of the board or by petition submitted by school electors as provided under chapter XIV of the Michigan election law, MCL 168.301 to 168.316.

(8) Members of the board of a general powers school district shall be elected by the school electors for terms of 4 or 6 years, as provided by the school district's bylaws. At each regular school election, members of the board shall be elected to fill the positions of those whose terms will expire. A term of office begins as provided in section 302 of the Michigan election law, MCL 168.302, and continues until a successor is elected and qualified.

(9) Except as provided under part 5b, a community district shall be organized and conducted in the same manner

as a general powers school district. As provided under part 5b, a community district has all of the powers of a general powers school district under section 11a and has all additional powers granted by law to a community district or the school board of a community district. The members of the board of a community district shall be elected by the school electors in the manner and for the terms as provided under part 5b and the Michigan election law.

(10) The board of a general powers school district may submit to the school electors of the school district a question that is within the scope of the powers of the school electors and that the board considers proper for the management of the school system or the advancement of education in the school district. Upon the adoption of a question by the board, the board shall submit the question to the school electors by complying with section 312 of the Michigan election law, MCL 168.312.

(11) A special election may be called by the board of a general powers school district as provided under chapter XIV of the Michigan election law, MCL 168.301 to 168.316.

(12) Unless expressly provided in 1995 PA 289, the powers of a school board or school district are not diminished by this section or by 1995 PA 289.

(13) A school district operating a public library, public museum, or community recreational facility as of July 1, 1996 may continue to operate the public library, public museum, or community recreational facility.

(14) A school district may establish and administer scholarships for its students or graduates to support their attendance at a postsecondary educational institution from funds the school district receives as a result of a compact entered into between this state and a federally recognized Indian tribe pursuant to the Indian gaming regulatory act, Public Law 100-497. A school district that establishes a scholarship program funded under this subsection shall ensure that the scholarship program provides for all of the following:

(a) That a student or graduate is not eligible to be awarded a scholarship unless the student or graduate is enrolled in the school district for all of grades 9 to 12 and meets 1 of the following:

(i) Is a resident of the school district for all of grades 9 to 12.

(ii) Was enrolled in the school district for the 2009-2010 school year but was not a resident of the school district for that school year, and is enrolled in the school district continuously after that school year until graduation.

(b) That the amount of a scholarship awarded to a student or graduate who was not enrolled in and a continuous resident of the school district for all of grades K to 12 shall be adjusted based on length of enrollment and continuous residency or, for a student or graduate described in subdivision (a)(ii), based on length of enrollment.

History: Add. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2006, Act 515, Imd. Eff. Dec. 29, 2006 ;-- Am. 2010, Act 91, Imd. Eff. June 10, 2010 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.11b Report to legislature.

Sec. 11b.

Not later than 180 days after the effective date of this section, the state board shall prepare and submit to the committees of the legislature with responsibility for education legislation a report that does all of the following:

(a) Details the mandates imposed on school districts, intermediate school districts, and public school academies, and on their boards, by this act, the state school aid act of 1979, other state statute, or rule.

(b) Makes recommendations on mandates that should be eliminated by law.

(c) Makes recommendations on mandates applying to school districts, intermediate school districts, or public school academies, or their boards, that should, by legislation, be made subject to waiver by the state board or superintendent of public instruction and on proposed requirements for obtaining such a waiver.

History: Add. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

380.12 Loss of organization and dissolution of school district; conditions; attachment of dissolved district to organized school districts; accounting and distribution of records, funds, and property; outstanding debt of dissolved school district; audit; payment of discrepancy; approval of tax rate by school electors; sinking fund tax levy; use of test scores; rights and privileges of pupils; definitions.

Sec. 12.

(1) A school district shall lose its organization and shall be declared dissolved if any of the following conditions are met:

(a) There are not enough persons residing in the school district and qualified under law to hold all of the offices of the school district or who will accept the offices of the school district.

(b) After consultation with the intermediate school district in which the district is located, the superintendent of public instruction and state treasurer jointly determine that all of the following apply:

(i) The school district was required to submit a deficit elimination plan under the state school aid act of 1979 and the school district either has failed to submit a plan or lacks the capability to both implement a deficit elimination plan and meet the school district's obligations to provide public educational services to pupils and other residents of the school district in a manner that complies with this act, the state school aid act of 1979, and rules promulgated by the department.

(ii) The school district is not financially viable and is unable to educate pupils in grades K-12 residing in the school district by operating schools for a full school year and providing the required number of instructional hours under this act and the state school aid act of 1979. As used in this subparagraph, "financially viable" means that a school district has the financial resources to carry out at least the educational program required by law and pay its existing debts as they become due taking into consideration the projected enrollment, cash flow, revenues, and borrowing capability of the school district.

(iii) The school district has at least 300 and not more than 2,400 pupils in membership.

(iv) The number of pupils in membership in the school district for the most recently completed school year was at least 10% less than the number of pupils in membership in the school district for the school year immediately preceding the most recently completed school year.

(v) The school district began the school fiscal year ending in the current state fiscal year with an operating fund deficit and is projected to end the school fiscal year ending in the current state fiscal year with a greater operating fund deficit or received a loan approved by the local emergency financial assistance loan board that had the effect of reducing the deficit for the school year ending in the current state fiscal year.

(vi) The school district has not consolidated with another school district during the immediately preceding 12 calendar months.

(2) If a school district meets either or both of subsection (1)(a) or (b), the intermediate school board of the intermediate school district to which the school district is constituent, or the superintendent of public instruction if that intermediate school board requests the superintendent of public instruction to act in its place, shall declare the school district dissolved and immediately order attachment of the territory of the school district, in whole or in part, to 1 or more other organized school districts within the intermediate school district. In attaching the territory of the dissolved school district to other school districts, the intermediate school board or the superintendent of public instruction shall take into account the number of pupils who will become pupils of each of those other school districts relative to the number of pupils already enrolled in the other school district and the numbers of pupils who qualify for free and reduced price lunch, special education services and at-risk funding among the other school districts. For a school district that is declared dissolved in 2013, within 21 days after the school district is declared dissolved, and for a school district that is declared dissolved after 2013, within 60 days after the school district is declared dissolved, the dissolved school district shall account to the intermediate school district for all records, funds, and property of the school district and shall make an equitable distribution of the records, funds, and property consistent with the ordered attachment to each receiving school district. A school building or other real property owned by and located in the dissolved district shall become part of and owned by the receiving school district in which it is located.

(3) If a dissolved school district has outstanding debt, the dissolved school district shall retain a limited separate identity and the territory of the dissolved school district shall continue as a separate taxing unit for the limited purpose of the debt until the debt is retired or refunded. The intermediate school board and other officers of the intermediate school district in which the geographic area of the dissolved school district is located shall perform the functions and satisfy the responsibilities of the board and other officers of the dissolved school district relating to the debt, including, but not limited to, all of the following:

(a) Certifying and levying taxes for satisfaction of the debt in the name of the dissolved school district.

(b) Holding debt retirement funds of the dissolved school district separately from the funds of the receiving school district.

(c) Doing all other things relative to the outstanding debt of the dissolved school district required by law and by the terms of the debt, including, but not limited to, levying or renewing a school operating tax under section 1211. The question of renewal of a school operating tax pledged to the repayment of debt of the dissolved school district shall be submitted only to school electors residing within the geographic area of the dissolved school district and does not require approval by electors of a receiving school district not residing within the geographic area of the dissolved school district.

(4) Upon the attachment of a dissolved school district to another school district, the intermediate school board

shall audit the assets and liabilities of the dissolved school district. If a considerable discrepancy is found, the intermediate school board shall order the dissolved school district to pay the discrepancy to 1 or more appropriate receiving school districts. After first satisfying debt obligations, the dissolved school district shall repay that amount to 1 or more appropriate receiving school districts from money available to the dissolved school district including voted millage within a time to be determined by the intermediate school board.

(5) If a tax is authorized within a receiving school district at a rate greater than the rate authorized within the dissolved school district at the time of the dissolution, the tax may not be levied within the geographic area of the dissolved school district until approved by the school electors residing within the geographic area of the dissolved school district or by all school electors within the receiving school district, including any expanded geographic area of the receiving school district resulting from attachment under this section.

(6) If a dissolved school district was authorized to levy a sinking fund tax under section 1212 at the time of dissolution, the identity of the dissolving school district as a legal entity shall not be lost and its territory shall remain as a taxing unit for the limited purpose of levying a sinking fund tax under section 1212 until the authorization to levy a sinking fund tax within the dissolved school district expires. For purposes of this subsection, the intermediate school board and other officers of the intermediate school district in which the geographic area of the dissolved school district is located shall perform the functions and responsibilities of the board and other officers of the dissolved school district relating to levying the sinking fund tax and shall distribute the proceeds of the levy to each receiving school district that operates a school building previously operated by the dissolved school district. The proceeds of a sinking fund tax levy under this subsection may be used only within the geographic area of the dissolved school district for purposes authorized under section 1212. A receiving school district may not renew or authorize a new sinking fund tax that is levied only within the geographic area of the dissolved school district.

(7) To the extent permitted under federal law and any applicable waiver approved by the United States department of education, the department shall not include the test scores of pupils from the dissolved school district for determining adequate yearly progress status or for "top-to-bottom" rankings of the receiving school districts for the first 3 school years after dissolution.

(8) For the same number of school years for which test scores of pupils from the dissolved district are not used under subsection (7), a receiving school district shall not use the test scores of pupils from the dissolved school district as a factor in any performance evaluation of an employee of the receiving school district.

(9) The pupils formerly enrolled in the dissolved school district have all the legal and constitutional rights and privileges of the other pupils enrolled in the receiving school districts.

(10) As used in this section:

(a) "Debt" means that term as defined in section 103 of the revised municipal finance act, 2001 PA 34, MCL 141.2103, and any unpaid amounts payable by a dissolved school district to the Michigan public school employees' retirement board under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(b) "Receiving school district" means a school district to which all or part of the territory of a dissolved school district is attached under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2013, Act 96, Imd. Eff. July 2, 2013

Popular Name: Act 451

380.12a Grant allocations; "receiving school district" defined.

Sec. 12a.

(1) As permitted under federal law, if a school district is dissolved under section 12 or if the functions and responsibilities of a school district for operating a public school are transferred to another public entity, the superintendent of public instruction shall grant each receiving school district or other public entity assuming the functions and responsibilities for the public school an allocation of grants under 20 USC 6333, 6334, 6335, and 6337 and of other federal funds that would otherwise be made available for grants to or federal funding for the public school or make other adjustments in the allocation of federal funds to implement the dissolution of the school district or other transfer of functions and responsibilities.

(2) As used in this section, "receiving school district" means that term as defined in section 12.

History: Add. 2013, Act 96, Imd. Eff. July 2, 2013 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019

Popular Name: Act 451

380.12b School district as qualifying school district; loss of organization; transfer of records, funds, and property to community district; retention of certain proceeds, payments, and functions; functions and responsibilities of transition manager; allocation of grants and federal money; community district as successor entity; membership of qualifying school district for purposes of making state school aid allocations; effect of transfer date; duties of qualifying school district; exercise of duties by community district until dissolution of qualifying school district; repayment of outstanding obligations of qualifying school district; determination by state treasurer; certification; definitions.

Sec. 12b.

(1) Beginning on the effective date of the amendatory act that added this section, if a school district is or becomes a qualifying school district, the school district shall lose its organization and be dissolved as provided in this section.

(2) If a school district loses its organization under subsection (1), except as otherwise provided in this section, all records, funds, and property of the qualifying school district are transferred on the transfer date to a community district created with the same geographic boundaries of the qualifying school district under part 5b. Except as otherwise provided in this section, proceeds from bonds, notes, or emergency loans, taxes levied by or payable to the qualifying school district, money payable to the qualifying school district under the state school aid act of 1979, and advances or other payments relating to any of these, and all of the qualifying school district functions described under subsection (3), shall be retained by the qualifying school district and are not transferred to the community district. A school building or other real property owned by the qualifying school district becomes part of and owned by the community district. If a qualifying school district has outstanding debt on the transfer date, the qualifying school district shall retain a limited separate identity as a school district and the territory of the qualifying school district shall continue as a separate taxing unit only for the limited public purposes of the repayment of the debt until the debt is retired, satisfying liability from legal claims filed before the transfer date, and protecting the credit of this state and of its school districts.

(3) Before the transfer date, the governor shall designate an individual who is authorized by law to act for and in the place and stead of the school board and superintendent of schools of the qualifying school district as the transition manager for the community district to perform functions and satisfy responsibilities of the community district, of the school board and superintendent of schools of the community district, and of the transition manager under this section until the elected members of the school board of the community district are elected and take office under section 384. Until that time, the transition manager shall exercise the powers, perform the functions, and satisfy the responsibilities of the school board and superintendent of schools of the community district, except that the transition manager shall not negotiate or enter into any collective bargaining agreement that would bind the elected school board of the community district. Until that date, the transition manager also shall perform the functions and satisfy the responsibilities of the school board and superintendent of schools of the qualifying school district relating to the repayment of debt and the dissolution of the qualifying school district, including, but not limited to, all of the following:

(a) Certifying and levying taxes for satisfaction of the debt in the name of the qualifying school district.

(b) Doing all other things relative to the repayment of outstanding debt of the qualifying school district required by law and by the terms of the debt, including, but not limited to, filing draw requests and borrowing from the revolving loan fund for debt service on qualified bonds under the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939, levying or seeking voter approval for a renewal of a school operating tax under section 1211, or refunding or refinancing debt.

(c) Doing all other things relative to the dissolution of the qualifying school district.

(4) An individual designated as a transition manager under subsection (3) shall perform the functions and satisfy the responsibilities of a transition manager under this section from the time of the designation until the elected members of the school board of the community district are elected and take office under section 384. Officers, employees, agents, and contractors of the community district are subject to direction and supervision by the transition manager and shall actively cooperate with the transition manager in the transition manager's performance of functions and responsibilities under this section. The functions and responsibilities of the transition manager under this section include, but are not limited to, all of the following before, on, and after the transfer date:

(a) Appointing an interim superintendent of schools for the community district to perform the functions of the superintendent of schools for the community district only until a superintendent of schools is selected by the school board of the community district and takes office.

(b) Subject to the control of the financial review commission under section 387, adopting the initial budget and general appropriations act for the community district for the first fiscal year of the community district. The initial

budget and general appropriations act are subject to amendment by the school board of the community district after the school board is elected and takes office under section 384.

(c) Subject to the control of the financial review commission under section 387, establishing financial and accounting systems for the community district and transferring financial records from the qualifying school district to the community district.

(d) Transferring student records from the qualifying school district in a manner that complies with laws applicable to student records.

(e) Taking action necessary to ensure that state or federal grants payable and expendable by the qualifying school district before the transfer date are payable and expendable by the community district as a successor entity to the qualifying school district after the transfer date.

(f) Taking action necessary to ensure that school buildings and other school property transferred to the community district by operation of law under this section are ready for use in the first school year that begins after the transfer date and preparing a schedule of all fixed assets transferred from the qualifying school district to the community district.

(g) Taking action necessary to ensure the continuity of ongoing educational programs operational both before and after the transfer date and properly accounting for the funding of the educational programs.

(h) Subject to the control of the financial review commission under section 387, negotiating and approving amended or new agreements with vendors of the qualifying school district to assure that the necessary services are available to be provided to the community district. This does not include a collective bargaining agreement.

(i) Adopting on behalf of the community district any policy or operating procedure required by law for a school district as necessary to ensure the community district's compliance with this act and other applicable law.

(5) As permitted under federal law, on the transfer date the superintendent of public instruction shall allocate to a community district receiving the functions and responsibilities of a qualifying school district for a public school under subsection (2) all applicable grants under 20 USC 6333, 20 USC 6334, 20 USC 6335, and 20 USC 6337, and other federal funds that would otherwise be made available for grants to or federal funding for the public school or make other adjustments in the allocation of federal funds to implement the transfer of functions and responsibilities for the public school. The community district is the successor entity of the qualifying school district for purposes of receiving and expending federal grants.

(6) For a community district's first school year of operations only, until the department is able to calculate the community district's membership, the department shall use the membership of the qualifying school district for the purposes of making state school aid allocations to the community district under the state school aid act of 1979.

(7) Effective on the transfer date for a qualifying school district and the community district created with the same geographic boundaries of the qualifying school district under part 5b, all of the following apply:

(a) The community district acquires, succeeds to, and assumes the exclusive right, responsibility, and authority to own, occupy, operate, control, use, lease, and convey the facilities of the qualifying school district existing as of the transfer date, including all lands, buildings, improvements, structures, easements, rights of access, and all other privileges and appurtenances. The officers of the qualifying school district shall execute any instruments of conveyance, assignment, and transfer that are necessary or appropriate to accomplish the acquisition and succession under this subdivision. Occupancy of a facility by a community district under this subdivision is not considered to be a change in occupancy for any purpose under state or local law.

(b) Except as otherwise provided in this section, the community district acquires, succeeds to, and assumes all rights, title, and interests in and to the fixtures, equipment, materials, furnishings, and other personal property owned and used by the qualifying school district as of the transfer date. The officers of the qualifying school district shall execute any instruments of conveyance, assignment, and transfer that are necessary or appropriate to accomplish the acquisition and succession under this subdivision.

(c) Except as otherwise provided in this section, the community district acquires, succeeds to, and assumes all of the rights of the qualifying school district relating to the qualifying school district under any ordinances, agreements, or other instruments and under law. This includes, but is not limited to, a contract issued by the qualifying school district under this act to organize and operate a public school academy. This succession includes, and there is transferred to the community district, all licenses, permits, approvals, or awards related to the qualifying school district along with all grant agreements, grant pre-applications, and the right to receive the balance of any funds payable under the agreements.

(d) The community district has the right and authority to own, occupy, operate, control, use, lease, and convey the facilities transferred by the qualifying school district, subject to any liens on the real property.

(e) Except for debt or other obligations retained by the qualifying school district under this section, the community district has the qualifying school district's right, title, and interest in and all of the qualifying school district's responsibilities and authority arising under leases, concessions, and other contracts for facilities.

(f) All records and files, software, and software licenses required for financial management, personnel management, accounting and inventory systems, or general administration of the qualifying school district are transferred to the community district without reversion or impairment to the maximum extent permitted by law.

(g) A community district acquires, succeeds to, and assumes all of the rights, duties, and obligations under a

collective bargaining agreement applicable to the qualifying school district on the transfer date. The terms and conditions of that collective bargaining agreement applicable to employees of the qualifying school district on the transfer date shall be the terms and conditions applicable to employees of the community district and except for the superintendent of schools, the community district shall be the successor employer for employees of the qualifying school district on the transfer date. Except for the superintendent of schools, an individual who is entitled to employment by the qualifying school district on the transfer date shall be entitled to employment by the community district following the transfer to the community district.

(h) For individuals who become employed by a community district by the operation of subdivision (g), the transition manager shall take all steps necessary to ensure that all personnel records are transferred from the qualifying school district to the community district. For an individual who becomes employed by a community district by the operation of subdivision (g), the community district is not required to obtain a criminal history check under section 1230 or a criminal records check under section 1230a or to request information concerning unprofessional conduct under section 1230b before employing the individual.

(i) On the transfer date, a pupil enrolled in the qualifying school district in the immediately preceding school year other than an individual who has completed grade 12 is automatically enrolled by operation of law in the community district for the next school year. The transition manager shall use best efforts to assign a pupil to the appropriate grade at the school the pupil attended in the preceding school year, or to another school that the pupil has applied and been admitted to before the transfer date, unless the appropriate grade is not offered at that school or that school is closed. The transition manager shall ensure that all pupil records are transferred from the qualifying school district to the community district in accordance with sections 1134 and 1135. This section does not diminish or limit the right of a pupil to attend a school of his or her choice.

(8) A transfer to a community district under this section does not impair a contract with a party in privity with the qualifying school district.

(9) Upon the transfer to a community district, the community district assumes and the qualifying school district is relieved from all operational jurisdiction over the qualifying school district and facilities and is relieved from all further costs and responsibility arising from or associated with operating a public school or providing public education services, except as otherwise required under obligations retained by the qualifying school district under this section, including, but not limited to, debt.

(10) A qualifying school district shall do all of the following:

(a) Refrain from any action that would impair a community district's exercise of the powers granted to the community district under this section or part 5b, or that would impair the efficient operation and management of the community district.

(b) Take all action reasonably necessary to cure any defects in title to property transferred from the qualifying school district to the community district.

(c) Upon creation of a community district and before the transfer date, conduct operations of the qualifying school district in the ordinary and usual course of business.

(d) Comply with the terms and conditions of any loan agreement between the qualifying school district and the local financial emergency assistance loan board under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, including, but not limited to, any terms and conditions providing for the payment of transitional operating costs incurred by a community district.

(e) Notify the state treasurer upon the repayment of all outstanding operating obligations of the qualifying school district.

(f) Notify the state treasurer upon the repayment of all outstanding debt of the qualifying school district.

(11) Upon the election and assumption of duties by the members of the initial elected school board of the community district, the school board of the qualifying school district is dissolved and the functions and responsibilities of the qualifying school district shall be exercised by the community district on behalf of the qualifying school district until the qualifying school district is fully dissolved under subsection (14).

(12) If the state treasurer is notified that all outstanding operating obligations of the qualifying school district have been repaid, the state treasurer shall verify whether all outstanding obligations of the qualifying school district have been repaid. The state treasurer also may determine that the outstanding operating obligations of a qualifying school district have been satisfied on his or her own without notice. If the state treasurer determines that all outstanding operating obligations of the qualifying school district have been repaid, the state treasurer shall certify in a written notice to a community district that has the same geographic boundaries as the qualifying school district that the outstanding operating obligations of the qualifying school district have been repaid.

(13) If the state treasurer is notified that all outstanding debt of the qualifying school district has been repaid, the state treasurer shall verify whether all of the outstanding debt of the qualifying school district has been repaid. The state treasurer also may determine that the outstanding debt of a qualifying school district has been repaid on his or her own without notice. If the state treasurer determines that all of the outstanding debt of the qualifying school district has been repaid, the state treasurer shall certify in a written notice to a community district that has the same geographic boundaries as the qualifying district that all outstanding debt of the qualifying school district has been repaid.

(14) Upon certification by the state treasurer under subsection (13), the qualifying school district is fully dissolved and any remaining assets of the qualifying school district are transferred to the community district.

(15) As used in this section:

(a) "Debt" means that term as defined in section 103 of the revised municipal finance act, 2001 PA 34, MCL 141.2103, and also includes any of the following:

(i) Obligations of the qualifying school district under an energy installment purchase contract.

(ii) Obligations of the qualifying school district under a capital lease.

(iii) Any unpaid amounts payable by the qualifying school district to the Michigan public school employees' retirement board under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(iv) The repayment of any loan or obligations under any loan agreement between the qualifying school district and the local financial emergency assistance loan board under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

(v) The repayment of any school financing stability bonds under section 1356.

(vi) Any other monetary obligations of the qualifying school district.

(b) "Operating obligation" means debt of a school district incurred for purposes of financing the operation of a school district or public schools operated by a school district, including, but not limited to, fiscal stability bonds under section 1356 and an emergency loan under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, and transitional operating costs as defined in section 3 of the emergency municipal loan act, 1980 PA 243, MCL 141.933. Operating obligation does not include debt of a school district incurred for the purpose of constructing, renovating, maintaining, or otherwise improving school facilities unless the debt is incurred as transitional operating costs as defined in section 3 of the emergency municipal loan act, 1980 PA 243, MCL 141.933.

(c) "Transfer date" means the first July 1 after the date a school district becomes a qualifying school district. For a school district that became a qualifying school district on the effective date of the amendatory act that added this subdivision, the transfer date is July 1, 2016.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.13 Assumption of bonded indebtedness by combined school districts; payment; election.

Sec. 13.

(1) Beginning 3 years after the effective date of the disorganization of a school district which has outstanding bonded indebtedness, the combined school district may assume and pay the obligation of the bonded indebtedness by spreading a debt retirement tax levy uniformly over the territory of the combined school district, if the school electors of the combined school district approve the assumption of the bonded indebtedness. The assumption of the bonded indebtedness shall not release the territory of the district originally incurring the bonded indebtedness from the final responsibility of paying the obligation. The election may be held following the effective date of attachment at a time when a proposal is made to increase the bonded indebtedness of the combined school district. If the assumption of indebtedness is approved, it shall become effective immediately.

(2) At an election to issue new bonds of the combined school district, outstanding bond issues of the original districts may be refunded as part of the new bond issue. The question of assumption of the indebtedness need not be presented as a separate proposition. If a school district is attached to another school district under section 12, the vote by the school electors of the combined school district may be held at any time following the effective date of attachment.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.14 Petitions; violation.

Sec. 14.

A petition under, or that is necessary to meet a requirement of, section 11a, 411a, 412a, 503, 614, 617, 690, 701, 853, 860, 931, or 1311e, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, MCL 168.488. A person who violates a provision of the Michigan election law applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law.

History: Add. 1998, Act 406, Eff. Mar. 23, 1999 ;-- Am. 1999, Act 23, Imd. Eff. May 12, 1999 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005
Popular Name: Act 451

380.15 Repealed. 2017, Act 38, Eff. Aug. 21, 2017.

Compiler's Notes: The repealed section pertained to transfer of gift from school board to community foundation.
Popular Name: Act 451

Part 2 PRIMARY SCHOOL DISTRICTS

380.71-380.87 Repealed. 1995, Act 289, Eff. July 1, 1996.

Popular Name: Act 451

Part 3 SCHOOL DISTRICTS OF THE FOURTH CLASS

380.101-380.155 Repealed. 1995, Act 289, Eff. July 1, 1996.

Popular Name: Act 451

Part 3A JOINT HIGH SCHOOL DISTRICTS

380.171-380.187 Repealed. 1995, Act 289, Eff. July 1, 1996.

Popular Name: Act 451

Part 4 SCHOOL DISTRICTS OF THE THIRD CLASS

380.201-380.260 Repealed. 1995, Act 289, Eff. July 1, 1996.

Popular Name: Act 451

Part 5
SCHOOL DISTRICTS OF THE SECOND CLASS

380.301-380.362 Repealed. 1995, Act 289, Eff. July 1, 1996.

Popular Name: Act 451

Part 5A
APPOINTMENT OF SCHOOL REFORM BOARDS

380.371 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to definitions.

Popular Name: Act 451

380.372 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to establishment of school reform board.

Popular Name: Act 451

380.373 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to suspension of powers and duties of elected school board. The repealed section also pertained to powers and duties of mayor and chief executive officer, termination of contracts, and implementation of school district improvement plan.

Popular Name: Act 451

380.374 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to appointment of chief executive officer and other officers.

Popular Name: Act 451

380.374a Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to election or appointment of certain members or officers to elective office of qualifying school district.

Popular Name: Act 451

380.375 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to provisions applicable after 5 years from initial appointment of school reform board of qualifying school district.

Popular Name: Act 451

380.376 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to school district accountability board.

Popular Name: Act 451

PART 5B
COMMUNITY DISTRICTS

380.381 School district organized as community district; political subdivision and public body corporate; name; jurisdiction; definitions.

Sec. 381.

(1) A school district organized as a community district shall be governed by this part, by the provisions of article 2 not inconsistent with this part, and by articles 3 and 4.

(2) A community district is a political subdivision and public body corporate separate and distinct from this state and other school districts in this state.

(3) The name of a school district governed by this part shall include the name of the city, village, or township with the greatest population located within the geographic boundaries of the community district, the word "school" or "schools", and the word "community" or "district", or both.

(4) Subject to section 12b, a school district governed by this part shall be under the jurisdiction of and governed by the school board of the community district provided for by section 384.

(5) As used in this part:

(a) "Authorizing body" means that term as defined in section 501, 521, or 551, as applicable.

(b) "Transfer date" means that term as defined in section 12b.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019

Popular Name: Act 451

380.382 Community district; organization and conduct in manner of general powers school district.

Sec. 382.

Except as otherwise provided in this part, a community district shall be organized and conducted in the same manner as a general powers school district. Except as otherwise provided by law, a community district has all of the powers of a general powers school district under section 11a and has all additional powers granted by law to a community district or the school board of a community district.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.383 Creation of community district.

Sec. 383.

Effective on the date a school district becomes a qualifying school district, a community district is created for the same geographic area of that qualifying school district to provide public education services for residents of that geographic area and to otherwise exercise the powers of a community district for that geographic area beginning on the transfer date for that qualifying school district.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.384 Initial school board for community district; membership; election; terms; bylaws; meetings; limitation; "school district election coordinator" defined.

Sec. 384.

(1) Until an initial school board for a community district is elected under this section, the transition manager designated under section 12b shall exercise the powers and duties with respect to governance of the community district as provided under that section.

(2) The initial school board for a community district shall consist of 7 members elected as provided in this section. The school district election coordinator for the community district shall conduct the election as provided for under this section and the Michigan election law.

(3) The school board for a community district shall consist of 7 school electors of the community district elected on a districtwide basis. Members elected to the initial elected school board shall be elected at the first November regular election date, as established under section 641 of the Michigan election law, MCL 168.641, that occurs at least 90 days after the transfer date.

(4) Except as otherwise provided in this subsection, for an individual's name to appear on the official ballot as a candidate for member of the initial elected school board of a community district, the candidate shall file a nominating petition and the affidavit required by section 558 of the Michigan election law, MCL 168.558, with the school district election coordinator not later than 4 p.m. on the fifteenth Tuesday before the election date. The nominating petition must be signed by a minimum of 40 and maximum of 100 school electors of the community district. The nominating petition shall be substantially in the form prescribed under section 303 of the Michigan election law, MCL 168.303. However, instead of filing nominating petitions, a candidate for school board member may pay a nonrefundable filing fee of \$100.00 to the school district election coordinator. If this fee is paid by the due date for a nominating petition, the payment has the same effect under this section as the filing of a nominating petition.

(5) The 2 members of the initial elected school board receiving the highest vote totals in that election among the 7 members elected shall be elected for a term of 6 years, the 3 members of the initial elected school board receiving the next highest vote totals in that election among the 7 members elected shall be elected for a term of 4 years, and the 2 members of the initial elected school board receiving the lowest vote totals in that election among the 7 members elected shall be elected for a term of 2 years. The term of a member of the initial elected school board shall begin on January 1 following the member's election.

(6) After the initial terms under subsection (5), each member of the school board of a community district shall be elected at the November regular election date for a term of 4 years beginning on January 1 following the member's election.

(7) The school board of a community district shall adopt bylaws as described in section 11a(6) for a general powers school district. These bylaws may establish or change board procedures; establish the number, titles, and duties of board officers; and address any other matter related to effective and efficient functioning of the board. Regular meetings of the board shall be held at least once each month, at the time and place fixed by the bylaws. Special meetings may be called and held in the manner and for the purposes specified in the bylaws.

(8) A member of a school board for a qualifying school district under section 12b may not also serve as a member of a school board for a community district that has the same geographic boundaries as the qualifying school district. A member of a school board of a community district may not also serve as a member of a school board for a qualifying school district that has the same geographic boundaries as the community district.

(9) As used in this section, "school district election coordinator" means that term as defined under section 4 of the Michigan election law, MCL 168.4.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016
Popular Name: Act 451

380.385 Initial superintendent of schools for community district; appointment; qualifications; report on performance of community district; factors; performance evaluation on superintendent of schools of community district; chief school administrator of school operated as of date of initial elected school board; renewal or nonrenewal of employment contract; review.

Sec. 385.

(1) The school board of a community district shall employ a superintendent of schools. Within 90 days after the initial school board of a community district takes office, the school board of the community district shall appoint an initial superintendent of schools for the community district. The initial superintendent of schools shall be selected based upon his or her demonstrated ability, record of competence, experience in increasing academic achievement, experience with education reform and redesign, and expertise in the turnaround of academically underperforming urban schools.

(2) On an annual basis, the school board of a community district shall evaluate and issue a report on the performance of the community district based on the following factors:

(a) The proportion of pupils enrolled in the community district who achieve scores at least equivalent to proficient on state assessments.

(b) The proportion of pupils enrolled in the community district who achieve at least 1 year of academic growth in a school year.

(c) The proportion of graduates from or pupils enrolled in the community district who are enrolled in some form of postsecondary education or career and technical education.

(3) On at least an annual basis, the school board of a community district shall evaluate the performance of the superintendent of schools of the community district.

(4) For an individual who is the chief school administrator of a school operated by a community district and is employed by the community district as of the date the initial elected school board takes office under section 384, before making a decision on renewing or nonrenewal of the individual's employment contract as described under section 1229(2) and (3), the school board of the community district shall perform an individual review of each individual's school administrator employment contract and make an affirmative decision to renew the contract or to provide notice of nonrenewal. The school board of the community district shall comply with the time periods in section 1229(2) and (3). The review required under this section is in addition to any performance evaluation required under the performance evaluation system under section 1249b.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016
Popular Name: Act 451

380.386 Another school district authorized to levy school operating tax within geographic boundaries of community district; levy of school operating tax by community district prohibited.

Sec. 386.

If another school district is authorized to levy a school operating tax under section 1211 within the geographic boundaries of the community district during a tax year, the community district shall not levy a school operating tax under section 1211 during that tax year.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016
Popular Name: Act 451

380.387 Financial oversight by financial review committee.

Sec. 387.

A community district is subject to financial oversight by a financial review commission to the extent provided under the Michigan financial review commission act, 2014 PA 181, MCL 141.1631 to 141.1643. If a financial review commission is in place for a community district, all of the following apply:

(a) The appointment of a chief financial officer for the community district is subject to the approval of the financial review commission. Before the chief financial officer's appointment is final, the school board of the community district shall submit the proposed appointment in writing to the financial review commission for its approval. If the proposed appointment is not approved by the financial review commission within 45 days after it is submitted in writing to the financial review commission, the appointment is denied.

(b) The community district may not terminate the employment of the superintendent of schools or chief financial officer of the community district unless that action is approved by the financial review commission.

(c) The transition manager or school board of a community district shall ensure that the community district does not provide to a school board member, official, or employee of the community district any reimbursement from public funds for travel outside of this state unless the reimbursement is specifically approved by the financial review commission. The state treasurer shall monitor and verify compliance with this subdivision by obtaining the necessary information from the department and the community district at least annually. If the state treasurer determines that a community district is not in compliance with this subdivision, the state treasurer shall notify the community district, the department, and the legislature.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.388 Public library; effect of general or local law.

Sec. 388.

This part does not repeal or affect a general law or local law governing the management and control of a public library established in a community district under this part or a first class school district under part 6. Any powers and duties of a qualifying school district under section 12b relating to the management and control of a public library are transferred to the community district on the transfer date for the qualifying school district under section 12b.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.389 Formation of community district; presumption of validity.

Sec. 389.

The validity of the formation of a community district shall be conclusively presumed unless questioned in an original action filed in the court of appeals within 60 days after the community district is created under section 383. The court of appeals has original jurisdiction to hear an action under this section. The court shall hear the action in an expedited manner. The department of treasury is a necessary party in any action under this section.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.390, 380.391 Repealed. 2018, Act 601, Eff. June 30, 2019.

Compiler's Notes: The repealed sections pertained to the community district accountability system and the closure of certain public schools.
Popular Name: Act 451

380.392 Opening of new school prohibited; circumstances.

Sec. 392.

The board of a community district shall not open a new school if both of the following circumstances exist:

(a) The proposed school would operate at the same location as a public school that currently is on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state or has been on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, during the immediately preceding 3-year period of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state.

(b) The proposed school would have substantially the same leadership and substantially the same curriculum offerings as the school that previously operated at that location.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: For transfer of state school reform/redesign school district and state school reform/redesign officer from department of education to state school reform office created as an autonomous entity within department of technology, management, and budget, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445.

Popular Name: Act 451

380.393 Advisory council.

Sec. 393.

(1) A community district shall have, support, and maintain an advisory council as provided in this section.

(2) The advisory council shall consist of 6 members as follows:

(a) The superintendent of schools of the community district or his or her designee.

(b) The school board president of the community district or his or her designee.

(c) One member, appointed by the department, who at the time of his or her appointment is the parent of at least 1 pupil who is currently enrolled, and who has been enrolled for at least 1 full school year, in a public school operated by the community district or operated by the qualifying school district with the same boundaries as the community district. If a member appointed under this subdivision ceases to have a child enrolled in a public school operated by the community district, that member shall be considered to have vacated the member's office.

(d) One member representing authorizing bodies that have authorized at least 3 public school academies located within the community district, appointed by the department from among nominees submitted by a statewide organization representing authorizing bodies.

(e) One member who serves as a school administrator in, or on the board of directors of, a public school academy that is located within the community district and is authorized by the governing board of a state public university, appointed by the department from among nominees submitted by a statewide organization representing public school academies.

(f) One member, appointed by the department, who at the time of his or her appointment is the parent of at least 1 pupil who is currently enrolled, and who has been enrolled for at least 1 full school year, in a public school academy located within the community district. If a member appointed under this subdivision ceases to have a child enrolled in a public school academy located within the community district, that member shall be considered to have vacated the member's office.

(3) The advisory council members appointed under subsection (2)(c) to (f) shall serve for a term of 4 years. A vacancy in the office shall be filled in the same manner as the original appointment for the vacated seat.

(4) In carrying out its functions, an advisory council shall solicit input and consider recommendations from representatives of authorizing bodies for public school academies operating within the community district, community groups, and other interested parties with relevant experience.

(5) On an annual basis, an advisory council shall prepare and submit to the school board of the community district a report on the physical state of public school facilities located within the community district; the utilization of public school facilities located within the community district, considering efficiency of that utilization and possible consolidation or elimination of facilities; the siting of existing and future public schools within the community district, considering population, population density, and the efficient and equitable distribution of facilities; and transportation of pupils to and from public schools located within the community district. The school board of the community district shall provide a copy of this report to the department, to the authorizing body of each public school academy located within the community district, and to the standing committees of the senate and house of representatives with responsibility for education legislation.

(6) In carrying out its functions and responsibilities, the school board of a community district shall consider the reports received from the advisory council under subsection (5).

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019

Popular Name: Act 451

380.395 Qualifying school district as party to lease with achievement authority or interlocal agreement with public university creating achievement authority.

Sec. 395.

(1) If a qualifying school district is a party to a lease between the qualifying school district and an achievement authority, the community district shall not renew or extend the lease after June 30 following the transfer date.

(2) If a qualifying school district is a party to an interlocal agreement with a state public university creating an achievement authority, as soon as possible after the transfer date the community district shall take action to withdraw from that interlocal agreement to the extent permitted under that interlocal agreement.

(3) If a qualifying school district is a party to an interlocal agreement with a state public university creating an achievement authority, the community district is not authorized to jointly exercise any powers, privileges, or authorities under that interlocal agreement after the June 30 following the transfer date.

(4) As used in this section, "achievement authority" means that term as defined in section 3 of the state school aid act of 1979, MCL 388.1603.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.396 Appropriation.

Sec. 396.

For the state fiscal year ending September 30, 2016, \$250,000.00 is appropriated from the general fund to the department of treasury for the purpose of providing financial support for the organization and administration of any community district formed under this part during the fiscal year ending September 30, 2016. The state treasurer shall ensure that a portion of this money is allocated as a grant to be used to provide school board training to the initial elected members of the school board of the community district. This training shall be provided to each of these board members no later than 30 days after he or she takes office and shall address at least school board governance, public school financing, fiscal responsibility, and ethics.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

Part 6
SCHOOL DISTRICTS OF THE FIRST CLASS

380.401 Provisions governing school districts of first class; name of school district; jurisdiction of board; board as body corporate; suits.

Sec. 401.

(1) A school district organized as a school district of the first class shall be governed by this part, by the provisions of article 2 which are not inconsistent with this part, and by articles 3 and 4.

(2) A school district governed by this part shall be known as the "school district of the city of _____," and shall be under the jurisdiction of the first class school district board.

(3) The first class school district board shall be a body corporate under the name and title of "the board of education of the school district of the city of _____" and under that name may sue and be sued.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.401a First class school district; powers.

Sec. 401a.

(1) Except as provided by law, a first class school district has all of the powers granted to a general powers school district in section 11a and has all additional powers granted by law to a first class school district or the board of a first class school district.

(2) Unless expressly provided in the amendatory act that added this section, the powers of a first class school district are not diminished by this section or by the amendatory act that added this section.

History: Add. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

380.402 First class school district.

Sec. 402.

A school district that has a pupil membership of at least 100,000 enrolled on the most recent pupil membership count day is a first class school district governed by this part.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1999, Act 10, Imd. Eff. Mar. 26, 1999 ;-- Am. 2000, Act 230, Imd. Eff. June 27, 2000

Compiler's Notes: Enacting section 1 of Act 230 of 2000 provides: "Enacting section 1. The amendments made by this amendatory act to sections 371, 372, 373, 374a, and 402 of the revised school code, 1976 PA 451, MCL 380.371, 380.372, 380.373, 380.374a, and 380.402, are intended to reaffirm the legislature's initial intent to apply those sections and part 5a and sections 449 and 471a of the revised school code, 1976 PA 451, MCL 380.371 to 380.376, 380.449, and 380.471a, to any school district that was a qualifying school district under part 5a of the revised school code at the time of enactment of 1999 PA 10 or that may thereafter become a qualifying school district under part 5a of the revised school code."

Popular Name: Act 451

380.403 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to first class school district if question under MCL 380.410 is approved.
Popular Name: Act 451

380.403a Disapproval of ballot question; applicability of section to first class school district; election of board members.

Sec. 403a.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) Effective on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors of the first class school district, the first class school district shall have a board composed of 4 members elected as provided in section 411a, plus 7 members elected, or appointed to fill a vacancy, as provided in section 412a.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 1982, Act 71, Eff. Jan. 1, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004
Popular Name: Act 451

380.404 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to voting districts within school boundary if question under MCL 380.410 is approved.
Popular Name: Act 451

380.404a Repealed. 1982, Act 71, Imd. Eff. Apr. 14, 1982.

Compiler's Notes: The repealed section pertained to establishment of voting regions.
Popular Name: Act 451

380.404b Voting districts; establishment; number; approval by state board; determination and redetermination of boundary lines; voting districts as compact, contiguous, and equal in population.

Sec. 404b.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) Upon the effective date of this section with respect to an existing first class school district, or immediately following the date on which a school district becomes a first class school district, 7 voting districts shall be established within its boundaries in the manner provided in this section. The voting districts described shall be established as voting districts if and when approved by the state board.

(3) A board of a first class school district shall determine the boundary lines of its voting districts and shall redetermine the boundary lines after each federal decennial census, but in no event later than April 15 of the first year in which board members are to be elected following the official release of the federal decennial census figures. If the board of a first class school district fails to redetermine the voting district boundary lines by that April 15, the state board shall convene within 10 days to make the redetermination. The redetermination of the state board shall be the voting district boundary lines until the redetermination is made following the next succeeding federal decennial census as provided in this section.

(4) For a first class school district that was a qualifying school district under part 5a at the time of a decennial census, if a redetermination was not made after that decennial census, the voting district boundary lines in effect immediately before that decennial census shall be used for the purposes of electing school board members under section 412a at the first election of school board members after the election under section 410. A redetermination based on that decennial census shall subsequently be made by the school board as provided in this section not later than 3 months after election of the school board.

(5) Voting districts shall be compact, contiguous, and as equal as possible in population.

History: Add. 1982, Act 71, Imd. Eff. Apr. 14, 1982 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.405 Repealed. 2004, Act 303, Imd. Eff. Aug. 10, 2004.

Compiler's Notes: The repealed section pertained to the form and approval of question submitted to electors, and the appointment, powers, and duties of the committee and board.

Popular Name: Act 451

380.406 Repealed. 1982, Act 71, Imd. Eff. Apr. 14, 1982.

Compiler's Notes: The repealed section pertained to submission of plan to legislature.

Popular Name: Act 451

380.410 Selection of ballot designation by local election official; content; approval.

Sec. 410.

(1) At the next November general election occurring after the expiration of 5 years after the initial appointment of a school reform board under part 5a for a first class school district, the local elections official of the city with the greatest population located within the boundaries of the school district shall present the question under subsection (2) to the school electors of the first class school district. The local election official may select a ballot designation for the question.

(2) At the November general election described in subsection (1), the following question shall be presented to the school electors of the first class school district:

"Shall the _____ (name of school district) be reapportioned into 9 single-member election districts with district residency requirements, shall a new school board be elected according to these election districts to serve in the district, and shall the school district be governed by a chief executive officer nominated by the mayor of the city with the greatest population located within the boundaries of the school district and approved by this newly elected board? According to state law, a "yes" vote will result in the establishment of the 9 election districts, election of a school board, and appointment of a chief executive officer as described in this question, and a "no" vote will result in the school district being governed by the governance structure otherwise provided for a first class school district under part 6 of the revised school code, consisting of an 11-member school board for the school district with 4 members elected at large and 7 members elected from election districts and with the school district governed by the 11-member school board.

Yes _____
No _____".

(3) If a majority of the school electors of the first class school district voting on the question vote yes on the question under this section, the question is approved.

History: Add. 2004, Act 303, Imd. Eff. Aug. 10, 2004

380.411 Repealed. 1981, Act 96, Eff. Mar. 15, 1982;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to nomination and election of at large members of first class school district board.
Popular Name: Act 451

380.411a Board; election of at large members; terms; nominations; provisions; election of officers; president; recalled member as candidate for same office; expiration of term; election of board members; vacancy; qualifications of candidate; moving residence.

Sec. 411a.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) Four members of the board of a first class school district shall be elected at large. The following provisions apply to the terms, nomination, and election of the at large members of the board of a school district organized as a first class school district:

(a) Four members shall be elected for a term of 4 years at the general election to be held in the next November after the question under section 410 is presented to the school electors of the first class school district and every 4 years after that November.

(b) Each candidate shall be nominated at a primary held in conjunction with the preceding primary election conducted pursuant to section 534 of the Michigan election law, 1954 PA 116, MCL 168.534. The nominating petitions shall contain not less than 500 or more than 1,000 signatures of registered school electors of the city in which the first class school district is located; shall meet the requirements of section 544c of the Michigan election law, 1954 PA 116, MCL 168.544c; and shall be filed with the clerk of the city in which the first class school district is located on or before 4 p.m. of the twelfth Tuesday before the primary election. The city clerk may compare the signatures on the petitions with the signatures appearing on the registration records, or in some other proper manner determine whether the signatures appearing on the petition are genuine and comply with the requirements of this section. With the petitions, a candidate shall file an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558. The clerk of the city shall notify the county clerk of the name and address of each candidate not later than 3 days after the last day for candidate withdrawal. However, if the third day is a Saturday, Sunday, or legal holiday, the notice may be made on the next day that is not a Saturday, Sunday, or legal holiday.

(c) Each member shall commence his or her term of office on January 1 following his or her election.

(3) The board of a first class school district shall elect its officers during the month of January following the election of board members. The president of the board shall be a member of the board, and the duties of the president shall be determined by the board.

(4) A board member of a first class school district who is recalled may be a candidate for the same office at the next election for an office at which the recalled member is otherwise eligible.

(5) The term of office of each board member serving in a school district that becomes a first class school district after April 15, 2004 expires on the next succeeding December 31 of an even numbered year, except that if the school district becomes a first class school district later than April 1 of an even numbered year, the term of office of each board member expires on December 31 of the next succeeding even numbered year after the year in which the district became a first class school district. For a district becoming a first class school district after April 15, 2004, 4 school board members shall be elected in the general election of the even numbered year in which the terms of office expire, and the 4 school board members elected shall commence 4-year terms on January 1 of the odd numbered year following the general election.

(6) If a vacancy occurs on the first class school district board from among the at large members, the vacancy shall be filled by majority vote of the remaining first class school district board members at a meeting called by the president of the board for that purpose. If a person is appointed to fill a vacancy for which the unexpired term is more than 1 year and 8 months, that person shall serve until January 1 following the next general election. At that first general election the vacancy shall be filled for the unexpired term. A vacancy shall not be filled later than 60 days before a primary election at which at large board members are to be nominated.

(7) A candidate for the office of board member at large or a person appointed to fill a vacancy on the board pursuant to subsection (6) shall be 18 years of age or older at the time of his or her election or appointment and shall be a registered school elector residing in the first class school district in which the person becomes a candidate or which the person is appointed to represent. If an at large member's residence is moved from the first class school district during the at large member's term of office, it constitutes a vacating of office.

History: Add. 1981, Act 96, Eff. Mar. 15, 1982 ;-- Am. 1982, Act 71, Imd. Eff. Apr. 14, 1982 ;-- Am. 1984, Act 322, Eff. Dec. 28, 1984 ;-- Am. 1989, Act 268, Eff. Feb. 12, 1990 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004 ;-- Am. 2007, Act 29, Imd. Eff. June 28, 2007

Popular Name: Act 451

380.412 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to school board of first class school district if question under MCL 380.410 is approved.

Popular Name: Act 451

380.412a Disapproval of ballot question; board; nomination and election of members; representation of voting district; nominating petition; signature; primary election; filing petition; comparing signatures; filing affidavit; terms; qualifications of candidates; moving residence; vacancy.

Sec. 412a.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) In the next November general election after the question under section 410 is presented to the school electors of the first class school district, 7 members of the board of a first class school district shall be elected by voting districts for an initial term of 2 years. At the November general election held 2 years after that election and every 4 years thereafter, 7 members of the board shall be elected by voting districts for a term of 4 years. Each member shall represent a voting district described in section 404b.

(3) The members shall be nominated and elected by the registered school electors of each voting district in the manner provided by law for the nomination and election of the first class school board members elected at large, except that the number of signatures required on nominating petitions of a candidate for election as a representative of a voting district shall be not less than 250 or more than 500. A signature on a nominating petition is not valid unless the petitioner is a registered school elector of the voting district in which the candidate is running for election. Not more than 2 candidates shall be nominated at the primary election for each voting district.

(4) Candidates shall be nominated at a primary held in conjunction with the preceding primary election conducted pursuant to section 534 of the Michigan election law, 1954 PA 116, MCL 168.534. Nominating petitions shall meet the requirements of section 544c of the Michigan election law, 1954 PA 116, MCL 168.544c, and shall be filed with the clerk of the city in which the first class school district is located on or before 4 p.m. of the twelfth Tuesday preceding the primary election. The city clerk may compare the signatures on the petitions with the signatures appearing on the registration records, or in some other proper manner determine whether the signatures appearing on the petitions are genuine and comply with the requirements of this section. With the petitions, a candidate shall file an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558.

(5) The 7 board members elected to represent the voting districts shall commence their terms of office on January 1 following the election.

(6) A candidate for the office of board member representing a voting district or a person appointed to fill a vacancy pursuant to subsection (7) shall be 18 years of age or older at the time of his or her election or appointment and shall be a registered school elector residing in the voting district in which the person becomes a candidate or which the person is appointed to represent. If a voting district member's residence is moved from the voting district during the voting district member's term of office, this constitutes a vacating of office.

(7) If a vacancy occurs on the first class school district board from among the voting district members, the vacancy shall be filled from among registered school electors of the voting district by majority vote of the remaining first class school district board members. If a person is appointed to fill a vacancy in a voting district for which the unexpired term is more than 1 year and 8 months, that person shall serve until January 1 following the next general

election. At that next general election the vacancy shall be filled for the unexpired term. A vacancy shall not be filled later than 60 days before a primary election at which voting district board members are to be nominated.

History: Add. 1981, Act 96, Eff. Mar. 15, 1982 ;-- Am. 1982, Act 71, Imd. Eff. Apr. 14, 1982 ;-- Am. 1984, Act 322, Eff. Dec. 28, 1984 ;-- Am. 1989, Act 268, Eff. Feb. 12, 1990 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.413 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to serving notice of election on member.

Popular Name: Act 451

380.413a Notice of election; service on member.

Sec. 413a.

The city clerk of the city with the greatest population located within the boundaries of the first class school district, within the time specified for serving notices upon officials elected at a city election, shall serve notice of election upon each member of the first class school district board elected at the election.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.414 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to failure to take oath of office.

Popular Name: Act 451

380.414a Failure to take oath of office; filling vacancy.

Sec. 414a.

If a person elected to the board of a first class school district under this part fails to take the oath of office within 10 days after service of notice of election, the vacancy shall be filled pursuant to section 411a(6), 412(7), or 412a(7), as applicable.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.415 Expulsion or removal of board member; grounds; procedure.

Sec. 415.

(1) The first class school district board, by a vote of 2/3 of the members serving, may expel or remove from office a member for corrupt or willful malfeasance or misfeasance in office, or for willful neglect of the duties of the member's office. The reason for the expulsion or removal shall be entered on the records of the board with the names and votes of the members voting on the question.

(2) A member shall not be expelled or removed unless the member is first furnished with a written copy of the charges and is allowed to be heard in his or her defense, with aid of counsel.

(3) For this purpose the board shall have power to issue subpoenas to compel the attendance of witnesses and the production of papers, and shall proceed within 10 days after service of a copy of the charge to hear and determine the merits of the case.

(4) The member's failure to appear may be good cause for removal from office.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.416 Board; officers; quorum; vacancy in office of president; appointment and salary of secretary and treasurer; duties; bonds; custody and disposition of funds; board members elected in 2006.

Sec. 416.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) The officers of the first class school district board shall be a president, vice-president, secretary, and treasurer. Subject to subsection (7), the board, a majority of which constitutes a quorum, shall elect its president and vice-president biennially from among the members of the board. In case of a vacancy in the office of president, the vice-president shall succeed to the office of president for the balance of the unexpired term. The secretary and treasurer shall be appointed by the board but shall not be members of the board and shall receive a salary fixed by the board.

(3) The president, vice-president, and secretary shall perform the duties prescribed by the bylaws and regulations of the board. The duties of the treasurer shall be determined by the school district general superintendent, as approved by the board.

(4) The officers of the board who in the discharge of the duties of their respective positions handle funds belonging to the first class school district shall be required to give bonds for the faithful performance of their duties in accordance with the bylaws and regulations of the board. The premium of the bonds shall be paid from the funds of the board.

(5) The school district treasurer shall have the custody of all money belonging to the school district and shall pay out money pursuant to section 433. The funds shall be deposited with depositories selected by the board, and the interest derived shall be paid into the general fund of the board.

(6) The board shall require from the school district treasurer a separate bond of not less than \$200,000.00 to protect the funds of the board.

(7) All of the following apply to the board members elected by the board in 2006 as president and vice president of the board:

(a) The initial term as president and vice president for each of those board members is continued until a successor is elected by the board for each in January of 2008.

(b) Successors for each of those officers as described in subdivision (a) shall be elected biennially by the board as provided under subsection (2).

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004 ;-- Am. 2007, Act 29, Imd. Eff. June 28, 2007

Popular Name: Act 451

380.416a Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to officers of first class school district if question under MCL 380.410 is approved.

Popular Name: Act 451

380.417 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to interest of member in contract with board, and compensation of regional board members.

Popular Name: Act 451

380.417a Board; interest of member in contract; compensation; per diem allowance; reimbursement; maximum payments.

Sec. 417a.

(1) A member of the first class school district board shall not be directly or indirectly interested in a contract with the board. Except for the per diem allowance provided in subsection (2), a member of the first class school district board shall not receive compensation for services rendered to the board.

(2) Except as otherwise provided in this subsection and subsection (3), each first class school district board member shall be paid a per diem allowance of \$30.00 for each board meeting and subcommittee meeting attended and each authorized duty performed. To be reimbursed for an authorized duty, the duty shall be related directly to the member's responsibility as a board member and shall be authorized in advance by resolution of the board. Compensation shall be provided to a board member for an authorized duty only if that duty and the authority of the board member to perform that duty is specifically enumerated in the resolution authorizing compensation. The payments for meetings, subcommittee meetings, and authorized duties shall not exceed a total of 52 meetings, subcommittee meetings, and authorized duties per year, except that, if the question under section 410 is not approved in the first class school district, this limitation may be removed by majority vote of the board.

(3) If the question under section 410 is approved in the first class school district, the board of the first class school district may by majority vote of the board waive any per diem payment under this section.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 1982, Act 71, Eff. Jan. 1, 1983 ;-- Am. 1985, Act 86, Imd. Eff. July 5, 1985 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.418 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to board meetings, official actions, and annual audit.

Popular Name: Act 451

380.418a Board; meetings; proceedings and official actions as public record; annual audit; report; publication; actions to be by ye and nay vote entered upon record.

Sec. 418a.

(1) Regular meetings of the first class school district board shall be held at least once each month, at a time and place fixed by the bylaws. If the question under section 410 is not approved, not less than 7 of the regular meetings shall be held in different voting districts of the first class school district each year. If the question under section 410 is approved, not less than 9 of the regular meetings shall be held in different voting districts of the first class school district each year. The bylaws may provide for the calling of special meetings.

(2) The proceedings and official actions of the first class school district board shall be a public record open to inspection pursuant to section 1202.

(3) The board of the first class school district shall have made a complete annual audit of its financial transactions. The board may employ a firm of certified public accountants to make the audit or, if the city with the greatest population located within the boundaries of the school district 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. The audit report shall be made to the board and the chief executive officer and shall be a public record. The board may direct the chief executive officer to publish the audit report by adding to it general school statistics or it may publish general school statistics separately.

(4) If the question under section 410 is not approved in the first class school district, every action of the first class school district board creating a liability or debt or originating the disposal or expenditure of property or money shall be by yeas and nays vote entered upon its record.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 1982, Act 71, Eff. Jan. 1, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.420 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to powers of chief executive officer of first class school district and duties of school board if question under MCL 380.410 is approved.

Popular Name: Act 451

380.421 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to award of contracts.

Popular Name: Act 451

380.422 Annexation of entire school district to city; bonded indebtedness; powers and duties of chief executive officer.

Sec. 422.

If territory comprising an entire school district is annexed to the city and becomes a part of the first class school district, part 10 shall govern where applicable with respect to the bonded indebtedness of either district existing at the time of annexation. The first class school district board may use any funds legally available to retire the bonded indebtedness of the annexed district. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.423 Annexation of portion of school district to city; bonded indebtedness.

Sec. 423.

When territory constituting a portion of another school district is annexed to a city and the district from which that territory is taken has outstanding bonded indebtedness, part 11 shall apply to that bonded indebtedness.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.424 Annexation of property belonging to another school district; determination of amount to be paid; board of arbitration; hearing; notice; regulations; final order; taxes; powers and duties of chief executive officer.

Sec. 424.

(1) When school property belonging to another school district is taken by annexation by a first class school district, a determination shall be made of the equitable amount that shall be paid by the first class school district. That determination shall be made by the boards of the 2 districts affected. If the board of the first class school district and the board of the school district from which the property is taken are unable to agree, the matter shall be submitted to a board of arbitration consisting of 1 member appointed by each board and a third member to be selected by the 2 appointed members. The arbitrators by order shall fix a day for hearing and give notice of the hearing as provided in the order. They shall make regulations for the proceedings and shall make a final order determining the amount to be paid by the first class school district to the school district whose property was taken by the annexation and file the order with the county clerk. The order of the arbitrators shall be final. Taxes shall be levied and collected in the manner provided in the order.

(2) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.431 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to powers of board as to real and personal property.

Popular Name: Act 451

380.431a Powers of board as to real and personal property; proceeds from sale of real property; bylaws and regulations; eminent domain proceedings.

Sec. 431a.

(1) The board of the first class school district may take, use, hold, lease, sell, and convey real and personal property, including property received by gift, devise, or bequest, for the use of the public school within and without its corporate limits. Proceeds from the sale of real property shall be credited to accounts of the school district as provided in section 1262. The first class school district board has the power to purchase, lease, and take by the right of eminent domain all property; erect and maintain or lease all buildings; employ and pay all persons; and do all other things in its judgment necessary for the proper establishment and management of the public schools. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this subsection.

(2) The first class school district board may adopt and revise as appropriate bylaws and regulations for conducting the business of the board and, if the question under section 410 is not approved in the first class school

district, for the control and government of all schools, school property, and pupils in the first class school district.

(3) If property is sought to be taken by eminent domain, proceedings may be brought under 1911 PA 149, MCL 213.21 to 213.25, or the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 1982, Act 71, Eff. Jan. 1, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004
Popular Name: Act 451

380.432 Annual tax estimates; specification of amounts required for certain funds; retirement of bonds; budget; apportionment of school taxes; assessment, levy, collection, and return of taxes; statement on tax bill; powers and duties of chief executive officer.

Sec. 432.

(1) The first class school district board annually shall prepare estimates of the amount of taxes necessary for its needs for the ensuing fiscal year. The estimates shall specify the amount required for the "general fund", the amount required for the "building and site fund", and the amount required for the "debt retirement fund". If the board causes the appropriation for the "building and site fund" to be raised by the issuance of bonds instead of raising the appropriation by taxation, provision shall be made for the retirement of the bonds in a debt retirement fund.

(2) 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.

(3) 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 school district, in the discretion of the legislative body of the city, may be stated separately on each tax bill.

(4) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004
Popular Name: Act 451

380.433 Payment of payrolls, bills, accounts, or claims; warrant; certificate; powers and duties of chief executive officer.

Sec. 433.

(1) The secretary of the first class school district board shall issue and sign a warrant upon the treasurer for payrolls, bills, and accounts that become due and payable under a contract or because of a previous authorization or action of the board after the payrolls, bills, and accounts are registered and charged to the appropriations from which they are payable. The treasurer, upon receipt of the warrant, shall issue a check in payment thereof.

(2) Other claims and demands against the first class school district shall be made under the regulations of the board. The board, before paying a bill, account, or claim, may require that it be accompanied by a certificate of the person rendering it that the services or the property charged have been actually performed or delivered for the school district, that the sums charged are reasonable and just, and that to the best of that person's knowledge and belief no setoff exists nor payment has been made on account except as included or referred to in the account presented. A similar certificate shall be required on all payrolls, the certificate to be made by the person who supervises the services charged.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 or his or her designee has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004
Popular Name: Act 451

380.434 Contracts for purchase of real estate or erection, remodeling, or repairing of building; endorsement; certificates; borrowing; duties and powers of chief executive officer.

Sec. 434.

(1) Before a contract entered into by the first class school district for the purchase of real estate or the erection, remodeling, or repairing of a building is binding on the school district, the secretary shall endorse on the contract that the money proposed to be expended under the contract is actually in the treasury or that the money has been appropriated. A contract submitted shall not be certified by the secretary until all contracts for the completed work covered by the appropriation are submitted, and a warrant shall not be drawn on the account of a contract not containing the certificate.

(2) The board may authorize a contract before the money is available if an appropriation or an authorization of bonds or notes is made for the contract and may borrow on the best terms obtainable on the credit of that appropriation or authorization of bonds or notes sums necessary to make a payment under the contract.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 or his or her designee has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.441 Borrowing to pay awards in condemnation proceedings.

Sec. 441.

The board of the first class school district, with the consent of the legislative body of the city, may authorize the financial officers of the school district to borrow for not more than 1 year, on the best terms obtainable, sums necessary to pay awards in condemnation proceedings. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.442 Borrowing powers of board of first class school district; limitations on loans and bonds; powers and duties of chief executive officer.

Sec. 442.

(1) The board of the first class school district may do any of the following:

(a) Borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, for temporary school purposes sums of money and give notes of the district for temporary school purposes.

(b) Borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, sums of money for the purpose of purchasing sites for buildings, playgrounds, or athletic fields and purchasing or erecting and equipping a building or making a permanent improvement that the school district is authorized to make. The board may accomplish this by the issuance and sale of bonds of the school district on terms the board considers advisable, or by other reasonable means. The board shall designate officers to execute the bonds on behalf of the school district. The designated officers may include the chief financial officer.

(2) A loan shall not be made, except as otherwise provided in this subsection, for a sum that, together with the total outstanding bonded indebtedness of the school district, exceeds 5% of the state equalized valuation of the

taxable property within the school district, unless the proposition of making the loans or of issuing bonds is submitted to a vote of the school electors of the school district at a general or special school election and approved by the majority of the school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a. Loans may be made or bonds may be issued for the purposes stated in this section in an amount equal to that provided by part 17.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1985, Act 22, Imd. Eff. May 20, 1985 ;-- Am. 2002, Act 58, Imd. Eff. Mar. 15, 2002 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.443 Expenditure of bond proceeds for remodeling of existing school buildings; "remodeling" defined.

Sec. 443.

(1) Proceeds from the sale of first class school district bonds may be expended for the remodeling of existing buildings of the school district if the board determines the remodeling will contribute positively to the health, security, or welfare of the pupils of the school district and if the uses are approved by the superintendent of public instruction. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this subsection.

(2) As used in this section, "remodeling" means the alteration or construction of structural components of a building including walls, roofs, partitions, hallways, stairways, or means of egress, or the replacement, relocation, or reconstruction of heating, ventilating, incineration, electrical, security, or sanitary systems.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1983, Act 118, Imd. Eff. July 18, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.444 Sections 380.442 and 380.443 as supplemental provisions; ex officio officers of board.

Sec. 444.

(1) Sections 442 and 443 are supplemental to other provisions of law under which bonds of the school district or the city are authorized to be issued and sold.

(2) Officers of the city in which the school district is situated who participate in matters relating to the issuance and sale of bonds under this part are for that purpose made ex officio officers of the first class school district board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.445 Bonds for sites, buildings, and improvements; resolution; approval of school electors; form of bonds; filing notice and draft; laws governing election; electors qualified to vote; bonds subject to revised municipal finance act; powers and duties of chief executive officer.

Sec. 445.

(1) The board of the first class school district by resolution may submit the proposition of issuing bonds for the

purpose of purchasing sites for buildings, playgrounds, or athletic fields and purchasing or erecting and equipping a building or making permanent improvements that the school district is authorized to make to the school electors of the school district at a city or state election, or at a special election called for that purpose.

(2) If a majority of the school electors voting on the question approve the issuance of bonds, the board may issue the bonds of the district.

(3) The board shall determine the form of the bonds, the manner in which they shall be executed by the president and secretary of the district, the sums payable and the times of payment, and other terms and conditions the board considers necessary.

(4) If the board determines to issue bonds under this section, sections 432 and 444 shall not apply to the issuance of the bonds and the bonds may be issued in an amount equal to that provided by part 17.

(5) The secretary of the board shall file with the city clerk a written notice of the resolution to submit the bonding proposition to the school electors with a draft of the form of the bonding proposition to be submitted. 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.

(6) The laws of this state pertaining to elections in a city shall govern the practicable submission of the proposition to the school electors. Electors qualified to vote on the bonding proposition shall be registered school electors of the city in which the first class school district is located and otherwise qualified to vote on bonding propositions under the constitution and laws of this state.

(7) Bonds issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(8) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2002, Act 334, Imd. Eff. May 23, 2002 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.449 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to powers and duties of school board members and officers of first class school district following expiration of 5 years after initial appointment of school reform board.

Popular Name: Act 451

380.451 Repealed. 2004, Act 380, Imd. Eff. Oct. 12, 2004.

Compiler's Notes: The repealed section pertained to excise tax on income.

Popular Name: Act 451

380.461 Submission of measure to school electors; filing notice and draft; laws governing election; powers and duties of chief executive officer.

Sec. 461.

(1) Upon the adoption, by majority vote of the board members serving, of a measure not coming under its general power or authority, the board of the first class school district shall submit the measure to the school electors of the school district at the next state or city election or a special election called for that purpose. This section does not authorize the issuance of bonds. The secretary of the board shall file with the city clerk a written notice of the adoption of the measure together with a written draft of the measure to be submitted to the school electors. The notice shall be under the seal of the board and filed with the city clerk not less than 60 days before the

election.

(2) The laws of this state pertaining to elections in the city govern the practicable submission of the measure to the school electors.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.462 Special election; request; statement of questions; powers and duties of chief executive officer.

Sec. 462.

Special elections may be called by the board of the first class school district. The board shall call an election on receipt of the written request of not less than 10% of the registered school electors of the district qualified to vote on the question by giving the prescribed notice. The questions to be submitted at the election shall be stated briefly in the notice. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.471 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to appointment of superintendent of schools and employment of other administrators.

Popular Name: Act 451

380.471a Appointment and term of superintendent; employment, terms, and duties of other administrators; administrative and personnel services; contract required; notification of nonrenewal of contract; statement of reasons; meeting; renewal in contract; powers of board over employees; applicability of section to part 5a.

Sec. 471a.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) The first class school district board may appoint a superintendent of schools for a term not exceeding 6 years pursuant to the first class school district board's bylaws. The board may employ assistant superintendents, principals, assistant principals, guidance directors, and other administrators who do not assume tenure in position for a term, not to exceed 3 years, fixed by the board and shall define their duties. Administrative and personnel services shall be provided on a centralized basis throughout the first class school district and shall not be established on a voting district basis. The employment shall be under written contract. Notification of nonrenewal of contract shall be given in writing not less than 90 days before the termination date of the contract of a superintendent of schools, and at least 60 days before the termination date of the contract of other administrators described in this subsection. If notification of nonrenewal is not given as required in this subsection, the contract is renewed for an additional 1-year period.

(3) A notification of nonrenewal of a contract of a person described in this section may be given only for a reason that is not arbitrary or capricious. The board shall not issue a notice of nonrenewal under this section unless

the affected person has been provided with not less than 30 days' advance notice that the board is considering the nonrenewal together with a written statement of the reasons the board is considering the nonrenewal. After the issuance of the written statement, but before the nonrenewal statement is issued, the affected person shall be given the opportunity to meet with not less than a majority of the board to discuss the reasons stated in the written statement. The meeting shall be open to the public or a closed session as the affected person elects under section 8 of the open meetings act, 1976 PA 267, MCL 15.268. The failure to provide for a meeting with the board or the finding of a court that the reason for nonrenewal is arbitrary or capricious shall result in the renewal of the affected person's contract for an additional 1-year period. This subsection does not apply to the nonrenewal of the contract of a superintendent of schools.

(4) Except for certification requirements determined by the state board, the first class school district board shall have full power over employees and may specify the duties to be performed by them and fix the qualifications necessary for a position. The qualifications shall not conflict with the rules, regulations, or licensing laws of the state, county, or municipality governing qualifications of engineers or members of other trades.

(5) This section is subject to part 5a.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 1982, Act 71, Eff. Jan. 1, 1983 ;-- Am. 1999, Act 10, Imd. Eff. Mar. 26, 1999 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Compiler's Notes: Enacting section 1 of Act 230 of 2000 provides: "Enacting section 1. The amendments made by this amendatory act to sections 371, 372, 373, 374a, and 402 of the revised school code, 1976 PA 451, MCL 380.371, 380.372, 380.373, 380.374a, and 380.402, are intended to reaffirm the legislature's initial intent to apply those sections and part 5a and sections 449 and 471a of the revised school code, 1976 PA 451, MCL 380.371 to 380.376, 380.449, and 380.471a, to any school district that was a qualifying school district under part 5a of the revised school code at the time of enactment of 1999 PA 10 or that may thereafter become a qualifying school district under part 5a of the revised school code."

Popular Name: Act 451

380.472 School for confinement, discipline, instruction, and maintenance of children.

Sec. 472.

A first class school district may establish, maintain, and conduct a school for the purpose of affording a place of confinement, discipline, instruction, and maintenance of children of the city of compulsory school age who may be committed to the school by a court of competent jurisdiction, or admitted on the recommendation of the judge with the consent of their parents or guardian. A child who has been convicted of an offense punishable by confinement in a penal institution shall not be committed or admitted to the school.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

380.473 Effect of act on laws governing public libraries; transfer of power and duties regarding libraries.

Sec. 473.

This part shall not repeal or affect a general law or local law governing the management and control of public libraries as now established in school districts under this part. The powers and duties of the boards of education now in existence regarding libraries shall be assigned to and transferred to the first class school district board created by this part.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.475 Single-gender school, class, or program; establishment; availability of equal coeducational school, class, or program.

Sec. 475.

(1) Subject to subsection (2), the board of a first class school district may establish and maintain a school, class, or program within a school in which enrollment is limited to pupils of a single gender if the school district also makes available to pupils a substantially equal coeducational school, class, or program and a substantially equal school, class, or program for pupils of the other gender.

(2) If the board of a first class school district establishes a single-gender school, class, or program described in subsection (1), the school district shall not require participation by any of its pupils in the single-gender school, class, or program. The board shall ensure that participation by pupils in a single-gender school, class, or program is wholly voluntary. For the purposes of this subsection, participation by a pupil in a single-gender school, class, or program is not considered to be voluntary unless the school district also makes available to the pupil a substantially equal coeducational school, class, or program.

History: Add. 2006, Act 347, Imd. Eff. Sept. 1, 2006

380.481-380.483 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed sections pertained to regional boards.

Popular Name: Act 451

380.483a Functions of board; transfer of powers and duties.

Sec. 483a.

(1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) The first class school district board shall perform the following functions:

(a) Central purchasing.

(b) Payroll.

(c) Employment, discharge, assignment, and promotion of teachers and other employees of the district.

(d) Contract negotiations for all employees, subject to 1947 PA 336, MCL 423.201 to 423.217, and subject to bargaining certification and the collective bargaining agreement pertaining to affected employees.

(e) Property management and maintenance and the use of educational facilities.

(f) Bonding.

(g) Special education programs.

(h) Allocation of funds for capital outlay and operations.

(i) Determination of the curriculum and the establishment of educational and testing programs.

(j) Adoption of a budget.

(3) All powers and duties formerly vested in the regional boards are transferred to the first class school district board.

History: Add. 1981, Act 96, Eff. Jan. 1, 1983 ;-- Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004

Popular Name: Act 451

380.484 Repealed. 1981, Act 96, Eff. Jan. 1, 1983;—1982, Act 71, Eff. Jan. 1, 1983.

Compiler's Notes: The repealed section pertained to regional boards.

Popular Name: Act 451

380.485 Repealed. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's Notes: The repealed section pertained to flow of information between board and community.

Popular Name: Act 451

Part 6A
PUBLIC SCHOOL ACADEMIES

380.501 Public school academy; scope; powers; definitions.

Sec. 501.

(1) A public school academy is a public school under section 2 of article VIII of the state constitution of 1963, is a school district for the purposes of section 11 of article IX of the state constitution of 1963 and for the purposes of section 1225 and section 1351a, and is subject to the leadership and general supervision of the state board over all public education under section 3 of article VIII of the state constitution of 1963. A public school academy is a body corporate and is a governmental agency. The powers granted to a public school academy under this part constitute the performance of essential public purposes and governmental functions of this state.

(2) As used in this part:

(a) "Authorizing body" means any of the following that issues a contract as provided in this part:

(i) The board of a school district.

(ii) An intermediate school board.

(iii) The board of a community college.

(iv) The governing board of a state public university.

(v) Two or more of the public agencies described in subparagraphs (i) to (iv) exercising power, privilege, or authority jointly pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(b) "Certificated teacher" means an individual who holds a valid teaching certificate issued by the superintendent of public instruction under section 1531.

(c) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or a federally controlled community college that is recognized under the tribally controlled colleges and universities assistance act of 1978, 25 USC 1801 to 1864, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(d) "Contract" means the executive act taken by an authorizing body that evidences the authorization of a public school academy and that establishes, subject to the constitutional powers of the state board and applicable law, the written instrument executed by an authorizing body conferring certain rights, franchises, privileges, and obligations on a public school academy, as provided by this part, and confirming the status of a public school academy as a public school in this state.

(e) "Entity" means a partnership, nonprofit or business corporation, labor organization, or any other association, corporation, trust, or other legal entity.

(f) "State public university" means a state university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016

Compiler's Notes: Former MCL 380.501, which pertained to public school academy, scope, and definitions, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994. Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003),

the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.501a Repealed. 2011, Act 277, Eff. Mar. 28, 2012.

Compiler's Notes: The repealed section pertained to report by public school academy to legislative committees on education.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.502 Public school academy; organization; operation; bodies authorized to issue contract; application to obtain contract; contents; oversight; suspension of powers; fees; presumption of legality; intergovernmental agreement to issue public school academy contracts.

Sec. 502.

(1) A public school academy must be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors. A public school academy corporation must be organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, except that a public school academy corporation is not required to comply with sections 170 to 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified under the state or federal constitution, a public school academy must not be organized by a church or other religious organization and must not have any organizational or contractual affiliation with or constitute a church or other religious organization.

(2) Subject to subsection (9), any of the following may act as an authorizing body to issue a contract to organize and operate 1 or more public school academies under this part:

(a) The board of a school district. However, the board of a school district shall not issue a contract for a public school academy to operate outside the school district's boundaries, and a public school academy authorized by the board of a school district shall not operate outside that school district's boundaries.

(b) An intermediate school board. However, the board of an intermediate school district shall not issue a contract for a public school academy to operate outside the intermediate school district's boundaries, and a public school academy authorized by the board of an intermediate school district shall not operate outside that intermediate school district's boundaries.

(c) The board of a community college. However, except as otherwise provided in this subdivision, the board of a community college shall not issue a contract for a public school academy to operate in a school district organized as a school district of the first class, a public school academy authorized by the board of a community college shall not operate in a school district organized as a school district of the first class, the board of a community college shall not issue a contract for a public school academy to operate outside the boundaries of the community college district, and a public school academy authorized by the board of a community college shall not operate outside the boundaries of the community college district. The board of a community college also may issue a contract for not more than 1 public school academy to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district, or may operate a public school academy itself on the grounds of such a federal military installation, if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years.

(d) The governing board of a state public university. There is no limit on the combined total number of contracts for public school academies that may be issued by all state public universities.

(e) Two or more of the public agencies described in subdivisions (a) to (d) exercising power, privilege, or authority jointly pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(3) To obtain a contract to organize and operate 1 or more public school academies, 1 or more persons or an

entity may apply to an authorizing body described in subsection (2). The application must include at least all of the following:

(a) Identification of the applicant for the contract.
(b) Subject to the resolution adopted by the authorizing body under section 503(5), a list of the proposed members of the board of directors of the public school academy and a description of the qualifications and method for appointment or election of members of the board of directors.

(c) The proposed articles of incorporation, which must include at least all of the following:

(i) The name of the proposed public school academy.
(ii) The purposes for the public school academy corporation. This language must provide that the public school academy is incorporated under this part and that the public school academy corporation is a governmental entity.
(iii) The name of the authorizing body.

(iv) The proposed time when the articles of incorporation will be effective.

(v) Other matters considered expedient to be in the articles of incorporation.

(d) A copy of the proposed bylaws of the public school academy.

(e) Documentation meeting the application requirements of the authorizing body, including at least all of the following:

(i) The governance structure of the public school academy.

(ii) A copy of the educational goals of the public school academy and the curricula to be offered and methods of pupil assessment to be used by the public school academy. The educational goals must include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the progress of the pupils in the public school academy must be assessed using both the mathematics and reading portions of the Michigan student test of educational progress (M-STEP) or the Michigan merit examination under section 1279g, as applicable.

(iii) The admission policy and criteria to be maintained by the public school academy. The admission policy and criteria must comply with section 504. This part of the application also must include a description of how the applicant will provide to the general public adequate notice that a public school academy is being created and adequate information on the admission policy, criteria, and process.

(iv) The school calendar and school day schedule.

(v) The age or grade range of pupils to be enrolled.

(f) Descriptions of staff responsibilities and of the public school academy's governance structure.

(g) For an application to the board of a school district, an intermediate school board, or board of a community college, identification of the local and intermediate school districts in which the public school academy will be located.

(h) An agreement that the public school academy will comply with the provisions of this part and, subject to the provisions of this part, with all other state law applicable to public bodies and with federal law applicable to public bodies or school districts.

(i) A description of and address for the proposed physical plant in which the public school academy will be located. An applicant may request the authorizing body to issue a contract allowing the public school academy board of directors to operate the same configuration of age or grade levels at more than 1 site.

(4) An authorizing body shall oversee, or shall contract with an intermediate school district, community college, or state public university to oversee, each public school academy operating under a contract issued by the authorizing body. The authorizing body is responsible for overseeing compliance by the board of directors with the contract and all applicable law. This subsection does not relieve any other government entity of its enforcement or supervisory responsibility.

(5) If the superintendent of public instruction finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more public school academies operating under a contract issued by the authorizing body, the superintendent of public instruction may suspend the power of the authorizing body to issue new contracts to organize and operate public school academies. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension.

(6) An authorizing body shall not charge a fee, or require reimbursement of expenses, for considering an application for a contract, for issuing a contract, or for providing oversight of a contract for a public school academy in an amount that exceeds a combined total of 3% of the total state school aid received by the public school academy in the school year in which the fees or expenses are charged. An authorizing body may provide other services for a public school academy and charge a fee for those services, but shall not require such an arrangement as a condition to issuing the contract authorizing the public school academy.

(7) A public school academy is presumed to be legally organized if it has exercised the franchises and privileges of a public school academy for at least 2 years.

(8) An authorizing body may enter into an intergovernmental agreement with another authorizing body to issue public school academy contracts. At a minimum, the agreement must further the purposes set forth in section 501, describe which authorizing body shall issue the contract, and set forth which authorizing body will be responsible

for monitoring compliance by the board of directors of the public school academy with the contract and all applicable law.

(9) Both of the following apply to the issuance of a contract for a public school academy to be located within a community district:

(a) An authorizing body shall not issue a contract to organize and operate a new public school academy to be located in a community district unless, before issuing the contract, the governing board of the authorizing body has certified to the department that the authorizing body has been accredited as an authorizing body by a nationally recognized accreditation body. For an authorizing body described in subsection (2)(e), the authorizing body shall not issue a contract to organize and operate a new public school academy to be located in a community district unless, before issuing the contract, the governing board of each of the public agencies that is party to the interlocal agreement has certified to the department that the public agency has been accredited as an authorizing body by a nationally recognized accreditation body.

(b) An authorizing body shall not issue a contract for a new public school academy to be located in a community district if both of the following circumstances exist:

(i) Either of the following:

(A) The proposed public school academy would operate at the same location as a public school that currently is on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state or has been on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state during the immediately preceding 3-year period.

(B) The proposed public school academy would operate at the same location as a public school academy, urban high school academy, school of excellence, or strict discipline academy that has had its contract revoked or terminated by an authorizing body under the applicable part or section.

(ii) The proposed public school academy would have substantially the same board of directors, substantially the same leadership, and substantially the same curriculum offerings as the public school that previously operated at that location.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: Former MCL 380.502, which pertained to public school academy, organization, and operation, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994. For transfer of state school reform/redesign school district and state school reform/redesign officer from department of education to state school reform office created as an autonomous entity within department of technology, management, and budget, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.502a Conversion of public school academy to school of excellence; resolution of board of directors; conditions.

Sec. 502a.

If a public school academy operating under this part meets the requirements of part 6e, with the approval of its authorizing body, the board of directors of the public school academy may adopt a resolution choosing to convert the public school academy to a school of excellence under part 6e. If a board of directors of a public school academy that meets the requirements of part 6e is issued a contract to operate as a school of excellence under part 6e, all of the following apply:

(a) The public school academy shall cease to operate as a public school academy under this part and shall operate as a school of excellence under part 6e upon the issuance of the contract under part 6e or at another time as determined by the authorizing body.

(b) The public school academy shall be considered to be a school of excellence for all purposes upon the issuance of the contract under part 6e or at another time as determined by the authorizing body, but shall retain its corporate identity.

(c) The conversion of a public school academy to a school of excellence operating under part 6e shall not impair any agreement, mortgage, loan, bond, note or other instrument of indebtedness, or any other agreement entered into by a public school academy while it was operating under this part.

(d) The contract issued to the public school academy under this part shall automatically terminate upon the issuance of a contract under part 6e or at another time as determined by the authorizing body.

(e) If the authorizing body of the public school academy is the governing board of a state university, then all of the following apply to issuance of a new contract for a public school academy under this part after the conversion:

(i) For a period of 12 months after the contract is issued under part 6e, that authorizing body is the only authorizing body that may issue a new contract for a new public school academy to fill the availability under section 502(2)(d) that is created by the conversion of the public school academy to a school of excellence.

(ii) If the board of directors of the public school academy that is issued a contract to fill the availability under section 502(2)(d) that is created by the conversion chooses to enter into an agreement with an educational management organization to manage or operate the public school academy, the board of directors may give preference to an educational management organization that has previously operated a school that met the criteria described in section 552(4).

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012

Popular Name: Act 451

380.503 Public school academy; issuance of contract; priority; petition to place question on ballot; submission; resolution; contents of contract; compliance with applicable laws; governmental immunity; exemption from taxation; acquisition of property; oath of office; "educational management organization" and "primary educational management organization" defined.

Sec. 503.

(1) An authorizing body is not required to issue a contract to any person or entity. Subject to subsection (2), public school academy contracts must be issued on a competitive basis. In deciding whether to issue a contract for a proposed public school academy, an authorizing body shall consider all of the following:

(a) The resources available for the proposed public school academy.

(b) The population to be served by the proposed public school academy.

(c) The educational goals to be achieved by the proposed public school academy.

(d) The applicant's track record, if any, in organizing public school academies or other public schools.

(e) The graduation rate of a school district in which the proposed public school academy is proposed to be located.

(f) The population of a county in which the proposed public school academy is proposed to be located.

(g) The number of schools in the proximity of a proposed location of the proposed public school academy that are on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state.

(h) The number of pupils on waiting lists of public school academies in the proximity of a proposed location of the proposed public school academy.

(2) An authorizing body may give priority to a proposed public school academy that is intended to replace a public school academy that has been closed under section 507(5), that will operate all of the same grade levels as the public school academy that has been closed, and that will work toward operating all of grades 9 to 12 within 6 years after it begins operations unless a matriculation agreement has been entered into with another public school that provides grades 9 to 12.

(3) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more public school academies within the boundaries of the school district and the board does not issue the contract, the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school electors of the school district. The petition must contain all of the information required to be in the contract application under section 502 and must be signed by a number of school electors of the school district equal to at least 5% of the total number of school electors of that school district. The petition must be filed with the school district filing official. If the board receives a petition meeting the requirements of this subsection, the board shall have the question of issuing the contract placed on the ballot at its next regular school election held at least 60 days after receiving the petition. If a majority of the school electors of the school district voting on the question vote to issue the contract, the board shall issue the contract.

(4) Within 10 days after issuing a contract for a public school academy, the authorizing body shall submit to the superintendent of public instruction a copy of the contract.

(5) An authorizing body shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each public school academy subject to its jurisdiction. The resolution must be written or amended as necessary to include a requirement that each member of the board of directors must be a citizen of the United States.

(6) A contract issued to organize and administer a public school academy must contain at least all of the following:

(a) The educational goals the public school academy is to achieve and the methods by which it will be held accountable. The educational goals must include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the pupil performance of a public school academy must be assessed using at least the Michigan student test of educational progress (M-STEP) or the Michigan merit examination under section 1279g, as applicable.

(b) A description of the method to be used to monitor the public school academy's compliance with applicable law and its performance in meeting its targeted educational objectives.

(c) A description of the process for amending the contract during the term of the contract.

(d) All of the matters set forth in the application for the contract.

(e) Procedures for revoking the contract and grounds for revoking the contract, including at least the grounds listed in section 507.

(f) A description of and address for the proposed physical plant in which the public school academy will be located. An authorizing body may include a provision in the contract allowing the board of directors of the public school academy to operate the same configuration of age or grade levels at more than 1 site if each configuration of age or grade levels and each site identified in the contract are under the direction and control of the board of directors.

(g) Requirements and procedures for financial audits. The financial audits must be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles.

(h) The term of the contract and a description of the process and standards for renewal of the contract at the end of the term. The standards for renewal must include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria as the most important factor in the decision of whether to renew the contract.

(i) A certification, signed by an authorized member of the board of directors of the public school academy, that the public school academy will comply with the contract and all applicable law.

(j) A requirement that the board of directors of the public school academy ensure compliance with the requirements of 1968 PA 317, MCL 15.321 to 15.330.

(k) A requirement that the board of directors of the public school academy prohibit specifically identified family relationships between members of the board of directors, individuals who have an ownership interest in or who are officers or employees of an educational management organization involved in the operation of the public school academy, and employees of the public school academy. The contract must identify the specific prohibited relationships consistent with applicable law.

(l) A requirement that the board of directors of the public school academy make information concerning its operation and management available to the public and to the authorizing body in the same manner as is required by state law for school districts.

(m) A requirement that the board of directors of the public school academy collect, maintain, and make available to the public and the authorizing body, in accordance with applicable law and the contract, at least all of the following information concerning the operation and management of the public school academy:

(i) A copy of the contract issued by the authorizing body for the public school academy.

(ii) A list of currently serving members of the board of directors of the public school academy, including name, address, and term of office; copies of policies approved by the board of directors; board meeting agendas and minutes; a copy of the budget approved by the board of directors and of any amendments to the budget; and copies of bills paid for amounts of \$10,000.00 or more as they were submitted to the board of directors.

(iii) Quarterly financial reports submitted to the authorizing body.

(iv) A current list of teachers and school administrators working at the public school academy that includes their individual salaries as submitted to the registry of educational personnel; copies of the teaching or school administrator's certificates or permits of current teaching and administrative staff; and evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b for all teachers and administrators working at the public school academy.

(v) Curriculum documents and materials given to the authorizing body.

(vi) Proof of insurance as required by the contract.

(vii) Copies of facility leases or deeds, or both, and of any equipment leases.

(viii) Copies of any management contracts or services contracts approved by the board of directors.

(ix) All health and safety reports and certificates, including those relating to fire safety, environmental matters,

asbestos inspection, boiler inspection, and food service.

(x) Any management letters issued as part of the annual financial audit under subdivision (g).

(xi) Any other information specifically required under this act.

(n) A requirement that the authorizing body must review and may disapprove any agreement between the board of directors of the public school academy and an educational management organization before the agreement is final and valid. An authorizing body may disapprove an agreement described in this subdivision only if the agreement is contrary to the contract or applicable law.

(o) A requirement that the board of directors of the public school academy demonstrate all of the following to the satisfaction of the authorizing body with regard to its pupil admission process:

(i) That the public school academy has made a reasonable effort to advertise its enrollment openings.

(ii) That the open enrollment period for the public school academy is for a duration of at least 2 weeks and that the enrollment times include some evening and weekend times.

(p) A requirement that the board of directors of the public school academy prohibit any individual from being employed by the public school academy in more than 1 full-time position and simultaneously being compensated at a full-time rate for each of those positions.

(q) For a contract that is entered into, extended, renewed, or modified on or after the effective date of the amendatory act that added this subdivision, a requirement that the names of the authorizing body and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

(i) Unless prohibited by a local ordinance or local zoning authority, signage that is on the public school academy's property and is erected, repaired, or installed on or after the effective date of the amendatory act that added this subdivision.

(ii) Promotional material that is created, modified, or distributed on or after the effective date of the amendatory act that added this subdivision.

(iii) The footer of the public school academy's website pages.

(iv) The school application that a student must submit to enroll in the public school academy.

(7) A public school academy shall comply with all applicable law, including all of the following:

(a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(b) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(c) 1947 PA 336, MCL 423.201 to 423.217.

(d) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

(e) Laws concerning participation in state assessments, data collection systems, state level student growth models, state accountability and accreditation systems, and other public comparative data collection required for public schools.

(8) A public school academy and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for an act or omission in authorizing a public school academy if the authorizing body or the person acted or reasonably believed the person acted within the authorizing body's or the person's scope of authority.

(9) A public school academy is exempt from all taxation on its earnings and property. Instruments of conveyance to or from a public school academy are exempt from all taxation including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. Unless the property is already fully exempt from real and personal property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by a public school academy and used exclusively for educational purposes is exempt from real and personal property taxes levied for school operating purposes under section 1211, to the extent exempted under that section, and from real and personal property taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. A public school academy may not levy ad valorem property taxes or another tax for any purpose. However, operation of 1 or more public school academies by a school district or intermediate school district does not affect the ability of the school district or intermediate school district to levy ad valorem property taxes or another tax.

(10) A public school academy may acquire by purchase, gift, devise, lease, sublease, installment purchase agreement, land contract, option, or by any other means, hold and own in its own name buildings and other property for school purposes, and interests therein, and other real and personal property, including, but not limited to, interests in property subject to mortgages, security interests, or other liens, necessary or convenient to fulfill its purposes. For the purposes of condemnation, a public school academy may proceed under the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of the uniform condemnation procedures act, 1980 PA 87, MCL 213.56 to 213.59, or other applicable statutes, but only with the express, written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid.

(11) A member of the board of directors of a public school academy is a public officer and shall, before entering upon the duties of the office, take the constitutional oath of office for public officers under section 1 of article XI of the state constitution of 1963.

- (12) As used in this section:
- (a) "Educational management organization" means that term as defined in section 503c.
 - (b) "Primary educational management organization" means an educational management organization that is responsible for both of the following:
 - (i) Administrative services or staff.
 - (ii) Educational and instructional services or staff.
 - (c) "Promotional material" means any of the following:
 - (i) Billboards.
 - (ii) Internet advertisements.
 - (iii) Television advertisements.
 - (iv) Radio advertisements.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024 ;-- Am. 2024, Act 210, Eff. Apr. 2, 2025

Compiler's Notes: Former MCL 380.503, which pertained to public school academy, charter, criteria, contents, validity, and renewal, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.503a Public school academy; power of school or intermediate school district to levy taxes; use of revenues.

Sec. 503a.

If a school district or intermediate school district applies for and obtains a contract to operate 1 or more public school academies under this part, the power of the school district or intermediate school district to levy taxes for any purpose under this act is not affected by the operation of a public school academy by the school district or intermediate school district. Revenue from taxes levied by a school district or intermediate school district under this act or bonds issued by a school district or intermediate school district under this act may be used to support the operation or facilities of a public school academy operated by the school district or intermediate school district in the same manner as that revenue may be used under this act by the school district or intermediate school district to support school district or intermediate school district operations and facilities. This section does not authorize a school district or intermediate school district to levy taxes or to issue bonds for any purpose that is not otherwise authorized under this act.

History: Add. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.503b Agreement between public school academy and third party; obligation of state or authorizing party; debt.

Sec. 503b.

(1) An agreement, mortgage, loan, or other instrument of indebtedness entered into by a public school academy and a third party does not constitute an obligation, either general, special, or moral, of this state or an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, may not be pledged for the payment of any public school academy bond, note, agreement, mortgage, loan, or other instrument of indebtedness.

(2) This part does not impose any liability on this state or on an authorizing body for any debt incurred by a public school academy.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.503c Management agreement with educational management organization; definitions.

Sec. 503c.

(1) Beginning with management agreements described in this section that are entered into or renewed after the effective date of this section, if the board of directors of a public school academy enters into or renews a management agreement with an educational management organization to carry out the operations of the public school academy, both of the following apply:

(a) The management agreement shall require the educational management organization to provide to the board of directors at least annually all of the same information that a school district is required to disclose under section 18(2) of the state school aid act of 1979, MCL 388.1618, for the most recent school fiscal year for which that information is available.

(b) Within 30 days after receiving the information under subdivision (a), the board of directors shall make all of the information it receives under subdivision (a) available through a link on the public school academy's website homepage, in a form and manner prescribed by the department.

(2) As used in this section:

(a) "Educational management organization" means an entity that enters into a management agreement with a public school academy.

(b) "Entity" means a partnership, nonprofit or business corporation, or any other association, corporation, trust, or other legal entity.

(c) "Management agreement" means an agreement to provide comprehensive educational, administrative, management, or instructional services or staff to a public school academy.

(d) "School fiscal year" means the period that begins July 1 and ends June 30.

History: Add. 2011, Act 277, Eff. Mar. 28, 2012

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.504 Location; operation at other than single site; documentation that proposed educational model results in measurable progress; discrimination prohibited; admission limits; enrollment; priority; grades and programs offered.

Sec. 504.

(1) A public school academy may be located in all or part of an existing public school building. A public school academy shall not operate at a site other than the site or sites requested for the configuration of age or grade levels

that will use the site or sites, as specified in the contract. Under a contract, an authorizing body may permit a public school academy to operate the same configuration of age or grade levels at more than 1 site, and a public school academy may operate the same configuration of age or grade levels at more than 1 site, as long as the public school academy is operating in compliance with its contract and is making measurable progress toward meeting its educational goals. For a contract for a new public school academy, an authorizing body may permit a public school academy to operate the same configuration of age or grade levels at more than 1 site, and a public school academy may operate the same configuration of age or grade levels at more than 1 site, if the applicant for the proposed public school academy presents documentation to the authorizing body demonstrating that the applicant's proposed educational model has resulted in schools making measurable progress toward meeting their education goals.

(2) A public school academy shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district and may give enrollment priority as provided in subsection (4).

(3) Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a resident of this state. For a public school academy authorized by a school district, intermediate school district, or community college, enrollment in the public school academy may be open to all individuals who reside in this state who meet the admission policy and shall be open to all pupils who reside within the geographic boundaries of that authorizing body who meet the admission policy, except that admission to a public school academy authorized by the board of a community college to operate, or operated by the board of a community college, on the grounds of a federal military installation, as described in section 502(2)(c), shall be open to all pupils who reside in the county in which the federal military installation is located. For a public school academy authorized by a state public university, enrollment shall be open to all pupils who reside in this state who meet the admission policy. Subject to subsection (4), if there are more applications to enroll in the public school academy than there are spaces available, pupils shall be selected to enroll using a random selection process. A public school academy shall allow any pupil who was enrolled in the public school academy in the immediately preceding school year to enroll in the public school academy in the appropriate grade unless the appropriate grade is not offered at that public school academy.

(4) A public school academy may give enrollment priority to 1 or more of the following:

(a) A sibling of a pupil enrolled in the public school academy.

(b) A pupil who transfers to the public school academy from another public school pursuant to a matriculation agreement between the public school academy and other public school that provides for this enrollment priority, if all of the following requirements are met:

(i) Each public school that enters into the matriculation agreement remains a separate and independent public school.

(ii) The public school academy that gives the enrollment priority selects at least 5% of its pupils for enrollment using a random selection process.

(iii) The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the public school academy giving enrollment priority under the matriculation agreement.

(c) A child of a person who is employed by or at the public school academy or who is on the board of directors of the public school academy. As used in this subdivision, "child" includes an adopted child or a legal ward.

(5) A public school academy may include any grade up to grade 12 or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract. If specified in its contract, a public school academy may also operate an adult basic education program, adult high school completion program, or general education development testing preparation program. The authorizing body may approve amendment of a contract with respect to ages of pupils or grades offered.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012

Compiler's Notes: Former MCL 380.504, which pertained to conversion public school academy, was repealed by Act 362 of 1994, Imd. Eff. Jan. 14, 1994.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.504a Public school academy; additional powers.

Sec. 504a.

In addition to other powers set forth in this part, a public school academy may take action to carry out the purposes for which it was incorporated under this part, including, but not limited to, all of the following:

- (a) To sue and be sued in its name.
- (b) Subject to section 503b, to acquire, hold, and own in its own name real and personal property, or interests in real or personal property, for educational purposes by purchase, gift, grant, devise, bequest, lease, sublease, installment purchase agreement, land contract, option, or condemnation, and subject to mortgages, security interests, or other liens; and to sell or convey the property as the interests of the public school academy require.
- (c) To receive, disburse, and pledge funds for lawful purposes.
- (d) To enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the public school academy, if the agreement is in compliance with sections 7 and 18 of the state school aid act of 1979, MCL 388.1607 and 388.1618.
- (e) To incur temporary debt in accordance with section 1225.
- (f) To solicit and accept any grants or gifts for educational purposes and to establish or permit to be established on its behalf 1 or more nonprofit corporations the purpose of which is to assist the public school academy in the furtherance of its public purposes.
- (g) To borrow money and issue bonds in accordance with section 1351a and in accordance with part VI of the revised municipal finance act, 2001 PA 34, MCL 141.2601 to 141.2613, except that the borrowing of money and issuance of bonds by a public school academy is not subject to section 1351a(4) or section 1351(2) to (4). Bonds issued under this section are full faith and credit obligations of the public school academy, pledging the general funds or any other money available for such a purpose. Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2024, Act 214, Eff. Apr. 17, 2025

Compiler's Notes: Former MCL 380.504a, which pertained to chartered educational clinics, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994. Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.504b School district subject to court desegregation order.

Sec. 504b.

If a public school academy is operated by a school district that is subject to a court desegregation order, pupil selection at the public school academy is subject to that order.

History: Add. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.504c Repealed. 2008, Act 1, Eff. Dec. 31, 2008.

Compiler's Notes: The repealed section pertained to transfer of enrolled public school academy pupils to another public school.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.505 Use of certificated teachers; use of noncertificated individuals by public school academy run by state public university or community college; report of new or revised teaching techniques.

Sec. 505.

(1) Except as otherwise provided by law, a public school academy shall use certificated teachers according to state board rule.

(2) A public school academy authorized by a state public university or community college may use noncertificated individuals to teach as follows:

(a) If the public school academy is authorized by a state public university, the public school academy may use as a classroom teacher in any grade a faculty member who is employed full-time by the state public university and who has been granted institutional tenure, or has been designated as being on tenure track, by the state public university.

(b) For a public school academy authorized by a community college, the public school academy may use as a classroom teacher a full-time member of the community college faculty who has at least 5 years' experience at that community college in teaching the subject matter that he or she is teaching at the public school academy.

(c) In any other situation in which a school district is permitted under this act to use noncertificated teachers.

(3) A public school academy may develop and implement new teaching techniques or methods or significant revisions to known teaching techniques or methods, and shall report those to the authorizing body and state board to be made available to the public. A public school academy may use any instructional technique or delivery method that may be used by a school district.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012

Compiler's Notes: Former MCL 380.505, which pertained to public school academy, prohibition of discrimination, admission, enrollment, grades, and programs offered, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.505a Chartered educational clinic.

Sec. 505a.

The board of a school district may grant a charter to an eligible entity for a chartered educational clinic. The application requirements and procedures for such a contract for a chartered educational clinic are the same as for a contract for another public school academy. A chartered educational clinic is a specialty public school academy and shall only serve public school pupils described in this section during hours outside the pupil's normal class hours by providing special assistance for up to 3 hours per week, pursuant to a written prescription by the principal of the public school in which the pupil is regularly enrolled on recommendation of a teacher of the pupil. A public school pupil enrolled in grades K-12 who is in educational difficulty or is at risk of falling seriously behind other pupils of his or her age level, of not being advanced in grade level, or of dropping out or being expelled from school may be served by a chartered educational clinic.

History: Add. 1994, Act 416, Eff. Mar. 30, 1995

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.506 Personnel; publication of salaries.

Sec. 506.

(1) A public school academy, with the approval of the authorizing body, may employ or contract with personnel as necessary for the operation of the public school academy, prescribe the personnel's duties, and fix the personnel's compensation.

(2) By not later than November 1 of each year, each public school academy shall post all of the following information on its website that is accessible to the public:

(a) The average salary for new teachers and the average salary for veteran teachers employed by the public school academy or employed by an educational management organization and assigned to the public school academy, or, if there are fewer than 5 new teachers or 5 veteran teachers at the public school academy, the average salary for all teachers employed by the public school academy or employed by an educational management organization and assigned to the public school academy.

(b) The average salary for support staff employed by the public school academy or employed by an educational management organization and assigned to the public school academy.

(3) As used in this section:

(a) "Educational management organization" means that term as defined in section 503c.

(b) "New teacher" means an individual who has held a teaching certificate for less than 5 years.

(c) "Support staff" includes, but is not limited to, student-facing paraprofessionals, food service workers, bus drivers, and literacy coaches.

(d) "Veteran teacher" means an individual who has held a teaching certificate for 5 or more years.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 2024, Act 214, Eff. Apr. 17, 2025

Compiler's Notes: Former MCL 380.506, which pertained to compliance with statutes and rules, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.506a Public school academy; compliance with public employees health benefit act.

Sec. 506a.

If the board of directors of a public school academy provides medical, optical, or dental benefits to employees and their dependents, the board of directors shall provide those benefits in accordance with the public employees health benefit act and shall comply with that act.

History: Add. 2007, Act 107, Imd. Eff. Oct. 1, 2007

Popular Name: Act 451

380.507 Authorizing body; duties; powers; fiscal agent; revocation of contract; notice of certain conditions; consideration of other public school options; decision to issue, not issue, or reconstitute contract, or terminate or revoke contract; discretion; corrective measures; transition for affected pupils upon revocation of contract; notice to superintendent of public instruction.

Sec. 507.

(1) An authorizing body that issues a contract for a public school academy under this part shall do all of the

following:

- (a) Ensure that the contract and the application for the contract comply with the requirements of this part.
 - (b) Within 10 days after issuing the contract, submit to the department a copy of the contract.
 - (c) Establish the method of selection, length of term, and number of members of the board of directors of each public school academy that it authorizes. The authorizing body shall ensure that the board of directors includes representation from the local community.
 - (d) Oversee each public school academy operating under a contract issued by the authorizing body. The oversight must be sufficient to ensure that the board of directors is in compliance with the terms of the contract and with applicable law.
 - (e) Develop and implement a process for holding a public school academy accountable for meeting applicable academic performance standards set forth in the contract and for implementing corrective action for a public school academy that does not meet those standards.
 - (f) Take necessary measures to ensure that the board of directors of a public school academy operates independently of any educational management company involved in the operations of the public school academy.
 - (g) Oversee and ensure that the pupil admission process used by the public school academy is operated in a fair and open manner and is in compliance with the contract and this part.
 - (h) Ensure that the board of directors of the public school academy maintains and releases information as necessary to comply with applicable law.
- (2) An authorizing body may enter into an agreement with 1 or more other authorizing bodies to carry out any function of an authorizing body under this act.
- (3) The authorizing body for a public school academy is the fiscal agent for the public school academy. A state school aid payment for a public school academy must be paid to the authorizing body that is the fiscal agent for that public school academy, and the authorizing body shall then forward the payment to the public school academy. Within 30 days after a contract is submitted to the department by an authorizing body under subsection (1), the department shall issue a district code to the public school academy for which the contract was issued. If the department does not issue a district code within 30 days after a contract is filed, the state treasurer shall assign a temporary district code in order for the public school academy to receive funding under the state school aid act of 1979.
- (4) A contract issued under this part may be revoked by the authorizing body if the authorizing body determines that 1 or more of the following have occurred:
- (a) Failure of the public school academy to demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in the contract.
 - (b) Failure of the public school academy to comply with all applicable law.
 - (c) Failure of the public school academy to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship.
 - (d) The existence of 1 or more other grounds for revocation as specified in the contract.
- (5) Except for a public school academy that is an alternative school serving a special student population, if the department determines that a public school academy site that has been operating for at least 4 years is among the lowest achieving 5% of public schools in this state for the immediately preceding 3 school years, as determined under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, not to include any individualized education plan subgroup, the department shall notify the public school academy's authorizing body. Subject to subsection (6), if an authorizing body receives notice from the department under this subsection, the authorizing body shall notify the public school academy and amend the public school academy's contract to eliminate the public school academy's authority to operate the existing age and grade levels at the site and the public school academy shall cease operating the existing age and grade levels at the site, effective at the end of the current school year. Subject to subsection (6), if the public school academy operates at only 1 site, and the authorizing body receives notice from the department under this subsection, the authorizing body shall notify the public school academy and revoke the public school academy's contract, effective at the end of the current school year.
- (6) For a public school academy or site that is subject to a notice to its authorizing body under subsection (5), the department shall consider other public school options available to pupils in the grade levels offered by the public school academy or site who reside in the geographic area served by the public school academy or site. If the department determines that closure of the public school academy or site would result in an unreasonable hardship to these pupils because there are insufficient other public school options reasonably available for these pupils, the department may rescind the notice. If the department rescinds a notice subjecting a public school academy or site to closure, the department shall do so before the end of the school year. If the department rescinds a notice subjecting a public school academy or site to closure, the department shall require the public school academy or site to implement a school improvement plan that includes measures to increase pupil growth and improve pupil proficiency, with growth and proficiency measured by performance on state assessments.
- (7) Except as otherwise provided in section 502 or 503, the decision of an authorizing body to issue, not issue, or reconstitute a contract under this part, or to terminate or revoke a contract under this section, is solely within the

discretion of the authorizing body, is final, and is not subject to review by a court or any state agency. An authorizing body that issues, does not issue, or reconstitutes a contract under this part, or that terminates or revokes a contract under this section, is not liable for that action to the public school academy, the public school academy corporation, a pupil of the public school academy, the parent or guardian of a pupil of the public school academy, or any other person.

(8) Except as otherwise provided in this section, before an authorizing body revokes a contract, the authorizing body may consider and take corrective measures to avoid revocation. An authorizing body may reconstitute the public school academy in a final attempt to improve student educational performance or to avoid interruption of the educational process. An authorizing body shall include a reconstituting provision in the contract that identifies these corrective measures, including, but not limited to, canceling a contract with an educational management organization, if any, withdrawing approval of a contract under section 506, or appointing a new board of directors or a trustee to take over operation of the public school academy.

(9) If an authorizing body revokes a contract, the authorizing body shall work with a school district or another public school, or with a combination of these entities, to ensure a smooth transition for the affected pupils. If the revocation occurs during the school year, the authorizing body, as the fiscal agent for the public school academy under this part, shall return any school aid funds held by the authorizing body that are attributable to the affected pupils to the state treasurer for deposit into the state school aid fund. The state treasurer shall distribute funds to the public school in which the pupils enroll after the revocation pursuant to a methodology established by the department and the center for educational performance and information created under section 94a of the state school aid act of 1979, MCL 388.1694a.

(10) Not more than 10 days after a public school academy's contract terminates or is revoked, the authorizing body shall notify the superintendent of public instruction in writing of the name of the public school academy whose contract has terminated or been revoked and the date of contract termination or revocation.

History: Add. 1993, Act 362, Imd. Eff. Jan. 14, 1994 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: Former MCL 380.507, which pertained to personnel, was repealed by Act 362 of 1993, Imd. Eff. Jan. 14, 1994. For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of powers and duties under MCL 380.1283c and 423.215 that were transferred from superintendent of public instruction to state school reform/redesign office by E.O. No. 2015-9 back to superintendent of public instruction with transfer of state school reform/redesign office from department of technology, management, and budget to department of education, see E.R.O. No. 2017-2, compiled at MCL 388.1282. Comment: Paragraph III.B of E.O. 2015-9 is rescinded.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

380.508, 380.509 Repealed. 1993, Act 362, Imd. Eff. Jan. 14, 1994.

Compiler's Notes: The repealed sections pertained to state school aid, other funding, payment to fiscal agent, counting in membership, oversight of operations, and revocation of charter.

Popular Name: Act 451

Popular Name: Charter Schools

Popular Name: Public School Academies

Part 6B PUBLIC SCHOOL ACADEMIES

380.511-380.518 Repealed. 1994, Act 416, Eff. July 30, 1997.

Compiler's Notes: Sec. 518 (MCL 380.518) of Act 451 of 1976, as added by Act 416 of 1994, provides: "Sec. 518. This part is repealed if the final disposition of council of organizations and others for education about parochial aid, inc., et al., v John Engler (Ingham county circuit court case no. 94-78461-AW) is that part 6a, as added by Act No. 362 of the Public Acts of 1993, is held by a court of competent jurisdiction

to be constitutional, effective, or otherwise valid."In Council of Organizations and Others for Education About Parochiaid, Inc., et al. v John Engler, 455 Mich 557 (1997), the Michigan Supreme Court held that 1993 PA 362, which added Part 6A--Public School Academies to the School Code of 1976, did not violate art 8, sec 2, or art 8, sec 3 of the Michigan Constitution of 1963. The Court further held that the repealer in 1994 PA 416 (MCL 380.518) was valid and enforceable.

Popular Name: Act 451

Part 6C URBAN HIGH SCHOOL ACADEMIES

380.521 Urban high school academy; powers; definitions.

Sec. 521.

(1) An urban high school academy is a public school under section 2 of article VIII of the state constitution of 1963, is a school district for the purposes of section 11 of article IX of the state constitution of 1963 and for the purposes of sections 1225 and 1351a, and is subject to the leadership and general supervision of the state board over all public education under section 3 of article VIII of the state constitution of 1963. An urban high school academy is a body corporate and is a governmental agency. The powers granted to an urban high school academy under this part constitute the performance of essential public purposes and governmental functions of this state.

(2) As used in this part:

(a) "Authorizing body" means the governing board of a state public university that issues a contract as provided in this part.

(b) "Certificated teacher" means an individual who holds a valid teaching certificate issued by the superintendent of public instruction under section 1531.

(c) "Contract" means the executive act taken by an authorizing body that evidences the authorization of an urban high school academy and that establishes, subject to the constitutional powers of the state board and applicable law, the written instrument executed by an authorizing body conferring certain rights, franchises, privileges, and obligations on an urban high school academy, as provided by this part, and confirming the status of an urban high school academy as a public school in this state.

(d) "Educational management company" means an entity that enters into an agreement with the governing board of a public school to provide comprehensive educational, administrative, management, or instructional services or staff to the public school.

(e) "Entity" means a nonprofit corporation that is organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, and that has been granted tax-exempt status under section 509(a) of the internal revenue code of 1986.

(f) "State public university" means a state university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.522 Urban high school academy; organization and administration.

Sec. 522.

(1) An urban high school academy must be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors. An urban high school academy corporation must be organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, except that an urban high school academy corporation is not required to comply with sections 170 to 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified under the state or federal constitution, an urban high school academy must not be organized by a church or other religious organization and must not have any organizational or contractual affiliation with or constitute a church or other religious organization.

(2) Subject to subsection (9), the governing board of a state public university may act as an authorizing body to issue a contract for the organization and operation of an urban high school academy under this part.

(3) A contract issued under this part must be issued for an initial term of 10 years. If the urban high school academy meets the educational goals set forth in the contract and operates in substantial compliance with this part, the authorizing body shall automatically renew the contract for a subsequent 10-year term.

(4) To obtain a contract to organize and operate 1 or more urban high school academies, an entity may apply to an authorizing body described in subsection (2). The contract must be issued to an urban high school academy corporation designated by the entity applying for the contract. The application must include at least all of the following:

(a) Name of the entity applying for the contract.

(b) Subject to the resolution adopted by the authorizing body under section 528, a list of the proposed members of the board of directors of the urban high school academy and a description of the qualifications and method for appointment or election of members of the board of directors.

(c) The proposed articles of incorporation that must include at least all of the following:

(i) The name of the proposed urban high school academy to which the contract will be issued.

(ii) The purposes for the urban high school academy corporation. This language must provide that the urban high school academy is incorporated under this part and that the urban high school academy corporation is a governmental entity and political subdivision of this state.

(iii) The name of the authorizing body.

(iv) The proposed time when the articles of incorporation will be effective.

(v) Other matters considered expedient to be in the articles of incorporation.

(d) A copy of the proposed bylaws of the urban high school academy.

(e) Documentation meeting the application requirements of the authorizing body, including at least all of the following:

(i) The governance structure of the urban high school academy.

(ii) A copy of the educational goals of the urban high school academy and the curricula to be offered and methods of pupil assessment to be used by the urban high school academy. The educational goals must include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the progress of the pupils in the urban high school academy must be assessed using both the mathematics and reading portions of the Michigan student test of educational progress (M-STEP) or the Michigan merit examination under section 1279g, as applicable.

(iii) The admission policy and criteria to be maintained by the urban high school academy. The admission policy and criteria must comply with section 524. This part of the application also must include a description of how the applicant will provide to the general public adequate notice that an urban high school academy is being created and adequate information on the admission policy, criteria, and process.

(iv) The school calendar and school day schedule.

(v) The age or grade range of pupils to be enrolled.

(f) Descriptions of staff responsibilities and of the urban high school academy's governance structure.

(g) A description of a financial and address for the proposed building or buildings in which the urban high school academy will be located, and a financial commitment by the entity applying for the contract to construct or renovate the building or buildings that will be occupied by the urban high school academy that is issued the contract.

(5) If a particular state public university issues a contract that allows an urban high school academy to operate the same configuration of grades at more than 1 site, as provided in section 524(1), each of those sites must be under the direction of the board of directors that is a party to the contract.

(6) If the superintendent of public instruction finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more urban high school academies operating under a contract issued by the authorizing body, the superintendent of public instruction may suspend the power of the authorizing body to issue new contracts to organize and operate urban high school academies. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension.

(7) An authorizing body shall not charge a fee, or require reimbursement of expenses, for considering an application for a contract, for issuing a contract, or for providing oversight of a contract for an urban high school academy in an amount that exceeds a combined total of 3% of the total state school aid received by the urban high school academy in the school year in which the fees or expenses are charged. All of the following apply to this fee:

(a) An authorizing body may use this fee only for the following purposes:

- (i) Considering applications and issuing or administering contracts.
- (ii) Compliance monitoring and oversight of urban high school academies.
- (iii) Training for urban high school academy applicants, administrators, and boards of directors.
- (iv) Technical assistance to urban high school academies.
- (v) Academic support to urban high school academies or to pupils or graduates of urban high school academies.
- (vi) Evaluation of urban high school academy performance.
- (vii) Training of teachers, including supervision of teacher interns.
- (viii) Other purposes that assist the urban high school academies or traditional public schools in achieving improved academic performance.

(b) An authorizing body may provide other services for an urban high school academy and charge a fee for those services, but shall not require such an arrangement as a condition to issuing the contract authorizing the urban high school academy.

(8) An urban high school academy is presumed to be legally organized if it has exercised the franchises and privileges of an urban high school academy for at least 2 years.

(9) Both of the following apply to the issuance of a contract for an urban high school academy to be located within a community district:

(a) An authorizing body shall not issue a contract to organize and operate a new urban high school academy to be located in a community district unless, before issuing the contract, the governing board of the authorizing body has certified to the department that the authorizing body has been accredited as an authorizing body by a nationally recognized accreditation body.

(b) An authorizing body shall not issue a contract for a new urban high school academy to be located in a community district if both of the following circumstances exist:

(i) Either of the following:

(A) The proposed urban high school academy would operate at the same location as a public school that currently is on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state or has been on that list during the immediately preceding 3-year period.

(B) The proposed urban high school academy would operate at the same location as a public school academy, urban high school academy, school of excellence, or strict discipline academy that has had its contract revoked or terminated by an authorizing body under the applicable part or section.

(ii) The proposed urban high school academy would have substantially the same board of directors, substantially the same leadership, and substantially the same curriculum offerings as the public school that previously operated at that location.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003). For transfer of state school reform/redesign school district and state school reform/redesign officer from department of education to state school reform office created as an autonomous entity within department of technology, management, and budget, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445.

Popular Name: Act 451

380.523 Urban high school academy; contracts; issuance; priority; contents; compliance with state laws;

immunity from civil liability; exemption from taxation; acquisition of property; "educational management organization" and "primary educational management organization" defined.

Sec. 523.

(1) An authorizing body is not required to issue a contract to any entity. Urban high school academy contracts must be issued on a competitive basis taking into consideration the resources available for the proposed urban high school academy, the population to be served by the proposed urban high school academy, and the educational goals to be achieved by the proposed urban high school academy. In evaluating if an applicant is qualified, the authorizing body shall examine the proposed performance standards, proposed academic program, financial viability of the applicant, and the ability of the proposed board of directors to meet the contract goals and objectives. An authorizing body shall give priority to applicants that demonstrate all of the following:

- (a) The proposed school will operate at least all of grades 9 through 12 within 5 years after beginning operation.
- (b) The proposed school will occupy a building or buildings that are newly constructed or renovated after January 1, 2003.
- (c) The proposed school has a stated goal of increasing high school graduation rates.
- (d) The proposed school has received commitments for financial and educational support from the entity applying for the contract.

(e) The entity that submits the application for a contract has net assets of at least \$50,000,000.00.

(2) A contract issued to organize and administer an urban high school academy must contain at least all of the following:

(a) The educational goals the urban high school academy is to achieve and the methods by which it will be held accountable. The educational goals must include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the pupil performance of an urban high school academy must be assessed using at least the Michigan student test of educational progress (M-STEP) or the Michigan merit examination developed under section 1279g, as applicable.

(b) A description of the method to be used to monitor the urban high school academy's compliance with applicable law and its performance in meeting its targeted educational objectives.

(c) A description of the process for amending the contract during the term of the contract. An authorizing body may approve amendment of the contract with respect to any provision contained in the contract.

(d) A certification, signed by an authorized member of the urban high school academy board of directors, that the urban high school academy will comply with the contract and all applicable law.

(e) Procedures for revoking the contract and grounds for revoking the contract.

(f) A description of and address for the proposed building or buildings in which the urban high school academy will be located.

(g) Requirements and procedures for financial audits. The financial audits must be conducted at least annually by an independent certified public accountant in accordance with generally accepted governmental auditing principles.

(h) A requirement that the board of directors ensure compliance with the requirements of 1968 PA 317, MCL 15.321 to 15.330.

(i) A requirement that the board of directors prohibit specifically identified family relationships between members of the board of directors, individuals who have an ownership interest in or who are officers or employees of an educational management company involved in the operation of the urban high school academy, and employees of the urban high school academy. The contract must identify the specific prohibited relationships consistent with applicable law.

(j) A requirement that the board of directors of the urban high school academy make information concerning its operation and management available to the public and to the authorizing body in the same manner as is required by state law for school districts.

(k) A requirement that the board of directors of the urban high school academy collect, maintain, and make available to the public and the authorizing body, in accordance with applicable law and the contract, at least all of the following information concerning the operation and management of the urban high school academy:

(i) A copy of the contract issued by the authorizing body for the urban high school academy.

(ii) A list of currently serving members of the board of directors of the urban high school academy, including name, address, and term of office; copies of policies approved by the board of directors; board meeting agendas and minutes; copy of the budget approved by the board of directors and of any amendments to the budget; and copies of bills paid for amounts of \$10,000.00 or more as they were submitted to the board of directors.

(iii) Quarterly financial reports submitted to the authorizing body.

(iv) A current list of teachers working at the urban high school academy that includes their individual salaries as submitted to the registry of educational personnel; copies of the teaching certificates or permits of current teaching staff; and evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b for all teachers and administrators working at the urban high school academy.

- (v) Curriculum documents and materials given to the authorizing body.
- (vi) Proof of insurance as required by the contract.
- (vii) Copies of facility leases or deeds, or both, and of any equipment leases.
- (viii) Copies of any management contracts or services contracts approved by the board of directors.
- (ix) All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
- (x) Any management letters issued as part of the annual financial audit under subdivision (g).
- (xi) Any other information specifically required under this act.
- (l) A requirement that the authorizing body must review and may disapprove any agreement between the board of directors and an educational management company before the agreement is final and valid. An authorizing body may disapprove an agreement described in this subdivision only if the agreement is contrary to the contract or applicable law.
- (m) A requirement that the board of directors demonstrate all of the following to the satisfaction of the authorizing body with regard to its pupil admission process:
 - (i) That the urban high school academy has made a reasonable effort to advertise its enrollment openings.
 - (ii) That the urban high school academy has made the following additional efforts to recruit pupils who are eligible for special education programs and services to apply for admission:
 - (A) Reasonable efforts to advertise all enrollment openings to organizations and media that regularly serve and advocate for individuals with disabilities within the boundaries of the intermediate school district in which the urban high school academy is located.
 - (B) Inclusion in all pupil recruitment materials of a statement that appropriate special education services will be made available to pupils attending the school as required by law.
 - (iii) That the open enrollment period for the urban high school academy is for a duration of at least 2 weeks and that the enrollment times include some evening and weekend times.
- (n) A requirement that the board of directors prohibit any individual from being employed by the urban high school academy in more than 1 full-time position and simultaneously being compensated at a full-time rate for each of those positions.
- (o) A requirement that, if requested, the board of directors report to the authorizing body the total compensation for each individual working at the urban high school academy.
- (p) The term of the contract and a description of the process and standards for renewal of the contract at the end of the term. The standards for renewal must include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria as the most important factor in the decision of whether to renew the contract.
- (q) For a contract that is entered into, extended, renewed, or modified on or after the effective date of the amendatory act that added this subdivision, a requirement that the names of the authorizing body and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:
 - (i) Unless prohibited by a local ordinance or local zoning authority, signage that is on the urban high school academy's property and is erected, repaired, or installed on or after the effective date of the amendatory act that added this subdivision.
 - (ii) Promotional material that is created, modified, or distributed on or after the effective date of the amendatory act that added this subdivision.
 - (iii) The footer of the urban high school academy's website pages.
 - (iv) The school application that a student must submit to enroll in the urban high school academy.
- (3) An urban high school academy shall comply with all applicable law, including all of the following:
 - (a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
 - (b) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
 - (c) 1947 PA 336, MCL 423.201 to 423.217.
 - (d) 1978 PA 566, MCL 15.181 to 15.185.
 - (e) 1968 PA 317, MCL 15.321 to 15.330.
 - (f) The uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.
 - (g) The revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.
 - (h) The federal no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425.
 - (i) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274, and 1280.
 - (j) Laws concerning participation in state assessments, data collection systems, state level student growth models, state accountability and accreditation systems, and other public comparative data collection required for public schools.
- (4) An urban high school academy and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for any acts or omissions in authorizing or oversight of an urban high school academy if the authorizing body or the person

acted or reasonably believed the person acted within the authorizing body's or the person's scope of authority.

(5) An urban high school academy is exempt from all taxation on its earnings and property. Unless the property is already fully exempt from real and personal property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by an urban high school academy and used exclusively for educational purposes is exempt from real and personal property taxes levied for school operating purposes under section 1211, to the extent exempted under that section, and from real and personal property taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. Instruments of conveyance to or from an urban high school academy are exempt from all taxation, including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An urban high school academy may not levy ad valorem property taxes or any other tax for any purpose.

(6) An urban high school academy may acquire by purchase, gift, devise, lease, sublease, installment purchase agreement, land contract, option, or any other means, hold, and own in its own name buildings and other property for school purposes, and interests therein, and other real and personal property, including, but not limited to, interests in property subject to mortgages, security interests, or other liens, necessary or convenient to fulfill its purposes. For the purposes of condemnation, an urban high school academy may proceed under the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of the uniform condemnation procedures act, 1980 PA 87, MCL 213.56 to 213.59, or other applicable statutes, but only with the express, written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid.

(7) As used in this section:

(a) "Educational management organization" means that term as defined in section 523c.

(b) "Primary educational management organization" means an educational management organization that is responsible for both of the following:

(i) Administrative services or staff.

(ii) Educational and instructional services or staff.

(c) "Promotional material" means any of the following:

(i) Billboards.

(ii) Internet advertisements.

(iii) Television advertisements.

(iv) Radio advertisements.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2024, Act 213, Eff. Apr. 2, 2025

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.523a Instrument of indebtedness; liability.

Sec. 523a.

(1) An agreement, mortgage, loan, or other instrument of indebtedness entered into by an urban high school academy and a third party does not constitute an obligation, either general, special, or moral, of this state or an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, may not be pledged for the payment of any urban high school academy bond, note, agreement, mortgage, loan, or other instrument of indebtedness.

(2) This part does not impose any liability on this state or on an authorizing body for any debt incurred by an urban high school academy.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.523c Management agreement with educational management organization; definitions.

Sec. 523c.

(1) Beginning with management agreements described in this section that are entered into or renewed after the effective date of this section, if the board of directors of an urban high school academy enters into or renews a management agreement with an educational management organization to carry out the operations of the urban high school academy, both of the following apply:

(a) The management agreement shall require the educational management organization to provide to the board of directors at least annually all of the same information that a school district is required to disclose under section 18(2) of the state school aid act of 1979, MCL 388.1618, for the most recent school fiscal year for which that information is available.

(b) Within 30 days after receiving the information under subdivision (a), the board of directors shall make all of the information it receives under subdivision (a) available through a link on the urban high school academy's website homepage, in a form and manner prescribed by the department.

(2) As used in this section:

(a) "Educational management organization" means an entity that enters into a management agreement with an urban high school academy.

(b) "Entity" means a partnership, nonprofit or business corporation, or any other association, corporation, trust, or other legal entity.

(c) "Management agreement" means an agreement to provide comprehensive educational, administrative, management, or instructional services or staff to an urban high school academy.

(d) "School fiscal year" means the period that begins July 1 and ends June 30.

History: Add. 2011, Act 277, Eff. Mar. 28, 2012

Popular Name: Act 451

380.524 Location; configuration of age or grade levels; operation at more than 1 site; documentation that educational model results in measurable progress; tuition; discrimination; admission; enrollment priority; grades and programs offered.

Sec. 524.

(1) An urban high school academy may be located in all or part of an existing public school building. An urban high school academy shall not operate at a site other than the site or sites, requested for the configuration of age or grade levels that will use the site or sites, as specified in the contract. Under a contract, an authorizing body may permit an urban high school academy to operate the same configuration of age or grade levels at more than 1 site, and an urban high school academy may operate the same configuration of age or grade levels at more than 1 site, as

long as the urban high school academy is operating in compliance with its contract and is making measurable progress toward meeting its educational goals. For a contract for a new urban high school academy, an authorizing body may permit an urban high school academy to operate the same configuration of age or grade levels at more than 1 site, and an urban high school academy may operate the same configuration of age or grade levels at more than 1 site, if the applicant for the proposed urban high school academy presents documentation to the authorizing body demonstrating that the applicant's proposed educational model has resulted in schools making measurable progress toward meeting their educational goals.

(2) An urban high school academy shall not charge tuition. Except as otherwise provided in this section, an urban high school academy shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis that would be illegal if used by a school district. However, an urban high school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district and may give enrollment priority as provided in subsection (4).

(3) Except for a foreign exchange student who is not a United States citizen, an urban high school academy shall not enroll a pupil who is not a resident of this state. Enrollment in an urban high school academy must be open to all pupils who reside in this state who meet the admission policy. Subject to subsection (4), if there are more applications to enroll in the urban high school academy than there are spaces available, pupils shall be selected to attend using a random selection process. An urban high school academy shall allow any pupil who was enrolled in the urban high school academy in the immediately preceding school year to enroll in the urban high school academy in the appropriate grade unless the appropriate grade is not offered at that urban high school academy.

(4) An urban high school academy may give enrollment priority to 1 or more of the following:

(a) A sibling of a pupil enrolled in the urban high school academy.

(b) A pupil who transfers to the urban high school academy from another public school under a matriculation agreement between the urban high school academy and other public school that provides for this enrollment priority, if all of the following requirements are met:

(i) Each public school that enters into the matriculation agreement remains a separate and independent public school.

(ii) The urban high school academy that gives the enrollment priority selects at least 5% of its pupils for enrollment using a random selection process.

(iii) The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is a party to the matriculation agreement and who was not expelled from that public school to enroll in the urban high school academy giving enrollment priority under the matriculation agreement.

(c) A child of a person who is employed by or at the urban high school academy or who is on the board of directors of the urban high school academy. As used in this subdivision, "child" includes an adopted child or a legal ward.

(5) Subject to the terms of the contract authorizing the urban high school academy, an urban high school academy shall include at least grades 9 through 12 within 5 years after beginning operations and may include other grades or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract. If specified in its contract, an urban high school academy may also operate an adult basic education program, adult high school completion program, or general education development testing preparation program.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2018, Act 619, Imd. Eff. Dec. 28, 2018

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.525 Powers.

Sec. 525.

In addition to other powers set forth in this part, an urban high school academy may take action to carry out the purposes for which it was incorporated under this part, including, but not limited to, all of the following:

- (a) To sue and be sued in its name.
- (b) Subject to section 523a, to acquire, hold, and own in its own name real and personal property, or interests in real or personal property, for educational purposes by purchase, gift, grant, devise, bequest, lease, sublease, installment purchase agreement, land contract, option, or condemnation, and subject to mortgages, security interests, or other liens; and to sell or convey the property as the interests of the urban high school academy require.
- (c) To receive, disburse, and pledge funds for lawful purposes.
- (d) To enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the urban high school academy, if the agreement is in compliance with sections 7 and 18 of the state school aid act of 1979, MCL 388.1607 and 388.1618.
- (e) To incur temporary debt in accordance with section 1225.
- (f) To solicit and accept any grants or gifts for educational purposes and to establish or permit to be established on its behalf 1 or more nonprofit corporations the purpose of which is to assist the urban high school academy in the furtherance of its public purposes.
- (g) To borrow money and issue bonds in accordance with section 1351a and in accordance with part VI of the revised municipal finance act, 2001 PA 34, MCL 141.2601 to 141.2613, except that the borrowing of money and issuance of bonds by an urban high school academy are not subject to section 1351a(4) or section 1351(2) to (4). Bonds issued under this section are full faith and credit obligations of the urban high school academy, pledging the general funds or any other money available for such a purpose. Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2024, Act 214, Eff. Apr. 17, 2025

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.526 Use of certificated and noncertificated teachers; teaching techniques or methods.

Sec. 526.

(1) Except as otherwise provided by law, an urban high school academy shall use certificated teachers according to state board rule.

(2) An urban high school academy may use noncertificated individuals to teach as follows:

(a) The urban high school academy may use as a classroom teacher in any grade a faculty member who is employed full-time by the state public university that is the authorizing body and who has been granted institutional tenure, or has been designated as being on tenure track, by that state public university.

(b) In any other situation in which a school district is permitted under this act to use noncertificated teachers.

(3) An urban high school academy may develop and implement new teaching techniques or methods or significant revisions to known teaching techniques or methods and shall report those to the authorizing body and state board to be made available to the public. An urban high school academy may use any instructional technique or delivery method that may be used by a school district.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.527 Teacher or personnel contracts; publication of salaries.

Sec. 527.

(1) An urban high school academy, with the approval of the authorizing body, may employ or contract with personnel, or enter into a contract with another party to furnish teachers or other personnel, as necessary for the operation of the urban high school academy, prescribe the personnel's duties, and fix the personnel's compensation.

(2) By not later than November 1 of each year, each urban high school academy shall post all of the following information on its website that is accessible to the public:

(a) The average salary for new teachers and the average salary for veteran teachers employed by the urban high school academy or employed by an educational management organization and assigned to the urban high school academy, or, if there are fewer than 5 new teachers or 5 veteran teachers at the urban high school academy, the average salary for all teachers employed by the urban high school academy or employed by an educational management organization and assigned to the urban high school academy.

(b) The average salary for support staff employed by the urban high school academy or employed by an educational management organization and assigned to the urban high school academy.

(3) As used in this section:

(a) "Educational management organization" means that term as defined in section 523c.

(b) "New teacher" means an individual who has held a teaching certificate for less than 5 years.

(c) "Support staff" includes, but is not limited to, student-facing paraprofessionals, food service workers, bus drivers, and literacy coaches.

(d) "Veteran teacher" means an individual who has held a teaching certificate for 5 or more years.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2024, Act 214, Eff. Apr. 17, 2025

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

380.527a Urban high school academy; compliance with public employees health benefit act.

Sec. 527a.

If the board of directors of an urban high school academy provides medical, optical, or dental benefits to employees and their dependents, the board of directors shall provide those benefits in accordance with the public employees health benefit act and shall comply with that act.

History: Add. 2007, Act 107, Imd. Eff. Oct. 1, 2007

Popular Name: Act 451

380.528 Urban high school academy; authorizing body; contract; agreement; fiscal agent; revocation; notice of certain conditions; decision to issue, not issue, or reconstitute contract, or terminate or revoke contract; transition of affected pupils upon revocation of contract; notice to superintendent of public instruction; reversion of property to state.

Sec. 528.

(1) An authorizing body that issues a contract for an urban high school academy under this part shall do all of the following:

- (a) Ensure that the contract and the application for the contract comply with the requirements of this part.
- (b) Within 10 days after issuing the contract, submit to the department a copy of the contract.
- (c) Adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each urban high school academy that it authorizes. The resolution must be written or amended as necessary to include a requirement that each member of the board of directors must be a citizen of the United States.
- (d) Oversee the operations of each urban high school academy operating under a contract issued by the authorizing body. The oversight must be sufficient to ensure that the urban high school academy is in compliance with the terms of the contract and with applicable law. An authorizing body may enter into an agreement with 1 or more other authorizing bodies to oversee an urban high school academy operating under a contract issued by the authorizing body.
- (e) Develop and implement a process for holding an urban high school academy board of directors accountable for meeting applicable academic performance standards set forth in the contract and for implementing corrective action for an urban high school academy that does not meet those standards.
- (f) Take necessary measures to ensure that an urban high school academy board of directors operates independently of any educational management company involved in the operations of the urban high school academy.
- (g) Oversee and ensure that the pupil admission process used by the urban high school academy is operated in a fair and open manner and is in compliance with the contract and this part.
- (h) Ensure that the board of directors of the urban high school academy maintains and releases information as necessary to comply with applicable law.

(2) An authorizing body may enter into an agreement with 1 or more other authorizing bodies to carry out any function of an authorizing body under this act.

(3) The authorizing body for an urban high school academy is the fiscal agent for the urban high school academy. A state school aid payment for an urban high school academy must be paid to the authorizing body that is the fiscal agent for that urban high school academy that must then forward the payment to the urban high school academy. Within 30 days after a contract is submitted to the department by an authorizing body under subsection (1), the department shall issue a district code to the urban high school academy for which the contract was issued. If the department does not issue a district code within 30 days after a contract is filed, the state treasurer shall assign a temporary district code in order for the urban high school academy to receive funding under the state school aid act of 1979.

(4) A contract issued under this part may be revoked by the authorizing body that issued the contract if the authorizing body determines that 1 or more of the following have occurred:

- (a) Failure of the urban high school academy to demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in the contract.
- (b) Failure of the urban high school academy to comply with all applicable law.
- (c) Failure of the urban high school academy to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship.

(d) The existence of 1 or more other grounds for revocation as specified in the contract.

(5) Except for an urban high school academy that is an alternative school serving a special student population, if the department determines that an urban high school academy site that has been operating for at least 4 years is among the lowest achieving 5% of public schools in this state for the immediately preceding 3 school years, as determined under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, not to include any individualized education plan subgroup, the department shall notify the urban high school academy's authorizing body. Subject to subsection (6), if an authorizing body receives notice from the department under this subsection, the authorizing body shall notify the urban high school academy and amend the urban high school academy's contract to eliminate the urban high school academy's authority to operate the existing age and grade levels at the site and the urban high school academy shall cease operating the existing age and grade levels at the site, effective at the end of the current school year. Subject to subsection (6), if the urban high school academy operates at only 1 site, and the authorizing body receives notice from the department under this subsection, the authorizing body shall notify the urban high school academy and revoke the urban high school academy's contract, effective at the end of the current school year.

(6) For an urban high school academy or site that is subject to a notice to its authorizing body under subsection (5), the department shall consider other public school options available to pupils in the grade levels offered by the urban high school academy or site who reside in the geographic area served by the urban high school academy or site. If the department determines that closure of the urban high school academy or site would result in an unreasonable hardship to these pupils because there are insufficient other public school options reasonably available for these pupils, the department may rescind the notice. If the department rescinds a notice subjecting an urban high school academy or site to closure, the department shall do so before the end of the school year. If the department rescinds a notice subjecting an urban high school academy or site to closure, the department shall require the urban high school academy or site to implement a school improvement plan that includes measures to increase pupil growth and improve pupil proficiency, with growth and proficiency measured by performance on state assessments.

(7) Except as otherwise provided in section 522, the decision of an authorizing body to issue, not issue, or reconstitute a contract under this part, or to terminate or revoke a contract under this section, is solely within the discretion of the authorizing body, is final, and is not subject to review by a court or any state agency. An authorizing body that issues, does not issue, or reconstitutes a contract under this part, or that terminates or revokes a contract under this section, is not liable for that action to the urban high school academy, the urban high school academy corporation, a pupil of the urban high school academy, the parent or guardian of a pupil of the urban high school academy, or any other person.

(8) Except as otherwise provided in this section, before an authorizing body revokes a contract, the authorizing body may consider and take corrective measures to avoid revocation. An authorizing body may reconstitute the urban high school academy in a final attempt to improve student educational performance or to avoid interruption of the educational process. An authorizing body shall include a reconstituting provision in the contract that identifies these corrective measures, including, but not limited to, removing 1 or more members of the board of directors, withdrawing approval to contract under section 527, or appointing a new board of directors or a trustee to take over operation of the urban high school academy.

(9) If an authorizing body revokes a contract, the authorizing body shall work with a school district or another public school, or with a combination of these entities, to ensure a smooth transition for the affected pupils. If the revocation occurs during the school year, the authorizing body, as the fiscal agent for the urban high school academy under this part, shall return any school aid funds held by the authorizing body that are attributable to the affected pupils to the state treasurer for deposit into the state school aid fund. The state treasurer shall distribute funds to the public school in which the pupils enroll after the revocation pursuant to a methodology established by the department and the center for educational performance and information.

(10) Not more than 10 days after an urban high school academy's contract terminates or is revoked, the authorizing body shall notify the superintendent of public instruction in writing of the name of the urban high school academy whose contract has terminated or been revoked and the date of contract termination or revocation.

(11) If an urban high school academy's contract terminates or is revoked, title to all real and personal property, interest in real or personal property, and other assets owned by the urban high school academy shall revert to the state. This property must be distributed in accordance with the following:

(a) Within 30 days following the termination or revocation, the board of directors of an urban high school academy shall hold a public meeting to adopt a plan of distribution of assets and to approve the dissolution of the urban high school academy corporation, all in accordance with chapter 8 of the nonprofit corporation act, 1982 PA 162, MCL 450.2801 to 450.2864.

(b) The urban high school academy shall file a certificate of dissolution with the department of licensing and regulatory affairs within 10 business days following board approval.

(c) Simultaneously with the filing of the certificate of dissolution under subdivision (b), the urban high school academy board of directors shall provide a copy of the board of directors' plan of distribution of assets to the state treasurer for approval. Within 30 days, the state treasurer, or the state treasurer's designee, shall review and approve the board of directors' plan of distribution of assets. If the proposed plan of distribution of assets is not

approved within 30 days, the state treasurer, or the state treasurer's designee, shall provide the board of directors with an acceptable plan of distribution of assets.

(d) The state treasurer, or the state treasurer's designee, shall monitor the urban high school academy's winding up of the dissolved corporation in accordance with the plan of distribution of assets approved or provided under subdivision (c).

(e) As part of the plan of distribution of assets, the urban high school academy board of directors shall designate the director of the department of technology, management, and budget, or the director's designee, to dispose of all real property of the urban high school academy corporation in accordance with the directives developed for disposition of surplus land and facilities under section 251 of the management and budget act, 1984 PA 431, MCL 18.1251.

(f) If the board of directors of an urban high school academy fails to take any necessary action under this section, the state treasurer, or the state treasurer's designee, may suspend the urban high school academy board of directors and appoint a trustee to carry out the board's plan of distribution of assets. Upon appointment, the trustee has all the rights, powers, and privileges under law that the urban high school academy board of directors had before being suspended.

(g) Following the sale of the real or personal property or interests in the real or personal property, and after payment of any urban high school academy debt secured by the property or interest in property, whether real or personal, the urban high school academy board of directors, or a trustee appointed under this section, shall forward any remaining money to the state treasurer. Following receipt, the state treasurer, or the state treasurer's designee, shall deposit this remaining money in the state school aid fund.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003). For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of powers and duties under MCL 380.1283c and 423.215 that were transferred from superintendent of public instruction to state school reform/redesign office by E.O. No. 2015-9 back to superintendent of public instruction with transfer of state school reform/redesign office from department of technology, management, and budget to department of education, see E.R.O. No. 2017-2, compiled at MCL 388.1282. Comment: Paragraph III.B of E.O. 2015-9 is rescinded.

Popular Name: Act 451

380.529 Contract provisions; powers of applicant.

Sec. 529.

An authorizing body and urban high school academy may include provisions in the contract that permit the entity that applied for the contract to do any of the following:

(a) Participate in the recruiting, interviewing, and nominating process for urban high school academy board members.

(b) Conduct an independent educational review, on a periodic basis, to determine whether the urban high school academy is successful in implementing the educational goals set forth in the contract.

(c) Serve as contract administrator between the urban high school academy board of directors and any educational management company contracted to operate the urban high school academy.

(d) Make recommendations to the authorizing body and urban high school academy on how to improve the urban high school academy's operation.

History: Add. 2003, Act 179, Imd. Eff. Oct. 3, 2003

Compiler's Notes: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393. In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular Name: Act 451

PART 6E SCHOOLS OF EXCELLENCE

380.551 School of excellence; powers; definitions.

Sec. 551.

(1) A school of excellence is a public school under section 2 of article VIII of the state constitution of 1963, is a school district for the purposes of section 11 of article IX of the state constitution of 1963 and for the purposes of section 1225 and section 1351a, and is subject to the leadership and general supervision of the state board over all public education under section 3 of article VIII of the state constitution of 1963. A school of excellence is a body corporate and is a governmental agency. The powers granted to a school of excellence under this part constitute the performance of essential public purposes and governmental functions of this state.

(2) As used in this part:

(a) "Authorizing body" means any of the following that issues a contract as provided in this part:

(i) The board of a school district.

(ii) An intermediate school board.

(iii) The board of a community college.

(iv) The governing board of a state public university.

(v) Two or more of the public agencies described in subparagraphs (i) to (iv) exercising power, privilege, or authority jointly pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(b) "Certificated teacher" means an individual who holds a valid teaching certificate issued by the superintendent of public instruction under section 1531.

(c) "Community college" means a community college organized under the community college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or a federally controlled community college that is recognized under the tribally controlled colleges and universities assistance act of 1978, 25 USC 1801 to 1864, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(d) "Contract" means the executive act taken by an authorizing body that evidences the authorization of a school of excellence and that establishes, subject to the constitutional powers of the state board and applicable law, the written instrument executed by an authorizing body conferring certain rights, franchises, privileges, and obligations on a school of excellence, as provided by this part, and confirming the status of a school of excellence as a public school in this state.

(e) "Cyber school" means a school of excellence established under this part that has been issued a contract to be organized and operated as a cyber school under section 552(2) and that provides full-time instruction to pupils through online learning or otherwise on a computer or other technology, which instruction and learning may be remote from a school facility.

(f) "Educational management organization" means an entity that enters into an agreement with the governing board of a public school to provide comprehensive educational, administrative, management, or instructional services or staff to the public school.

(g) "Entity" means a partnership, nonprofit or business corporation, labor organization, or any other association, corporation, trust, or other legal entity.

(h) "State public university" means a state university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.552 Contracts; limitation on issuance; requirements; cyber schools; conversion of public school academy to school of excellence; organization and administration; authorizing body; application; contents; oversight; suspension of power to issue contracts; fee; presumption of legality; oath of office; offerings made by cyber school; final audited membership; enrollment; limitations; definitions; report; parent-student orientation; school of excellence located within community district.

Sec. 552.

(1) An authorizing body may issue contracts under this subsection to organize and operate a school of excellence. All of the following apply to the issuance of a contract by an authorizing body under this subsection:

(a) The issuance of the contract must be approved by the superintendent of public instruction. The superintendent of public instruction shall approve issuance of a contract if he or she determines that the proposed school of excellence is modeled after a high-performing school or program.

(b) The first 5 contracts issued by all authorizing bodies under this subsection must be for schools of excellence that offer 1 or more of high school grades 9 to 12, or any combination of those grades, as specified in the contract.

(c) A school of excellence authorized under this subsection must not be located in a school district that has a graduation rate of over 75%, on average, for the most recent 3 school years for which the data are available, as determined by the department.

(2) Subject to the limitations in this subsection and subsections (14) and (15), an authorizing body may issue contracts under this subsection for 1 or more schools of excellence that are cyber schools. The combined total number of contracts issued by all statewide authorizing bodies under this subsection for schools of excellence that are cyber schools shall not exceed 15. The board of a school district, an intermediate school board, the board of a community college that is not a statewide authorizing body, or 2 or more public agencies acting jointly as described in subsection (6)(e) may not act as the authorizing body for more than 1 school of excellence that is a cyber school. An authorizing body shall not issue a contract for a school of excellence that is a cyber school unless the school of excellence that is a cyber school meets all of the following requirements:

(a) Is available for enrollment to all pupils in this state.

(b) Offers some configuration of or all of grades K to 12.

(c) The entity applying for the school of excellence that is a cyber school demonstrates experience in delivering a quality education program that improves pupil academic achievement. In determining whether this requirement is met, an authorizing body shall refer to the standards for quality online learning established by the national association of charter school authorizers or other similar nationally recognized standards for quality online learning.

(d) The enrollment in the school of excellence that is a cyber school is limited to not more than 2,500 pupils in membership for the first school year of operation of the school of excellence that is a cyber school, not more than 5,000 pupils in membership for the second school year of operation of the school of excellence that is a cyber school, and not more than 10,000 pupils in membership for the third and subsequent school years of operation of the school of excellence that is a cyber school. As used in this subdivision, "membership" means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(e) The school of excellence that is a cyber school offers each pupil's family a computer and subsidizes the cost of internet access.

(3) For a public school academy operating under part 6a that meets the requirements of subsection (4), with the approval of its authorizing body, the board of directors of the public school academy may adopt a resolution choosing to convert the public school academy to a school of excellence under this part. If the board of directors of a public school academy that meets the requirements of subsection (4) is issued a contract as a school of excellence under this subsection, all the following apply:

(a) The public school academy shall cease to operate as a public school academy under part 6a and shall operate as a school of excellence upon the issuance of a contract or at another time as determined by the authorizing body.

(b) The public school academy is considered to be a school of excellence for all purposes upon the issuance of a contract or at another time as determined by the authorizing body, but retains its corporate identity.

(c) The conversion of a public school academy under part 6a to a school of excellence operating under this part does not impair any agreement, mortgage, loan, bond, note or other instrument of indebtedness, or any other agreement entered into by a public school academy while it was operating under part 6a.

(d) The contract issued to the public school academy under part 6a must automatically terminate upon the

issuance of a contract or at another time as determined by the authorizing body.

(4) Subsection (3) applies to a public school academy that is determined by the department to meet all of the following, as applicable:

(a) If the public school academy operates only some or all of grades K to 8, meets at least 1 of the following:

(i) On average over a 3-year period, at least 90% of the pupils enrolled in the public school academy achieved a score of proficient or better on the Michigan education assessment program mathematics and reading tests or successor state assessment program.

(ii) On average over a 3-year period, at least 70% of the pupils enrolled in the public school academy achieved a score of proficient or better on the Michigan education assessment program mathematics and reading tests or successor state assessment program and at least 50% of the pupils enrolled in the public school academy met the income eligibility criteria for the federal free or reduced-price lunch program, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769j, and reported to the department.

(b) If the public school academy operates grades 9 to 12, at least 80% of the school's pupils graduate from high school or are determined by the department to be on track to graduate from high school, the school has at least 80% average attendance, and the school has at least an 80% postsecondary enrollment rate.

(5) A school of excellence must be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors. A school of excellence must be organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, except that a school of excellence is not required to comply with sections 170 to 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified under the state or federal constitution, a school of excellence must not be organized by a church or other religious organization and must not have any organizational or contractual affiliation with or constitute a church or other religious organization.

(6) Any of the following may act as an authorizing body to issue a contract to organize and operate 1 or more schools of excellence under this part:

(a) The board of a school district. However, except as otherwise provided in this subdivision, the board of a school district shall not issue a contract for a school of excellence to operate outside the school district's boundaries, and a school of excellence authorized by the board of a school district shall not operate outside that school district's boundaries. If the board of a school district issues a contract for a school of excellence that is a cyber school, the contract may authorize the school of excellence that is a cyber school to operate outside that school district's boundaries.

(b) An intermediate school board. However, except as otherwise provided in this subdivision, the board of an intermediate school district shall not issue a contract for a school of excellence to operate outside the intermediate school district's boundaries, and a school of excellence authorized by the board of an intermediate school district shall not operate outside that intermediate school district's boundaries. If the board of an intermediate school district issues a contract for a school of excellence that is a cyber school, the contract may authorize the school of excellence that is a cyber school to operate outside that intermediate school district's boundaries.

(c) The board of a community college. Except as otherwise provided in this subdivision, the board of a community college shall not issue a contract for a school of excellence to operate outside the boundaries of the community college district, and a school of excellence authorized by the board of a community college shall not operate outside the boundaries of the community college district. If the board of a community college issues a contract for a school of excellence that is a cyber school, the contract may authorize the school of excellence that is a cyber school to operate outside the boundaries of the community college district. The board of a community college also may issue a contract for not more than 1 school of excellence to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district, or may operate a school of excellence itself on the grounds of such a federal military installation, if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years.

(d) The governing board of a state public university.

(e) Two or more of the public agencies described in subdivisions (a) to (d) exercising power, privilege, or authority jointly pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(7) To obtain a contract to organize and operate 1 or more schools of excellence, 1 or more persons or an entity may apply to an authorizing body described in this section. The application must include at least all of the following:

(a) Identification of the applicant for the contract.

(b) Subject to the resolution adopted by the authorizing body under section 553(4), a list of the proposed members of the board of directors of the school of excellence and a description of the qualifications and method for appointment or election of members of the board of directors.

(c) The proposed articles of incorporation that must include at least all of the following:

(i) The name of the proposed school of excellence.

(ii) The purposes for the school of excellence corporation. This language must provide that the school of

excellence is incorporated pursuant to this part and that the school of excellence is a governmental entity.

- (iii) The name of the authorizing body.
- (iv) The proposed time when the articles of incorporation will be effective.
- (v) Other matters considered expedient to be in the articles of incorporation.
- (d) A copy of the proposed bylaws of the school of excellence.
- (e) Documentation meeting the application requirements of the authorizing body, including at least all of the following:
 - (i) The governance structure of the school of excellence.
 - (ii) A copy of the educational goals of the school of excellence and the curricula to be offered and methods of pupil assessment to be used by the school of excellence. The educational goals must include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the progress of the pupils in the school of excellence must be assessed using both the mathematics and reading portions of the Michigan student test of educational progress (M-STEP) or the Michigan merit examination under section 1279g, as applicable.
 - (iii) The admission policy and criteria to be maintained by the school of excellence. The admission policy and criteria must comply with section 556. This part of the application also must include a description of how the applicant will provide to the general public adequate notice that a school of excellence is being created and adequate information on the admission policy, criteria, and process.
 - (iv) Except for a school of excellence that is a cyber school, the school calendar and school day schedule.
 - (v) The age or grade range of pupils to be enrolled.
 - (f) Descriptions of staff responsibilities and of the school of excellence governance structure.
 - (g) For an application to the board of a school district, an intermediate school board, or board of a community college, identification of the school district and intermediate school district in which the school of excellence will be located.
 - (h) An agreement that the school of excellence will comply with the provisions of this part and, subject to the provisions of this part, with all other state law applicable to public bodies and with federal law applicable to public bodies or school districts.
 - (i) A description of and address for the proposed physical plant in which the school of excellence will be located. An applicant may request the authorizing body to issue a contract allowing the board of directors of the school of excellence to operate the same configuration of age or grade levels at more than 1 site.
- (8) An authorizing body shall oversee, or shall contract with an intermediate school district, community college, or state public university to oversee, each school of excellence operating under a contract issued by the authorizing body. The authorizing body is responsible for overseeing compliance by the board of directors with the contract and all applicable law. This subsection does not relieve any other government entity of its enforcement or supervisory responsibility.
- (9) If the superintendent of public instruction finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more schools of excellence operating under a contract issued by the authorizing body, the superintendent of public instruction may suspend the power of the authorizing body to issue new contracts to organize and operate schools of excellence. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension.
- (10) An authorizing body shall not charge a fee, or require reimbursement of expenses, for considering an application for a contract, for issuing a contract, or for providing oversight of a contract for a school of excellence in an amount that exceeds a combined total of 3% of the total state school aid received by the school of excellence in the school year in which the fees or expenses are charged. The authorizing body may provide other services for a school of excellence and charge a fee for those services, but shall not require such an arrangement as a condition to issuing the contract authorizing the school of excellence.
- (11) A school of excellence is presumed to be legally organized if it has exercised the franchises and privileges of a public school academy for at least 2 years.
- (12) A member of the board of directors of a school of excellence is a public officer and shall, before entering upon the duties of the office, take the constitutional oath of office for public officers under section 1 of article XI of the state constitution of 1963.
- (13) A school of excellence that is a cyber school may make available to other public schools for purchase any of the course offerings that the cyber school offers to its own pupils.
- (14) If the department determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for the 2012-2013 state fiscal year exceeds a number equal to 1% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year, then all of the following apply:
 - (a) An authorizing body may not issue a new contract for a new school of excellence that is a cyber school to begin operations in the 2013-2014 school year.
 - (b) A school of excellence that is a cyber school may not enroll any new pupils in the school of excellence that is a cyber school in the 2013-2014 school year.

(15) Beginning July 1, 2013, if the department determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year exceeds a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year, then all of the following apply:

(a) Subject to subdivision (c), an authorizing body may not issue a new contract for a new school of excellence that is a cyber school to begin operations in a school year that begins after that determination is made.

(b) Subject to subdivision (c), a school of excellence that is a cyber school may not enroll any new pupils in the school of excellence that is a cyber school in a school year that begins after that determination is made.

(c) If the department determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year does not exceed a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 state fiscal year, then subdivisions (a) and (b) do not apply for a school year that begins after that determination is made unless the department makes a new determination that the membership limits under this subsection have been exceeded.

(16) For the purposes of subsections (14) and (15), not later than July 1 of each year, the department shall determine the percentage of the combined total statewide final audited membership for all pupils in membership in public schools that are pupils in membership in schools of excellence that are cyber schools for the state fiscal year that includes that July 1.

(17) As used in this section:

(a) "Membership" means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(b) "Statewide authorizing body" means the governing board of a state public university or the board of a federal tribally controlled community college that is recognized under the tribally controlled colleges and universities assistance act of 1978, 25 USC 1801 to 1864, and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body.

(18) Not later than October 1, 2012, if a district, an intermediate school district, a public school academy, or the education achievement system offers online learning, the board or board of directors of the district, intermediate school district, or public school academy, or the education achievement system, shall submit to the department a report that details the per-pupil costs of operating the online learning. The report shall include, on a per-pupil basis, at least all of the following costs:

(a) Textbooks, instructional materials, and supplies, including electronic instructional material.

(b) Computer and other electronic equipment, including internet and telephone access.

(c) Salaries and benefits for the online learning employees.

(d) Purchased courses and curricula.

(e) Fees associated with oversight and regulation.

(f) Travel costs associated with school activities and testing.

(g) Facilities costs.

(h) Costs associated with special education.

(19) Not later than December 31, 2012, the department shall issue a report to the legislature including the following:

(a) A review of the data submitted under subsection (14).

(b) A comparison with costs of substantially similar programs in other states and relevant national research on the costs of online learning.

(c) Any conclusions concerning factors or characteristics of online learning programs that make a difference in the costs of operating the programs.

(20) The board of directors of a school of excellence that is a cyber school, or the board of a school district, intermediate school district, or public school academy that operates an online or other distance learning program, shall submit a monthly report to the department, in the form and manner prescribed by the department, that reports the number of pupils enrolled in the school of excellence that is a cyber school, or in the online or other distance learning program, during the immediately preceding month.

(21) The board of directors of a school of excellence that is a cyber school shall ensure that, when a pupil enrolls in the school of excellence that is a cyber school, the pupil and the pupil's parent or legal guardian are provided with a parent-student orientation. If the pupil is at least 18 years of age or is an emancipated minor, the orientation may be provided to just the pupil.

(22) Both of the following apply to the issuance of a contract for a school of excellence to be located within a community district:

(a) An authorizing body shall not issue a contract to organize and operate a new school of excellence to be located in a community district unless, before issuing the contract, the governing board of the authorizing body has certified to the department that the authorizing body has been accredited as an authorizing body by a nationally recognized accreditation body. For an authorizing body described in subsection (6)(e), the authorizing body shall not issue a contract to organize and operate a new school of excellence to be located in a community district unless, before issuing the contract, the governing board of each of the public agencies that is party to the interlocal

agreement has certified to the department that the public agency has been accredited as an authorizing body by a nationally recognized accreditation body.

(b) An authorizing body shall not issue a contract for a new school of excellence to be located in a community district if both of the following circumstances exist:

(i) Either of the following:

(A) The proposed school of excellence would operate at the same location as a public school that currently is on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state or has been on that list during the immediately preceding 3-year period.

(B) The proposed school of excellence would operate at the same location as a public school academy, urban high school academy, school of excellence, or strict discipline academy that has had its contract revoked or terminated by an authorizing body under the applicable part or section.

(ii) The proposed school of excellence would have substantially the same board of directors, substantially the same leadership, and substantially the same curriculum offerings as the public school that previously operated at that location.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2012, Act 129, Eff. Mar. 28, 2013 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: For transfer of state school reform/redesign school district and state school reform/redesign officer from department of education to state school reform office created as an autonomous entity within department of technology, management, and budget, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445.

Popular Name: Act 451

380.553 Schools of excellence; issuance of contract; petition to place question of issuing contract on ballot; submission; resolution; contents of contract; compliance with applicable law; governmental immunity; exemption from taxation; acquisition of property; "educational management organization" and primary educational management organization" defined.

Sec. 553.

(1) An authorizing body is not required to issue a contract to any person or entity. Schools of excellence contracts must be issued on a competitive basis taking into consideration the resources available for the proposed school of excellence, the population to be served by the proposed school of excellence, the educational goals to be achieved by the proposed school of excellence, and the applicant's track record, if any, in operating public school academies or other public schools.

(2) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more schools of excellence within the boundaries of the school district and the board does not issue the contract, the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school electors of the school district. The petition must contain all of the information required to be in the contract application under section 552 and must be signed by a number of school electors of the school district equal to at least 5% of the total number of school electors of that school district. The petition must be filed with the school district filing official. If the board receives a petition meeting the requirements of this subsection, the board shall have the question of issuing the contract placed on the ballot at its next regular school election held at least 60 days after receiving the petition. If a majority of the school electors of the school district voting on the question vote to issue the contract, the board shall issue the contract.

(3) Within 10 days after issuing a contract for a school of excellence, the authorizing body shall submit to the superintendent of public instruction a copy of the contract.

(4) An authorizing body shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each school of excellence subject to its jurisdiction. The resolution must be written or amended as necessary to include a requirement that each member of the board of directors must be a citizen of the United States.

(5) A contract issued to organize and administer a school of excellence must contain at least all of the following:

(a) The educational goals the school of excellence is to achieve and the methods by which it will be held accountable. The educational goals must include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the pupil performance of a school of excellence must be assessed using at least

the Michigan student test of educational progress (M-STEP) or the Michigan merit examination under section 1279g, as applicable.

(b) A description of the method to be used to monitor the school of excellence's compliance with applicable law and its performance in meeting its targeted educational objectives.

(c) A description of the process for amending the contract during the term of the contract.

(d) All of the matters set forth in the application for the contract.

(e) Procedures for revoking the contract and grounds for revoking the contract, including at least the grounds listed in section 561.

(f) A description of and address for the proposed physical plant in which the school of excellence will be located. An authorizing body may include a provision in the contract allowing the board of directors of the school of excellence to operate the same configuration of age or grade levels at more than 1 site if each configuration of age or grade levels and each site identified in the contract are under the direction and control of the board of directors.

(g) Requirements and procedures for financial audits. The financial audits must be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles.

(h) A certification, signed by an authorized member of the school of excellence board of directors, that the school of excellence will comply with the contract and all applicable law.

(i) A requirement that the board of directors ensure compliance with the requirements of 1968 PA 317, MCL 15.321 to 15.330.

(j) A requirement that the board of directors prohibit specifically identified family relationships between members of the board of directors, individuals who have an ownership interest in or who are officers or employees of an educational management organization involved in the operation of the school of excellence, and employees of the school of excellence. The contract must identify the specific prohibited relationships consistent with applicable law.

(k) A requirement that the board of directors of the school of excellence make information concerning its operation and management available to the public and to the authorizing body in the same manner as is required by state law for school districts.

(l) A requirement that the board of directors of the school of excellence collect, maintain, and make available to the public and the authorizing body, in accordance with applicable law and the contract, at least all of the following information concerning the operation and management of the school of excellence:

(i) A copy of the contract issued by the authorizing body for the school of excellence.

(ii) A list of currently serving members of the board of directors of the school of excellence, including name, address, and term of office; copies of policies approved by the board of directors; board meeting agendas and minutes; copy of the budget approved by the board of directors and of any amendments to the budget; and copies of bills paid for amounts of \$10,000.00 or more as they were submitted to the board of directors.

(iii) Quarterly financial reports submitted to the authorizing body.

(iv) A current list of teachers and school administrators working at the school of excellence that includes their individual salaries as submitted to the registry of educational personnel; copies of the teaching or school administrator's certificates or permits of current teaching and administrative staff; and evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b for all teachers and administrators working at the school of excellence.

(v) Curriculum documents and materials given to the authorizing body.

(vi) Proof of insurance as required by the contract.

(vii) Copies of facility leases or deeds, or both, and of any equipment leases.

(viii) Copies of any management contracts or services contracts approved by the board of directors.

(ix) All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.

(x) Any management letters issued as part of the annual financial audit under subdivision (g).

(xi) Any other information specifically required under this act.

(m) A requirement that the authorizing body must review and may disapprove any agreement between the board of directors and an educational management organization before the agreement is final and valid. An authorizing body may disapprove an agreement described in this subdivision only if the agreement is contrary to contract or applicable law.

(n) A requirement that the board of directors demonstrate all of the following to the satisfaction of the authorizing body with regard to its pupil admission process:

(i) That the school of excellence has made a reasonable effort to advertise its enrollment openings.

(ii) That the school of excellence has made the following additional efforts to recruit pupils who are eligible for special education programs and services or English as a second language services to apply for admission:

(A) Reasonable efforts to advertise all enrollment openings to organizations and media that regularly serve and advocate for individuals with disabilities or children with limited English-speaking ability within the boundaries of the intermediate school district in which the school of excellence is located.

(B) Inclusion in all pupil recruitment materials of a statement that appropriate special education services and English as a second language services will be made available to pupils attending the school as required by law.

(iii) That the open enrollment period for the school of excellence is for a duration of at least 2 weeks and that the enrollment times include some evening and weekend times.

(o) A requirement that the board of directors prohibit any individual from being employed by the school of excellence in more than 1 full-time position and simultaneously being compensated at a full-time rate for each of those positions.

(p) A requirement that, if requested, the board of directors report to the authorizing body the total compensation for each individual working at the school of excellence.

(q) For a contract that is entered into, extended, renewed, or modified on or after the effective date of the amendatory act that added this subdivision, a requirement that the names of the authorizing body and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

(i) Unless prohibited by a local ordinance or local zoning authority, signage that is on the school of excellence's property and is erected, repaired, or installed on or after the effective date of the amendatory act that added this subdivision. However, this requirement does not apply to a school of excellence that is a cyber school.

(ii) Promotional material that is created, modified, or distributed on or after the effective date of the amendatory act that added this subdivision.

(iii) The footer of the school of excellence's website pages.

(iv) The school application that a student must submit to enroll in the school of excellence.

(6) A school of excellence shall comply with all applicable law, including all of the following:

(a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(b) The freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(c) 1947 PA 336, MCL 423.201 to 423.217.

(d) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

(e) Laws concerning participation in state assessments, data collection systems, state level student growth models, state accountability and accreditation systems, and other public comparative data collection required for public schools.

(7) A school of excellence and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for an act or omission in authorizing a school of excellence if the authorizing body or the person acted or reasonably believed the person acted within the authorizing body's or the person's scope of authority.

(8) A school of excellence is exempt from all taxation on its earnings and property. Unless the property is already fully exempt from real and personal property taxes under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by a school of excellence and used exclusively for educational purposes is exempt from real and personal property taxes levied for school operating purposes under section 1211, to the extent exempted under that section, and from real and personal property taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. Instruments of conveyance to or from a school of excellence are exempt from all taxation including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. A school of excellence may not levy ad valorem property taxes or another tax for any purpose. However, operation of 1 or more schools of excellence by a school district or intermediate school district does not affect the ability of the school district or intermediate school district to levy ad valorem property taxes or another tax.

(9) A school of excellence may acquire by purchase, gift, devise, lease, sublease, installment purchase agreement, land contract, option, or by any other means, hold, and own in its own name buildings and other property for school purposes, and interests therein, and other real and personal property, including, but not limited to, interests in property subject to mortgages, security interests, or other liens, necessary or convenient to fulfill its purposes. For the purposes of condemnation, a school of excellence may proceed under the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of the uniform condemnation procedures act, 1980 PA 87, MCL 213.56 to 213.59, or other applicable statutes, but only with the express, written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid.

(10) As used in this section:

(a) "Educational management organization" means that term as defined in section 553c.

(b) "Primary educational management organization" means an educational management organization that is responsible for both of the following:

(i) Administrative services or staff.

(ii) Educational and instructional services or staff.

(c) "Promotional material" means any of the following:

(i) Billboards.

(ii) Internet advertisements.

(iii) Television advertisements.

(iv) Radio advertisements.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2024, Act 211, Eff. Apr. 2, 2025
Popular Name: Act 451

380.553a Cyber school.

Sec. 553a.

(1) An authorizing body may issue a contract to establish a school of excellence that is a cyber school. A cyber school shall provide full-time instruction to pupils through online learning or otherwise on a computer or other technology, and this instruction and learning may occur remote from a school facility. Subject to section 559(3), a cyber school may develop and implement personalized, nontraditional, or flexible learning opportunities that include, but are not limited to, project-based learning or competency-based education.

(2) A contract for a school of excellence that is a cyber school must include all of the provisions required under section 553 and both of the following:

(a) A requirement that a teacher who holds appropriate certification according to state board rule or who is engaged to teach under section 1233b will be responsible for all of the following for each course in which a pupil is enrolled:

- (i) Improving learning by planned instruction.
- (ii) Diagnosing the pupil's learning needs.
- (iii) Assessing learning, assigning grades, and determining advancement.
- (iv) Reporting outcomes to administrators and parents or legal guardians.

(b) A requirement that the cyber school will make educational services available to pupils for a minimum of at least 1,098 hours during a school year. The cyber school shall track a pupil's participation through attendance in the educational program offered by the cyber school for the proportionate number of instructional hours from the date of enrollment of the pupil.

(3) Notwithstanding any other provision of this act or any rule, if a school of excellence that is a cyber school is in compliance with the requirements of subsection (2)(a) regarding a certificated teacher or a teacher engaged to teach under section 1233b, any other adult assisting with the oversight of a pupil during the pupil's participation in the cyber school's education program is not required to be a certificated teacher, a teacher engaged to teach under section 1233b, or an employee of the school.

(4) Notwithstanding any rule to the contrary, a cyber school is not required to comply with any rule that would require a pupil's physical presence or attendance in a classroom.

(5) At the end of a cyber school's second complete school year of operations, the authorizing body of a school of excellence that is a cyber school shall submit to the superintendent of public instruction and the legislature, in the form and manner prescribed by the superintendent of public instruction, a report detailing the operation of the cyber school, providing statistics of pupil participation and academic performance, and making recommendations for any further statutory or rule change related to cyber schools and online learning in this state.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2018, Act 235, Eff. Sept. 25, 2018 ;-- Am. 2018, Act 619, Imd. Eff. Dec. 28, 2018
Popular Name: Act 451

380.553c School of excellence; management agreement with educational management organization; definitions.

Sec. 553c.

(1) Beginning with management agreements described in this section that are entered into or renewed after the effective date of this section, if the board of directors of a school of excellence enters into or renews a management agreement with an educational management organization to carry out the operations of the school of excellence, both of the following apply:

(a) The management agreement shall require the educational management organization to provide to the board

of directors at least annually all the same information that a school district is required to disclose under section 18(2) of the state school aid act of 1979, MCL 388.1618, for the most recent school fiscal year for which that information is available.

(b) Within 30 days after receiving the information under subdivision (a), the board of directors shall make all of the information it receives under subdivision (a) available through a link on the school of excellence's website homepage, in a form and manner prescribed by the department.

(2) As used in this section:

(a) "Educational management organization" means an entity that enters into a management agreement with a school of excellence.

(b) "Entity" means a partnership, nonprofit or business corporation, or any other association, corporation, trust, or other legal entity.

(c) "Management agreement" means an agreement to provide comprehensive educational, administrative, management, or instructional services or staff to a school of excellence.

(d) "School fiscal year" means the period that begins July 1 and ends June 30.

History: Add. 2011, Act 277, Eff. Mar. 28, 2012

Popular Name: Act 451

380.554 Contract to operate school of excellence; tax levy; use of revenue.

Sec. 554.

If a school district or intermediate school district applies for and obtains a contract to operate 1 or more schools of excellence under this part, the power of the school district or intermediate school district to levy taxes for any purpose under this act is not affected by the operation of a school of excellence by the school district or intermediate school district. Revenue from taxes levied by a school district or intermediate school district under this act or bonds issued by a school district or intermediate school district under this act may be used to support the operation or facilities of a school of excellence operated by the school district or intermediate school district in the same manner as that revenue may be used under this act by the school district or intermediate school district to support school district or intermediate school district operations and facilities. This section does not authorize a school district or intermediate school district to levy taxes or to issue bonds for any purpose that is not otherwise authorized under this act.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010

Popular Name: Act 451

380.555 Liability for debt incurred by school of excellence.

Sec. 555.

(1) An agreement, mortgage, loan, or other instrument of indebtedness entered into by a school of excellence and a third party does not constitute an obligation, either general, special, or moral, of this state or an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, may not be pledged for the payment of any school of excellence bond, note, agreement, mortgage, loan, or other instrument of indebtedness.

(2) This part does not impose any liability on this state or on an authorizing body for any debt incurred by a school of excellence.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010

Popular Name: Act 451

380.556 Location; configuration of age or grade levels; operation at more than 1 site; tuition; discrimination; enrollment; selection process; priority; grades and programs offered.

Sec. 556.

(1) A school of excellence may be located in all or part of an existing public school building. A school of excellence, other than a cyber school operated under section 553a, shall not operate at a site other than the site or sites requested for the configuration of age or grade levels that will use the site or sites, as specified in the contract. Under a contract, an authorizing body may permit a school of excellence to operate the same configuration of age or grade levels at more than 1 site, and a school of excellence may operate the same configuration of age or grade levels at more than 1 site, as long as the school of excellence is operating in compliance with its contract and is making measurable progress toward meeting its educational goals. For a contract for a new school of excellence, an authorizing body may permit a school of excellence to operate the same configuration of age or grade levels at more than 1 site, and a school of excellence may operate the same configuration of age or grade levels at more than 1 site, if the applicant for the proposed school of excellence presents documentation to the authorizing body demonstrating that the applicant's proposed educational model has resulted in schools making measurable progress toward meeting their educational goals.

(2) A school of excellence shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a school district. However, a school of excellence may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district and may give enrollment priority as provided in subsection (4).

(3) Except for a foreign exchange student who is not a United States citizen, a school of excellence shall not enroll a pupil who is not a resident of this state. For a school of excellence authorized by a school district, intermediate school district, or community college, enrollment in the school of excellence may be open to all individuals who reside in this state who meet the admission policy and shall be open to all pupils who reside within the geographic boundaries of that authorizing body who meet the admission policy, except that admission to a school of excellence authorized by the board of a community college to operate, or operated by the board of a community college, on the grounds of a federal military installation, as described in section 552(6)(c), shall be open to all pupils who reside in the county in which the federal military installation is located. For a school of excellence authorized by a state public university, enrollment shall be open to all pupils who reside in this state who meet the admission policy. If there are more applications to enroll in the school of excellence than there are spaces available, pupils shall be selected to attend using a random selection process. A school of excellence shall allow any pupil who was enrolled in the school of excellence in the immediately preceding school year to enroll in the school of excellence in the appropriate grade unless the appropriate grade is not offered at that school of excellence.

(4) A school of excellence may give enrollment priority to 1 or more of the following:

(a) A sibling of a pupil enrolled in the school of excellence.

(b) A pupil who transfers to the school of excellence from another public school pursuant to a matriculation agreement between the school of excellence and another public school that provides for this enrollment priority, if all of the following requirements are met:

(i) Each school of excellence or other public school that enters into the matriculation agreement remains a separate and independent public school.

(ii) The school of excellence that gives the enrollment priority selects at least 5% of its pupils for enrollment using a random selection process.

(iii) The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the school of excellence giving enrollment priority under the matriculation agreement.

(c) A child of a person who is employed by or at the school of excellence or who is on the board of directors of the school of excellence. As used in this subdivision, "child" includes an adopted child or a legal ward.

(5) Subject to subsection (6), a school of excellence may include any grade up to grade 12 or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract. If specified in its contract, a school of excellence may also operate an adult basic education program, adult high school completion program, or general education development testing preparation program. The authorizing body may approve amendment of a contract with respect to ages of pupils or grades offered.

(6) In addition to any other grade levels it operates, a school of excellence shall work toward operating all of grades 9 to 12 within 6 years after it begins operations, unless a matriculation agreement has been reached with another public school that provides grades 9 to 12.

(7) If a school of excellence is a cyber school and its authorizing body is a school district or intermediate school district, the school of excellence shall give enrollment priority to pupils who reside in the school district or intermediate school district that is the authorizing body.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012
Popular Name: Act 451

380.557 School of excellence; powers.

Sec. 557.

In addition to other powers set forth in this part, a school of excellence may take action to carry out the purposes for which it was incorporated under this part, including, but not limited to, all of the following:

- (a) To sue and be sued in its name.
- (b) Subject to section 555, to acquire, hold, and own in its own name real and personal property, or interests in real or personal property, for educational purposes by purchase, gift, grant, devise, bequest, lease, sublease, installment purchase agreement, land contract, option, or condemnation, and subject to mortgages, security interests, or other liens; and to sell or convey the property as the interests of the school of excellence require.
- (c) To receive, disburse, and pledge funds for lawful purposes.
- (d) To enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the school of excellence, if the agreement is in compliance with sections 7 and 18 of the state school aid act of 1979, MCL 388.1607 and 388.1618.
- (e) To incur temporary debt in accordance with section 1225.
- (f) To solicit and accept any grants or gifts for educational purposes and to establish or permit to be established on its behalf 1 or more nonprofit corporations the purpose of which is to assist the school of excellence in the furtherance of its public purposes.
- (g) To borrow money and issue bonds in accordance with section 1351a and in accordance with part VI of the revised municipal finance act, 2001 PA 34, MCL 141.2601 to 141.2613, except that the borrowing of money and issuance of bonds by a school of excellence is not subject to section 1351a(4) or section 1351(2) to (4). Bonds issued under this section are full faith and credit obligations of the school of excellence, pledging the general funds or any other money available for such a purpose. Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2024, Act 214, Eff. Apr. 17, 2025
Popular Name: Act 451

380.558 School district subject to court desegregation order.

Sec. 558.

If a school of excellence is operated by a school district that is subject to a court desegregation order, pupil selection at the school of excellence is subject to that order.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010
Popular Name: Act 451

380.559 Use of certificated teachers; use of noncertificated individuals; development and implementation of new teaching techniques or methods.

Sec. 559.

- (1) Except as otherwise provided by law, and except as otherwise provided under section 553a for a cyber

school, a school of excellence shall use certificated teachers according to state board rule.

(2) A school of excellence authorized by a state public university or community college may use noncertificated individuals to teach as follows:

(a) If the school of excellence is authorized by a state public university, the school of excellence may use as a classroom teacher in any grade a faculty member who is employed full-time by the state public university and who has been granted institutional tenure, or has been designated as being on tenure track, by the state public university.

(b) For a school of excellence authorized by a community college, the school of excellence may use as a classroom teacher a full-time member of the community college faculty who has at least 5 years' experience at that community college in teaching the subject matter that he or she is teaching at the school of excellence.

(c) In any other situation in which a school district is permitted under this act to use noncertificated teachers.

(3) A school of excellence may develop and implement new teaching techniques or methods or significant revisions to known teaching techniques or methods, and shall report those to the authorizing body and state board to be made available to the public. A school of excellence may use any instructional technique or delivery method that may be used by a school district.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012

Popular Name: Act 451

380.560 Employing or contracting with personnel; method of compensation; publication of salaries.

Sec. 560.

(1) A school of excellence, with the approval of the authorizing body, may employ or contract with personnel as necessary for the operation of the school of excellence, prescribe the personnel's duties, and fix the personnel's compensation. A school of excellence may implement and maintain a method of compensation for its employees that is based on job performance, job accomplishments, and job assignment in a subject area or school that is difficult to find employees to staff.

(2) By not later than November 1 of each year, each school of excellence shall post all of the following information on its website that is accessible to the public:

(a) The average salary for new teachers and the average salary for veteran teachers employed by the school of excellence or employed by an educational management organization and assigned to the school of excellence, or, if there are fewer than 5 new teachers or 5 veteran teachers at the school of excellence, the average salary for all teachers employed by the school of excellence or employed by an educational management organization and assigned to the school of excellence.

(b) The average salary for support staff employed by the school of excellence or employed by an educational management organization and assigned to the school of excellence.

(3) As used in this section:

(a) "Educational management organization" means that term as defined in section 553c.

(b) "New teacher" means an individual who has held a teaching certificate for less than 5 years.

(c) "Support staff" includes, but is not limited to, student-facing paraprofessionals, food service workers, bus drivers, and literacy coaches.

(d) "Veteran teacher" means an individual who has held a teaching certificate for 5 or more years.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2024, Act 214, Eff. Apr. 17, 2025

Popular Name: Act 451

380.560a Medical, optical, or dental benefits provided to employees; compliance with public employees health benefit act.

Sec. 560a.

If the board of directors of a school of excellence provides medical, optical, or dental benefits to employees and

their dependents, the board of directors shall provide those benefits in accordance with the public employees health benefit act, 2007 PA 106, MCL 124.71 to 124.85, and shall comply with that act.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010

Popular Name: Act 451

380.561 School of excellence; authorizing body; contract; agreement; fiscal agent; notice of certain conditions; decision to issue, not issue, or reconstitute contract, or terminate or revoke contract; corrective measures; transition of affected pupils; notice to superintendent of public instruction; reversion of property to state.

Sec. 561.

(1) If an authorizing body issues a contract for a school of excellence under this part, the authorizing body shall do all of the following:

- (a) Ensure that the contract and the application for the contract comply with the requirements of this part.
- (b) Within 10 days after issuing the contract, submit to the department a copy of the contract.
- (c) Establish the method of selection, length of term, and number of members of the board of directors of each school of excellence that it authorizes. The authorizing body shall ensure that the board of directors includes representation from the local community.
- (d) Oversee the operations of each school of excellence operating under a contract issued by the authorizing body. The oversight shall be sufficient to ensure that the school of excellence is in compliance with the terms of the contract and with applicable law. This subdivision does not relieve any other governmental entity of its enforcement or supervisory responsibility.
- (e) Develop and implement a process for holding a school of excellence board of directors accountable for meeting applicable academic performance standards set forth in the contract and for implementing corrective action for a school of excellence that does not meet those standards.
- (f) Take necessary measures to ensure that a school of excellence board of directors operates independently of any educational management organization involved in the operations of the school of excellence.
- (g) Oversee and ensure that the pupil admission process used by the school of excellence is operated in a fair and open manner and is in compliance with the contract and this part.
- (h) Ensure that the board of directors of the school of excellence maintains and releases information as necessary to comply with applicable law.

(2) The authorizing body may enter into an agreement with 1 or more authorizing bodies, as defined under part 6a, to carry out any function of the authorizing body under subsection (1)(a) to (h).

(3) The authorizing body for a school of excellence is the fiscal agent for the school of excellence. A state school aid payment for a school of excellence must be paid to the authorizing body as the fiscal agent for that school of excellence, and the authorizing body shall then forward the payment to the school of excellence. Within 30 days after a contract is submitted to the department by the authorizing body under subsection (1), the department shall issue a district code to the school of excellence for which the contract was issued. If the department does not issue a district code within 30 days after a contract is filed, the state treasurer shall assign a temporary district code in order for the school of excellence to receive funding under the state school aid act of 1979.

(4) A contract issued under this part may be revoked by the authorizing body if the authorizing body determines that 1 or more of the following have occurred:

- (a) Failure of the school of excellence to demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in the contract.
- (b) Failure of the school of excellence to comply with all applicable law.
- (c) Failure of the school of excellence to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship.
- (d) The existence of 1 or more other grounds for revocation as specified in the contract.

(5) Except for a school of excellence that is an alternative school serving a special student population, if the department determines that a school of excellence site that has been operating for at least 4 years is among the lowest achieving 5% of public schools in this state for the immediately preceding 3 school years, as determined under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, not to include any individualized education plan subgroup, the department shall notify the school of excellence's authorizing body. Subject to subsection (6), if an authorizing body receives notice from the department under this subsection, the authorizing body shall notify the school of excellence and amend the school of excellence's contract

to eliminate the school of excellence's authority to operate the existing age and grade levels at the site and the school of excellence shall cease operating the existing age and grade levels at the site, effective at the end of the current school year. Subject to subsection (6), if the school of excellence operates at only 1 site or is a cyber school, and the authorizing body receives notice from the department under this subsection, the authorizing body shall notify the school of excellence and revoke the school of excellence's contract, effective at the end of the current school year.

(6) For a school of excellence or site that is subject to a notice to its authorizing body under subsection (5), the department shall consider other public school options available to pupils in the grade levels offered by the school of excellence or site who reside in the geographic area served by the school of excellence or site. If the department determines that closure of the school of excellence or site would result in an unreasonable hardship to these pupils because there are insufficient other public school options reasonably available for these pupils, the department may rescind the notice. If the department rescinds a notice subjecting a school of excellence or site to closure, the department shall do so before the end of the school year. If the department rescinds a notice subjecting a school of excellence or site to closure, the department shall require the school of excellence or site to implement a school improvement plan that includes measures to increase pupil growth and improve pupil proficiency, with growth and proficiency measured by performance on state assessments.

(7) Except for a contract issued by a school district pursuant to a vote by the school electors on a ballot question under section 553(2), and except as otherwise provided in section 552, the decision of the authorizing body to issue, not issue, or reconstitute a contract under this part, or to terminate or revoke a contract under this section, is solely within the discretion of the authorizing body, is final, and is not subject to review by a court or any other state agency. If the authorizing body issues, does not issue, or reconstitutes a contract under this part, or terminates or revokes a contract under this section, the authorizing body is not liable for that action to the school of excellence, the school of excellence corporation, a pupil of the school of excellence, the parent or guardian of a pupil of the school of excellence, or any other person.

(8) Except as otherwise provided in this section, before the authorizing body revokes a contract, the authorizing body may consider and take corrective measures to avoid revocation. The authorizing body may reconstitute the school of excellence in a final attempt to improve student educational performance or to avoid interruption of the educational process. The authorizing body shall include a reconstituting provision in the contract that identifies these corrective measures, including, but not limited to, canceling a contract with an educational management organization, if any, withdrawing approval to contract under section 560, or appointing a new board of directors or a trustee to take over operation of the school of excellence.

(9) If the authorizing body revokes a contract, the authorizing body shall work with a school district or another public school, or with a combination of these entities, to ensure a smooth transition for the affected pupils. If the revocation occurs during the school year, the authorizing body, as the fiscal agent for the school of excellence under this part, shall return any school aid funds held by the authorizing body that are attributable to the affected pupils to the state treasurer for deposit into the state school aid fund. The state treasurer shall distribute funds to the public school in which the pupils enroll after the revocation pursuant to a methodology established by the department and the center for educational performance and information.

(10) Not more than 10 days after a school of excellence's contract terminates or is revoked, the authorizing body shall notify the superintendent of public instruction in writing of the name of the school of excellence whose contract has terminated or been revoked and the date of contract termination or revocation.

(11) If a school of excellence's contract terminates or is revoked, title to all real and personal property, interest in real or personal property, and other assets owned by the school of excellence reverts to the state. This property must be distributed in accordance with the following:

(a) Within 30 days following the termination or revocation, the board of directors of a school of excellence shall hold a public meeting to adopt a plan of distribution of assets and to approve the dissolution of the school of excellence corporation, all in accordance with chapter 8 of the nonprofit corporation act, 1982 PA 162, MCL 450.2801 to 450.2864.

(b) The school of excellence shall file a certificate of dissolution with the department of licensing and regulatory affairs within 10 business days following board approval.

(c) Simultaneously with the filing of the certificate of dissolution under subdivision (b), the school of excellence board of directors shall provide a copy of the board of directors' plan of distribution of assets to the state treasurer for approval. Within 30 days, the state treasurer, or the state treasurer's designee, shall review and approve the board of directors' plan of distribution of assets. If the proposed plan of distribution of assets is not approved within 30 days, the state treasurer, or the state treasurer's designee, shall provide the board of directors with an acceptable plan of distribution of assets.

(d) The state treasurer, or the state treasurer's designee, shall monitor the school of excellence's winding up of the dissolved corporation in accordance with the plan of distribution of assets approved or provided under subdivision (c).

(e) As part of the plan of distribution of assets, the school of excellence board of directors shall designate the director of the department of technology, management, and budget, or the director's designee, to dispose of all real

property of the school of excellence corporation in accordance with the directives developed for disposition of surplus land and facilities under section 251 of the management and budget act, 1984 PA 431, MCL 18.1251.

(f) If the board of directors of a school of excellence fails to take any necessary action under this section, the state treasurer, or the state treasurer's designee, may suspend the school of excellence board of directors and appoint a trustee to carry out the board's plan of distribution of assets. Upon appointment, the trustee shall have all the rights, powers, and privileges under law that the school of excellence board of directors had before being suspended.

(g) Following the sale of the real or personal property or interests in the real or personal property, and after payment of any school of excellence debt secured by the property or interest in property, whether real or personal, the school of excellence board of directors, or a trustee appointed under this section, shall forward any remaining money to the state treasurer. Following receipt, the state treasurer, or the state treasurer's designee, shall deposit this remaining money in the state school aid fund.

History: Add. 2009, Act 205, Imd. Eff. Jan. 4, 2010 ;-- Am. 2011, Act 277, Eff. Mar. 28, 2012 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 601, Eff. Mar. 29, 2019 ;-- Am. 2023, Act 34, Eff. Feb. 13, 2024

Compiler's Notes: For transfer of certain powers and duties of department of education and superintendent of public instruction under MCL 380.1280c and 423.215 to state school reform/redesign office, see E.R.O. No. 2015-2, compiled at MCL 18.445. For transfer of powers and duties under MCL 380.1283c and 423.215 that were transferred from superintendent of public instruction to state school reform/redesign office by E.O. No. 2015-9 back to superintendent of public instruction with transfer of state school reform/redesign office from department of technology, management, and budget to department of education, see E.R.O. No. 2017-2, compiled at MCL 388.1282. Comment: Paragraph III.B of E.O. 2015-9 is rescinded.

Popular Name: Act 451

Part 7 INTERMEDIATE SCHOOL DISTRICTS

380.601 Provisions governing intermediate school district.

Sec. 601.

An intermediate school district shall be governed by this part and by those provisions of articles 2, 3, and 4 which relate specifically to intermediate school districts, intermediate school boards, and intermediate superintendents.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.601a Intermediate school district; powers.

Sec. 601a.

(1) An intermediate school district has all of the rights, powers, and duties expressly stated in this act; may exercise a power implied or incident to any power expressly stated in this act; and, except as provided by law, may exercise a power incidental or appropriate to the performance of any function related to the operation of the intermediate school district in the interests of public elementary and secondary education in the intermediate school district, including, but not limited to, all of the following:

(a) Educating pupils. In addition to educating pupils in grades K-12, this function may include operation of preschool, lifelong education, adult education, community education, training, enrichment, and recreation programs for other persons.

(b) Providing for the safety and welfare of pupils while at school or a school sponsored activity or while en route to or from school or a school sponsored activity.

(c) Acquiring, constructing, maintaining, repairing, renovating, disposing of, or conveying intermediate school district property, facilities, equipment, technology, or furnishings.

(d) Hiring, contracting for, scheduling, supervising, or terminating employees, independent contractors, and

others to carry out intermediate school district powers. An intermediate school district may indemnify its employees.

(e) Receiving, accounting for, investing, or expending intermediate school district money; borrowing money and pledging intermediate school district funds for repayment; and qualifying for state school aid and other public or private money from local, regional, state, or federal sources.

(2) An intermediate school district may enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the intermediate school district.

(3) An intermediate school board may conduct, operate, participate in, administer, or serve as fiscal agent or administrative entity, or both, for 1 or more programs involving workforce development, including, but not limited to, job training and development programs, school-to-work initiatives, work first or programs under the job training partnership act, Public Law 97-300, 96 Stat. 1322, or a successor program.

(4) Unless expressly provided in the amendatory act that added this section, the powers of an intermediate school board or intermediate school district are not diminished by this section or by the amendatory act that added this section.

History: Add. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

380.602 Repealed. 2017, Act 38, Eff. Aug. 21, 2017.

Compiler's Notes: The repealed section pertained to gift from intermediate school board to community foundation.

380.604 District as body corporate; suits; name.

Sec. 604.

An intermediate school district is a body corporate governed by an intermediate school board, to be known as "the intermediate school board of the intermediate school district of the county (or counties) of _____", and under that name may sue and be sued. The intermediate school board may choose a distinctive name for the intermediate school district if approval is given by the state board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

380.605 Reorganized school district as constituent to intermediate school district; transfer of constituent district; resolution; approval; inaction or denial of transfer; appeal; voting as to acceptance of special education programs, area vocational-technical education programs, or bonded indebtedness for facilities; levying debt retirement taxes.

Sec. 605.

(1) If constituent districts of more than 1 intermediate school district are reorganized into a single school district, the reorganized school district shall be constituent to the intermediate school district designated by the board of the reorganized school district. If a decision is not reached within 30 days after the effective date of the reorganization of the constituent districts, the determination shall be made by the superintendent of public instruction.

(2) A constituent district, by resolution of its board, may transfer and become constituent to another contiguous intermediate school district if approval is given by each intermediate school board affected. The intermediate school board shall take final action within 60 days after receiving a resolution. If an intermediate school district from which a constituent district wishes to transfer has fewer than 4,000 constituent district pupils and fails to take action or denies a transfer, the inaction or decision may be appealed to the superintendent of public instruction using the

procedures described in section 971. If the intermediate school district to which transfer is proposed has adopted by referendum a program for financing special education programs for students with a disability, or has bonded indebtedness outstanding for special education building facilities, the school electors of the constituent district to be transferred shall vote on the acceptance of those sections and the assumption of the district's pro rata share of bonded indebtedness outstanding for special education facilities for students with a disability.

(3) If the intermediate school district to which transfer is proposed has established an area vocational-technical education program by referendum, or has bonded indebtedness outstanding for area vocational-technical education facilities, the school electors of the district to be transferred shall vote on the acceptance of those sections and the assumption of the district's pro rata share of bonded indebtedness outstanding for area vocational-technical education facilities.

(4) The transfer is effective only if the applicable issues relating to special education programs, area vocational-technical education programs, and bonded indebtedness for special education and area vocational-technical facilities are approved at an election in the constituent district proposing transfer at which all applicable issues are submitted and receive favorable majorities.

(5) The territory of a constituent district of an intermediate school district having bonded indebtedness for special education facilities or area vocational-technical education facilities that is transferred to another intermediate school district shall remain as a part of the intermediate school district from which transferred for the purpose of levying debt retirement taxes for the bonded indebtedness until the bonds are redeemed or sufficient funds are available in the debt retirement funds for that purpose. The transferred constituent district shall be a constituent district of the intermediate school district to which transferred for all other purposes.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1985, Act 86, Imd. Eff. July 5, 1985 ;-- Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008
Popular Name: Act 451

380.611 Supervision and control of intermediate school district.

Sec. 611.

(1) Except as otherwise provided in this section, an intermediate school district shall be under the supervision and control of an intermediate school board composed of 5 members elected under this part.

(2) In an intermediate school district that adopts sections 615 to 617 for popular election of its members, or in an intermediate school district reorganized under section 701, the number of intermediate school board members shall be 7.

(3) In an intermediate school district whose boundaries are enlarged by a dissolution under section 703, the number of intermediate school board members, at the option of the intermediate school board, may be 7.

(4) Beginning on the effective date of this subsection, an intermediate school board may by resolution change the number of intermediate school board members to 7. Before adopting the resolution to change the number of intermediate school board members to 7, an intermediate school board shall hold at least 2 public hearings on the resolution. If an intermediate school board determines that the terms of intermediate school board members should be staggered differently than provided under this act or any bylaws of the intermediate school board due to a change in the number of board members under this subsection, the intermediate school board may adopt bylaws or amend its bylaws to change the way that intermediate school board members' terms are staggered. The bylaws may alter the current terms of members serving at the time the bylaws are adopted to implement the change in the way that terms are staggered. If an intermediate school board adopts or amends bylaws under this subsection that alter a member's existing term, the member's term is subject to that action.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1981, Act 87, Imd. Eff. July 2, 1981 ;-- Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004
Popular Name: Act 451

380.612 Board; eligibility for membership; participation in proceedings to detach or attach territory.

Sec. 612.

(1) Subject to subsection (2), a school elector of a constituent district is eligible to election or appointment to

membership on the intermediate school board.

(2) Until the 2005 intermediate school board election, a member of a board of a constituent district is eligible to election or appointment to membership on the intermediate school board. Beginning with the 2005 intermediate school board election, not more than 3 members of the intermediate school board may also be serving at the same time as a member of the board of a constituent district or board of directors of a public school academy. However, if an intermediate school board has more than 3 members serving as of September 1, 2004 who are also serving at the same time as members of the board of a constituent district, this limitation does not apply to that intermediate school board until the expiration of the current terms of those intermediate school board members.

(3) A member of an intermediate school board who is a member of a constituent district board shall not participate in proceedings conducted pursuant to part 11 to detach territory from or attach territory to the constituent district of which he or she is a board member.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004

Popular Name: Act 451

380.613 Board; annual meeting; election and duties of officers; treasurer's bonds.

Sec. 613.

(1) The intermediate school board shall hold its organizational meeting annually on or before the fourth Monday of January or, if the intermediate school district's regular election is in June, on or before the fourth Monday of July.

(2) The intermediate school board shall organize by electing a president, a vice-president, a secretary, and a treasurer. Until July 1, 2005, the president and vice-president shall be members of the intermediate school board, but the secretary and treasurer need not be. Beginning July 1, 2005, all officers shall be members of the intermediate school board.

(3) The officers shall perform duties provided by law and prescribed by the policies and regulations of the intermediate school board not inconsistent with this part or other laws of the state.

(4) The treasurer shall post with the secretary a bond in an amount approved by the intermediate school board, conditioned upon the faithful performance of the treasurer's duties.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2004, Act 234, Imd. Eff. July 21, 2004 ;-- Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004

Popular Name: Act 451

380.614 Board; election of members; resolution; notice of meeting; acting chairperson and secretary; open meeting; term; vacancy; nominating petition; signatures; filing petition and affidavit; ballots; filing fee.

Sec. 614.

(1) Except as provided in section 615 and subject to section 642c of the Michigan election law, MCL 168.642c, the members of the intermediate school board shall be elected biennially on the first Monday in June by an electoral body composed of 1 person designated by the board of each constituent school district.

(2) The board of a constituent district shall designate its representative to this electoral body by resolution adopted not earlier than 21 days before the date of this biennial election. The board shall consider the resolution at not less than 1 public meeting before adopting the resolution. The resolution shall be adopted by majority vote of the members serving on the board. In its resolution designating its representative, the board of a constituent district shall identify the candidate the board supports for each position to be filled on the intermediate school board and shall direct its representative to vote for that individual or individuals at least on the first ballot taken by the electoral body. The secretary of the intermediate school board shall send a notice by certified mail of the hour and place of the meeting of the electoral body described in subsection (1) to the secretary of the board of each constituent school district at least 10 days before the meeting. The president and secretary of the intermediate school board shall act as chairperson and secretary at the meeting. The meeting of the electoral body shall be an open meeting conducted in the manner prescribed under the open meetings act, 1976 PA 267, MCL 15.261 to

15.275.

(3) Except as provided in section 703, the term of office of each member elected to the intermediate school board is 6 years and begins on July 1 following election. Not more than 2 members of the intermediate school board shall be from the same school district unless there are fewer districts than there are positions to be filled.

(4) A vacancy shall be filled by the remaining members of the intermediate school board until the next biennial election at which time the vacancy shall be filled for the balance of the unexpired term. Notice of the vacancy shall be filed with the state board within 5 days after the vacancy occurs. If the vacancy is not filled within 30 days after it occurs, the vacancy shall be filled by the state board.

(5) Subject to subsection (7), a candidate for election to the intermediate school board shall be nominated by petitions that are signed by a number of school electors of the combined constituent school districts of the intermediate school district, as follows:

(a) If the population of the intermediate school district is less than 10,000 according to the most recent federal census, a minimum of 6 and a maximum of 20.

(b) If the population of the intermediate school district is 10,000 or more according to the most recent federal census, a minimum of 40 and a maximum of 100.

(6) A school elector may sign as many petitions as there are vacancies to fill. Nominating petitions and an affidavit as provided in section 558 of the Michigan election law, MCL 168.558, shall be filed with the school district filing official not later than 30 days before the date of the biennial election under subsection (1). The school district filing official shall determine the sufficiency of the petitions and the eligibility of the candidates nominated. The school district filing official shall provide ballots for the biennial election, listing on the ballots the names of all candidates properly nominated. The chairperson of the biennial election meeting may accept nominations for a vacancy from the floor only if no nominating petitions have been filed for the vacancy.

(7) Instead of filing nominating petitions, a candidate for election to the intermediate school board may pay a nonrefundable filing fee of \$100.00 to the school district filing official. If this fee is paid by the due date for nominating petitions, the payment has the same effect under this section as the filing of nominating petitions.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1981, Act 87, Imd. Eff. July 2, 1981 ;-- Am. 1984, Act 322, Eff. Dec. 28, 1984 ;-- Am. 1992, Act 263, Eff. Jan. 1, 1993 ;-- Am. 2002, Act 157, Eff. Jan. 1, 2003 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2004, Act 233, Imd. Eff. July 21, 2004 ;-- Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004 ;-- Am. 2011, Act 232, Eff. Jan. 1, 2012

Popular Name: Act 451

380.614a Board members subject to recall; manner; removal from office.

Sec. 614a.

(1) A member of an intermediate school board elected under section 614 at a biennial election meeting described in section 614(1) or appointed to fill a vacancy under section 614 is subject to recall by the intermediate school electors of the intermediate school district in the manner prescribed in chapter XXXVI of the Michigan election law, MCL 168.951 to 168.976.

(2) A member of an intermediate school board elected under section 614 at a biennial election meeting described in section 614(1) or appointed to fill a vacancy under section 614 may be removed from office by the boards of the constituent districts. A member is removed from office under this subsection if a number of the boards of the constituent districts at least equal to a majority of the boards plus 1 adopt resolutions requesting removal of the member and file those resolutions within a 60-day period with the secretary of the intermediate school board. However, if the secretary of the intermediate school board is the subject of the removal resolution, a constituent district board may file the resolution with another officer of the intermediate school board.

(3) A member of an intermediate school board elected under section 614 at a biennial election meeting described in section 614(1) or appointed to fill a vacancy under section 614 may be removed from office by the governor as prescribed in section 619.

History: Add. 2004, Act 234, Imd. Eff. July 21, 2004

Popular Name: Act 451

380.615 Board; popular election of members.

Sec. 615.

Members of the intermediate school board shall be elected at popular elections in an intermediate school district which adopts sections 615 to 617.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.616 Adoption of MCL 380.615 to 380.617; submission of question to school electors; form; resolutions; election; termination of popular election.

Sec. 616.

(1) An intermediate school board may submit to the school electors of the constituent districts comprising the intermediate school district the question of adoption of sections 615 to 617. The question shall be in substantially the following form:

"Shall sections 615 to 617 of the revised school code, providing for the popular election of members of the intermediate school board, be effective within the constituent districts of _____ (name of intermediate school district)?

Yes ()

No ()".

(2) The intermediate school board shall submit the question upon receipt of resolutions adopted by a majority of the boards of constituent districts and representing more than 1/2 of the combined memberships of the constituent districts of the intermediate school district as of the latest pupil membership count day. The resolutions of the constituent district boards shall be adopted between March 1 and the next succeeding July 1. The question shall be presented to the school electors of the constituent districts at the next regular school election after resolutions of constituent district boards meeting the requirements of this section have been filed with the school district filing official.

(3) If a majority of the school electors votes in favor of popular election, members of the intermediate school board shall be elected at the next regular school election and biennially thereafter at the regular school elections of the constituent districts.

(4) An intermediate school district that adopts sections 615 to 617 may terminate the popular election of members of the intermediate school board in the same manner.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

380.617 Candidate for office of board member; nomination; election.

Sec. 617.

(1) In an intermediate school district in which sections 615 to 617 are effective, a candidate for the office of member of the intermediate school board shall be nominated, and members shall be elected, as provided in chapter XIV of the Michigan election law, MCL 168.301 to 168.315.

(2) At the first election, 3 members of an intermediate school board shall be elected for a term of 6 years, 2 for a term of 4 years, and 2 for a term of 2 years. After the first election, their successors shall be elected biennially for terms of 6 years.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1980, Act 135, Imd. Eff. May 29, 1980 ;-- Am. 1984, Act 322, Eff. Dec. 28, 1984 ;-- Am. 1989, Act 268, Eff. Feb. 12, 1990 ;-- Am. 2002, Act 157, Eff. Jan. 1, 2003 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

380.619 Removal of board member; procedures; eligibility for election or appointment; restriction.

Sec. 619.

(1) The governor may remove a member of an intermediate school board from office under this section if the governor is satisfied from the evidence submitted to the governor that the member is guilty of gross neglect of duty, corrupt conduct in office, or any other misfeasance or malfeasance in office.

(2) Before the governor removes an intermediate school board member under this section, all of the following procedures shall be followed:

(a) Charges shall be submitted to the governor in writing specifying the grounds for removal. The charges shall be accompanied by any supporting evidence and by the affidavit of the person making the charges verifying that the person believes the charges to be true.

(b) A copy of the charges shall be served on the intermediate school board member. Service shall be made as follows:

(i) If the intermediate school board member can be found, by handing the intermediate school board member a copy of the charges and of any affidavits or exhibits accompanying the charges.

(ii) If the intermediate school board member cannot be found, by leaving a copy of the charges and of any affidavits or exhibits accompanying the charges with a person of suitable age at the intermediate school board member's last known place of residence or, if a person of suitable age is not available, by posting the copy or copies in a conspicuous place at the intermediate school board member's last known place of residence.

(c) The intermediate school board member shall be given an opportunity to respond to the charges.

(3) A person removed from office under this section is not eligible for election or appointment to a school board or intermediate school board for a period of 3 years from the date of removal.

History: Add. 2004, Act 234, Imd. Eff. July 21, 2004

Popular Name: Act 451

380.620 Report to be posted on intermediate school district website.

Sec. 620.

(1) Not later than December 31 of each year, each intermediate school district shall post on its website a report containing all of the following information for the immediately preceding school fiscal year in the form and manner prescribed by the department:

(a) All of the following general information:

(i) The amount of the intermediate school district's total budget.

(ii) The number of full-time equated pupils served by the intermediate school district.

(iii) The number of employees employed by the intermediate school district.

(iv) The number of constituent districts, public school academies, and nonpublic schools served by the intermediate school district.

(b) Except as otherwise provided in subsection (2) and subject to subsection (9), for each intermediate school board member or school administrator of the intermediate school district who had travel expenses during the school fiscal year that totaled more than \$3,000.00 and that were paid for with intermediate school district funds, all of the following information concerning that travel:

(i) The total cost of air travel.

(ii) The total cost of overnight lodging.

(iii) The total cost of car rental.

(iv) The total cost of meals.

(v) The dates, purpose, and locations of travel.

(vi) The name and position of the board member or administrator.

(c) Except as otherwise provided in subsection (3) and subject to subsection (5), for each contract, other than an employment contract or a contract that is reported under subdivision (f), that was entered into by the intermediate school district during the school fiscal year and that either obligated the intermediate school district for an amount in excess of \$100,000.00; was not competitively bid and obligated the intermediate school district for an amount in

excess of \$25,000.00; or was entered into with an entity in which an intermediate school board member or school administrator of the intermediate school district, or a family member of an intermediate school board member or school administrator of the intermediate school district, was known by the intermediate school board to have a monetary interest, a description of the contract that includes at least all of the following:

- (i) The subject matter and cost of the contract.
- (ii) Whether the contract was competitively bid or was a single source contract.
- (iii) The name and position of each individual who signed the contract on behalf of the intermediate school district.

(d) Except as otherwise provided in subsection (3), if there was a modification made during the school fiscal year to an existing contract that resulted in an additional financial obligation owed by the intermediate school district in excess of \$100,000.00 or that resulted in the total financial obligation owed by the intermediate school district from the existing contract exceeding \$100,000.00, or was a modification to an existing contract that was not competitively bid and the modification resulted in an additional financial obligation owed by the intermediate school district in excess of \$25,000.00 or resulted in the total financial obligation owed by the intermediate school district from the existing contract exceeding \$25,000.00, a description of the modification and the total amount of the additional and total financial obligation.

(e) Subject to subsection (4), for each intermediate school district employee with a compensation package with a total annual monetary value in the top 3% among the intermediate school district's employees, all of the following:

- (i) The dollar value of his or her salary.
- (ii) The dollar value of all expense accounts provided for the employee and the dollar value of all reimbursed expenses.

(iii) The dollar value of any bonus, stipend, or any other form of supplemental compensation. As used in this subparagraph, "supplemental compensation" means any payment or benefit made available to that employee that is not generally made available to all teaching, administrative, and executive-level employees of the intermediate school district.

(f) Total costs incurred during the school fiscal year, and the source or sources of the money expended during the school fiscal year, for fiber optic or cable equipment and operating system software for fiber optic or cable equipment networks. The description of the source or sources of the money expended for purposes described in this subdivision shall specify the amount used from each of the separate funds maintained by the intermediate school district and used from each other source.

(g) Payments made during the school fiscal year to persons who were not employees of the intermediate school district for public relations, polling, lobbying, or legal services and a description of the services received by the intermediate school district in return.

(h) For each person not included under subdivision (e) or (g) to whom the intermediate school district was required to issue a federal income tax form 1099 that showed payments in excess of \$25,000.00 during the school fiscal year, the total amount paid to the individual, a description of the project or projects for which the person was contracted, and the services provided by the person.

(i) The amount and percentage of the intermediate school district's total budget that was spent on each of the following:

- (i) Administrative costs, as defined under the Michigan public school accounting manual.
- (ii) Public relations, surveys, polling, lobbying, and legal services.
- (j) A list of all motor vehicles weighing 7,500 pounds or less that were owned or leased by the intermediate school district during the school fiscal year and are not reported under subdivision (c) and a description of the purposes for which each of these motor vehicles was used.

(2) Subsection (1)(b) does not apply to any of the following:

(a) Round-trip air travel on a scheduled airline from a location in the Upper Peninsula to a location in the Lower Peninsula or chartered round-trip air travel from a location in the Upper Peninsula to a location in the Lower Peninsula if the cost of the chartered air travel is less than the published cost of the same air travel on a scheduled airline.

(b) Travel expenses for air or boat travel for work-related purposes within this state between an island and the mainland.

(c) Travel expenses for travel within the boundaries of the intermediate school district for work-related purposes.

(d) Mileage reimbursement.

(3) Subsection (1)(c) and (d) does not apply to a contract for utilities or to a contract for an annuity or retirement benefit in which all employees are eligible to participate unless the contract is for payment of a commission to a third-party broker for securing 1 of those contracts.

(4) If an intermediate school district has fewer than 3 employees in the top 3% of employees as described in subsection (1)(e), the intermediate school district shall include the information required under subsection (1)(e) for each intermediate school district employee with a compensation package with a total monetary value in the top 3% among the intermediate school district's employees. If an intermediate school district has more than 20 employees in the top 3% of employees as described in subsection (1)(e), the intermediate school district shall include the

information under subsection (1)(e) for each intermediate school district employee with a compensation package with a total monetary value in the top 20 among the intermediate school district's employees.

(5) For the purposes of subsection (1)(c), an intermediate school board member or school administrator of an intermediate school district, or a family member of an intermediate school board member or school administrator of an intermediate school district, is not considered to have a monetary interest in any of the following contracts:

(a) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member, intermediate school district administrator, or family member is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(ii) A corporation in which a trust, if an intermediate school board member, intermediate school district administrator, or family member is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(iii) A professional limited liability company organized pursuant to the Michigan limited liability company act, 1993 PA 23, MCL 450.5101 to 450.6200, if an intermediate school board member, intermediate school district administrator, or family member is an employee but not a member of the company.

(b) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member, intermediate school district administrator, or family member is not a director, officer, or employee.

(ii) A firm, partnership, or other unincorporated association, in which an intermediate school board member, intermediate school district administrator, or family member is not a partner, member, or employee.

(iii) A corporation or firm that has an indebtedness owed to an intermediate school board member, intermediate school district administrator, or family member.

(c) A contract between the intermediate school district and a constituent district.

(6) The department shall include on its website a link to the page on each intermediate school district's website that includes the intermediate school district's report under subsection (1).

(7) The department shall work with intermediate school districts to determine the form and manner for the posting of the report under subsection (1).

(8) An intermediate school district shall maintain the report under subsection (1) on its website only for the most recent reporting period, but shall maintain paper copies of previous reports for at least 10 years.

(9) Beginning January 1, 2006, the monetary amount specified in subsection (1)(b) shall be adjusted each January 1 by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The adjustment shall apply only to expenditures or violations occurring after the date of the adjusting of the amount. The adjusted amount shall be determined and announced by the department on or before December 15 of each year and shall be provided to all persons requesting the adjusted amount. If the index is unavailable, the department shall make a reasonable approximation.

(10) As used in this section:

(a) "Competitively bid" means that a contract was entered into through a request for information, a request for proposal, or a formal competitive bid process that was advertised and open to the public, and includes a contract entered into on behalf of the intermediate school district by a federal, state, or local governmental entity that performed a request for information, request for proposal, or formal competitive bid process or by a nonprofit corporation or nonprofit association that performed a request for information, request for proposal, or formal competitive bid process.

(b) "Family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage.

(c) "Total budget" means budget for all funds held by the intermediate school district.

History: Add. 2004, Act 413, Eff. July 1, 2006

Popular Name: Act 451

380.621 Compensation and expenses of board members.

Sec. 621.

(1) An intermediate school board member shall receive a per diem allowance for attendance at meetings convened in accordance with the bylaws of the intermediate school board or held pursuant to law. Except as provided in subsection (4), the intermediate school board, by resolution, may authorize compensation which shall not exceed \$30.00 per meeting, subcommittee meeting, or authorized duty if the duty is related directly to the member's responsibility as a board member and if the duty is authorized in advance by resolution of the board. Compensation shall be provided to a board member for an authorized duty only if that duty and the authority of the board member to perform that duty is specifically enumerated in the resolution authorizing compensation. A board member shall not receive compensation for more than a total of 52 meetings, subcommittee meetings, and authorized duties per year unless the majority of the board votes to remove this limitation.

(2) An intermediate school board member who wishes to increase the compensation per meeting of the intermediate school board pursuant to subsection (1) shall introduce a resolution to that effect at a regularly scheduled meeting of the intermediate school board. A public hearing on the merit of the resolution shall be held at the next regularly scheduled meeting of the intermediate school board, and the intermediate school board shall not vote on the resolution until after allowing for public testimony.

(3) Additional compensation shall be subject to the approval of a majority of the representatives of constituent district boards at the annual budget meeting required by section 624. The per diem allowances and expenses shall be approved and paid from funds of the intermediate school district. Reimbursement of board members for actual and necessary expenses incurred in the performance of official functions shall be by action of the board.

(4) The per diem compensation for members of an intermediate school board that exceeds the amount permitted in subsection (1) and that was in effect on January 12, 1977 shall continue unless the compensation is reduced in compliance with subsection (1).

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1980, Act 347, Imd. Eff. Dec. 23, 1980 ;-- Am. 1985, Act 86, Imd. Eff. July 5, 1985 ;-- Am. 1990, Act 127, Imd. Eff. June 26, 1990

Popular Name: Act 451

380.621a Travel by board member; policy; approval.

Sec. 621a.

An intermediate school board shall establish a policy requiring approval by the intermediate school board or its designee of all travel by an intermediate school board member or an intermediate school district employee that includes at least 1 overnight stay and is paid for or reimbursed by the intermediate school district. The policy shall require a board member or employee to submit both a pretravel authorization form detailing estimated expenses and a posttravel form detailing and verifying actual expenses and shall require approval of both forms.

History: Add. 2004, Act 234, Imd. Eff. July 21, 2004 ;-- Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004

Popular Name: Act 451

380.622 Financial institutions for deposit of school funds; selection; coded accounts; audit; separation of funds; investments; commingling prohibited; exception; earnings; accounting for money combined for investment pool; limitation on deposit or investment of additional funds; limitation on acceptable assets; secured deposits; form of security; "deposit" and "financial institution" defined.

Sec. 622.

(1) The intermediate school board shall select financial institutions for the deposit of school funds. The intermediate school board shall keep a set of coded accounts to be approved by the superintendent of public instruction and shall have its books audited at least annually by a certified public accountant. General operating funds, building and site funds, cooperative education funds, special education funds, vocational-technical education funds, and debt retirement funds shall be maintained separately and shall not be commingled, except that the intermediate school board, by resolution, may authorize the treasurer to combine money from more than 1 fund for

the purpose of making an investment authorized by subsection (2)(g).

(2) The treasurer of an intermediate school district, if authorized by resolution of the intermediate school board, may invest general operating funds, special education funds, area vocational-technical education funds, building and site funds, cooperative education funds, and debt retirement funds of the district. Investments shall be made subject to subsection (4) and shall be restricted to any of the following:

- (a) Bonds, bills, or notes of the United States or obligations of this state.
- (b) Certificates of deposit issued by a financial institution.
- (c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- (d) Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- (e) United States government or federal agency obligation repurchase agreements.
- (f) Bankers' acceptances issued by a bank that is a member of the federal deposit insurance corporation.
- (g) Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by an intermediate school district.
- (h) Mutual funds composed entirely of investment vehicles that are legal for direct investment by an intermediate school district.
- (i) Certificates of deposit issued in accordance with the following conditions:
 - (i) The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
 - (ii) The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the intermediate school district.
 - (iii) The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
 - (iv) The financial institution acts as custodian for the intermediate school district with respect to each certificate of deposit.
 - (v) At the same time that the funds of the intermediate school district are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the intermediate school district through the financial institution.
- (j) Deposit accounts that meet all of the following conditions:
 - (i) The funds are initially deposited in a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
 - (ii) The financial institution arranges for the deposit of the funds in deposit accounts in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the intermediate school district.
 - (iii) The full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States.
 - (iv) The financial institution acts as custodian for the intermediate school district with respect to each deposit account.
 - (v) On the same date that the funds of the intermediate school district are deposited under subparagraph (ii), the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially deposited by the intermediate school district in the financial institution.

(3) The earnings of an investment shall become a part of the fund from which the investment was made. When money of more than 1 fund of a single intermediate school district or money of more than 1 intermediate school district are combined for an investment pool authorized by subsection (2)(g), the money shall be accounted for separately, and the earnings from the investment shall be separately and individually computed, recorded, and credited to the fund or intermediate school district, as the case may be, for which the investment was acquired.

(4) Notwithstanding subsection (2), additional funds of an intermediate school district shall not be deposited or invested in a financial institution that is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(5) Assets acceptable for pledging to secure deposits of funds under this act are limited to any of the following:

- (a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

- (i) Securities issued by the federal home loan mortgage corporation.
- (ii) Securities issued by the federal national mortgage association.
- (iii) Securities issued by the government national mortgage association.
- (c) Securities considered acceptable to the intermediate school board and the financial institution.
- (6) Security in the form of collateral, surety bond, or another form may be taken for the deposits or investments

of an intermediate school district in a financial institution. However, an investment under subsection (2)(e) or in an investment pool that includes instruments eligible for investments under subsection (2)(e) shall be secured by the transfer of title and custody of the obligations to which the repurchase agreements relate and an undivided interest in those obligations must be pledged to the intermediate school district for these agreements.

(7) As used in this section, "deposit" includes purchases of or investment in shares of a credit union.

(8) As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1979, Act 87, Imd. Eff. Aug. 1, 1979 ;-- Am. 1986, Act 132, Imd. Eff. June 16, 1986 ;-- Am. 1997, Act 47, Imd. Eff. June 30, 1997 ;-- Am. 2001, Act 127, Imd. Eff. Oct. 15, 2001 ;-- Am. 2008, Act 307, Imd. Eff. Dec. 18, 2008 ;-- Am. 2009, Act 22, Imd. Eff. May 5, 2009 ;-- Am. 2012, Act 232, Imd. Eff. June 29, 2012
Popular Name: Act 451

380.622a Additional audits.

Sec. 622a.

(1) In addition to the annual financial audit required under section 622, an intermediate school district is subject to an audit of the matters described in this section conducted by an independent auditor under the direction of the department of treasury under this section. An audit conducted under this section shall be based in part on an examination of an intermediate school district's accounts, financial records, and accounting procedures and shall address at least 3 of the following aspects of the intermediate school district's operations, as directed by the department of treasury:

(a) Whether intermediate school board members, intermediate school district administrators, and intermediate school district employees are adhering to ethics policies adopted by the intermediate school board or required by state law.

(b) Whether intermediate school board members, intermediate school district administrators, and intermediate school district employees are adhering to conflict of interest policies adopted by the intermediate school board or required by state law. This includes, but is not limited to, policies and practices with regard to contracts in which an intermediate school board member, an intermediate school district administrator, or an intermediate school district employee who is involved in the contracting process, or a family member of an intermediate school board member, an intermediate school district administrator, or an intermediate school district employee who is involved in the contracting process, has a substantial conflict of interest; and policies and practices with regard to an intermediate school district administrator negotiating, handling, presenting, or recommending a contract in which the administrator or a family member of the administrator has a substantial conflict of interest. As used in this subdivision, "substantial conflict of interest" means that term as defined in section 634(5).

(c) Whether a modification to an existing contract was made during the audit period that resulted in an additional financial obligation to the intermediate school district and the modification was not competitively bid. As used in this subdivision, "competitively bid" means that a contract was entered into through a request for information, a request for proposal, or a formal competitive bid process that was advertised and open to the public, and includes a contract entered into on behalf of the intermediate school district by a federal, state, or local governmental entity that performed a request for information, request for proposal, or formal competitive bid process or by a nonprofit corporation or nonprofit association that performed a request for information, request for proposal, or formal competitive bid process.

(d) Whether the intermediate school district's policies and practices for responding to requests received under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and the intermediate school district's actual responses to requests made during the audit period under that act, were in compliance with that act. This part of the audit shall include, but is not limited to, an examination of whether the costs charged for responding to requests exceeded the costs permitted under that act.

(e) Whether intermediate school board members, intermediate school district administrators, and intermediate school district employees are adhering to travel guidelines and practices adopted by the intermediate school board or required by state law.

(f) Whether the intermediate school district has accurately accounted for and reported all information relating to stipends, salaries, benefits, or other compensation paid to intermediate school district administrators.

(g) Whether the intermediate school district has used public funds in violation of law to pay for food, gifts, or other items that are not used for instructional purposes, as defined by the intermediate school board.

(h) Whether proceeds from a tax levied under section 681 for area vocational-technical education operating purposes or from a tax levied under section 1724a for special education operating purposes have been expended for a purpose other than the purpose for which the tax was levied.

(2) The department of treasury shall direct the random audits of intermediate school districts under this section as follows:

(a) The department of treasury shall select the intermediate school districts to be audited under this section on a random basis.

(b) The department of treasury shall announce between July 1 and July 15 of each calendar year the intermediate school districts that will be subject that year to an audit under this section for the immediately preceding school fiscal year.

(c) The department of treasury shall select 5 intermediate school districts for audit under this section every 2 years.

(d) Upon request by the department of treasury, the intermediate school district shall notify the department of treasury of the name, address, and contact person of the independent auditor selected by the intermediate school board to perform the annual financial audit for the intermediate school district. The department of treasury shall enter into an agreed-upon procedures agreement with the selected independent auditor, identifying the matters to be audited and establishing the rate of payment, which shall be no more than the rate the department would charge for the same type of audit. The department of treasury shall oversee the conduct of the audit by the independent auditor to the extent the department of treasury considers necessary to meet the purposes of this section.

(e) An intermediate school board and intermediate school district officials shall provide all information requested by the independent auditors or the department of treasury and shall cooperate with them to the fullest extent possible.

(f) The independent auditor shall submit an audit report of the audit to the center for educational performance and information in the form and manner prescribed by the center for educational performance and information. The center for educational performance and information shall submit a copy of the audit report of each audit conducted under this section to the department of treasury, to the applicable intermediate school board, to the senate and house standing committees having jurisdiction over education legislation, to the department, and, subject to subdivision (g), to the attorney general if the department of treasury considers it appropriate.

(g) If the department of treasury determines that an audit conducted under this section has disclosed that the intermediate school board or any intermediate school district official or employee has violated any state law governing the financial operations of an intermediate school district, the department of treasury shall notify the intermediate school district of that determination. If the intermediate school district disputes the determination or claims that the situation has been corrected, within 15 days after receipt of the determination the intermediate school district may submit an appeal of the determination to the department of treasury. Within 90 days after receipt of the appeal, the department of treasury shall consider the appeal and make a determination of whether the initial determination was correct or incorrect and of whether the situation has been corrected. If the department of treasury finds that the initial determination was correct and that the situation has not been corrected, then the department of treasury shall file a copy of the report with the attorney general. The attorney general shall review the report and, if the attorney general considers it appropriate, shall commence or direct the prosecuting attorney for the county in which the violations occurred to commence appropriate proceedings against the intermediate school board or the official or employee. These proceedings shall include at least a civil action in a court of competent jurisdiction for the recovery of any public money determined by the audit to have been illegally expended and for the recovery of any public property determined by the audit to have been converted or misappropriated.

(3) In addition to the intermediate school districts selected for a random audit under subsection (2), the department of treasury may also direct an audit under this section of 1 or more additional intermediate school districts selected by the department of treasury if the department of treasury considers that additional audit or audits to be appropriate. Subsection (2)(d), (e), (f), and (g) applies to an audit under this subsection.

(4) The department and the department of treasury, in consultation with intermediate school districts, shall develop and make available to intermediate school districts the auditing criteria to be used for the purposes of this section.

(5) An audit under this section shall be performed in accordance with standards issued by the American institute of certified public accountants and with government audit standards issued by the United States general accounting office.

(6) The department of treasury shall pay the costs of the audit conducted under this section. The department of treasury's obligation under this section is limited to the amount of a separate line item appropriation identified for the purpose of funding the department of treasury's duties under this section and included in the annual appropriations act making appropriations for the department of treasury.

(7) The department shall post on its website the audit reports it receives under subsection (2)(f).

History: Add. 2004, Act 412, Eff. July 1, 2006

Popular Name: Act 451

380.623 Board; duties generally; conducting business at public meeting; actions of board; public notice of meeting.

Sec. 623.

(1) The intermediate school board shall do all of the following:

(a) Perform duties required by law and by the state board, but shall not supersede or replace the board of a constituent district, nor shall the intermediate school board control or otherwise interfere with the rights of constituent districts or public school academies except as provided in this part.

(b) Employ a superintendent, assistants, and other employees the intermediate school board considers necessary and fix their compensation. The compensation of the intermediate superintendent, assistants, and other employees shall include salaries, travel expenses incurred in the discharge of their official duties, and other benefits the board approves. The necessary contingent expenses of the office of the intermediate school board and the intermediate superintendent shall be paid by the treasurer subject to the authorization of the intermediate school board. The intermediate superintendent shall have the qualifications prescribed in section 651 and perform the duties provided by law and by the intermediate school board.

(2) The business the intermediate school board is authorized to perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. An act of the board shall not be valid unless voted at a meeting by a majority vote of the members elected and serving on the board and a record made of the vote. An action of an intermediate school board on matters of personnel, property transfers, bonding, expenditures of money, or other matters designated by the board's bylaws shall be by yeas and nays entered upon its record. Public notice of the time, date, and place of the meeting shall be given in the manner required by section 5 of Act No. 267 of the Public Acts of 1976, being section 15.265 of the Michigan Compiled Laws.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1994, Act 413, Imd. Eff. Dec. 29, 1994 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996

Popular Name: Act 451

380.623a Procurement of supplies, materials, and equipment; written policies; competitive bids; approval of purchase; adjustment of maximum amount; local policy giving preference to Michigan-based business; items purchased through cooperative bulk purchasing program; heating and cooking equipment; "Michigan-based business" defined.

Sec. 623a.

(1) An intermediate school board shall adopt written policies governing the procurement of supplies, materials, and equipment.

(2) Except as otherwise provided in subsection (4) or (5), an intermediate school district shall not purchase an item or a group of items purchased in a single transaction costing \$20,959.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the intermediate school board. The maximum amount specified in this section shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(3) The intermediate school board of an intermediate school district may adopt and implement a local policy that gives a preference to a Michigan-based business in awarding a contract under this section. The policy may provide for a preference based on the status of the primary contractor as a Michigan-based business or based on the status of 1 or more subcontractors of the primary contractor as Michigan-based businesses, or both. A policy adopted under this subsection shall be consistent with federal statutes and regulations and shall not be applied to a contract that is to be paid with federal funds. Upon request by an intermediate school district that has adopted and implemented a policy described in this subsection, the department of treasury shall disclose to that intermediate school district verifying information as described in section 268(3) of the management and budget act, 1984 PA

431, MCL 18.1268. The adoption, implementation, or application of a policy described in this subsection, or a decision not to adopt, implement, or apply such a policy, does not create a cause of action.

(4) An intermediate school district is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program operated by the department of management and budget under section 263(3) of the management and budget act, 1984 PA 431, MCL 18.1263.

(5) An intermediate school district is not required to obtain competitive bids for purchasing food unless the food is purchased in a single transaction costing \$100,000.00 or more.

(6) The intermediate school board of an intermediate school district may acquire by purchase, lease, or rental, with or without option to purchase, equipment necessary for the operation of intermediate school district programs, including, but not limited to, heating, water heating, and cooking equipment for school buildings, and may pay for the equipment from operating funds of the intermediate school district. Heating and cooking equipment may be purchased on a title retaining contract or other form of agreement creating a security interest and pledging in payment money in the general fund or funds received from state school aid. The contracts may extend for not more than 10 years.

(7) As used in this section, "Michigan-based business" means a business that would qualify for a preference in a procurement contract with this state as determined under section 268 of the management and budget act, 1984 PA 431, MCL 18.1268.

History: Add. 1982, Act 489, Eff. Mar. 30, 1983 ;-- Am. 1983, Act 140, Imd. Eff. July 18, 1983 ;-- Am. 1990, Act 159, Imd. Eff. July 2, 1990 ;-- Am. 2004, Act 588, Imd. Eff. Jan. 4, 2005 ;-- Am. 2007, Act 45, Imd. Eff. July 17, 2007 ;-- Am. 2008, Act 344, Imd. Eff. Dec. 23, 2008 ;-- Am. 2008, Act 540, Imd. Eff. Jan. 13, 2009

Popular Name: Act 451

380.623b Inspecting, monitoring, removing, or treating asbestos or material containing asbestos; contractual agreement to provide legal representation against civil liability.

Sec. 623b.

(1) If the duties of a person employed by an intermediate school board include inspecting, monitoring, removing, or treating asbestos or material containing asbestos, or supervising those activities, the intermediate school board may contractually agree to provide legal representation and indemnification against civil liability with regard to claims or actions resulting from or arising out of the person's negligence or alleged negligence in performing those duties while in the course of his or her employment and while acting within the scope of his or her authority.

(2) A contractual agreement authorized under this section may be entered into at any time before or after the person begins performing the duties described in subsection (1).

History: Add. 1989, Act 203, Imd. Eff. Oct. 23, 1989

Popular Name: Act 451

380.624 Annual general fund operating budget.

Sec. 624.

(1) Not later than April 1 of each year, the intermediate school board shall prepare an annual general fund operating budget, which shall be in the form prescribed by the county tax allocation board, and shall file the budget with the county clerk of each county in which the intermediate school board is situated except a county that has established separate tax limitation millage rates pursuant to sections 5a to 5l of the property tax limitation act, 1933 PA 62, MCL 211.205a to 211.205l. Each county clerk receiving the budget shall deliver it to the county tax allocation board in the same manner as other school district budgets are handled.

(2) An intermediate school board shall have its proposed budget reviewed by its constituent districts each year as follows:

(a) Not later than May 1 of each year, the intermediate school board shall submit its proposed budget for the next school fiscal year to the board of each constituent district for review.

(b) Not later than June 1 of each year, the board of each constituent district shall review the proposed

intermediate school district budget, shall adopt a board resolution expressing its support for or disapproval of the proposed intermediate school district budget, and shall submit to the intermediate school board any specific objections and proposed changes the constituent district board has to the budget. If an intermediate school board receives any specific objections or proposed changes, the intermediate school board shall consider the proposed budget changes.

(3) The tax allocation board shall receive the budget from its county clerk and shall allocate a tax rate to the intermediate school district. Not later than September 1 of each year, or not later than 5 days after the election if taxes are authorized at an election held pursuant to section 36(2) of the general property tax act, 1893 PA 206, MCL 211.36, the secretary of the intermediate school board shall file a certified copy of the resolution of the intermediate school board certifying the taxes to be levied on the taxable property within the intermediate school district with the clerk of each city and township in which the district is situated.

(4) As used in this section, "general fund operating budget" means the budget that includes revenues from the intermediate school district's share of mills as determined by the tax allocation board or by referendum and state school aid. Disbursements from the general fund operating budget shall apply to those expenditures required for the operation of all intermediate school district programs except cooperative education, special education, and vocational education, and may apply to any expenditures from the general fund to assist with the costs of cooperative education, special education, and vocational education.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1979, Act 131, Imd. Eff. Oct. 26, 1979 ;-- Am. 1981, Act 87, Imd. Eff. July 2, 1981 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2004, Act 234, Imd. Eff. July 21, 2004

Popular Name: Act 451

380.624a Intermediate school board exempt from MCL 380.624(2).

Sec. 624a.

Notwithstanding section 624, for 1994 only an intermediate school board is not required to comply with section 624(2), regarding submission of its annual budget, until April 15, 1994.

History: Add. 1993, Act 335, Imd. Eff. Dec. 31, 1993

Compiler's Notes: Former MCL 380.624a, which pertained to levy of property taxes for school operating purposes, was repealed by Act 258 of 1994, Eff. Jan. 1, 1995.

Popular Name: Act 451

380.625 Taxes.

Sec. 625.

(1) Intermediate school district taxes shall be spread on the tax roll and shall be collected pursuant to this act and the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws.

(2) Taxes collected under this part by a city or township treasurer shall be paid to the treasurer of the intermediate school board pursuant to section 43 of Act No. 206 of the Public Acts of 1893, being section 211.43 of the Michigan Compiled Laws, or to the county treasurer in the same manner as other county taxes are paid and similar accounts and records shall be kept. The county treasurer shall pay the funds received under this part to the treasurer of the intermediate school board. County treasurers of counties in which fractions of intermediate school districts are situated shall pay those funds collected under this part to the treasurer of the intermediate school board.

(3) Intermediate school district taxes shall be assessed, levied, and collected as provided in this act and Act No. 206 of the Public Acts of 1893, as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws. Budgets shall be submitted and intermediate school districts shall be governed by Act No. 62 of the Public Acts of 1933, as amended, being sections 211.201 to 211.217a of the Michigan Compiled Laws.

(4) Except as provided in subsection (5), the intermediate school board shall receive from the county treasurer the same reports of delinquent taxes due school districts as the treasurer is required by law to file with township

and city clerks and shall compute from that report the amount of delinquent school taxes due each constituent district in the intermediate school district. The county treasurer at the time of making monthly settlements with the township and city treasurers of the county shall file with the secretary of each intermediate school district board having territory in the county a statement of all delinquent school taxes which are included in the amounts sent by the county treasurer to the township and city treasurers of the county, together with the descriptions upon which the delinquent school taxes have been paid. Each intermediate school board, upon receipt of these statements, shall compute the amounts of delinquent school taxes and interest thereon included in the statement due each constituent district of the intermediate school district. Within 30 days after receiving the statement of the county treasurer, the intermediate school board shall give notice to the secretary of each constituent district board of the amount of delinquent school tax and interest thereon that belongs to the constituent district and which was included in the amount sent by the county treasurer to the treasurer of the township or city in which the constituent district is located.

(5) The procedure for reporting delinquent taxes does not apply in a county which has created a delinquent tax revolving fund under section 87b of Act No. 206 of the Public Acts of 1893, as amended.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977 ;-- Am. 1984, Act 78, Imd. Eff. Apr. 18, 1984
Popular Name: Act 451

380.625a Property taxes levied by intermediate school district for operating purposes.

Sec. 625a.

Except as provided in section 705, beginning in 1995, the board of an intermediate school district may levy ad valorem property taxes for operating purposes at a rate not to exceed 1.5 times the number of mills allocated to the intermediate school district for those purposes in 1993 as provided for under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws.

History: Add. 1994, Act 258, Imd. Eff. July 5, 1994
Popular Name: Act 451

380.625b Authorization for tax cut; duration.

Sec. 625b.

For a tax that is authorized after the effective date of this section for intermediate school district operating purposes, the duration of the authorization for the tax shall not exceed 20 years. The authorization for a tax described in this section may be renewed with the approval of the intermediate school electors for a duration not to exceed 20 years. The duration of the authorization for a tax described in this section shall be stated in the ballot question concerning the levy or renewal of the tax.

History: Add. 2004, Act 415, Imd. Eff. Nov. 29, 2004
Popular Name: Act 451

380.626 Map; boundaries of each constituent district; report of boundary change.

Sec. 626.

(1) Except as provided in subsection (2), by July 1 of each odd-numbered year the intermediate school board shall prepare and publish a map of the intermediate school district showing by district lines the boundaries of each constituent district and shall submit a copy of the map to the clerk of each township and city located in the

intermediate school district, to the secretary of each constituent district, and to the secretary of state. In the period intervening between publication dates, the intermediate school board shall report each boundary change to the principal officers of the affected municipalities and townships and the secretary of state.

(2) An intermediate school board is not required to prepare or submit a new map of the intermediate school district if the boundaries of its constituent districts have not changed since the last submission.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2016, Act 532, Eff. Apr. 9, 2017

Popular Name: Act 451

380.627 Board; additional duties; cooperative programs for information technology systems; comprehensive school improvement support services; cost-effective business services.

Sec. 627.

(1) An intermediate school board shall do all of the following:

(a) Upon request of the board of a constituent district, furnish services on a management, consultant, or supervisory basis to the district. The intermediate school board may charge a constituent district for the costs of services furnished under this subdivision.

(b) Upon request of the board of a constituent district, direct, supervise, and conduct cooperative educational programs on behalf of the district. The intermediate school board may utilize available funds not otherwise obligated by law and accept contributions from other sources for the purpose of financing the programs. The funds shall be deposited with the treasurer in a cooperative education fund and shall be disbursed as the intermediate school board directs. The intermediate school board may employ personnel and take other action necessary to direct, supervise, and conduct cooperative educational programs.

(c) Conduct cooperative programs mutually agreed upon by 2 or more intermediate school boards.

(d) Conduct cooperative programs mutually agreed upon with 1 or more public school academies.

(2) An intermediate school board may conduct or participate in cooperative programs for information technology systems which may include, but are not limited to, equipment for storage, retrieval, processing, and transmission of voice, data, or video communications; contract with public schools or other educational institutions, government agencies, public broadcasting stations or systems, or information technology service providers in conducting the programs; and acquire and install the equipment, software, and training necessary for the programs in the manner and at the places the intermediate school board considers appropriate.

(3) Upon request of the board of a constituent school district or public school academy located within the intermediate school district, an intermediate school board may provide, either solely or as part of a consortium of intermediate school districts, comprehensive school improvement support services to the district or public school academy. These services may include, but are not limited to, all of the following:

(a) The development of a core curriculum.

(b) The evaluation of a core curriculum.

(c) The preparation of 1 or more school improvement plans.

(d) The dissemination of information concerning 1 or more school improvement plans.

(e) The preparation of an annual educational report.

(f) Professional development.

(g) Educational research.

(h) The compilation of instructional objectives, instructional resources, pupil demographics, and pupil academic achievement.

(i) Assistance in obtaining school accreditation.

(j) The provision of general technical assistance.

(4) To the extent allowed by law, if the most cost-effective business services are not available to constituent districts, an intermediate school board shall offer to provide for constituent districts and public school academies located within the intermediate school district business services that can be accomplished more cost-effectively by an intermediate school district. An intermediate school district may charge a fee for these services, and may contract with a third party for provision of some or all of these services. These services may include, but are not limited to, any of the following:

(a) Data processing.

(b) Payroll.

(c) Class scheduling.

(d) Distance learning coordination and delivery.

(e) Transportation services.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1990, Act 25, Eff. Apr. 13, 1990 ;-- Am. 1990, Act 107, Imd. Eff. June 18, 1990 ;-- Am. 1991, Act 187, Imd. Eff. Dec. 27, 1991 ;-- Am. 1994, Act 416, Eff. Mar. 30, 1995 ;-- Am. 1995, Act 289, Eff. July 1, 1996
Popular Name: Act 451

380.627a Homebound or hospitalized pupils; coordination of required educational services.

Sec. 627a.

Upon the request of the board of 1 or more constituent school districts, an intermediate school district may coordinate the required educational services provided by 1 or more constituent school districts to homebound or hospitalized pupils, or both.

History: Add. 1988, Act 215, Imd. Eff. July 1, 1988
Popular Name: Act 451

380.628 Schools for children in homes operated by juvenile division of probate court; powers of board as to real or personal property.

Sec. 628.

The intermediate school board may:

(a) Establish a school for persons of school age who live in children's homes operated by the juvenile division of the probate court or who live at home but are assigned to the school by the juvenile division of the probate court. The intermediate school board may lease or purchase sites; build, lease, or rent housing facilities; and employ the personnel necessary to operate the schools. The intermediate school board may exclude a pupil for persistent misbehavior; classify and promote pupils for instructional purposes; and do all things necessary to the proper conduct of the school.

(b) Build or acquire real or personal property for use for intermediate school district purposes by purchase, land contract, lease or rental contract with or without option to purchase, or title retaining contract. The intermediate school board may pay for the property out of funds of the district which will or may become lawfully available for these purposes.

(c) Receive, by assignment, conveyance, gift, devise, or bequest, any real or personal property or an interest therein for use in maintaining scholarships or for other educational purposes, and the intermediate school board may act as trustee or custodian of the property. The property shall be used by the intermediate school board solely for the educational purposes for which it was assigned, conveyed, given, devised, or bequeathed, whether by way of trust or otherwise. The treasurer of the board may, when required, give bond to insure proper administration of the property.

(d) Sell, exchange, or lease real or personal property of the district which is no longer required for school purposes; give proper deeds or other instruments passing title to the property; dedicate or sell and convey land for highway purposes to the state or an agency or instrumentality of the state, including municipalities and boards of county road commissioners; and give an easement for public utilities. Proceeds from the sale of real property shall be credited to accounts of the school district as provided in section 1262.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1977, Act 43, Imd. Eff. June 29, 1977
Popular Name: Act 451

380.629 Borrowing by intermediate school board; purposes; limitations on borrowing money or issuing bonds; resolution by constituent school district not to participate in cooperative program or conduct

election.

Sec. 629.

(1) An intermediate school board may borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, sums of money on terms the intermediate school board considers necessary for 1 or more of the following purposes:

(a) For temporary purposes for which the intermediate school board may give notes of the intermediate school district. The intermediate school board shall not borrow a sum that exceeds the amount that has been voted by the intermediate school board or the school electors of the intermediate school district.

(b) To purchase sites for buildings; to purchase, erect, complete, remodel, improve, furnish, refurnish, equip, or reequip buildings and facilities the board is authorized to acquire, including, but not limited to, general administrative, vocational, or special education buildings or facilities, or parts of those buildings or facilities, or additions to those buildings or facilities, and prepare, develop, or improve sites for those buildings or facilities; to purchase and install information technology systems, together with the equipment and software, as are necessary for programs conducted by the intermediate school district under section 627(2); and to issue and sell bonds of the intermediate school district in the form and on the terms the board considers advisable.

(2) An intermediate school board shall not borrow money or issue bonds for a sum that, together with the total outstanding bonded indebtedness of the intermediate school district, exceeds 1/9 of 1% of the state equalized valuation of the taxable property within the district, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the intermediate school district held under section 661 and approved by the majority of the registered school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the intermediate school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a or to issue bonds under section 11i of the state school aid act of 1979, 1979 PA 94, MCL 388.1611i. Money may be borrowed and bonds may be issued for the purposes stated in this section in an amount equal to that provided by part 17. For the purposes of this subsection, bonds authorized by vote of the school electors for special education facilities under part 30 and for area vocational-technical education facilities under sections 681 to 690 and bonds issued under section 11i of the state school aid act of 1979, MCL 388.1611i, shall not be included in computing the total outstanding bonded indebtedness of an intermediate school district.

(3) Not later than 30 days after receipt of notice that the question of issuing bonds under this section to purchase and install information technology systems as are necessary for a cooperative program under section 627(2) will be submitted to the school electors of the intermediate school district, the board of a constituent school district by resolution may elect not to participate in the cooperative program and not to conduct an election on the question within the constituent school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1985, Act 22, Imd. Eff. May 20, 1985 ;-- Am. 1990, Act 107, Imd. Eff. June 18, 1990 ;-- Am. 1991, Act 187, Imd. Eff. Dec. 27, 1991 ;-- Am. 1997, Act 152, Imd. Eff. Dec. 22, 1997 ;-- Am. 2002, Act 61, Imd. Eff. Mar. 15, 2002 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

380.630 Oaths.

Sec. 630.

A member of the intermediate school board may administer oaths for qualifying board members and oaths required in transactions connected with, or related to, the educational program of the intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.632 Intermediate school district employees; economic benefits for employees; sabbatical leave.

Sec. 632.

(1) In the process of establishing salaries or determining other working conditions, the intermediate school board may provide other related benefits of an economic nature on a joint participating or nonparticipating basis with intermediate school district employees. Subject to section 633, the benefits may include health and accident insurance coverage, group life insurance, annuity contracts, and reimbursement for credit hours earned during employment for professional improvement.

(2) After a teacher has been employed at least 7 consecutive years by the intermediate school board, and at the end of each additional period of 7 or more consecutive years of employment, the intermediate school board may grant the teacher a sabbatical leave for professional improvement for not to exceed 2 semesters at 1 time, if the teacher holds a permanent, life, or continuing certificate. During the sabbatical leave, the teacher shall be considered to be in the employ of the intermediate school board, shall have a contract, and may be paid compensation under the regulations of the intermediate school board. The intermediate school board shall not be held liable for death or injuries sustained by a teacher while on sabbatical leave.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2007, Act 107, Imd. Eff. Oct. 1, 2007

Popular Name: Act 451

380.633 Intermediate school district employees; compliance with public employees health benefit act.

Sec. 633.

If the intermediate school board of an intermediate school district provides medical, optical, or dental benefits to employees and their dependents, the intermediate school board shall provide those benefits in accordance with the public employees health benefit act and shall comply with that act.

History: Add. 2007, Act 107, Imd. Eff. Oct. 1, 2007

Popular Name: Act 451

380.634 Conflict of interest policy.

Sec. 634.

(1) Not later than July 1, 2005, each intermediate school board shall adopt and implement a conflict of interest policy designed to avoid conflicts of interest by intermediate school district officials and employees.

(2) Not later than July 1, 2005, each intermediate school board shall adopt and implement a policy to prohibit use of intermediate school district funds or other public funds under the control of the intermediate school district for purchasing alcoholic beverages, jewelry, gifts, fees for golf, or any item the purchase or possession of which is illegal. Subject to subsection (8), the policy may allow the use of public funds for the purchase of a plaque, medal, trophy, or other award for the recognition of an employee, volunteer, or pupil if the purchase does not exceed \$100.00 per recipient. As used in this subsection, "public funds" means funds generated from taxes levied under this act, state appropriations of state or federal funds, or payments made to the intermediate school district for services by a constituent district or any other person, but does not include voluntary contributions made for a specific purpose by an intermediate school board member, an intermediate school district employee, another individual, or a private entity.

(3) The department shall develop and distribute to intermediate school districts a model conflict of interest policy for the purposes of subsection (1) and a model policy meeting the requirements of subsection (2).

(4) Subject to subsection (8), in any 1-month period, an intermediate school board member or intermediate school district administrator shall not accept from a person who does business or seeks to do business of any kind with the intermediate school district any money, goods, or services with a value in excess of \$44.00 if the board member or administrator does not provide goods or services of equal value in exchange. This subsection does not apply to a gift or reward already prohibited under section 1805.

(5) If an intermediate school board member or intermediate school district administrator has a substantial conflict of interest in a proposed contract, the intermediate school board shall not enter into that contract. As used in this subsection, "substantial conflict of interest" means a conflict of interest on the part of an intermediate school board member or intermediate school district administrator in respect to a contract with the intermediate school district

that is of such substance as to induce action on his or her part to promote the contract for his or her own personal benefit. In the following cases, there is no substantial conflict of interest:

(a) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member or intermediate school district administrator is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(ii) A corporation in which a trust, if an intermediate school board member or intermediate school district administrator is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owns stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(iii) A professional limited liability company organized pursuant to the Michigan limited liability company act, 1993 PA 23, MCL 450.5101 to 450.6200, if an intermediate school board member or intermediate school district administrator is an employee but not a member of the company.

(b) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member or intermediate school district administrator is not a director, officer, or employee.

(ii) A firm, partnership, or other unincorporated association, in which an intermediate school board member or intermediate school district administrator is not a partner, member, or employee.

(iii) A corporation or firm that has an indebtedness owed to an intermediate school board member or intermediate school district administrator.

(c) A contract between the intermediate school district and a constituent district.

(d) A contract awarded to the lowest qualified bidder, upon receipt of sealed bids pursuant to a published notice for bids if the notice does not bar, except as authorized by law, any qualified person, firm, corporation, or trust from bidding. This subdivision does not apply to amendments or renegotiations of a contract or to additional payments under the contract that were not authorized by the contract at the time of award.

(6) If an intermediate school board member, intermediate school district administrator, or an employee of an intermediate school district who recommends, negotiates, or is authorized to sign a contract on behalf of the intermediate school district either is employed by or under contract with a business enterprise with which the intermediate school district is considering entering into a contract or knows that he or she has a family member who has an ownership interest in or is employed by a business enterprise with which the intermediate school district is considering entering into a contract, the board member, administrator, or employee shall disclose this fact to the intermediate school board at a public meeting of the intermediate school board before the intermediate school board enters into the contract. If the intermediate school board receives a disclosure described in this subsection, the intermediate school board shall vote at a public meeting of the intermediate school board on whether or not it considers the relationship described in the disclosure to be a conflict of interest, and shall not enter into the contract without first voting at a public meeting of the intermediate school board to enter into the contract. As used in this subsection, "family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage.

(7) An intermediate school board shall ensure that each employment contract with a school administrator employed by the intermediate school district includes both a provision prohibiting the school administrator from engaging in conduct involving moral turpitude and a provision allowing the intermediate school board to void the contract if the school administrator violates the provision prohibiting conduct involving moral turpitude.

(8) Beginning January 1, 2005, the monetary amounts specified in subsections (2) and (4) shall be adjusted each January 1 by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The adjustment shall apply only to expenditures or violations occurring after the date of the adjusting of the amount. The adjusted amount shall be determined and announced by the department on or before December 15 of each year and shall be provided to all persons requesting the adjusted amount. If the index is unavailable, the department shall make a reasonable approximation.

History: Add. 2004, Act 419, Imd. Eff. Nov. 29, 2004

Popular Name: Act 451

380.641 Early intervening model program for grades K to 3.

Sec. 641.

(1) An intermediate school district may develop and make available to districts and public school academies an early intervening model program for grades K to 3. The early intervening model program shall be designed to instruct classroom teachers and support staff on how to monitor individual pupil learning and how to provide specific support or learning strategies to pupils as early as possible in order to avoid inappropriate referrals to special education. The model program shall be based on a program with documented positive results and outcomes and shall include all of the following:

(a) Literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) A schoolwide system of academic and behavioral support based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, school psychologists, speech and language services providers, school social workers, and other appropriate personnel who would be available to systemically study the needs of the individual child and work with the classroom teacher to match instruction to the needs of the individual child.

(2) An intermediate school district may use funds received under section 81 of the state school aid act of 1979, MCL 388.1681, for the purposes of subsection (1).

(3) If an intermediate school district develops an early intervening model program under this section, the intermediate school district shall notify its constituent districts and the public school academies located within the intermediate school district that the model program is available and that the intermediate school district has funds available for developing the model program.

History: Add. 2008, Act 582, Imd. Eff. Jan. 16, 2009

Popular Name: Act 451

380.651 Repealed. 1994, Act 413, Imd. Eff. Dec. 29, 1994.

Compiler's Notes: The repealed section pertained to certification requirements of superintendents and administrators.

Popular Name: Act 451

380.652 Superintendent; surety bond.

Sec. 652.

An intermediate superintendent shall execute a surety bond, approved and paid for by the intermediate school board, in the penal sum of \$1,000.00 and conditioned upon the superintendent's faithful accounting and payment of intermediate school district money. An intermediate superintendent shall file the bond with the president of the intermediate school board within 10 days after appointment as superintendent.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.653 Superintendent as executive officer of board; powers and duties generally.

Sec. 653.

The intermediate superintendent shall be the executive officer of the intermediate school board and shall:

- (a) Put into practice the educational policies of the state and of the intermediate school board.
- (b) Recommend in writing all employees.
- (c) Suspend an employee for cause until the intermediate school board considers the suspension.
- (d) Supervise and direct the work of assistants and other employees of the intermediate school board.
- (e) Examine and audit the books and records of a constituent district when directed to do so by the state board.
- (f) Perform duties the state board and the intermediate school board prescribe, make reports as may be required by the state board, and at the close of his term of office deliver all records, books, and papers belonging to the office to the intermediate superintendent's successor.
- (g) Examine in constituent districts not employing a superintendent the statements of taxes to be raised by the constituent districts required by law to be filed with the township clerk and the county board of commissioners at the October session of the board, and notify the secretary of the board of a constituent district that fails to file tax statements required by law, or has failed to qualify for state school aid.
- (h) Make written reports to the boards of constituent districts in regard to all matters pertaining to the educational interests of the districts.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.654 Intermediate superintendent; duties.

Sec. 654.

(1) Except as otherwise provided in subsection (2), in a constituent district not employing a superintendent the intermediate superintendent shall do all of the following:

- (a) Recommend in writing all teachers to the school board of the constituent district.
- (b) Suspend a teacher for cause until the school board of the constituent district employing the teacher considers the suspension.
- (c) Supervise and direct the work of the teachers.
- (d) Classify and control the promotion of pupils.

(2) Subsection (1) does not apply to a constituent district if any of the following apply:

- (a) The constituent district is not required to employ a superintendent as an employee of the district under section 1229.
- (b) All of the public schools within the constituent district have been transferred to 1 or more other school districts or public entities.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016

Popular Name: Act 451

380.661 Submission of question to school electors at regular or special school election.

Sec. 661.

(1) Subject to the Michigan election law, the intermediate school board may submit questions to the intermediate school electors of the intermediate school district at a regular or special school election held in each of the constituent districts. A question shall not be submitted to the intermediate school electors unless the question is within the lawful authority of the intermediate school electors to decide.

(2) A person who is a school elector of a constituent district of an intermediate school district and who is registered in the city or township in which that person resides is an intermediate school elector of that intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

380.662 Repealed. 2003, Act 299, Eff. Jan. 1, 2005.

Compiler's Notes: The repealed section pertained to procedures relating to special elections of intermediate school districts.

Popular Name: Act 451

380.671 Criteria for approval of regional educational media centers; operation of educational media centers; "educational media center" defined; purchase, sale, lease, or loan of equipment; disposition of used or surplus equipment.

Sec. 671.

(1) The state board shall establish criteria based on state and national guidelines for approving regional educational media centers for initial and continued funding. Among the criteria shall be:

(a) The establishment of a minimum size for the service area based on pupil enrollment.

(b) Provision for 2 or more intermediate school districts or parts of intermediate school districts to combine to operate an instructional materials center. The combining intermediate school districts may contract with 1 intermediate school district to administer the center or a cooperative board may be organized.

(c) The designation of a service area which will provide reasonable and efficient lines of communication between the center and the farthest local school district. In sparsely settled areas of the state where a minimum enrollment requirement would necessitate districts of unwieldy geographical size, satellite or subcenters may be established.

(d) Provision for the staffing and administration of a center by qualified personnel having a substantial background of training and experience in the selection, use, evaluation, and application of media materials to education.

(2) An intermediate school board acting singly, or in cooperation with other intermediate school districts, may operate educational media centers to serve public and nonpublic schools in its respective area.

(3) As used in this section, "educational media center" means a program approved by the state board which provides basic educational services to local school districts which may include:

(a) A materials lending library containing 16mm and 8mm motion pictures or improvements thereof with provision for processing and servicing, 35mm slides or improvements thereof, filmstrips, remedial and enrichment programmed instructional materials, disc recordings, and other items.

(b) Duplication service to reproduce transparencies, slides, filmstrips, and charts or improvements thereof.

(c) Magnetic type duplicating service for audio and video tape.

(d) Delivery and dissemination system for materials and services.

(e) Professional leadership training services to local school districts for coordination and assistance with proper utilization of materials and services.

(f) Acquisition and use of materials that will be coordinated with the curriculum of local school districts.

(g) Technical and maintenance service for cooperating districts.

(h) Professional, reference, and informational library materials and services.

(i) Central purchasing of equipment related to media center activities and use in the local school.

(j) Graphics staff to produce transparency masters and charts and to render other production services to teachers.

(4) An educational media center shall not purchase, sell, grant a lease, or loan for more than 30 days, directly or indirectly, equipment for use by other than a public school, nonpublic school, local school district, intermediate school district, community college district, or publicly funded library or library cooperative. This shall not prohibit the disposition of used or surplus equipment by publicly advertised sale.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1980, Act 157, Imd. Eff. June 12, 1980

Compiler's Notes: In subsection (1)(c), "unwieldy geographical size" evidently should read "unwieldy geographical size."

Popular Name: Act 451

Admin Rule: R 380.1 et seq. of the Michigan Administrative Code.

380.673 Operation of educational recreation program.

Sec. 673.

An intermediate school board that has an agreement with an appropriate local authority may operate an educational recreation program if the educational recreation program operated by the intermediate school district under this section is approved by the state board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1996, Act 69, Imd. Eff. Feb. 26, 1996

Popular Name: Act 451

380.681 Career and technical education program; approval by vote of electors; election; submission of question; form of ballot; limitation on number of mills to be levied; use of tax proceeds; repayment of misspent funds; number of elections; publication of audit results; responsibility of state board.

Sec. 681.

(1) An intermediate school district may establish an area career and technical education program and operate the program under sections 681 to 690 if approved by a majority of the intermediate school electors of the intermediate school district voting on the question. The election shall be called and conducted in accordance with this act and the Michigan election law. The establishment of the area career and technical education program may be rescinded by the same process.

(2) The question of establishing an area career and technical education program may be submitted to the intermediate school electors of an intermediate school district at a regular school election or at a special election held in each of the constituent districts. Subject to section 641 of the Michigan election law, MCL 168.641, the intermediate school board shall determine the date of the election and shall give notice to the school district filing official at least 60 days in advance of the date the ballot question is to be submitted to the intermediate school electors.

(3) The ballot for referring the question of adopting sections 681 to 690 and establishing an area career and technical education program to the intermediate school electors of an intermediate school district shall be substantially in the following form:

"Shall _____ (legal name of intermediate school district), state of Michigan, come under sections 681 to 690 of the revised school code and establish an area career and technical education program which is designed to encourage the operation of area career and technical education programs if the annual property tax levied for this purpose is limited to _____ mills?

Yes ()

No ()".

(4) Beginning in 1995, and subject to section 625b, the number of mills of ad valorem property taxes an intermediate school board may levy for area career and technical education program operating purposes under sections 681 to 690 is limited to the following:

(a) If the intermediate school district did not levy any millage in 1993 for area career and technical education program operating purposes under sections 681 to 690, the intermediate school board, with the approval of the intermediate school electors, may levy not more than 1 mill for those purposes.

(b) If the intermediate school district levied millage in 1993 for area career and technical education program operating purposes under sections 681 to 690, the intermediate school board, with the approval of the intermediate school electors, may levy mills for those purposes at a rate not to exceed 1.5 times the number of mills authorized for those purposes in the intermediate school district in 1993. Approval of the intermediate school electors is not required for the levy under this subdivision of previously authorized mills until that authorization expires.

(5) An intermediate school district that levies a tax for area career and technical education program operating purposes shall not use proceeds from the tax for any purpose other than area career and technical education program operating purposes and shall submit to the department of treasury a copy of the audit report from the audit of the intermediate school district conducted under section 622a. If the department of treasury determines from the audit report that the proceeds from the tax have been used for a purpose other than area career and technical education program operating purposes, as defined under subsection (7), the department of treasury shall notify the intermediate school district of that determination. If the intermediate school district disputes the determination or claims that the situation has been corrected, within 15 days after receipt of the determination the intermediate school district may submit an appeal of the determination to the department of treasury. Within 90 days after

receipt of the appeal, the department of treasury shall consider the appeal and make a determination of whether the initial determination was correct or incorrect and of whether the situation has been corrected. If the department of treasury finds that the initial determination was correct and that the situation has not been corrected, then the department of treasury shall file a copy of the report with the attorney general. The attorney general shall review the report and, if the attorney general considers it appropriate, shall commence or direct the prosecuting attorney for the county in which the violations occurred to commence appropriate proceedings against the intermediate school board or the official or employee. These proceedings shall include at least a civil action in a court of competent jurisdiction for the recovery of any public money determined by the audit to have been illegally expended and for the recovery of any public property determined by the audit to have been converted or misappropriated.

(6) If the attorney general determines from a report filed under subsection (5) that an intermediate school district has misspent tax proceeds as described in subsection (5) and notifies the intermediate school district of this determination, the intermediate school district shall repay to its area career and technical education program operating fund an amount equal to the amount the department of treasury determined under subsection (5) has been used for a purpose other than area career and technical education program operating purposes. The intermediate school district shall make this repayment from funds of the intermediate school district that lawfully may be used for making such a repayment.

(7) For the purposes of subsections (5) and (6), not later than January 1, 2008, the department and the department of treasury, in consultation with intermediate school districts, shall develop and make available to intermediate school districts a definition of area career and technical education program operating purposes.

(8) An intermediate school district shall not hold more than 2 elections in a calendar year concerning the authorization of a millage rate for area career and technical education program operating purposes under sections 681 to 690.

(9) Within 30 days after receiving the audit results, an intermediate school district shall publish the results of any audit conducted concerning the area career and technical education program on the intermediate school district's website. The results shall remain posted on the website for at least 6 months.

(10) The state board is the sole agency responsible for the supervision and administration of career and technical education in this state with authority to accept federal funding for career and technical education and with the responsibility to administer the requirements for career and technical education under federal and state law.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1984, Act 21, Imd. Eff. Mar. 6, 1984 ;-- Am. 1994, Act 258, Imd. Eff. July 5, 1994 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2004, Act 415, Imd. Eff. Nov. 29, 2004 ;-- Am. 2007, Act 45, Imd. Eff. July 17, 2007 ;-- Am. 2016, Act 532, Eff. Apr. 9, 2017

Popular Name: Act 451

380.681a Repealed. 1994, Act 258, Eff. Jan. 1, 1995.

Compiler's Notes: The repealed section pertained to levy of taxes for vocational-technical education program.

Popular Name: Act 451

380.682 Area vocational-technical education; submitting question of increasing millage limit; election; form of ballot.

Sec. 682.

Subject to section 681(4), an intermediate school board operating under sections 681 to 690 may direct that the question of increasing the millage limit on the annual property tax levied for area vocational-technical education be submitted to the intermediate school electors of the intermediate school district. The election shall be called and conducted in accordance with section 661. The ballot shall be substantially in the following form:

“Shall the _____ mill limitation on the annual property tax previously approved by the electors of

_____,
(legal name of intermediate school district)

state of Michigan, for the establishment and operation of

area vocational-technical education programs be increased
by _____ mills?
Yes ()
No ()".

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1994, Act 258, Imd. Eff. July 5, 1994 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005
Popular Name: Act 451

380.683 Area vocational-technical education budget; form; delivery; allocation of tax rates; limitation; certification of taxes to be levied; spread of tax on roll; payment of taxes collected; accounts and records.

Sec. 683.

(1) An intermediate school board operating under sections 681 to 691 shall prepare annually an area vocational-technical education budget which shall be in the same form as that required in local school districts, and shall be delivered to the county clerks of the counties in which the intermediate school district is located, except in counties which have established separate tax limitation millage rates pursuant to sections 5a to 5m of the property tax limitation act, Act No. 62 of the Public Acts of 1933, as amended, being sections 211.205a to 211.205m of the Michigan Compiled Laws. The county clerk shall deliver the budget to the tax allocation board in the same manner as local school district budgets are handled.

(2) County tax allocation boards shall receive area vocational-technical education budgets from their respective county clerks; shall treat them as local school district budgets are treated; and shall allocate tax rates to intermediate school districts for the purposes of sections 681 to 691. The allocations shall be handled in the same manner as other allocations for local school districts. The allocations shall not be made within the 15 mill limitation and shall not exceed the limit authorized by an election at which these sections became effective.

(3) When the intermediate school board receives an allocation on the basis of its area vocational-technical education budget, the board shall certify for collection to the officials of the local property tax collecting unit a statement of the amount of taxes to be levied. The certification shall be made in the same manner as local school districts, but the rate certified for levy shall not exceed the amount allocated.

(4) On receipt of the statement from the intermediate school board, the officials responsible for the levying and collection of these taxes shall spread on the tax roll an area vocational-technical education tax equal to the amount ordered spread, and shall collect the taxes in the same manner as other taxes are collected.

(5) Taxes collected by a city or township treasurer under subsection (4) shall be paid to the treasurer of the intermediate school board pursuant to section 43 of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.43 of the Michigan Compiled Laws, or to the county treasurers in the same manner as other county taxes are paid and similar accounts and records shall be kept. The county treasurers shall pay all funds received under subsection (4) to the treasurer of the intermediate school board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1984, Act 78, Imd. Eff. Apr. 18, 1984
Popular Name: Act 451

380.684 Operation of career and technical education program; submission for review; expenditure of funds; state approval to use state or federal funds; compliance with certain conditions; basis for monitoring programs; expediting program approval; collaboration with community college; participation by public school academy and nonpublic school pupils; costs of special election; payment; "CEPI" defined.

Sec. 684.

(1) An intermediate school board in which an area career and technical education program has been established may operate area career and technical education programs or may contract with local school districts or with community colleges for the operation of the programs or with a private degree-granting postsecondary institution if the intermediate school district is not within a community college district and if there existed on or before July 1,

1992 a written agreement for the operation of such a program. Area career and technical education programs operated under sections 681 to 690 shall be submitted for review of the representatives of the constituent districts of the intermediate school district at an annual budget review meeting held on or before June 1 under section 624.

(2) An intermediate school board may expend area career and technical education funds for the operation of area career and technical education programs for instructional, support, and administrative costs associated with providing career and technical education activities, including, but not limited to, staff salaries, wages, and benefits for career and technical education programs only; information and awareness activities; acquisition and rental of real property; construction of buildings; acquisition of equipment and supplies; and maintenance, repair, and replacement of buildings, lands, equipment, and supplies. An intermediate school board shall not expend area career and technical education funds for purposes other than those set forth in sections 681 to 690. An intermediate school board must obtain state approval to use state or federal career and technical education funds. Expenditure of vocational education millage revenue for the purposes allowed under this subsection shall be determined by the intermediate school board. However, if the millage revenue is commingled with state or federal funds, then the intermediate school district must obtain state approval to use the commingled funds. If an audit by or on behalf of the department determines that an intermediate school board has expended area career and technical education funds for a purpose other than those set forth in sections 681 to 690, the intermediate school district is subject to the measures under section 681(5) and (6).

(3) The intermediate school board shall ensure that all of the following are met:

(a) The intermediate school board shall notify the department at the time the area career and technical education program is established.

(b) In order to be responsive to local workforce needs, emerging technologies, and local demand occupations, the intermediate school district shall establish a program advisory committee pursuant to administrative guidelines established by the office of career and technical preparation within the department. At least a majority of the members of the program advisory committee shall be representatives from business and industry.

(c) The program shall collect career and technical education information data and distribute that data to the appropriate state department or departments and to the program advisory committee. For the purposes of this subdivision, the department or CEPI shall only require an intermediate school district to report information that is not already available from the financial information database maintained by CEPI.

(d) The intermediate school district shall submit its career and technical education plan to the department in the form and manner prescribed by the department. For the purposes of this subdivision, the department or CEPI shall only require an intermediate school district to report information that is not already available from the financial information database maintained by CEPI.

(4) The department may monitor career and technical education programs funded with state or federal funding based upon feedback from the program advisory committee and predetermined state or federal skills standards that include student outcomes.

(5) The department, in consultation with the appropriate career and technical education professionals, shall develop a process for expedited state approval of programs that recognize local workforce needs, emerging technologies, and local demand occupations.

(6) If there is a community college that offers career and technical preparation programs within the intermediate school district, the intermediate school board shall collaborate with the community college to minimize duplication of programs.

(7) An area career and technical education program shall allow participation by public school academy and nonpublic school pupils to the same extent as pupils of constituent districts.

(8) An intermediate school board operating under sections 681 to 690 may expend funds received under section 683 for the costs of a special election held to renew or increase the millage limit on the annual property tax levied for area career and technical education purposes.

(9) The treasurer of an intermediate school board shall pay out area career and technical education funds on order of the intermediate school board.

(10) As used in this section, "CEPI" means the center for educational performance and information created in section 94a of the state school aid act of 1979, MCL 388.1694a.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1989, Act 48, Imd. Eff. June 12, 1989 ;-- Am. 1994, Act 413, Imd. Eff. Dec. 29, 1994 ;-- Am. 1996, Act 277, Imd. Eff. June 17, 1996 ;-- Am. 2007, Act 45, Imd. Eff. July 17, 2007 ;-- Am. 2016, Act 535, Eff. Apr. 9, 2017
Popular Name: Act 451

380.685 Payments from area vocational-technical education funds; computation; reimbursement; payment of percent of difference.

Sec. 685.

An intermediate school board in which an area vocational-technical education program is established shall make payments from area vocational-technical education funds to those constituent districts and community colleges under contract serving the intermediate school district which operate area vocational-technical education centers. Payments shall be computed as follows: the total cost of an area vocational-technical education center shall be computed; and, from this amount shall be deducted the current state-federal vocational education reimbursement for the area vocational-technical education center. All or part of the difference resulting shall be reimbursable by the intermediate school board. If the funds are not sufficient to make up this difference, a like percent of the difference shall be paid to all area vocational-technical education centers in the intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.686 Grants for career and technical education centers, buildings, sites, and equipment; contracts to accept nonpublic school pupils and nonresident pupils; change or disposal of facility purpose.

Sec. 686.

(1) An intermediate school board may make grants of money to constituent districts operating area career and technical education centers or to community colleges serving the intermediate district with area career and technical programs for the purpose of constructing area career and technical education buildings, for site acquisition, or for area career and technical education equipment, if before the grant is made the board of the constituent district in which the center is located contracts to receive nonresident children into the facility for a period of at least 15 years after the date of the contract, or if the board of trustees of the community college contracts to receive nonresident persons on a tuition basis into the facility for a period of at least 15 years after the date of the contract.

(2) The contracts described in subsection (1) shall provide that the constituent districts or community colleges are bound to accept nonpublic school pupils and nonresident pupils into designated area career and technical education facilities in return for and in consideration of grants-in-aid for the construction of area career and technical education buildings and for the purchase of area career and technical education buildings, sites, and equipment.

(3) If an intermediate school district has provided at least 90% of the financial consideration for the acquisition or construction of an area career and technical education facility, a constituent district or community college may not dispose or change the purpose of the facility without the consent of the intermediate school board even if title to the facility is vested in the constituent district or community college.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2007, Act 45, Imd. Eff. July 17, 2007

Popular Name: Act 451

380.687 Borrowing money and issuing bonds; purposes; limitation; submission to school electors; form of ballot; use of proceeds from bonds issued or refunded.

Sec. 687.

(1) An intermediate school board in which an area vocational-technical education program is established, by a majority vote of the intermediate school electors voting on the question at a regular school election or at a special election called for that purpose, may borrow money and issue bonds of the intermediate school district subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to defray all or part of the cost of purchasing, erecting, completing, remodeling, improving, furnishing, refurnishing, equipping, or reequipping area vocational-technical buildings and other facilities, or parts of buildings and other facilities or additions to buildings and other facilities; acquiring, preparing, developing, or improving sites, or parts of sites or additions to sites, for area vocational-technical buildings and other facilities; refunding all or part of existing bonded indebtedness; or accomplishing a combination of the foregoing purposes. An intermediate school district shall not issue bonds under this part for an amount greater than 1.5% of the total assessed valuation of the intermediate school district.

(2) A bond qualified under section 16 of article IX of the state constitution of 1963 and implementing legislation shall not be included for purposes of calculating the foregoing 1.5% limitation.

(3) An intermediate school board may submit a proposal to issue bonds of the intermediate school district, authorized under this section, to the intermediate school electors at the same election at which the intermediate school electors vote on the establishment of an area vocational-technical education program. If these questions are presented to the school electors at the same election, the board shall include the bond proposal in the 60-day notice given the boards of constituent districts. The establishment of an area vocational-technical education program shall become effective if approved by a majority of the intermediate school electors voting on the question. The authority to issue bonds is effective only if a majority of the intermediate school electors approve both the establishment of the area vocational-technical education program and the issuance of bonds.

(4) The ballot used in submitting the question of borrowing money and issuing bonds under this section shall be in substantially the following form:

"Shall _____ (here state the legal name of the intermediate school district designating the name of a district of not less than 18,000 pupils or first class school district that has elected not to come under this act as far as an area vocational-technical education program is concerned) state of Michigan, borrow the sum of not to exceed \$ _____ and issue its bonds therefor, for the purpose of _____?"

Yes ()

No ()".

(5) An intermediate school district shall not use the proceeds from bonds issued or refunded under this section or levy a tax to repay bonds issued or refunded under this section for any purpose other than facilities used for area vocational-technical education purposes. If a facility is to be used during regular school hours for purposes other than providing area vocational-technical education programs and services, proceeds from bonds issued or refunded under this section or from millage levied to repay bonds issued or refunded under this section shall be used only for that portion of the facility that is used for providing area vocational-technical education programs and services.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2002, Act 62, Imd. Eff. Mar. 15, 2002 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2004, Act 415, Imd. Eff. Nov. 29, 2004

380.688 Vocational-technical education center; contract to accept nonresident pupils.

Sec. 688.

A constituent district or community college maintaining an area vocational-technical education facility designated by the state board may enter into a contract with the intermediate school board and shall become an area vocational-technical education center by contracting with the intermediate school board to accept nonresident pupils assigned into its facility by the intermediate school board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977

Popular Name: Act 451

380.689 Repealed. 1981, Act 87, Eff. July 2, 1981.

Compiler's Notes: The repealed section pertained to appointment and duties of committee to visit vocational-technical education facilities.

Popular Name: Act 451

380.690 Nonparticipation or participation by certain school districts in area vocational-technical education program; resolution; election; funding; expenditures; buildings, sites, and equipment.

Sec. 690.

(1) A school district of not less than 18,000 pupils, a first class school district, or a school district offering or making available to its pupils a comprehensive vocational education program approved by the state board, may elect not to come under an area vocational-technical education program by resolution adopted by its board not later than 30 days after receipt of notice that the question of establishing the area vocational-technical education program will be submitted to the school electors of the district.

(2) A school district electing not to come under the area vocational-technical education program may thereafter elect to come under the program if at a special or regular school election a majority of the school electors voting approve the operation of the area vocational-technical education program and the annual tax rate for that purpose in effect in the other constituent districts of the intermediate school district.

(3) Except as provided in this subsection, in an intermediate school district where the school electors have voted upon and failed to approve the ballot question set forth in section 681, a combination of 2 or more contiguous constituent districts, by resolution of their boards, may elect to establish an area vocational-technical education program, if approved by resolution of the intermediate district board and designated by the state board. The requirement of contiguity of constituent districts does not apply if 1 or more of the districts that constitute the basis of contiguity declare their intent, by board resolution, not to be part of the proposed area vocational-technical education program. At any time within 6 months after the enactment of the resolution establishing the program in a local school district, school electors equal in number to not less than 5% of the votes cast in the most recent school election may petition their local school district board to submit the resolution to the school district filing official for submission to the electorate, in a form and manner to be prescribed by the secretary of state, and the district's participation in the program shall be terminated if not approved by a majority of the school electors voting on the question.

(4) Area vocational-technical education programs established under this section shall receive appropriate state funding or federal funding allocated by the state board on exactly the same basis as area vocational-technical education programs and centers established by intermediate school districts. Constituent districts establishing an approved area vocational-technical education program under this section may designate, by board resolution, specific amounts of either authorized operating millage or operating millage being requested from the school electors to be utilized solely for the area vocational-technical education program, in a manner to be prescribed by the state board, and the specified amount of millage shall be regarded as area vocational-technical education millage rather than local school district operating millage in all computations made by the state board to determine state aid. The revenue obtained from the millage designated, together with appropriate state and federal funds, may be expended for the same purposes specified for intermediate district programs in sections 684 and 685, including contracts with the intermediate school district, another local school district, or a community college for area vocational-technical education programs, facilities, and services. If constituent districts establish area vocational-technical education programs under this section, buildings, sites, and equipment may be jointly acquired, owned, or leased.

(5) A contiguous school district desiring to become part of an area vocational-technical education program established under this section may do so with the approval of each participating school district, the intermediate school district, and the state board. Constituent districts operating an approved area vocational-technical education program under this section may subsequently elect not to participate, or may thereafter elect to participate, in an intermediate school district vocational-technical education program in exactly the same manner prescribed in this section for school districts of not less than 18,000 pupils, a first class school district, or a school district offering or making available to its pupils a comprehensive vocational education program approved by the state board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1980, Act 72, Imd. Eff. Apr. 3, 1980 ;-- Am. 1985, Act 5, Imd. Eff. Mar. 27, 1985 ;-- Am. 1995, Act 289, Eff. July 1, 1996 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

***** 380.692 THIS SECTION DOES NOT APPLY AFTER DECEMBER 31, 1988: See (6) of 380.692 *****

380.692 Charter building authority; section inapplicable after December 31, 1988.

Sec. 692.

(1) In an intermediate school district that complies with the following criteria, there may be established pursuant to subsection (3) a charter building authority with boundaries, except as provided by subsection (2), identical to the

boundaries of the intermediate school district:

- (a) The intermediate school district is operating under sections 681 to 690.
- (b) More than 1 location within the intermediate school district has been designated by the state board of education for providing area vocational-technical education programs.
- (c) A building at 1 of the designated locations for providing area vocational-technical education programs has been constructed without utilizing funds from the area vocational-technical education tax levy.
- (2) The board of a constituent school district which is in a portion of the intermediate school district not to be served by proposed facilities for which the proposed charter building authority may impose property taxes may elect, by adoption of a resolution within 30 days after receipt of the notice required by subsection (3), not to be included within the charter building authority.
- (3) A charter building authority created pursuant to this section shall be governed by the board of the intermediate school district. With the approval of the state board of education, the intermediate school district board may submit to the school electors of those constituent districts that have not elected to be excluded pursuant to subsection (2) the question of coming under this section and of authorizing the charter building authority to impose a specified ad valorem property tax millage rate for not more than 3 years to be used solely for acquiring, purchasing, constructing, and renovating sites and buildings for area vocational-technical education programs operated by the intermediate school district and for purchasing equipment for these facilities. This question shall be submitted at an annual election or at a special election held in each of the participating constituent school districts. The intermediate school district board shall determine the date of the election and shall give notice under section 662 to the secretary of each constituent district at least 60 days before the date of the election. Except as provided by this section, the election shall be called and conducted pursuant to sections 661 and 662.
- (4) A charter building authority shall prepare a budget which shall be in the same form as that required in local school districts, and which shall be delivered to the county clerks of the counties in which the charter building authority is located. The county clerk of each county shall deliver the budget to the tax allocation board, which board shall treat the budget as local school district budgets are treated and shall allocate tax rates to the charter building authority for the purposes set forth by this section, except in counties which have established separate tax limitations. Allocations to charter building authorities shall not be made within the 15-mill limitation but shall be within the charter limitations of section 6 of article IX of the state constitution of 1963. The allocations shall not exceed the limit authorized by the election at which the charter building authority was established and any portion of the net limitation tax rate allocated shall be included within the total tax rate authorized to be levied by the charter building authority.
- (5) Charter building authority taxes shall be levied, collected, and returned in the same manner as the levy of the intermediate school district.
- (6) This section shall not apply after December 31, 1988 and a charter building authority, which may levy taxes within the limitation established by the election at which the charter building authority was established and expend tax revenues for those purposes for which the taxes may be levied, shall not impose a tax levy pursuant to this section that becomes a lien after December 31, 1988.

History: Add. 1983, Act 118, Imd. Eff. July 18, 1983

Popular Name: Act 451

380.701 Combining adjoining intermediate school districts to form single intermediate school district; resolution; submission of question to electors; petitions; form of ballot; effective date of reorganization; interim board; superintendent; reorganization meeting; election of board; auditing accounts; contracts; special education programs; annual property tax rates.

Sec. 701.

- (1) Two or more adjoining intermediate school districts may combine to form a single intermediate school district when the reorganization is approved by a majority of the school electors of each intermediate school district voting on the question in the regular school elections of the constituent districts.
- (2) The question of combining intermediate school districts may be submitted by a resolution of the intermediate school boards meeting in joint session.
- (3) The question shall be submitted if petitions signed by a number of school electors of each intermediate school district equal to not less than 5% of the number of pupil memberships on the latest pupil membership count day of the combined constituent districts of the intermediate school district are filed with the school district filing official. Within 30 days after receiving sufficient petitions, the school district filing official shall notify the secretary of the intermediate school district and the secretary shall apply for approval to the superintendent of public instruction.

The school district filing official shall submit the question in accordance with section 661 at the next regular school election after the superintendent of public instruction approves the merger.

(4) The ballots for a ballot question under this section shall be in substantially the following form:

"Shall the following intermediate school districts be organized as a single intermediate school district?"

(List names of intermediate school districts)

Yes ()

No ()".

(5) If the consolidation is approved by a majority of the school electors voting on the question in each of the participating intermediate school districts, the reorganization is effective in the combined intermediate school districts 30 days after the regular school election at which the question is submitted. The reorganized intermediate school district is a single intermediate school district subject to this part.

(6) The members of the intermediate school boards of the original intermediate school districts shall act as an interim board until a board of the combined intermediate school district is elected. The interim board has all the powers and duties of an intermediate school board under this part. The person chosen by the interim intermediate school board as intermediate superintendent shall serve only until a successor is chosen by the elected intermediate school board. The secretary of the intermediate school board having the largest number of pupils in membership in its combined constituent districts at the time of reorganization shall call a meeting of the members of the interim intermediate school board for the purpose of organization within 15 days after the effective date of the reorganization. The school district filing official shall provide for the election of a board of the reorganized intermediate school district under chapter XIV of the Michigan election law, MCL 168.301 to 168.316. At the first election, there shall be elected 3 members of a board for 6 years, 2 for 4 years, and 2 for 2 years. Their successors shall be elected biennially for terms of 6 years.

(7) The reorganized intermediate school district shall operate as a single intermediate school district from the effective date of the reorganization. Within 10 days after the reorganization, all accounts of the reorganized intermediate school districts shall be audited in the manner established by the interim intermediate school board. The contracts of the intermediate superintendents in force on the effective date of reorganization continue in effect until the time of their termination except as to position as intermediate superintendents.

(8) If, before reorganization of the intermediate school districts each of the combining intermediate school districts adopted special education programs by referendum as provided in part 30 and approved the same annual property tax rates for the education of students with a disability, the special education programs and the annual property tax rates shall continue in effect in the reorganized intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008

Popular Name: Act 451

380.702 Annexation of intermediate school district; resolution; election; adoption of special education program and annual tax rate; ballot; approval of proposed annexation; filing result of election; funds and property; release from liability; effective date of annexation; notices; appointment and terms of board members.

Sec. 702.

(1) An intermediate school district may be annexed to another intermediate school district if the intermediate school board of the annexing intermediate school district approves the annexation by resolution, and a majority of the school electors of the intermediate school district to be annexed voting on the question at a regular or special school election in the intermediate school district approve the annexation. If prior to annexation the annexing intermediate school district adopts a special education program by referendum as provided in part 30, the intermediate school electors of the intermediate school district to be annexed must vote to adopt that special education program and annual tax rate. The vote on the question shall be by ballot furnished by the school district filing official for the intermediate school district to be annexed. Before the election is held, the annexing intermediate school board shall obtain the approval of the superintendent of public instruction of the proposed annexation.

(2) Within 10 days after the election, the school district filing official shall file the result with the secretary of the intermediate school board, and 5 days later the intermediate school board secretary shall file the election result with the secretary of the intermediate school board of the annexing intermediate school district. Within 15 days after the annexation election the intermediate school board of the annexed intermediate school district shall account to the intermediate school board of the annexing intermediate school district for the money and property in its hands and

shall turn over the money and property to that intermediate school board. Property and money belonging to the annexed intermediate school district becomes the property of the annexing intermediate school district. The outstanding indebtedness of the annexed intermediate school district becomes the liability of the annexing intermediate school district. Upon receipt of the money and property, the members of the annexed intermediate school board shall be released from liability for the money and property and their offices terminated.

(3) The annexation is effective on the latest date on which the election was held in a constituent district of the annexed intermediate school district. The secretary of the intermediate school board of the annexing intermediate school district shall give written notice of the annexation to the superintendent of public instruction within 15 days after the annexation election. Within 30 days after annexation, the board of the annexing intermediate school district shall appoint 2 school electors of the annexed intermediate school district to membership on the intermediate school board of the reorganized intermediate school district, who shall serve until January 1 or, if the intermediate school district's regular school election is held in May, until July 1 after the next intermediate school district election. Notification of the appointments shall be filed with the superintendent of public instruction. If the appointments are not made within the 30 days, the superintendent of public instruction shall make the appointments. At the next intermediate school district election, members of the intermediate school board shall be elected in the number and for the terms required in section 701. The terms of the members of the intermediate school board whose terms have not expired shall determine the terms of the additional members to be elected.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

380.703 Plan for disorganization of intermediate school district; request; resolution; notice of meeting; approval of state board; finality; effective date of disorganization; joint meetings of boards; distribution of assets; taxes; appointment of intermediate school board members; term; notification.

Sec. 703.

(1) An intermediate school district comprised of less than 5 constituent districts and having no bonded indebtedness may be disorganized and its constituent districts attached to contiguous intermediate school districts under this section.

(2) The board of each constituent district may request the intermediate school board to prescribe a plan for disorganization of the intermediate school district. Each request shall designate another intermediate school district to which the constituent district desires to be attached. The intermediate school board shall prescribe, by resolution, a plan under which each of the constituent districts will be attached in whole to contiguous intermediate school districts designated in the requests. If the designated intermediate school district is not contiguous, the intermediate school board's plan may prescribe attachment to a contiguous intermediate school district.

(3) The intermediate superintendent of the intermediate school district that is to be disorganized shall give 30 days' notice of the time and place of the meeting of the intermediate school board and of the proposed plan for disorganization by publication of the notice in a newspaper of general circulation in the intermediate school district. The intermediate school board shall present the adopted plan for dissolution to the board of each of its constituent districts and to the intermediate school board of each intermediate school district whose boundaries would be enlarged by the proposal.

(4) The intermediate superintendent of each intermediate school district whose boundaries would be enlarged by the dissolution shall give 30 days' notice of the time and place of the meeting of the intermediate school board and of the recommended plan for enlargement of the intermediate school district by publication of the notice in a newspaper of general circulation in the intermediate school district.

(5) If the intermediate school board of each affected intermediate school district approves the plan for disorganization, the intermediate school board of the intermediate school district to be dissolved shall refer the matter to the superintendent of public instruction for approval. The action of the superintendent of public instruction declaring the intermediate school district dissolved is final. Disorganization of the intermediate school district and attachment of its constituent districts to contiguous intermediate school districts takes effect on July 1 after the date of the approval of the superintendent of public instruction.

(6) The intermediate school boards of the intermediate school districts to which territory is attached by dissolution shall meet jointly, sitting as a single board, and make an equitable distribution of the money, property, and other assets belonging to the disorganized intermediate school district among the intermediate school districts affected. The territory of constituent districts transferred to other intermediate school districts by dissolution shall be subject to all taxes levied for purposes of the intermediate school district to which transferred, including taxes for the retirement of bonded indebtedness, special education programs, and area vocational-technical education

programs.

(7) Within 30 days after a district attaches to a contiguous intermediate school district under this section, the board of the intermediate school district whose boundaries have been enlarged by the dissolution may appoint 2 school electors of constituent districts, 1 of whom shall be an elector of the attached district, to membership on the intermediate school board. Intermediate school board members appointed under this subsection serve until January 1 or, if the intermediate school district's regular school election is held in May, until July 1 after the next intermediate school district election. The intermediate school board may determine 1 initial term of less than 6 years for 1 of the additional members to be elected at the intermediate school district election. Notification of an appointment shall be filed with the superintendent of public instruction.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977 ;-- Am. 1981, Act 87, Imd. Eff. July 2, 1981 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular Name: Act 451

380.705 Regional enhancement property tax; levy by intermediate school district, school district, or public school academy; resolution submitting question to voters; election; calculation and payment of revenue; pupils counted in membership; allocation or payment to constituent district; receipt of revenue by public school academy; receipt of revenue; term and renewal of tax; presentment of tax to electors as separate question; public school academy as single constituent district; use of revenue from regional enhancement property tax; intermediate or public school academy as constituent district.

Sec. 705.

(1) Beginning in 1997, and in each year after 1997, a regional enhancement property tax may be levied by an intermediate school district at a rate not to exceed 3 mills to enhance other state and local funding for intermediate school district, school district, or public school academy operations, as provided in this section, if approved by a majority of the intermediate school electors voting on the question.

(2) If a resolution requesting that the question of a regional enhancement property tax be submitted to the voters is adopted within a 180-day period and transmitted to the intermediate school board by 1 or more boards or boards of directors of its constituent districts representing a majority of the combined membership of the constituent districts as of the most recent pupil membership count day and if those resolutions all contain an identical specified number of mills to be levied under this section and an identical specified number of years for which the tax shall be levied, the question of levying a regional enhancement property tax by the intermediate school district shall be placed on the ballot by the intermediate school district at the next regular school election held in each of the constituent districts that are school districts. If the question is to be submitted to the intermediate school electors of an intermediate school district having a population of more than 1,400,000, the intermediate school board shall call a special election to be held at the next state primary or general election. If the resolution requirement is met more than 180 days before the next regular school district elections, and if requested in the resolutions, the intermediate school board shall submit the question of levying a regional enhancement property tax within the intermediate school district on the ballot at a special election called by the intermediate school board for that purpose not earlier than 90 days after the resolution requirements are met.

(3) Not later than 10 days after receipt by the intermediate school district of the revenue from the regional enhancement property tax, the intermediate school district shall calculate and pay to each of its constituent districts an amount of the revenue calculated by dividing the total amount of the revenue by the combined membership of the constituent districts within the intermediate school district, as of the most recent pupil membership count day, and multiplying that quotient by the constituent district's membership, as of the most recent pupil membership count day for which a final department-audited pupil count is available. If a constituent district has entered into an agreement with a school district or public entity to perform the functions and responsibilities of the constituent district for operating a public school of the constituent district, then for the purposes of this subsection the pupils in membership in that public school shall be considered to be in membership in the constituent district and a proportionate share of the revenue payable to the constituent district under this section shall be transferred by the constituent district to the school district or public entity performing the functions and responsibilities of the constituent district for operating the public school. The proportionate share of that revenue to be paid to that school district or public entity shall be determined according to the percentage of the constituent district's membership that is enrolled in the particular public school for the state fiscal year corresponding to the tax year. Revenue from a regional enhancement property tax under this section shall not be allocated or paid to a constituent district that does not operate a public school directly but retains a limited separate identity for purposes of section 12, 12b, 863, 903, or 947.

(4) If a public school academy is receiving revenue from a regional enhancement property tax under an

agreement described in subsection (3), the public school academy shall receive that revenue until the term of the initially levied regional enhancement property tax expires, as specified in the ballot question, as long as the receipt of that revenue remains consistent with the agreement. After the term of the initially levied regional enhancement property tax expires or the public school academy is no longer entitled to receive revenue from the regional enhancement property tax under the agreement described in subsection (3), the public school academy shall not receive revenue from any regional enhancement property tax that is subsequently levied or renewed unless that public school academy meets the requirements of subsection (7) to receive revenue from a regional enhancement property tax as a constituent district.

(5) Regional enhancement property tax under this section may be levied for a term not to exceed 20 years, as specified in the ballot question, and may be renewed for the same term and for the purposes described in subsection (1) with the approval of a majority of the intermediate school electors voting on the question.

(6) The question of levying a regional enhancement property tax under this section shall be presented to the intermediate school electors as a separate question.

(7) For the purposes of this section, except as otherwise provided in this section, a public school academy is considered to be a single constituent district of an intermediate school district if the public school academy operates at least 1 site that is located in that intermediate school district and the public school academy counts in membership pupils enrolled at the site or sites located in that intermediate school district on the pupil membership count day used to calculate the combined membership of the intermediate school district's constituent districts under subsection (2). A public school academy that is a school of excellence operating as a cyber school, as defined in section 551, is considered to be a single constituent district of an intermediate school district only if the administrative office of that cyber school is located within the intermediate school district, 100% of the pupils enrolled in the cyber school reside within the intermediate school district, and the cyber school counts in membership pupils enrolled in the cyber school on the pupil membership count day used to calculate the combined membership of the intermediate school district's constituent districts under subsection (2). However, a public school academy is not eligible to be considered a constituent district under this subsection if the public school academy's 2 most recent annual financial audits required under section 503(6)(g), 523(2)(g), 553(5)(g), or 1311e(5)(h) indicate successive unresolved material findings. In addition, in order to be considered a constituent district under this subsection, the public school academy must provide the department documentation establishing that the public school academy has a special education program that is in compliance with state and federal law.

(8) Except for a school of excellence operating as a cyber school, as defined in section 551, a public school academy that receives revenue from a regional enhancement property tax due to the operation of subsection (7) shall use that money only for expenditures that directly benefit a site operated by the public school academy that is located in the intermediate school district in which the regional enhancement property tax was approved.

(9) For a regional enhancement property tax that was initially authorized and levied before the effective date of the amendatory act that added this subsection, both of the following apply:

(a) Subject to subsection (4), a public school academy is not eligible to be considered a constituent district and to receive revenue from that regional enhancement property tax due to the operation of subsection (7) until that regional enhancement property tax is renewed.

(b) An intermediate school district is not eligible to be considered a constituent district and to receive revenue for pupils counted in membership by the intermediate school district from that regional enhancement property tax due to the operation of subsection (10) until that regional enhancement property tax is renewed.

(10) For a regional enhancement property tax that is initially authorized and levied or renewed after the effective date of the amendatory act that added this subsection, for the purposes of this section, an intermediate school district is considered to be a single constituent district of the intermediate school district if it enrolls pupils who are counted in membership by the intermediate school district and not counted in membership by another intermediate school district, school district, or public school academy.

History: Add. 1993, Act 312, Eff. Mar. 15, 1994 ;-- Am. 1994, Act 258, Imd. Eff. July 5, 1994 ;-- Am. 2003, Act 299, Eff. Jan. 1, 2005 ;-- Am. 2016, Act 192, Imd. Eff. June 21, 2016 ;-- Am. 2018, Act 23, Eff. May 15, 2018
Popular Name: Act 451

380.705a, 380.705b Repealed. 1994, Act 258, Imd. Eff. July 5, 1994.

Compiler's Notes: The repealed sections pertained to levy of enhancement property tax for school district operations.

Popular Name: Act 451

Part 7A
SCHOOL DISTRICT COMMERCIAL AND INDUSTRIAL PROPERTY TAX BASE SHARING

380.751-380.756 Repealed. 1993, Act 175, Eff. Oct. 1, 1993;—1993, Act 260, Imd. Eff. Dec. 14, 1993.

Popular Name: Act 451

PART 7B
CONSOLIDATION OF SERVICES

380.761 Repealed. 2016, Act 532, Eff. Apr. 9, 2017.

Compiler's Notes: The repealed section pertained to conduct of study by intermediate school district concerning sharing of services.
Popular Name: Act 451