

# HOUSE BILL No. 5352

December 4, 2003, Introduced by Reps. Stallworth, McConico, Daniels, Zelenko, Cheeks, Smith, Reeves, Hunter and Hardman and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 3, 373, 375, 403a, 404b, 411a, 412a, 413a, 414a, 415, 416, 418a, 422, 424, 431a, 432, 433, 434, 441, 442, 443, 445, 449, 451, 461, 462, 472, 485, 501, 502, 504, 522, 523, and 528 (MCL 380.3, 380.373, 380.375, 380.403a, 380.404b, 380.411a, 380.412a, 380.413a, 380.414a, 380.415, 380.416, 380.418a, 380.422, 380.424, 380.431a, 380.432, 380.433, 380.434, 380.441, 380.442, 380.443, 380.445, 380.449, 380.451, 380.461, 380.462, 380.472, 380.485, 380.501, 380.502, 380.504, 380.522, 380.523, and 380.528), sections 3, 416, and 502 as amended by 1995 PA 289, section 373 as amended by 2000 PA 230, sections 375 and 449 as added by 1999 PA 10, sections 403a, 418a, and 431a as amended and sections 404b and 485 as added by 1982 PA 71, sections 411a and 412a as amended by 1989 PA 268, sections 413a

and 414a as added by 1981 PA 96, section 442 as amended by 2002 PA 58, section 443 as amended by 1983 PA 118, section 445 as amended by 2002 PA 334, section 501 as amended and sections 522, 523, and 528 as added by 2003 PA 179, and section 504 as amended by 1994 PA 416, and by adding sections 410 and 420; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3. (1) "Area" as used in the phrase "area  
2 vocational-technical education program" means the geographical  
3 territory, both within and without the boundaries of either a K  
4 to 12 school district or a community college district, that is  
5 designated by the state board as the service area for the  
6 operation of an area vocational-technical education program.

7       (2) "Area vocational-technical education program" means a  
8 program of organized, systematic instruction designed to prepare  
9 the following persons for useful employment in recognized  
10 occupations:

11       (a) Persons enrolled in high school.

12       (b) Persons who have completed or left high school and who  
13 are available for full-time study in preparation for entering the  
14 labor market.

15       (c) Persons who have entered the labor market and who need  
16 training or retraining to achieve stability or advancement in  
17 employment.

18       (3) "Board" or "school board" means the governing body of a  
19 local school district or a local act school district unless  
20 clearly otherwise stated. **Except in part 5a or part 6, beginning**

1 January 1 immediately following the expiration of 5 years after  
 2 the date a school district becomes a first class school district,  
 3 or, for a school district organized as a first class school  
 4 district as of December 1, 2003, beginning on the date a new  
 5 school board takes office in the first class school district  
 6 under sections 411a and 412a, "board" or "school board" means the  
 7 chief executive officer of the first class school district.

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

10 (5) "Constituent district" means a local school district or  
 11 special act school district the territory of which is entirely  
 12 within and is an integral part of an intermediate school  
 13 district.

14 Sec. 373. (1) Beginning on ~~the effective date of the~~  
 15 ~~amendatory act that added this part or~~ **March 26, 1999** or, if the  
 16 **qualifying school district becomes a qualifying school district**  
 17 **after March 26, 1999**, the date on which a school district becomes  
 18 a qualifying school district, the powers and duties of the  
 19 elected school board of the qualifying school district and of its  
 20 secretary and treasurer are suspended ~~unless and until a new~~  
 21 ~~school board is elected under~~ **until the applicable date**  
 22 **specified in** section 375. However, until the expiration of **the**  
 23 **current term of** each individual ~~member's current term~~ **member**  
 24 **serving as of the date the school district becomes a qualifying**  
 25 **school district**, the members of the elected school board of a  
 26 qualifying school district may continue to meet as an advisory  
 27 board to provide input to the school reform board on an advisory

1 basis only. Notwithstanding section 417a or any board policy,  
2 bylaw, or resolution to the contrary, these advisory board  
3 members shall serve without compensation or reimbursement, and  
4 funds of the qualifying school district shall not be used to  
5 staff or otherwise support the advisory board in any way.

6 (2) Beginning on ~~the effective date of the amendatory act~~  
7 ~~that added this part or~~ **March 29, 1999 or, if the qualifying**  
8 **school district becomes a qualifying school district after**  
9 **March 26, 1999**, the date on which a school district becomes a  
10 qualifying school district, and until appointment of a school  
11 reform board for a qualifying school district under this part,  
12 all provisions of this act that would otherwise apply to the  
13 school board of the qualifying school district or to the school  
14 reform board or chief executive officer apply to the mayor, and  
15 the mayor immediately may exercise all the powers and duties  
16 otherwise vested by law in the board of the qualifying school  
17 district and in its secretary and treasurer, and all powers and  
18 duties of the school reform board or chief executive officer as  
19 provided under this part. Within 30 days after appointing a  
20 school reform board under this part, the mayor shall initiate a  
21 financial audit of the qualifying school district. The mayor  
22 shall provide the results of this audit to the school reform  
23 board.

24 (3) Upon appointment of a school reform board for a  
25 qualifying school district under this part, and until appointment  
26 of a chief executive officer under section 374, all provisions of  
27 this act that would otherwise apply to the school board of the

1 qualifying school district or to the chief executive officer  
2 apply to the school reform board, and the school reform board  
3 immediately may exercise all the powers and duties otherwise  
4 vested by law in the board of the qualifying school district and  
5 in its secretary and treasurer, and all powers and duties of the  
6 chief executive officer as provided under this part.

7       (4) Upon appointment of a chief executive officer for a  
8 qualifying school district under section 374, all provisions of  
9 this act that would otherwise apply to the elected school board  
10 of the qualifying school district apply to the chief executive  
11 officer; the chief executive officer immediately may exercise all  
12 the powers and duties otherwise vested by law in the elected  
13 school board of the qualifying school district and in its  
14 secretary and treasurer, and all additional powers and duties  
15 provided under this part; and the chief executive officer accedes  
16 to all the rights, duties, and obligations of the elected school  
17 board of the qualifying school district. These powers, rights,  
18 duties, and obligations include, but are not limited to, all of  
19 the following:

20       (a) Authority over the expenditure of all school district  
21 funds, including proceeds from bonded indebtedness and other  
22 funds dedicated to capital projects.

23       (b) Rights and obligations under collective bargaining  
24 agreements and employment contracts entered into by the elected  
25 school board, except for employment contracts of those employees  
26 described in subsection (6).

27       (c) Rights to prosecute and defend litigation.

1 (d) Obligations under any judgments entered against the  
2 elected school board.

3 (e) Rights and obligations under statute, rule, and common  
4 law.

5 (f) Authority to delegate any of the chief executive  
6 officer's powers and duties to 1 or more designees, with proper  
7 supervision by the school reform board.

8 (5) In addition to his or her other powers, the chief  
9 executive officer appointed under this part may terminate any  
10 contract entered into by the elected school board of the  
11 qualifying school district except for a collective bargaining  
12 agreement. However, this subsection does not allow any  
13 termination or diminishment of obligations to pay debt service on  
14 legally authorized bonds. A contract terminated by a chief  
15 executive officer under this subsection is void.

16 (6) Beginning on ~~the effective date of the amendatory act~~  
17 ~~that added this part or~~ **March 26, 1999 or, if the qualifying**  
18 **school district becomes a qualifying school district after**  
19 **March 26, 1999,** the date on which a school district becomes a  
20 qualifying school district, and until appointment of a school  
21 reform board for a qualifying school district under this part,  
22 each employee of the qualifying school district whose position is  
23 not covered by a collective bargaining agreement is employed at  
24 the will of the mayor. Upon appointment of a school reform board  
25 for a qualifying school district under this part, and until  
26 appointment of a chief executive officer under section 374, each  
27 employee of the qualifying school district whose position is not

1 covered by a collective bargaining agreement is employed at the  
2 will of the school reform board. Upon appointment of a chief  
3 executive officer for a qualifying school district under section  
4 374, each employee of the qualifying school district whose  
5 position is not covered by a collective bargaining agreement is  
6 employed at the will of the chief executive officer.

7 (7) Not later than 90 days after the initial appointment of a  
8 chief executive officer under this part, and at least annually  
9 thereafter, the chief executive officer with the approval of the  
10 school reform board shall develop and submit to the school  
11 district accountability board created in section 376 a school  
12 district improvement plan that includes at least detailed  
13 academic, financial, capital, and operational goals and  
14 benchmarks for improvement and a description of strategies to be  
15 used to accomplish those goals and benchmarks. The plan also  
16 shall include an assessment of available resources and  
17 recommendations concerning additional resources or changes in  
18 statute or rule, if any, needed to meet those goals and  
19 benchmarks. The plan also shall include an evaluation of local  
20 school governance issues, including criteria for establishing  
21 building-level governance.

22 (8) A chief executive officer with the approval of the school  
23 reform board for the qualifying school district shall submit an  
24 annual report to the mayor, governor, school district  
25 accountability board created in section 376, and legislature and  
26 shall make the annual report available to the community in the  
27 qualifying school district. The annual report shall contain at

1 least all of the following:

2 (a) A summary of the initiatives that have been implemented  
3 to improve school quality in the qualifying school district.

4 (b) Measurements that may be useful in determining  
5 improvements in school quality in the qualifying school  
6 district. These measurements shall indicate changes from  
7 baseline data from the school year before the appointment of the  
8 school reform board, and shall include at least all of the  
9 following:

10 (i) Standardized test scores of pupils.

11 (ii) Dropout rates.

12 (iii) Daily attendance figures.

13 (iv) Enrollment figures.

14 (v) High school completion and other pertinent completion  
15 rates.

16 (vi) Changes made in course offerings.

17 (vii) Proportion of school district resources devoted to  
18 direct educational services.

19 (c) A description of long-term performance goals that may  
20 include statewide averages or comparable measures of long-term  
21 improvement.

22 (9) A school reform board may organize and establish  
23 community assistance teams to work with the school reform board  
24 to implement a cohesive, full service community school program  
25 addressing the needs and concerns of the qualifying school  
26 district's population. The school reform board may delegate to a  
27 community assistance team the authority to devise and implement



1 family, community, cultural, and recreational activities to  
 2 assure that the academic mission of the schools is successful.  
 3 The community assistance teams may also develop parental  
 4 involvement activities that focus on the encouragement of  
 5 voluntary parenting education, enhancing parent and family  
 6 involvement in education, and promoting adult and family  
 7 literacy.

8 (10) The mayor, superintendent of public instruction, state  
 9 board, school district accountability board created in section  
 10 376, this state, the city in which a qualifying school district  
 11 is located, a school reform board established under this part, or  
 12 a chief executive officer or other officer appointed under  
 13 section 374 is not liable for any obligation of or claim against  
 14 a qualifying school district resulting from an action taken under  
 15 this part.

16 Sec. 375. (1) ~~After~~ **Except as otherwise provided in**  
 17 **subsection (2), effective on January 1 immediately following the**  
 18 expiration of 5 years after the initial appointment of a school  
 19 reform board in a qualifying school district under this part,  
 20 ~~the question of whether to retain the school reform board and~~  
 21 ~~the chief executive officer and the authority under this part to~~  
 22 ~~appoint the school reform board and the chief executive officer~~  
 23 ~~shall be placed on the ballot in the qualifying school district~~  
 24 ~~under this section.~~  
 25 ~~—— (2) The question under subsection (1) shall be placed on the~~  
 26 ~~ballot in the qualifying school district at the next November~~  
 27 ~~general election occurring at least 90 days after the expiration~~

~~1 of 5 years after the date of the initial appointment of the  
2 school reform board.~~

~~3 — (3) The question under subsection (1) shall be in  
4 substantially the following form:~~

~~5 — "Shall the school reform board and chief executive officer  
6 serving in \_\_\_\_\_ (name of qualifying school district)  
7 under part 5a of the revised school code be retained and shall  
8 the mayor of \_\_\_\_\_ (name of city in which the school  
9 district is located) retain the authority to appoint members of  
10 the school reform board? A vote in the affirmative continues the  
11 school reform board and chief executive officer in place in the  
12 school district and continues the authority of the mayor to  
13 appoint members of the school reform board. A vote in the  
14 negative will result in the election of a new elected school  
15 board as the governing body of the school district and will  
16 render the provisions of law establishing authority to appoint a  
17 school reform board inapplicable for this school district.~~

~~18 — Yes (—)~~

~~19 — No (—)".~~

~~20 — (4) If the question under subsection (1) is approved by a  
21 majority of the school electors voting on the question either  
22 under subsection (1) or pursuant to subdivision (c), all of the  
23 following apply:~~

~~24 — (a) The school reform board and chief executive officer  
25 continue in place in the qualifying school district.~~

~~26 — (b) The authority of the mayor to appoint members of the  
27 school reform board continues in the qualifying school district.~~

~~1 ——— (c) The question may not be placed on the ballot again in the  
2 qualifying school district until the expiration of 5 years after  
3 the election at which the question was approved. The question  
4 may be placed on the ballot again in the qualifying school  
5 district under this subdivision if petitions calling for the  
6 question to be placed on the ballot are filed with the county  
7 clerk for the county in which the qualifying school district is  
8 located not sooner than 4 years after the question was most  
9 recently on the ballot and if the petitions are signed by a  
10 number of school electors of the qualifying school district at  
11 least equal to 10% of the number of votes cast within the city in  
12 which the qualifying school district is located for secretary of  
13 state in the most recent November general election in which a  
14 secretary of state was elected. If those petitions are submitted  
15 and verified, the question shall be placed on the ballot in the  
16 qualifying school district at the next November general election  
17 occurring at least 5 years after the question was most recently  
18 on the ballot and at least 90 days after the petitions are  
19 submitted and verified.~~

~~20 ——— (5) If the question under subsection (1) is not approved by a  
21 majority of the school electors voting on the question either  
22 under subsection (1) or pursuant to subsection (4)(c), all of the  
23 following apply:~~

~~24 ——— (a) The school reform board shall arrange with local  
25 elections officials for election of a new elected school board  
26 for the school district. This election shall be at a special  
27 election held as soon as practicable, but not sooner than 90 days~~

1 ~~after the election under subsection (1). This election shall be~~  
2 ~~conducted in the manner otherwise provided under this act for an~~  
3 ~~initial school board election in a newly formed first class~~  
4 ~~school district.~~

5 ~~—— (b) Effective on the next July 1 following the election under~~  
6 ~~subdivision (a), the new elected school board of the qualifying~~  
7 ~~school district shall serve as the governing body of the~~  
8 ~~qualifying school district and this elected school board and its~~  
9 ~~secretary and treasurer shall be fully vested with all powers and~~  
10 ~~duties that those officials had before the appointment of the~~  
11 ~~school reform board.~~

12 ~~—— (c) Effective on the next July 1 following the election under~~  
13 ~~subdivision (a), the powers of the school reform board~~  
14 ~~established for the qualifying school district under this part,~~  
15 ~~of the chief executive officer, and of all other officers~~  
16 ~~appointed under section 374 cease.~~

17 ~~—— (d) Effective on the next July 1 following the election under~~  
18 ~~subdivision (a), the provisions of this part do not apply to that~~  
19 ~~qualifying school district.— all of the following apply:~~

20       (a) The school board elected under sections 411a and 412a  
21 shall serve as the school board of the school district and the  
22 chief executive officer appointed by the mayor under section 420  
23 shall serve as the chief executive officer for the school  
24 district. That school board and the chief executive officer  
25 appointed under section 420 shall be fully vested with all powers  
26 and duties as provided under this act.

27       (b) The powers of the school reform board established for the

1 qualifying school district under this part, of the chief  
2 executive officer appointed under this part, and of all other  
3 officers appointed under this part cease. This subdivision does  
4 not prohibit the chief executive officer from serving as the  
5 interim chief executive officer under section 420.

6 (c) The provisions of this part do not apply to that  
7 qualifying school district.

8 (2) For a qualifying school district that has a school reform  
9 board in place under this part as of December 1, 2003, all of the  
10 following apply effective on the date the new school board takes  
11 office in the first class school district under sections 411a and  
12 412a:

13 (a) The school board elected under sections 411a and 412a  
14 shall serve as the school board of the school district and the  
15 chief executive officer appointed by the mayor under section 420  
16 shall serve as the chief executive officer for the school  
17 district. That school board and the chief executive officer  
18 appointed under section 420 shall be fully vested with all powers  
19 and duties as provided under this act.

20 (b) The powers of the school reform board established for the  
21 qualifying school district under this part, of the chief  
22 executive officer appointed under this part, and of all other  
23 officers appointed under this part cease. This subdivision does  
24 not prohibit the chief executive officer from serving as the  
25 interim chief executive officer under section 420.

26 (c) The provisions of this part do not apply to that  
27 qualifying school district.

1       Sec. 403a. (1) Effective January 1 ~~—, 1983—~~ immediately  
2 following the expiration of 5 years after the date on which a  
3 school district becomes a first class school district or, for a  
4 first class school district ~~having a pupil membership of more~~  
5 ~~than 100,000~~ that was organized as a first class school district  
6 as of December 1, 2003, effective on the date the school board  
7 elected under sections 411a and 412a takes office, a first class  
8 school district shall have a board composed of 4 members elected,  
9 or appointed to fill a vacancy, as provided in section 411a, plus  
10 7 members elected, or appointed to fill a vacancy, as provided in  
11 section 412a.

12       (2) The school board shall hold its first meeting on the  
13 first Monday after January 1 of the year members elected under  
14 sections 411a and 412a take office or, for a school district  
15 organized as a first class school district as of December 1,  
16 2003, on the first Monday after the initial members take office  
17 under sections 411a and 412a. At the first meeting of the school  
18 board, the school board may elect from among its members a  
19 president, vice president, secretary, and other officers as it  
20 considers necessary or appropriate. After the first election of  
21 school board officers, the school board shall elect its officers  
22 in January of each even numbered year.

23       (3) A majority of the members of the school board constitute  
24 a quorum for the transaction of business at a meeting of the  
25 school board. A majority of the members present and serving are  
26 required for official action of the school board.

27       Sec. 404b. (1) ~~Upon the effective date of this section~~

1 ~~with respect to an existing first class school district, or~~  
2 ~~immediately~~ **Immediately** following the date on which a school  
3 district becomes a first class school district, 7 voting  
4 districts shall be established within its boundaries in the  
5 manner provided in this section. The voting districts described  
6 shall be established as voting districts if and when approved by  
7 the state board.

8 (2) A board of a first class school district shall determine  
9 the boundary lines of its voting districts and shall redetermine  
10 the boundary lines after each federal decennial census, but in no  
11 event later than April 15 of the first year in which board  
12 members are to be elected following the official release of the  
13 federal decennial census figures. If the board of a first class  
14 school district fails to redetermine the voting district boundary  
15 lines by that April 15, the state board shall convene within 10  
16 days to make the redetermination. The redetermination of the  
17 state board shall be the voting district boundary lines until the  
18 redetermination is made following the next succeeding federal  
19 decennial census as provided in this section. **For a school**  
20 **district organized as a first class school district as of**  
21 **December 1, 2003, if a redetermination was not made after the**  
22 **2000 decennial census, that redetermination shall be made as**  
23 **provided in this subsection not later than April 15, 2004.**

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

26 **Sec. 410. (1) For a school district organized as a first**  
27 **class school district as of December 1, 2003, the mayor shall**

1 designate the date for the special primary election and special  
2 election to elect school board members under sections 411a(1) and  
3 412a(1). All of the following apply to this designation by the  
4 mayor:

5 (a) The dates of the special primary election and of the  
6 special election shall be in the 2004 calendar year.

7 (b) The mayor shall make the designation and provide notice  
8 to the school electors of the first class school district of the  
9 dates of the special primary election and of the special election  
10 not later than 2 weeks before the last day for filing nominating  
11 petitions for the special primary election under sections 411a(1)  
12 and 412a(1).

13 (2) As used in this section, "mayor" means the mayor of the  
14 city with the greatest population as of the most recent decennial  
15 census located within the boundaries of a school district  
16 described in subsection (1).

17 Sec. 411a. (1) Four members of the board of a first class  
18 school district shall be elected at large. The following  
19 provisions apply to the terms, nomination, and election of the at  
20 large members of the board of a school district organized as a  
21 first class school district ~~on January 1, 1980~~ as of  
22 December 1, 2003:

23 (a) ~~Four~~ The 4 members initially elected under this  
24 subsection shall be elected ~~for a term of 4 years at the~~  
25 ~~general~~ at the special election to be held by the city in which  
26 the first class school district is located on the date designated  
27 by the mayor under section 410. These initial elected members



1 shall serve for terms expiring December 31, 2008. After this  
2 initial election, the members elected under this subsection shall  
3 be elected for a term of 4 years at the general election held in  
4 November ~~—, 1984—~~ 2008 and at the November general election every  
5 4 years after ~~—1984—~~ 2008.

6 (b) Each candidate for the initial election under this  
7 subsection shall be nominated at a ~~primary held in conjunction~~  
8 ~~with the preceding~~ special primary election ~~conducted pursuant~~  
9 ~~to section 534 of the Michigan election law, Act No. 116 of the~~  
10 ~~Public Acts of 1954, as amended, being section 168.534 of the~~  
11 ~~Michigan Compiled Laws—~~ held by the city in which the first class  
12 school district is located on the date designated by the mayor  
13 under section 410. After this initial election, each candidate  
14 shall be nominated at a primary held in conjunction with the  
15 preceding primary election conducted pursuant to section 534 of  
16 the Michigan election law, 1954 PA 116, MCL 168.534. The  
17 nominating petitions shall contain not less than 500 or more than  
18 1,000 signatures of registered school electors of the city in  
19 which the first class school district is located; shall meet the  
20 requirements of section 544c of the Michigan election law, ~~Act~~  
21 ~~No. 116 of the Public Acts of 1954, as amended, being section~~  
22 ~~168.544c of the Michigan Compiled Laws—~~ 1954 PA 116, MCL  
23 168.544c; and shall be filed with the clerk of the city in which  
24 the first class school district is located on or before 4 p.m. of  
25 the twelfth Tuesday before the primary election. The city clerk  
26 may compare the signatures on the petitions with the signatures  
27 appearing on the registration records, or in some other proper

1 manner determine whether the signatures appearing on the petition  
 2 are genuine and comply with the requirements of this section.  
 3 With the petitions, a candidate shall file an affidavit as  
 4 provided in section 558 of ~~Act No. 116 of the Public Acts of~~  
 5 ~~1954, being section 168.558 of the Michigan Compiled Laws~~ **the**  
 6 **Michigan election law, 1954 PA 116, MCL 168.558.** The clerk of  
 7 the city shall notify the county clerk of the name and address of  
 8 each candidate not later than 3 days after the last day for  
 9 candidate withdrawal. However, if the third day is a Saturday,  
 10 Sunday, or legal holiday, the notice may be made on the next day  
 11 that is not a Saturday, Sunday, or legal holiday.

12 (c) Each member **elected at the initial election under this**  
 13 **subsection** shall commence his or her term of office ~~on~~  
 14 ~~January 1~~ **30 days** following **the date of** his or her election.  
 15 **After this initial election, each member shall commence his or**  
 16 **her term of office on January 1 following his or her election.**

17 ~~(2) The board of a first class school district shall elect~~  
 18 ~~its officers during the month of January of each odd numbered~~  
 19 ~~year. The president of the board shall be a member of the board,~~  
 20 ~~and the duties of the president shall be determined by the~~  
 21 ~~board.~~

22 ~~—— (3) Petitions to recall a member of the board of a first~~  
 23 ~~class school district filed and pending before this section~~  
 24 ~~becomes operative in a school district that becomes a first class~~  
 25 ~~school district may be withdrawn by the person or organization~~  
 26 ~~filing or sponsoring the recall petitions within 20 days after~~  
 27 ~~the section becomes operative in a school district that becomes a~~

~~1 first class school district. A board member of a first class  
2 school district who is recalled may be a candidate for the same  
3 office at the next election for an office at which the recalled  
4 member is otherwise eligible.~~

5       **(2) —(4)—** The term of office of each board member serving in  
6 a school district ~~which after January 1, 1983,~~ **that** becomes a  
7 first class school district **after December 1, 2003** expires on the  
8 next succeeding December 31 of an even numbered year, except that  
9 if the school district becomes a first class school district  
10 later than April 1 of an even numbered year, the term of office  
11 of each board member expires on December 31 of the next  
12 succeeding even numbered year after the year in which the  
13 district became a first class school district. For a **school**  
14 district becoming a first class school district **after December 1,**  
15 **2003,** 4 school board members shall be elected in the general  
16 election of the even numbered year in which the terms of office  
17 expire, and the 4 school board members elected shall commence  
18 4-year terms on January 1 of the odd numbered year following the  
19 general election. **Each candidate shall be nominated at a primary**  
20 **held in conjunction with the preceding primary election conducted**  
21 **pursuant to section 534 of the Michigan election law, 1954 PA**  
22 **116, MCL 168.534. The nominating petitions shall contain not**  
23 **less than 500 or more than 1,000 signatures of registered school**  
24 **electors of the city in which the first class school district is**  
25 **located; shall meet the requirements of section 544c of the**  
26 **Michigan election law, 1954 PA 116, MCL 168.544c; and shall be**  
27 **filed with the clerk of the city in which the first class school**

1 district is located on or before 4 p.m. of the twelfth Tuesday  
2 before the primary election. The city clerk may compare the  
3 signatures on the petitions with the signatures appearing on the  
4 registration records, or in some other proper manner determine  
5 whether the signatures appearing on the petition are genuine and  
6 comply with the requirements of this section. With the  
7 petitions, a candidate shall file an affidavit as provided in  
8 section 558 of the Michigan election law, 1954 PA 116, MCL  
9 168.558. The clerk of the city shall notify the county clerk of  
10 the name and address of each candidate not later than 3 days  
11 after the last day for candidate withdrawal. However, if the  
12 third day is a Saturday, Sunday, or legal holiday, the notice may  
13 be made on the next day that is not a Saturday, Sunday, or legal  
14 holiday.

15       (3) ~~—(5)—~~ If a vacancy occurs on the first class school  
16 district board from among the at large members, the vacancy shall  
17 be filled by majority vote of the remaining first class school  
18 district board members at a meeting called by the president of  
19 the board for that purpose. If a person is appointed to fill a  
20 vacancy for which the unexpired term is more than 1 year and 8  
21 months, that person shall serve until January 1 following the  
22 next general election. At that first general election the  
23 vacancy shall be filled for the unexpired term. A vacancy shall  
24 not be filled later than 60 days before a primary election at  
25 which at large board members are to be nominated.

26       (4) ~~—(6)—~~ A candidate for the office of board member at large  
27 or a person appointed to fill a vacancy on the board pursuant to

1 subsection ~~-(5)-~~ (3) shall be 18 years of age or older at the  
 2 time of his or her election or appointment and shall be a  
 3 registered school elector residing in the first class school  
 4 district in which the person becomes a candidate or which the  
 5 person is appointed to represent. If an at large member's  
 6 residence is moved from the first class school district during  
 7 the at large member's term of office, it shall constitute a  
 8 vacating of office.

9 Sec. 412a. (1) ~~In the November, 1982 election and every 4~~  
 10 ~~years after 1982, 7~~ **Seven** members of the board of a first class  
 11 school district shall be elected by voting districts. Each  
 12 member shall represent a voting district described in section  
 13 404b. **The following provisions apply to the terms, nomination,**  
 14 **and election of the members elected from voting districts of the**  
 15 **school board of a school district organized as a first class**  
 16 **school district as of December 1, 2003:**

17 (a) **The 7 members initially elected under this subsection**  
 18 **shall be elected at the special election to be held by the city**  
 19 **in which the first class school district is located on the date**  
 20 **designated by the mayor under section 410. These initial elected**  
 21 **members shall serve for terms expiring December 31, 2008. After**  
 22 **this initial election, the members elected under this subsection**  
 23 **shall be elected for a term of 4 years at the general election**  
 24 **held in November 2008 and at the November general election every**  
 25 **4 years after 2008.**

26 (b) ~~-(2)- The members~~ **Each candidate** shall be nominated and  
 27 elected by the registered school electors of each voting district

1 in the manner provided ~~by law~~ **under section 411a(1)** for the  
2 nomination and election of the first class school board members  
3 elected at large, except that the number of signatures required  
4 on nominating petitions of a candidate for election as a  
5 representative of a voting district shall be not less than 250 or  
6 more than 500. A signature on a nominating petition is not valid  
7 unless the petitioner is a registered school elector of the  
8 voting district in which the candidate is running for election.  
9 Not more than 2 candidates shall be nominated at the primary  
10 election for each voting district.

11 **(c) Each member elected at the initial election under this**  
12 **subsection shall commence his or her term of office 30 days**  
13 **following the date of his or her election, as designated by the**  
14 **mayor under section 410.**

15 **(2) ~~-(3)-~~ Candidates for election under this section after**  
16 **the initial election under subsection (1) shall be nominated at a**  
17 **primary held in conjunction with the preceding primary election**  
18 **conducted pursuant to section 534 of the Michigan election law,**  
19 **~~Act No. 116 of the Public Acts of 1954, as amended, being~~**  
20 **~~section 168.534 of the Michigan Compiled Laws~~ 1954 PA 116, MCL**  
21 **168.534.** Nominating petitions shall meet the requirements of  
22 section 544c of ~~Act No. 116 of the Public Acts of 1954, as~~  
23 ~~amended, being section 168.544c of the Michigan Compiled Laws~~  
24 **the Michigan election law, 1954 PA 116, MCL 168.544c,** and shall  
25 be filed with the clerk of the city in which the first class  
26 school district is located on or before 4 p.m. of the twelfth  
27 Tuesday preceding the primary election. The city clerk may

1 compare the signatures on the petitions with the signatures  
 2 appearing on the registration records, or in some other proper  
 3 manner determine whether the signatures appearing on the  
 4 petitions are genuine and comply with the requirements of this  
 5 section. With the petitions, a candidate shall file an affidavit  
 6 as provided in section 558 of ~~Act No. 116 of the Public Acts of~~  
 7 ~~1954, being section 168.558 of the Michigan Compiled Laws~~ **the**  
 8 **Michigan election law, 1954 PA 116, MCL 168.558.**

9       (3) ~~—(4)—~~ The 7 board members elected to represent the voting  
 10 districts **at elections after the initial election under**  
 11 **subsection (1)** shall commence their terms of office on January 1  
 12 following the election.

13       (4) ~~—(5)—~~ A candidate for the office of board member  
 14 representing a voting district or a person appointed to fill a  
 15 vacancy pursuant to subsection ~~—(6)—~~ (5) shall be 18 years of age  
 16 or older at the time of his or her election or appointment and  
 17 shall be a registered school elector residing in the voting  
 18 district in which the person becomes a candidate or which the  
 19 person is appointed to represent. If a voting district member's  
 20 residence is moved from the voting district during the voting  
 21 district member's term of office, this constitutes a vacating of  
 22 office.

23       (5) ~~—(6)—~~ If a vacancy occurs on the first class school  
 24 district board from among the voting district members, the  
 25 vacancy shall be filled from among registered school electors of  
 26 the voting district by majority vote of the remaining first class  
 27 school district board members. If a person is appointed to fill

1 a vacancy in a voting district for which the unexpired term is  
2 more than 1 year and 8 months, that person shall serve until  
3 January 1 following the next general election. At that next  
4 general election the vacancy shall be filled for the unexpired  
5 term. A vacancy shall not be filled later than 60 days before a  
6 primary election at which voting district board members are to be  
7 nominated.

8       **(6) For a school district that becomes a first class school**  
9 **district after December 1, 2003, the 7 members elected from**  
10 **voting districts under this section shall be elected at the**  
11 **election described in section 411a(2) in the manner and for the**  
12 **terms prescribed in section 411a(2), except that the members**  
13 **shall be elected from voting districts in the manner prescribed**  
14 **under this section and the nominating petitions for candidates**  
15 **shall be governed under this section to the extent that it**  
16 **differs from section 411a(2).**

17       Sec. 413a. The ~~city~~ clerk of the city, village, or  
18 township with the greatest population as of the most recent  
19 decennial census located within the boundaries of a first class  
20 school district, within the time specified for serving notices  
21 upon officials elected at a city election, shall serve notice of  
22 election upon each member of the first class school district  
23 board elected at the election.

24       Sec. 414a. If a person **elected under section 411a or**  
25 **section 412a** fails to take the oath of office within 10 days  
26 after service of notice of election, the vacancy shall be filled  
27 pursuant to section ~~411a(5)~~ **411a(3) or 412a(5).**



1       Sec. 415. (1) The first class school district board, by a  
2 vote of 2/3 of the members serving, may expel or remove from  
3 office a member for corrupt or ~~wilful~~ **willful** malfeasance or  
4 misfeasance in office, or for ~~wilful~~ **willful** neglect of the  
5 duties of the member's office. The reason for the expulsion or  
6 removal shall be entered on the records of the board with the  
7 names and votes of the members voting on the question.

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

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

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

19       Sec. 416. (1) The officers of the first class school  
20 district board shall be a president, vice-president, **and**  
21 secretary. ~~—, and treasurer. The board, a majority of which~~  
22 ~~shall constitute a quorum, shall elect its president and~~  
23 ~~vice-president biennially from among the members of the board.~~  
24 In case of a vacancy in the office of president **of a first class**  
25 **school district board**, the vice-president shall succeed to the  
26 office of president for the balance of the unexpired term. ~~The~~  
27 ~~secretary and treasurer shall be appointed by the board but shall~~

1 ~~not be members of the board and shall receive a salary fixed by~~  
2 ~~the board.~~

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

8 (3) The officers of the board **and of the first class school**  
9 **district** who in the discharge of the duties of their respective  
10 positions handle funds belonging to the first class school  
11 district shall be required to give bonds for the faithful  
12 performance of their duties in accordance with the bylaws and  
13 regulations of the board. The premium of the bonds shall be paid  
14 from the funds of the board.

15 (4) The ~~school district treasurer~~ **chief financial officer**  
16 **or other officer of the first class school district designated by**  
17 **the chief executive officer** shall have the custody of all money  
18 belonging to the school district and shall pay out money pursuant  
19 to ~~section 433~~ **this act**. The funds shall be deposited with  
20 depositories selected by the ~~board~~ **chief executive officer or**  
21 **his or her designee**, and the interest derived shall be paid into  
22 the general fund of the ~~board~~ **school district**.

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

26 Sec. 418a. (1) Regular meetings of the first class school  
27 district board shall be held at least once each month, at a time

1 and place fixed by the bylaws. Not less than 7 of the regular  
2 meetings shall be held in different voting districts of the first  
3 class school district each year. The bylaws may provide for the  
4 calling of special meetings.

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

8 (3) The ~~board~~ **chief executive officer** shall have made a  
9 complete annual audit of ~~its~~ **the school district's** financial  
10 transactions. The ~~board~~ **chief executive officer** may employ a  
11 firm of certified public accountants to make the audit or, if the  
12 city within which the school district is located has an auditor  
13 whose duties are limited to postauditing of finances and  
14 investigation of operations, the ~~board~~ **chief executive officer**  
15 may arrange for the city's auditor to make the audit. The audit  
16 report shall be made to the **chief executive officer and the board**  
17 and shall be a public record. The ~~board~~ **chief executive**  
18 **officer** may publish the audit report adding to it general school  
19 statistics or it may publish general school statistics  
20 separately.

21 ~~(4) Every action of the first class school district board~~  
22 ~~creating a liability or debt or originating the disposal or~~  
23 ~~expenditure of property or money shall be by yea and nay vote~~  
24 ~~entered upon its record.~~

25 **Sec. 420. (1) Not later than 30 days after the first**  
26 **meeting of the school board under section 403a, subject to**  
27 **confirmation by the school board, the mayor shall appoint a chief**

1 executive officer for a first class school district under this  
2 section. The appointment is not final until it is confirmed by  
3 majority vote of the school board. The employment of the chief  
4 executive officer shall be by contract with the first class  
5 school district. The term of the initial contract with a chief  
6 executive officer appointed under this section shall not exceed 4  
7 years. After the initial contract term, the mayor may renew the  
8 chief executive officer's contract under this section for  
9 subsequent 1-year terms unless the renewal is rejected by  
10 majority vote of the school board based upon performance  
11 deficiencies identified in the school board's annual evaluation  
12 of the performance of the chief executive officer. A contract  
13 under this section may be terminated by the mayor during the term  
14 of the contract for good cause with the approval of a majority of  
15 the school board.

16 (2) Beginning on January 1 following the expiration of 5  
17 years after the date a school district becomes a first class  
18 school district or, for a school district organized as a first  
19 class school district as of December 1, 2003, beginning on the  
20 date a new school board takes office in the first class school  
21 district under sections 411a and 412a, and until appointment of a  
22 chief executive officer for a first class school district under  
23 this section, the person who was serving as chief executive  
24 officer of the school district under part 5a immediately before  
25 the school board takes office under sections 411a and 412a shall  
26 act as the interim chief executive officer of the first class  
27 school district. Except for the powers and duties expressly

1 provided for the school board under this part, all provisions of  
2 this act that would otherwise apply to the chief executive  
3 officer of the first class school district or to the school board  
4 apply to the interim chief executive officer, and he or she may  
5 exercise all the powers and duties otherwise vested by law in the  
6 chief executive officer or the board of the first class school  
7 district until a permanent chief executive officer is appointed  
8 for the school district under this section.

9       (3) Upon appointment of a chief executive officer for a first  
10 class school district under this section, except for the powers  
11 and duties expressly provided for the school board under this  
12 part, the chief executive officer immediately may exercise all  
13 the powers and duties vested by law in the chief executive  
14 officer or the school board under this act and all additional  
15 powers and duties provided for the chief executive officer under  
16 this part; and the chief executive officer accedes to all the  
17 rights, duties, and obligations of an elected school board of a  
18 first class school district. These powers, rights, duties, and  
19 obligations include, but are not limited to, all of the  
20 following:

21       (a) Authority over the expenditure of all school district  
22 funds, including proceeds from bonded indebtedness and other  
23 funds dedicated to capital projects.

24       (b) Rights and obligations under collective bargaining  
25 agreements and employment contracts entered into by the previous  
26 school board or by a previous chief executive officer.

27       (c) Rights to prosecute and defend litigation.

1 (d) Obligations under any judgments entered against the  
2 school district.

3 (e) Rights and obligations under statute, rule, and common  
4 law.

5 (f) Authority to delegate any of the chief executive  
6 officer's powers and duties to 1 or more designees, with proper  
7 supervision by the school board.

8 (g) All other rights, duties, and obligations provided under  
9 this part for the chief executive officer or provided under this  
10 act or other state law for a school board.

11 (4) In addition to his or her other powers, the chief  
12 executive officer appointed under this part may terminate any  
13 contract entered into by a previous school board of the school  
14 district or by a previous chief executive officer except for a  
15 collective bargaining agreement. However, this subsection does  
16 not allow any termination or diminishment of obligations to pay  
17 debt service on legally authorized bonds. A contract terminated  
18 by a chief executive officer under this subsection is void.

19 (5) The school board of a first class school district shall  
20 do all of the following:

21 (a) Develop performance measurements for the school district  
22 that will ensure that each pupil has access to a quality public  
23 education.

24 (b) Develop performance measurements for the chief executive  
25 officer of the school district that will ensure that the school  
26 district performance measurements will be met.

27 (c) Establish, recommend, monitor, and audit school district

1 policies and procedures related to achievement of the school  
2 district performance measurements.

3 (d) Conduct an annual evaluation of the performance of the  
4 school district chief executive officer.

5 (6) Upon appointment of a chief executive officer for a first  
6 class school district under this section, each employee of the  
7 qualifying school district whose position is not covered by a  
8 collective bargaining agreement is employed at the will of the  
9 chief executive officer.

10 (7) The chief executive officer, with the approval of the  
11 school board, shall appoint for the first class school district a  
12 chief financial officer, chief academic officer, chief operations  
13 officer, and chief purchasing officer. These officers are  
14 employed at the will of the chief executive officer.

15 (8) Not later than 90 days after the initial appointment of a  
16 chief executive officer under this section, and at least annually  
17 thereafter, the chief executive officer with the approval of the  
18 school board shall develop and submit to the mayor, the city  
19 council, and the department a school district improvement plan  
20 that includes at least detailed academic, financial, capital, and  
21 operational goals and benchmarks for improvement and a  
22 description of strategies to be used to accomplish those goals  
23 and benchmarks. The plan also shall include an assessment of  
24 available resources and recommendations concerning additional  
25 resources or changes in statute or rule, if any, needed to meet  
26 those goals and benchmarks. The plan also shall include an  
27 evaluation of local school governance issues, including criteria

1 for establishing building-level governance.

2 (9) The chief executive officer with the approval of the  
3 school board shall submit an annual report to the mayor,  
4 governor, and legislature and shall make the annual report  
5 available to the community in the first class school district.  
6 The annual report shall contain at least all of the following:

7 (a) A summary of the initiatives that have been implemented  
8 to improve school quality in the first class school district.

9 (b) Measurements that may be useful in determining  
10 improvements in school quality in the first class school  
11 district. These measurements shall indicate changes from  
12 baseline data from the school year before the appointment of the  
13 chief executive officer, and shall include at least all of the  
14 following:

15 (i) Standardized test scores of pupils.

16 (ii) Dropout rates.

17 (iii) Daily attendance figures.

18 (iv) Enrollment figures.

19 (v) High school completion and other pertinent completion  
20 rates.

21 (vi) Changes made in course offerings.

22 (vii) Proportion of school district resources devoted to  
23 direct educational services.

24 (c) A description of long-term performance goals that may  
25 include statewide averages or comparable measures of long-term  
26 improvement.

27 (10) The school board of a first class school district may



1 organize and establish community assistance teams to work with  
2 the school board to implement a cohesive, full service community  
3 school program addressing the needs and concerns of the school  
4 district's population. The school board may delegate to a  
5 community assistance team the authority to devise and implement  
6 family, community, cultural, and recreational activities to  
7 assure that the academic mission of the schools is successful.  
8 The community assistance teams may also develop parental  
9 involvement activities that focus on the encouragement of  
10 voluntary parenting education, enhancing parent and family  
11 involvement in education, and promoting adult and family  
12 literacy.

13 (11) As used in this section, "mayor" means that term as  
14 defined in section 410.

15 Sec. 422. When territory comprising an entire school  
16 district is annexed to the city and becomes a part of the city  
17 school district, part 10 shall govern where applicable with  
18 respect to the bonded indebtedness of either district existing at  
19 the time of annexation. The **chief executive officer of the** first  
20 class school district ~~board~~ may use any funds legally available  
21 to retire the bonded indebtedness of the annexed district.

22 Sec. 424. When school property belonging to another school  
23 district is taken by annexation by a first class school district,  
24 a determination shall be made of the equitable amount that shall  
25 be paid by the first class school district. That determination  
26 shall be made by the ~~boards of the 2 districts~~ **chief executive**  
27 **officer of the first class school district and the board of the**

1 **other school district** affected. If the ~~board~~ **chief executive**  
2 **officer** of the first class school district and the board of the  
3 school district from which the property is taken are unable to  
4 agree, the matter shall be submitted to a board of arbitration  
5 consisting of 1 member appointed by ~~each board~~ **the chief**  
6 **executive officer of the first class school district and the**  
7 **board of the other school district** and a third member to be  
8 selected by the 2 appointed members. The arbitrators by order  
9 shall fix a day for hearing and give notice of the hearing as  
10 provided in the order. They shall make regulations for the  
11 proceedings and shall make a final order determining the amount  
12 to be paid by the first class school district to the school  
13 district whose property was taken by the annexation and file the  
14 order with the county clerk. The order of the arbitrators shall  
15 be final. Taxes shall be levied and collected in the manner  
16 provided in the order.

17       Sec. 431a. (1) The **chief executive officer of the** first  
18 class school district ~~board~~ may take, use, hold, lease, sell,  
19 and convey real and personal property, including property  
20 received by gift, devise, or bequest, for the use of the public  
21 school within and without its corporate limits. Proceeds from  
22 the sale of real property shall be credited to accounts of the  
23 school district as provided in section 1262. The **chief executive**  
24 **officer of the** first class school district ~~board~~ shall have the  
25 power to purchase, lease, and take by the right of eminent domain  
26 all property; erect and maintain or lease all buildings; employ  
27 and pay all persons; and do all other things in its judgment

1 necessary for the proper establishment and management of the  
2 public schools.

3 (2) The first class school district board shall adopt and  
4 revise as appropriate bylaws and regulations for its own  
5 government. ~~and for the control and government of all schools,~~  
6 ~~school property, and pupils in the first class school district.~~

7 (3) If property is sought to be taken by eminent domain,  
8 proceedings may be brought under ~~Act No. 149 of the Public Acts~~  
9 ~~of 1911, as amended, being sections 213.21 to 213.41 of the~~  
10 ~~Michigan Compiled Laws, or Act No. 87 of the Public Acts of 1980,~~  
11 ~~as amended, being sections 213.51 to 213.77 of the Michigan~~  
12 ~~Compiled Laws~~ **1911 PA 149, MCL 213.21 to 213.25, or the uniform**  
13 **condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75.**

14 Sec. 432. (1) The **chief executive office of the** first class  
15 school district ~~board~~ annually shall prepare estimates of the  
16 amount of taxes necessary for its needs for the ensuing fiscal  
17 year. The estimates shall specify the amount required for the  
18 "general fund", the amount required for the "building and site  
19 fund", and the amount required for the "debt retirement fund".  
20 If the ~~board~~ **chief executive officer** causes the appropriation  
21 for the "building and site fund" to be raised by the issuance of  
22 bonds instead of raising the appropriation by taxation, provision  
23 shall be made for the retirement of the bonds in a debt  
24 retirement fund.

25 (2) The ~~board~~ **chief executive officer of the first class**  
26 **school district** shall adopt a budget in the same manner and form  
27 as required for its estimates and determine the amount of tax

1 levy necessary for that budget and shall certify on or before the  
2 date required by law the amount to the city.

3 (3) The proper officials of the city shall apportion the  
4 school taxes in the same manner as the other taxes of the city  
5 are apportioned, and the amount apportioned shall be assessed,  
6 levied, collected, and returned for the school district in the  
7 same manner as taxes of the city. The tax levied by the ~~board~~  
8 **school district**, in the discretion of the legislative body of the  
9 city, may be stated separately on each tax bill.

10 Sec. 433. (1) The ~~secretary~~ **chief executive officer** of  
11 the first class school district, ~~board~~ **or his or her designee**,  
12 shall issue and sign a warrant upon the ~~treasurer~~ **chief**  
13 **financial officer** for payrolls, bills, and accounts ~~which~~ **that**  
14 become due and payable under a contract or because of a previous  
15 authorization or action of the board after the payrolls, bills,  
16 and accounts are registered and charged to the appropriations  
17 from which they are payable. The ~~treasurer~~ **chief financial**  
18 **officer**, upon receipt of the warrant, shall issue a check in  
19 payment thereof.

20 (2) Other claims and demands against the ~~board~~ **first class**  
21 **school district** shall be made under the regulations of the  
22 ~~board~~ **chief executive officer**. The ~~board~~ **chief executive**  
23 **officer**, before paying a bill, account, or claim, may require  
24 that it be accompanied by a certificate of the person rendering  
25 it that the services or the property charged have been actually  
26 performed or delivered for the ~~board~~ **school district**, that the  
27 sums charged are reasonable and just, and that to the best of

1 that person's knowledge and belief no setoff exists nor payment  
2 has been made on account ~~thereof~~ except as included or referred  
3 to in the account presented. A similar certificate shall be  
4 required on all payrolls, the certificate to be made by the  
5 person who supervises the services charged.

6       Sec. 434. (1) Before a contract entered into by the **chief**  
7 **executive officer of the** first class school district ~~board~~ for  
8 the purchase of real estate or the erection, remodeling, or  
9 repairing of a building is binding on the ~~board~~ **school**  
10 **district**, the ~~secretary~~ **chief executive officer** shall endorse  
11 on the contract that the money proposed to be expended under the  
12 contract is actually in the treasury or that the money has been  
13 appropriated. A contract submitted shall not be certified by the  
14 ~~secretary~~ **chief executive officer** until all contracts for the  
15 completed work covered by the appropriation are submitted, and a  
16 warrant shall not be drawn on the account of a contract not  
17 containing the certificate.

18       (2) The ~~board~~ **chief executive officer of the first class**  
19 **school district** may authorize a contract before the money is  
20 available if an appropriation or an authorization of bonds or  
21 notes is made for the contract and may borrow on the best terms  
22 obtainable on the credit of that appropriation or authorization  
23 of bonds or notes sums necessary to make a payment under the  
24 contract.

25       Sec. 441. The **chief executive officer of the** first class  
26 school district, ~~board~~, with the consent of the legislative  
27 body of the city, may authorize its ~~financial officers~~ **chief**

1 **financial officer** to borrow for not more than 1 year, on the best  
2 terms obtainable, sums necessary to pay awards in condemnation  
3 proceedings.

4 Sec. 442. (1) The **chief executive officer of the first**  
5 class school district ~~board~~ may do ~~all~~ **any** of the following:

6 (a) Borrow, subject to the revised municipal finance act,  
7 2001 PA 34, MCL 141.2101 to 141.2821, for temporary school  
8 purposes sums of money and give notes of the district for  
9 temporary school purposes.

10 (b) Borrow, subject to the revised municipal finance act,  
11 2001 PA 34, MCL 141.2101 to 141.2821, sums of money for the  
12 purpose of purchasing sites for buildings, playgrounds, or  
13 athletic fields and purchasing or erecting and equipping a  
14 building or making a permanent improvement that it is authorized  
15 to make. The ~~board~~ **chief executive officer** may accomplish this  
16 by the issuance and sale of bonds of the school district on terms  
17 the ~~board~~ **chief executive officer** considers advisable, or by  
18 other reasonable means. The ~~board~~ **chief executive officer**  
19 shall designate officers to execute the bonds on behalf of the  
20 school district. The designated officers may include the chief  
21 ~~fiscal~~ **financial** officer.

22 (2) A loan shall not be made, except as otherwise provided in  
23 this subsection, for a sum that, together with the total  
24 outstanding bonded indebtedness of the school district, exceeds  
25 5% of the state equalized valuation of the taxable property  
26 within the **school** district, unless the proposition of making the  
27 loans or of issuing bonds is submitted to a vote of the school

1 electors of the **school** district at a general or special school  
2 election and approved by the majority of the school electors  
3 voting on the question. Regardless of the amount of outstanding  
4 bonded indebtedness of the school district, a vote of the school  
5 electors is not necessary in order to issue bonds for a purpose  
6 described in section 1274a. Loans may be made or bonds may be  
7 issued for the purposes stated in this section in an amount equal  
8 to that provided by part 17.

9       Sec. 443. (1) Proceeds from the sale of **first class** school  
10 district bonds may be expended for the remodeling of existing  
11 buildings of the **school** district if the ~~board~~ **chief executive**  
12 **officer** determines the remodeling will contribute positively to  
13 the health, security, or welfare of the pupils of the school  
14 district and if the uses are approved by the superintendent of  
15 public instruction.

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

22       Sec. 445. (1) The **chief executive officer of the first**  
23 class school district ~~board by resolution~~ may submit the  
24 proposition of issuing bonds for the purpose of purchasing sites  
25 for buildings, playgrounds, or athletic fields and purchasing or  
26 erecting and equipping a building or making permanent  
27 improvements that it is authorized to make to the school electors

1 of the school district at a city ~~—~~ or state **election**, or at a  
2 special election called for that purpose.

3 (2) If a majority of the school electors voting on the  
4 question approve the issuance of bonds, the ~~board~~ **chief**  
5 **executive officer** may issue the bonds of the district.

6 (3) The ~~board~~ **chief executive officer** shall determine the  
7 form of the bonds, the manner in which they shall be executed by  
8 the president and secretary of the district, the sums payable and  
9 the times of payment, and other terms and conditions the ~~board~~  
10 **chief executive officer** considers necessary.

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

15 (5) The ~~secretary of the board~~ **chief executive officer**  
16 shall file with the city clerk a written notice of the ~~adoption~~  
17 ~~of the resolution~~ **decision to submit the bonding proposition to**  
18 **the school electors** with a draft of the form of the bonding  
19 proposition to be submitted. ~~to the school electors of the~~  
20 ~~school district.~~ The notice shall be under the seal of the  
21 ~~board~~ **chief executive officer** and filed with the city clerk at  
22 least 60 days before the date fixed by the ~~board~~ **chief**  
23 **executive officer** for the election.

24 (6) The laws of this state pertaining to elections in a city  
25 shall govern the practicable submission of the proposition to the  
26 school electors. Electors qualified to vote on the bonding  
27 proposition shall be registered school electors of the city in



1 which the first class school district is located and otherwise  
2 qualified to vote on bonding propositions under the constitution  
3 and laws of this state.

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

6 Sec. 449. ~~All~~ **For a school district that becomes a first**  
7 **class school district after December 1, 2003, all** powers and  
8 duties of the school board of the first class school district and  
9 of its officers are subject to part 5a **until January 1 following**  
10 **the expiration of 5 years after the date the school district**  
11 **becomes a first class school district. For a school district**  
12 **organized as a first class school district as of December 1,**  
13 **2003, all powers and duties of its school board and of its**  
14 **officers are subject to part 5a until the date a new school board**  
15 **takes office in the first class school district under sections**  
16 **411a and 412a.**

17 Sec. 451. (1) The ~~board~~ **chief executive officer** of a  
18 first class school district having boundaries coterminous with  
19 those of a city ~~which~~ **that** imposes a city income tax by  
20 ordinance adopted pursuant to ~~Act No. 284 of the Public Acts of~~  
21 ~~1964, as amended, being sections 141.501 to 141.787 of the~~  
22 ~~Michigan Compiled Laws, by resolution adopted by a majority of~~  
23 ~~its members elected and serving, may~~ **the city income tax act,**  
24 **1964 PA 284, MCL 141.501 to 141.787, may issue an order to adopt,**  
25 **levy, assess, and collect an excise tax, upon income received,**  
26 **earned, or otherwise acquired by corporations and resident**  
27 **individuals. An excise tax adopted shall not exceed 50% of the**

1 liability of the corporation or resident individual for a 2%  
 2 income tax imposed by the city with coterminous boundaries. ~~nor~~  
 3 ~~the amount necessary, when added to the allocated and voted~~  
 4 ~~millage ad valorem tax, to qualify for maximum membership aid~~  
 5 ~~under sections 21 and 22 of Act No. 258 of the Public Acts of~~  
 6 ~~1972, as amended, being sections 388.1121 and 388.1122 of the~~  
 7 ~~Michigan Compiled Laws. The board of a first class district~~  
 8 ~~authorized by law to levy at least 24.76 mills ad valorem tax for~~  
 9 ~~the operation costs of a district shall not levy an excise tax on~~  
 10 ~~income. As used in this subsection, "operation costs" shall not~~  
 11 ~~include moneys expended for school sites, school building~~  
 12 ~~construction, equipment, payment of bonds, or other purposes not~~  
 13 ~~properly included in operation costs as determined by the state~~  
 14 ~~board.~~

15 (2) The ~~resolution~~ **excise tax** shall continue in effect  
 16 until rescinded by a subsequent ~~resolution~~ **order of the chief**  
 17 **executive officer**. A tax imposed pursuant to this section may  
 18 not be rescinded or the rate ~~thereof~~ **of the tax** reduced if  
 19 there are outstanding obligations for which the tax is pledged.

20 (3) The ~~resolution~~ **order of the chief executive officer**  
 21 shall provide that taxpayers subject to the tax imposed by the  
 22 resolution may elect to compute their tax for a calendar year, or  
 23 fiscal year, during which the tax is made effective or rescinded,  
 24 by any of the following methods:

25 (a) The tax may be computed as if the tax were effective on  
 26 the first day of the calendar year, or the taxpayer's fiscal  
 27 year, and the amount computed multiplied by a fraction, the

1 numerator of which is the number of months the tax was in effect  
2 during the taxpayer's calendar or fiscal year, and the  
3 denominator of which is the number of months in the taxpayer's  
4 calendar or fiscal year. A portion of a month which is 15 days  
5 or more shall be considered a month and a period of less than 15  
6 days shall be disregarded.

7 (b) The tax may be computed by determining the amount of the  
8 city tax giving rise to the school district tax which is  
9 allocable to the period the district tax is in effect in  
10 accordance with any accounting method satisfactory to the  
11 administrator.

12 (4) A school district adopting a tax pursuant to this section  
13 shall certify within 5 days to the city clerk of the city with  
14 coterminous boundaries the adoption of the resolution and tax.  
15 The effective date of a tax imposed by a school district pursuant  
16 to this section shall be the first day of the month ~~which~~ **that**  
17 is 20 days or more following the adoption of the resolution,  
18 unless the resolution provides otherwise. The tax shall not be  
19 declared to be retroactively effective ~~prior to~~ **before** the  
20 first day of the calendar year in which the resolution was  
21 adopted. The enforcement, collection, and refund authority of  
22 the city with coterminous boundaries shall continue in effect  
23 after the effective date of expiration with respect to  
24 liabilities incurred during the period the tax imposed by the  
25 school district pursuant to this section was in effect.

26 (5) A school district tax imposed by ~~resolution passed~~  
27 ~~pursuant to~~ **an order under** this section shall be administered by

1 the administrator designated by the city having boundaries  
2 coterminous with the **school** district to administer the city tax,  
3 and the treasurer of that city shall collect and account for the  
4 revenue. After deducting the amount of refunds, the city  
5 treasurer shall pay over the balance to the school district as  
6 soon as practicable. As often as practicable, but not less often  
7 than monthly, the city treasurer shall pay over and distribute to  
8 the school district the amount of taxes ~~which~~ it is estimated  
9 to be entitled to ~~which~~ **that** are received in the form of  
10 withholding remittances and estimated taxes paid.

11 (6) ~~A resolution~~ **An order** imposing a school district tax  
12 pursuant to this section shall provide for withholding and  
13 remitting by employers doing business or maintaining a place of  
14 business within the school district, for declaration and payment  
15 of estimated taxes, for the promulgation by the administrator of  
16 appropriate regulations, for the appeal from the administrator's  
17 decisions, for judicial review, for interest and penalties, for  
18 jeopardy assessments, for a statute of limitations, for  
19 consolidated and joint returns, for refunds, and for other  
20 provisions necessary to administer, enforce, and collect the  
21 school district tax in substantially the same manner as the tax  
22 imposed by the city with coterminous boundaries. The  
23 administrator shall prepare and make available the withholding  
24 tables and tax return and other forms necessary to administer the  
25 district tax.

26 (7) For purposes of this section, the terms "administrator",  
27 "business", "corporation", "doing business", "fiscal year",

1 "person", and "resident individual" have the same meaning as in  
 2 ~~Act No. 284 of the Public Acts of 1964, as amended~~ **the city**  
 3 **income tax act, 1964 PA 284, MCL 141.501 to 141.787**, and the term  
 4 "taxpayer" means a person required by the school district's  
 5 ~~resolution~~ **order** to file a return with respect to, or to pay,  
 6 the tax.

7 Sec. 461. (1) ~~Upon the adoption, by majority vote of the~~  
 8 ~~board members serving, of~~ **To implement** a measure not coming  
 9 under ~~its~~ **his or her** general power or authority, the ~~first~~  
 10 ~~class school district board~~ **chief executive officer** shall submit  
 11 the measure to the school electors of the school district at the  
 12 next state or city election or a special election called for that  
 13 purpose. This section ~~shall~~ **does** not authorize the issuance of  
 14 bonds. The ~~secretary of the board~~ **chief executive officer**  
 15 shall file with the city clerk a written notice of the adoption  
 16 of the measure together with a written draft of the measure to be  
 17 submitted to the school electors. The notice shall be under the  
 18 seal of the ~~board~~ **chief executive officer** and filed with the  
 19 city clerk not less than 60 days before the election.

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

23 Sec. 462. Special elections may be called by the **chief**  
 24 **executive officer of the** first class school district. ~~board.~~  
 25 The ~~board~~ **chief executive officer** shall call an election on  
 26 receipt of the written request of not less than 10% of the  
 27 registered school electors of the district qualified to vote on

1 the question by giving the prescribed notice. The questions to  
2 be submitted at the election shall be stated briefly in the  
3 notice.

4 Sec. 472. The first class school district ~~board~~ may  
5 establish, maintain, and conduct a school for the purpose of  
6 affording a place of confinement, discipline, instruction, and  
7 maintenance of children of the city of compulsory school age who  
8 may be committed to the school by a court of competent  
9 jurisdiction, or admitted on the recommendation of the judge with  
10 the consent of their parents or guardian. A child who has been  
11 convicted of an offense punishable by confinement in a penal  
12 institution shall not be committed or admitted to the school.

13 Sec. 485. (1) ~~By June 1, 1983 and~~ **At least** every 2 years,  
14 ~~thereafter,~~ the **chief executive officer of the** first class  
15 school district ~~board~~ shall adopt policies and establish  
16 programs that provide for and encourage the free flow of  
17 information between the **chief executive officer and the school**  
18 board and the community and that provide for and encourage  
19 community input into educational matters considered by the **chief**  
20 **executive officer and the school** board.

21 (2) In order to implement subsection (1), **the chief executive**  
22 **officer of** a first class school district ~~board~~ shall do both of  
23 the following:

24 (a) Provide for an autonomous school-community organization  
25 in each school within the school district. The school-community  
26 organization shall be open to all parents and other residents of  
27 the school attendance area.

1 (b) Establish procedures for handling complaints, concerns,  
2 and recommendations received from parents and other members of  
3 the community.

4 Sec. 501. (1) A public school academy is a public school  
5 under section 2 of article VIII of the state constitution of  
6 1963, is a school district for the purposes of section 11 of  
7 article IX of the state constitution of 1963 and for the purposes  
8 of section 1225 and section 1351a, and is subject to the  
9 leadership and general supervision of the state board over all  
10 public education under section 3 of article VIII of the state  
11 constitution of 1963. A public school academy is a body  
12 corporate and is a governmental agency. The powers granted to a  
13 public school academy under this part constitute the performance  
14 of essential public purposes and governmental functions of this  
15 state.

16 (2) As used in this part:

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

19 (i) The board of a school district that operates grades K to  
20 12.

21 (ii) An intermediate school board.

22 (iii) The board of a community college.

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

24 (v) **The mayor of the city located within the boundaries of a**  
25 **first class school district that has the greatest population as**  
26 **of the most recent decennial census among all cities located**  
27 **within the first class school district.**

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

4           (c) "Community college" means a community college organized  
5 under the community college act of 1966, 1966 PA 331, MCL 389.1  
6 to 389.195, or a federal tribally controlled community college  
7 that is recognized under the tribally controlled community  
8 college assistance act of 1978, Public Law 95-471, 92 Stat. 1325,  
9 and is determined by the department to meet the requirements for  
10 accreditation by a recognized regional accrediting body.

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

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

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

26          Sec. 502. (1) A public school academy shall be organized  
27 and administered under the direction of a board of directors in



1 accordance with this part and with bylaws adopted by the board of  
2 directors. A public school academy corporation shall be  
3 organized under the nonprofit corporation act, ~~Act No. 162 of~~  
4 ~~the Public Acts of 1982, being sections 450.2101 to 450.3192 of~~  
5 ~~the Michigan Compiled Laws~~ **1982 PA 162, MCL 450.2101 to**  
6 **450.3192**, except that a public school academy corporation is not  
7 required to comply with sections 170 to 177 of ~~Act No. 327 of~~  
8 ~~the Public Acts of 1931, being sections 450.170 to 450.177 of the~~  
9 ~~Michigan Compiled Laws~~ **1931 PA 327, MCL 450.170 to 450.177**. To  
10 the extent disqualified under the state or federal constitution,  
11 a public school academy shall not be organized by a church or  
12 other religious organization and shall not have any  
13 organizational or contractual affiliation with or constitute a  
14 church or other religious organization.

15 (2) Any of the following may act as an authorizing body to  
16 issue a contract to organize and operate 1 or more public school  
17 academies under this part:

18 (a) The board of a school district that operates grades K to  
19 12. However, the board of a school district shall not issue a  
20 contract for a public school academy to operate outside the  
21 school district's boundaries, and a public school academy  
22 authorized by the board of a school district shall not operate  
23 outside that school district's boundaries.

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

1 the board of an intermediate school district shall not operate  
2 outside that intermediate school district's boundaries.

3 (c) The board of a community college. However, except as  
4 otherwise provided in this subdivision, the board of a community  
5 college shall not issue a contract for a public school academy to  
6 operate in a school district organized as a school district of  
7 the first class, a public school academy authorized by the board  
8 of a community college shall not operate in a school district  
9 organized as a school district of the first class, the board of a  
10 community college shall not issue a contract for a public school  
11 academy to operate outside the boundaries of the community  
12 college district, and a public school academy authorized by the  
13 board of a community college shall not operate outside the  
14 boundaries of the community college district. The board of a  
15 community college also may issue a contract for not more than 1  
16 public school academy to operate on the grounds of an active or  
17 closed federal military installation located outside the  
18 boundaries of the community college district, or may operate a  
19 public school academy itself on the grounds of such a federal  
20 military installation, if the federal military installation is  
21 not located within the boundaries of any community college  
22 district and the community college has previously offered courses  
23 on the grounds of the federal military installation for at least  
24 10 years.

25 (d) The governing board of a state public university.  
26 However, the combined total number of contracts for public school  
27 academies issued by all state public universities shall not

1 exceed 85 through 1996, and, after the initial evaluation under  
2 section 501a, shall not exceed 100 through 1997, 125 through  
3 1998, or 150 thereafter. Further, the total number of contracts  
4 issued by any 1 state public university shall not exceed 50  
5 through 1996, and thereafter shall not exceed 50% of the maximum  
6 combined total number that may be issued under this subdivision.

7       (e) The mayor of the city located within the boundaries of a  
8 first class school district that has the greatest population as  
9 of the most recent decennial census among all cities located  
10 within the first class school district. However, the issuance of  
11 a contract for the operation of a public school academy by a  
12 mayor is subject to all of the following:

13       (i) A public school academy authorized by the mayor shall be  
14 located within the boundaries of the first class school district  
15 and shall not operate outside the boundaries of the first class  
16 school district.

17       (ii) The contracts shall be issued only for public school  
18 academies that are needed to meet special pupil or community  
19 needs. To ensure this, the mayor shall not issue a contract  
20 without the approval of the school board of the first class  
21 school district. The approval must be by majority vote of the  
22 school board.

23       (iii) The mayor shall not issue more than 2 contracts in a  
24 calendar year or more than 5 contracts over the 10-year period  
25 following the effective date of the amendatory act that added  
26 this subdivision. The mayor shall not issue any contracts after  
27 the expiration of 10 years after the effective date of the

1 **amendatory act that added this subdivision.**

2 (3) To obtain a contract to organize and operate 1 or more  
3 public school academies, 1 or more persons or an entity may apply  
4 to an authorizing body described in subsection (2). The  
5 application shall include at least all of the following:

6 (a) Identification of the applicant for the contract.

7 (b) Subject to the resolution adopted by the authorizing body  
8 under section ~~503(4)~~ **503**, a list of the proposed members of the  
9 board of directors of the public school academy and a description  
10 of the qualifications and method for appointment or election of  
11 members of the board of directors.

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

14 (i) The name of the proposed public school academy.

15 (ii) The purposes for the public school academy corporation.

16 This language shall provide that the public school academy is  
17 incorporated pursuant to this part and that the public school  
18 academy corporation is a governmental entity.

19 (iii) The name of the authorizing body.

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

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

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

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

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

2 (ii) A copy of the educational goals of the public school  
3 academy and the curricula to be offered and methods of pupil  
4 assessment to be used by the public school academy. To the  
5 extent applicable, the progress of the pupils in the public  
6 school academy shall be assessed using at least a Michigan  
7 education assessment program (MEAP) test or an assessment  
8 instrument developed under section 1279. ~~for a state endorsed~~  
9 ~~high school diploma.~~

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

17 (iv) The school calendar and school day schedule.

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

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

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

25 (h) An agreement that the public school academy will comply  
26 with the provisions of this part and, subject to the provisions  
27 of this part, with all other state law applicable to public

1 bodies and with federal law applicable to public bodies or school  
2 districts.

3 (i) For a public school academy authorized by a school  
4 district, an assurance that employees of the public school  
5 academy will be covered by the collective bargaining agreements  
6 that apply to other employees of the school district employed in  
7 similar classifications in schools that are not public school  
8 academies.

9 (j) A description of and address for the proposed physical  
10 plant in which the public school academy will be located.

11 (4) An authorizing body shall oversee, or shall contract with  
12 an intermediate school district, community college, or state  
13 public university to oversee, each public school academy  
14 operating under a contract issued by the authorizing body. The  
15 oversight shall be sufficient to ensure that the authorizing body  
16 can certify that the public school academy is in compliance with  
17 statute, rules, and the terms of the contract.

18 (5) If the state board finds that an authorizing body is not  
19 engaging in appropriate continuing oversight of 1 or more public  
20 school academies operating under a contract issued by the  
21 authorizing body, the state board may suspend the power of the  
22 authorizing body to issue new contracts to organize and operate  
23 public school academies. A contract issued by the authorizing  
24 body during the suspension is void. A contract issued by the  
25 authorizing body before the suspension is not affected by the  
26 suspension.

27 (6) An authorizing body shall not charge a fee, or require

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

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

14 Sec. 504. (1) A public school academy may be located in all  
15 or part of an existing public school building. A public school  
16 academy shall not operate at a site other than the single site  
17 requested for the configuration of grades that will use the site,  
18 as specified in the application required under section 502 and in  
19 the contract.

20 (2) A public school academy shall not charge tuition and  
21 shall not discriminate in its pupil admissions policies or  
22 practices on the basis of intellectual or athletic ability,  
23 measures of achievement or aptitude, status as a handicapped  
24 person, or any other basis that would be illegal if used by a  
25 school district. However, a public school academy may limit  
26 admission to pupils who are within a particular range of age or  
27 grade level or on any other basis that would be legal if used by

1 a school district.

2 (3) Except for a foreign exchange student who is not a United  
3 States citizen, a public school academy shall not enroll a pupil  
4 who is not a resident of this state. Enrollment in the public  
5 school academy may be open to all individuals who reside in this  
6 state who meet the admission policy and shall be open to all  
7 pupils who reside within the geographic boundaries, if any, of  
8 the authorizing body as described in section 502(2)(a) to (c) who  
9 meet the admission policy, except that admission to a public  
10 school academy authorized by the board of a community college to  
11 operate, or operated by the board of a community college, on the  
12 grounds of a federal military installation, as described in  
13 section 502(2)(c), shall be open to all pupils who reside in the  
14 county in which the federal military installation is located.  
15 For a public school academy authorized by a state public  
16 university, enrollment shall be open to all pupils who reside in  
17 this state who meet the admission policy. **For a public school**  
18 **academy authorized by the mayor of a city located within the**  
19 **boundaries of a first class school district, enrollment shall be**  
20 **open to all pupils who reside in the first class school district**  
21 **who meet the admission policy.** If there are more applications to  
22 enroll in the public school academy than there are spaces  
23 available, pupils shall be selected to attend using a random  
24 selection process. However, a public school academy may give  
25 enrollment priority to a sibling of a pupil enrolled in the  
26 public school academy. A public school academy shall allow any  
27 pupil who was enrolled in the public school academy in the



1 immediately preceding school year to enroll in the public school  
2 academy in the appropriate grade unless the appropriate grade is  
3 not offered at that public school academy.

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

12 Sec. 522. (1) An urban high school academy shall be  
13 organized and administered under the direction of a board of  
14 directors in accordance with this part and with bylaws adopted by  
15 the board of directors. An urban high school academy corporation  
16 shall be organized under the nonprofit corporation act, 1982 PA  
17 162, MCL 450.2101 to 450.3192, except that an urban high school  
18 academy corporation is not required to comply with sections 170  
19 to 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent  
20 disqualified under the state or federal constitution, an urban  
21 high school academy shall not be organized by a church or other  
22 religious organization and shall not have any organizational or  
23 contractual affiliation with or constitute a church or other  
24 religious organization.

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

1 Subject to section 524(1), not more than 15 contracts may be  
2 issued under this part. A contract issued under this part shall  
3 be for an urban high school academy that will be located in a  
4 school district of the first class. An urban high school academy  
5 authorized under this part shall not operate outside the  
6 boundaries of a school district of the first class. **It is the**  
7 **intent of the legislature to appropriate \$21,000,000.00 for**  
8 **assistance to a first class school district that experiences**  
9 **declining enrollment due to the operation of urban high school**  
10 **academies under this part.**

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

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

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

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

1 urban high school academy shall include residents of the first  
2 class school district and parents of pupils enrolled in schools  
3 operated by the first class school district.

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

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

8 (ii) The purposes for the urban high school academy  
9 corporation. This language shall provide that the urban high  
10 school academy is incorporated pursuant to this part and that the  
11 urban high school academy corporation is a governmental entity  
12 and political subdivision of this state.

13 (iii) The name of the authorizing body.

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

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

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

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

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

24 (ii) A copy of the educational goals of the urban high school  
25 academy and the curricula to be offered and methods of pupil  
26 assessment to be used by the urban high school academy. To the  
27 extent applicable, the progress of the pupils in the urban high

1 school academy shall be assessed using at least a Michigan  
2 education assessment program (MEAP) test or an assessment  
3 instrument developed under section 1279.

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

11 (iv) The school calendar and school day schedule.

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

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

15 (g) A description of and address for the proposed building or  
16 buildings in which the urban high school academy will be located,  
17 and a financial commitment by the entity applying for the  
18 contract to construct or renovate the building or buildings that  
19 will be occupied by the urban high school academy that is issued  
20 the contract. **The entity applying for the contract, the board of**  
21 **directors, and the authorizing body shall consult with city**  
22 **officials of the city in which the first class school district is**  
23 **located on site selection for all facilities of an urban high**  
24 **school academy. To the extent possible, at least 5 urban high**  
25 **school academies shall be located not more than 1 mile from the**  
26 **border of the school district of the first class in which they**  
27 **are located and at least 5 urban high school academies shall be**

1 located in close proximity to newly constructed housing  
2 developments consisting of 400 or more units.

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

8 (6) If the state board finds that an authorizing body is not  
9 engaging in appropriate continuing oversight of 1 or more urban  
10 high school academies operating under a contract issued by the  
11 authorizing body, the state board by unanimous vote may suspend  
12 the power of the authorizing body to issue new contracts to  
13 organize and operate urban high school academies. A contract  
14 issued by the authorizing body during the suspension is void. A  
15 contract issued by the authorizing body before the suspension is  
16 not affected by the suspension.

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

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

27 (i) Considering applications and issuing or administering

1 contracts.

2 (ii) Compliance monitoring and oversight of urban high school  
3 academies.

4 (iii) Training for urban high school academy applicants,  
5 administrators, and boards of directors.

6 (iv) Technical assistance to urban high school academies.

7 (v) Academic support to urban high school academies or to  
8 pupils or graduates of urban high school academies.

9 (vi) Evaluation of urban high school academy performance.

10 (vii) Training of teachers, including supervision of teacher  
11 interns.

12 (viii) Other purposes that assist the urban high school  
13 academies or traditional public schools in achieving improved  
14 academic performance.

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

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

22 Sec. 523. (1) An authorizing body is not required to issue  
23 a contract to any entity. Urban high school academy contracts  
24 shall be issued on a competitive basis taking into consideration  
25 the resources available for the proposed urban high school  
26 academy, the population to be served by the proposed urban high  
27 school academy, and the educational goals to be achieved by the

1 proposed urban high school academy. In evaluating if an  
2 applicant is qualified, the authorizing body shall examine the  
3 proposed performance standards, proposed academic program,  
4 financial viability of the applicant, and the ability of the  
5 proposed board of directors to meet the contract goals and  
6 objectives. An authorizing body shall give priority to  
7 applicants that demonstrate all of the following:

8 (a) The proposed school will operate at least all of grades 9  
9 through 12 within 3 years after beginning operation.

10 (b) The proposed school will occupy a building or buildings  
11 that are newly constructed or renovated after January 1, 2003.

12 (c) The proposed school has a stated goal of increasing high  
13 school graduation rates.

14 (d) The proposed school has received commitments for  
15 financial and educational support from the entity applying for  
16 the contract.

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

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

21 (a) The educational goals the urban high school academy is to  
22 achieve and the methods by which it will be held accountable. To  
23 the extent applicable, the pupil performance of an urban high  
24 school academy shall be assessed using at least a Michigan  
25 education assessment program (MEAP) test or an assessment  
26 instrument developed under section 1279.

27 (b) A description of the method to be used to monitor the

1 urban high school academy's compliance with applicable law and  
2 its performance in meeting its targeted educational objectives.

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

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

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

13 (f) A description of and address for the proposed building or  
14 buildings in which the urban high school academy will be  
15 located. **The contract shall ensure that the board of directors**  
16 **and the authorizing body will consult with city officials of the**  
17 **city in which the first class school district is located on site**  
18 **selection for all facilities of an urban high school academy. To**  
19 **the extent possible, at least 5 urban high school academies shall**  
20 **be located not more than 1 mile from the border of the school**  
21 **district of the first class in which they are located and at**  
22 **least 5 urban high school academies shall be located in close**  
23 **proximity to newly constructed housing developments consisting of**  
24 **400 or more units.**

25 (g) Requirements and procedures for financial audits. The  
26 financial audits shall be conducted at least annually by an  
27 independent certified public accountant in accordance with



1 generally accepted governmental auditing principles.

2 (h) A requirement that the board of directors shall ensure  
3 compliance with the requirements of 1968 PA 317, MCL 15.321 to  
4 15.330.

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

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

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

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

26 (ii) A list of currently serving members of the board of  
27 directors of the urban high school academy, including name,

1 address, and term of office; copies of policies approved by the  
2 board of directors; board meeting agendas and minutes; copy of  
3 the budget approved by the board of directors and of any  
4 amendments to the budget; and copies of bills paid for amounts of  
5 \$10,000.00 or more as they were submitted to the board of  
6 directors.

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

9 (iv) A current list of teachers working at the urban high  
10 school academy that includes their individual salaries; copies of  
11 the teaching certificates or permits of current teaching staff;  
12 and evidence of compliance with the criminal background and  
13 records checks and unprofessional conduct check required under  
14 sections 1230, 1230a, and 1230b for all teachers and  
15 administrators working at the urban high school academy.

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

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

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

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

23 (ix) All health and safety reports and certificates,  
24 including those relating to fire safety, environmental matters,  
25 asbestos inspection, boiler inspection, and food service.

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

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

3       (l) A requirement that the authorizing body must review and  
4 may disapprove any agreement between the board of directors and  
5 an educational management company before the agreement is final  
6 and valid. An authorizing body may disapprove an agreement  
7 described in this subdivision only if the agreement is contrary  
8 to the contract or applicable law.

9       (m) A requirement that the board of directors shall  
10 demonstrate all of the following to the satisfaction of the  
11 authorizing body with regard to its pupil admission process:

12       (i) That the urban high school academy has made a reasonable  
13 effort to advertise its enrollment openings in a newspaper of  
14 general circulation in the intermediate school district in which  
15 the urban high school academy is located.

16       (ii) That the urban high school academy has made the  
17 following additional efforts to recruit pupils who are eligible  
18 for special education programs and services to apply for  
19 admission:

20       (A) Reasonable efforts to advertise all enrollment openings  
21 to organizations and media that regularly serve and advocate for  
22 individuals with disabilities within the boundaries of the  
23 intermediate school district in which the urban high school  
24 academy is located.

25       (B) Inclusion in all pupil recruitment materials of a  
26 statement that appropriate special education services will be  
27 made available to pupils attending the school as required by

1 law.

2 (iii) That the open enrollment period for the urban high  
3 school academy is for a duration of at least 2 weeks and that the  
4 enrollment times include some evening and weekend times.

5 (n) A requirement that the board of directors shall prohibit  
6 any individual from being employed by the urban high school  
7 academy in more than 1 full-time position and simultaneously  
8 being compensated at a full-time rate for each of those  
9 positions.

10 (o) A requirement that, if requested, the board of directors  
11 shall report to the authorizing body the total compensation for  
12 each individual working at the urban high school academy.

13 (3) An urban high school academy shall comply with all  
14 applicable law, including all of the following:

15 (a) The open meetings act, 1976 PA 267, MCL 15.261 to  
16 15.275.

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

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

20 (d) 1965 PA 166, MCL 408.551 to 408.558.

21 (e) 1978 PA 566, MCL 15.181 to 15.185.

22 (f) 1968 PA 317, MCL 15.321 to 15.330.

23 (g) The uniform budgeting and accounting act, 1968 PA 2, MCL  
24 141.421 to 141.440a.

25 (h) The revised municipal finance act, 2001 PA 34, MCL  
26 141.2101 to 141.2821.

27 (i) The federal no child left behind act of 2001, Public Law

1 107-110, 115 Stat. 1425.

2 (j) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274, and  
3 1280.

4 (4) An urban high school academy and its incorporators, board  
5 members, officers, employees, and volunteers have governmental  
6 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407.  
7 An authorizing body and its board members, officers, and  
8 employees are immune from civil liability, both personally and  
9 professionally, for any acts or omissions in authorizing or  
10 oversight of an urban high school academy if the authorizing body  
11 or the person acted or reasonably believed he or she acted within  
12 the authorizing body's or the person's scope of authority.

13 (5) An urban high school academy is exempt from all taxation  
14 on its earnings and property. Instruments of conveyance to or  
15 from an urban high school academy are exempt from all taxation,  
16 including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513.  
17 An urban high school academy may not levy ad valorem property  
18 taxes or any other tax for any purpose.

19 (6) An urban high school academy may acquire by purchase,  
20 gift, devise, lease, sublease, installment purchase agreement,  
21 land contract, option, or any other means, hold, and own in its  
22 own name buildings and other property for school purposes, and  
23 interests therein, and other real and personal property,  
24 including, but not limited to, interests in property subject to  
25 mortgages, security interests, or other liens, necessary or  
26 convenient to fulfill its purposes. For the purposes of  
27 condemnation, an urban high school academy may proceed under the

1 uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to  
2 213.75, excluding sections 6 to 9 of that act, MCL 213.56 to  
3 213.59, or other applicable statutes, but only with the express,  
4 written permission of the authorizing body in each instance of  
5 condemnation and only after just compensation has been determined  
6 and paid.

7       Sec. 528. (1) An authorizing body that issues a contract  
8 for an urban high school academy under this part shall do all of  
9 the following:

10       (a) Ensure that the contract and the application for the  
11 contract comply with the requirements of this part.

12       (b) Within 10 days after issuing the contract, submit to the  
13 department a copy of the contract.

14       (c) Adopt a resolution establishing the method of selection,  
15 length of term, and number of members of the board of directors  
16 of each urban high school academy that it authorizes. **The method**  
17 **of selection shall ensure that the board of directors of an urban**  
18 **high school academy includes residents of the first class school**  
19 **district and parents of pupils enrolled in schools operated by**  
20 **the first class school district.**

21       (d) Oversee the operations of each urban high school academy  
22 operating under a contract issued by the authorizing body. The  
23 oversight shall be sufficient to ensure that the urban high  
24 school academy is in compliance with the terms of the contract  
25 and with applicable law. An authorizing body may enter into an  
26 agreement with 1 or more other authorizing bodies to oversee an  
27 urban high school academy operating under a contract issued by

1 the authorizing body.

2 (e) Develop and implement a process for holding an urban high  
3 school academy board of directors accountable for meeting  
4 applicable academic performance standards set forth in the  
5 contract and for implementing corrective action for an urban high  
6 school academy that does not meet those standards.

7 (f) Take necessary measures to ensure that an urban high  
8 school academy board of directors operates independently of any  
9 educational management company involved in the operations of the  
10 urban high school academy.

11 (g) Oversee and ensure that the pupil admission process used  
12 by the urban high school academy is operated in a fair and open  
13 manner and is in compliance with the contract and this part.

14 (h) Ensure that the board of directors of the urban high  
15 school academy maintains and releases information as necessary to  
16 comply with applicable law.

17 (2) An authorizing body may enter into an agreement with 1 or  
18 more other authorizing bodies to carry out any function of an  
19 authorizing body under this act.

20 (3) The authorizing body for an urban high school academy is  
21 the fiscal agent for the urban high school academy. A state  
22 school aid payment for an urban high school academy shall be paid  
23 to the authorizing body that is the fiscal agent for that urban  
24 high school academy, which shall then forward the payment to the  
25 urban high school academy. Within 30 days after a contract is  
26 submitted to the department by an authorizing body under  
27 subsection (1), the department shall issue a district code to the

1 urban high school academy for which the contract was issued. If  
2 the department does not issue a district code within 30 days  
3 after a contract is filed, the state treasurer shall assign a  
4 temporary district code in order for the urban high school  
5 academy to receive funding under the state school aid act of  
6 1979.

7 (4) A contract issued under this part may be revoked by the  
8 authorizing body that issued the contract if the authorizing body  
9 determines that 1 or more of the following have occurred:

10 (a) Failure of the urban high school academy to abide by and  
11 meet the educational goals set forth in the contract.

12 (b) Failure of the urban high school academy to comply with  
13 all applicable law.

14 (c) Failure of the urban high school academy to meet  
15 generally accepted public sector accounting principles.

16 (d) The existence of 1 or more other grounds for revocation  
17 as specified in the contract.

18 (5) The decision of an authorizing body to issue, reissue, or  
19 reconstitute a contract under this part, or to revoke a contract  
20 under this section, is solely within the discretion of the  
21 authorizing body, is final, and is not subject to review by a  
22 court or any state agency. An authorizing body that does not  
23 issue, reissue, or reconstitute a contract under this part, or  
24 that revokes a contract under this section, is not liable for  
25 that action to the urban high school academy, the urban high  
26 school academy corporation, a pupil of the urban high school  
27 academy, the parent or guardian of a pupil of the urban high



1 school academy, or any other person.

2 (6) Before an authorizing body revokes a contract, the  
3 authorizing body shall consider and take corrective measures to  
4 avoid revocation. An authorizing body shall reconstitute the  
5 urban high school academy in a final attempt to improve student  
6 educational performance or to avoid interruption of the  
7 educational process. An authorizing body shall include a  
8 reconstituting provision in the contract that identifies these  
9 corrective measures, including, but not limited to, removing 1 or  
10 more members of the board of directors, withdrawing approval to  
11 contract under section 525 for an agreement described in section  
12 1320, or appointing a new board of directors or a trustee to take  
13 over operation of the urban high school academy.

14 (7) If an authorizing body revokes a contract, the  
15 authorizing body shall work with a school district or another  
16 public school, or with a combination of these entities, to ensure  
17 a smooth transition for the affected pupils. If the revocation  
18 occurs during the school year, the authorizing body, as the  
19 fiscal agent for the urban high school academy under this part,  
20 shall return any school aid funds received by the authorizing  
21 body that are attributable to the affected pupils to the state  
22 treasurer for deposit into the state school aid fund. The state  
23 treasurer shall distribute funds to the public school in which  
24 the pupils enroll after the revocation pursuant to a methodology  
25 established by the department and the center for educational  
26 performance and information.

27 (8) If an authorizing body revokes a contract issued under

1 this part, the authorizing body may issue a new contract within  
2 the 1-year period following the revocation without the new  
3 contract counting toward the maximum number of contracts that may  
4 be issued under this part.

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

11 (10) If an urban high school academy's contract terminates or  
12 is revoked, title to all real and personal property, interest in  
13 real or personal property, and other assets owned by the urban  
14 high school academy shall revert to the state. This property  
15 shall be distributed in accordance with the following:

16 (a) Within 30 days following the termination or revocation,  
17 the board of directors of an urban high school academy shall hold  
18 a public meeting to adopt a plan of distribution of assets and to  
19 approve the dissolution of the urban high school academy  
20 corporation, all in accordance with chapter 8 of the nonprofit  
21 corporation act, 1982 PA 162, MCL 450.2801 to 450.2864.

22 (b) The urban high school academy shall file a certificate of  
23 dissolution with the department of consumer and industry services  
24 within 10 business days following board approval.

25 (c) Simultaneously with the filing of the certificate of  
26 dissolution under subdivision (b), the urban high school academy  
27 board of directors shall provide a copy of the board of

1 directors' plan of distribution of assets to the state treasurer  
2 for approval. Within 30 days, the state treasurer, or his or her  
3 designee, shall review and approve the board of directors' plan  
4 of distribution of assets. If the proposed plan of distribution  
5 of assets is not approved within 30 days, the state treasurer, or  
6 his or her designee, shall provide the board of directors with an  
7 acceptable plan of distribution of assets.

8 (d) The state treasurer, or his or her designee, shall  
9 monitor the urban high school academy's winding up of the  
10 dissolved corporation in accordance with the plan of distribution  
11 of assets approved or provided under subdivision (c).

12 (e) As part of the plan of distribution of assets, the urban  
13 high school academy board of directors shall designate the  
14 director of the department of management and budget, or his or  
15 her designee, to dispose of all real property of the urban high  
16 school academy corporation in accordance with the directives  
17 developed for disposition of surplus land and facilities under  
18 section 251 of the management and budget act, 1984 PA 431, MCL  
19 18.1251.

20 (f) If the board of directors of an urban high school academy  
21 fails to take any necessary action under this section, the state  
22 treasurer, or his or her designee, may suspend the urban high  
23 school academy board of directors and appoint a trustee to carry  
24 out the board's plan of distribution of assets. Upon  
25 appointment, the trustee shall have all the rights, powers, and  
26 privileges under law that the urban high school academy board of  
27 directors had before being suspended.

1       (g) Following the sale of the real or personal property or  
2 interests in the real or personal property, and after payment of  
3 any urban high school academy debt secured by the property or  
4 interest in property, whether real or personal, the urban high  
5 school academy board of directors, or a trustee appointed under  
6 this section, shall forward any remaining money to the state  
7 treasurer. Following receipt, the state treasurer, or his or her  
8 designee, shall deposit this remaining money in the state school  
9 aid fund.

10       Enacting section 1. Sections 405, 471a, and 483a of the  
11 revised school code, 1976 PA 451, MCL 380.405, 380.471a, and  
12 380.483a, are repealed.