

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4959**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 371, 372, 374a, 402, 501, 502, 503, 504,
504a, 507, 1311b, 1311d, and 1311g (MCL 380.371, 380.372,
380.374a, 380.402, 380.501, 380.502, 380.503, 380.504, 380.504a,
380.507, 380.1311b, 380.1311d, and 380.1311g), sections 371, 372,
and 374a as added and section 402 as amended by 1999 PA 10,
sections 501, 502, 503, 504a, and 507 as amended by 1995 PA 289,
section 504 as amended by 1994 PA 416, and sections 1311b, 1311d,
and 1311g as added by 1999 PA 23, and by adding sections 15,
501b, 502a, 503b, 503c, 504c, and 602.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 15. (1) AS PART OF ITS POWERS UNDER SECTION 11A, THE
2 SCHOOL BOARD OF A GENERAL POWERS SCHOOL DISTRICT MAY RECEIVE,
3 OWN, AND ENJOY A GIFT OF REAL OR PERSONAL PROPERTY MADE BY GRANT,

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1 DEVISE, BEQUEST, OR IN ANY OTHER MANNER, THAT IS MADE FOR SCHOOL
2 PURPOSES UNDER THIS ACT. A SCHOOL BOARD MAY TRANSFER A GIFT OF
3 INTANGIBLE PERSONAL PROPERTY OR THE PROCEEDS FROM THAT GIFT TO A
4 COMMUNITY FOUNDATION. IF A GIFT RECEIVED BY THE SCHOOL BOARD WAS
5 SUBJECT TO A CONDITION, LIMITATION, OR REQUIREMENT, THE TRANSFER
6 MUST BE TO A FUND WITHIN THE COMMUNITY FOUNDATION THAT INCOR-
7 PORATES A CONDITION, LIMITATION, OR REQUIREMENT THAT IS IDENTICAL
8 OR SUBSTANTIALLY SIMILAR TO THE CONDITION, LIMITATION, OR
9 REQUIREMENT THE GIFT WAS SUBJECT TO. IF A GIFT RECEIVED BY THE
10 SCHOOL BOARD WAS NOT SUBJECT TO ANY CONDITION, LIMITATION, OR
11 REQUIREMENT, THE TRANSFER MUST BE TO A FUND WITHIN THE COMMUNITY
12 FOUNDATION THAT IMPOSES CONDITIONS, LIMITATIONS, OR REQUIREMENTS
13 ON THE USE OF THE GIFT PROPERTY FOR 1 OR MORE SCHOOL PURPOSES
14 UNDER THIS ACT.

15 (2) IF A SCHOOL BOARD TRANSFERS A GIFT TO A COMMUNITY FOUN-
16 DATION PURSUANT TO THIS SECTION AND IF 1 OR MORE OF THE FOLLOWING
17 OCCUR, THE COMMUNITY FOUNDATION SHALL RETURN THE GIFT TO THE
18 SCHOOL BOARD:

19 (A) THE COMMUNITY FOUNDATION FAILS TO MEET ALL OF THE
20 REQUIREMENTS FOR CERTIFICATION AS A COMMUNITY FOUNDATION UNDER
21 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
22 MCL 206.261.

23 (B) THE COMMUNITY FOUNDATION IS LIQUIDATED.

24 (C) THE COMMUNITY FOUNDATION SUBSTANTIALLY VIOLATES ANY CON-
25 DITION, LIMITATION, OR REQUIREMENT ON THE GIFT.

26 (3) UNLESS WAIVED BY THE SCHOOL BOARD TRANSFERRING THE GIFT,
27 BEFORE A SCHOOL BOARD MAY TRANSFER A GIFT TO A COMMUNITY

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1 FOUNDATION PURSUANT TO THIS SECTION, THE COMMUNITY FOUNDATION
2 SHALL ESTABLISH A DONOR ADVISORY BOARD FOR THAT GIFT. THE DONOR
3 ADVISORY BOARD SHALL INCLUDE AT LEAST 1 REPRESENTATIVE OF THE
4 SCHOOL BOARD TRANSFERRING THE GIFT. THE DONOR ADVISORY BOARD
5 SHALL DO ALL OF THE FOLLOWING:

6 (A) MONITOR THE COMMUNITY FOUNDATION'S COMPLIANCE WITH ANY
7 CONDITION, LIMITATION, OR REQUIREMENT ON THE USE OF THE GIFT.

8 (B) MAKE RECOMMENDATIONS TO THE COMMUNITY FOUNDATION FOR THE
9 USE OF DISTRIBUTIONS OR OTHER PROCEEDS FROM THE GIFT.

10 (4) A TRANSFER OF A GIFT MADE IN ACCORDANCE WITH THIS SEC-
11 TION THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THIS SECTION IS
12 RATIFIED AND CONFIRMED AND THE TRANSFER IS CONSIDERED VALID AS IF
13 IT HAD BEEN MADE UNDER THIS SECTION.

14 (5) AS USED IN THIS SECTION:

15 (A) "COMMUNITY FOUNDATION" MEANS THAT TERM AS DEFINED IN
16 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
17 MCL 206.261.

18 (B) "CONDITION, LIMITATION, OR REQUIREMENT" DOES NOT INCLUDE
19 A MATERIAL RESTRICTION OR CONDITION THAT VIOLATES 26
20 C.F.R. 1.170A-9 OR THAT RESTRICTS A COMMUNITY FOUNDATION'S INHER-
21 ENT POWER OF MODIFICATION DESCRIBED IN 26 C.F.R. 1.170A-9.

22 (C) "GIFT" DOES NOT INCLUDE STATE SCHOOL AID OR ANOTHER
23 GRANT FROM STATE OR FEDERAL SOURCES.

24 Sec. 371. As used in this part:

25 (a) "Chief executive officer", EXCEPT AS USED IN SUBDIVISION
26 (B), means the chief executive officer appointed for a qualifying
27 school district under section 374.

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1 (b) "Mayor" means the ~~mayor~~ CHIEF EXECUTIVE OFFICER of the
2 city, ~~in which~~ VILLAGE, OR TOWNSHIP WITH THE GREATEST POPULA-
3 TION AS OF THE MOST RECENT DECENNIAL CENSUS LOCATED WITHIN THE
4 BOUNDARIES OF a qualifying school district. ~~is located.~~

5 (c) "Qualifying school district" means a school district of
6 the first class under part 6.

7 Sec. 372. (1) Not later than ~~30 days after the effective~~
8 ~~date of the amendatory act that added this part~~ APRIL 25, 1999
9 OR, IF A QUALIFYING SCHOOL DISTRICT BECOMES A SCHOOL DISTRICT OF
10 THE FIRST CLASS AFTER APRIL 25, 1999, NOT LATER THAN 30 DAYS
11 AFTER THE DATE THE QUALIFYING SCHOOL DISTRICT BECOMES A SCHOOL
12 DISTRICT OF THE FIRST CLASS, the mayor shall appoint a school
13 reform board for a qualifying school district.

14 (2) A school reform board established under this section
15 shall consist of the following 7 members:

16 (a) Six members appointed by the mayor.

17 (b) For a period of 5 years after the effective date of the
18 amendatory act that added this part, the superintendent of public
19 instruction or his or her designee. After this period, the mayor
20 shall appoint the seventh member of the school reform board.

21 (3) A person who is a current member of the elected school
22 board of a qualifying school district is not eligible for
23 appointment as a member of the school reform board for that qual-
24 ifying school district. Section 1101(1) does not disqualify any
25 person from appointment to a school reform board under this sec-
26 tion or from appointment as an officer under section 374.

27 However, at least a majority of the appointed members of a school

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1 reform board must be school electors of the qualifying school
2 district.

3 (4) Except for the superintendent of public instruction or
4 his or her designee, members of a school reform board shall serve
5 at the will of the mayor. The term of an appointed member shall
6 be 4 years, except that of the members first appointed under
7 subsection (2)(a), 2 shall be appointed for a term of 2 years, 2
8 shall be appointed for a term of 3 years, and 2 shall be
9 appointed for a term of 4 years.

10 (5) If a member of a school reform board is removed from
11 office by the mayor or is unable to complete his or her term, the
12 mayor shall appoint a successor for the balance of the unexpired
13 term. At the end of a member's term, the mayor shall appoint a
14 successor or reappoint the member.

15 (6) The mayor shall call the first meeting of the school
16 reform board and shall designate a chairperson of the school
17 reform board from among its members. If there is a vacancy in
18 the office of chairperson, the mayor shall designate a
19 successor.

20 (7) At the first meeting of the school reform board, the
21 school reform board may elect from among its members other offi-
22 cers as it considers necessary or appropriate. After the first
23 meeting, the school reform board shall meet at least monthly, or
24 more frequently at the call of the chairperson or if requested by
25 4 or more members.

26 (8) A majority of the members of the school reform board
27 constitute a quorum for the transaction of business at a meeting

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1 of the school reform board. A majority of the members present
2 and serving are required for official action of the school reform
3 board.

4 (9) Members of the school reform board shall serve without
5 compensation. However, members may be reimbursed for their
6 actual and necessary expenses incurred in the performance of
7 their official duties as members of the school reform board.

8 Sec. 374a. For a period of 1 year after leaving office, a
9 member of a school reform board appointed under this part or a
10 chief executive officer of a qualifying school district or
11 another officer appointed under section 374 is ineligible for
12 election or appointment to any elective office of the qualifying
13 school district or of ~~the~~ A city, VILLAGE, OR TOWNSHIP in which
14 ANY PORTION OF the qualifying school district is located.

15 Sec. 402. A school district that has a pupil membership of
16 at least 100,000 enrolled on the most recent pupil membership
17 count day is a ~~single~~ first class school district governed by
18 this part.

19 Sec. 501. (1) A public school academy is a public school
20 under section 2 of article VIII of the state constitution of
21 1963, is a school district for the purposes of section 11 of
22 article IX of the state constitution of 1963 and for the purposes
23 of section 1225 AND SECTION 1351A, and is subject to the leader-
24 ship and general supervision of the state board over all public
25 education under section 3 of article VIII of the state constitu-
26 tion of 1963. A public school academy is a body corporate and is
27 a governmental agency. The powers granted to a public school

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1 academy under this part constitute the performance of essential
2 public purposes and governmental functions of this state.

3 (2) As used in this part:

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

6 (i) The board of a school district that operates grades K to
7 12.

8 (ii) An intermediate school board.

9 (iii) The board of a community college.

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

11 (v) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD ESTABLISHED IN
12 SECTION 502A.

13 (vi) TWO OR MORE ENTITIES DESCRIBED IN SUBPARAGRAPHS (i) TO
14 (v) ACTING JOINTLY PURSUANT TO AN INTERLOCAL AGREEMENT AUTHORIZED
15 UNDER THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7,
16 MCL 124.501 TO 124.512.

17 (b) "Certificated teacher" means an individual who holds a
18 valid teaching certificate issued by the state board under
19 section 1531.

20 (c) "Community college" means a community college organized
21 under the community college act of 1966, ~~Act No. 331 of the~~
22 ~~Public Acts of 1966, being sections 389.1 to 389.195 of the~~
23 ~~Michigan Compiled Laws,~~ 1966 PA 331, MCL 389.1 TO 389.195; A
24 COMMUNITY COLLEGE OPERATED BY A SCHOOL DISTRICT UNDER PART 25; or
25 a federal tribally controlled community college that is recog-
26 nized under the tribally controlled community college assistance
27 act of 1978, Public Law 95-471, 92 Stat. 1325, ~~and~~ THAT is

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1 determined by the department to meet the requirements for
2 accreditation by a recognized regional accrediting body, AND THAT
3 COMPLIES WITH SECTION 501B.

4 (d) "Contract" means the executive act taken by an authoriz-
5 ing body that evidences the authorization of a public school
6 academy and that establishes, subject to the constitutional
7 powers of the state board and applicable law, the written instru-
8 ment executed by an authorizing body conferring certain rights,
9 franchises, privileges, and obligations on a public school acade-
10 my, as provided by this part, and confirming the status of a
11 public school academy as a public school in this state.

12 (e) "Entity" means a partnership, nonprofit or business cor-
13 poration, labor organization, or any other association, corpora-
14 tion, trust, or other legal entity.

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

18 SEC. 501B. (1) A FEDERAL TRIBALLY CONTROLLED COMMUNITY COL-
19 LEGE BOARD THAT IS OTHERWISE EMPOWERED TO ACT AS AN AUTHORIZING
20 BODY UNDER THIS PART SHALL NOT ACT AS AN AUTHORIZING BODY UNLESS
21 ALL OF THE FOLLOWING ARE MET:

22 (A) EACH MEMBER OF THE BOARD OF A FEDERAL TRIBALLY CON-
23 TROLLED COMMUNITY COLLEGE ACTING AS AN AUTHORIZING BODY EXECUTES
24 THE CONSTITUTIONAL OATH OF OFFICE, PRESCRIBED UNDER SECTION 1 OF
25 ARTICLE XI OF THE STATE CONSTITUTION OF 1963, AS A PUBLIC OFFICER
26 OF THIS STATE FOR THAT PURPOSE.

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1 (B) EACH MEMBER OF THE BOARD OF THE FEDERAL TRIBALLY
2 CONTROLLED COMMUNITY COLLEGE ACTING AS AN AUTHORIZING BODY
3 CERTIFIES TO THE DEPARTMENT THAT, IN EXERCISING ITS POWERS AND
4 DUTIES AS AN AUTHORIZING BODY UNDER THIS PART, THE BOARD WILL ACT
5 ONLY AS A PUBLIC EDUCATIONAL BODY OF THIS STATE SUBJECT TO THE
6 CONSTITUTION AND LAWS OF THIS STATE AND THAT THE BOARD'S FUNC-
7 TIONS AS AN AUTHORIZING BODY ARE UNDER THE EXCLUSIVE CONTROL OF
8 THIS STATE.

9 (2) A MEMBER OF THE BOARD OF A FEDERAL TRIBALLY CONTROLLED
10 COMMUNITY COLLEGE ACTING AS A MEMBER OF AN AUTHORIZING BODY UNDER
11 THIS PART IS SUBJECT TO REMOVAL OR SUSPENSION FROM THE AUTHORIZ-
12 ING BODY PURSUANT TO SECTION 10 OF ARTICLE V OF THE STATE CONSTI-
13 TUTION OF 1963.

14 Sec. 502. (1) A public school academy shall be organized
15 and administered under the direction of a board of directors in
16 accordance with this part and with bylaws adopted by the board of
17 directors. A public school academy corporation shall be orga-
18 nized under the nonprofit corporation act, ~~Act No. 162 of the~~
19 ~~Public Acts of 1982, being sections 450.2101 to 450.3192 of the~~
20 ~~Michigan Compiled Laws~~ 1982 PA 162, MCL 450.2101 TO 450.3192,
21 except that a public school academy corporation is not required
22 to comply with sections 170 to 177 of ~~Act No. 327 of the Public~~
23 ~~Acts of 1931, being sections 450.170 to 450.177 of the Michigan~~
24 ~~Compiled Laws~~ 1931 PA 327, MCL 450.170 TO 450.177. To the
25 extent disqualified under the state or federal constitution, a
26 public school academy shall not be organized by a church or other
27 religious organization and shall not have any organizational or

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1 contractual affiliation with or constitute a church or other
2 religious organization.

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

6 (a) The board of a school district that operates grades K to
7 12. However, EXCEPT WHEN ACTING JOINTLY WITH ANOTHER ENTITY AS
8 DESCRIBED IN SUBDIVISION (F), the board of a school district
9 shall not issue a contract for a public school academy to operate
10 outside the school district's boundaries, and a public school
11 academy authorized by the board of a school district shall not
12 operate outside that school district's boundaries.

13 (b) An intermediate school board. However, EXCEPT WHEN
14 ACTING JOINTLY WITH ANOTHER ENTITY AS DESCRIBED IN SUBDIVISION
15 (F), the board of an intermediate school district shall not issue
16 a contract for a public school academy to operate outside the
17 intermediate school district's boundaries, and a public school
18 academy authorized by the board of an intermediate school dis-
19 trict shall not operate outside that intermediate school
20 district's boundaries.

21 (c) The board of a community college. However, EXCEPT WHEN
22 ACTING JOINTLY WITH ANOTHER ENTITY AS DESCRIBED IN SUBDIVISION
23 (F), AND except as otherwise provided in this subdivision, ~~the~~
24 ~~board of a community college shall not issue a contract for a~~
25 ~~public school academy to operate in a school district organized~~
26 ~~as a school district of the first class, a public school academy~~
27 ~~authorized by the board of a community college shall not operate~~

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1 ~~in a school district organized as a school district of the first~~
2 ~~class,~~ the board of a community college shall not issue a con-
3 tract for a public school academy to operate outside the bounda-
4 ries of the community college district ~~—~~ and a public school
5 academy authorized by the board of a community college shall not
6 operate outside the boundaries of the community college
7 district. THE BOARD OF A COMMUNITY COLLEGE LOCATED IN A COUNTY
8 WITH A POPULATION OF AT LEAST 2,000,000 MAY ISSUE A CONTRACT FOR
9 A PUBLIC SCHOOL ACADEMY TO OPERATE ANYWHERE WITHIN THE BOUNDARIES
10 OF THAT COUNTY. The board of a community college also may issue a
11 contract for not more than 1 public school academy to operate on
12 the grounds of an active or closed federal military installation
13 located outside the boundaries of the community college district,
14 or may operate a public school academy itself on the grounds of
15 such a federal military installation, if the federal military
16 installation is not located within the boundaries of any commu-
17 nity college district and the community college has previously
18 offered courses on the grounds of the federal military installa-
19 tion for at least 10 years.

20 (d) The governing board of a state public university.
21 However, the combined total number of contracts ~~for public~~
22 ~~school academies~~ issued by all state public universities FOR
23 PUBLIC SCHOOL ACADEMIES OTHER THAN TRADE ACADEMIES shall not
24 exceed 85 through 1996 ~~—~~ and ~~—, after the initial evaluation~~
25 ~~under section 501a,~~ shall not exceed 100 through 1997, 125
26 through 1998, ~~or 150 thereafter~~ THROUGH 1999, OR 200 THROUGH
27 2000. HOWEVER, NOT MORE THAN 10% OF THE CONTRACTS ISSUED BY

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1 STATE PUBLIC UNIVERSITIES DURING 2000 SHALL BE FOR PUBLIC SCHOOL
2 ACADEMIES TO BE LOCATED IN A SCHOOL DISTRICT OF THE FIRST CLASS.
3 AFTER 2000 _____, THIS MAXIMUM NUMBER OF CONTRACTS THAT
4 MAY BE ISSUED BY STATE UNIVERSITIES SHALL INCREASE BY 25 EACH
5 YEAR UNTIL 2004, AND SHALL REMAIN AT THAT LEVEL THEREAFTER. Further,
the total number of contracts issued by any 1
6 state public university FOR PUBLIC SCHOOL ACADEMIES OTHER THAN
7 TRADE ACADEMIES shall not exceed ~~50 through 1996, and thereafter~~
8 ~~shall not exceed~~ 50% of the maximum combined total number that
9 may be issued under this subdivision. BEGINNING IN 2000, THE
10 GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY SHALL ENSURE THAT AT
11 LEAST 1/3 OF THE CONTRACTS ISSUED BY THE STATE PUBLIC UNIVERSITY
12 EACH YEAR ARE FOR PUBLIC SCHOOL ACADEMIES THAT WILL OPERATE AT
13 LEAST 1 OF GRADES 9 TO 12 AND THAT THE CONTRACT FOR THIS TYPE OF
14 PUBLIC SCHOOL ACADEMY REQUIRES THE PUBLIC SCHOOL ACADEMY TO OPER-
15 ATE ALL OF GRADES 9 TO 12 WITHIN 3 SCHOOL YEARS AFTER ITS FIRST
16 YEAR OF OPERATION. AS USED IN THIS SUBDIVISION, "TRADE ACADEMY"
17 MEANS A PUBLIC SCHOOL ACADEMY THAT IS REQUIRED BY THE CONTRACT
18 ISSUED BY ITS AUTHORIZING BODY TO OPERATE A CURRICULUM THAT
19 REQUIRES ALL PUPILS TO ENGAGE IN JOB-SHADOWING, WORK-STUDY,
20 EXTERNSHIPS, COOPERATIVE PROGRAMS, OR SIMILAR VOCATIONAL
21 EXPERIENCE OPPORTUNITIES WITH 1 OR MORE SPECIFIED BUSINESSES OR
22 INDUSTRIES.
23 (E) SUBJECT TO THE LIMITATIONS IN SECTION 502A, AND ONLY UNTIL
2003, THE PUBLIC
24 SCHOOL ACADEMY OVERSIGHT BOARD ESTABLISHED IN SECTION 502A.
25 HOWEVER, _____ THE TOTAL NUMBER OF CONTRACTS ISSUED BY THE
26 PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD SHALL NOT EXCEED 100.

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1 (F) TWO OR MORE ENTITIES DESCRIBED IN SUBDIVISIONS (A) TO
2 (E) ACTING JOINTLY PURSUANT TO AN INTERLOCAL AGREEMENT AUTHORIZED
3 UNDER THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS) PA 7,
4 MCL 124.501 TO 124.512. AT A MINIMUM, THIS AGREEMENT SHALL SPEC-
5 IFY WHICH ENTITY SHALL ISSUE THE CONTRACT AND WHICH ENTITY SHALL
6 BE RESPONSIBLE FOR MONITORING COMPLIANCE BY THE PUBLIC SCHOOL
7 ACADEMY AND ITS BOARD WITH THE CONTRACT AND APPLICABLE LAW.

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

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

13 (b) Subject to the resolution adopted by the authorizing
14 body under section ~~503(4)~~ 503, a list of the proposed members
15 of the board of directors of the public school academy and a
16 description of the qualifications and method for appointment or
17 election of members of the board of directors.

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

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

21 (ii) The purposes for the public school academy
22 corporation. This language shall provide that the public school
23 academy is incorporated pursuant to this part and that the public
24 school academy corporation is a governmental entity.

25 (iii) The name of the authorizing body.

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

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

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

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

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

8 (ii) A copy of the educational goals of the public school
9 academy and the curricula to be offered and methods of pupil
10 assessment to be used by the public school academy. To the
11 extent applicable, the progress of the pupils in the public
12 school academy shall be assessed using at least a Michigan educa-
13 tion assessment program (MEAP) test or an assessment instrument
14 developed under section 1279 for a state-endorsed high school
15 diploma.

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

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

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

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

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

5 (h) An agreement that the public school academy will comply
6 with the provisions of this part and, subject to the provisions
7 of this part, with all other state law applicable to public
8 bodies and with federal law applicable to public bodies or school
9 districts. THIS AGREEMENT DOES NOT RELIEVE ANOTHER GOVERNMENTAL
10 ENTITY OF ITS ENFORCEMENT OR SUPERVISORY RESPONSIBILITY UNDER ANY
11 OTHER LAW.

12 (i) For a public school academy authorized by a school dis-
13 trict, an assurance that employees of the public school academy
14 will be covered by the collective bargaining agreements that
15 apply to other employees of the school district employed in simi-
16 lar classifications in schools that are not public school
17 academies.

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

20 (K) THE NAME AND PRINCIPAL OFFICERS OF ANY MANAGEMENT COM-
21 PANY EXPECTED TO BE INVOLVED IN OPERATING THE PUBLIC SCHOOL
22 ACADEMY.

23 (4) An authorizing body shall oversee, or shall contract
24 with an intermediate school district, community college, or state
25 public university to oversee, each public school academy operat-
26 ing under a contract issued by the authorizing body. The
27 oversight shall be sufficient to ensure that the authorizing body

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1 can certify that the public school academy is in compliance with
2 statute, rules, and the terms of the contract. AT LEAST ANNUAL-
3 LY, EACH AUTHORIZING BODY SHALL FILE AN OVERSIGHT REPORT WITH THE
4 PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD. AN OVERSIGHT REPORT SHALL
5 CONTAIN AT LEAST ALL OF THE FOLLOWING INFORMATION:

6 (A) NUMBER OF STAFF ASSIGNED TO OVERSIGHT ACTIVITIES, BOTH
7 GENERALLY AND FOR A SPECIFIC CONTRACT, ON A FULL-TIME EQUATED
8 BASIS.

9 (B) QUALIFICATIONS, INCLUDING ANY PROFESSIONAL CERTIFICA-
10 TION, OF STAFF ASSIGNED TO OVERSIGHT ACTIVITIES.

11 (C) NUMBER OF SITE VISITS CONDUCTED BY THE AUTHORIZING
12 BODY.

13 (D) ANY NOTICES ISSUED BY THE AUTHORIZING BODY FOR NONCOM-
14 PLIANCE WITH STATUTE, RULES, OR THE TERMS OF THE CONTRACT FOUND
15 IN THE COURSE OF THE OVERSIGHT AND ANY AREAS OF PERFORMANCE FOUND
16 TO BE IN NEED OF IMPROVEMENT.

17 (E) A SUMMARY OF REMEDIATION OF NONCOMPLIANCE DESCRIBED IN
18 SUBDIVISION (D).

19 (F) SPECIFIC SUGGESTIONS AND PLANS FOR IMPROVEMENT OF
20 PERFORMANCE.

21 (G) ASSURANCE THAT THE AUTHORIZING BODY HAS MADE APPROPRIATE
22 INQUIRY AND HAS DETERMINED THAT THE PUBLIC SCHOOL ACADEMY IS IN
23 COMPLIANCE WITH THE PROVISIONS OF SUBSECTION (1) CONCERNING RELI-
24 GIOUS AFFILIATIONS.

25 (H) ASSURANCE THAT THE AUTHORIZING BODY HAS MADE APPROPRIATE
26 INQUIRY AND HAS DETERMINED THAT THE PUBLIC SCHOOL ACADEMY IS IN

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1 COMPLIANCE WITH ALL APPLICABLE LAW, INCLUDING, BUT NOT LIMITED
2 TO, THOSE PROVISIONS OF LAW SPECIFIED IN SECTION 503(6).

3 (I) ASSURANCE THAT THE AUTHORIZING BODY HAS MADE APPROPRIATE
4 INQUIRY AND HAS DETERMINED THAT THE PUBLIC SCHOOL ACADEMY IS IN
5 COMPLIANCE WITH THE LEGAL REQUIREMENTS FOR SCHOOL DISTRICT
6 ACCOUNTING, INCLUDING THE USE OF THE MICHIGAN SCHOOLS ACCOUNTING
7 MANUAL (BULLETIN 1022), AND, IF THE PUBLIC SCHOOL ACADEMY HAS A
8 CONTRACT WITH AN EDUCATION MANAGEMENT ORGANIZATION, ASSURANCE
9 THAT THE STAFFING COST SCHEDULE IS INTEGRATED WITH THE TOTAL
10 COSTS FOR INSTRUCTION TRANSFERRED TO THE APPROPRIATE FUNCTION.

11 (J) ASSURANCE THAT THE AUTHORIZING BODY HAS MADE APPROPRIATE
12 INQUIRY CONCERNING STANDARDIZED TEST SCORES DESCRIBED IN SECTION
13 503(5) AND OTHER RELEVANT DATA TO DETERMINE THAT THE PUBLIC
14 SCHOOL ACADEMY IS FULFILLING THE ACADEMIC GOALS SPECIFIED IN THE
15 CONTRACT.

16 (K) ASSURANCE THAT THE AUTHORIZING BODY HAS MADE APPROPRIATE
17 INQUIRY CONCERNING THE QUALIFICATIONS OF THE PUBLIC SCHOOL
18 ACADEMY'S INSTRUCTIONAL STAFF AND HAS DETERMINED THAT THE PUBLIC
19 SCHOOL ACADEMY IS IN COMPLIANCE WITH SECTION 505.

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

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1 authorizing body before the suspension is not affected by the
2 suspension.

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

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

17 (8) AN AUTHORIZING BODY MAY ENTER INTO AN INTERGOVERNMENTAL
18 AGREEMENT WITH ANOTHER AUTHORIZING BODY TO ISSUE PUBLIC SCHOOL
19 ACADEMY CONTRACTS. AT A MINIMUM, THE AGREEMENT SHALL SPECIFY
20 WHICH AUTHORIZING BODY SHALL ISSUE THE CONTRACT AND WHICH AUTHO-
21 RIZING BODY WILL BE RESPONSIBLE FOR MONITORING COMPLIANCE BY THE
22 PUBLIC SCHOOL ACADEMY BOARD OF DIRECTORS WITH THE CONTRACT AND
23 ALL APPLICABLE LAW.

24 SEC. 502A. (1) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD IS
25 CREATED AS AN AUTONOMOUS AGENCY WITHIN THE DEPARTMENT.

26 (2) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD SHALL CONSIST
27 OF 7 MEMBERS, AS FOLLOWS:

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1 (A) FOUR MEMBERS APPOINTED BY THE GOVERNOR WITH THE ADVICE
2 AND CONSENT OF THE SENATE. AT LEAST 2 OF THE MEMBERS APPOINTED
3 BY THE GOVERNOR SHALL BE PERSONS WITH AT LEAST 5 YEARS'
4 EXPERIENCE AS A TEACHER, SCHOOL COUNSELOR, SCHOOL PSYCHOLOGIST,
5 SCHOOL SOCIAL WORKER, OR SCHOOL ADMINISTRATOR IN A PUBLIC
6 SCHOOL.

7 (B) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
8 REPRESENTATIVES.

9 (C) ONE MEMBER APPOINTED BY THE SENATE MAJORITY LEADER.

10 (D) THE SUPERINTENDENT OF PUBLIC INSTRUCTION OR HIS OR HER
11 DESIGNEE.

12 (3) THE MEMBERS FIRST APPOINTED TO THE PUBLIC SCHOOL ACADEMY
13 OVERSIGHT BOARD SHALL BE APPOINTED WITHIN 60 DAYS AFTER THE
14 EFFECTIVE DATE OF THIS SECTION.

15 (4) MEMBERS OF THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD
16 SHALL SERVE FOR TERMS OF 4 YEARS OR UNTIL A SUCCESSOR IS APPOINT-
17 ED, WHICHEVER IS LATER, EXCEPT THAT OF THE APPOINTED MEMBERS
18 FIRST APPOINTED, THE APPOINTING OFFICERS SHALL COOPERATE TO
19 ENSURE THAT 2 SERVE FOR A 2-YEAR TERM AND 2 SERVE FOR A 3-YEAR
20 TERM.

21 (5) IF A VACANCY OCCURS ON THE PUBLIC SCHOOL ACADEMY OVER-
22 SIGHT BOARD, AN APPOINTMENT SHALL BE MADE FOR THE UNEXPIRED TERM
23 IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

24 (6) THE APPOINTING OFFICER MAY REMOVE A MEMBER OF THE PUBLIC
25 SCHOOL ACADEMY OVERSIGHT BOARD FOR INCOMPETENCY, DERELICTION OF
26 DUTY, MALFEASANCE, MISFEASANCE, OR NONFEASANCE IN OFFICE, OR ANY
27 OTHER GOOD CAUSE.

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1 (7) THE FIRST MEETING OF THE PUBLIC SCHOOL ACADEMY OVERSIGHT
2 BOARD SHALL BE CALLED BY THE GOVERNOR. AT THE FIRST MEETING, THE
3 PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD SHALL ELECT FROM AMONG ITS
4 MEMBERS A CHAIRPERSON AND OTHER OFFICERS AS IT CONSIDERS NECES-
5 SARY OR APPROPRIATE.

6 (8) A MAJORITY OF THE MEMBERS OF THE PUBLIC SCHOOL ACADEMY
7 OVERSIGHT BOARD CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSI-
8 NESS AT A MEETING OF THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD.
9 A MAJORITY OF THE MEMBERS PRESENT AND SERVING ARE REQUIRED FOR
10 OFFICIAL ACTION OF THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD.

11 (9) THE BUSINESS THAT THE PUBLIC SCHOOL ACADEMY OVERSIGHT
12 BOARD MAY PERFORM SHALL BE CONDUCTED AT A PUBLIC MEETING OF THE
13 PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD HELD IN COMPLIANCE WITH THE
14 OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

15 (10) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF,
16 OR RETAINED BY THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD IN THE
17 PERFORMANCE OF AN OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF
18 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

19 (11) MEMBERS OF THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD
20 SHALL SERVE WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE PUBLIC
21 SCHOOL ACADEMY OVERSIGHT BOARD MAY BE REIMBURSED FOR THEIR ACTUAL
22 AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFI-
23 CIAL DUTIES AS MEMBERS OF THE PUBLIC SCHOOL ACADEMY OVERSIGHT
24 BOARD.

25 (12) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD MAY DO ALL OF
26 THE FOLLOWING:

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1 (A) UNTIL 2003, AUTHORIZE PUBLIC SCHOOL ACADEMY CONTRACTS AS
2 PROVIDED
3 UNDER THIS PART. HOWEVER, THE PUBLIC SCHOOL ACADEMY OVERSIGHT
4 BOARD MAY ONLY ISSUE A CONTRACT FOR A PUBLIC SCHOOL ACADEMY THAT
5 MEETS 1 OR MORE OF THE FOLLOWING, AS SPECIFIED IN ITS CONTRACT:
6 (i) A PUBLIC SCHOOL ACADEMY ESTABLISHED FOR OPERATING AN
7 ADULT BASIC EDUCATION PROGRAM, ADULT HIGH SCHOOL COMPLETION PRO-
8 GRAM, OR GENERAL EDUCATION DEVELOPMENT TESTING PREPARATION PRO-
9 GRAM, OR A COMBINATION OF THESE.
10 (ii) A PUBLIC SCHOOL ACADEMY ESTABLISHED TO PROVIDE SPECIAL
11 EDUCATION PROGRAMS AND SERVICES FOR ELIGIBLE PUPILS.
12 (iii) A PUBLIC SCHOOL ACADEMY ESTABLISHED FOR PUPILS WHO
13 HAVE BEEN EXPELLED FROM ANOTHER SCHOOL OR SCHOOL DISTRICT OR WHO
14 HAVE EXHIBITED BEHAVIORAL PROBLEMS.
15 (B) REVIEW CHARGES BROUGHT UNDER SECTION 504C TO DETERMINE
16 WHETHER OR NOT A PUBLIC SCHOOL ACADEMY HAS VIOLATED
17 SECTION 504C.
18 (C) ESTABLISH PROCEDURES FOR PROCESSING APPLICATIONS, FOR
19 ISSUING CONTRACTS, FOR CARRYING OUT ITS DUTIES UNDER
20 SECTION 504C, AND FOR CONDUCTING OVERSIGHT OF PUBLIC SCHOOL ACAD-
21 EMIES AUTHORIZED BY THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD.
22 (13) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD, IN COLLABO-
23 RATION WITH OTHER AUTHORIZING BODIES, SHALL ESTABLISH A COMMON
24 OVERSIGHT REPORTING PROCESS FOR ALL AUTHORIZING BODIES. AFTER
25 THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD ESTABLISHES THIS COMMON
26 OVERSIGHT REPORTING PROCESS, AN AUTHORIZING BODY SHALL COMPLY
WITH THE PROCESS.

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1 (14) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD SHALL PROVIDE
2 TECHNICAL ASSISTANCE AS REQUESTED BY A PUBLIC SCHOOL ACADEMY
3 AUTHORIZED BY THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD TO ASSIST
4 IN WORKING WITH APPROPRIATE LOCAL, STATE, AND FEDERAL AGENCIES TO
5 COORDINATE SERVICES AND MAXIMIZE RESOURCES AVAILABLE FOR THE TYPE
6 OF PUPILS SERVED BY THE PUBLIC SCHOOL ACADEMY.

7 Sec. 503. (1) An authorizing body is not required to issue
8 a contract to any person or entity. Public school academy con-
9 tracts shall be issued on a competitive basis taking into consid-
10 eration the resources available for the proposed public school
11 academy, the population to be served by the proposed public
12 school academy, THE QUALIFICATIONS OF THE APPLICANT AND THE PRO-
13 POSED BOARD OF DIRECTORS, and the educational goals to be
14 achieved by the proposed public school academy.

15 (2) If a person or entity applies to the board of a school
16 district for a contract to organize and operate 1 or more public
17 school academies within the boundaries of the school district and
18 the board does not issue the contract, the person or entity may
19 petition the board to place the question of issuing the contract
20 on the ballot to be decided by the school electors of the school
21 district. The petition shall contain A CONCISE SUMMARY OF all of
22 the information required to be in the ~~contract~~ application
23 under section ~~502(3)~~ 502 and shall be signed by a number of
24 school electors of the school district equal to at least 15% of
25 the total number of school electors of that school district. The
26 petition shall be filed with the secretary of the board. If the
27 board receives a petition meeting the requirements of this

1 subsection, the board shall place the question of issuing the
2 contract on the ballot at its next ~~annual~~ REGULAR school elec-
3 tion held at least 60 days after receiving the petition. If a
4 majority of the school electors of the school district voting on
5 the question vote to issue the contract, the board shall issue
6 the contract.

7 (3) Within 10 days after issuing a contract for a public
8 school academy, the ~~board of the~~ authorizing body shall submit
9 to the ~~state board~~ SUPERINTENDENT OF PUBLIC INSTRUCTION a copy of
the contract and of the application
10 under section 502.

11 (4) An authorizing body shall adopt a resolution establish-
12 ing the method of selection, THE METHOD OF REMOVAL OR
13 REPLACEMENT, length of term, and number of members of the board
14 of directors of each public school academy subject to its
15 jurisdiction.

16 (5) A contract issued to organize and administer a public
17 school academy shall contain at least all of the following:

18 (a) The educational goals the public school academy is to
19 achieve and the methods by which it will be held accountable. To
20 the extent applicable, the pupil performance of a public school
21 academy shall be assessed using at least a Michigan education
22 assessment program (MEAP) test or an assessment instrument devel-
23 oped under section 1279 for a state-endorsed high school
24 diploma.

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

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

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

5 (D) ~~(e)~~ For a public school academy authorized by a school
6 district, an agreement that employees of the public school acad-
7 emy will be covered by the collective bargaining agreements that
8 apply to employees of the school district employed in similar
9 classifications in schools that are not public school academies.

10 (E) ~~(f)~~ Procedures for revoking the contract and grounds
11 for revoking the contract, including at least the grounds listed
12 in section 507.

13 (F) ~~(g)~~ A description of and address for the proposed
14 physical plant in which the public school academy will be
15 located.

16 (G) ~~(h)~~ Requirements and procedures for financial audits.
17 The financial audits shall be conducted at least annually by a
18 certified public accountant in accordance with generally accepted
19 governmental auditing principles. THE CONTRACT ALSO MAY REQUIRE
20 EDUCATIONAL MANAGEMENT COMPANIES INVOLVED IN OPERATION OF THE
21 PUBLIC SCHOOL ACADEMY TO SUBMIT TO AUDITS BY THE PUBLIC SCHOOL
22 ACADEMY OR BY THE AUTHORIZING BODY.

23 (H) IF THE PUBLIC SCHOOL ACADEMY CONTRACTS WITH AN EDUCA-
24 TIONAL MANAGEMENT ORGANIZATION, AT LEAST ALL OF THE FOLLOWING:

25 (i) THAT THE PUBLIC SCHOOL ACADEMY HAS CONDUCTED SUFFICIENT
26 DUE DILIGENCE TO ASSURE THAT THE EDUCATIONAL MANAGEMENT
27 ORGANIZATION HAS SUFFICIENT FINANCIAL RESOURCES, EDUCATIONAL

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1 SERVICES CAPACITY, AND MANAGERIAL EXPERIENCE TO PROVIDE THE
2 CONTRACTED SERVICES.

3 (ii) THAT THE PUBLIC SCHOOL ACADEMY WILL RETAIN INDEPENDENT
4 LEGAL COUNSEL IN ALL NEGOTIATIONS WITH THE EDUCATIONAL MANAGEMENT
5 ORGANIZATION.

6 (iii) AGREEMENTS THAT THE FINANCIAL, EDUCATIONAL, AND STU-
7 DENT RECORDS PERTAINING TO THE PUBLIC SCHOOL ACADEMY AND PUBLIC
8 SCHOOL ACADEMY PUPILS ARE PROPERTY OF THE PUBLIC SCHOOL ACADEMY
9 AND THAT ALL OF THESE RECORDS ARE SUBJECT TO THE FREEDOM OF
10 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

11 (iv) THAT THE INDEPENDENT AUDITOR FOR THE PUBLIC SCHOOL
12 ACADEMY SHALL NOT BE THE SAME AUDITOR AS THE AUDITOR FOR THE EDU-
13 CATIONAL MANAGEMENT ORGANIZATION.

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

16 (a) The open meetings act, ~~Act No. 267 of the Public Acts~~
17 ~~of 1976, being sections 15.261 to 15.275 of the Michigan Compiled~~
18 ~~Laws~~ 1976 PA 267, MCL 15.261 TO 15.275.

19 (b) The freedom of information act, ~~Act No. 442 of the~~
20 ~~Public Acts of 1976, being sections 15.231 to 15.246 of the~~
21 ~~Michigan Compiled Laws~~ 1976 PA 442, MCL 15.231 TO 15.246.

22 (c) ~~Act No. 336 of the Public Acts of 1947, being~~
23 ~~sections 423.201 to 423.217 of the Michigan Compiled Laws~~ 1947
24 PA 336, MCL 423.201 TO 423.217.

25 (d) ~~Act No. 166 of the Public Acts of 1965, being~~
26 ~~sections 408.551 to 408.558 of the Michigan Compiled Laws~~ 1965
27 PA 166, MCL 408.551 TO 408.558.

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1 (e) ~~Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and~~
2 ~~1274~~ ANY PROVISION OF THIS ACT THAT APPLIES SPECIFICALLY BY REF-
3 ERENCE TO PUBLIC SCHOOL ACADEMIES OR THAT APPLIES SPECIFICALLY BY
4 REFERENCE TO A PUBLIC SCHOOL.

5 (7) A public school academy and its incorporators, board
6 members, officers, employees, and volunteers have governmental
7 immunity as provided in section 7 of ~~Act No. 170 of the Public~~
8 ~~Acts of 1964, being section 691.1407 of the Michigan Compiled~~
9 ~~Laws~~ 1964 PA 170, MCL 691.1407. An authorizing body and its
10 board members, officers, and employees are immune from civil
11 liability, both personally and professionally, for any acts or
12 omissions in ~~authorizing a public school academy~~ CARRYING OUT A
13 FUNCTION PURSUANT TO THIS PART if the authorizing body or the
14 person acted or reasonably believed he or she acted within the
15 authorizing body's or the person's scope of authority.

16 (8) A public school academy is exempt from all taxation on
17 its earnings and property. Instruments of conveyance to or from
18 a public school academy are exempt from all taxation including
19 taxes imposed by ~~Act No. 134 of the Public Acts of 1966, being~~
20 ~~sections 207.501 to 207.513 of the Michigan Compiled Laws~~ 1966
21 PA 134, MCL 207.501 TO 207.513. A public school academy may not
22 levy ad valorem property taxes or any other tax for any purpose.
23 However, operation of 1 or more public school academies by a
24 school district or intermediate school district does not affect
25 the ability of the school district or intermediate school dis-
26 trict to levy ad valorem property taxes or any other tax.

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1 (9) A public school academy may acquire by purchase, gift,
2 devise, lease, sublease, installment purchase agreement, land
3 contract, option, or by any other means, hold and own in its own
4 name buildings and other property for school purposes, and inter-
5 ests therein, and other real and personal property, including,
6 but not limited to, interests in property subject to mortgages,
7 security interests, or other liens, necessary or convenient to
8 fulfill its purposes. For the purposes of condemnation, a public
9 school academy may proceed under the uniform condemnation proce-
10 dures act, ~~Act No. 87 of the Public Acts of 1980, being sections~~
11 ~~213.51 to 213.77 of the Michigan Compiled Laws 1980 PA 87,~~
12 MCL 213.51 TO 213.77, excluding sections 6 to 9 of that act,
13 ~~being sections 213.56 to 213.59 of the Michigan Compiled Laws~~
14 MCL 213.56 TO 213.59, or other applicable statutes, but only with
15 the express, written permission of the authorizing body in each
16 instance of condemnation and only after just compensation has
17 been determined and paid.

18 (10) A MEMBER OF THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL
19 ACADEMY IS A PUBLIC OFFICER AND, BEFORE ENTERING UPON THE DUTIES
20 OF THE OFFICE, SHALL TAKE THE CONSTITUTIONAL OATH OF OFFICE FOR
21 PUBLIC OFFICERS PRESCRIBED UNDER SECTION 1 OF ARTICLE XI OF THE
22 STATE CONSTITUTION OF 1963.

23 SEC. 503B. (1) IF A PUBLIC SCHOOL ACADEMY IS NO LONGER
24 AUTHORIZED TO OPERATE AS A PUBLIC SCHOOL ACADEMY UNDER THIS PART,
25 TITLE TO ALL REAL AND PERSONAL PROPERTY, INTERESTS IN REAL OR
26 PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY THE PUBLIC SCHOOL
27 ACADEMY SHALL REVERT TO THIS STATE. ANY MONEY INCLUDED IN THOSE

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1 ASSETS AND THE NET PROCEEDS FROM THE SALE OF THE PROPERTY OR
2 INTERESTS IN PROPERTY, AFTER PAYMENT OF ANY DEBT SECURED BY THE
3 PROPERTY OR INTEREST IN PROPERTY, SHALL BE DEPOSITED IN THE STATE
4 SCHOOL AID FUND.

5 (2) THIS SECTION DOES NOT IMPOSE ANY LIABILITY ON THIS STATE
6 OR ON AN AUTHORIZING BODY FOR ANY DEBT INCURRED BY A PUBLIC
7 SCHOOL ACADEMY.

8 SEC. 503C. (1) AS PART OF ITS POWERS UNDER SECTION 504A,
9 THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY MAY RECEIVE,
10 OWN, AND ENJOY A GIFT OF REAL OR PERSONAL PROPERTY MADE BY GRANT,
11 DEVISE, BEQUEST, OR IN ANY OTHER MANNER, THAT IS MADE FOR SCHOOL
12 PURPOSES UNDER THIS ACT. A PUBLIC SCHOOL ACADEMY MAY TRANSFER A
13 GIFT OF INTANGIBLE PERSONAL PROPERTY OR THE PROCEEDS FROM THAT
14 GIFT TO A COMMUNITY FOUNDATION. IF A GIFT RECEIVED BY THE PUBLIC
15 SCHOOL ACADEMY WAS SUBJECT TO A CONDITION, LIMITATION, OR
16 REQUIREMENT, THE TRANSFER MUST BE TO A FUND WITHIN THE COMMUNITY
17 FOUNDATION THAT INCORPORATES A CONDITION, LIMITATION, OR REQUIRE-
18 MENT THAT IS IDENTICAL OR SUBSTANTIALLY SIMILAR TO THE CONDITION,
19 LIMITATION, OR REQUIREMENT THE GIFT WAS SUBJECT TO. IF A GIFT
20 RECEIVED BY THE PUBLIC SCHOOL ACADEMY WAS NOT SUBJECT TO ANY CON-
21 DITION, LIMITATION, OR REQUIREMENT, THE TRANSFER MUST BE TO A
22 FUND WITHIN THE COMMUNITY FOUNDATION THAT IMPOSES CONDITIONS,
23 LIMITATIONS, OR REQUIREMENTS ON THE USE OF THE GIFT PROPERTY FOR
24 1 OR MORE SCHOOL PURPOSES UNDER THIS ACT.

25 (2) IF A PUBLIC SCHOOL ACADEMY TRANSFERS A GIFT TO A COMMU-
26 NITY FOUNDATION PURSUANT TO THIS SECTION AND IF 1 OR MORE OF THE

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1 FOLLOWING OCCUR, THE COMMUNITY FOUNDATION SHALL RETURN THE GIFT
2 TO THE PUBLIC SCHOOL ACADEMY:

3 (A) THE COMMUNITY FOUNDATION FAILS TO MEET ALL OF THE
4 REQUIREMENTS FOR CERTIFICATION AS A COMMUNITY FOUNDATION UNDER
5 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
6 MCL 206.261.

7 (B) THE COMMUNITY FOUNDATION IS LIQUIDATED.

8 (C) THE COMMUNITY FOUNDATION SUBSTANTIALLY VIOLATES ANY CON-
9 DITION, LIMITATION, OR REQUIREMENT ON THE GIFT.

10 (3) UNLESS WAIVED BY THE PUBLIC SCHOOL ACADEMY TRANSFERRING
11 THE GIFT, BEFORE A PUBLIC SCHOOL ACADEMY MAY TRANSFER A GIFT TO A
12 COMMUNITY FOUNDATION PURSUANT TO THIS SECTION, THE COMMUNITY
13 FOUNDATION SHALL ESTABLISH A DONOR ADVISORY BOARD FOR THAT GIFT.
14 THE DONOR ADVISORY BOARD SHALL INCLUDE AT LEAST 1 REPRESENTATIVE
15 OF THE PUBLIC SCHOOL ACADEMY TRANSFERRING THE GIFT. THE DONOR
16 ADVISORY BOARD SHALL DO ALL OF THE FOLLOWING:

17 (A) MONITOR THE COMMUNITY FOUNDATION'S COMPLIANCE WITH ANY
18 CONDITION, LIMITATION, OR REQUIREMENT ON THE USE OF THE GIFT.

19 (B) MAKE RECOMMENDATIONS TO THE COMMUNITY FOUNDATION FOR THE
20 USE OF DISTRIBUTIONS OR OTHER PROCEEDS FROM THE GIFT.

21 (4) A TRANSFER OF A GIFT MADE IN ACCORDANCE WITH THIS SEC-
22 TION THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THIS SECTION IS
23 RATIFIED AND CONFIRMED AND THE TRANSFER IS CONSIDERED VALID AS IF
24 IT HAD BEEN MADE UNDER THIS SECTION.

25 (5) AS USED IN THIS SECTION:

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1 (A) "COMMUNITY FOUNDATION" MEANS THAT TERM AS DEFINED IN
2 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
3 MCL 206.261.

4 (B) "CONDITION, LIMITATION, OR REQUIREMENT" DOES NOT INCLUDE
5 A MATERIAL RESTRICTION OR CONDITION THAT VIOLATES 26
6 C.F.R. 1.170A-9 OR THAT RESTRICTS A COMMUNITY FOUNDATION'S INHER-
7 ENT POWER OF MODIFICATION DESCRIBED IN 26 C.F.R. 1.170A-9.

8 (C) "GIFT" DOES NOT INCLUDE STATE SCHOOL AID OR ANOTHER
9 GRANT FROM STATE OR FEDERAL SOURCES.

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

16 (2) A public school academy shall not charge tuition. ~~and~~
17 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PUBLIC SCHOOL
18 ACADEMY shall not discriminate in its pupil admissions policies
19 or practices on the basis of intellectual or athletic ability,
20 measures of achievement or aptitude, status as a handicapped
21 person, or any other basis that would be illegal if used by a
22 school district. However, a public school academy may limit
23 admission to pupils who are within a particular range of age or
24 grade level or on any other basis that would be legal if used by
25 a school district AND MAY GIVE ENROLLMENT PRIORITY AS PROVIDED IN
26 SUBSECTION (5).

1 (3) IF IT IS STATED IN THE CONTRACT AUTHORIZING A PUBLIC
2 SCHOOL ACADEMY THAT THE PUBLIC SCHOOL ACADEMY IS ESTABLISHED
3 SPECIFICALLY FOR ENROLLING PUPILS OF A SINGLE GENDER WHO ARE
4 PLACED IN THE PUBLIC SCHOOL ACADEMY BY A COURT OR BY THE FAMILY
5 INDEPENDENCE AGENCY OR A COUNTY JUVENILE AGENCY UNDER THE DIREC-
6 TION OF A COURT, OR IF THE PUBLIC SCHOOL ACADEMY IS A PUBLIC
7 SCHOOL ACADEMY AUTHORIZED PURSUANT TO SECTION 502A(12)(A)(iii)
8 FOR PUPILS WHO HAVE BEEN EXPELLED OR HAVE EXHIBITED BEHAVIORAL
9 PROBLEMS, THE PUBLIC SCHOOL ACADEMY MAY LIMIT ENROLLMENT TO ONLY
10 THOSE PUPILS. BEFORE ISSUING A CONTRACT TO A PUBLIC SCHOOL ACAD-
11 EMY THAT IS ESTABLISHED SPECIFICALLY FOR ENROLLING PUPILS OF A
12 SINGLE GENDER UNDER THIS SUBSECTION, THE AUTHORIZING BODY SHALL
13 CONFIRM THAT OPERATION OF THE PUBLIC SCHOOL ACADEMY DOES NOT
14 DIMINISH OR INFRINGE UPON THE CONSTITUTIONAL AND CIVIL RIGHTS OF
15 PUPILS BASED UPON GENDER. A PUBLIC SCHOOL ACADEMY DESCRIBED IN
16 THIS SUBSECTION MAY OPERATE A RESIDENTIAL PROGRAM FOR ITS PUPILS.
17 (4) ~~-(3)-~~ Except for a foreign exchange student who is not a
18 United States citizen, a public school academy shall not enroll a
19 pupil who is not a resident of this state. Enrollment in the
20 public school academy may be open to all individuals who reside
21 in this state who meet the admission policy and shall be open to
22 all pupils who reside within the geographic boundaries, if any,
23 of the authorizing body as described in section ~~502(2)(a) to~~
24 ~~(c)-~~ 502(2) who meet the admission policy, except that admission
25 to a public school academy authorized by the board of a community
26 college to operate, or operated by the board of a community
27 college, on the grounds of a federal military installation, as

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1 described in section 502(2)(c), shall be open to all pupils who
2 reside in the county in which the federal military installation
3 is located. For a public school academy authorized by a state
4 public university, enrollment shall be open to all pupils who
5 reside in this state who meet the admission policy. ~~If~~ SUBJECT
6 TO SUBSECTION (5), IF there are more applications to enroll in
7 the public school academy than there are spaces available, pupils
8 shall be selected to attend using a random selection process.
9 ~~However, a public school academy may give enrollment priority to~~
10 ~~a sibling of a pupil enrolled in the public school academy.~~ A
11 public school academy shall allow any pupil who was enrolled in
12 the public school academy in the immediately preceding school
13 year to enroll in the public school academy in the appropriate
14 grade unless the appropriate grade is not offered at that public
15 school academy.

16 (5) A PUBLIC SCHOOL ACADEMY MAY GIVE ENROLLMENT PRIORITY TO
17 1 OR MORE OF THE FOLLOWING:

18 (A) A SIBLING OF A PUPIL ENROLLED IN THE PUBLIC SCHOOL
19 ACADEMY.

20 (B) A CHILD OF A PERSON WHO IS EMPLOYED BY OR AT THE PUBLIC
21 SCHOOL ACADEMY FOR AT LEAST AN AVERAGE OF 20 HOURS PER WEEK
22 DURING THE SCHOOL YEAR. AS USED IN THIS SUBDIVISION, "CHILD"
23 INCLUDES AN ADOPTED CHILD OR A LEGAL WARD.

24 (6) A PUBLIC SCHOOL ACADEMY IS NOT INTENDED TO ENROLL OR
25 OTHERWISE BE USED TO EDUCATE INDIVIDUALS WHO ARE COMMITTED TO A
26 HIGH-SECURITY OR MEDIUM-SECURITY JUVENILE FACILITY OPERATED BY
27 THE FAMILY INDEPENDENCE AGENCY OR ANOTHER STATE DEPARTMENT OR

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1 AGENCY. FURTHER, IF THE FAMILY INDEPENDENCE AGENCY, DEPARTMENT
2 OF CORRECTIONS, OR ANOTHER STATE DEPARTMENT OR AGENCY HAS CUSTODY
3 OF OR JURISDICTION OVER A CHILD, THAT STATE DEPARTMENT OR AGENCY
4 HAS THE FINANCIAL RESPONSIBILITY FOR EDUCATING THE CHILD.

5 (7) ~~-(4) A~~ SUBJECT TO THE TERMS OF THE CONTRACT AUTHORIZING
6 THE PUBLIC SCHOOL ACADEMY, A public school academy may include
7 any grade up to grade 12 or any configuration of those grades,
8 including kindergarten and early childhood education, as speci-
9 fied in its contract. If specified in its contract, a public
10 school academy may also operate an adult basic education program,
11 adult high school completion program, or general education devel-
12 opment testing preparation program. The authorizing body may
13 approve amendment of a contract with respect to ages of pupils or
14 grades offered.

15 Sec. 504a. In addition to other powers set forth in this
16 part, a public school academy may take action to carry out the
17 purposes for which it was incorporated under this part, includ-
18 ing, but not limited to, all of the following:

19 (a) To sue and be sued in its name.

20 (b) ~~To~~ SUBJECT TO SECTION 503B, TO acquire, hold, and own
21 in its own name real and personal property, or interests in real
22 or personal property, for educational purposes by purchase, gift,
23 grant, devise, bequest, lease, sublease, installment purchase
24 agreement, land contract, option, or condemnation, and subject to
25 mortgages, security interests, or other liens; and to sell or
26 convey the property as the interests of the public school academy
27 require.

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1 (c) To receive and disburse funds for lawful purposes.

2 (d) To enter into binding legal agreements with persons or
3 entities as necessary for the operation, management, FINANCING,
4 and maintenance of the public school academy.

5 (e) To incur temporary debt in accordance with
6 section 1225.

7 (f) To solicit and accept any grants or gifts for educa-
8 tional purposes and to establish or permit to be established on
9 its behalf 1 or more nonprofit corporations the purpose of which
10 is to assist the public school academy in the furtherance of its
11 public purposes.

12 (G) TO BORROW MONEY AND ISSUE BONDS IN ACCORDANCE WITH
13 SECTION 1351A, EXCEPT THAT THE BORROWING OF MONEY AND ISSUANCE OF
14 BONDS BY A PUBLIC SCHOOL ACADEMY IS NOT SUBJECT TO
15 SECTION 1351A(5) OR SECTION 1351(2) TO (4).

16 SEC. 504C. A PUBLIC SCHOOL ACADEMY SHALL NOT REFUSE TO
17 ENROLL A PUPIL WHO IS ELIGIBLE FOR SPECIAL EDUCATION PROGRAMS AND
18 SERVICES, OR DISCOURAGE A PUPIL WHO IS ELIGIBLE FOR SPECIAL EDU-
19 CATION PROGRAMS AND SERVICES FROM ENROLLING OR REMAINING ENROLLED
20 IN THE PUBLIC SCHOOL ACADEMY, SOLELY BECAUSE OF THE PUPIL'S ELI-
21 GIBILITY FOR SPECIAL EDUCATION PROGRAMS AND SERVICES. A PERSON
22 ALLEGING A VIOLATION OF THIS SECTION SHALL FILE A CHARGE WITH THE
23 PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD ESTABLISHED IN
24 SECTION 502A. IF THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD FINDS
25 BY CLEAR AND CONVINCING EVIDENCE THAT A PUBLIC SCHOOL ACADEMY HAS
26 VIOLATED THIS SECTION, THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD
27 SHALL NOTIFY THE PUBLIC SCHOOL ACADEMY'S AUTHORIZING BODY OF THIS

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1 FINDING AND THE AUTHORIZING BODY SHALL REVOKE THE PUBLIC SCHOOL
2 ACADEMY'S CONTRACT.

3 Sec. 507. (1) The authorizing body for a public school
4 academy is the fiscal agent for STATE SCHOOL AID FUNDS OF the
5 public school academy. A state school aid payment for a public
6 school academy shall be paid to the authorizing body that is the
7 fiscal agent for that public school academy, which shall then
8 forward the payment to the public school academy. An authorizing
9 body has the responsibility to oversee ~~a public school~~
10 ~~academy's~~ compliance BY A PUBLIC SCHOOL ACADEMY'S BOARD OF
11 DIRECTORS with the contract and all applicable law. A contract
12 issued under this part may be revoked by the authorizing body
13 that issued the contract if the authorizing body determines that
14 1 or more of the following has occurred:

15 (a) Failure of the public school academy to abide by and
16 meet the educational goals set forth in the contract.

17 (b) Failure of the public school academy to comply with all
18 applicable law.

19 (c) Failure of the public school academy to meet generally
20 accepted public sector accounting principles.

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

23 (2) The decision of an authorizing body to ISSUE, REISSUE,
24 OR revoke a contract under this section is solely within the dis-
25 cretion of the authorizing body, is final, and is not subject to
26 review by a court or any state agency. An authorizing body THAT
27 DOES NOT ISSUE OR REISSUE A CONTRACT, OR that revokes a contract,

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1 under this section is not liable for that action to the public
2 school academy, public school academy corporation, a pupil of the
3 public school academy, the parent or guardian of a pupil of the
4 public school academy, or any other person.

5 (3) AN AUTHORIZING BODY MAY REMOVE OR SUSPEND A MEMBER OF A
6 BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY FROM OFFICE FOR
7 GROSS NEGLIGENCE OF DUTY, CORRUPT CONDUCT IN OFFICE, KNOWING VIOLA-
8 TION OF A CONTRACT, OR FOR ANY OTHER MISFEASANCE OR MALFEASANCE
9 AND SHALL REPORT THE REASONS FOR A REMOVAL OR SUSPENSION UNDER
10 THIS SUBSECTION TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

11 SEC. 602. (1) AS PART OF ITS POWERS UNDER SECTION 601A, THE
12 INTERMEDIATE SCHOOL BOARD OF AN INTERMEDIATE SCHOOL DISTRICT MAY
13 RECEIVE, OWN, AND ENJOY A GIFT OF REAL OR PERSONAL PROPERTY MADE
14 BY GRANT, DEVISE, BEQUEST, OR IN ANY OTHER MANNER, THAT IS MADE
15 FOR INTERMEDIATE SCHOOL DISTRICT PURPOSES UNDER THIS ACT. AN
16 INTERMEDIATE SCHOOL BOARD MAY TRANSFER A GIFT OF INTANGIBLE PER-
17 SONAL PROPERTY OR THE PROCEEDS FROM THAT GIFT TO A COMMUNITY
18 FOUNDATION. IF A GIFT RECEIVED BY THE INTERMEDIATE SCHOOL BOARD
19 WAS SUBJECT TO A CONDITION, LIMITATION, OR REQUIREMENT, THE
20 TRANSFER MUST BE TO A FUND WITHIN THE COMMUNITY FOUNDATION THAT
21 INCORPORATES A CONDITION, LIMITATION, OR REQUIREMENT THAT IS
22 IDENTICAL OR SUBSTANTIALLY SIMILAR TO THE CONDITION, LIMITATION,
23 OR REQUIREMENT THE GIFT WAS SUBJECT TO. IF A GIFT RECEIVED BY
24 THE INTERMEDIATE SCHOOL BOARD WAS NOT SUBJECT TO ANY CONDITION,
25 LIMITATION, OR REQUIREMENT, THE TRANSFER MUST BE TO A FUND WITHIN
26 THE COMMUNITY FOUNDATION THAT IMPOSES CONDITIONS, LIMITATIONS, OR

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1 REQUIREMENTS ON THE USE OF THE GIFT PROPERTY FOR 1 OR MORE
2 INTERMEDIATE SCHOOL DISTRICT PURPOSES UNDER THIS ACT.

3 (2) IF AN INTERMEDIATE SCHOOL BOARD TRANSFERS A GIFT TO A
4 COMMUNITY FOUNDATION PURSUANT TO THIS SECTION AND IF 1 OR MORE OF
5 THE FOLLOWING OCCUR, THE COMMUNITY FOUNDATION SHALL RETURN THE
6 GIFT TO THE INTERMEDIATE SCHOOL BOARD:

7 (A) THE COMMUNITY FOUNDATION FAILS TO MEET ALL OF THE
8 REQUIREMENTS FOR CERTIFICATION AS A COMMUNITY FOUNDATION UNDER
9 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
10 MCL 206.261.

11 (B) THE COMMUNITY FOUNDATION IS LIQUIDATED.

12 (C) THE COMMUNITY FOUNDATION SUBSTANTIALLY VIOLATES ANY CON-
13 DITION, LIMITATION, OR REQUIREMENT ON THE GIFT.

14 (3) UNLESS WAIVED BY THE INTERMEDIATE SCHOOL BOARD TRANSFER-
15 RING THE GIFT, BEFORE AN INTERMEDIATE SCHOOL BOARD MAY TRANSFER A
16 GIFT TO A COMMUNITY FOUNDATION PURSUANT TO THIS SECTION, THE COM-
17 MUNITY FOUNDATION SHALL ESTABLISH A DONOR ADVISORY BOARD FOR THAT
18 GIFT. THE DONOR ADVISORY BOARD SHALL INCLUDE AT LEAST 1 REPRESENTATIVE OF THE INTERMEDIATE SCHOOL BOARD TRANSFERRING THE
19 GIFT. THE DONOR ADVISORY BOARD SHALL DO ALL OF THE FOLLOWING:

21 (A) MONITOR THE COMMUNITY FOUNDATION'S COMPLIANCE WITH ANY
22 CONDITION, LIMITATION, OR REQUIREMENT ON THE USE OF THE GIFT.

23 (B) MAKE RECOMMENDATIONS TO THE COMMUNITY FOUNDATION FOR THE
24 USE OF DISTRIBUTIONS OR OTHER PROCEEDS FROM THE GIFT.

25 (4) A TRANSFER OF A GIFT MADE IN ACCORDANCE WITH THIS SEC-
26 TION THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THIS SECTION IS

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1 RATIFIED AND CONFIRMED AND THE TRANSFER IS CONSIDERED VALID AS IF
2 IT HAD BEEN MADE UNDER THIS SECTION.

3 (5) AS USED IN THIS SECTION:

4 (A) "COMMUNITY FOUNDATION" MEANS THAT TERM AS DEFINED IN
5 SECTION 261 OF THE INCOME TAX ACT OF 1967, 1967 PA 281,
6 MCL 206.261.

7 (B) "CONDITION, LIMITATION, OR REQUIREMENT" DOES NOT INCLUDE
8 A MATERIAL RESTRICTION OR CONDITION THAT VIOLATES 26
9 C.F.R. 1.170A-9 OR THAT RESTRICTS A COMMUNITY FOUNDATION'S INHER-
10 ENT POWER OF MODIFICATION DESCRIBED IN 26 C.F.R. 1.170A-9.

11 (C) "GIFT" DOES NOT INCLUDE STATE SCHOOL AID OR ANOTHER
12 GRANT FROM STATE OR FEDERAL SOURCES.

13 Sec. 1311b. (1) A strict discipline academy is a public
14 school under section 2 of article VIII of the state constitution
15 of 1963, is a school district for the purposes of section 11 of
16 article IX of the state constitution of 1963 and for the purposes
17 of section 1225, and is subject to the leadership and general
18 supervision of the state board over all public education under
19 section 3 of article VIII of the state constitution of 1963. A
20 strict discipline academy is a body corporate and is a governmen-
21 tal agency. The powers granted to a strict discipline academy
22 under sections 1311b to 1311l constitute the performance of
23 essential public purposes and governmental functions of this
24 state.

25 (2) As used in sections 1311b to 1311l:

26 (a) "Authorizing body" means any of the following that
27 issues a contract as provided in sections 1311b to 1311l:

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1 (i) The board of a school district that operates grades K to
2 12.

3 (ii) An intermediate school board.

4 (iii) The board of a community college.

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

6 (v) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD ESTABLISHED IN
7 SECTION 502A.

8 (b) "Certificated teacher" means an individual who holds a
9 valid teaching certificate issued by the state board under
10 section 1531.

11 (c) "Community college" means a community college organized
12 under the community college act of 1966, 1966 PA 331, MCL 389.1
13 to 389.195, or a federal tribally controlled community college
14 that is recognized under the tribally controlled community col-
15 lege assistance act of 1978, Public Law 95-471, and is determined
16 by the department to meet the requirements for accreditation by a
17 recognized regional accrediting body.

18 (d) "Contract" means the executive act taken by an authoriz-
19 ing body that evidences the authorization of a strict discipline
20 academy and that establishes, subject to the constitutional
21 powers of the state board and applicable law, the written instru-
22 ment executed by an authorizing body conferring certain rights,
23 franchises, privileges, and obligations on a strict discipline
24 academy, as provided by sections 1311b to 1311l, and confirming
25 the status of a strict discipline academy as a public school in
26 this state.

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

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

7 Sec. 1311d. (1) A strict discipline academy shall be orga-
8 nized and administered under the direction of a board of direc-
9 tors in accordance with sections 1311b to 1311l and with bylaws
10 adopted by the board of directors. A strict discipline academy
11 corporation created to operate a strict discipline academy shall
12 be organized under the nonprofit corporation act, 1982 PA 162,
13 MCL 450.2101 to 450.3192, except that the strict discipline acad-
14 emy corporation is not required to comply with sections 170 to
15 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent dis-
16 qualified under the state or federal constitution, a strict dis-
17 cipline academy shall not be organized by a church or other reli-
18 gious organization and shall not have any organizational or con-
19 tractual affiliation with or constitute a church or other reli-
20 gious organization.

21 (2) Any of the following may act as an authorizing body to
22 issue a contract to organize and operate 1 or more strict disci-
23 pline academies under sections 1311b to 1311l:

24 (a) The board of a school district that operates grades K to
25 12. However, the board of a school district shall not issue a
26 contract for a strict discipline academy to operate outside the
27 school district's boundaries, and a strict discipline academy

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1 authorized by the board of a school district shall not operate
2 outside that school district's boundaries.

3 (b) An intermediate school board. However, the board of an
4 intermediate school district shall not issue a contract for a
5 strict discipline academy to operate outside the intermediate
6 school district's boundaries, and a strict discipline academy
7 authorized by the board of an intermediate school district shall
8 not operate outside that intermediate school district's
9 boundaries.

10 (c) The board of a community college. However, except as
11 otherwise provided in this subdivision, the board of a community
12 college shall not issue a contract for a strict discipline acad-
13 emy to operate in a school district organized as a school dis-
14 trict of the first class, a strict discipline academy authorized
15 by the board of a community college shall not operate in a school
16 district organized as a school district of the first class, the
17 board of a community college shall not issue a contract for a
18 strict discipline academy to operate outside the boundaries of
19 the community college district, and a strict discipline academy
20 authorized by the board of a community college shall not operate
21 outside the boundaries of the community college district. The
22 board of a community college also may issue a contract for not
23 more than 1 strict discipline academy to operate on the grounds
24 of an active or closed federal military installation located out-
25 side the boundaries of the community college district, or may
26 operate a strict discipline academy itself on the grounds of such
27 a federal military installation, if the federal military

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1 installation is not located within the boundaries of any
2 community college district and the community college has previ-
3 ously offered courses on the grounds of the federal military
4 installation for at least 10 years.

5 (d) The governing board of a state public university.

6 (E) THE PUBLIC SCHOOL ACADEMY OVERSIGHT BOARD ESTABLISHED IN
7 SECTION 502A.

8 (3) To obtain a contract to organize and operate 1 or more
9 strict discipline academies, 1 or more persons or an entity may
10 apply to an authorizing body described in subsection (2). The
11 application shall include at least all of the following:

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

13 (b) Subject to the resolution adopted by the authorizing
14 body under section 1311e, a list of the proposed members of the
15 board of directors of the strict discipline academy and a
16 description of the qualifications and method for appointment or
17 election of members of the board of directors.

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

20 (i) The name of the proposed strict discipline academy.

21 (ii) The purposes for the strict discipline academy corpora-
22 tion that will operate the strict discipline academy. This lan-
23 guage shall provide that the strict discipline academy is estab-
24 lished pursuant to sections 1311b to 1311l and that the strict
25 discipline academy corporation is a governmental entity.

26 (iii) The name of the authorizing body.

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

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

5 (d) A copy of the proposed bylaws of the strict discipline
6 academy.

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

9 (i) The governance structure of the strict discipline
10 academy.

11 (ii) A copy of the educational goals of the strict disci-
12 pline academy and the curricula to be offered and methods of
13 pupil assessment to be used by the strict discipline academy. To
14 the extent applicable, the progress of the pupils in the strict
15 discipline academy shall be assessed using at least a Michigan
16 education assessment program (MEAP) test or an assessment instru-
17 ment developed under section 1279 for a state-endorsed high
18 school diploma.

19 (iii) The admission policy and criteria to be maintained by
20 the strict discipline academy. The admission policy and criteria
21 shall comply with section 1311g. This part of the application
22 also shall include a description of how the applicant will pro-
23 vide to the general public adequate notice that a strict disci-
24 pline academy is being created and adequate information on the
25 admission policy, criteria, and process.

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

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- 1 (v) The age or grade range of pupils to be enrolled.
- 2 (vi) The type of pupils to be enrolled in the strict
3 discipline academy, as described in section 1311g(3) and (4).
- 4 (f) Descriptions of staff responsibilities and of the strict
5 discipline academy's governance structure.
- 6 (g) For an application to the board of a school district, an
7 intermediate school board, or board of a community college, iden-
8 tification of the local and intermediate school districts in
9 which the strict discipline academy will be located.
- 10 (h) An agreement that the strict discipline academy will
11 comply with the provisions of sections 1311b to 1311l and,
12 subject to the provisions of these sections, with all other state
13 law applicable to public bodies and with federal law applicable
14 to public bodies or school districts.
- 15 (i) For a strict discipline academy authorized by a school
16 district, an assurance that employees of the strict discipline
17 academy will be covered by the collective bargaining agreements
18 that apply to other employees of the school district employed in
19 similar classifications in schools that are not strict discipline
20 academies.
- 21 (j) A description of and address for the proposed physical
22 plant in which the strict discipline academy will be located.
- 23 (4) An authorizing body shall oversee, or shall contract
24 with an intermediate school district, community college, or state
25 public university to oversee, each strict discipline academy
26 operating under a contract issued by the authorizing body. The
27 oversight shall be sufficient to ensure that the authorizing body

1 can certify that the strict discipline academy is in compliance
2 with statute, rules, and the terms of the contract.

3 (5) If the state board finds that an authorizing body is not
4 engaging in appropriate continuing oversight of 1 or more strict
5 discipline academies operating under a contract issued by the
6 authorizing body, the state board may suspend the power of the
7 authorizing body to issue new contracts to organize and operate
8 strict discipline academies. A contract issued by the authoriz-
9 ing body during the suspension is void. A contract issued by the
10 authorizing body before the suspension is not affected by the
11 suspension.

12 (6) An authorizing body shall not charge a fee, or require
13 reimbursement of expenses, for considering an application for a
14 contract, for issuing a contract, or for providing oversight of a
15 contract for a strict discipline academy in an amount that
16 exceeds a combined total of 3% of the total state school aid
17 received by the strict discipline academy in the school year in
18 which the fees or expenses are charged. An authorizing body may
19 provide other services for a strict discipline academy and charge
20 a fee for those services, but shall not require such an arrange-
21 ment as a condition to issuing the contract authorizing the
22 strict discipline academy.

23 (7) A strict discipline academy shall be presumed to be
24 legally organized if it has exercised the franchises and privi-
25 leges of a strict discipline academy for at least 2 years.

26 Sec. 1311g. (1) A strict discipline academy may be located
27 in all or part of an existing public school building. Except for

1 a strict discipline academy that includes pupils who are the
2 responsibility of a county juvenile agency, a strict discipline
3 academy shall not operate at a site other than the single site
4 requested for the configuration of grades that will use the site,
5 as specified in the application required under section 1311d and
6 in the contract.

7 (2) A strict discipline academy shall not charge tuition.
8 Except as otherwise provided in subsection (5) OR (6), a strict
9 discipline academy shall not discriminate in its pupil admissions
10 policies or practices on the basis of intellectual or athletic
11 ability, measures of achievement or aptitude, status as a handi-
12 capped person, or any other basis that would be illegal if used
13 by a school district. However, a strict discipline academy may
14 limit admission to pupils who are within a particular range of
15 age or grade level or on any other basis that would be legal if
16 used by a school district.

17 (3) A strict discipline academy shall be established under
18 sections 1311b to 1311l specifically for enrolling 1 or more of
19 the following types of pupils:

20 (a) Pupils placed in the strict discipline academy by a
21 court or by the family independence agency or a county juvenile
22 agency under the direction of a court.

23 (b) Pupils who have been expelled under section 1311(2).

24 (c) Pupils who have been expelled under section 1311a or
25 another provision of this act.

1 (d) Other expelled pupils referred to the strict discipline
2 academy by that pupil's school and placed in the strict
3 discipline academy by the pupil's parent or legal guardian.

4 (4) In addition to the types of pupils specified in subsec-
5 tion (3), a strict discipline public school academy shall be open
6 for enrollment of a special education pupil who does not meet the
7 requirements of subsection (3) if the special education pupil's
8 individualized educational planning committee recommends that the
9 special education pupil be placed in the strict discipline public
10 school academy. As used in this subsection, "individualized edu-
11 cational planning committee" means that term as defined in
12 R 340.1701a of the Michigan administrative code or an individual-
13 ized education program team as defined in section 614 of part B
14 of title VI of the individuals with disabilities education act,
15 Public Law 91-230, 20 U.S.C. 1414.

16 (5) A strict discipline academy shall enroll only 1 or more
17 of the types of pupils described in subsection (3) or (4). A
18 strict discipline academy is not required to keep any group of
19 pupils described in subsection (3) or (4) physically separated
20 from another group of those pupils, as might otherwise be
21 required under section 1311, section 1311a, or another provision
22 of this act.

23 (6) IF SPECIFIED IN ITS CONTRACT, A STRICT DISCIPLINE ACAD-
24 EMY MAY LIMIT ENROLLMENT TO PUPILS OF A SINGLE GENDER.

25 (7) ~~-(6)-~~ Strict discipline academies are not intended to
26 enroll or otherwise be used to educate individuals who are
27 committed to a high-security or medium-security juvenile facility

1 operated by the family independence agency or another state
2 department or agency. Further, if the family independence
3 agency, department of corrections, or another state department or
4 agency has custody of or jurisdiction over a child, that state
5 department or agency has the financial responsibility for educat-
6 ing the child.

7 (8) ~~—(7)—~~ Except for a foreign exchange student who is not a
8 United States citizen, a strict discipline academy shall not
9 enroll a pupil who is not a resident of this state. Enrollment
10 in the strict discipline academy may be open to all individuals
11 who reside in this state who meet the admission policy under sub-
12 sections (3) and (4) and shall be open to all pupils who reside
13 within the geographic boundaries, if any, of the authorizing body
14 as described in section 1311d who meet the admission policy under
15 subsections (3) and (4), except that admission to a strict disci-
16 pline academy authorized by the board of a community college to
17 operate, or operated by the board of a community college, on the
18 grounds of a federal military installation, as described in sec-
19 tion 1311d, shall be open to all pupils who reside in the county
20 in which the federal military installation is located who meet
21 the admission policy under subsections (3) and (4). For a strict
22 discipline academy authorized by a state public university,
23 enrollment shall be open to all pupils who reside in this state
24 who meet the admission policy under subsections (3) and (4). If
25 there are more applications to enroll in the strict discipline
26 academy than there are spaces available, pupils shall be selected
27 to attend using a random selection process. However, a strict

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1 discipline academy may give enrollment priority to a sibling of a
2 pupil enrolled in the strict discipline academy. A strict disci-
3 pline academy shall allow any pupil who was enrolled in the
4 strict discipline academy in the immediately preceding school
5 year to enroll in the strict discipline academy in the appropri-
6 ate grade unless the appropriate grade is not offered at that
7 strict discipline academy.

8 (9) WITH THE APPROVAL OF ITS AUTHORIZING BODY, A STRICT DIS-
9 CIPLINE ACADEMY MAY OPERATE A RESIDENTIAL PROGRAM FOR ITS PUPILS.

10 (10) ~~—(8)—~~ A strict discipline academy may include any grade
11 up to grade 12 or any configuration of those grades, including
12 kindergarten and early childhood education, as specified in its
13 contract. The authorizing body may approve amendment of a con-
14 tract with respect to ages of pupils or grades offered.