

# HOUSE BILL No. 4425

March 7, 2001, Introduced by Reps. Hansen and Kolb and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 503 (MCL 380.503), as amended by 1995 PA  
289.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 503. (1) An authorizing body is not required to issue  
2 a contract to any person or entity. Public school academy con-  
3 tracts shall be issued on a competitive basis taking into consid-  
4 eration the resources available for the proposed public school  
5 academy, the population to be served by the proposed public  
6 school academy, and the educational goals to be achieved by the  
7 proposed public school academy.

8       (2) If a person or entity applies to the board of a school  
9 district for a contract to organize and operate 1 or more public

1 school academies within the boundaries of the school district and  
2 the board does not issue the contract, the person or entity may  
3 petition the board to place the question of issuing the contract  
4 on the ballot to be decided by the school electors of the school  
5 district. The petition shall contain all of the information  
6 required to be in the contract application under section 502(3)  
7 and shall be signed by a number of school electors of the school  
8 district equal to at least 15% of the total number of school  
9 electors of that school district. The petition shall be filed  
10 with the secretary of the board. If the board receives a peti-  
11 tion meeting the requirements of this subsection, the board shall  
12 place the question of issuing the contract on the ballot at its  
13 next annual school election held at least 60 days after receiving  
14 the petition. If a majority of the school electors of the school  
15 district voting on the question vote to issue the contract, the  
16 board shall issue the contract.

17       (3) Within 10 days after issuing a contract for a public  
18 school academy, the board of the authorizing body shall submit to  
19 the state board a copy of the contract and of the application  
20 under section 502.

21       (4) An authorizing body shall adopt a resolution establish-  
22 ing the method of selection, length of term, and number of mem-  
23 bers of the board of directors of each public school academy  
24 subject to its jurisdiction.

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

1 (a) The educational goals the public school academy is to  
2 achieve and the methods by which it will be held accountable. To  
3 the extent applicable, the pupil performance of a public school  
4 academy shall be assessed using at least a Michigan education  
5 assessment program (MEAP) test or an assessment instrument devel-  
6 oped under section 1279. ~~for a state-endorsed high school~~  
7 ~~diploma.~~

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

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

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

15 (e) For a public school academy authorized by a school dis-  
16 trict OR INTERMEDIATE SCHOOL DISTRICT, an agreement that employ-  
17 ees of the public school academy will be covered by the collec-  
18 tive bargaining agreements that apply to employees of the school  
19 district OR INTERMEDIATE SCHOOL DISTRICT, AS APPLICABLE, employed  
20 in similar classifications in schools OR PROGRAMS that are not  
21 public school academies.

22 (f) Procedures for revoking the contract and grounds for  
23 revoking the contract, including at least the grounds listed in  
24 section 507.

25 (g) A description of and address for the proposed physical  
26 plant in which the public school academy will be located.

1 (h) Requirements and procedures for financial audits. The  
2 financial audits shall be conducted at least annually by a  
3 certified public accountant in accordance with generally accepted  
4 governmental auditing principles.

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

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

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

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

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

19 (e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and  
20 1274.

21 (7) A public school academy and its incorporators, board  
22 members, officers, employees, and volunteers have governmental  
23 immunity as provided in section 7 of ~~Act No. 170 of the Public~~  
24 ~~Acts of 1964, being section 691.1407 of the Michigan Compiled~~  
25 ~~Laws~~ 1964 PA 170, MCL 691.1407. An authorizing body and its  
26 board members, officers, and employees are immune from civil  
27 liability, both personally and professionally, for any acts or

1 omissions in authorizing a public school academy if the  
2 authorizing body or the person acted or reasonably believed he or  
3 she acted within the authorizing body's or the person's scope of  
4 authority.

5       (8) A public school academy is exempt from all taxation on  
6 its earnings and property. Instruments of conveyance to or from  
7 a public school academy are exempt from all taxation including  
8 taxes imposed by ~~Act No. 134 of the Public Acts of 1966, being~~  
9 ~~sections 207.501 to 207.513 of the Michigan Compiled Laws~~ 1966  
10 PA 134, MCL 207.501 TO 207.513. A public school academy may not  
11 levy ad valorem property taxes or any other tax for any purpose.  
12 However, operation of 1 or more public school academies by a  
13 school district or intermediate school district does not affect  
14 the ability of the school district or intermediate school dis-  
15 trict to levy ad valorem property taxes or any other tax.

16       (9) A public school academy may acquire by purchase, gift,  
17 devise, lease, sublease, installment purchase agreement, land  
18 contract, option, or by any other means, hold and own in its own  
19 name buildings and other property for school purposes, and inter-  
20 ests therein, and other real and personal property, including,  
21 but not limited to, interests in property subject to mortgages,  
22 security interests, or other liens, necessary or convenient to  
23 fulfill its purposes. For the purposes of condemnation, a public  
24 school academy may proceed under the uniform condemnation proce-  
25 dures act, ~~Act No. 87 of the Public Acts of 1980, being sections~~  
26 ~~213.51 to 213.77 of the Michigan Compiled Laws~~ 1980 PA 87, MCL  
27 213.51 TO 213.75, excluding sections 6 to 9 of that act, ~~being~~

1 ~~sections 213.56 to 213.59 of the Michigan Compiled Laws~~ MCL  
2 213.56 TO 213.59, or other applicable statutes, but only with the  
3 express, written permission of the authorizing body in each  
4 instance of condemnation and only after just compensation has  
5 been determined and paid.