

# HOUSE BILL No. 4800

May 22, 2001, Introduced by Reps. Kuipers, Bradstreet, DeWeese, Voorhees, Koetje, Kooiman, Drolet, Gosselin and Jansen and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 501, 502, 503, 504, 504a, 506, 507, 1701a,  
and 1711 (MCL 380.501, 380.502, 380.503, 380.504, 380.504a,  
380.506, 380.507, 380.1701a, and 380.1711), sections 501, 502,  
503, 504a, and 507 as amended by 1995 PA 289, sections 504 and  
1701a as amended by 1994 PA 416, and section 506 as added by 1993  
PA 362, and by adding sections 503b, 1320, and 1814.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 501. (1) A public school academy is a public school  
2 under section 2 of article VIII of the state constitution of  
3 1963, is a school district for the purposes of section 11 of  
4 article IX of the state constitution of 1963 and for the purposes  
5 of section 1225 AND SECTION 1351A, and is subject to the  
6 leadership and general supervision of the state board over all

1 public education under section 3 of article VIII of the state  
2 constitution of 1963. A public school academy is a body corpo-  
3 rate and is a governmental agency. The powers granted to a  
4 public school academy under this part constitute the performance  
5 of essential public purposes and governmental functions of this  
6 state.

7 (2) As used in this part:

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

10 (i) The board of a school district that operates grades K to  
11 12.

12 (ii) An intermediate school board.

13 (iii) The board of a community college.

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

15 (v) TWO OR MORE ENTITIES DESCRIBED IN SUBPARAGRAPHS (i) TO  
16 (iv) ACTING JOINTLY PURSUANT TO AN INTERLOCAL AGREEMENT AUTHO-  
17 RIZED UNDER THE URBAN COOPERATION ACT OF 1967, 1967 (EX SESS)  
18 PA 7, MCL 124.501 TO 124.512.

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

22 (c) "Community college" means a community college organized  
23 under the community college act of 1966, ~~Act No. 331 of the~~  
24 ~~Public Acts of 1966, being sections 389.1 to 389.195 of the~~  
25 ~~Michigan Compiled Laws,~~ 1966 PA 331, MCL 389.1 TO 389.195; A  
26 COMMUNITY COLLEGE OPERATED BY A SCHOOL DISTRICT UNDER PART 25; or  
27 a federal tribally controlled community college that is

1 recognized under the tribally controlled community college  
2 assistance act of 1978, Public Law 95-471, 92 Stat. 1325, and is  
3 determined by the department to meet the requirements for accred-  
4 itation by a recognized regional accrediting body.

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

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

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

19 Sec. 502. (1) A public school academy shall be organized  
20 and administered under the direction of a board of directors in  
21 accordance with this part and with bylaws adopted by the board of  
22 directors. A public school academy corporation shall be orga-  
23 nized under the nonprofit corporation act, ~~Act No. 162 of the~~  
24 ~~Public Acts of 1982, being sections 450.2101 to 450.3192 of the~~  
25 ~~Michigan Compiled Laws~~ 1982 PA 162, MCL 450.2101 TO 450.3192,  
26 except that a public school academy corporation is not required  
27 to comply with sections 170 to 177 of ~~Act No. 327 of the Public~~

1 ~~Acts of 1931, being sections 450.170 to 450.177 of the Michigan~~  
2 ~~Compiled Laws~~ 1931 PA 327, MCL 450.170 TO 450.177. To the  
3 extent disqualified under the state or federal constitution, a  
4 public school academy shall not be organized by a church or other  
5 religious organization and shall not have any organizational or  
6 contractual affiliation with or constitute a church or other  
7 religious organization.

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

11 (a) The board of a school district that operates grades K to  
12 12. However, EXCEPT WHEN ACTING JOINTLY WITH ANOTHER ENTITY AS  
13 DESCRIBED IN SUBDIVISION (E), the board of a school district  
14 shall not issue a contract for a public school academy to operate  
15 outside the school district's boundaries, and a public school  
16 academy authorized by the board of a school district shall not  
17 operate outside that school district's boundaries.

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

26 (c) The board of a community college. However, EXCEPT WHEN  
27 ACTING JOINTLY WITH ANOTHER ENTITY AS DESCRIBED IN SUBDIVISION

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

25 (d) The governing board of a state public university.  
26 However, the combined total number of contracts ~~for public~~  
27 ~~school academies~~ issued by all state public universities FOR

1 PUBLIC SCHOOL ACADEMIES shall not exceed 85 through 1996 ~~—~~ and  
2 ~~—, after the initial evaluation under section 501a,~~ shall not  
3 exceed 100 through 1997, 125 through 1998, ~~—or—~~ 150 ~~—thereafter~~  
4 THROUGH 2000, 200 THROUGH 2001, AND 250 THROUGH 2002. AFTER  
5 2002, THIS MAXIMUM NUMBER OF CONTRACTS THAT MAY BE ISSUED BY  
6 STATE PUBLIC UNIVERSITIES SHALL INCREASE BY 25 EACH YEAR.  
7 HOWEVER, BEGINNING IN 2001 NOT MORE THAN 10% OF THE CONTRACTS  
8 ISSUED BY STATE PUBLIC UNIVERSITIES DURING A CALENDAR YEAR SHALL  
9 BE FOR PUBLIC SCHOOL ACADEMIES TO BE LOCATED IN A SCHOOL DISTRICT  
10 OF THE FIRST CLASS. Further, the total number of contracts issued  
11 by any 1 state public university shall not exceed ~~—50~~  
12 ~~through 1996, and thereafter shall not exceed~~ 50% of the maximum  
13 combined total number that may be issued under this subdivision.

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

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

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

26 (b) Subject to the resolution adopted by the authorizing  
27 body under section ~~—503(4)—~~ 503, a list of the proposed members

1 of the board of directors of the public school academy and a  
2 description of the qualifications and method for appointment or  
3 election of members of the board of directors.

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

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

7 (ii) The purposes for the public school academy  
8 corporation. This language shall provide that the public school  
9 academy is incorporated pursuant to this part and that the public  
10 school academy corporation is a governmental entity AND POLITICAL  
11 SUBDIVISION OF THIS STATE.

12 (iii) The name of the authorizing body.

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

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

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

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

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

22 (ii) A copy of the educational goals of the public school  
23 academy and the curricula to be offered and methods of pupil  
24 assessment to be used by the public school academy. To the  
25 extent applicable, the progress of the pupils in the public  
26 school academy shall be assessed using at least a Michigan  
27 education assessment program (MEAP) test or an assessment

1 instrument developed under section 1279. ~~for a state-endorsed~~  
2 ~~high school diploma.~~

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

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

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

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

14 (g) For an application to the board of a school district, an  
15 intermediate school board, or board of a community college, iden-  
16 tification of the local and intermediate school districts in  
17 which the public school academy will be located.

18 (h) An agreement that the public school academy will comply  
19 with the provisions of this part and, subject to the provisions  
20 of this part, with all other state law applicable to public  
21 bodies and with federal law applicable to public bodies or school  
22 districts. THIS AGREEMENT DOES NOT RELIEVE ANOTHER GOVERNMENTAL  
23 ENTITY OF ITS ENFORCEMENT OR SUPERVISORY RESPONSIBILITY UNDER ANY  
24 OTHER LAW.

25 ~~-(i) For a public school academy authorized by a school dis-~~  
26 ~~trict, an assurance that employees of the public school academy~~  
27 ~~will be covered by the collective bargaining agreements that~~



1 ~~apply to other employees of the school district employed in~~  
2 ~~similar classifications in schools that are not public school~~  
3 ~~academies.~~

4 (I) ~~-(j)-~~ A description of and address for the proposed  
5 physical plant in which the public school academy will be  
6 located.

7 (J) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION IS EXPECTED TO  
8 BE INVOLVED IN OPERATING THE PUBLIC SCHOOL ACADEMY, THE NAME AND  
9 PRINCIPAL OFFICERS OF THE EDUCATIONAL MANAGEMENT ORGANIZATION, IF  
10 AVAILABLE.

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

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

1 contract issued by the authorizing body before the suspension is  
2 not affected by the 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. 503. (1) An authorizing body is not required to issue  
25 a contract to any person or entity. Public school academy con-  
26 tracts shall be issued on a competitive basis taking into  
27 consideration the resources available for the proposed public

1 school academy, the population to be served by the proposed  
2 public school academy, THE QUALIFICATIONS OF THE APPLICANT AND  
3 THE PROPOSED BOARD OF DIRECTORS, and the educational goals to be  
4 achieved by the proposed public school academy. IN CONSIDERING  
5 APPLICATIONS FOR CONTRACTS, AN AUTHORIZING BODY SHOULD GIVE PRI-  
6 ORITY TO THOSE THAT PROPOSE SIGNIFICANT ACADEMIC ACHIEVEMENT  
7 GOALS, WHICH MAY INCLUDE REDUCTIONS IN ACHIEVEMENT GAPS SUCH AS  
8 GAPS IDENTIFIED AMONG PUPILS BY RACE, GENDER, OR SOCIOECONOMIC  
9 STATUS.

10 (2) If a person or entity applies to the board of a school  
11 district for a contract to organize and operate 1 or more public  
12 school academies within the boundaries of the school district and  
13 the board does not issue the contract, the person or entity may  
14 petition the board to place the question of issuing the contract  
15 on the ballot to be decided by the school electors of the school  
16 district. The petition shall contain A CONCISE SUMMARY OF all of  
17 the information required to be in the ~~contract~~ application  
18 under section ~~502(3)~~ 502 and shall be signed by a number of  
19 school electors of the school district equal to at least 15% of  
20 the total number of school electors of that school district. The  
21 petition shall be filed with the secretary of the board. If the  
22 board receives a petition meeting the requirements of this sub-  
23 section, the board shall place the question of issuing the con-  
24 tract on the ballot at its next ~~annual~~ REGULAR school election  
25 held at least 60 days after receiving the petition. If a major-  
26 ity of the school electors of the school district voting on the

1 question vote to issue the contract, the board shall issue the  
2 contract.

3 (3) Within 10 days after issuing a contract for a public  
4 school academy, the ~~board of the~~ authorizing body shall submit  
5 ~~to the state board~~ a copy of the contract and of the  
6 ~~application under section 502~~ AGREEMENT BETWEEN THE PUBLIC  
7 SCHOOL ACADEMY AND AN EDUCATIONAL MANAGEMENT ORGANIZATION, IF  
8 APPLICABLE, TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

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

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

16 (a) ~~The~~ MEASURABLE educational goals FOR PUPIL PERFORMANCE  
17 THAT the public school academy is to achieve and the methods by  
18 which it will be held accountable. To the extent applicable, the  
19 pupil performance of a public school academy shall be assessed  
20 using at least a Michigan education assessment program (MEAP)  
21 test or an assessment instrument developed under section 1279.  
22 ~~for a state-endorsed high school diploma.~~ THIS PROVISION MAY  
23 CONTAIN AN AGREEMENT TO MEET ANNUAL BENCHMARKS FOR ADEQUATE  
24 YEARLY PROGRESS OR VALUE-ADDED RESULTS AS MEASURED BY MEAP TESTS  
25 AND OTHER PERFORMANCE MEASURES.

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

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

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

8 ~~(e) For a public school academy authorized by a school dis-~~  
9 ~~trict, an agreement that employees of the public school academy~~  
10 ~~will be covered by the collective bargaining agreements that~~  
11 ~~apply to employees of the school district employed in similar~~  
12 ~~classifications in schools that are not public school academies.~~

13 (E) ~~(f)~~ Procedures for revoking the contract and grounds  
14 for revoking the contract, including at least the grounds listed  
15 in section 507.

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

19 (G) ~~(h)~~ Requirements and procedures for financial audits.  
20 The financial audits shall be conducted at least annually by a  
21 certified public accountant in accordance with generally accepted  
22 governmental auditing principles.

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

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

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

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

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

10 (e) ~~Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and~~  
11 ~~1274~~ ANY PROVISION OF THIS ACT THAT APPLIES SPECIFICALLY BY REF-  
12 ERENCE TO PUBLIC SCHOOL ACADEMIES OR THAT APPLIES SPECIFICALLY BY  
13 REFERENCE TO A PUBLIC SCHOOL.

14 (7) A public school academy IS A SCHOOL DISTRICT FOR THE  
15 PURPOSES OF 1964 PA 170, MCL 691.1401 TO 691.1415. A PUBLIC  
16 SCHOOL ACADEMY and its incorporators, board members, officers,  
17 employees, and volunteers have governmental immunity as provided  
18 in section 7 of ~~Act No. 170 of the Public Acts of 1964, being~~  
19 ~~section 691.1407 of the Michigan Compiled Laws~~ 1964 PA 170,  
20 MCL 691.1407. An authorizing body and its board members, offi-  
21 cers, and employees are immune from civil liability, both person-  
22 ally and professionally, for any acts or omissions in  
23 ~~authorizing a public school academy~~ CARRYING OUT A FUNCTION  
24 PURSUANT TO THIS PART if the authorizing body or the person acted  
25 or reasonably believed he or she acted within the authorizing  
26 body's or the person's scope of authority.

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

12       (9) A public school academy may acquire by purchase, gift,  
13 devise, lease, sublease, installment purchase agreement, land  
14 contract, option, or by any other means, hold and own in its own  
15 name buildings and other property for school purposes, and inter-  
16 ests therein, and other real and personal property, including,  
17 but not limited to, interests in property subject to mortgages,  
18 security interests, or other liens, necessary or convenient to  
19 fulfill its purposes. For the purposes of condemnation, a public  
20 school academy may proceed under the uniform condemnation proce-  
21 dures act, ~~Act No. 87 of the Public Acts of 1980, being sections~~  
22 ~~213.51 to 213.77 of the Michigan Compiled Laws 1980 PA 87,~~  
23 MCL 213.51 TO 213.75, excluding sections 6 to 9 of that act,  
24 ~~being sections 213.56 to 213.59 of the Michigan Compiled Laws~~  
25 MCL 213.56 TO 213.59, or other applicable statutes, but only with  
26 the express, written permission of the authorizing body in each

1 instance of condemnation and only after just compensation has  
2 been determined and paid.

3 (10) ALL OF THE FOLLOWING APPLY TO THE BOARD OF DIRECTORS OF  
4 A PUBLIC SCHOOL ACADEMY:

5 (A) A MEMBER OF THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL  
6 ACADEMY IS A PUBLIC OFFICER AND, BEFORE ENTERING UPON THE DUTIES  
7 OF THE OFFICE, SHALL TAKE THE CONSTITUTIONAL OATH OF OFFICE FOR  
8 PUBLIC OFFICERS PRESCRIBED UNDER SECTION 1 OF ARTICLE XI OF THE  
9 STATE CONSTITUTION OF 1963.

10 (B) A VACANCY IN THE OFFICE OF A MEMBER OF THE BOARD OF  
11 DIRECTORS OCCURS IMMEDIATELY, WITHOUT DECLARATION BY AN OFFICER  
12 OR ACCEPTANCE BY THE BOARD OF DIRECTORS OR 1 OF ITS MEMBERS OR AN  
13 AUTHORIZING BODY, UPON 1 OF THE FOLLOWING EVENTS:

14 (i) THE DEATH OF THE INCUMBENT, OR THE INCUMBENT'S BEING  
15 ADJUDICATED INSANE OR BEING FOUND TO BE MENTALLY INCOMPETENT BY A  
16 PROPER COURT.

17 (ii) THE INCUMBENT'S RESIGNATION.

18 (iii) THE INCUMBENT'S REMOVAL FROM OFFICE.

19 (iv) THE INCUMBENT'S CONVICTION OF A FELONY.

20 (v) THE INCUMBENT'S APPOINTMENT BEING DECLARED VOID BY THE  
21 AUTHORIZING BODY OR A COMPETENT COURT.

22 (vi) THE INCUMBENT'S NEGLIGENCE OR FAILURE TO FILE THE ACCEP-  
23 TANCE OF OFFICE WITH THE AUTHORIZING BODY OR TO TAKE THE OATH OF  
24 OFFICE.

25 (vii) THE INCUMBENT'S CEASING TO POSSESS THE LEGAL QUALIFI-  
26 CATIONS FOR HOLDING OFFICE.



1 (viii) THE INCUMBENT CEASING TO RESIDE IN THIS STATE.

2 (C) EXCEPT AS OTHERWISE DIRECTED BY THE AUTHORIZING BODY,  
3 THE TERM OF OFFICE FOR A MEMBER OF THE BOARD OF DIRECTORS COM-  
4 MENCES ON JULY 1 OF THE YEAR IN WHICH THE APPOINTMENT WAS MADE.  
5 MEMBERS OF THE BOARD OF DIRECTORS MAY BE APPOINTED TO SERVE MORE  
6 THAN 1 TERM IN OFFICE, BUT THE LENGTH OF THE TERM IN OFFICE SHALL  
7 NOT EXCEED 4 YEARS. THE TERMS OF OFFICE OF THE INITIAL BOARD OF  
8 DIRECTORS SHALL BE DETERMINED BY THE AUTHORIZING BODY.

9 (D) A MEMBER APPOINTED TO FILL A VACANCY CREATED OTHER THAN  
10 BY EXPIRATION OF A TERM SHALL BE APPOINTED FOR THE UNEXPIRED TERM  
11 OF THE VACATING MEMBER IN THE SAME MANNER AS THE ORIGINAL  
12 APPOINTMENT.

13 SEC. 503B. (1) IF A PUBLIC SCHOOL ACADEMY IS NO LONGER  
14 AUTHORIZED TO OPERATE AS A PUBLIC SCHOOL ACADEMY UNDER THIS PART,  
15 TITLE TO ALL REAL AND PERSONAL PROPERTY, INTERESTS IN REAL OR  
16 PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY THE PUBLIC SCHOOL  
17 ACADEMY SHALL REVERT TO THIS STATE. ANY MONEY INCLUDED IN THOSE  
18 ASSETS AND THE NET PROCEEDS FROM THE SALE OF THE PROPERTY OR  
19 INTERESTS IN PROPERTY, AFTER PAYMENT OF ANY DEBT SECURED BY THE  
20 PROPERTY OR INTEREST IN PROPERTY, SHALL BE DEPOSITED IN THE STATE  
21 SCHOOL AID FUND.

22 (2) AN AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF  
23 INDEBTEDNESS ENTERED INTO BY A PUBLIC SCHOOL ACADEMY AND A THIRD  
24 PARTY DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL,  
25 OR MORAL, OF THIS STATE OR AN AUTHORIZING BODY. THE FULL FAITH  
26 AND CREDIT OR THE TAXING POWER OF THIS STATE OR ANY AGENCY OF  
27 THIS STATE, OR THE FULL FAITH AND CREDIT OF AN AUTHORIZING BODY,

1 MAY NOT BE PLEDGED FOR THE PAYMENT OF ANY PUBLIC SCHOOL ACADEMY  
2 AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF INDEBTEDNESS.

3 (3) THIS PART DOES NOT IMPOSE ANY LIABILITY ON THIS STATE OR  
4 ON AN AUTHORIZING BODY FOR ANY DEBT INCURRED BY A PUBLIC SCHOOL  
5 ACADEMY.

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

12 (2) A public school academy shall not charge tuition. ~~and~~  
13 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A PUBLIC SCHOOL  
14 ACADEMY shall not discriminate in its pupil admissions policies  
15 or practices on the basis of intellectual or athletic ability,  
16 measures of achievement or aptitude, status as a handicapped  
17 person, or any other basis that would be illegal if used by a  
18 school district. However, a public school academy may limit  
19 admission to pupils who are within a particular range of age or  
20 grade level or on any other basis that would be legal if used by  
21 a school district AND MAY GIVE ENROLLMENT PRIORITY AS PROVIDED IN  
22 SUBSECTION (4).

23 (3) Except for a foreign exchange student who is not a  
24 United States citizen, a public school academy shall not enroll a  
25 pupil who is not a resident of this state. Enrollment in the  
26 public school academy ~~may~~ SHALL be open to all individuals who  
27 reside in this state who meet the admission policy and shall be

1 open to all pupils who reside within the geographic boundaries,  
 2 if any, of the authorizing body as described in  
 3 section ~~502(2)(a) to (c)~~ 502(2) who meet the admission policy,  
 4 except that admission to a public school academy authorized by  
 5 the board of a community college to operate, or operated by the  
 6 board of a community college, on the grounds of a federal mili-  
 7 tary installation, as described in section 502(2)(c), shall be  
 8 open to all pupils who reside in the county in which the federal  
 9 military installation is located. For a public school academy  
 10 authorized by a state public university, enrollment shall be open  
 11 to all pupils who reside in this state who meet the admission  
 12 policy. ~~if~~ SUBJECT TO SUBSECTION (4), IF there are more appli-  
 13 cations to enroll in the public school academy than there are  
 14 spaces available, pupils shall be selected to attend using a  
 15 random selection process. ~~However, a public school academy may~~  
 16 ~~give enrollment priority to a sibling of a pupil enrolled in the~~  
 17 ~~public school academy.~~ A public school academy shall allow any  
 18 pupil who was enrolled in the public school academy in the imme-  
 19 diately preceding school year to enroll in the public school  
 20 academy in the appropriate grade unless the appropriate grade is  
 21 not offered at that public school academy.

22 (4) A PUBLIC SCHOOL ACADEMY MAY GIVE ENROLLMENT PRIORITY TO  
 23 1 OR MORE OF THE FOLLOWING:

24 (A) A SIBLING OF A PUPIL ENROLLED IN THE PUBLIC SCHOOL  
 25 ACADEMY.

26 (B) A CHILD OF A PERSON WHO IS EMPLOYED BY OR AT THE PUBLIC  
 27 SCHOOL ACADEMY FOR AT LEAST AN AVERAGE OF 20 HOURS PER WEEK

1 DURING THE SCHOOL YEAR. AS USED IN THIS SUBDIVISION, "CHILD"  
2 INCLUDES AN ADOPTED CHILD OR A LEGAL WARD.

3 (5) ~~-(4)-A~~ SUBJECT TO THE TERMS OF THE CONTRACT AUTHORIZING  
4 THE PUBLIC SCHOOL ACADEMY, A public school academy may include  
5 any grade up to grade 12 or any configuration of those grades,  
6 including kindergarten and early childhood education, as speci-  
7 fied in its contract. If specified in its contract, a public  
8 school academy may also operate an adult basic education program,  
9 adult high school completion program, or general education devel-  
10 opment testing preparation program. The authorizing body may  
11 approve amendment of a contract with respect to ages of pupils or  
12 grades offered.

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

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

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

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

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

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

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

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

15 Sec. 506. ~~A~~ AS SPECIFIED IN ITS CONTRACT, A public school  
16 academy ~~, with the approval of the authorizing body,~~ may employ  
17 or ~~contract~~ ENTER INTO AN AGREEMENT with personnel as necessary  
18 for the operation of the public school academy, prescribe their  
19 duties, and fix their compensation.

20 Sec. 507. (1) The authorizing body for a public school  
21 academy is the fiscal agent for STATE SCHOOL AID FUNDS OF the  
22 public school academy. A state school aid payment for a public  
23 school academy shall be paid to the authorizing body that is the  
24 fiscal agent for that public school academy, which shall then  
25 forward the payment to the public school academy. An authorizing  
26 body has the responsibility to oversee ~~a public school~~

1 ~~academy's~~ compliance BY A PUBLIC SCHOOL ACADEMY'S BOARD OF  
2 DIRECTORS with the contract and all applicable law.

3 (2) A contract issued under this part may be revoked by the  
4 authorizing body that issued the contract if the authorizing body  
5 determines that 1 or more of the following has occurred:

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

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

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

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

14 (3) ~~-(2)-~~ The decision of an authorizing body to ISSUE,  
15 RENEW, OR revoke a contract under this section is solely within  
16 the discretion of the authorizing body, is final, and is not  
17 subject to review by a court or any state agency. An authorizing  
18 body THAT DOES NOT ISSUE OR REISSUE A CONTRACT, OR that revokes a  
19 contract under this section, is not liable for that action to the  
20 public school academy, public school academy corporation, a pupil  
21 of the public school academy, the parent or guardian of a pupil  
22 of the public school academy, or any other person.

23 (4) AN AUTHORIZING BODY MAY REMOVE OR SUSPEND A MEMBER OF A  
24 BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY FROM OFFICE FOR  
25 GROSS NEGLECT OF DUTY, CORRUPT CONDUCT IN OFFICE, KNOWING VIOLA-  
26 TION OF A CONTRACT, OR FOR ANY OTHER MISFEASANCE OR MALFEASANCE

1 AND SHALL REPORT THE REASONS FOR A REMOVAL OR SUSPENSION UNDER  
2 THIS SUBSECTION TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

3 SEC. 1320. (1) IF THE GOVERNING BOARD OF A PUBLIC SCHOOL  
4 ENTERS INTO A CONTRACT WITH AN EDUCATIONAL MANAGEMENT ORGANIZA-  
5 TION TO CARRY OUT THE OPERATIONS OF THE PUBLIC SCHOOL UNDER THIS  
6 ACT, THE CONTRACT BETWEEN THE GOVERNING BOARD AND THE EDUCATIONAL  
7 MANAGEMENT ORGANIZATION SHALL CONTAIN AT LEAST ALL OF THE FOLLOW-  
8 ING PROVISIONS:

9 (A) THAT THE GOVERNING BOARD OF THE PUBLIC SCHOOL HAS CON-  
10 DUCTED SUFFICIENT DUE DILIGENCE TO BE SURE THAT THE EDUCATIONAL  
11 MANAGEMENT ORGANIZATION HAS SUFFICIENT FINANCIAL RESOURCES, EDU-  
12 CATIONAL SERVICES CAPACITY, AND MANAGERIAL EXPERIENCE TO PROVIDE  
13 THE CONTRACTED SERVICES.

14 (B) THAT THE GOVERNING BOARD OF THE PUBLIC SCHOOL WILL  
15 RETAIN INDEPENDENT LEGAL COUNSEL IN ALL NEGOTIATIONS WITH THE  
16 EDUCATIONAL MANAGEMENT ORGANIZATION.

17 (C) AGREEMENTS THAT THE FINANCIAL, EDUCATIONAL, AND STUDENT  
18 RECORDS PERTAINING TO THE PUBLIC SCHOOL AND ITS PUPILS ARE PUBLIC  
19 RECORDS AND THE PROPERTY OF THE PUBLIC SCHOOL AND, EXCEPT AS  
20 REQUIRED BY APPLICABLE LAW, THAT THE EDUCATIONAL MANAGEMENT  
21 ORGANIZATION AGREES TO MAKE THESE RECORDS AVAILABLE IN ACCORDANCE  
22 WITH THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO  
23 15.246.

24 (D) IF APPLICABLE, ASSURANCE THAT THE EDUCATIONAL MANAGEMENT  
25 ORGANIZATION WILL FURNISH THE PUBLIC SCHOOL WITH CERTIFICATED  
26 TEACHERS IN ACCORDANCE WITH THIS ACT.

1 (E) IF APPLICABLE, ASSURANCE THAT THE EDUCATIONAL MANAGEMENT  
2 ORGANIZATION WILL NOT FURNISH TO THE PUBLIC SCHOOL ANY TEACHER  
3 WHO, IF EMPLOYED DIRECTLY BY THE PUBLIC SCHOOL, WOULD BE INELIGI-  
4 BLE FOR EMPLOYMENT BY A SCHOOL DISTRICT AS A TEACHER UNDER THIS  
5 ACT.

6 (F) THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL PRO-  
7 VIDE THE PUBLIC SCHOOL WITH THE NECESSARY FINANCIAL INFORMATION,  
8 INCLUDING THE OBJECT OR FUNCTION LEVEL AMOUNT OF ADMINISTRATIVE  
9 AND INSTRUCTIONAL SALARIES AND BENEFITS, AS APPLICABLE, FOR THE  
10 PUBLIC SCHOOL TO MEET ITS REPORTING RESPONSIBILITIES UNDER THIS  
11 ACT AND THE STATE SCHOOL AID ACT OF 1979.

12 (G) IF APPLICABLE, ASSURANCE THAT, IF THE EDUCATIONAL MAN-  
13 AGEMENT ORGANIZATION PURCHASES EQUIPMENT, MATERIALS, AND SUPPLIES  
14 ON BEHALF OF OR AS THE AGENT OF THE PUBLIC SCHOOL, SUCH EQUIP-  
15 MENT, MATERIALS, AND SUPPLIES ARE AND WILL REMAIN THE PROPERTY OF  
16 THE PUBLIC SCHOOL.

17 (2) AS USED IN THIS SECTION:

18 (A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS ANY PERSON  
19 OR ENTITY PROVIDING ADMINISTRATIVE, MANAGERIAL, EDUCATIONAL, OR  
20 INSTRUCTIONAL SUPPORT SERVICES TO A PUBLIC SCHOOL AS PERMITTED  
21 UNDER THIS ACT.

22 (B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS COR-  
23 PORATION, LABOR ORGANIZATION, OR ANY OTHER ASSOCIATION, CORPORA-  
24 TION, LIMITED LIABILITY COMPANY, TRUST, OR OTHER LEGAL ENTITY.

25 (3) THIS SECTION APPLIES ONLY TO CONTRACTS ENTERED INTO  
26 AFTER THE EFFECTIVE DATE OF THIS SECTION.



1       Sec. 1701a. For the purposes of ensuring that a handicapped  
2 person enrolled in a public school academy created under ~~part 6a~~  
3 ~~or 6b~~ THIS ACT is provided with special education programs and  
4 services, the public school academy is considered to be a local  
5 school district under this article AND SHALL PROVIDE APPROPRIATE  
6 SPECIAL EDUCATION PROGRAMS AND SERVICES TO THE SAME EXTENT AS IS  
7 REQUIRED FOR A LOCAL SCHOOL DISTRICT.

8       Sec. 1711. (1) The intermediate school board shall DO ALL  
9 OF THE FOLLOWING:

10       (a) Develop, establish, and continually evaluate and modify  
11 in cooperation with its constituent SCHOOL districts AND PUBLIC  
12 SCHOOL ACADEMIES LOCATED WITHIN ITS BOUNDARIES, a plan for spe-  
13 cial education which shall provide for the delivery of special  
14 education programs and services designed to develop the maximum  
15 potential of each handicapped person of whom the intermediate  
16 school board is required to maintain a record under subdivision  
17 (f). The plan shall coordinate the special education programs  
18 and services operated or contracted for by the constituent SCHOOL  
19 districts OR PUBLIC SCHOOL ACADEMIES and shall be submitted to  
20 the ~~state board~~ SUPERINTENDENT OF PUBLIC INSTRUCTION for ~~its~~  
21 HIS OR HER approval.

22       (b) Contract for the delivery of a special education program  
23 or service, in accordance with the intermediate school district  
24 plan in compliance with section 1701. Under the contract the  
25 intermediate school board may operate special education programs  
26 or services and furnish transportation services and room and  
27 board.

1 (c) Employ or engage special education personnel in  
2 accordance with the intermediate school district plan, and  
3 appoint a director of special education meeting the qualifica-  
4 tions and requirements of the rules promulgated by the ~~state~~  
5 ~~board~~ SUPERINTENDENT OF PUBLIC INSTRUCTION.

6 (d) Accept and use available funds or contributions from  
7 governmental or private sources for the purpose of providing spe-  
8 cial education programs and services consistent with this  
9 article.

10 (e) Lease, purchase, or otherwise acquire vehicles, sites,  
11 buildings, or portions thereof, and equip them for its special  
12 education staff, programs, and services.

13 (f) Maintain a record of each handicapped person under 26  
14 years of age, who is a resident of 1 of its constituent SCHOOL  
15 districts OR WHO IS A PUPIL IN A PUBLIC SCHOOL ACADEMY LOCATED  
16 WITHIN ITS BOUNDARIES and who has not completed a normal course  
17 of study and graduated from high school, and the special educa-  
18 tion programs or services in which the handicapped person is par-  
19 ticipating on the fourth Friday after Labor day and Friday before  
20 Memorial day. The sole basis for determining the local school  
21 district in which a handicapped person is a resident shall be the  
22 rules promulgated by the ~~state board~~ SUPERINTENDENT OF PUBLIC  
23 INSTRUCTION notwithstanding the provisions of section 1148. The  
24 records shall be maintained in accordance with rules promulgated  
25 by the ~~state board~~ SUPERINTENDENT OF PUBLIC INSTRUCTION.

26 (g) Have the authority to place in appropriate special  
27 education programs or services a handicapped person for whom a

1 constituent SCHOOL district OR PUBLIC SCHOOL ACADEMY LOCATED  
2 WITHIN THE INTERMEDIATE SCHOOL DISTRICT'S BOUNDARIES is required  
3 to provide special education programs or services under  
4 section 1751.

5       (h) Investigate special education programs and services  
6 operated or contracted for by the intermediate school board, ~~or~~  
7 constituent SCHOOL district boards, OR A PUBLIC SCHOOL ACADEMY  
8 LOCATED WITHIN ITS BOUNDARIES and report in writing failures to  
9 comply with the provisions of a contract, statute, or rule gov-  
10 erning the special education programs and services or with the  
11 intermediate school district plan, to the local school district  
12 board OR PUBLIC SCHOOL ACADEMY BOARD OF DIRECTORS and to the  
13 ~~state board~~ SUPERINTENDENT OF PUBLIC INSTRUCTION.

14       (i) Operate the special education programs or services or  
15 contract for the delivery of special education programs or serv-  
16 ices by local school district boards OR PUBLIC SCHOOL ACADEMIES,  
17 in accordance with section 1702, as if a local school district  
18 under section 1751. The contract shall provide for items stated  
19 in section 1751 and shall be approved by the ~~state board~~  
20 SUPERINTENDENT OF PUBLIC INSTRUCTION. The intermediate school  
21 board shall contract for the transportation, or room and board,  
22 or both, or persons participating in the program or service as if  
23 a local school district board under sections 1756 and 1757.

24       (j) Receive the report of a parent or guardian or, with the  
25 consent of a parent or guardian, receive the report of a licensed  
26 physician, registered nurse, social worker, or school or other  
27 appropriate professional personnel whose training and

1 relationship to handicapped persons provide competence to judge  
2 same and who in good faith believes that a person under 26 years  
3 of age examined by the professional is or may be handicapped, and  
4 immediately evaluate the person pursuant to rules promulgated by  
5 the state board. A person making or filing this report or a  
6 local school district board OR BOARD OF DIRECTORS OF A PUBLIC  
7 SCHOOL ACADEMY shall not incur liability to a person by reason of  
8 filing the report or seeking the evaluation, unless lack of good  
9 faith is proven.

10 (k) Evaluate pupils in accordance with section 1311.

11 (2) The intermediate school board may expend up to 10% of  
12 the annual budget but not to exceed \$12,500.00, for special edu-  
13 cation programs approved by the intermediate school board without  
14 having to secure the approval of the state board.

15 SEC. 1814. (1) ANY PUPIL ADMISSION OR RECRUITMENT MATERIALS  
16 PREPARED FOR OR DISTRIBUTED BY A PUBLIC SCHOOL SHALL INCLUDE A  
17 STATEMENT THAT SPECIAL EDUCATION SERVICES REQUIRED BY LAW WILL BE  
18 MADE AVAILABLE TO PUPILS ATTENDING THE PUBLIC SCHOOL.

19 (2) A MEMBER OR EMPLOYEE OF THE GOVERNING BOARD OF A PUBLIC  
20 SCHOOL, OR ANY OTHER PERSON, WHO VIOLATES THIS SECTION OR CAUSES  
21 THIS SECTION TO BE VIOLATED IS GUILTY OF A MISDEMEANOR PUNISHABLE  
22 BY A FINE OF NOT MORE THAN \$100.00 OR IMPRISONMENT FOR NOT MORE  
23 THAN 30 DAYS, OR BOTH.