

SENATE BILL No. 980

February 9, 2000, Introduced by Senator V. SMITH and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 373, 374, and 375 (MCL 380.373, 380.374, and 380.375), sections 373 and 375 as added by 1999 PA 10 and section 374 as amended by 1999 PA 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 373. (1) Beginning on the effective date of the amen-
2 datory act that added this part, the powers and duties of the
3 elected school board of the qualifying school district and of its
4 secretary and treasurer are suspended unless and until a new
5 school board is elected under section 375 OR UNDER SECTION
6 374(4). However, until the expiration of each individual
7 member's current term, the members of the elected school board of
8 a qualifying school district may continue to meet as an advisory
9 board to provide input to the school reform board on an advisory

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

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

20 (3) ~~Upon~~ SUBJECT TO SECTION 374(4), UPON appointment of a
21 school reform board for a qualifying school district under this
22 part, and until appointment of a chief executive officer under
23 section 374, all provisions of this act that would otherwise
24 apply to the school board of the qualifying school district or to
25 the chief executive officer apply to the school reform board, and
26 the school reform board immediately may exercise all the powers
27 and duties otherwise vested by law in the board of the qualifying

1 school district and in its secretary and treasurer, and all
2 powers and duties of the chief executive officer as provided
3 under this part.

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

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

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

24 (c) Rights to prosecute and defend litigation.

25 (d) Obligations under any judgments entered against the
26 elected school board.

1 (e) Rights and obligations under statute, rule, and common
2 law.

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

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

14 (6) Beginning on the effective date of the amendatory act
15 that added this part, and until appointment of a school reform
16 board for a qualifying school district under this part, each
17 employee of the qualifying school district whose position is not
18 covered by a collective bargaining agreement is employed at the
19 will of the mayor. ~~Upon~~ SUBJECT TO SECTION 374(4), UPON
20 appointment of a school reform board for a qualifying school dis-
21 trict under this part, and until appointment of a chief executive
22 officer under section 374, each employee of the qualifying school
23 district whose position is not covered by a collective bargaining
24 agreement is employed at the will of the school reform board.
25 Upon appointment of a chief executive officer for a qualifying
26 school district under section 374, each employee of the
27 qualifying school district whose position is not covered by a

1 collective bargaining agreement is employed at the will of the
2 chief executive officer.

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

17 (8) A chief executive officer with the approval of the
18 school reform board for the qualifying school district shall
19 submit an annual report to the mayor, governor, school district
20 accountability board created in section 376, and legislature and
21 shall make the annual report available to the community in the
22 qualifying school district. The annual report shall contain at
23 least all of the following:

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

26 (b) Measurements that may be useful in determining
27 improvements in school quality in the qualifying school

1 district. These measurements shall indicate changes from
2 baseline data from the school year before the appointment of the
3 school reform board, and shall include at least all of the
4 following:

5 (i) Standardized test scores of pupils.

6 (ii) Dropout rates.

7 (iii) Daily attendance figures.

8 (iv) Enrollment figures.

9 (v) High school completion and other pertinent completion
10 rates.

11 (vi) Changes made in course offerings.

12 (vii) Proportion of school district resources devoted to
13 direct educational services.

14 (c) A description of long-term performance goals that may
15 include statewide averages or comparable measures of long-term
16 improvement.

17 (9) A school reform board may organize and establish commu-
18 nity assistance teams to work with the school reform board to
19 implement a cohesive, full service community school program
20 addressing the needs and concerns of the qualifying school
21 district's population. The school reform board may delegate to a
22 community assistance team the authority to devise and implement
23 family, community, cultural, and recreational activities to
24 assure that the academic mission of the schools is successful.
25 The community assistance teams may also develop parental involve-
26 ment activities that focus on the encouragement of voluntary

1 parenting education, enhancing parent and family involvement in
2 education, and promoting adult and family literacy.

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

11 Sec. 374. (1) ~~A~~ SUBJECT TO SUBSECTION (4), A school
12 reform board established under this part shall appoint for the
13 qualifying school district a chief executive officer. The
14 appointment of a chief executive officer must be by at least a
15 2/3 majority vote of the school reform board. ~~, and, for the~~
16 ~~5-year period described in section 372(2)(b), the majority vote~~
17 ~~must include the vote of the superintendent of public instruction~~
18 ~~or his or her designee on the school reform board.~~ The chief
19 executive officer is employed at the will of the school reform
20 board and has the powers and duties provided under this part.

21 (2) The chief executive officer, with the approval of the
22 school reform board, shall appoint for the qualifying school dis-
23 trict a chief financial officer, chief academic officer, chief
24 operations officer, and chief purchasing officer. These officers
25 are employed at the will of the chief executive officer.

1 (3) If a vacancy occurs in a position described in this
2 section, a successor shall be appointed in the same manner as the
3 original appointment.

4 (4) IF THE SCHOOL REFORM BOARD DOES NOT APPOINT A CHIEF
5 EXECUTIVE OFFICER WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THE
6 AMENDATORY ACT THAT ADDED THIS SUBSECTION OR, THEREAFTER, WITHIN
7 60 DAYS AFTER A VACANCY OCCURS IN THE POSITION OF CHIEF EXECUTIVE
8 OFFICER, ALL OF THE FOLLOWING APPLY:

9 (A) THE SCHOOL REFORM BOARD SHALL ARRANGE WITH LOCAL ELEC-
10 TIONS OFFICIALS FOR ELECTION OF A NEW ELECTED SCHOOL BOARD FOR
11 THE SCHOOL DISTRICT. THIS ELECTION SHALL BE AT THE NEXT GENERAL
12 ELECTION HELD AT LEAST 90 DAYS AFTER THE FAILURE TO APPOINT A
13 CHIEF EXECUTIVE OFFICER. THIS ELECTION SHALL BE CONDUCTED IN THE
14 MANNER OTHERWISE PROVIDED UNDER THIS ACT FOR AN INITIAL SCHOOL
15 BOARD ELECTION IN A NEWLY FORMED FIRST CLASS SCHOOL DISTRICT.

16 (B) EFFECTIVE ON THE NEXT JANUARY 1 FOLLOWING THE ELECTION
17 UNDER SUBDIVISION (A), THE NEW ELECTED SCHOOL BOARD OF THE QUALI-
18 FYING SCHOOL DISTRICT SHALL SERVE AS THE GOVERNING BODY OF THE
19 QUALIFYING SCHOOL DISTRICT AND THIS ELECTED SCHOOL BOARD AND ITS
20 SECRETARY AND TREASURER SHALL BE FULLY VESTED WITH ALL POWERS AND
21 DUTIES THAT THOSE OFFICIALS HAD BEFORE THE APPOINTMENT OF THE
22 SCHOOL REFORM BOARD.

23 (C) EFFECTIVE ON THE NEXT JANUARY 1 FOLLOWING THE ELECTION
24 UNDER SUBDIVISION (A), THE POWERS OF THE SCHOOL REFORM BOARD
25 ESTABLISHED FOR THE QUALIFYING SCHOOL DISTRICT UNDER THIS PART,
26 OF THE CHIEF EXECUTIVE OFFICER, AND OF ALL OTHER OFFICERS
27 APPOINTED UNDER THIS SECTION CEASE.

1 (D) EFFECTIVE ON THE NEXT JANUARY 1 FOLLOWING THE ELECTION
2 UNDER SUBDIVISION (A), THE PROVISIONS OF THIS PART DO NOT APPLY
3 TO THAT QUALIFYING SCHOOL DISTRICT.

4 Sec. 375. (1) ~~After~~ UNLESS A NEW ELECTED SCHOOL BOARD HAS
5 ALREADY BEEN ELECTED FOR THE SCHOOL DISTRICT UNDER SECTION
6 374(4), AFTER the expiration of 5 years after the initial
7 appointment of a school reform board in a qualifying school dis-
8 trict under this part, the question of whether to retain the
9 school reform board and the chief executive officer and the
10 authority under this part to appoint the school reform board and
11 the chief executive officer shall be placed on the ballot in the
12 qualifying school district under this section.

13 (2) The question under subsection (1) shall be placed on the
14 ballot in the qualifying school district at the next November
15 general election occurring at least 90 days after the expiration
16 of 5 years after the date of the initial appointment of the
17 school reform board.

18 (3) The question under subsection (1) shall be in substan-
19 tially the following form:

20 "Shall the school reform board and chief executive officer
21 serving in _____ (name of qualifying school district)
22 under part 5a of the revised school code be retained and shall
23 the mayor of _____ (name of city in which the school
24 district is located) retain the authority to appoint members of
25 the school reform board? A vote in the affirmative continues the
26 school reform board and chief executive officer in place in the
27 school district and continues the authority of the mayor to

1 appoint members of the school reform board. A vote in the
2 negative will result in the election of a new elected school
3 board as the governing body of the school district and will
4 render the provisions of law establishing authority to appoint a
5 school reform board inapplicable for this school district.

6 Yes ()

7 No ()".

8 (4) If the question under subsection (1) is approved by a
9 majority of the school electors voting on the question either
10 under subsection (1) or pursuant to subdivision (c), all of the
11 following apply:

12 (a) The school reform board and chief executive officer con-
13 tinue in place in the qualifying school district.

14 (b) The authority of the mayor to appoint members of the
15 school reform board continues in the qualifying school district.

16 (c) The question may not be placed on the ballot again in
17 the qualifying school district until the expiration of 5 years
18 after the election at which the question was approved. The ques-
19 tion may be placed on the ballot again in the qualifying school
20 district under this subdivision if petitions calling for the
21 question to be placed on the ballot are filed with the county
22 clerk for the county in which the qualifying school district is
23 located not sooner than 4 years after the question was most
24 recently on the ballot and if the petitions are signed by a
25 number of school electors of the qualifying school district at
26 least equal to 10% of the number of votes cast within the city in
27 which the qualifying school district is located for secretary of

1 state in the most recent November general election in which a
2 secretary of state was elected. If those petitions are submitted
3 and verified, the question shall be placed on the ballot in the
4 qualifying school district at the next November general election
5 occurring at least 5 years after the question was most recently
6 on the ballot and at least 90 days after the petitions are sub-
7 mitted and verified.

8 (5) If the question under subsection (1) is not approved by
9 a majority of the school electors voting on the question either
10 under subsection (1) or pursuant to subsection (4)(c), all of the
11 following apply:

12 (a) The school reform board shall arrange with local elec-
13 tions officials for election of a new elected school board for
14 the school district. This election shall be at a special elec-
15 tion held as soon as practicable, but not sooner than 90 days
16 after the election under subsection (1). This election shall be
17 conducted in the manner otherwise provided under this act for an
18 initial school board election in a newly formed first class
19 school district.

20 (b) Effective on the next July 1 following the election
21 under subdivision (a), the new elected school board of the quali-
22 fying school district shall serve as the governing body of the
23 qualifying school district and this elected school board and its
24 secretary and treasurer shall be fully vested with all powers and
25 duties that those officials had before the appointment of the
26 school reform board.

1 (c) Effective on the next July 1 following the election
2 under subdivision (a), the powers of the school reform board
3 established for the qualifying school district under this part,
4 of the chief executive officer, and of all other officers
5 appointed under section 374 cease.

6 (d) Effective on the next July 1 following the election
7 under subdivision (a), the provisions of this part do not apply
8 to that qualifying school district.