

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

PART 1
GENERAL PROVISIONS

380.1 Short title.

Sec. 1. This act shall be known and may be cited as "the revised school code".

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1995, Act 289, Eff. July 1, 1996.

Former law: The School Code of 1955, deriving from Act 269 of 1955 and formerly compiled as MCL 340.1 to 340.984, was repealed by Act 451 of 1976 and Act 454 of 1976. Certain sections of the School Code of 1955 had been previously repealed by the following acts: Act 45 of 1959; Act 112 of 1959; Act 271 of 1959; Act 190 of 1962; Act 92 of 1963; Act 59 of 1964; Act 270 of 1964; Act 28 of 1965; Act 31 of 1966; Act 317 of 1968; Act 320 of 1968; Act 19 of 1969; Act 170 of 1969; Act 7 of 1971; Act 198 of 1971; Act 2 of 1972; Act 254 of 1972; and Act 166 of 1975.

The School Code of 1927, deriving from Act 319 of 1927 and formerly compiled as MCL 341.1 to 386.12, was repealed by Act 269 of 1955.

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380.2 Meanings of words and phrases.

Sec. 2. For the purposes of this act, the words and phrases defined in sections 3 to 7 shall have the meanings respectively ascribed to them in those sections.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.3 Definitions; A to C.

Sec. 3. (1) "Area" as used in the phrase "area vocational-technical education program" or "area career and technical education program" means the geographical territory, within the boundaries of a K to 12 school district, an intermediate school district, or a community college district, that is designated by the department as the service area for the operation of an area vocational-technical education program.

(2) "Area vocational-technical education program", "area career and technical education program", or "career and technical education program" means a program of organized, systematic instruction designed to prepare the following individuals for useful employment in recognized occupations:

(a) Individuals participating in career and technical education readiness activities that lead to enrollment in a career and technical education program in high school.

(b) Individuals enrolled in high school in a school district, intermediate school district, public school academy, or nonpublic school.

(c) Individuals who have completed or left high school and who are available for full-time study in preparation for entering the labor market.

(d) Individuals who have entered the labor market and who need training or retraining to achieve stability or advancement in employment.

(3) "Board" or "school board" means the governing body of a local school district unless clearly otherwise stated.

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

(5) "Community district" means a school district organized under part 5b.

(6) "Constituent district" means a local school district the territory of which is entirely within and is an integral part of an intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 2004, Act 303, Imd. Eff. Aug. 10, 2004;—Am. 2007, Act 45, Imd. Eff. July 17, 2007;—Am. 2016, Act 192, Imd. Eff. June 21, 2016.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

Popular name: Act 451

380.4 Definitions; E to I.

Sec. 4. (1) "Educational media center" means a program operated by an intermediate school district and approved by the state board that provides services to local school districts or constituent districts under section 671.

- (2) "Intermediate school board" means the board of an intermediate school district.
- (3) "Intermediate school district" means a corporate body established under part 7.
- (4) "Intermediate school district election" means an election called by an intermediate school board and held on the date of the regular school elections of constituent districts or on a date determined by the intermediate school board under section 642c of the Michigan election law, MCL 168.642c.
- (5) "Intermediate school elector" means a person who is a school elector of a constituent district and who is registered in the city or township in which the person resides.
- (6) "Intermediate superintendent" means the superintendent of an intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2005, Act 61, Imd. Eff. July 7, 2005;—Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008;—Am. 2011, Act 232, Eff. Jan. 1, 2012.

Popular name: Act 451

Administrative rules: R 340.1702 of the Michigan Administrative Code.

380.5 Definitions; L to R.

Sec. 5. (1) "Local act school district" means a district governed by a local act or chapter of a local act. "Local school district" and "local school district board" as used in article 3 include a local act school district and a local act school district board.

(2) "Membership" means the number of full-time equivalent pupils in a public school as determined by the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent of public instruction.

(3) "Michigan election law" means the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(4) "Nonpublic school" means a private, denominational, or parochial school.

(5) "Objectives" means measurable pupil academic skills and knowledge.

(6) "Public school" means a public elementary or secondary educational entity or agency that is established under this act or under other law of this state, has as its primary mission the teaching and learning of academic and vocational-technical skills and knowledge, and is operated by a school district, intermediate school district, school of excellence corporation, public school academy corporation, strict discipline academy corporation, urban high school academy corporation, or by the department, the state board, or another public body. Public school also includes a laboratory school or other elementary or secondary school that is controlled and operated by a state public university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(7) "Public school academy" means a public school academy established under part 6a and, except as used in part 6a, also includes an urban high school academy established under part 6c, a school of excellence established under part 6e, and a strict discipline academy established under sections 1311b to 1311m.

(8) "Pupil membership count day" of a school district means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(9) "Qualifying school district" means a school district that was previously organized and operated as a first class school district governed by part 6 that has a pupil membership of less than 100,000 enrolled on its most recent pupil membership count day, including, but not limited to, a school district that was previously organized and operated as a first class school district before June 21, 2016.

(10) "Regular school election" or "regular election" means the election held in a school district, local act school district, or intermediate school district to elect a school board member in the regular course of the terms of that office and held on the school district's regular election date as determined under section 642c of the Michigan election law, MCL 168.642c.

(11) "Reorganized intermediate school district" means an intermediate school district formed by consolidation or annexation of 2 or more intermediate school districts under sections 701 and 702.

(12) "Rule" means a rule promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1982, Act 215, Imd. Eff. July 8, 1982;—Am. 1992, Act 263, Eff. Jan. 1, 1993;—Am. 1993, Act 335, Imd. Eff. Dec. 31, 1993;—Am. 1994, Act 416, Eff. Mar. 30, 1995;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 1999, Act 23, Imd. Eff. May 12, 1999;—Am. 2003, Act 179, Imd. Eff. Oct. 3, 2003;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2005, Act 61, Imd. Eff. July 7, 2005;—Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010;—Am. 2011, Act 232, Eff. Jan. 1, 2012;—Am. 2016, Act 192, Imd. Eff. June 21, 2016;—Am. 2016, Act 385, Eff. Mar. 29, 2017;—Am. 2019, Act 38, Eff. Sept. 24, 2019.

Compiler's note: Senate Bill 393 (SB 393) was enrolled on August 13, 2003, and presented to the governor for her approval on September 8, 2003, at 5:00 p.m. On September 18, 2003, the senate requested that the bill be returned to the senate. The governor granted the senate's request on that same date and returned the bill to that body (without objections), where a motion was made to vacate the enrollment and the motion prevailed. On September 23, 2003, the house of representatives approved a motion to send a letter to the senate agreeing with the senate's request that the governor return SB 393. Neither the Senate Journal nor the House Journal entries reveal any other action taken by the house of representatives regarding the return of SB 393.

In order to determine whether SB 393 had become law, as requested, the attorney general examined whether SB 393 was recalled by concurrent action of the house of representatives and the senate within the 14-day period afforded the governor for vetoing a bill under the last sentence of Const 1963, art 4, § 33: "SB 393 was presented to the Governor on September 8, 2003, at 5:00 p.m. The 14-day period afforded for consideration, measured in hours and minutes, therefore expired on September 22, 2003 at 5:00 p.m. While the Senate had acted to recall the bill within that 14-day period (on September 18, 2003), the House did not. Its action concurring in the request to recall SB 393 was not taken until September 23, 2003. In the absence of concurrent action by both houses of the Legislature within the 14-day period, SB 393 was not effectively recalled and 'further legislative action thereon' was not authorized." The attorney general declared that "in the absence of a return of the bill with objections, SB 393 therefore became law by operation of the last sentence of art 4, § 33." OAG, 2003, No. 7139 (October 2, 2003).

Popular name: Act 451

Administrative rules: R 340.1 et seq. of the Michigan Administrative Code.

380.6 Definitions; S, T; "department" defined.

Sec. 6. (1) "School district" or "local school district" means a general powers school district organized under this act, regardless of previous classification, a community district, or a school district of the first class.

(2) "School district filing official" means the school district election coordinator as defined in section 4 of the Michigan election law, MCL 168.4, or an authorized agent of the school district election coordinator.

(3) "School elector" means a person qualified as an elector under section 492 of the Michigan election law, MCL 168.492, and resident of the school district or intermediate school district on or before the thirtieth day before the next ensuing regular or special school election.

(4) "School month" means a 4-week period of 5 days each unless otherwise specified in the teacher's contract.

(5) "School of excellence" means a school of excellence established under part 6e.

(6) "Special education building and equipment" means a structure or portion of a structure or personal property accepted, leased, purchased, or otherwise acquired, prepared, or used for special education programs and services.

(7) "Special education personnel" means persons engaged in and having professional responsibility for students with a disability in special education programs and services including, but not limited to, teachers, aides, school social workers, diagnostic personnel, physical therapists, occupational therapists, audiologists, teachers of speech and language, instructional media-curriculum specialists, mobility specialists, teacher consultants, supervisors, and directors.

(8) "Special education programs and services" means educational and training services designed for students with a disability and operated by a school district, intermediate school district, the Michigan schools for the deaf and blind, the department of health and human services, or a combination of these, and ancillary professional services for students with a disability rendered by agencies approved by the superintendent of public instruction. The programs shall include vocational training, but need not include academic programs of college or university level.

(9) "Special school election" or "special election" means a school district election to fill a vacancy on the school board or submit a ballot question to the school electors that is held on a regular election date established under section 641 of the Michigan election law, MCL 168.641.

(10) "State approved nonpublic school" means a nonpublic school that complies with 1921 PA 302, MCL 388.551 to 388.558.

(11) "State board" means the state board of education created by section 3 of article VIII of the state constitution of 1963 unless clearly otherwise stated.

(12) "Student with a disability" means that term as defined in R 340.1702 of the Michigan administrative code.

(13) "Department" means the department of education created under sections 300 to 305 of the executive organization act of 1965, 1965 PA 380, MCL 16.400 to 16.405.

(14) "State school aid" means allotments from the general appropriating act for the purpose of aiding in the support of the public schools of the state, including, but not limited to, appropriations from the state school aid fund under the state school aid act of 1979.

(15) "The state school aid act of 1979" means the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1981, Act 87, Imd. Eff. July 2, 1981;—Am. 1982, Act 215, Imd. Eff. July 8, 1982;—Am. 1989, Act 159, Eff. Mar. 13, 1990;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008;—Am. 2009, Act 205, Imd. Eff. Jan. 4, 2010;—Am. 2016, Act 192, Imd. Eff. June 21, 2016.

Popular name: Act 451

380.7 Definitions; V.

Sec. 7. (1) "Valuation of a fractional school district" means the sum of the valuations of the fractions

thereof, each of which shall be computed in the same manner as the valuation of a whole school district.

(2) "Valuation of the state" means the equalized value as determined by the state board of equalization.

(3) "Valuation of a whole school district" means the total assessed value of the property contained in the district as fixed by the township or city board of review, which in turn is proportionately increased or decreased to the basis of the valuation of the county containing the district as fixed by the county board of equalization, and the result in turn proportionately increased or decreased to the basis of the valuation of the county containing the district as last fixed by the state board of equalization, known as the "state equalized valuation".

(4) "Vocational education" or "career and technical education" means education designed to provide career development and the knowledge and skills leading to technical employment or higher education in a technical field. Career and technical education programs include classroom and laboratory experiences and work-based instruction. The term includes guidance and counseling for a pupil related to the career for which the pupil is being educated and trained or designed to help the pupil benefit from the training. Allowable expenses related to career and technical education delivery include all instructional, support, and administrative costs associated with providing these activities, including, but not limited to, staff salaries, wages, and benefits for career and technical education programs only; information and awareness activities; acquisition and rental of real property; construction of buildings; acquisition of equipment and supplies; and maintenance, repair, and replacement of buildings, lands, equipment, and supplies.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2007, Act 45, Imd. Eff. July 17, 2007.

Popular name: Act 451

380.10 Rights of parents and legal guardians; duties of public schools.

Sec. 10. It is the natural, fundamental right of parents and legal guardians to determine and direct the care, teaching, and education of their children. The public schools of this state serve the needs of the pupils by cooperating with the pupil's parents and legal guardians to develop the pupil's intellectual capabilities and vocational skills in a safe and positive environment.

History: Add. 1995, Act 289, Eff. July 1, 1996.

Popular name: Act 451

380.10a Posting requirements of certain constitutional and statutory provisions in public school.

Sec. 10a. (1) Beginning January 1, 2023, the board of a school district or intermediate school district or board of directors of a public school academy shall ensure that the text of section 1 of article VIII of the state constitution of 1963 and section 10, as added by 1995 PA 289, is prominently posted and maintained in all of the following areas, in a manner that is easily accessible by the public:

(a) The room or rooms in which the board or board of directors conducts its meetings.

(b) An office in the school district's, intermediate school district's, or public school academy's administrative building.

(c) The principal's or chief administrator's, as applicable, office at each school operated by the board or board of directors.

(2) Beginning January 1, 2023, the department shall ensure that the text of section 1 of article VIII of the state constitution of 1963 and section 10, as added by 1995 PA 289, is prominently posted and maintained in each building operated by the department. Beginning January 1, 2023, the department shall also ensure that the text described in this subsection is included in each manual and in training materials provided to each employee of the department.

(3) Beginning January 1, 2023, the state board of education shall ensure that the text of section 1 of article VIII of the state constitution of 1963 and section 10, as added by 1995 PA 289, is prominently posted and maintained in each meeting room in which the state board of education meets. Beginning January 1, 2023, the state board of education shall also ensure that the text described in this subsection is included in each manual and in training materials provided to each employee of the state board of education.

History: Add. 2022, Act 213, Eff. Mar. 29, 2023.

Popular name: Act 451

380.11 Organization of school district.

Sec. 11. Each school district, except a school district of the first class or a community district, shall be organized and conducted as a general powers school district regardless of previous classification.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 2016, Act 192, Imd. Eff. June 21, 2016.

380.11a General powers school district.

Sec. 11a. (1) Beginning on July 1, 1996, each school district formerly organized as a primary school district or as a school district of the fourth class, third class, or second class shall be a general powers school district under this act.

(2) Beginning on July 1, 1996, a school district operating under a special or local act shall operate as a general powers school district under this act except to the extent that the special or local act is inconsistent with this act. Upon repeal of a special or local act that governs a school district, that school district shall become a general powers school district under this act.

(3) A general powers school district has all of the rights, powers, and duties expressly stated in this act; may exercise a power implied or incident to a power expressly stated in this act; and, except as otherwise provided by law, may exercise a power incidental or appropriate to the performance of a function related to operation of a public school and the provision of public education services in the interests of public elementary and secondary education in the school district, including, but not limited to, all of the following:

(a) Educating pupils. In addition to educating pupils in grades K-12, this function may include operation of preschool, lifelong education, adult education, community education, training, enrichment, and recreation programs for other persons. A school district may do either or both of the following:

(i) Educate pupils by directly operating 1 or more public schools on its own.

(ii) Cause public education services to be provided for pupils of the school district through an agreement, contract, or other cooperative agreement with another public entity, including, but not limited to, another school district or an intermediate school district.

(b) Providing for the safety and welfare of pupils while at school or a school sponsored activity or while en route to or from school or a school sponsored activity.

(c) Except as otherwise provided in this section, acquiring, constructing, maintaining, repairing, renovating, disposing of, or conveying school property, facilities, equipment, technology, or furnishings.

(d) Hiring, contracting for, scheduling, supervising, or terminating employees, independent contractors, and others, including, but not limited to, another school district or an intermediate school district, to carry out school district powers. A school district may indemnify its employees.

(e) Receiving, accounting for, investing, or expending public school money; borrowing money and pledging public school funds for repayment; and qualifying for state school aid and other public or private money from local, regional, state, or federal sources.

(4) A general powers school district may enter into agreements, contracts, or other cooperative arrangements with other entities, public or private, including, but not limited to, another school district or an intermediate school district, or join organizations as part of performing the functions of the school district. An agreement, contract, or other cooperative arrangement that is entered into under this act is not required to comply with the provisions of the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, as provided under section 503 of that act, MCL 124.503.

(5) A general powers school district is a body corporate and shall be governed by a school board. An act of a school board is not valid unless approved, at a meeting of the school board, by a majority vote of the members lawfully serving on the board.

(6) The board of a general powers school district shall adopt bylaws. These bylaws may establish or change board procedures, the number of board officers, titles and duties of board officers, and any other matter related to effective and efficient functioning of the board. Regular meetings of the board shall be held at least once each month, at the time and place fixed by the bylaws. Special meetings may be called and held in the manner and for the purposes specified in the bylaws. Board procedures, bylaws, and policies in effect on the effective date of this section shall continue in effect until changed by action of the board.

(7) The board of a school district shall be elected as provided under this act and the Michigan election law. The number of members of the board of a general powers school district shall remain the same as for that school district before July 1, 1996 unless changed by the school electors of the school district at a regular or special school election. A ballot question for changing the number of board members may be placed on the ballot by action of the board or by petition submitted by school electors as provided under chapter XIV of the Michigan election law, MCL 168.301 to 168.316.

(8) Members of the board of a general powers school district shall be elected by the school electors for terms of 4 or 6 years, as provided by the school district's bylaws. At each regular school election, members of the board shall be elected to fill the positions of those whose terms will expire. A term of office begins as provided in section 302 of the Michigan election law, MCL 168.302, and continues until a successor is elected and qualified.

(9) Except as provided under part 5b, a community district shall be organized and conducted in the same manner as a general powers school district. As provided under part 5b, a community district has all of the powers of a general powers school district under section 11a and has all additional powers granted by law to a community district or the school board of a community district. The members of the board of a community district shall be elected by the school electors in the manner and for the terms as provided under part 5b and the Michigan election law.

(10) The board of a general powers school district may submit to the school electors of the school district a question that is within the scope of the powers of the school electors and that the board considers proper for the management of the school system or the advancement of education in the school district. Upon the adoption of a question by the board, the board shall submit the question to the school electors by complying with section 312 of the Michigan election law, MCL 168.312.

(11) A special election may be called by the board of a general powers school district as provided under chapter XIV of the Michigan election law, MCL 168.301 to 168.316.

(12) Unless expressly provided in 1995 PA 289, the powers of a school board or school district are not diminished by this section or by 1995 PA 289.

(13) A school district operating a public library, public museum, or community recreational facility as of July 1, 1996 may continue to operate the public library, public museum, or community recreational facility.

(14) A school district may establish and administer scholarships for its students or graduates to support their attendance at a postsecondary educational institution from funds the school district receives as a result of a compact entered into between this state and a federally recognized Indian tribe pursuant to the Indian gaming regulatory act, Public Law 100-497. A school district that establishes a scholarship program funded under this subsection shall ensure that the scholarship program provides for all of the following:

(a) That a student or graduate is not eligible to be awarded a scholarship unless the student or graduate is enrolled in the school district for all of grades 9 to 12 and meets 1 of the following:

(i) Is a resident of the school district for all of grades 9 to 12.

(ii) Was enrolled in the school district for the 2009-2010 school year but was not a resident of the school district for that school year, and is enrolled in the school district continuously after that school year until graduation.

(b) That the amount of a scholarship awarded to a student or graduate who was not enrolled in and a continuous resident of the school district for all of grades K to 12 shall be adjusted based on length of enrollment and continuous residency or, for a student or graduate described in subdivision (a)(ii), based on length of enrollment.

History: Add. 1995, Act 289, Eff. July 1, 1996;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2006, Act 515, Imd. Eff. Dec. 29, 2006;—Am. 2010, Act 91, Imd. Eff. June 10, 2010;—Am. 2016, Act 192, Imd. Eff. June 21, 2016.

Popular name: Act 451

380.11b Report to legislature.

Sec. 11b. Not later than 180 days after the effective date of this section, the state board shall prepare and submit to the committees of the legislature with responsibility for education legislation a report that does all of the following:

(a) Details the mandates imposed on school districts, intermediate school districts, and public school academies, and on their boards, by this act, the state school aid act of 1979, other state statute, or rule.

(b) Makes recommendations on mandates that should be eliminated by law.

(c) Makes recommendations on mandates applying to school districts, intermediate school districts, or public school academies, or their boards, that should, by legislation, be made subject to waiver by the state board or superintendent of public instruction and on proposed requirements for obtaining such a waiver.

History: Add. 1995, Act 289, Eff. July 1, 1996.

Popular name: Act 451

380.12 Loss of organization and dissolution of school district; conditions; attachment of dissolved district to organized school districts; accounting and distribution of records, funds, and property; outstanding debt of dissolved school district; audit; payment of discrepancy; approval of tax rate by school electors; sinking fund tax levy; use of test scores; rights and privileges of pupils; definitions.

Sec. 12. (1) A school district shall lose its organization and shall be declared dissolved if any of the following conditions are met:

(a) There are not enough persons residing in the school district and qualified under law to hold all of the

offices of the school district or who will accept the offices of the school district.

(b) After consultation with the intermediate school district in which the district is located, the superintendent of public instruction and state treasurer jointly determine that all of the following apply:

(i) The school district was required to submit a deficit elimination plan under the state school aid act of 1979 and the school district either has failed to submit a plan or lacks the capability to both implement a deficit elimination plan and meet the school district's obligations to provide public educational services to pupils and other residents of the school district in a manner that complies with this act, the state school aid act of 1979, and rules promulgated by the department.

(ii) The school district is not financially viable and is unable to educate pupils in grades K-12 residing in the school district by operating schools for a full school year and providing the required number of instructional hours under this act and the state school aid act of 1979. As used in this subparagraph, "financially viable" means that a school district has the financial resources to carry out at least the educational program required by law and pay its existing debts as they become due taking into consideration the projected enrollment, cash flow, revenues, and borrowing capability of the school district.

(iii) The school district has at least 300 and not more than 2,400 pupils in membership.

(iv) The number of pupils in membership in the school district for the most recently completed school year was at least 10% less than the number of pupils in membership in the school district for the school year immediately preceding the most recently completed school year.

(v) The school district began the school fiscal year ending in the current state fiscal year with an operating fund deficit and is projected to end the school fiscal year ending in the current state fiscal year with a greater operating fund deficit or received a loan approved by the local emergency financial assistance loan board that had the effect of reducing the deficit for the school year ending in the current state fiscal year.

(vi) The school district has not consolidated with another school district during the immediately preceding 12 calendar months.

(2) If a school district meets either or both of subsection (1)(a) or (b), the intermediate school board of the intermediate school district to which the school district is constituent, or the superintendent of public instruction if that intermediate school board requests the superintendent of public instruction to act in its place, shall declare the school district dissolved and immediately order attachment of the territory of the school district, in whole or in part, to 1 or more other organized school districts within the intermediate school district. In attaching the territory of the dissolved school district to other school districts, the intermediate school board or the superintendent of public instruction shall take into account the number of pupils who will become pupils of each of those other school districts relative to the number of pupils already enrolled in the other school district and the numbers of pupils who qualify for free and reduced price lunch, special education services and at-risk funding among the other school districts. For a school district that is declared dissolved in 2013, within 21 days after the school district is declared dissolved, and for a school district that is declared dissolved after 2013, within 60 days after the school district is declared dissolved, the dissolved school district shall account to the intermediate school district for all records, funds, and property of the school district and shall make an equitable distribution of the records, funds, and property consistent with the ordered attachment to each receiving school district. A school building or other real property owned by and located in the dissolved district shall become part of and owned by the receiving school district in which it is located.

(3) If a dissolved school district has outstanding debt, the dissolved school district shall retain a limited separate identity and the territory of the dissolved school district shall continue as a separate taxing unit for the limited purpose of the debt until the debt is retired or refunded. The intermediate school board and other officers of the intermediate school district in which the geographic area of the dissolved school district is located shall perform the functions and satisfy the responsibilities of the board and other officers of the dissolved school district relating to the debt, including, but not limited to, all of the following:

(a) Certifying and levying taxes for satisfaction of the debt in the name of the dissolved school district.

(b) Holding debt retirement funds of the dissolved school district separately from the funds of the receiving school district.

(c) Doing all other things relative to the outstanding debt of the dissolved school district required by law and by the terms of the debt, including, but not limited to, levying or renewing a school operating tax under section 1211. The question of renewal of a school operating tax pledged to the repayment of debt of the dissolved school district shall be submitted only to school electors residing within the geographic area of the dissolved school district and does not require approval by electors of a receiving school district not residing within the geographic area of the dissolved school district.

(4) Upon the attachment of a dissolved school district to another school district, the intermediate school board shall audit the assets and liabilities of the dissolved school district. If a considerable discrepancy is found, the intermediate school board shall order the dissolved school district to pay the discrepancy to 1 or

more appropriate receiving school districts. After first satisfying debt obligations, the dissolved school district shall repay that amount to 1 or more appropriate receiving school districts from money available to the dissolved school district including voted millage within a time to be determined by the intermediate school board.

(5) If a tax is authorized within a receiving school district at a rate greater than the rate authorized within the dissolved school district at the time of the dissolution, the tax may not be levied within the geographic area of the dissolved school district until approved by the school electors residing within the geographic area of the dissolved school district or by all school electors within the receiving school district, including any expanded geographic area of the receiving school district resulting from attachment under this section.

(6) If a dissolved school district was authorized to levy a sinking fund tax under section 1212 at the time of dissolution, the identity of the dissolving school district as a legal entity shall not be lost and its territory shall remain as a taxing unit for the limited purpose of levying a sinking fund tax under section 1212 until the authorization to levy a sinking fund tax within the dissolved school district expires. For purposes of this subsection, the intermediate school board and other officers of the intermediate school district in which the geographic area of the dissolved school district is located shall perform the functions and responsibilities of the board and other officers of the dissolved school district relating to levying the sinking fund tax and shall distribute the proceeds of the levy to each receiving school district that operates a school building previously operated by the dissolved school district. The proceeds of a sinking fund tax levy under this subsection may be used only within the geographic area of the dissolved school district for purposes authorized under section 1212. A receiving school district may not renew or authorize a new sinking fund tax that is levied only within the geographic area of the dissolved school district.

(7) To the extent permitted under federal law and any applicable waiver approved by the United States department of education, the department shall not include the test scores of pupils from the dissolved school district for determining adequate yearly progress status or for "top-to-bottom" rankings of the receiving school districts for the first 3 school years after dissolution.

(8) For the same number of school years for which test scores of pupils from the dissolved district are not used under subsection (7), a receiving school district shall not use the test scores of pupils from the dissolved school district as a factor in any performance evaluation of an employee of the receiving school district.

(9) The pupils formerly enrolled in the dissolved school district have all the legal and constitutional rights and privileges of the other pupils enrolled in the receiving school districts.

(10) As used in this section:

(a) "Debt" means that term as defined in section 103 of the revised municipal finance act, 2001 PA 34, MCL 141.2103, and any unpaid amounts payable by a dissolved school district to the Michigan public school employees' retirement board under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(b) "Receiving school district" means a school district to which all or part of the territory of a dissolved school district is attached under this section.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2013, Act 96, Imd. Eff. July 2, 2013.

Popular name: Act 451

380.12a Grant allocations; "receiving school district" defined.

Sec. 12a. (1) As permitted under federal law, if a school district is dissolved under section 12 or if the functions and responsibilities of a school district for operating a public school are transferred to another public entity, the superintendent of public instruction shall grant each receiving school district or other public entity assuming the functions and responsibilities for the public school an allocation of grants under 20 USC 6333, 6334, 6335, and 6337 and of other federal funds that would otherwise be made available for grants to or federal funding for the public school or make other adjustments in the allocation of federal funds to implement the dissolution of the school district or other transfer of functions and responsibilities.

(2) As used in this section, "receiving school district" means that term as defined in section 12.

History: Add. 2013, Act 96, Imd. Eff. July 2, 2013;—Am. 2018, Act 601, Eff. Mar. 29, 2019.

Popular name: Act 451

380.12b School district as qualifying school district; loss of organization; transfer of records, funds, and property to community district; retention of certain proceeds, payments, and functions; functions and responsibilities of transition manager; allocation of grants and federal money; community district as successor entity; membership of qualifying school district for purposes of making state school aid allocations; effect of

transfer date; duties of qualifying school district; exercise of duties by community district until dissolution of qualifying school district; repayment of outstanding obligations of qualifying school district; determination by state treasurer; certification; definitions.

Sec. 12b. (1) Beginning on the effective date of the amendatory act that added this section, if a school district is or becomes a qualifying school district, the school district shall lose its organization and be dissolved as provided in this section.

(2) If a school district loses its organization under subsection (1), except as otherwise provided in this section, all records, funds, and property of the qualifying school district are transferred on the transfer date to a community district created with the same geographic boundaries of the qualifying school district under part 5b. Except as otherwise provided in this section, proceeds from bonds, notes, or emergency loans, taxes levied by or payable to the qualifying school district, money payable to the qualifying school district under the state school aid act of 1979, and advances or other payments relating to any of these, and all of the qualifying school district functions described under subsection (3), shall be retained by the qualifying school district and are not transferred to the community district. A school building or other real property owned by the qualifying school district becomes part of and owned by the community district. If a qualifying school district has outstanding debt on the transfer date, the qualifying school district shall retain a limited separate identity as a school district and the territory of the qualifying school district shall continue as a separate taxing unit only for the limited public purposes of the repayment of the debt until the debt is retired, satisfying liability from legal claims filed before the transfer date, and protecting the credit of this state and of its school districts.

(3) Before the transfer date, the governor shall designate an individual who is authorized by law to act for and in the place and stead of the school board and superintendent of schools of the qualifying school district as the transition manager for the community district to perform functions and satisfy responsibilities of the community district, of the school board and superintendent of schools of the community district, and of the transition manager under this section until the elected members of the school board of the community district are elected and take office under section 384. Until that time, the transition manager shall exercise the powers, perform the functions, and satisfy the responsibilities of the school board and superintendent of schools of the community district, except that the transition manager shall not negotiate or enter into any collective bargaining agreement that would bind the elected school board of the community district. Until that date, the transition manager also shall perform the functions and satisfy the responsibilities of the school board and superintendent of schools of the qualifying school district relating to the repayment of debt and the dissolution of the qualifying school district, including, but not limited to, all of the following:

(a) Certifying and levying taxes for satisfaction of the debt in the name of the qualifying school district.

(b) Doing all other things relative to the repayment of outstanding debt of the qualifying school district required by law and by the terms of the debt, including, but not limited to, filing draw requests and borrowing from the revolving loan fund for debt service on qualified bonds under the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939, levying or seeking voter approval for a renewal of a school operating tax under section 1211, or refunding or refinancing debt.

(c) Doing all other things relative to the dissolution of the qualifying school district.

(4) An individual designated as a transition manager under subsection (3) shall perform the functions and satisfy the responsibilities of a transition manager under this section from the time of the designation until the elected members of the school board of the community district are elected and take office under section 384. Officers, employees, agents, and contractors of the community district are subject to direction and supervision by the transition manager and shall actively cooperate with the transition manager in the transition manager's performance of functions and responsibilities under this section. The functions and responsibilities of the transition manager under this section include, but are not limited to, all of the following before, on, and after the transfer date:

(a) Appointing an interim superintendent of schools for the community district to perform the functions of the superintendent of schools for the community district only until a superintendent of schools is selected by the school board of the community district and takes office.

(b) Subject to the control of the financial review commission under section 387, adopting the initial budget and general appropriations act for the community district for the first fiscal year of the community district. The initial budget and general appropriations act are subject to amendment by the school board of the community district after the school board is elected and takes office under section 384.

(c) Subject to the control of the financial review commission under section 387, establishing financial and accounting systems for the community district and transferring financial records from the qualifying school district to the community district.

(d) Transferring student records from the qualifying school district in a manner that complies with laws

applicable to student records.

(e) Taking action necessary to ensure that state or federal grants payable and expendable by the qualifying school district before the transfer date are payable and expendable by the community district as a successor entity to the qualifying school district after the transfer date.

(f) Taking action necessary to ensure that school buildings and other school property transferred to the community district by operation of law under this section are ready for use in the first school year that begins after the transfer date and preparing a schedule of all fixed assets transferred from the qualifying school district to the community district.

(g) Taking action necessary to ensure the continuity of ongoing educational programs operational both before and after the transfer date and properly accounting for the funding of the educational programs.

(h) Subject to the control of the financial review commission under section 387, negotiating and approving amended or new agreements with vendors of the qualifying school district to assure that the necessary services are available to be provided to the community district. This does not include a collective bargaining agreement.

(i) Adopting on behalf of the community district any policy or operating procedure required by law for a school district as necessary to ensure the community district's compliance with this act and other applicable law.

(5) As permitted under federal law, on the transfer date the superintendent of public instruction shall allocate to a community district receiving the functions and responsibilities of a qualifying school district for a public school under subsection (2) all applicable grants under 20 USC 6333, 20 USC 6334, 20 USC 6335, and 20 USC 6337, and other federal funds that would otherwise be made available for grants to or federal funding for the public school or make other adjustments in the allocation of federal funds to implement the transfer of functions and responsibilities for the public school. The community district is the successor entity of the qualifying school district for purposes of receiving and expending federal grants.

(6) For a community district's first school year of operations only, until the department is able to calculate the community district's membership, the department shall use the membership of the qualifying school district for the purposes of making state school aid allocations to the community district under the state school aid act of 1979.

(7) Effective on the transfer date for a qualifying school district and the community district created with the same geographic boundaries of the qualifying school district under part 5b, all of the following apply:

(a) The community district acquires, succeeds to, and assumes the exclusive right, responsibility, and authority to own, occupy, operate, control, use, lease, and convey the facilities of the qualifying school district existing as of the transfer date, including all lands, buildings, improvements, structures, easements, rights of access, and all other privileges and appurtenances. The officers of the qualifying school district shall execute any instruments of conveyance, assignment, and transfer that are necessary or appropriate to accomplish the acquisition and succession under this subdivision. Occupancy of a facility by a community district under this subdivision is not considered to be a change in occupancy for any purpose under state or local law.

(b) Except as otherwise provided in this section, the community district acquires, succeeds to, and assumes all rights, title, and interests in and to the fixtures, equipment, materials, furnishings, and other personal property owned and used by the qualifying school district as of the transfer date. The officers of the qualifying school district shall execute any instruments of conveyance, assignment, and transfer that are necessary or appropriate to accomplish the acquisition and succession under this subdivision.

(c) Except as otherwise provided in this section, the community district acquires, succeeds to, and assumes all of the rights of the qualifying school district relating to the qualifying school district under any ordinances, agreements, or other instruments and under law. This includes, but is not limited to, a contract issued by the qualifying school district under this act to organize and operate a public school academy. This succession includes, and there is transferred to the community district, all licenses, permits, approvals, or awards related to the qualifying school district along with all grant agreements, grant pre-applications, and the right to receive the balance of any funds payable under the agreements.

(d) The community district has the right and authority to own, occupy, operate, control, use, lease, and convey the facilities transferred by the qualifying school district, subject to any liens on the real property.

(e) Except for debt or other obligations retained by the qualifying school district under this section, the community district has the qualifying school district's right, title, and interest in and all of the qualifying school district's responsibilities and authority arising under leases, concessions, and other contracts for facilities.

(f) All records and files, software, and software licenses required for financial management, personnel management, accounting and inventory systems, or general administration of the qualifying school district are transferred to the community district without reversion or impairment to the maximum extent permitted by

law.

(g) A community district acquires, succeeds to, and assumes all of the rights, duties, and obligations under a collective bargaining agreement applicable to the qualifying school district on the transfer date. The terms and conditions of that collective bargaining agreement applicable to employees of the qualifying school district on the transfer date shall be the terms and conditions applicable to employees of the community district and except for the superintendent of schools, the community district shall be the successor employer for employees of the qualifying school district on the transfer date. Except for the superintendent of schools, an individual who is entitled to employment by the qualifying school district on the transfer date shall be entitled to employment by the community district following the transfer to the community district.

(h) For individuals who become employed by a community district by the operation of subdivision (g), the transition manager shall take all steps necessary to ensure that all personnel records are transferred from the qualifying school district to the community district. For an individual who becomes employed by a community district by the operation of subdivision (g), the community district is not required to obtain a criminal history check under section 1230 or a criminal records check under section 1230a or to request information concerning unprofessional conduct under section 1230b before employing the individual.

(i) On the transfer date, a pupil enrolled in the qualifying school district in the immediately preceding school year other than an individual who has completed grade 12 is automatically enrolled by operation of law in the community district for the next school year. The transition manager shall use best efforts to assign a pupil to the appropriate grade at the school the pupil attended in the preceding school year, or to another school that the pupil has applied and been admitted to before the transfer date, unless the appropriate grade is not offered at that school or that school is closed. The transition manager shall ensure that all pupil records are transferred from the qualifying school district to the community district in accordance with sections 1134 and 1135. This section does not diminish or limit the right of a pupil to attend a school of his or her choice.

(8) A transfer to a community district under this section does not impair a contract with a party in privity with the qualifying school district.

(9) Upon the transfer to a community district, the community district assumes and the qualifying school district is relieved from all operational jurisdiction over the qualifying school district and facilities and is relieved from all further costs and responsibility arising from or associated with operating a public school or providing public education services, except as otherwise required under obligations retained by the qualifying school district under this section, including, but not limited to, debt.

(10) A qualifying school district shall do all of the following:

(a) Refrain from any action that would impair a community district's exercise of the powers granted to the community district under this section or part 5b, or that would impair the efficient operation and management of the community district.

(b) Take all action reasonably necessary to cure any defects in title to property transferred from the qualifying school district to the community district.

(c) Upon creation of a community district and before the transfer date, conduct operations of the qualifying school district in the ordinary and usual course of business.

(d) Comply with the terms and conditions of any loan agreement between the qualifying school district and the local financial emergency assistance loan board under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, including, but not limited to, any terms and conditions providing for the payment of transitional operating costs incurred by a community district.

(e) Notify the state treasurer upon the repayment of all outstanding operating obligations of the qualifying school district.

(f) Notify the state treasurer upon the repayment of all outstanding debt of the qualifying school district.

(11) Upon the election and assumption of duties by the members of the initial elected school board of the community district, the school board of the qualifying school district is dissolved and the functions and responsibilities of the qualifying school district shall be exercised by the community district on behalf of the qualifying school district until the qualifying school district is fully dissolved under subsection (14).

(12) If the state treasurer is notified that all outstanding operating obligations of the qualifying school district have been repaid, the state treasurer shall verify whether all outstanding obligations of the qualifying school district have been repaid. The state treasurer also may determine that the outstanding operating obligations of a qualifying school district have been satisfied on his or her own without notice. If the state treasurer determines that all outstanding operating obligations of the qualifying school district have been repaid, the state treasurer shall certify in a written notice to a community district that has the same geographic boundaries as the qualifying school district that the outstanding operating obligations of the qualifying school district have been repaid.

(13) If the state treasurer is notified that all outstanding debt of the qualifying school district has been

repaid, the state treasurer shall verify whether all of the outstanding debt of the qualifying school district has been repaid. The state treasurer also may determine that the outstanding debt of a qualifying school district has been repaid on his or her own without notice. If the state treasurer determines that all of the outstanding debt of the qualifying school district has been repaid, the state treasurer shall certify in a written notice to a community district that has the same geographic boundaries as the qualifying district that all outstanding debt of the qualifying school district has been repaid.

(14) Upon certification by the state treasurer under subsection (13), the qualifying school district is fully dissolved and any remaining assets of the qualifying school district are transferred to the community district.

(15) As used in this section:

(a) "Debt" means that term as defined in section 103 of the revised municipal finance act, 2001 PA 34, MCL 141.2103, and also includes any of the following:

(i) Obligations of the qualifying school district under an energy installment purchase contract.

(ii) Obligations of the qualifying school district under a capital lease.

(iii) Any unpaid amounts payable by the qualifying school district to the Michigan public school employees' retirement board under the public school employees retirement act of 1979, 1980 PA 300, MCL 38.1301 to 38.1437.

(iv) The repayment of any loan or obligations under any loan agreement between the qualifying school district and the local financial emergency assistance loan board under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

(v) The repayment of any school financing stability bonds under section 1356.

(vi) Any other monetary obligations of the qualifying school district.

(b) "Operating obligation" means debt of a school district incurred for purposes of financing the operation of a school district or public schools operated by a school district, including, but not limited to, fiscal stability bonds under section 1356 and an emergency loan under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, and transitional operating costs as defined in section 3 of the emergency municipal loan act, 1980 PA 243, MCL 141.933. Operating obligation does not include debt of a school district incurred for the purpose of constructing, renovating, maintaining, or otherwise improving school facilities unless the debt is incurred as transitional operating costs as defined in section 3 of the emergency municipal loan act, 1980 PA 243, MCL 141.933.

(c) "Transfer date" means the first July 1 after the date a school district becomes a qualifying school district. For a school district that became a qualifying school district on the effective date of the amendatory act that added this subdivision, the transfer date is July 1, 2016.

History: Add. 2016, Act 192, Imd. Eff. June 21, 2016.

Popular name: Act 451

380.13 Assumption of bonded indebtedness by combined school districts; payment; election.

Sec. 13. (1) Beginning 3 years after the effective date of the disorganization of a school district which has outstanding bonded indebtedness, the combined school district may assume and pay the obligation of the bonded indebtedness by spreading a debt retirement tax levy uniformly over the territory of the combined school district, if the school electors of the combined school district approve the assumption of the bonded indebtedness. The assumption of the bonded indebtedness shall not release the territory of the district originally incurring the bonded indebtedness from the final responsibility of paying the obligation. The election may be held following the effective date of attachment at a time when a proposal is made to increase the bonded indebtedness of the combined school district. If the assumption of indebtedness is approved, it shall become effective immediately.

(2) At an election to issue new bonds of the combined school district, outstanding bond issues of the original districts may be refunded as part of the new bond issue. The question of assumption of the indebtedness need not be presented as a separate proposition. If a school district is attached to another school district under section 12, the vote by the school electors of the combined school district may be held at any time following the effective date of attachment.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.14 Petitions; violation.

Sec. 14. A petition under, or that is necessary to meet a requirement of, section 11a, 411a, 412a, 503, 614, 617, 690, 701, 853, 860, 931, or 1311e, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, MCL 168.488. A person who violates a provision of the Michigan

election law applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law.

History: Add. 1998, Act 406, Eff. Mar. 23, 1999;—Am. 1999, Act 23, Imd. Eff. May 12, 1999;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

380.15 Repealed. 2017, Act 38, Eff. Aug. 21, 2017.

Compiler's note: The repealed section pertained to transfer of gift from school board to community foundation.

Popular name: Act 451