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SCHOOL DISTRICT ACCOUNTABILITY MEASURES

Senate Bill 1005 (Substitute H-1)
Sponsor: Sen. Leon Stille

Senate Committee: Education
House Committee: Education

Complete to 5-22-00

A SUMMARY OF SENATE BILL 1005 (SUBSTITUTE H-1)

Senate Bill 1005 would add a new section to the Revised School Code to set accountability measures for schools at risk of academic or financial failure. The bill would specify new responsibilities for the state superintendent and state treasurer, create new duties for the school district accountability board, and for intermediate school district superintendents; and provide alternatives for appointing school leaders whose responsibility would be school improvement.

Expand duties of school district accountability board. Under current law, a school district accountability board was created in the Department of Education in 1999. That accountability board consists of five members: the superintendent of public instruction; the state treasurer (who serves as chairperson of the board); the state budget director; and, two members of the general public appointed by the governor with the advice and consent of the Senate. The accountability board does all of the following, with respect to a qualifying school district in which a school reform board has been established: a) reviews the district improvement plan; b) monitors the progress being made by the school reform board in achieving the goals and benchmarks identified in the plan; and, c) makes recommendations to the governor for additional resources or any changes in statute or rule if they are needed, based on the experience of the reform board in its efforts to achieve school reform.

Senate Bill 1005 would amend this section of the code to specify that in addition to these powers and duties, the school district accountability board would have all of the powers and duties described in the new provisions that would be added by the bill.

Measures of accountability. Under the bill, a school district would be subject to the measures specified in the act if the superintendent of public instruction determined either of the following:

- That 30 percent or fewer of the district's pupils had achieved satisfactory scores on the Michigan educational assessment program (MEAP) tests for three consecutive years. [The district average would be determined by adding the number of the district's pupils achieving a score of at least satisfactory in each subject area and at each grade level, and then dividing that sum by the number of pupils who took the tests.]

- That one or more of the conditions existed for determining, under section 33 of the Local Government Fiscal Responsibility Act, that a school district had a serious financial problem. (Under that act [MCL141.1233], the superintendent of public instruction may determine that a school district has a serious financial problem if one or more of ten specified conditions exist.)

Determination by state superintendent or state treasurer. If the state superintendent or state treasurer made a determination as described above, he or she would be required to notify the governor and the intermediate superintendent that the school district was subject to measures under the bill.

Review team appointed by governor. Within 20 days after being notified that a school district was subject to measures under the bill, the intermediate superintendent, after consultation with the chief executive of the local unit of government in which the largest number of the school district's pupils lived, would submit to the governor the names of five local residents as nominees to serve on a review team for the school district. Within 30 days after the school district had been determined to be subject to measures under the bill, the governor would appoint all of the following to serve as a review team: a) three of the local nominees submitted; b) the superintendent of public instruction or his or her designee; c) the state treasurer or his or her designee; and, d) the state budget director or his or her designee. In addition, the intermediate superintendent would serve as a member of the review team and act as its chairperson.

Academic and financial performance review, and action plan. The review team would conduct a study of the school district's academic and financial performance. Under the bill, the board and personnel of the school district would be required to cooperate with the review team and provide technical and administrative support as requested. Within 90 days after its appointment, the review team would be required to:

a) develop and adopt an action plan for the school district that contained measurable goals and outcomes for improving the conditions in the school district, and submit the action plan to the board of the school district and to the state accountability board for approval; or,

b) if the review team determined by a two-thirds vote of its members that the conditions in the school district were not likely to be resolved by the school district's existing leadership, then one of the following: i) appoint a trustee for the school district; or, ii) with a unanimous vote of the review team, recommend that the school district be dissolved (see below).

Three-year oversight of action plan by ISD superintendent. Within 30 days after receiving the action plan from the review team, the board of the school district and the state accountability board would notify the review team they had either approved or disapproved the action plan. If both the school district board and the state accountability board approved the action plan, all of the following would apply: a) the school district board would implement the plan; and, b) for the next three years, the intermediate superintendent would oversee the progress being made by the school district under the plan, and submit an annual progress report to the school district board and the state accountability board.

Successful implementation or second review team; appointment of trustee or dissolution. At the end of the three-year period, one of the following would occur: i) if, by a majority vote, the school district accountability board determined that the goals set forth in the plan had been achieved, then the school district would no longer be subject to the measures proposed under the bill, unless a subsequent determination were made; or, ii) if, by a majority vote, the school district accountability

board determined that the goals set forth in the plan had not been achieved, then the accountability board would notify the governor and the intermediate superintendent, and the governor would appoint a second review team for the school district in the same manner as the first had been appointed. If a second review team were appointed, and if the process again resulted in a determination that the goals had not been met, then the state accountability board would notify the second review team, and the second review team would either appoint a trustee for the school district, or make a recommendation to dissolve the school district.

If either the school district board or the state accountability board disapproved the action plan, all of the following would apply: a) the review team would submit a revised action plan to the school district board and the state accountability board within 60 days after the initial disapproval; and b) if either board disapproved the revised action plan, the review team could appoint a trustee for the district, or make a recommendation to dissolve the school district.

Trustee appointed by review team under 3-year contract with ISD. If a review team recommended appointment of a trustee for a school district, the team would appoint an individual or entity to serve. The appointment would be by a majority vote of the team, and would be subject to the approval of the state accountability board. The appointment would be by a three-year contract between the intermediate school district and the trustee. A vacancy in the office would be filled in the same manner as the original appointment, for the balance of the unexpired term.

Elected school board to serve on advisory basis. Upon appointment of a trustee for a school district, the powers and duties of the school board and of its officers would be suspended unless and until the school board were reinstated. However, under the bill the school board would continue to meet to carry out its duties, and to provide input to the trustee on an advisory basis only, and would continue to hold school board elections to elect school board members, as otherwise provided by law. Notwithstanding any board policy, bylaw, or resolution to the contrary, these school board members would serve without compensation unless and until the school board were reinstated.

Rights of the trustee. Upon appointment of a trustee, all provisions of the code that would otherwise apply to the school board would apply to the trustee. These powers, rights, duties, and obligations would include but not be limited to all of the following: a) authority over the expenditure of all school district funds, including proceeds from bonded indebtedness and other funds dedicated to capital projects; b) rights and obligations under collective bargaining agreements and employment contracts entered into by the school board, except for employment contracts of those employees not covered by collective bargaining agreements, who would be employed at the will of the trustee; c) rights to prosecute and defend litigation; d) obligations under any judgments or orders entered into by or entered against the school board; d) rights and obligations under statute, rule, and common law; and f) authority to delegate any of the trustee's powers and duties to one or more designees.

In addition to his or her other powers, the trustee could terminate any contract entered into by the school board of the school district, except for a collective bargaining agreement. However, the trustee could not allow any termination or diminishment of obligations to pay debt service on legally authorized bonds. A contract terminated by a trustee would be void.

Upon appointment of a trustee for a school district, each employee of the school district whose position was not covered by a collective bargaining agreement would be employed at the will of the trustee.

In addition to the trustee's other duties, the trustee would be required to do all of the following: a) develop and implement an action plan for the school district containing measurable goals and outcomes for improving the conditions in the school district that resulted in the appointment of the review team, and submit the action plan to the state accountability board, and to the intermediate superintendent; and, b) regularly report on the progress being made in the school district to the accountability board and, unless the intermediate school district or intermediate superintendent were the trustee, also to the intermediate superintendent.

Oversight of the trustee. The intermediate superintendent would be required to provide consistent oversight of the trustee's activities and regularly report to the state accountability board about those activities. The state accountability board would review the trustee's performance and results at least annually. If at the end of the trustee's three-year contract the state accountability board determined that the objectives contained in the action plan had not been substantially achieved, the state accountability board would notify the review team that appointed the trustee. If this occurred, the review team would proceed to appoint another trustee in the same manner as it had appointed the first. If at the end of the trustee's three-year contract the state accountability board determined that the objectives in the plan had been substantially achieved, the accountability board would do one of the following: a) direct the review team that appointed the trustee to reappoint the trustee for another three-year period on the same terms as the first appointment, and in the same manner as the original appointment; or, b) issue an order reinstating the school board of the school district.

Reinstatement of the school board and continued oversight. All of the following would apply to reinstatement, and to the three-year period following reinstatement: (i) the school board would be reinstated as the governing body of the school district, and as of that date, the school board and its officers again would be fully vested with all the powers and duties they had before the appointment of the trustee; (ii) the powers of the trustee appointed for the school district would cease; (iii) during the three-year period following reinstatement, the intermediate superintendent would continue the same type of oversight for the school board as that provided for a trustee, and the state accountability board would continue to review the school board's performance at least annually, as provided for a trustee; and, (iv) if by a majority vote, the state accountability board determined during the three-year period following reinstatement that the school district was not continuing to meet the goals set forth in the action plan, the state accountability board would notify the governor and the intermediate superintendent of that determination, and the governor would appoint another review team for the school district. The intermediate superintendent would perform the same duties, and the new review team would proceed in the same manner as previously described.

Dissolution of a school district. If a review team recommended dissolution of a school district, within 30 days after the recommendation was made, the intermediate superintendent would dissolve the school district and attach the territory of the district to one or more adjoining school districts. This action would be effective upon the order of the intermediate superintendent. Dissolution of a school district and attachment of its territory would not require an affirmative vote

in any affected school district, nor would it require any other form of assent by any affected school district. In all other respects, the provisions of Part 10 of the code regarding annexation of school districts would govern the attachment of territory to a school district, as if the territory being attached were a school district being annexed.

Protection from liability. Under the bill, the governor, superintendent of public instruction, the state, and a trustee appointed under the bill would not be liable for any obligation of, or claim against, a school district that resulted from an action taken under this section.

MCL 380.376 et al.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.