

# SENATE BILL No. 524

June 6, 2001, Introduced by Senators PETERS, BYRUM, YOUNG, DE BEAUSSAERT, LELAND, DINGELL and SCOTT and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 504a and 1311h (MCL 380.504a and 380.1311h),  
section 504a as amended by 1995 PA 289 and section 1311h as added  
by 1999 PA 23.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 504a. (1) In addition to other powers set forth in  
2 this part, a public school academy may take action to carry out  
3 the purposes for which it was incorporated under this part,  
4 including, but not limited to, all of the following:

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

6           (b) To acquire, hold, and own in its own name real and per-  
7 sonal property, or interests in real or personal property, for  
8 educational purposes by purchase, gift, grant, devise, bequest,  
9 lease, sublease, installment purchase agreement, land contract,

1 option, or condemnation, and subject to mortgages, security  
2 interests, or other liens; and to sell or convey the property as  
3 the interests of the public school academy require.

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

5 (d) ~~To~~ SUBJECT TO SUBSECTIONS (2) AND (3), TO enter into  
6 binding legal agreements with persons or entities as necessary  
7 for the operation, management, and maintenance of the public  
8 school academy.

9 (e) To incur temporary debt in accordance with  
10 section 1225.

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

16 (2) IF A PUBLIC SCHOOL ACADEMY ENTERS INTO AN AGREEMENT WITH  
17 A FOR-PROFIT BUSINESS ENTITY FOR MANAGEMENT OR OPERATING SERV-  
18 ICES, THE PUBLIC SCHOOL ACADEMY SHALL ANNUALLY SUBMIT A DISCLO-  
19 SURE REPORT TO THE DEPARTMENT IN THE FORM AND MANNER PRESCRIBED  
20 BY THE DEPARTMENT. THIS DISCLOSURE REPORT SHALL INCLUDE AT LEAST  
21 ALL OF THE FOLLOWING:

22 (A) THE ANNUAL AMOUNT PAID BY THE PUBLIC SCHOOL ACADEMY TO  
23 THE MANAGEMENT COMPANY UNDER THE AGREEMENT.

24 (B) A FINANCIAL STATEMENT DETAILING ALL INCOME AND EXPENSES  
25 OF THE MANAGEMENT COMPANY FOR THE PRECEDING YEAR DUE TO THE  
26 AGREEMENT.

1 (C) THE NAMES AND ADDRESSES OF THE PRINCIPAL OWNERS AND  
2 OFFICERS OF THE MANAGEMENT COMPANY.

3 (D) ANY OTHER INFORMATION REQUESTED BY THE DEPARTMENT CON-  
4 CERNING THE AGREEMENT OR THE MANAGEMENT COMPANY.

5 (3) THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL  
6 NOT ENTER INTO A BINDING LEGAL AGREEMENT WITH A FOR-PROFIT BUSI-  
7 NESS ENTITY FOR MANAGEMENT OR OPERATING SERVICES UNLESS THE  
8 AGREEMENT REQUIRES THE FOR-PROFIT BUSINESS ENTITY TO MAKE INFOR-  
9 MATION AVAILABLE TO THE PUBLIC CONCERNING THE MANAGEMENT AND  
10 OPERATION OF THE PUBLIC SCHOOL ACADEMY IN THE SAME MANNER AND TO  
11 THE SAME EXTENT AS REQUIRED FOR A PUBLIC BODY UNDER THE FREEDOM  
12 OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

13 Sec. 1311h. (1) In addition to other powers set forth in  
14 sections 1311b to 1311l, a strict discipline academy may take  
15 action to carry out the purposes for which it was incorporated  
16 under sections 1311b to 1311l, including, but not limited to, all  
17 of the following:

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

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

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

1       (d) ~~TO~~ SUBJECT TO SUBSECTIONS (2) AND (3), TO enter into  
2 binding legal agreements with persons or entities as necessary  
3 for the operation, management, and maintenance of the strict dis-  
4 cipline academy.

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

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

12       (2) IF A STRICT DISCIPLINE ACADEMY ENTERS INTO AN AGREEMENT  
13 WITH A FOR-PROFIT BUSINESS ENTITY FOR MANAGEMENT OR OPERATING  
14 SERVICES, THE STRICT DISCIPLINE ACADEMY SHALL ANNUALLY SUBMIT A  
15 DISCLOSURE REPORT TO THE DEPARTMENT IN THE FORM AND MANNER PRE-  
16 SCRIBED BY THE DEPARTMENT. THIS DISCLOSURE REPORT SHALL INCLUDE  
17 AT LEAST ALL OF THE FOLLOWING:

18       (A) THE ANNUAL AMOUNT PAID BY THE STRICT DISCIPLINE ACADEMY  
19 TO THE MANAGEMENT COMPANY UNDER THE AGREEMENT.

20       (B) A FINANCIAL STATEMENT DETAILING ALL INCOME AND EXPENSES  
21 OF THE MANAGEMENT COMPANY FOR THE PRECEDING YEAR DUE TO THE  
22 AGREEMENT.

23       (C) THE NAMES AND ADDRESSES OF THE PRINCIPAL OWNERS AND  
24 OFFICERS OF THE MANAGEMENT COMPANY.

25       (D) ANY OTHER INFORMATION REQUESTED BY THE DEPARTMENT CON-  
26 CERNING THE AGREEMENT OR THE MANAGEMENT COMPANY.

1           (3) THE BOARD OF DIRECTORS OF A STRICT DISCIPLINE ACADEMY  
2 SHALL NOT ENTER INTO A BINDING LEGAL AGREEMENT WITH A FOR-PROFIT  
3 BUSINESS ENTITY FOR MANAGEMENT OR OPERATING SERVICES UNLESS THE  
4 AGREEMENT REQUIRES THE FOR-PROFIT BUSINESS ENTITY TO MAKE INFOR-  
5 MATION AVAILABLE TO THE PUBLIC CONCERNING THE MANAGEMENT AND  
6 OPERATION OF THE STRICT DISCIPLINE ACADEMY IN THE SAME MANNER AND  
7 TO THE SAME EXTENT AS REQUIRED FOR A PUBLIC BODY UNDER THE FREE-  
8 DOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.