

HOUSE BILL No. 4708

May 3, 2005, Introduced by Reps. Waters, Virgil Smith, Murphy, Cushingberry, Lemmons, Jr., Hopgood, Tobocman, Hood, Leland, Hunter and Lemmons, III and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 373 (MCL 380.373), as amended by 2004 PA 303.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 373. (1) Beginning on March 26, 1999 or, if the
2 qualifying school district becomes a qualifying school district
3 after March 26, 1999, the date on which a school district becomes a
4 qualifying school district, the powers and duties of the elected
5 school board of the qualifying school district and of its secretary
6 and treasurer are suspended until the applicable date specified in
7 section 375. However, until the expiration of the current term of
8 each individual member serving as of the date the school district

1 becomes a qualifying school district, the members of the elected
2 school board of a qualifying school district may continue to meet
3 as an advisory board to provide input to the school reform board on
4 an advisory basis only. Notwithstanding section 417a or any board
5 policy, bylaw, or resolution to the contrary, these advisory board
6 members shall serve without compensation or reimbursement, and
7 funds of the qualifying school district shall not be used to staff
8 or otherwise support the advisory board in any way.

9 (2) Beginning on March 26, 1999 or, if the qualifying school
10 district becomes a qualifying school district after March 26, 1999,
11 the date on which a school district becomes a qualifying school
12 district, and until appointment of a school reform board for a
13 qualifying school district under this part, all provisions of this
14 act that would otherwise apply to the school board of the
15 qualifying school district or to the school reform board or chief
16 executive officer apply to the mayor, and the mayor immediately may
17 exercise all the powers and duties otherwise vested by law in the
18 board of the qualifying school district and in its secretary and
19 treasurer, and all powers and duties of the school reform board or
20 chief executive officer as provided under this part. Within 30 days
21 after appointing a school reform board under this part, the mayor
22 shall initiate a financial audit of the qualifying school district.
23 The mayor shall provide the results of this audit to the school
24 reform board.

25 (3) Upon appointment of a school reform board for a qualifying
26 school district under this part, and until appointment of a chief
27 executive officer under section 374, all provisions of this act

1 that would otherwise apply to the school board of the qualifying
2 school district or to the chief executive officer apply to the
3 school reform board, and the school reform board immediately may
4 exercise all the powers and duties otherwise vested by law in the
5 board of the qualifying school district and in its secretary and
6 treasurer, and all powers and duties of the chief executive officer
7 as provided under this part.

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

20 (a) Authority over the expenditure of all school district
21 funds, including proceeds from bonded indebtedness and other funds
22 dedicated to capital projects. **HOWEVER, THE CHIEF EXECUTIVE OFFICER**
23 **SHALL NOT ENTER INTO A CONTRACT THAT OBLIGATES THE QUALIFYING**
24 **SCHOOL DISTRICT FOR AN AMOUNT IN EXCESS OF \$25,000.00 UNLESS THE**
25 **CONTRACT IS APPROVED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.**

26 (b) Rights and obligations under collective bargaining
27 agreements and employment contracts entered into by the elected

1 school board, except for employment contracts of those employees
2 described in subsection (6).

3 (c) Rights to prosecute and defend litigation.

4 (d) Obligations under any judgments entered against the
5 elected school board.

6 (e) Rights and obligations under statute, rule, and common
7 law.

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

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

19 (6) Beginning on March 26, 1999 or, if the qualifying school
20 district becomes a qualifying school district after March 26, 1999,
21 the date on which a school district becomes a qualifying school
22 district, and until appointment of a school reform board for a
23 qualifying school district under this part, each employee of the
24 qualifying school district whose position is not covered by a
25 collective bargaining agreement is employed at the will of the
26 mayor. Upon appointment of a school reform board for a qualifying
27 school district under this part, and until appointment of a chief

1 executive officer under section 374, each employee of the
2 qualifying school district whose position is not covered by a
3 collective bargaining agreement is employed at the will of the
4 school reform board. Upon appointment of a chief executive officer
5 for a qualifying school district under section 374, each employee
6 of the qualifying school district whose position is not covered by
7 a collective bargaining agreement is employed at the will of the
8 chief executive officer.

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

23 (8) A chief executive officer with the approval of the school
24 reform board for the qualifying school district shall submit an
25 annual report to the mayor, governor, school district
26 accountability board created in section 376, and legislature and
27 shall make the annual report available to the community in the

1 qualifying school district. The annual report shall contain at
2 least all of the following:

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

5 (b) Measurements that may be useful in determining
6 improvements in school quality in the qualifying school district.
7 These measurements shall indicate changes from baseline data from
8 the school year before the appointment of the school reform board,
9 and shall include at least all of the following:

10 (i) Standardized test scores of pupils.

11 (ii) Dropout rates.

12 (iii) Daily attendance figures.

13 (iv) Enrollment figures.

14 (v) High school completion and other pertinent completion
15 rates.

16 (vi) Changes made in course offerings.

17 (vii) Proportion of school district resources devoted to direct
18 educational services.

19 (c) A description of long-term performance goals that may
20 include statewide averages or comparable measures of long-term
21 improvement.

22 (9) A school reform board may organize and establish community
23 assistance teams to work with the school reform board to implement
24 a cohesive, full service community school program addressing the
25 needs and concerns of the qualifying school district's population.
26 The school reform board may delegate to a community assistance team
27 the authority to devise and implement family, community, cultural,

1 and recreational activities to assure that the academic mission of
2 the schools is successful. The community assistance teams may also
3 develop parental involvement activities that focus on the
4 encouragement of voluntary parenting education, enhancing parent
5 and family involvement in education, and promoting adult and family
6 literacy.

7 (10) The mayor, superintendent of public instruction, state
8 board, school district accountability board created in section 376,
9 this state, the city in which a qualifying school district is
10 located, a school reform board established under this part, or a
11 chief executive officer or other officer appointed under section
12 374 is not liable for any obligation of or claim against a
13 qualifying school district resulting from an action taken under
14 this part.