

# HOUSE BILL No. 5600

January 24, 2006, Introduced by Reps. Lemmons, III and Lemmons, Jr. and referred to the Committee on Appropriations.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 373 and 375 (MCL 380.373 and 380.375), 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  
4 a 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  
9 becomes a qualifying school district, the members of the elected

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

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

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

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

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

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

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

26 (c) Rights to prosecute and defend litigation.

27 (d) Obligations under any judgments entered against the

1 elected school board.

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

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

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

15 (6) Beginning on ~~March 26, 1999 or, if the qualifying school~~  
16 ~~district becomes a qualifying school district after March 26, 1999,~~  
17 the date on which a school district becomes a qualifying school  
18 district, and until appointment of a school reform board for a  
19 qualifying school district under this part, each employee of the  
20 qualifying school district whose position is not covered by a  
21 collective bargaining agreement is employed at the will of the  
22 mayor. Upon appointment of a school reform board for a qualifying  
23 school district under this part, and until appointment of a chief  
24 executive officer under section 374, each employee of the  
25 qualifying school district whose position is not covered by a  
26 collective bargaining agreement is employed at the will of the  
27 school reform board. Upon appointment of a chief executive officer

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

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

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

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

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

(i) Standardized test scores of pupils.

(ii) Dropout rates.

(iii) Daily attendance figures.

(iv) Enrollment figures.

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

(vi) Changes made in course offerings.

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

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

(9) A school reform board may organize and establish community assistance teams to work with the school reform board to implement a cohesive, full service community school program addressing the needs and concerns of the qualifying school district's population. The school reform board may delegate to a community assistance team the authority to devise and implement family, community, cultural, and recreational activities to assure that the academic mission of the schools is successful. The community assistance teams may also develop parental involvement activities that focus on the encouragement of voluntary parenting education, enhancing parent

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

3 (10) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SECTION 375(2), THE**  
4 mayor, superintendent of public instruction, state board, school  
5 district accountability board created in section 376, this state,  
6 the city in which a qualifying school district is located, a school  
7 reform board established under this part, or a chief executive  
8 officer or other officer appointed under section 374 is not liable  
9 for any obligation of or claim against a qualifying school district  
10 resulting from an action taken under this part.

11 Sec. 375. (1) After the expiration of 5 years after the  
12 initial appointment of a school reform board in a qualifying school  
13 district under this part, all of the following apply:

14 (a) The question under section 410 shall be presented to the  
15 school electors of the school district as provided in that section.  
16 Effective on the next January 1 occurring at least 1 year after  
17 that question is presented to the school electors under section  
18 410, the school district shall be governed by the system of school  
19 board governance or combined chief executive officer and school  
20 board governance, as applicable, as in effect in the school  
21 district as a result of that ballot question.

22 (b) Effective on the next January 1 occurring at least 1 year  
23 after the question under section 410 is presented to the school  
24 electors, the powers of the school reform board established for the  
25 qualifying school district under this part, of the chief executive  
26 officer appointed under this part, and of all other officers  
27 appointed under this part cease. This subdivision does not prohibit

1 the chief executive officer from serving as the interim chief  
2 executive officer under section 420, and does not prohibit the  
3 chief executive officer from retaining an officer or employee  
4 appointed or hired by the chief executive officer.

5 (c) Effective on the next January 1 occurring at least 1 year  
6 after the question under section 410 is presented to the school  
7 electors, the provisions of this part, **OTHER THAN SUBSECTION (2),**  
8 do not apply to that qualifying school district.

9 **(2) IF A QUALIFYING SCHOOL DISTRICT HAS AN OPERATING DEFICIT**  
10 **AS OF THE NEXT JANUARY 1 OCCURRING AT LEAST 1 YEAR AFTER THE**  
11 **QUESTION UNDER SECTION 410 IS PRESENTED TO THE SCHOOL ELECTORS,**  
12 **THIS STATE SHALL ASSUME RESPONSIBILITY FOR THAT OPERATING DEFICIT.**  
13 **THE LEGISLATURE SHALL APPROPRIATE SUFFICIENT FUNDS TO THE SCHOOL**  
14 **DISTRICT TO ALLOW THE SCHOOL DISTRICT TO ELIMINATE THE OPERATING**  
15 **DEFICIT. THIS SUBSECTION APPLIES TO A SCHOOL DISTRICT IN WHICH THE**  
16 **QUESTION UNDER SECTION 410 IS PRESENTED TO THE SCHOOL ELECTORS IN**  
17 **2004 OR LATER.**