

HOUSE BILL No. 5100

October 19, 2011, Introduced by Rep. Hobbs and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 504a, 525, and 557 (MCL 380.504a, 380.525, and
380.557), section 504a as amended and section 525 as added by 2003
PA 179 and section 557 as added by 2009 PA 205, and by adding
section 1280d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

6 (b) Subject to section 503b, to acquire, hold, and own in its
7 own name real and personal property, or interests in real or

1 personal property, for educational purposes by purchase, gift,
2 grant, devise, bequest, lease, sublease, installment purchase
3 agreement, land contract, option, or condemnation, and subject to
4 mortgages, security interests, or other liens; and to sell or
5 convey the property as the interests of the public school academy
6 require.

7 (c) To receive, disburse, and pledge funds for lawful
8 purposes.

9 (d) ~~To~~ **SUBJECT TO SECTION 1280D, TO** enter into binding legal
10 agreements with persons or entities as necessary for the operation,
11 management, financing, and maintenance of the public school
12 academy.

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

14 (f) To solicit and accept any grants or gifts for educational
15 purposes and to establish or permit to be established on its behalf
16 1 or more nonprofit corporations the purpose of which is to assist
17 the public school academy in the furtherance of its public
18 purposes.

19 (g) To borrow money and issue bonds in accordance with section
20 1351a and in accordance with part VI of the revised municipal
21 finance act, 2001 PA 34, MCL 141.2601 to 141.2613, except that the
22 borrowing of money and issuance of bonds by a public school academy
23 is not subject to section 1351a(4) or section 1351(2) to (4). Bonds
24 issued under this section shall be full faith and credit
25 obligations of the public school academy, pledging the general
26 funds or any other money available for such a purpose. Bonds issued
27 under this section are subject to the revised municipal finance

1 act, 2001 PA 34, MCL 141.2101 to 141.2821.

2 Sec. 525. In addition to other powers set forth in this part,
3 an urban high school academy may take action to carry out the
4 purposes for which it was incorporated under this part, including,
5 but not limited to, all of the following:

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

7 (b) Subject to section 523a, to acquire, hold, and own in its
8 own name real and personal property, or interests in real or
9 personal property, for educational purposes by purchase, gift,
10 grant, devise, bequest, lease, sublease, installment purchase
11 agreement, land contract, option, or condemnation, and subject to
12 mortgages, security interests, or other liens; and to sell or
13 convey the property as the interests of the urban high school
14 academy require.

15 (c) To receive, disburse, and pledge funds for lawful
16 purposes.

17 (d) ~~To~~ **SUBJECT TO SECTION 1280D, TO** enter into binding legal
18 agreements with persons or entities as necessary for the operation,
19 management, financing, and maintenance of the urban high school
20 academy.

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

22 (f) To solicit and accept any grants or gifts for educational
23 purposes and to establish or permit to be established on its behalf
24 1 or more nonprofit corporations the purpose of which is to assist
25 the urban high school academy in the furtherance of its public
26 purposes.

27 (g) To borrow money and issue bonds in accordance with section

1 1351a and in accordance with part VI of the revised municipal
2 finance act, 2001 PA 34, MCL 141.2601 to 141.2613, except that the
3 borrowing of money and issuance of bonds by an urban high school
4 academy are not subject to section 1351a(4) or section 1351(2) to
5 (4). Bonds issued under this section shall be full faith and credit
6 obligations of the urban high school academy, pledging the general
7 funds or any other money available for such a purpose. Bonds issued
8 under this section are subject to the revised municipal finance
9 act, 2001 PA 34, MCL 141.2101 to 141.2821.

10 Sec. 557. In addition to other powers set forth in this part,
11 a school of excellence may take action to carry out the purposes
12 for which it was incorporated under this part, including, but not
13 limited to, all of the following:

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

15 (b) Subject to section 555, to acquire, hold, and own in its
16 own name real and personal property, or interests in real or
17 personal property, for educational purposes by purchase, gift,
18 grant, devise, bequest, lease, sublease, installment purchase
19 agreement, land contract, option, or condemnation, and subject to
20 mortgages, security interests, or other liens; and to sell or
21 convey the property as the interests of the school of excellence
22 require.

23 (c) To receive, disburse, and pledge funds for lawful
24 purposes.

25 (d) ~~To~~ **SUBJECT TO SECTION 1280D, TO** enter into binding legal
26 agreements with persons or entities as necessary for the operation,
27 management, financing, and maintenance of the school of excellence.

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

2 (f) To solicit and accept any grants or gifts for educational
3 purposes and to establish or permit to be established on its behalf
4 1 or more nonprofit corporations the purpose of which is to assist
5 the school of excellence in the furtherance of its public purposes.

6 (g) To borrow money and issue bonds in accordance with section
7 1351a and in accordance with part VI of the revised municipal
8 finance act, 2001 PA 34, MCL 141.2601 to 141.2613, except that the
9 borrowing of money and issuance of bonds by a school of excellence
10 is not subject to section 1351a(4) or section 1351(2) to (4). Bonds
11 issued under this section shall be full faith and credit
12 obligations of the school of excellence, pledging the general funds
13 or any other money available for such a purpose. Bonds issued under
14 this section are subject to the revised municipal finance act, 2001
15 PA 34, MCL 141.2101 to 141.2821.

16 **SEC. 1280D. (1) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION IS A**
17 **PARTY TO A MANAGEMENT AGREEMENT WITH 1 OR MORE PUBLIC SCHOOLS ON**
18 **THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE**
19 **THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING**
20 **5% OF ALL PUBLIC SCHOOLS IN THIS STATE, THE BOARD OF A SCHOOL**
21 **DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL NOT**
22 **ENTER INTO A MANAGEMENT AGREEMENT WITH THE EDUCATIONAL MANAGEMENT**
23 **ORGANIZATION. THE DEPARTMENT SHALL COMPILE AND ANNUALLY UPDATE A**
24 **LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS DESCRIBED IN THIS**
25 **SECTION AND POST THAT LIST ON ITS WEBSITE.**

26 (2) AS USED IN THIS SECTION:

27 (A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT

1 ENTERS INTO A MANAGEMENT AGREEMENT WITH THE GOVERNING BOARD OF A
2 PUBLIC SCHOOL.

3 (B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS
4 CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER
5 LEGAL ENTITY.

6 (C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE
7 COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR
8 INSTRUCTIONAL SERVICES OR STAFF TO A PUBLIC SCHOOL.