

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

PART 7

INTERMEDIATE SCHOOL DISTRICTS

380.601 Provisions governing intermediate school district.

Sec. 601. An intermediate school district shall be governed by this part and by those provisions of articles 2, 3, and 4 which relate specifically to intermediate school districts, intermediate school boards, and intermediate superintendents.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.601a Intermediate school district; powers.

Sec. 601a. (1) An intermediate school district has all of the rights, powers, and duties expressly stated in this act; may exercise a power implied or incident to any power expressly stated in this act; and, except as provided by law, may exercise a power incidental or appropriate to the performance of any function related to the operation of the intermediate school district in the interests of public elementary and secondary education in the intermediate school district, including, but not limited to, all of the following:

(a) Educating pupils. In addition to educating pupils in grades K-12, this function may include operation of preschool, lifelong education, adult education, community education, training, enrichment, and recreation programs for other persons.

(b) Providing for the safety and welfare of pupils while at school or a school sponsored activity or while en route to or from school or a school sponsored activity.

(c) Acquiring, constructing, maintaining, repairing, renovating, disposing of, or conveying intermediate school district property, facilities, equipment, technology, or furnishings.

(d) Hiring, contracting for, scheduling, supervising, or terminating employees, independent contractors, and others to carry out intermediate school district powers. An intermediate school district may indemnify its employees.

(e) Receiving, accounting for, investing, or expending intermediate school district money; borrowing money and pledging intermediate school district funds for repayment; and qualifying for state school aid and other public or private money from local, regional, state, or federal sources.

(2) An intermediate school district may enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the intermediate school district.

(3) An intermediate school board may conduct, operate, participate in, administer, or serve as fiscal agent or administrative entity, or both, for 1 or more programs involving workforce development, including, but not limited to, job training and development programs, school-to-work initiatives, work first or programs under the job training partnership act, Public Law 97-300, 96 Stat. 1322, or a successor program.

(4) Unless expressly provided in the amendatory act that added this section, the powers of an intermediate school board or intermediate school district are not diminished by this section or by the amendatory act that added this section.

History: Add. 1995, Act 289, Eff. July 1, 1996.

Popular name: Act 451

380.602 Repealed. 2017, Act 38, Eff. Aug. 21, 2017.

Compiler's note: The repealed section pertained to gift from intermediate school board to community foundation.

380.604 District as body corporate; suits; name.

Sec. 604. An intermediate school district is a body corporate governed by an intermediate school board, to be known as "the intermediate school board of the intermediate school district of the county (or counties) of _____", and under that name may sue and be sued. The intermediate school board may choose a distinctive name for the intermediate school district if approval is given by the state board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1995, Act 289, Eff. July 1, 1996.

Popular name: Act 451

380.605 Reorganized school district as constituent to intermediate school district; transfer of constituent district; resolution; approval; inaction or denial of transfer; appeal; voting as

to acceptance of special education programs, area vocational-technical education programs, or bonded indebtedness for facilities; levying debt retirement taxes.

Sec. 605. (1) If constituent districts of more than 1 intermediate school district are reorganized into a single school district, the reorganized school district shall be constituent to the intermediate school district designated by the board of the reorganized school district. If a decision is not reached within 30 days after the effective date of the reorganization of the constituent districts, the determination shall be made by the superintendent of public instruction.

(2) A constituent district, by resolution of its board, may transfer and become constituent to another contiguous intermediate school district if approval is given by each intermediate school board affected. The intermediate school board shall take final action within 60 days after receiving a resolution. If an intermediate school district from which a constituent district wishes to transfer has fewer than 4,000 constituent district pupils and fails to take action or denies a transfer, the inaction or decision may be appealed to the superintendent of public instruction using the procedures described in section 971. If the intermediate school district to which transfer is proposed has adopted by referendum a program for financing special education programs for students with a disability, or has bonded indebtedness outstanding for special education building facilities, the school electors of the constituent district to be transferred shall vote on the acceptance of those sections and the assumption of the district's pro rata share of bonded indebtedness outstanding for special education facilities for students with a disability.

(3) If the intermediate school district to which transfer is proposed has established an area vocational-technical education program by referendum, or has bonded indebtedness outstanding for area vocational-technical education facilities, the school electors of the district to be transferred shall vote on the acceptance of those sections and the assumption of the district's pro rata share of bonded indebtedness outstanding for area vocational-technical education facilities.

(4) The transfer is effective only if the applicable issues relating to special education programs, area vocational-technical education programs, and bonded indebtedness for special education and area vocational-technical facilities are approved at an election in the constituent district proposing transfer at which all applicable issues are submitted and receive favorable majorities.

(5) The territory of a constituent district of an intermediate school district having bonded indebtedness for special education facilities or area vocational-technical education facilities that is transferred to another intermediate school district shall remain as a part of the intermediate school district from which transferred for the purpose of levying debt retirement taxes for the bonded indebtedness until the bonds are redeemed or sufficient funds are available in the debt retirement funds for that purpose. The transferred constituent district shall be a constituent district of the intermediate school district to which transferred for all other purposes.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1985, Act 86, Imd. Eff. July 5, 1985;—Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008.

Popular name: Act 451

380.611 Supervision and control of intermediate school district.

Sec. 611. (1) Except as otherwise provided in this section, an intermediate school district shall be under the supervision and control of an intermediate school board composed of 5 members elected under this part.

(2) In an intermediate school district that adopts sections 615 to 617 for popular election of its members, or in an intermediate school district reorganized under section 701, the number of intermediate school board members shall be 7.

(3) In an intermediate school district whose boundaries are enlarged by a dissolution under section 703, the number of intermediate school board members, at the option of the intermediate school board, may be 7.

(4) Beginning on the effective date of this subsection, an intermediate school board may by resolution change the number of intermediate school board members to 7. Before adopting the resolution to change the number of intermediate school board members to 7, an intermediate school board shall hold at least 2 public hearings on the resolution. If an intermediate school board determines that the terms of intermediate school board members should be staggered differently than provided under this act or any bylaws of the intermediate school board due to a change in the number of board members under this subsection, the intermediate school board may adopt bylaws or amend its bylaws to change the way that intermediate school board members' terms are staggered. The bylaws may alter the current terms of members serving at the time the bylaws are adopted to implement the change in the way that terms are staggered. If an intermediate school board adopts or amends bylaws under this subsection that alter a member's existing term, the member's term is subject to that action.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1981, Act 87, Imd. Eff. July 2, 1981;—Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004.

Popular name: Act 451

380.612 Board; eligibility for membership; participation in proceedings to detach or attach territory.

Sec. 612. (1) Subject to subsection (2), a school elector of a constituent district is eligible to election or appointment to membership on the intermediate school board.

(2) Until the 2005 intermediate school board election, a member of a board of a constituent district is eligible to election or appointment to membership on the intermediate school board. Beginning with the 2005 intermediate school board election, not more than 3 members of the intermediate school board may also be serving at the same time as a member of the board of a constituent district or board of directors of a public school academy. However, if an intermediate school board has more than 3 members serving as of September 1, 2004 who are also serving at the same time as members of the board of a constituent district, this limitation does not apply to that intermediate school board until the expiration of the current terms of those intermediate school board members.

(3) A member of an intermediate school board who is a member of a constituent district board shall not participate in proceedings conducted pursuant to part 11 to detach territory from or attach territory to the constituent district of which he or she is a board member.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004.

Popular name: Act 451

380.613 Board; annual meeting; election and duties of officers; treasurer's bonds.

Sec. 613. (1) The intermediate school board shall hold its organizational meeting annually on or before the fourth Monday of January or, if the intermediate school district's regular election is in June, on or before the fourth Monday of July.

(2) The intermediate school board shall organize by electing a president, a vice-president, a secretary, and a treasurer. Until July 1, 2005, the president and vice-president shall be members of the intermediate school board, but the secretary and treasurer need not be. Beginning July 1, 2005, all officers shall be members of the intermediate school board.

(3) The officers shall perform duties provided by law and prescribed by the policies and regulations of the intermediate school board not inconsistent with this part or other laws of the state.

(4) The treasurer shall post with the secretary a bond in an amount approved by the intermediate school board, conditioned upon the faithful performance of the treasurer's duties.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2004, Act 234, Imd. Eff. July 21, 2004;—Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004.

Popular name: Act 451

380.614 Board; election of members; resolution; notice of meeting; acting chairperson and secretary; open meeting; term; vacancy; nominating petition; signatures; filing petition and affidavit; ballots; filing fee.

Sec. 614. (1) Except as provided in section 615 and subject to section 642c of the Michigan election law, MCL 168.642c, the members of the intermediate school board shall be elected biennially on the first Monday in June by an electoral body composed of 1 person designated by the board of each constituent school district.

(2) The board of a constituent district shall designate its representative to this electoral body by resolution adopted not earlier than 21 days before the date of this biennial election. The board shall consider the resolution at not less than 1 public meeting before adopting the resolution. The resolution shall be adopted by majority vote of the members serving on the board. In its resolution designating its representative, the board of a constituent district shall identify the candidate the board supports for each position to be filled on the intermediate school board and shall direct its representative to vote for that individual or individuals at least on the first ballot taken by the electoral body. The secretary of the intermediate school board shall send a notice by certified mail of the hour and place of the meeting of the electoral body described in subsection (1) to the secretary of the board of each constituent school district at least 10 days before the meeting. The president and secretary of the intermediate school board shall act as chairperson and secretary at the meeting. The meeting of the electoral body shall be an open meeting conducted in the manner prescribed under the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(3) Except as provided in section 703, the term of office of each member elected to the intermediate school board is 6 years and begins on July 1 following election. Not more than 2 members of the intermediate school board shall be from the same school district unless there are fewer districts than there are positions to be filled.

(4) A vacancy shall be filled by the remaining members of the intermediate school board until the next biennial election at which time the vacancy shall be filled for the balance of the unexpired term. Notice of the vacancy shall be filed with the state board within 5 days after the vacancy occurs. If the vacancy is not filled within 30 days after it occurs, the vacancy shall be filled by the state board.

(5) Subject to subsection (7), a candidate for election to the intermediate school board shall be nominated by petitions that are signed by a number of school electors of the combined constituent school districts of the intermediate school district, as follows:

(a) If the population of the intermediate school district is less than 10,000 according to the most recent federal census, a minimum of 6 and a maximum of 20.

(b) If the population of the intermediate school district is 10,000 or more according to the most recent federal census, a minimum of 40 and a maximum of 100.

(6) A school elector may sign as many petitions as there are vacancies to fill. Nominating petitions and an affidavit as provided in section 558 of the Michigan election law, MCL 168.558, shall be filed with the school district filing official not later than 30 days before the date of the biennial election under subsection (1). The school district filing official shall determine the sufficiency of the petitions and the eligibility of the candidates nominated. The school district filing official shall provide ballots for the biennial election, listing on the ballots the names of all candidates properly nominated. The chairperson of the biennial election meeting may accept nominations for a vacancy from the floor only if no nominating petitions have been filed for the vacancy.

(7) Instead of filing nominating petitions, a candidate for election to the intermediate school board may pay a nonrefundable filing fee of \$100.00 to the school district filing official. If this fee is paid by the due date for nominating petitions, the payment has the same effect under this section as the filing of nominating petitions.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 1981, Act 87, Imd. Eff. July 2, 1981;—Am. 1984, Act 322, Eff. Dec. 28, 1984;—Am. 1992, Act 263, Eff. Jan. 1, 1993;—Am. 2002, Act 157, Eff. Jan. 1, 2003;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2004, Act 233, Imd. Eff. July 21, 2004;—Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004;—Am. 2011, Act 232, Eff. Jan. 1, 2012.

Popular name: Act 451

380.614a Board members subject to recall; manner; removal from office.

Sec. 614a. (1) A member of an intermediate school board elected under section 614 at a biennial election meeting described in section 614(1) or appointed to fill a vacancy under section 614 is subject to recall by the intermediate school electors of the intermediate school district in the manner prescribed in chapter XXXVI of the Michigan election law, MCL 168.951 to 168.976.

(2) A member of an intermediate school board elected under section 614 at a biennial election meeting described in section 614(1) or appointed to fill a vacancy under section 614 may be removed from office by the boards of the constituent districts. A member is removed from office under this subsection if a number of the boards of the constituent districts at least equal to a majority of the boards plus 1 adopt resolutions requesting removal of the member and file those resolutions within a 60-day period with the secretary of the intermediate school board. However, if the secretary of the intermediate school board is the subject of the removal resolution, a constituent district board may file the resolution with another officer of the intermediate school board.

(3) A member of an intermediate school board elected under section 614 at a biennial election meeting described in section 614(1) or appointed to fill a vacancy under section 614 may be removed from office by the governor as prescribed in section 619.

History: Add. 2004, Act 234, Imd. Eff. July 21, 2004.

Popular name: Act 451

380.615 Board; popular election of members.

Sec. 615. Members of the intermediate school board shall be elected at popular elections in an intermediate school district which adopts sections 615 to 617.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.616 Adoption of MCL 380.615 to 380.617; submission of question to school electors; form; resolutions; election; termination of popular election.

Sec. 616. (1) An intermediate school board may submit to the school electors of the constituent districts comprising the intermediate school district the question of adoption of sections 615 to 617. The question shall be in substantially the following form:

"Shall sections 615 to 617 of the revised school code, providing for the popular election of members of the intermediate school board, be effective within the constituent districts of _____ (name of intermediate school district)?

Yes ()

No ()".

(2) The intermediate school board shall submit the question upon receipt of resolutions adopted by a majority of the boards of constituent districts and representing more than 1/2 of the combined memberships of the constituent districts of the intermediate school district as of the latest pupil membership count day. The resolutions of the constituent district boards shall be adopted between March 1 and the next succeeding July 1. The question shall be presented to the school electors of the constituent districts at the next regular school election after resolutions of constituent district boards meeting the requirements of this section have been filed with the school district filing official.

(3) If a majority of the school electors votes in favor of popular election, members of the intermediate school board shall be elected at the next regular school election and biennially thereafter at the regular school elections of the constituent districts.

(4) An intermediate school district that adopts sections 615 to 617 may terminate the popular election of members of the intermediate school board in the same manner.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular name: Act 451

380.617 Candidate for office of board member; nomination; election.

Sec. 617. (1) In an intermediate school district in which sections 615 to 617 are effective, a candidate for the office of member of the intermediate school board shall be nominated, and members shall be elected, as provided in chapter XIV of the Michigan election law, MCL 168.301 to 168.315.

(2) At the first election, 3 members of an intermediate school board shall be elected for a term of 6 years, 2 for a term of 4 years, and 2 for a term of 2 years. After the first election, their successors shall be elected biennially for terms of 6 years.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 1980, Act 135, Imd. Eff. May 29, 1980;—Am. 1984, Act 322, Eff. Dec. 28, 1984;—Am. 1989, Act 268, Eff. Feb. 12, 1990;—Am. 2002, Act 157, Eff. Jan. 1, 2003;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

380.619 Removal of board member; procedures; eligibility for election or appointment; restriction.

Sec. 619. (1) The governor may remove a member of an intermediate school board from office under this section if the governor is satisfied from the evidence submitted to the governor that the member is guilty of gross neglect of duty, corrupt conduct in office, or any other misfeasance or malfeasance in office.

(2) Before the governor removes an intermediate school board member under this section, all of the following procedures shall be followed:

(a) Charges shall be submitted to the governor in writing specifying the grounds for removal. The charges shall be accompanied by any supporting evidence and by the affidavit of the person making the charges verifying that the person believes the charges to be true.

(b) A copy of the charges shall be served on the intermediate school board member. Service shall be made as follows:

(i) If the intermediate school board member can be found, by handing the intermediate school board member a copy of the charges and of any affidavits or exhibits accompanying the charges.

(ii) If the intermediate school board member cannot be found, by leaving a copy of the charges and of any affidavits or exhibits accompanying the charges with a person of suitable age at the intermediate school board member's last known place of residence or, if a person of suitable age is not available, by posting the copy or copies in a conspicuous place at the intermediate school board member's last known place of residence.

(c) The intermediate school board member shall be given an opportunity to respond to the charges.

(3) A person removed from office under this section is not eligible for election or appointment to a school board or intermediate school board for a period of 3 years from the date of removal.

History: Add. 2004, Act 234, Imd. Eff. July 21, 2004.

Popular name: Act 451

380.620 Report to be posted on intermediate school district website.

Sec. 620. (1) Not later than December 31 of each year, each intermediate school district shall post on its website a report containing all of the following information for the immediately preceding school fiscal year in the form and manner prescribed by the department:

(a) All of the following general information:

- (i) The amount of the intermediate school district's total budget.
- (ii) The number of full-time equated pupils served by the intermediate school district.
- (iii) The number of employees employed by the intermediate school district.
- (iv) The number of constituent districts, public school academies, and nonpublic schools served by the intermediate school district.

(b) Except as otherwise provided in subsection (2) and subject to subsection (9), for each intermediate school board member or school administrator of the intermediate school district who had travel expenses during the school fiscal year that totaled more than \$3,000.00 and that were paid for with intermediate school district funds, all of the following information concerning that travel:

- (i) The total cost of air travel.
- (ii) The total cost of overnight lodging.
- (iii) The total cost of car rental.
- (iv) The total cost of meals.
- (v) The dates, purpose, and locations of travel.
- (vi) The name and position of the board member or administrator.

(c) Except as otherwise provided in subsection (3) and subject to subsection (5), for each contract, other than an employment contract or a contract that is reported under subdivision (f), that was entered into by the intermediate school district during the school fiscal year and that either obligated the intermediate school district for an amount in excess of \$100,000.00; was not competitively bid and obligated the intermediate school district for an amount in excess of \$25,000.00; or was entered into with an entity in which an intermediate school board member or school administrator of the intermediate school district, or a family member of an intermediate school board member or school administrator of the intermediate school district, was known by the intermediate school board to have a monetary interest, a description of the contract that includes at least all of the following:

- (i) The subject matter and cost of the contract.
- (ii) Whether the contract was competitively bid or was a single source contract.
- (iii) The name and position of each individual who signed the contract on behalf of the intermediate school district.

(d) Except as otherwise provided in subsection (3), if there was a modification made during the school fiscal year to an existing contract that resulted in an additional financial obligation owed by the intermediate school district in excess of \$100,000.00 or that resulted in the total financial obligation owed by the intermediate school district from the existing contract exceeding \$100,000.00, or was a modification to an existing contract that was not competitively bid and the modification resulted in an additional financial obligation owed by the intermediate school district in excess of \$25,000.00 or resulted in the total financial obligation owed by the intermediate school district from the existing contract exceeding \$25,000.00, a description of the modification and the total amount of the additional and total financial obligation.

(e) Subject to subsection (4), for each intermediate school district employee with a compensation package with a total annual monetary value in the top 3% among the intermediate school district's employees, all of the following:

- (i) The dollar value of his or her salary.
- (ii) The dollar value of all expense accounts provided for the employee and the dollar value of all reimbursed expenses.
- (iii) The dollar value of any bonus, stipend, or any other form of supplemental compensation. As used in this subparagraph, "supplemental compensation" means any payment or benefit made available to that employee that is not generally made available to all teaching, administrative, and executive-level employees of the intermediate school district.

(f) Total costs incurred during the school fiscal year, and the source or sources of the money expended during the school fiscal year, for fiber optic or cable equipment and operating system software for fiber optic or cable equipment networks. The description of the source or sources of the money expended for purposes described in this subdivision shall specify the amount used from each of the separate funds maintained by the intermediate school district and used from each other source.

(g) Payments made during the school fiscal year to persons who were not employees of the intermediate school district for public relations, polling, lobbying, or legal services and a description of the services received by the intermediate school district in return.

(h) For each person not included under subdivision (e) or (g) to whom the intermediate school district was required to issue a federal income tax form 1099 that showed payments in excess of \$25,000.00 during the school fiscal year, the total amount paid to the individual, a description of the project or projects for which the person was contracted, and the services provided by the person.

(i) The amount and percentage of the intermediate school district's total budget that was spent on each of the following:

(i) Administrative costs, as defined under the Michigan public school accounting manual.

(ii) Public relations, surveys, polling, lobbying, and legal services.

(j) A list of all motor vehicles weighing 7,500 pounds or less that were owned or leased by the intermediate school district during the school fiscal year and are not reported under subdivision (c) and a description of the purposes for which each of these motor vehicles was used.

(2) Subsection (1)(b) does not apply to any of the following:

(a) Round-trip air travel on a scheduled airline from a location in the Upper Peninsula to a location in the Lower Peninsula or chartered round-trip air travel from a location in the Upper Peninsula to a location in the Lower Peninsula if the cost of the chartered air travel is less than the published cost of the same air travel on a scheduled airline.

(b) Travel expenses for air or boat travel for work-related purposes within this state between an island and the mainland.

(c) Travel expenses for travel within the boundaries of the intermediate school district for work-related purposes.

(d) Mileage reimbursement.

(3) Subsection (1)(c) and (d) does not apply to a contract for utilities or to a contract for an annuity or retirement benefit in which all employees are eligible to participate unless the contract is for payment of a commission to a third-party broker for securing 1 of those contracts.

(4) If an intermediate school district has fewer than 3 employees in the top 3% of employees as described in subsection (1)(e), the intermediate school district shall include the information required under subsection (1)(e) for each intermediate school district employee with a compensation package with a total monetary value in the top 3 among the intermediate school district's employees. If an intermediate school district has more than 20 employees in the top 3% of employees as described in subsection (1)(e), the intermediate school district shall include the information under subsection (1)(e) for each intermediate school district employee with a compensation package with a total monetary value in the top 20 among the intermediate school district's employees.

(5) For the purposes of subsection (1)(c), an intermediate school board member or school administrator of an intermediate school district, or a family member of an intermediate school board member or school administrator of an intermediate school district, is not considered to have a monetary interest in any of the following contracts:

(a) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member, intermediate school district administrator, or family member is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(ii) A corporation in which a trust, if an intermediate school board member, intermediate school district administrator, or family member is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(iii) A professional limited liability company organized pursuant to the Michigan limited liability company act, 1993 PA 23, MCL 450.5101 to 450.6200, if an intermediate school board member, intermediate school district administrator, or family member is an employee but not a member of the company.

(b) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member, intermediate school district administrator, or family member is not a director, officer, or employee.

(ii) A firm, partnership, or other unincorporated association, in which an intermediate school board member, intermediate school district administrator, or family member is not a partner, member, or employee.

(iii) A corporation or firm that has an indebtedness owed to an intermediate school board member, intermediate school district administrator, or family member.

(c) A contract between the intermediate school district and a constituent district.

(6) The department shall include on its website a link to the page on each intermediate school district's website that includes the intermediate school district's report under subsection (1).

(7) The department shall work with intermediate school districts to determine the form and manner for the posting of the report under subsection (1).

(8) An intermediate school district shall maintain the report under subsection (1) on its website only for the most recent reporting period, but shall maintain paper copies of previous reports for at least 10 years.

(9) Beginning January 1, 2006, the monetary amount specified in subsection (1)(b) shall be adjusted each January 1 by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The adjustment shall apply only to expenditures or violations occurring after the date of the adjusting of the amount. The adjusted amount shall be determined and announced by the department on or before December 15 of each year and shall be provided to all persons requesting the adjusted amount. If the index is unavailable, the department shall make a reasonable approximation.

(10) As used in this section:

(a) "Competitively bid" means that a contract was entered into through a request for information, a request for proposal, or a formal competitive bid process that was advertised and open to the public, and includes a contract entered into on behalf of the intermediate school district by a federal, state, or local governmental entity that performed a request for information, request for proposal, or formal competitive bid process or by a nonprofit corporation or nonprofit association that performed a request for information, request for proposal, or formal competitive bid process.

(b) "Family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage.

(c) "Total budget" means budget for all funds held by the intermediate school district.

History: Add. 2004, Act 413, Eff. July 1, 2006.

Popular name: Act 451

380.621 Compensation and expenses of board members.

Sec. 621. (1) An intermediate school board member shall receive a per diem allowance for attendance at meetings convened in accordance with the bylaws of the intermediate school board or held pursuant to law. Except as provided in subsection (4), the intermediate school board, by resolution, may authorize compensation which shall not exceed \$30.00 per meeting, subcommittee meeting, or authorized duty if the duty is related directly to the member's responsibility as a board member and if the duty is authorized in advance by resolution of the board. Compensation shall be provided to a board member for an authorized duty only if that duty and the authority of the board member to perform that duty is specifically enumerated in the resolution authorizing compensation. A board member shall not receive compensation for more than a total of 52 meetings, subcommittee meetings, and authorized duties per year unless the majority of the board votes to remove this limitation.

(2) An intermediate school board member who wishes to increase the compensation per meeting of the intermediate school board pursuant to subsection (1) shall introduce a resolution to that effect at a regularly scheduled meeting of the intermediate school board. A public hearing on the merit of the resolution shall be held at the next regularly scheduled meeting of the intermediate school board, and the intermediate school board shall not vote on the resolution until after allowing for public testimony.

(3) Additional compensation shall be subject to the approval of a majority of the representatives of constituent district boards at the annual budget meeting required by section 624. The per diem allowances and expenses shall be approved and paid from funds of the intermediate school district. Reimbursement of board members for actual and necessary expenses incurred in the performance of official functions shall be by action of the board.

(4) The per diem compensation for members of an intermediate school board that exceeds the amount permitted in subsection (1) and that was in effect on January 12, 1977 shall continue unless the compensation is reduced in compliance with subsection (1).

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 1980, Act 347, Imd. Eff. Dec. 23, 1980;—Am. 1985, Act 86, Imd. Eff. July 5, 1985;—Am. 1990, Act 127, Imd. Eff. June 26, 1990.

Popular name: Act 451

380.621a Travel by board member; policy; approval.

Sec. 621a. An intermediate school board shall establish a policy requiring approval by the intermediate

school board or its designee of all travel by an intermediate school board member or an intermediate school district employee that includes at least 1 overnight stay and is paid for or reimbursed by the intermediate school district. The policy shall require a board member or employee to submit both a pretravel authorization form detailing estimated expenses and a posttravel form detailing and verifying actual expenses and shall require approval of both forms.

History: Add. 2004, Act 234, Imd. Eff. July 21, 2004;—Am. 2004, Act 419, Imd. Eff. Nov. 29, 2004.

Popular name: Act 451

380.622 Financial institutions for deposit of school funds; selection; coded accounts; audit; separation of funds; investments; commingling prohibited; exception; earnings; accounting for money combined for investment pool; limitation on deposit or investment of additional funds; limitation on acceptable assets; secured deposits; form of security; “deposit” and “financial institution” defined.

Sec. 622. (1) The intermediate school board shall select financial institutions for the deposit of school funds. The intermediate school board shall keep a set of coded accounts to be approved by the superintendent of public instruction and shall have its books audited at least annually by a certified public accountant. General operating funds, building and site funds, cooperative education funds, special education funds, vocational-technical education funds, and debt retirement funds shall be maintained separately and shall not be commingled, except that the intermediate school board, by resolution, may authorize the treasurer to combine money from more than 1 fund for the purpose of making an investment authorized by subsection (2)(g).

(2) The treasurer of an intermediate school district, if authorized by resolution of the intermediate school board, may invest general operating funds, special education funds, area vocational-technical education funds, building and site funds, cooperative education funds, and debt retirement funds of the district. Investments shall be made subject to subsection (4) and shall be restricted to any of the following:

- (a) Bonds, bills, or notes of the United States or obligations of this state.
- (b) Certificates of deposit issued by a financial institution.
- (c) Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- (d) Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- (e) United States government or federal agency obligation repurchase agreements.
- (f) Bankers' acceptances issued by a bank that is a member of the federal deposit insurance corporation.
- (g) Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by an intermediate school district.
- (h) Mutual funds composed entirely of investment vehicles that are legal for direct investment by an intermediate school district.
- (i) Certificates of deposit issued in accordance with the following conditions:
 - (i) The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
 - (ii) The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the intermediate school district.
 - (iii) The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.
 - (iv) The financial institution acts as custodian for the intermediate school district with respect to each certificate of deposit.
 - (v) At the same time that the funds of the intermediate school district are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the intermediate school district through the financial institution.
- (j) Deposit accounts that meet all of the following conditions:
 - (i) The funds are initially deposited in a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
 - (ii) The financial institution arranges for the deposit of the funds in deposit accounts in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the intermediate school district.

(iii) The full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States.

(iv) The financial institution acts as custodian for the intermediate school district with respect to each deposit account.

(v) On the same date that the funds of the intermediate school district are deposited under subparagraph (ii), the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially deposited by the intermediate school district in the financial institution.

(3) The earnings of an investment shall become a part of the fund from which the investment was made. When money of more than 1 fund of a single intermediate school district or money of more than 1 intermediate school district are combined for an investment pool authorized by subsection (2)(g), the money shall be accounted for separately, and the earnings from the investment shall be separately and individually computed, recorded, and credited to the fund or intermediate school district, as the case may be, for which the investment was acquired.

(4) Notwithstanding subsection (2), additional funds of an intermediate school district shall not be deposited or invested in a financial institution that is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(5) Assets acceptable for pledging to secure deposits of funds under this act are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Securities considered acceptable to the intermediate school board and the financial institution.

(6) Security in the form of collateral, surety bond, or another form may be taken for the deposits or investments of an intermediate school district in a financial institution. However, an investment under subsection (2)(e) or in an investment pool that includes instruments eligible for investments under subsection (2)(e) shall be secured by the transfer of title and custody of the obligations to which the repurchase agreements relate and an undivided interest in those obligations must be pledged to the intermediate school district for these agreements.

(7) As used in this section, "deposit" includes purchases of or investment in shares of a credit union.

(8) As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 1979, Act 87, Imd. Eff. Aug. 1, 1979;—Am. 1986, Act 132, Imd. Eff. June 16, 1986;—Am. 1997, Act 47, Imd. Eff. June 30, 1997;—Am. 2001, Act 127, Imd. Eff. Oct. 15, 2001;—Am. 2008, Act 307, Imd. Eff. Dec. 18, 2008;—Am. 2009, Act 22, Imd. Eff. May 5, 2009;—Am. 2012, Act 232, Imd. Eff. June 29, 2012.

Popular name: Act 451

380.622a Additional audits.

Sec. 622a. (1) In addition to the annual financial audit required under section 622, an intermediate school district is subject to an audit of the matters described in this section conducted by an independent auditor under the direction of the department of treasury under this section. An audit conducted under this section shall be based in part on an examination of an intermediate school district's accounts, financial records, and accounting procedures and shall address at least 3 of the following aspects of the intermediate school district's operations, as directed by the department of treasury:

(a) Whether intermediate school board members, intermediate school district administrators, and intermediate school district employees are adhering to ethics policies adopted by the intermediate school board or required by state law.

(b) Whether intermediate school board members, intermediate school district administrators, and intermediate school district employees are adhering to conflict of interest policies adopted by the intermediate school board or required by state law. This includes, but is not limited to, policies and practices with regard to contracts in which an intermediate school board member, an intermediate school district administrator, or an intermediate school district employee who is involved in the contracting process, or a family member of an

intermediate school board member, an intermediate school district administrator, or an intermediate school district employee who is involved in the contracting process, has a substantial conflict of interest; and policies and practices with regard to an intermediate school district administrator negotiating, handling, presenting, or recommending a contract in which the administrator or a family member of the administrator has a substantial conflict of interest. As used in this subdivision, "substantial conflict of interest" means that term as defined in section 634(5).

(c) Whether a modification to an existing contract was made during the audit period that resulted in an additional financial obligation to the intermediate school district and the modification was not competitively bid. As used in this subdivision, "competitively bid" means that a contract was entered into through a request for information, a request for proposal, or a formal competitive bid process that was advertised and open to the public, and includes a contract entered into on behalf of the intermediate school district by a federal, state, or local governmental entity that performed a request for information, request for proposal, or formal competitive bid process or by a nonprofit corporation or nonprofit association that performed a request for information, request for proposal, or formal competitive bid process.

(d) Whether the intermediate school district's policies and practices for responding to requests received under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and the intermediate school district's actual responses to requests made during the audit period under that act, were in compliance with that act. This part of the audit shall include, but is not limited to, an examination of whether the costs charged for responding to requests exceeded the costs permitted under that act.

(e) Whether intermediate school board members, intermediate school district administrators, and intermediate school district employees are adhering to travel guidelines and practices adopted by the intermediate school board or required by state law.

(f) Whether the intermediate school district has accurately accounted for and reported all information relating to stipends, salaries, benefits, or other compensation paid to intermediate school district administrators.

(g) Whether the intermediate school district has used public funds in violation of law to pay for food, gifts, or other items that are not used for instructional purposes, as defined by the intermediate school board.

(h) Whether proceeds from a tax levied under section 681 for area vocational-technical education operating purposes or from a tax levied under section 1724a for special education operating purposes have been expended for a purpose other than the purpose for which the tax was levied.

(2) The department of treasury shall direct the random audits of intermediate school districts under this section as follows:

(a) The department of treasury shall select the intermediate school districts to be audited under this section on a random basis.

(b) The department of treasury shall announce between July 1 and July 15 of each calendar year the intermediate school districts that will be subject that year to an audit under this section for the immediately preceding school fiscal year.

(c) The department of treasury shall select 5 intermediate school districts for audit under this section every 2 years.

(d) Upon request by the department of treasury, the intermediate school district shall notify the department of treasury of the name, address, and contact person of the independent auditor selected by the intermediate school board to perform the annual financial audit for the intermediate school district. The department of treasury shall enter into an agreed-upon procedures agreement with the selected independent auditor, identifying the matters to be audited and establishing the rate of payment, which shall be no more than the rate the department would charge for the same type of audit. The department of treasury shall oversee the conduct of the audit by the independent auditor to the extent the department of treasury considers necessary to meet the purposes of this section.

(e) An intermediate school board and intermediate school district officials shall provide all information requested by the independent auditors or the department of treasury and shall cooperate with them to the fullest extent possible.

(f) The independent auditor shall submit an audit report of the audit to the center for educational performance and information in the form and manner prescribed by the center for educational performance and information. The center for educational performance and information shall submit a copy of the audit report of each audit conducted under this section to the department of treasury, to the applicable intermediate school board, to the senate and house standing committees having jurisdiction over education legislation, to the department, and, subject to subdivision (g), to the attorney general if the department of treasury considers it appropriate.

(g) If the department of treasury determines that an audit conducted under this section has disclosed that

the intermediate school board or any intermediate school district official or employee has violated any state law governing the financial operations of an intermediate school district, the department of treasury shall notify the intermediate school district of that determination. If the intermediate school district disputes the determination or claims that the situation has been corrected, within 15 days after receipt of the determination the intermediate school district may submit an appeal of the determination to the department of treasury. Within 90 days after receipt of the appeal, the department of treasury shall consider the appeal and make a determination of whether the initial determination was correct or incorrect and of whether the situation has been corrected. If the department of treasury finds that the initial determination was correct and that the situation has not been corrected, then the department of treasury shall file a copy of the report with the attorney general. The attorney general shall review the report and, if the attorney general considers it appropriate, shall commence or direct the prosecuting attorney for the county in which the violations occurred to commence appropriate proceedings against the intermediate school board or the official or employee. These proceedings shall include at least a civil action in a court of competent jurisdiction for the recovery of any public money determined by the audit to have been illegally expended and for the recovery of any public property determined by the audit to have been converted or misappropriated.

(3) In addition to the intermediate school districts selected for a random audit under subsection (2), the department of treasury may also direct an audit under this section of 1 or more additional intermediate school districts selected by the department of treasury if the department of treasury considers that additional audit or audits to be appropriate. Subsection (2)(d), (e), (f), and (g) applies to an audit under this subsection.

(4) The department and the department of treasury, in consultation with intermediate school districts, shall develop and make available to intermediate school districts the auditing criteria to be used for the purposes of this section.

(5) An audit under this section shall be performed in accordance with standards issued by the American institute of certified public accountants and with government audit standards issued by the United States general accounting office.

(6) The department of treasury shall pay the costs of the audit conducted under this section. The department of treasury's obligation under this section is limited to the amount of a separate line item appropriation identified for the purpose of funding the department of treasury's duties under this section and included in the annual appropriations act making appropriations for the department of treasury.

(7) The department shall post on its website the audit reports it receives under subsection (2)(f).

History: Add. 2004, Act 412, Eff. July 1, 2006.

Popular name: Act 451

380.623 Board; duties generally; conducting business at public meeting; actions of board; public notice of meeting.

Sec. 623. (1) The intermediate school board shall do all of the following:

(a) Perform duties required by law and by the state board, but shall not supersede or replace the board of a constituent district, nor shall the intermediate school board control or otherwise interfere with the rights of constituent districts or public school academies except as provided in this part.

(b) Employ a superintendent, assistants, and other employees the intermediate school board considers necessary and fix their compensation. The compensation of the intermediate superintendent, assistants, and other employees shall include salaries, travel expenses incurred in the discharge of their official duties, and other benefits the board approves. The necessary contingent expenses of the office of the intermediate school board and the intermediate superintendent shall be paid by the treasurer subject to the authorization of the intermediate school board. The intermediate superintendent shall have the qualifications prescribed in section 651 and perform the duties provided by law and by the intermediate school board.

(2) The business the intermediate school board is authorized to perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. An act of the board shall not be valid unless voted at a meeting by a majority vote of the members elected and serving on the board and a record made of the vote. An action of an intermediate school board on matters of personnel, property transfers, bonding, expenditures of money, or other matters designated by the board's bylaws shall be by ye and nay vote entered upon its record. Public notice of the time, date, and place of the meeting shall be given in the manner required by section 5 of Act No. 267 of the Public Acts of 1976, being section 15.265 of the Michigan Compiled Laws.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1994, Act 413, Imd. Eff. Dec. 29, 1994;—Am. 1994, Act 416, Eff. Mar. 30, 1995;—Am. 1995, Act 289, Eff. July 1, 1996.

Popular name: Act 451

380.623a Procurement of supplies, materials, and equipment; written policies; competitive bids; approval of purchase; adjustment of maximum amount; local policy giving preference to Michigan-based business; items purchased through cooperative bulk purchasing program; heating and cooking equipment; "Michigan-based business" defined.

Sec. 623a. (1) An intermediate school board shall adopt written policies governing the procurement of supplies, materials, and equipment.

(2) Except as otherwise provided in subsection (4) or (5), an intermediate school district shall not purchase an item or a group of items purchased in a single transaction costing \$20,959.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the intermediate school board. The maximum amount specified in this section shall be adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar.

(3) The intermediate school board of an intermediate school district may adopt and implement a local policy that gives a preference to a Michigan-based business in awarding a contract under this section. The policy may provide for a preference based on the status of the primary contractor as a Michigan-based business or based on the status of 1 or more subcontractors of the primary contractor as Michigan-based businesses, or both. A policy adopted under this subsection shall be consistent with federal statutes and regulations and shall not be applied to a contract that is to be paid with federal funds. Upon request by an intermediate school district that has adopted and implemented a policy described in this subsection, the department of treasury shall disclose to that intermediate school district verifying information as described in section 268(3) of the management and budget act, 1984 PA 431, MCL 18.1268. The adoption, implementation, or application of a policy described in this subsection, or a decision not to adopt, implement, or apply such a policy, does not create a cause of action.

(4) An intermediate school district is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program operated by the department of management and budget under section 263(3) of the management and budget act, 1984 PA 431, MCL 18.1263.

(5) An intermediate school district is not required to obtain competitive bids for purchasing food unless the food is purchased in a single transaction costing \$100,000.00 or more.

(6) The intermediate school board of an intermediate school district may acquire by purchase, lease, or rental, with or without option to purchase, equipment necessary for the operation of intermediate school district programs, including, but not limited to, heating, water heating, and cooking equipment for school buildings, and may pay for the equipment from operating funds of the intermediate school district. Heating and cooking equipment may be purchased on a title retaining contract or other form of agreement creating a security interest and pledging in payment money in the general fund or funds received from state school aid. The contracts may extend for not more than 10 years.

(7) As used in this section, "Michigan-based business" means a business that would qualify for a preference in a procurement contract with this state as determined under section 268 of the management and budget act, 1984 PA 431, MCL 18.1268.

History: Add. 1982, Act 489, Eff. Mar. 30, 1983;—Am. 1983, Act 140, Imd. Eff. July 18, 1983;—Am. 1990, Act 159, Imd. Eff. July 2, 1990;—Am. 2004, Act 588, Imd. Eff. Jan. 4, 2005;—Am. 2007, Act 45, Imd. Eff. July 17, 2007;—Am. 2008, Act 344, Imd. Eff. Dec. 23, 2008;—Am. 2008, Act 540, Imd. Eff. Jan. 13, 2009.

Popular name: Act 451

380.623b Inspecting, monitoring, removing, or treating asbestos or material containing asbestos; contractual agreement to provide legal representation against civil liability.

Sec. 623b. (1) If the duties of a person employed by an intermediate school board include inspecting, monitoring, removing, or treating asbestos or material containing asbestos, or supervising those activities, the intermediate school board may contractually agree to provide legal representation and indemnification against civil liability with regard to claims or actions resulting from or arising out of the person's negligence or alleged negligence in performing those duties while in the course of his or her employment and while acting within the scope of his or her authority.

(2) A contractual agreement authorized under this section may be entered into at any time before or after the person begins performing the duties described in subsection (1).

History: Add. 1989, Act 203, Imd. Eff. Oct. 23, 1989.

Popular name: Act 451

380.624 Annual general fund operating budget.

Sec. 624. (1) Not later than April 1 of each year, the intermediate school board shall prepare an annual general fund operating budget, which shall be in the form prescribed by the county tax allocation board, and shall file the budget with the county clerk of each county in which the intermediate school board is situated except a county that has established separate tax limitation millage rates pursuant to sections 5a to 5l of the property tax limitation act, 1933 PA 62, MCL 211.205a to 211.205l. Each county clerk receiving the budget shall deliver it to the county tax allocation board in the same manner as other school district budgets are handled.

(2) An intermediate school board shall have its proposed budget reviewed by its constituent districts each year as follows:

(a) Not later than May 1 of each year, the intermediate school board shall submit its proposed budget for the next school fiscal year to the board of each constituent district for review.

(b) Not later than June 1 of each year, the board of each constituent district shall review the proposed intermediate school district budget, shall adopt a board resolution expressing its support for or disapproval of the proposed intermediate school district budget, and shall submit to the intermediate school board any specific objections and proposed changes the constituent district board has to the budget. If an intermediate school board receives any specific objections or proposed changes, the intermediate school board shall consider the proposed budget changes.

(3) The tax allocation board shall receive the budget from its county clerk and shall allocate a tax rate to the intermediate school district. Not later than September 1 of each year, or not later than 5 days after the election if taxes are authorized at an election held pursuant to section 36(2) of the general property tax act, 1893 PA 206, MCL 211.36, the secretary of the intermediate school board shall file a certified copy of the resolution of the intermediate school board certifying the taxes to be levied on the taxable property within the intermediate school district with the clerk of each city and township in which the district is situated.

(4) As used in this section, "general fund operating budget" means the budget that includes revenues from the intermediate school district's share of mills as determined by the tax allocation board or by referendum and state school aid. Disbursements from the general fund operating budget shall apply to those expenditures required for the operation of all intermediate school district programs except cooperative education, special education, and vocational education, and may apply to any expenditures from the general fund to assist with the costs of cooperative education, special education, and vocational education.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1979, Act 131, Imd. Eff. Oct. 26, 1979;—Am. 1981, Act 87, Imd. Eff. July 2, 1981;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 2004, Act 234, Imd. Eff. July 21, 2004.

Popular name: Act 451

380.624a Intermediate school board exempt from MCL 380.624(2).

Sec. 624a. Notwithstanding section 624, for 1994 only an intermediate school board is not required to comply with section 624(2), regarding submission of its annual budget, until April 15, 1994.

History: Add. 1993, Act 335, Imd. Eff. Dec. 31, 1993.

Compiler's note: Former MCL 380.624a, which pertained to levy of property taxes for school operating purposes, was repealed by Act 258 of 1994, Eff. Jan. 1, 1995.

Popular name: Act 451

380.625 Taxes.

Sec. 625. (1) Intermediate school district taxes shall be spread on the tax roll and shall be collected pursuant to this act and the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws.

(2) Taxes collected under this part by a city or township treasurer shall be paid to the treasurer of the intermediate school board pursuant to section 43 of Act No. 206 of the Public Acts of 1893, being section 211.43 of the Michigan Compiled Laws, or to the county treasurer in the same manner as other county taxes are paid and similar accounts and records shall be kept. The county treasurer shall pay the funds received under this part to the treasurer of the intermediate school board. County treasurers of counties in which fractions of intermediate school districts are situated shall pay those funds collected under this part to the treasurer of the intermediate school board.

(3) Intermediate school district taxes shall be assessed, levied, and collected as provided in this act and Act No. 206 of the Public Acts of 1893, as amended, being sections 211.1 to 211.157 of the Michigan Compiled Laws. Budgets shall be submitted and intermediate school districts shall be governed by Act No. 62 of the

Public Acts of 1933, as amended, being sections 211.201 to 211.217a of the Michigan Compiled Laws.

(4) Except as provided in subsection (5), the intermediate school board shall receive from the county treasurer the same reports of delinquent taxes due school districts as the treasurer is required by law to file with township and city clerks and shall compute from that report the amount of delinquent school taxes due each constituent district in the intermediate school district. The county treasurer at the time of making monthly settlements with the township and city treasurers of the county shall file with the secretary of each intermediate school district board having territory in the county a statement of all delinquent school taxes which are included in the amounts sent by the county treasurer to the township and city treasurers of the county, together with the descriptions upon which the delinquent school taxes have been paid. Each intermediate school board, upon receipt of these statements, shall compute the amounts of delinquent school taxes and interest thereon included in the statement due each constituent district of the intermediate school district. Within 30 days after receiving the statement of the county treasurer, the intermediate school board shall give notice to the secretary of each constituent district board of the amount of delinquent school tax and interest thereon that belongs to the constituent district and which was included in the amount sent by the county treasurer to the treasurer of the township or city in which the constituent district is located.

(5) The procedure for reporting delinquent taxes does not apply in a county which has created a delinquent tax revolving fund under section 87b of Act No. 206 of the Public Acts of 1893, as amended.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 1984, Act 78, Imd. Eff. Apr. 18, 1984.

Popular name: Act 451

380.625a Property taxes levied by intermediate school district for operating purposes.

Sec. 625a. Except as provided in section 705, beginning in 1995, the board of an intermediate school district may levy ad valorem property taxes for operating purposes at a rate not to exceed 1.5 times the number of mills allocated to the intermediate school district for those purposes in 1993 as provided for under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws.

History: Add. 1994, Act 258, Imd. Eff. July 5, 1994.

Popular name: Act 451

380.625b Authorization for tax cut; duration.

Sec. 625b. For a tax that is authorized after the effective date of this section for intermediate school district operating purposes, the duration of the authorization for the tax shall not exceed 20 years. The authorization for a tax described in this section may be renewed with the approval of the intermediate school electors for a duration not to exceed 20 years. The duration of the authorization for a tax described in this section shall be stated in the ballot question concerning the levy or renewal of the tax.

History: Add. 2004, Act 415, Imd. Eff. Nov. 29, 2004.

Popular name: Act 451

380.626 Map; boundaries of each constituent district; report of boundary change.

Sec. 626. (1) Except as provided in subsection (2), by July 1 of each odd-numbered year the intermediate school board shall prepare and publish a map of the intermediate school district showing by district lines the boundaries of each constituent district and shall submit a copy of the map to the clerk of each township and city located in the intermediate school district, to the secretary of each constituent district, and to the secretary of state. In the period intervening between publication dates, the intermediate school board shall report each boundary change to the principal officers of the affected municipalities and townships and the secretary of state.

(2) An intermediate school board is not required to prepare or submit a new map of the intermediate school district if the boundaries of its constituent districts have not changed since the last submission.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2016, Act 532, Eff. Apr. 9, 2017.

Popular name: Act 451

380.627 Board; additional duties; cooperative programs for information technology systems; comprehensive school improvement support services; cost-effective business services.

Sec. 627. (1) An intermediate school board shall do all of the following:

(a) Upon request of the board of a constituent district, furnish services on a management, consultant, or supervisory basis to the district. The intermediate school board may charge a constituent district for the costs of services furnished under this subdivision.

(b) Upon request of the board of a constituent district, direct, supervise, and conduct cooperative educational programs on behalf of the district. The intermediate school board may utilize available funds not otherwise obligated by law and accept contributions from other sources for the purpose of financing the programs. The funds shall be deposited with the treasurer in a cooperative education fund and shall be disbursed as the intermediate school board directs. The intermediate school board may employ personnel and take other action necessary to direct, supervise, and conduct cooperative educational programs.

(c) Conduct cooperative programs mutually agreed upon by 2 or more intermediate school boards.

(d) Conduct cooperative programs mutually agreed upon with 1 or more public school academies.

(2) An intermediate school board may conduct or participate in cooperative programs for information technology systems which may include, but are not limited to, equipment for storage, retrieval, processing, and transmission of voice, data, or video communications; contract with public schools or other educational institutions, government agencies, public broadcasting stations or systems, or information technology service providers in conducting the programs; and acquire and install the equipment, software, and training necessary for the programs in the manner and at the places the intermediate school board considers appropriate.

(3) Upon request of the board of a constituent school district or public school academy located within the intermediate school district, an intermediate school board may provide, either solely or as part of a consortium of intermediate school districts, comprehensive school improvement support services to the district or public school academy. These services may include, but are not limited to, all of the following:

(a) The development of a core curriculum.

(b) The evaluation of a core curriculum.

(c) The preparation of 1 or more school improvement plans.

(d) The dissemination of information concerning 1 or more school improvement plans.

(e) The preparation of an annual educational report.

(f) Professional development.

(g) Educational research.

(h) The compilation of instructional objectives, instructional resources, pupil demographics, and pupil academic achievement.

(i) Assistance in obtaining school accreditation.

(j) The provision of general technical assistance.

(4) To the extent allowed by law, if the most cost-effective business services are not available to constituent districts, an intermediate school board shall offer to provide for constituent districts and public school academies located within the intermediate school district business services that can be accomplished more cost-effectively by an intermediate school district. An intermediate school district may charge a fee for these services, and may contract with a third party for provision of some or all of these services. These services may include, but are not limited to, any of the following:

(a) Data processing.

(b) Payroll.

(c) Class scheduling.

(d) Distance learning coordination and delivery.

(e) Transportation services.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1990, Act 25, Eff. Apr. 13, 1990;—Am. 1990, Act 107, Imd. Eff. June 18, 1990;—Am. 1991, Act 187, Imd. Eff. Dec. 27, 1991;—Am. 1994, Act 416, Eff. Mar. 30, 1995;—Am. 1995, Act 289, Eff. July 1, 1996.

Popular name: Act 451

380.627a Homebound or hospitalized pupils; coordination of required educational services.

Sec. 627a. Upon the request of the board of 1 or more constituent school districts, an intermediate school district may coordinate the required educational services provided by 1 or more constituent school districts to homebound or hospitalized pupils, or both.

History: Add. 1988, Act 215, Imd. Eff. July 1, 1988.

Popular name: Act 451

380.628 Schools for children in homes operated by juvenile division of probate court; powers of board as to real or personal property.

Sec. 628. The intermediate school board may:

(a) Establish a school for persons of school age who live in children's homes operated by the juvenile division of the probate court or who live at home but are assigned to the school by the juvenile division of the probate court. The intermediate school board may lease or purchase sites; build, lease, or rent housing facilities; and employ the personnel necessary to operate the schools. The intermediate school board may

exclude a pupil for persistent misbehavior; classify and promote pupils for instructional purposes; and do all things necessary to the proper conduct of the school.

(b) Build or acquire real or personal property for use for intermediate school district purposes by purchase, land contract, lease or rental contract with or without option to purchase, or title retaining contract. The intermediate school board may pay for the property out of funds of the district which will or may become lawfully available for these purposes.

(c) Receive, by assignment, conveyance, gift, devise, or bequest, any real or personal property or an interest therein for use in maintaining scholarships or for other educational purposes, and the intermediate school board may act as trustee or custodian of the property. The property shall be used by the intermediate school board solely for the educational purposes for which it was assigned, conveyed, given, devised, or bequeathed, whether by way of trust or otherwise. The treasurer of the board may, when required, give bond to insure proper administration of the property.

(d) Sell, exchange, or lease real or personal property of the district which is no longer required for school purposes; give proper deeds or other instruments passing title to the property; dedicate or sell and convey land for highway purposes to the state or an agency or instrumentality of the state, including municipalities and boards of county road commissioners; and give an easement for public utilities. Proceeds from the sale of real property shall be credited to accounts of the school district as provided in section 1262.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977.

Popular name: Act 451

380.629 Borrowing by intermediate school board; purposes; limitations on borrowing money or issuing bonds; resolution by constituent school district not to participate in cooperative program or conduct election.

Sec. 629. (1) An intermediate school board may borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, sums of money on terms the intermediate school board considers necessary for 1 or more of the following purposes:

(a) For temporary purposes for which the intermediate school board may give notes of the intermediate school district. The intermediate school board shall not borrow a sum that exceeds the amount that has been voted by the intermediate school board or the school electors of the intermediate school district.

(b) To purchase sites for buildings; to purchase, erect, complete, remodel, improve, furnish, refurnish, equip, or reequip buildings and facilities the board is authorized to acquire, including, but not limited to, general administrative, vocational, or special education buildings or facilities, or parts of those buildings or facilities, or additions to those buildings or facilities, and prepare, develop, or improve sites for those buildings or facilities; to purchase and install information technology systems, together with the equipment and software, as are necessary for programs conducted by the intermediate school district under section 627(2); and to issue and sell bonds of the intermediate school district in the form and on the terms the board considers advisable.

(2) An intermediate school board shall not borrow money or issue bonds for a sum that, together with the total outstanding bonded indebtedness of the intermediate school district, exceeds 1/9 of 1% of the state equalized valuation of the taxable property within the district, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the intermediate school district held under section 661 and approved by the majority of the registered school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the intermediate school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a or to issue bonds under section 11i of the state school aid act of 1979, 1979 PA 94, MCL 388.1611i. Money may be borrowed and bonds may be issued for the purposes stated in this section in an amount equal to that provided by part 17. For the purposes of this subsection, bonds authorized by vote of the school electors for special education facilities under part 30 and for area vocational-technical education facilities under sections 681 to 690 and bonds issued under section 11i of the state school aid act of 1979, MCL 388.1611i, shall not be included in computing the total outstanding bonded indebtedness of an intermediate school district.

(3) Not later than 30 days after receipt of notice that the question of issuing bonds under this section to purchase and install information technology systems as are necessary for a cooperative program under section 627(2) will be submitted to the school electors of the intermediate school district, the board of a constituent school district by resolution may elect not to participate in the cooperative program and not to conduct an election on the question within the constituent school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1985, Act 22, Imd. Eff. May 20, 1985;—Am. 1990, Act 107, Imd. Eff. June 18, 1990;—Am. 1991, Act 187, Imd. Eff. Dec. 27, 1991;—Am. 1997, Act 152, Imd. Eff. Dec. 22, 1997;—Am. 2002, Act 61, Imd. Eff.

Mar. 15, 2002;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

380.630 Oaths.

Sec. 630. A member of the intermediate school board may administer oaths for qualifying board members and oaths required in transactions connected with, or related to, the educational program of the intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.632 Intermediate school district employees; economic benefits for employees; sabbatical leave.

Sec. 632. (1) In the process of establishing salaries or determining other working conditions, the intermediate school board may provide other related benefits of an economic nature on a joint participating or nonparticipating basis with intermediate school district employees. Subject to section 633, the benefits may include health and accident insurance coverage, group life insurance, annuity contracts, and reimbursement for credit hours earned during employment for professional improvement.

(2) After a teacher has been employed at least 7 consecutive years by the intermediate school board, and at the end of each additional period of 7 or more consecutive years of employment, the intermediate school board may grant the teacher a sabbatical leave for professional improvement for not to exceed 2 semesters at 1 time, if the teacher holds a permanent, life, or continuing certificate. During the sabbatical leave, the teacher shall be considered to be in the employ of the intermediate school board, shall have a contract, and may be paid compensation under the regulations of the intermediate school board. The intermediate school board shall not be held liable for death or injuries sustained by a teacher while on sabbatical leave.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2007, Act 107, Imd. Eff. Oct. 1, 2007.

Popular name: Act 451

380.633 Intermediate school district employees; compliance with public employees health benefit act.

Sec. 633. If the intermediate school board of an intermediate school district provides medical, optical, or dental benefits to employees and their dependents, the intermediate school board shall provide those benefits in accordance with the public employees health benefit act and shall comply with that act.

History: Add. 2007, Act 107, Imd. Eff. Oct. 1, 2007.

Popular name: Act 451

380.634 Conflict of interest policy.

Sec. 634. (1) Not later than July 1, 2005, each intermediate school board shall adopt and implement a conflict of interest policy designed to avoid conflicts of interest by intermediate school district officials and employees.

(2) Not later than July 1, 2005, each intermediate school board shall adopt and implement a policy to prohibit use of intermediate school district funds or other public funds under the control of the intermediate school district for purchasing alcoholic beverages, jewelry, gifts, fees for golf, or any item the purchase or possession of which is illegal. Subject to subsection (8), the policy may allow the use of public funds for the purchase of a plaque, medal, trophy, or other award for the recognition of an employee, volunteer, or pupil if the purchase does not exceed \$100.00 per recipient. As used in this subsection, "public funds" means funds generated from taxes levied under this act, state appropriations of state or federal funds, or payments made to the intermediate school district for services by a constituent district or any other person, but does not include voluntary contributions made for a specific purpose by an intermediate school board member, an intermediate school district employee, another individual, or a private entity.

(3) The department shall develop and distribute to intermediate school districts a model conflict of interest policy for the purposes of subsection (1) and a model policy meeting the requirements of subsection (2).

(4) Subject to subsection (8), in any 1-month period, an intermediate school board member or intermediate school district administrator shall not accept from a person who does business or seeks to do business of any kind with the intermediate school district any money, goods, or services with a value in excess of \$44.00 if the board member or administrator does not provide goods or services of equal value in exchange. This subsection does not apply to a gift or reward already prohibited under section 1805.

(5) If an intermediate school board member or intermediate school district administrator has a substantial conflict of interest in a proposed contract, the intermediate school board shall not enter into that contract. As

used in this subsection, "substantial conflict of interest" means a conflict of interest on the part of an intermediate school board member or intermediate school district administrator in respect to a contract with the intermediate school district that is of such substance as to induce action on his or her part to promote the contract for his or her own personal benefit. In the following cases, there is no substantial conflict of interest:

(a) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member or intermediate school district administrator is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(ii) A corporation in which a trust, if an intermediate school board member or intermediate school district administrator is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owns stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(iii) A professional limited liability company organized pursuant to the Michigan limited liability company act, 1993 PA 23, MCL 450.5101 to 450.6200, if an intermediate school board member or intermediate school district administrator is an employee but not a member of the company.

(b) A contract between the intermediate school district and any of the following:

(i) A corporation in which an intermediate school board member or intermediate school district administrator is not a director, officer, or employee.

(ii) A firm, partnership, or other unincorporated association, in which an intermediate school board member or intermediate school district administrator is not a partner, member, or employee.

(iii) A corporation or firm that has an indebtedness owed to an intermediate school board member or intermediate school district administrator.

(c) A contract between the intermediate school district and a constituent district.

(d) A contract awarded to the lowest qualified bidder, upon receipt of sealed bids pursuant to a published notice for bids if the notice does not bar, except as authorized by law, any qualified person, firm, corporation, or trust from bidding. This subdivision does not apply to amendments or renegotiations of a contract or to additional payments under the contract that were not authorized by the contract at the time of award.

(6) If an intermediate school board member, intermediate school district administrator, or an employee of an intermediate school district who recommends, negotiates, or is authorized to sign a contract on behalf of the intermediate school district either is employed by or under contract with a business enterprise with which the intermediate school district is considering entering into a contract or knows that he or she has a family member who has an ownership interest in or is employed by a business enterprise with which the intermediate school district is considering entering into a contract, the board member, administrator, or employee shall disclose this fact to the intermediate school board at a public meeting of the intermediate school board before the intermediate school board enters into the contract. If the intermediate school board receives a disclosure described in this subsection, the intermediate school board shall vote at a public meeting of the intermediate school board on whether or not it considers the relationship described in the disclosure to be a conflict of interest, and shall not enter into the contract without first voting at a public meeting of the intermediate school board to enter into the contract. As used in this subsection, "family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage.

(7) An intermediate school board shall ensure that each employment contract with a school administrator employed by the intermediate school district includes both a provision prohibiting the school administrator from engaging in conduct involving moral turpitude and a provision allowing the intermediate school board to void the contract if the school administrator violates the provision prohibiting conduct involving moral turpitude.

(8) Beginning January 1, 2005, the monetary amounts specified in subsections (2) and (4) shall be adjusted each January 1 by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the 12 months ending August 31 of the year in which the adjustment is made differs from that index's average for the 12 months ending on August 31 of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The adjustment shall apply only to expenditures or violations occurring after the date of the adjusting of the amount. The adjusted amount shall be determined and announced by the department on or before December 15 of each year and shall be provided to all persons requesting the adjusted amount. If the index is unavailable, the department shall make a reasonable approximation.

History: Add. 2004, Act 419, Imd. Eff. Nov. 29, 2004.

Popular name: Act 451

380.641 Early intervening model program for grades K to 3.

Sec. 641. (1) An intermediate school district may develop and make available to districts and public school academies an early intervening model program for grades K to 3. The early intervening model program shall be designed to instruct classroom teachers and support staff on how to monitor individual pupil learning and how to provide specific support or learning strategies to pupils as early as possible in order to avoid inappropriate referrals to special education. The model program shall be based on a program with documented positive results and outcomes and shall include all of the following:

(a) Literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) A schoolwide system of academic and behavioral support based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, school psychologists, speech and language services providers, school social workers, and other appropriate personnel who would be available to systemically study the needs of the individual child and work with the classroom teacher to match instruction to the needs of the individual child.

(2) An intermediate school district may use funds received under section 81 of the state school aid act of 1979, MCL 388.1681, for the purposes of subsection (1).

(3) If an intermediate school district develops an early intervening model program under this section, the intermediate school district shall notify its constituent districts and the public school academies located within the intermediate school district that the model program is available and that the intermediate school district has funds available for developing the model program.

History: Add. 2008, Act 582, Imd. Eff. Jan. 16, 2009.

Popular name: Act 451

380.651 Repealed. 1994, Act 413, Imd. Eff. Dec. 29, 1994.

Compiler's note: The repealed section pertained to certification requirements of superintendents and administrators.

Popular name: Act 451

380.652 Superintendent; surety bond.

Sec. 652. An intermediate superintendent shall execute a surety bond, approved and paid for by the intermediate school board, in the penal sum of \$1,000.00 and conditioned upon the superintendent's faithful accounting and payment of intermediate school district money. An intermediate superintendent shall file the bond with the president of the intermediate school board within 10 days after appointment as superintendent.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.653 Superintendent as executive officer of board; powers and duties generally.

Sec. 653. The intermediate superintendent shall be the executive officer of the intermediate school board and shall:

(a) Put into practice the educational policies of the state and of the intermediate school board.

(b) Recommend in writing all employees.

(c) Suspend an employee for cause until the intermediate school board considers the suspension.

(d) Supervise and direct the work of assistants and other employees of the intermediate school board.

(e) Examine and audit the books and records of a constituent district when directed to do so by the state board.

(f) Perform duties the state board and the intermediate school board prescribe, make reports as may be required by the state board, and at the close of his term of office deliver all records, books, and papers belonging to the office to the intermediate superintendent's successor.

(g) Examine in constituent districts not employing a superintendent the statements of taxes to be raised by the constituent districts required by law to be filed with the township clerk and the county board of commissioners at the October session of the board, and notify the secretary of the board of a constituent district that fails to file tax statements required by law, or has failed to qualify for state school aid.

(h) Make written reports to the boards of constituent districts in regard to all matters pertaining to the

educational interests of the districts.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.654 Intermediate superintendent; duties.

Sec. 654. (1) Except as otherwise provided in subsection (2), in a constituent district not employing a superintendent the intermediate superintendent shall do all of the following:

(a) Recommend in writing all teachers to the school board of the constituent district.

(b) Suspend a teacher for cause until the school board of the constituent district employing the teacher considers the suspension.

(c) Supervise and direct the work of the teachers.

(d) Classify and control the promotion of pupils.

(2) Subsection (1) does not apply to a constituent district if any of the following apply:

(a) The constituent district is not required to employ a superintendent as an employee of the district under section 1229.

(b) All of the public schools within the constituent district have been transferred to 1 or more other school districts or public entities.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2016, Act 192, Imd. Eff. June 21, 2016.

Popular name: Act 451

380.661 Submission of question to school electors at regular or special school election.

Sec. 661. (1) Subject to the Michigan election law, the intermediate school board may submit questions to the intermediate school electors of the intermediate school district at a regular or special school election held in each of the constituent districts. A question shall not be submitted to the intermediate school electors unless the question is within the lawful authority of the intermediate school electors to decide.

(2) A person who is a school elector of a constituent district of an intermediate school district and who is registered in the city or township in which that person resides is an intermediate school elector of that intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

380.662 Repealed. 2003, Act 299, Eff. Jan. 1, 2005.

Compiler's note: The repealed section pertained to procedures relating to special elections of intermediate school districts.

Popular name: Act 451

380.671 Criteria for approval of regional educational media centers; operation of educational media centers; "educational media center" defined; purchase, sale, lease, or loan of equipment; disposition of used or surplus equipment.

Sec. 671. (1) The state board shall establish criteria based on state and national guidelines for approving regional educational media centers for initial and continued funding. Among the criteria shall be:

(a) The establishment of a minimum size for the service area based on pupil enrollment.

(b) Provision for 2 or more intermediate school districts or parts of intermediate school districts to combine to operate an instructional materials center. The combining intermediate school districts may contract with 1 intermediate school district to administer the center or a cooperative board may be organized.

(c) The designation of a service area which will provide reasonable and efficient lines of communication between the center and the farthest local school district. In sparsely settled areas of the state where a minimum enrollment requirement would necessitate districts of unwieldy geographical size, satellite or subcenters may be established.

(d) Provision for the staffing and administration of a center by qualified personnel having a substantial background of training and experience in the selection, use, evaluation, and application of media materials to education.

(2) An intermediate school board acting singly, or in cooperation with other intermediate school districts, may operate educational media centers to serve public and nonpublic schools in its respective area.

(3) As used in this section, "educational media center" means a program approved by the state board which provides basic educational services to local school districts which may include:

(a) A materials lending library containing 16mm and 8mm motion pictures or improvements thereof with provision for processing and servicing, 35mm slides or improvements thereof, filmstrips, remedial and enrichment programmed instructional materials, disc recordings, and other items.

- (b) Duplication service to reproduce transparencies, slides, filmstrips, and charts or improvements thereof.
- (c) Magnetic type duplicating service for audio and video tape.
- (d) Delivery and dissemination system for materials and services.
- (e) Professional leadership training services to local school districts for coordination and assistance with proper utilization of materials and services.
- (f) Acquisition and use of materials that will be coordinated with the curriculum of local school districts.
- (g) Technical and maintenance service for cooperating districts.
- (h) Professional, reference, and informational library materials and services.
- (i) Central purchasing of equipment related to media center activities and use in the local school.
- (j) Graphics staff to produce transparency masters and charts and to render other production services to teachers.

(4) An educational media center shall not purchase, sell, grant a lease, or loan for more than 30 days, directly or indirectly, equipment for use by other than a public school, nonpublic school, local school district, intermediate school district, community college district, or publicly funded library or library cooperative. This shall not prohibit the disposition of used or surplus equipment by publicly advertised sale.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1980, Act 157, Imd. Eff. June 12, 1980.

Compiler's note: In subsection (1)(c), “unwieldy geographical size” evidently should read “unwieldy geographical size.”

Popular name: Act 451

Administrative rules: R 380.1 et seq. of the Michigan Administrative Code.

380.673 Operation of educational recreation program.

Sec. 673. An intermediate school board that has an agreement with an appropriate local authority may operate an educational recreation program if the educational recreation program operated by the intermediate school district under this section is approved by the state board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1996, Act 69, Imd. Eff. Feb. 26, 1996.

Popular name: Act 451

380.681 Career and technical education program; approval by vote of electors; election; submission of question; form of ballot; limitation on number of mills to be levied; use of tax proceeds; repayment of misspent funds; number of elections; publication of audit results; responsibility of state board.

Sec. 681. (1) An intermediate school district may establish an area career and technical education program and operate the program under sections 681 to 690 if approved by a majority of the intermediate school electors of the intermediate school district voting on the question. The election shall be called and conducted in accordance with this act and the Michigan election law. The establishment of the area career and technical education program may be rescinded by the same process.

(2) The question of establishing an area career and technical education program may be submitted to the intermediate school electors of an intermediate school district at a regular school election or at a special election held in each of the constituent districts. Subject to section 641 of the Michigan election law, MCL 168.641, the intermediate school board shall determine the date of the election and shall give notice to the school district filing official at least 60 days in advance of the date the ballot question is to be submitted to the intermediate school electors.

(3) The ballot for referring the question of adopting sections 681 to 690 and establishing an area career and technical education program to the intermediate school electors of an intermediate school district shall be substantially in the following form:

"Shall _____ (legal name of intermediate school district), state of Michigan, come under sections 681 to 690 of the revised school code and establish an area career and technical education program which is designed to encourage the operation of area career and technical education programs if the annual property tax levied for this purpose is limited to _____ mills?

Yes ()

No ()".

(4) Beginning in 1995, and subject to section 625b, the number of mills of ad valorem property taxes an intermediate school board may levy for area career and technical education program operating purposes under sections 681 to 690 is limited to the following:

(a) If the intermediate school district did not levy any millage in 1993 for area career and technical education program operating purposes under sections 681 to 690, the intermediate school board, with the approval of the intermediate school electors, may levy not more than 1 mill for those purposes.

(b) If the intermediate school district levied millage in 1993 for area career and technical education program operating purposes under sections 681 to 690, the intermediate school board, with the approval of the intermediate school electors, may levy mills for those purposes at a rate not to exceed 1.5 times the number of mills authorized for those purposes in the intermediate school district in 1993. Approval of the intermediate school electors is not required for the levy under this subdivision of previously authorized mills until that authorization expires.

(5) An intermediate school district that levies a tax for area career and technical education program operating purposes shall not use proceeds from the tax for any purpose other than area career and technical education program operating purposes and shall submit to the department of treasury a copy of the audit report from the audit of the intermediate school district conducted under section 622a. If the department of treasury determines from the audit report that the proceeds from the tax have been used for a purpose other than area career and technical education program operating purposes, as defined under subsection (7), the department of treasury shall notify the intermediate school district of that determination. If the intermediate school district disputes the determination or claims that the situation has been corrected, within 15 days after receipt of the determination the intermediate school district may submit an appeal of the determination to the department of treasury. Within 90 days after receipt of the appeal, the department of treasury shall consider the appeal and make a determination of whether the initial determination was correct or incorrect and of whether the situation has been corrected. If the department of treasury finds that the initial determination was correct and that the situation has not been corrected, then the department of treasury shall file a copy of the report with the attorney general. The attorney general shall review the report and, if the attorney general considers it appropriate, shall commence or direct the prosecuting attorney for the county in which the violations occurred to commence appropriate proceedings against the intermediate school board or the official or employee. These proceedings shall include at least a civil action in a court of competent jurisdiction for the recovery of any public money determined by the audit to have been illegally expended and for the recovery of any public property determined by the audit to have been converted or misappropriated.

(6) If the attorney general determines from a report filed under subsection (5) that an intermediate school district has mispent tax proceeds as described in subsection (5) and notifies the intermediate school district of this determination, the intermediate school district shall repay to its area career and technical education program operating fund an amount equal to the amount the department of treasury determined under subsection (5) has been used for a purpose other than area career and technical education program operating purposes. The intermediate school district shall make this repayment from funds of the intermediate school district that lawfully may be used for making such a repayment.

(7) For the purposes of subsections (5) and (6), not later than January 1, 2008, the department and the department of treasury, in consultation with intermediate school districts, shall develop and make available to intermediate school districts a definition of area career and technical education program operating purposes.

(8) An intermediate school district shall not hold more than 2 elections in a calendar year concerning the authorization of a millage rate for area career and technical education program operating purposes under sections 681 to 690.

(9) Within 30 days after receiving the audit results, an intermediate school district shall publish the results of any audit conducted concerning the area career and technical education program on the intermediate school district's website. The results shall remain posted on the website for at least 6 months.

(10) The state board is the sole agency responsible for the supervision and administration of career and technical education in this state with authority to accept federal funding for career and technical education and with the responsibility to administer the requirements for career and technical education under federal and state law.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1984, Act 21, Imd. Eff. Mar. 6, 1984;—Am. 1994, Act 258, Imd. Eff. July 5, 1994;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2004, Act 415, Imd. Eff. Nov. 29, 2004;—Am. 2007, Act 45, Imd. Eff. July 17, 2007;—Am. 2016, Act 532, Eff. Apr. 9, 2017.

Popular name: Act 451

380.681a Repealed. 1994, Act 258, Eff. Jan. 1, 1995.

Compiler's note: The repealed section pertained to levy of taxes for vocational-technical education program.

Popular name: Act 451

380.682 Area vocational-technical education; submitting question of increasing millage limit; election; form of ballot.

Sec. 682. Subject to section 681(4), an intermediate school board operating under sections 681 to 690 may direct that the question of increasing the millage limit on the annual property tax levied for area

vocational-technical education be submitted to the intermediate school electors of the intermediate school district. The election shall be called and conducted in accordance with section 661. The ballot shall be substantially in the following form:

"Shall the _____ mill limitation on the annual property tax previously approved by the electors of

_____,
(legal name of intermediate school district)
state of Michigan, for the establishment and operation of
area vocational-technical education programs be increased
by _____ mills?
Yes ()
No ()".

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1994, Act 258, Imd. Eff. July 5, 1994;—Am. 2003, Act 299, Eff. Jan. 1, 2005

Popular name: Act 451

380.683 Area vocational-technical education budget; form; delivery; allocation of tax rates; limitation; certification of taxes to be levied; spread of tax on roll; payment of taxes collected; accounts and records.

Sec. 683. (1) An intermediate school board operating under sections 681 to 691 shall prepare annually an area vocational-technical education budget which shall be in the same form as that required in local school districts, and shall be delivered to the county clerks of the counties in which the intermediate school district is located, except in counties which have established separate tax limitation millage rates pursuant to sections 5a to 5m of the property tax limitation act, Act No. 62 of the Public Acts of 1933, as amended, being sections 211.205a to 211.205m of the Michigan Compiled Laws. The county clerk shall deliver the budget to the tax allocation board in the same manner as local school district budgets are handled.

(2) County tax allocation boards shall receive area vocational-technical education budgets from their respective county clerks; shall treat them as local school district budgets are treated; and shall allocate tax rates to intermediate school districts for the purposes of sections 681 to 691. The allocations shall be handled in the same manner as other allocations for local school districts. The allocations shall not be made within the 15 mill limitation and shall not exceed the limit authorized by an election at which these sections became effective.

(3) When the intermediate school board receives an allocation on the basis of its area vocational-technical education budget, the board shall certify for collection to the officials of the local property tax collecting unit a statement of the amount of taxes to be levied. The certification shall be made in the same manner as local school districts, but the rate certified for levy shall not exceed the amount allocated.

(4) On receipt of the statement from the intermediate school board, the officials responsible for the levying and collection of these taxes shall spread on the tax roll an area vocational-technical education tax equal to the amount ordered spread, and shall collect the taxes in the same manner as other taxes are collected.

(5) Taxes collected by a city or township treasurer under subsection (4) shall be paid to the treasurer of the intermediate school board pursuant to section 43 of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.43 of the Michigan Compiled Laws, or to the county treasurers in the same manner as other county taxes are paid and similar accounts and records shall be kept. The county treasurers shall pay all funds received under subsection (4) to the treasurer of the intermediate school board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1984, Act 78, Imd. Eff. Apr. 18, 1984.

Popular name: Act 451

380.684 Operation of career and technical education program; submission for review; expenditure of funds; state approval to use state or federal funds; compliance with certain conditions; basis for monitoring programs; expediting program approval; collaboration with community college; participation by public school academy and nonpublic school pupils; costs of special election; payment; "CEPI" defined.

Sec. 684. (1) An intermediate school board in which an area career and technical education program has been established may operate area career and technical education programs or may contract with local school districts or with community colleges for the operation of the programs or with a private degree-granting postsecondary institution if the intermediate school district is not within a community college district and if there existed on or before July 1, 1992 a written agreement for the operation of such a program. Area career

and technical education programs operated under sections 681 to 690 shall be submitted for review of the representatives of the constituent districts of the intermediate school district at an annual budget review meeting held on or before June 1 under section 624.

(2) An intermediate school board may expend area career and technical education funds for the operation of area career and technical education programs for instructional, support, and administrative costs associated with providing career and technical education activities, including, but not limited to, staff salaries, wages, and benefits for career and technical education programs only; information and awareness activities; acquisition and rental of real property; construction of buildings; acquisition of equipment and supplies; and maintenance, repair, and replacement of buildings, lands, equipment, and supplies. An intermediate school board shall not expend area career and technical education funds for purposes other than those set forth in sections 681 to 690. An intermediate school board must obtain state approval to use state or federal career and technical education funds. Expenditure of vocational education millage revenue for the purposes allowed under this subsection shall be determined by the intermediate school board. However, if the millage revenue is commingled with state or federal funds, then the intermediate school district must obtain state approval to use the commingled funds. If an audit by or on behalf of the department determines that an intermediate school board has expended area career and technical education funds for a purpose other than those set forth in sections 681 to 690, the intermediate school district is subject to the measures under section 681(5) and (6).

(3) The intermediate school board shall ensure that all of the following are met:

(a) The intermediate school board shall notify the department at the time the area career and technical education program is established.

(b) In order to be responsive to local workforce needs, emerging technologies, and local demand occupations, the intermediate school district shall establish a program advisory committee pursuant to administrative guidelines established by the office of career and technical preparation within the department. At least a majority of the members of the program advisory committee shall be representatives from business and industry.

(c) The program shall collect career and technical education information data and distribute that data to the appropriate state department or departments and to the program advisory committee. For the purposes of this subdivision, the department or CEPI shall only require an intermediate school district to report information that is not already available from the financial information database maintained by CEPI.

(d) The intermediate school district shall submit its career and technical education plan to the department in the form and manner prescribed by the department. For the purposes of this subdivision, the department or CEPI shall only require an intermediate school district to report information that is not already available from the financial information database maintained by CEPI.

(4) The department may monitor career and technical education programs funded with state or federal funding based upon feedback from the program advisory committee and predetermined state or federal skills standards that include student outcomes.

(5) The department, in consultation with the appropriate career and technical education professionals, shall develop a process for expedited state approval of programs that recognize local workforce needs, emerging technologies, and local demand occupations.

(6) If there is a community college that offers career and technical preparation programs within the intermediate school district, the intermediate school board shall collaborate with the community college to minimize duplication of programs.

(7) An area career and technical education program shall allow participation by public school academy and nonpublic school pupils to the same extent as pupils of constituent districts.

(8) An intermediate school board operating under sections 681 to 690 may expend funds received under section 683 for the costs of a special election held to renew or increase the millage limit on the annual property tax levied for area career and technical education purposes.

(9) The treasurer of an intermediate school board shall pay out area career and technical education funds on order of the intermediate school board.

(10) As used in this section, "CEPI" means the center for educational performance and information created in section 94a of the state school aid act of 1979, MCL 388.1694a.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1989, Act 48, Imd. Eff. June 12, 1989;—Am. 1994, Act 413, Imd. Eff. Dec. 29, 1994;—Am. 1996, Act 277, Imd. Eff. June 17, 1996;—Am. 2007, Act 45, Imd. Eff. July 17, 2007;—Am. 2016, Act 535, Eff. Apr. 9, 2017.

Popular name: Act 451

380.685 Payments from area vocational-technical education funds; computation; reimbursement; payment of percent of difference.

Sec. 685. An intermediate school board in which an area vocational-technical education program is established shall make payments from area vocational-technical education funds to those constituent districts and community colleges under contract serving the intermediate school district which operate area vocational-technical education centers. Payments shall be computed as follows: the total cost of an area vocational-technical education center shall be computed; and, from this amount shall be deducted the current state-federal vocational education reimbursement for the area vocational-technical education center. All or part of the difference resulting shall be reimbursable by the intermediate school board. If the funds are not sufficient to make up this difference, a like percent of the difference shall be paid to all area vocational-technical education centers in the intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.686 Grants for career and technical education centers, buildings, sites, and equipment; contracts to accept nonpublic school pupils and nonresident pupils; change or disposal of facility purpose.

Sec. 686. (1) An intermediate school board may make grants of money to constituent districts operating area career and technical education centers or to community colleges serving the intermediate district with area career and technical programs for the purpose of constructing area career and technical education buildings, for site acquisition, or for area career and technical education equipment, if before the grant is made the board of the constituent district in which the center is located contracts to receive nonresident children into the facility for a period of at least 15 years after the date of the contract, or if the board of trustees of the community college contracts to receive nonresident persons on a tuition basis into the facility for a period of at least 15 years after the date of the contract.

(2) The contracts described in subsection (1) shall provide that the constituent districts or community colleges are bound to accept nonpublic school pupils and nonresident pupils into designated area career and technical education facilities in return for and in consideration of grants-in-aid for the construction of area career and technical education buildings and for the purchase of area career and technical education buildings, sites, and equipment.

(3) If an intermediate school district has provided at least 90% of the financial consideration for the acquisition or construction of an area career and technical education facility, a constituent district or community college may not dispose or change the purpose of the facility without the consent of the intermediate school board even if title to the facility is vested in the constituent district or community college.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2007, Act 45, Imd. Eff. July 17, 2007.

Popular name: Act 451

380.687 Borrowing money and issuing bonds; purposes; limitation; submission to school electors; form of ballot; use of proceeds from bonds issued or refunded.

Sec. 687. (1) An intermediate school board in which an area vocational-technical education program is established, by a majority vote of the intermediate school electors voting on the question at a regular school election or at a special election called for that purpose, may borrow money and issue bonds of the intermediate school district subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to defray all or part of the cost of purchasing, erecting, completing, remodeling, improving, furnishing, refurnishing, equipping, or reequipping area vocational-technical buildings and other facilities, or parts of buildings and other facilities or additions to buildings and other facilities; acquiring, preparing, developing, or improving sites, or parts of sites or additions to sites, for area vocational-technical buildings and other facilities; refunding all or part of existing bonded indebtedness; or accomplishing a combination of the foregoing purposes. An intermediate school district shall not issue bonds under this part for an amount greater than 1.5% of the total assessed valuation of the intermediate school district.

(2) A bond qualified under section 16 of article IX of the state constitution of 1963 and implementing legislation shall not be included for purposes of calculating the foregoing 1.5% limitation.

(3) An intermediate school board may submit a proposal to issue bonds of the intermediate school district, authorized under this section, to the intermediate school electors at the same election at which the intermediate school electors vote on the establishment of an area vocational-technical education program. If these questions are presented to the school electors at the same election, the board shall include the bond proposal in the 60-day notice given the boards of constituent districts. The establishment of an area vocational-technical education program shall become effective if approved by a majority of the intermediate school electors voting on the question. The authority to issue bonds is effective only if a majority of the

intermediate school electors approve both the establishment of the area vocational-technical education program and the issuance of bonds.

(4) The ballot used in submitting the question of borrowing money and issuing bonds under this section shall be in substantially the following form:

"Shall _____ (here state the legal name of the intermediate school district designating the name of a district of not less than 18,000 pupils or first class school district that has elected not to come under this act as far as an area vocational-technical education program is concerned) state of Michigan, borrow the sum of not to exceed \$_____ and issue its bonds therefor, for the purpose of _____?"

Yes ☐

No ☐.

(5) An intermediate school district shall not use the proceeds from bonds issued or refunded under this section or levy a tax to repay bonds issued or refunded under this section for any purpose other than facilities used for area vocational-technical education purposes. If a facility is to be used during regular school hours for purposes other than providing area vocational-technical education programs and services, proceeds from bonds issued or refunded under this section or from millage levied to repay bonds issued or refunded under this section shall be used only for that portion of the facility that is used for providing area vocational-technical education programs and services.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 2002, Act 62, Imd. Eff. Mar. 15, 2002;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2004, Act 415, Imd. Eff. Nov. 29, 2004.

380.688 Vocational-technical education center; contract to accept nonresident pupils.

Sec. 688. A constituent district or community college maintaining an area vocational-technical education facility designated by the state board may enter into a contract with the intermediate school board and shall become an area vocational-technical education center by contracting with the intermediate school board to accept nonresident pupils assigned into its facility by the intermediate school board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451

380.689 Repealed. 1981, Act 87, Eff. July 2, 1981.

Compiler's note: The repealed section pertained to appointment and duties of committee to visit vocational-technical education facilities.

Popular name: Act 451

380.690 Nonparticipation or participation by certain school districts in area vocational-technical education program; resolution; election; funding; expenditures; buildings, sites, and equipment.

Sec. 690. (1) A school district of not less than 18,000 pupils, a first class school district, or a school district offering or making available to its pupils a comprehensive vocational education program approved by the state board, may elect not to come under an area vocational-technical education program by resolution adopted by its board not later than 30 days after receipt of notice that the question of establishing the area vocational-technical education program will be submitted to the school electors of the district.

(2) A school district electing not to come under the area vocational-technical education program may thereafter elect to come under the program if at a special or regular school election a majority of the school electors voting approve the operation of the area vocational-technical education program and the annual tax rate for that purpose in effect in the other constituent districts of the intermediate school district.

(3) Except as provided in this subsection, in an intermediate school district where the school electors have voted upon and failed to approve the ballot question set forth in section 681, a combination of 2 or more contiguous constituent districts, by resolution of their boards, may elect to establish an area vocational-technical education program, if approved by resolution of the intermediate district board and designated by the state board. The requirement of contiguity of constituent districts does not apply if 1 or more of the districts that constitute the basis of contiguity declare their intent, by board resolution, not to be part of the proposed area vocational-technical education program. At any time within 6 months after the enactment of the resolution establishing the program in a local school district, school electors equal in number to not less than 5% of the votes cast in the most recent school election may petition their local school district board to submit the resolution to the school district filing official for submission to the electorate, in a form and manner to be prescribed by the secretary of state, and the district's participation in the program shall be terminated if not approved by a majority of the school electors voting on the question.

(4) Area vocational-technical education programs established under this section shall receive appropriate

state funding or federal funding allocated by the state board on exactly the same basis as area vocational-technical education programs and centers established by intermediate school districts. Constituent districts establishing an approved area vocational-technical education program under this section may designate, by board resolution, specific amounts of either authorized operating millage or operating millage being requested from the school electors to be utilized solely for the area vocational-technical education program, in a manner to be prescribed by the state board, and the specified amount of millage shall be regarded as area vocational-technical education millage rather than local school district operating millage in all computations made by the state board to determine state aid. The revenue obtained from the millage designated, together with appropriate state and federal funds, may be expended for the same purposes specified for intermediate district programs in sections 684 and 685, including contracts with the intermediate school district, another local school district, or a community college for area vocational-technical education programs, facilities, and services. If constituent districts establish area vocational-technical education programs under this section, buildings, sites, and equipment may be jointly acquired, owned, or leased.

(5) A contiguous school district desiring to become part of an area vocational-technical education program established under this section may do so with the approval of each participating school district, the intermediate school district, and the state board. Constituent districts operating an approved area vocational-technical education program under this section may subsequently elect not to participate, or may thereafter elect to participate, in an intermediate school district vocational-technical education program in exactly the same manner prescribed in this section for school districts of not less than 18,000 pupils, a first class school district, or a school district offering or making available to its pupils a comprehensive vocational education program approved by the state board.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1980, Act 72, Imd. Eff. Apr. 3, 1980;—Am. 1985, Act 5, Imd. Eff. Mar. 27, 1985;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

***** 380.692 THIS SECTION DOES NOT APPLY AFTER DECEMBER 31, 1988: See (6) of 380.692 *****

380.692 Charter building authority; section inapplicable after December 31, 1988.

Sec. 692. (1) In an intermediate school district that complies with the following criteria, there may be established pursuant to subsection (3) a charter building authority with boundaries, except as provided by subsection (2), identical to the boundaries of the intermediate school district:

(a) The intermediate school district is operating under sections 681 to 690.

(b) More than 1 location within the intermediate school district has been designated by the state board of education for providing area vocational-technical education programs.

(c) A building at 1 of the designated locations for providing area vocational-technical education programs has been constructed without utilizing funds from the area vocational-technical education tax levy.

(2) The board of a constituent school district which is in a portion of the intermediate school district not to be served by proposed facilities for which the proposed charter building authority may impose property taxes may elect, by adoption of a resolution within 30 days after receipt of the notice required by subsection (3), not to be included within the charter building authority.

(3) A charter building authority created pursuant to this section shall be governed by the board of the intermediate school district. With the approval of the state board of education, the intermediate school district board may submit to the school electors of those constituent districts that have not elected to be excluded pursuant to subsection (2) the question of coming under this section and of authorizing the charter building authority to impose a specified ad valorem property tax millage rate for not more than 3 years to be used solely for acquiring, purchasing, constructing, and renovating sites and buildings for area vocational-technical education programs operated by the intermediate school district and for purchasing equipment for these facilities. This question shall be submitted at an annual election or at a special election held in each of the participating constituent school districts. The intermediate school district board shall determine the date of the election and shall give notice under section 662 to the secretary of each constituent district at least 60 days before the date of the election. Except as provided by this section, the election shall be called and conducted pursuant to sections 661 and 662.

(4) A charter building authority shall prepare a budget which shall be in the same form as that required in local school districts, and which shall be delivered to the county clerks of the counties in which the charter building authority is located. The county clerk of each county shall deliver the budget to the tax allocation board, which board shall treat the budget as local school district budgets are treated and shall allocate tax rates to the charter building authority for the purposes set forth by this section, except in counties which have

established separate tax limitations. Allocations to charter building authorities shall not be made within the 15-mill limitation but shall be within the charter limitations of section 6 of article IX of the state constitution of 1963. The allocations shall not exceed the limit authorized by the election at which the charter building authority was established and any portion of the net limitation tax rate allocated shall be included within the total tax rate authorized to be levied by the charter building authority.

(5) Charter building authority taxes shall be levied, collected, and returned in the same manner as the levy of the intermediate school district.

(6) This section shall not apply after December 31, 1988 and a charter building authority, which may levy taxes within the limitation established by the election at which the charter building authority was established and expend tax revenues for those purposes for which the taxes may be levied, shall not impose a tax levy pursuant to this section that becomes a lien after December 31, 1988.

History: Add. 1983, Act 118, Imd. Eff. July 18, 1983.

Popular name: Act 451

380.701 Combining adjoining intermediate school districts to form single intermediate school district; resolution; submission of question to electors; petitions; form of ballot; effective date of reorganization; interim board; superintendent; reorganization meeting; election of board; auditing accounts; contracts; special education programs; annual property tax rates.

Sec. 701. (1) Two or more adjoining intermediate school districts may combine to form a single intermediate school district when the reorganization is approved by a majority of the school electors of each intermediate school district voting on the question in the regular school elections of the constituent districts.

(2) The question of combining intermediate school districts may be submitted by a resolution of the intermediate school boards meeting in joint session.

(3) The question shall be submitted if petitions signed by a number of school electors of each intermediate school district equal to not less than 5% of the number of pupil memberships on the latest pupil membership count day of the combined constituent districts of the intermediate school district are filed with the school district filing official. Within 30 days after receiving sufficient petitions, the school district filing official shall notify the secretary of the intermediate school district and the secretary shall apply for approval to the superintendent of public instruction. The school district filing official shall submit the question in accordance with section 661 at the next regular school election after the superintendent of public instruction approves the merger.

(4) The ballots for a ballot question under this section shall be in substantially the following form:

"Shall the following intermediate school districts be organized as a single intermediate school district?"

(List names of intermediate school districts)

Yes ()

No ()".

(5) If the consolidation is approved by a majority of the school electors voting on the question in each of the participating intermediate school districts, the reorganization is effective in the combined intermediate school districts 30 days after the regular school election at which the question is submitted. The reorganized intermediate school district is a single intermediate school district subject to this part.

(6) The members of the intermediate school boards of the original intermediate school districts shall act as an interim board until a board of the combined intermediate school district is elected. The interim board has all the powers and duties of an intermediate school board under this part. The person chosen by the interim intermediate school board as intermediate superintendent shall serve only until a successor is chosen by the elected intermediate school board. The secretary of the intermediate school board having the largest number of pupils in membership in its combined constituent districts at the time of reorganization shall call a meeting of the members of the interim intermediate school board for the purpose of organization within 15 days after the effective date of the reorganization. The school district filing official shall provide for the election of a board of the reorganized intermediate school district under chapter XIV of the Michigan election law, MCL 168.301 to 168.316. At the first election, there shall be elected 3 members of a board for 6 years, 2 for 4 years, and 2 for 2 years. Their successors shall be elected biennially for terms of 6 years.

(7) The reorganized intermediate school district shall operate as a single intermediate school district from the effective date of the reorganization. Within 10 days after the reorganization, all accounts of the reorganized intermediate school districts shall be audited in the manner established by the interim intermediate school board. The contracts of the intermediate superintendents in force on the effective date of reorganization continue in effect until the time of their termination except as to position as intermediate

superintendents.

(8) If, before reorganization of the intermediate school districts each of the combining intermediate school districts adopted special education programs by referendum as provided in part 30 and approved the same annual property tax rates for the education of students with a disability, the special education programs and the annual property tax rates shall continue in effect in the reorganized intermediate school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2008, Act 1, Imd. Eff. Jan. 11, 2008.

Popular name: Act 451

380.702 Annexation of intermediate school district; resolution; election; adoption of special education program and annual tax rate; ballot; approval of proposed annexation; filing result of election; funds and property; release from liability; effective date of annexation; notices; appointment and terms of board members.

Sec. 702. (1) An intermediate school district may be annexed to another intermediate school district if the intermediate school board of the annexing intermediate school district approves the annexation by resolution, and a majority of the school electors of the intermediate school district to be annexed voting on the question at a regular or special school election in the intermediate school district approve the annexation. If prior to annexation the annexing intermediate school district adopts a special education program by referendum as provided in part 30, the intermediate school electors of the intermediate school district to be annexed must vote to adopt that special education program and annual tax rate. The vote on the question shall be by ballot furnished by the school district filing official for the intermediate school district to be annexed. Before the election is held, the annexing intermediate school board shall obtain the approval of the superintendent of public instruction of the proposed annexation.

(2) Within 10 days after the election, the school district filing official shall file the result with the secretary of the intermediate school board, and 5 days later the intermediate school board secretary shall file the election result with the secretary of the intermediate school board of the annexing intermediate school district. Within 15 days after the annexation election the intermediate school board of the annexed intermediate school district shall account to the intermediate school board of the annexing intermediate school district for the money and property in its hands and shall turn over the money and property to that intermediate school board. Property and money belonging to the annexed intermediate school district becomes the property of the annexing intermediate school district. The outstanding indebtedness of the annexed intermediate school district becomes the liability of the annexing intermediate school district. Upon receipt of the money and property, the members of the annexed intermediate school board shall be released from liability for the money and property and their offices terminated.

(3) The annexation is effective on the latest date on which the election was held in a constituent district of the annexed intermediate school district. The secretary of the intermediate school board of the annexing intermediate school district shall give written notice of the annexation to the superintendent of public instruction within 15 days after the annexation election. Within 30 days after annexation, the board of the annexing intermediate school district shall appoint 2 school electors of the annexed intermediate school district to membership on the intermediate school board of the reorganized intermediate school district, who shall serve until January 1 or, if the intermediate school district's regular school election is held in May, until July 1 after the next intermediate school district election. Notification of the appointments shall be filed with the superintendent of public instruction. If the appointments are not made within the 30 days, the superintendent of public instruction shall make the appointments. At the next intermediate school district election, members of the intermediate school board shall be elected in the number and for the terms required in section 701. The terms of the members of the intermediate school board whose terms have not expired shall determine the terms of the additional members to be elected.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

380.703 Plan for disorganization of intermediate school district; request; resolution; notice of meeting; approval of state board; finality; effective date of disorganization; joint meetings of boards; distribution of assets; taxes; appointment of intermediate school board members; term; notification.

Sec. 703. (1) An intermediate school district comprised of less than 5 constituent districts and having no bonded indebtedness may be disorganized and its constituent districts attached to contiguous intermediate school districts under this section.

(2) The board of each constituent district may request the intermediate school board to prescribe a plan for

disorganization of the intermediate school district. Each request shall designate another intermediate school district to which the constituent district desires to be attached. The intermediate school board shall prescribe, by resolution, a plan under which each of the constituent districts will be attached in whole to contiguous intermediate school districts designated in the requests. If the designated intermediate school district is not contiguous, the intermediate school board's plan may prescribe attachment to a contiguous intermediate school district.

(3) The intermediate superintendent of the intermediate school district that is to be disorganized shall give 30 days' notice of the time and place of the meeting of the intermediate school board and of the proposed plan for disorganization by publication of the notice in a newspaper of general circulation in the intermediate school district. The intermediate school board shall present the adopted plan for dissolution to the board of each of its constituent districts and to the intermediate school board of each intermediate school district whose boundaries would be enlarged by the proposal.

(4) The intermediate superintendent of each intermediate school district whose boundaries would be enlarged by the dissolution shall give 30 days' notice of the time and place of the meeting of the intermediate school board and of the recommended plan for enlargement of the intermediate school district by publication of the notice in a newspaper of general circulation in the intermediate school district.

(5) If the intermediate school board of each affected intermediate school district approves the plan for disorganization, the intermediate school board of the intermediate school district to be dissolved shall refer the matter to the superintendent of public instruction for approval. The action of the superintendent of public instruction declaring the intermediate school district dissolved is final. Disorganization of the intermediate school district and attachment of its constituent districts to contiguous intermediate school districts takes effect on July 1 after the date of the approval of the superintendent of public instruction.

(6) The intermediate school boards of the intermediate school districts to which territory is attached by dissolution shall meet jointly, sitting as a single board, and make an equitable distribution of the money, property, and other assets belonging to the disorganized intermediate school district among the intermediate school districts affected. The territory of constituent districts transferred to other intermediate school districts by dissolution shall be subject to all taxes levied for purposes of the intermediate school district to which transferred, including taxes for the retirement of bonded indebtedness, special education programs, and area vocational-technical education programs.

(7) Within 30 days after a district attaches to a contiguous intermediate school district under this section, the board of the intermediate school district whose boundaries have been enlarged by the dissolution may appoint 2 school electors of constituent districts, 1 of whom shall be an elector of the attached district, to membership on the intermediate school board. Intermediate school board members appointed under this subsection serve until January 1 or, if the intermediate school district's regular school election is held in May, until July 1 after the next intermediate school district election. The intermediate school board may determine 1 initial term of less than 6 years for 1 of the additional members to be elected at the intermediate school district election. Notification of an appointment shall be filed with the superintendent of public instruction.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1981, Act 87, Imd. Eff. July 2, 1981;—Am. 2003, Act 299, Eff. Jan. 1, 2005.

Popular name: Act 451

380.705 Regional enhancement property tax; levy by intermediate school district, school district, or public school academy; resolution submitting question to voters; election; calculation and payment of revenue; pupils counted in membership; allocation or payment to constituent district; receipt of revenue by public school academy; receipt of revenue; term and renewal of tax; presentment of tax to electors as separate question; public school academy as single constituent district; use of revenue from regional enhancement property tax; intermediate or public school academy as constituent district.

Sec. 705. (1) Beginning in 1997, and in each year after 1997, a regional enhancement property tax may be levied by an intermediate school district at a rate not to exceed 3 mills to enhance other state and local funding for intermediate school district, school district, or public school academy operations, as provided in this section, if approved by a majority of the intermediate school electors voting on the question.

(2) If a resolution requesting that the question of a regional enhancement property tax be submitted to the voters is adopted within a 180-day period and transmitted to the intermediate school board by 1 or more boards or boards of directors of its constituent districts representing a majority of the combined membership of the constituent districts as of the most recent pupil membership count day and if those resolutions all contain an identical specified number of mills to be levied under this section and an identical specified number of years for which the tax shall be levied, the question of levying a regional enhancement property tax

by the intermediate school district shall be placed on the ballot by the intermediate school district at the next regular school election held in each of the constituent districts that are school districts. If the question is to be submitted to the intermediate school electors of an intermediate school district having a population of more than 1,400,000, the intermediate school board shall call a special election to be held at the next state primary or general election. If the resolution requirement is met more than 180 days before the next regular school district elections, and if requested in the resolutions, the intermediate school board shall submit the question of levying a regional enhancement property tax within the intermediate school district on the ballot at a special election called by the intermediate school board for that purpose not earlier than 90 days after the resolution requirements are met.

(3) Not later than 10 days after receipt by the intermediate school district of the revenue from the regional enhancement property tax, the intermediate school district shall calculate and pay to each of its constituent districts an amount of the revenue calculated by dividing the total amount of the revenue by the combined membership of the constituent districts within the intermediate school district, as of the most recent pupil membership count day, and multiplying that quotient by the constituent district's membership, as of the most recent pupil membership count day for which a final department-audited pupil count is available. If a constituent district has entered into an agreement with a school district or public entity to perform the functions and responsibilities of the constituent district for operating a public school of the constituent district, then for the purposes of this subsection the pupils in membership in that public school shall be considered to be in membership in the constituent district and a proportionate share of the revenue payable to the constituent district under this section shall be transferred by the constituent district to the school district or public entity performing the functions and responsibilities of the constituent district for operating the public school. The proportionate share of that revenue to be paid to that school district or public entity shall be determined according to the percentage of the constituent district's membership that is enrolled in the particular public school for the state fiscal year corresponding to the tax year. Revenue from a regional enhancement property tax under this section shall not be allocated or paid to a constituent district that does not operate a public school directly but retains a limited separate identity for purposes of section 12, 12b, 863, 903, or 947.

(4) If a public school academy is receiving revenue from a regional enhancement property tax under an agreement described in subsection (3), the public school academy shall receive that revenue until the term of the initially levied regional enhancement property tax expires, as specified in the ballot question, as long as the receipt of that revenue remains consistent with the agreement. After the term of the initially levied regional enhancement property tax expires or the public school academy is no longer entitled to receive revenue from the regional enhancement property tax under the agreement described in subsection (3), the public school academy shall not receive revenue from any regional enhancement property tax that is subsequently levied or renewed unless that public school academy meets the requirements of subsection (7) to receive revenue from a regional enhancement property tax as a constituent district.

(5) Regional enhancement property tax under this section may be levied for a term not to exceed 20 years, as specified in the ballot question, and may be renewed for the same term and for the purposes described in subsection (1) with the approval of a majority of the intermediate school electors voting on the question.

(6) The question of levying a regional enhancement property tax under this section shall be presented to the intermediate school electors as a separate question.

(7) For the purposes of this section, except as otherwise provided in this section, a public school academy is considered to be a single constituent district of an intermediate school district if the public school academy operates at least 1 site that is located in that intermediate school district and the public school academy counts in membership pupils enrolled at the site or sites located in that intermediate school district on the pupil membership count day used to calculate the combined membership of the intermediate school district's constituent districts under subsection (2). A public school academy that is a school of excellence operating as a cyber school, as defined in section 551, is considered to be a single constituent district of an intermediate school district only if the administrative office of that cyber school is located within the intermediate school district, 100% of the pupils enrolled in the cyber school reside within the intermediate school district, and the cyber school counts in membership pupils enrolled in the cyber school on the pupil membership count day used to calculate the combined membership of the intermediate school district's constituent districts under subsection (2). However, a public school academy is not eligible to be considered a constituent district under this subsection if the public school academy's 2 most recent annual financial audits required under section 503(6)(g), 523(2)(g), 553(5)(g), or 1311e(5)(h) indicate successive unresolved material findings. In addition, in order to be considered a constituent district under this subsection, the public school academy must provide the department documentation establishing that the public school academy has a special education program that is in compliance with state and federal law.

(8) Except for a school of excellence operating as a cyber school, as defined in section 551, a public school

academy that receives revenue from a regional enhancement property tax due to the operation of subsection (7) shall use that money only for expenditures that directly benefit a site operated by the public school academy that is located in the intermediate school district in which the regional enhancement property tax was approved.

(9) For a regional enhancement property tax that was initially authorized and levied before the effective date of the amendatory act that added this subsection, both of the following apply:

(a) Subject to subsection (4), a public school academy is not eligible to be considered a constituent district and to receive revenue from that regional enhancement property tax due to the operation of subsection (7) until that regional enhancement property tax is renewed.

(b) An intermediate school district is not eligible to be considered a constituent district and to receive revenue for pupils counted in membership by the intermediate school district from that regional enhancement property tax due to the operation of subsection (10) until that regional enhancement property tax is renewed.

(10) For a regional enhancement property tax that is initially authorized and levied or renewed after the effective date of the amendatory act that added this subsection, for the purposes of this section, an intermediate school district is considered to be a single constituent district of the intermediate school district if it enrolls pupils who are counted in membership by the intermediate school district and not counted in membership by another intermediate school district, school district, or public school academy.

History: Add. 1993, Act 312, Eff. Mar. 15, 1994;—Am. 1994, Act 258, Imd. Eff. July 5, 1994;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2016, Act 192, Imd. Eff. June 21, 2016;—Am. 2018, Act 23, Eff. May 15, 2018.

Popular name: Act 451

380.705a, 380.705b Repealed. 1994, Act 258, Imd. Eff. July 5, 1994.

Compiler's note: The repealed sections pertained to levy of enhancement property tax for school district operations.

Popular name: Act 451