

Act No. 416
Public Acts of 1994
Approved by the Governor
January 3, 1995
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January 4, 1995

STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994

Introduced by Senators Kelly and Pridma

ENROLLED SENATE BILL No. 1103

AN ACT to amend sections 5 501 502 503 504 505 623 627 1205 1217 1221 1267 1274 1281 1289 1291 1300 1324 1521 and 1701a of Act No 451 of the Public Acts of 1976 entitled as amended An act to provide a system of public instruction and elementary and secondary schools to revise consolidate and classify the laws relating to elementary and secondary education to provide for the classification organization regulation and maintenance of schools school districts and intermediate school districts to prescribe rights powers duties and privileges of schools school districts and intermediate school districts to provide for the regulation of school teachers and school administrators to provide for school elections and to prescribe powers and duties with respect thereto to provide for the levy and collection of taxes to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness to establish a fund and provide for expenditures from that fund to provide for and prescribe the powers and duties of certain state departments the state board of education and certain other boards and officials to provide for licensure of boarding schools to prescribe penalties and to repeal certain acts and parts of acts sections 5 and 1300 as amended and section 1291 as added by Act No 335 of the Public Acts of 1993 sections 501 502 503 504 and 505 as added by Act No 362 of the Public Acts of 1993 section 627 as amended by Act No 187 of the Public Acts of 1991 section 1221 as amended by Act No 132 of the Public Acts of 1986 section 1274 as amended by Act No 159 of the Public Acts of 1990 section 1267 as amended by Act No 278 of the Public Acts of 1994 and section 1701a as added by Act No 284 of the Public Acts of 1994 being sections 380 5 380 501 380 502 380 503 380 504 380 505 380 623 380 627 380 1205 380 1217 380 1221 380 1267 380 1274 380 1281 380 1289 380 1291[1] 380 1300 380 1324 380 1521 and 380 1701a of the Michigan Compiled Laws to add sections 504a 505a and 1260 and part 6b and to repeal certain parts of the act on specific dates

The People of the State of Michigan enact

Section 1 Sections 5 501 502 503 504 505 623 627 1205 1217 1221 1267 1274 1281 1289 1291 1300 1324 1521 and 1701a of Act No 451 of the Public Acts of 1976 sections 5 and 1300 as amended and section 1291 as added by Act No 335 of the Public Acts of 1993 sections 501 502 503 504 and 505 as added by Act No 362 of the Public Acts of 1993 section 627 as amended by Act No 187 of the Public Acts of 1991 section 1221 as amended by Act No 132 of the Public Acts of 1986 section 1274 as amended by Act No 159 of the Public Acts of 1990 section 1267 as amended by Act No 278 of the Public Acts of 1994 and section 1701a as added by Act No 284 of the Public Acts of 1994 being sections 380 5 380 501 380 502 380 503 380 504 380 505 380 623 380 627 380 1205 380 1217 380 1221 380 1267 380 1274 380 1281 380 1289 380 1291[1] 380 1300 380 1324 380 1521 and 380 1701a of the Michigan Compiled Laws are amended and sections 504a 505a and 1260 and part 6b are added to read as follows

Sec 5 (1) Local act school district or special act school district means a district governed by a special or local act or chapter of a local act Local school district and local school district board as used in article 3 include local act school district and a local act school district board

(2) Membership means the number of full time equivalent pupils in a public school as determined by the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board

(3) Modified school bus means a school bus of any age with a factory installed fuel system that has been modified to operate on a fuel source other than gasoline or diesel fuel

(4) Nonpublic school means a private denominational or parochial school

(5) Outcomes means measurable pupil academic skills and knowledge

(6) Public school means a public elementary or secondary school operated by a school district local act school district special act school district intermediate school district public school academy corporation or by the department or state board Public school also includes a laboratory school or other elementary or secondary school that is controlled and operated by a state public university described in section 4 5 or 6 of article VIII of the state constitution of 1963

(7) Pupil membership count day of a school district means that term as defined in section 6 of the state school aid act of 1979 being section 388 1606 of the Michigan Compiled Laws

(8) Pupil transportation vehicle means any vehicle other than a school bus used by a school district to transport pupils to or from school or school related events

(9) Rehabilitated school bus means a bus that is at least 4 years old and has accumulated at least 100 000 miles or is at least 7 years old and that has been thoroughly inspected and had all systems repaired replaced or adjusted to meet the department of state police inspection requirements including but not limited to any of the following

(a) Engine overhaul of short block

(b) New tires on the front axle

(c) New recap tires on the rear axle

(d) New brake linings and drums

(e) New hydraulic brake lines

(f) Front and rear springs

(g) New paint in the interior

(h) New exhaust system

(10) Reorganized intermediate school district means an intermediate school district formed by consolidation or annexation of 2 or more intermediate school districts under sections 701 and 702

(11) Rule means a rule promulgated pursuant to the administrative procedures act of 1969 Act No 306 of the Public Acts of 1969 as amended being sections 24 201 to 24 328 of the Michigan Compiled Laws or a rule or regulation prescribed by the state board under section 15 of Act No 287 of the Public Acts of 1964 being section 388 1015 of the Michigan Compiled Laws

Sec 501 (1) A public school academy is a public school under section 2 of article VIII of the state constitution of 1963 is a school district for the purposes of section 11 of article IX of the state constitution of 1963 and is subject to the leadership and general supervision of the state board over all public education under section 3 of article VIII of the state constitution of 1963 A public school academy is a body corporate and is a governmental agency The powers granted to a public school academy under this part constitute the performance of essential public purposes and governmental functions of this state

(2) As used in this part

(a) Authorizing body means any of the following that issues a contract as provided in this part

(i) The board of a school district

(ii) An intermediate school board

(iii) The board of a community college

(iv) The governing board of a state public university

(b) Certificated teacher means an individual who holds a valid teaching certificate issued by the state board under section 1531

(c) Community college means a community college organized under the community college act of 1966 Act No 331 of the Public Acts of 1966 being sections 389 1 to 389 195 of the Michigan Compiled Laws or a federally controlled community college that is recognized under the tribally controlled community college assistance act of 1978 Public Law 95 471 92 Stat 1325 and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body

(d) Contract means the executive act taken by an authorizing body that evidences the authorization of a public school academy and that establishes subject to the constitutional powers of the state board and applicable law the written instrument executed by an authorizing body conferring certain rights franchises privileges and obligations on a public school academy as provided by this part and confirming the status of a public school academy as a public school in this state

(e) Entity means a partnership nonprofit or business corporation labor organization or any other association corporation trust or other legal entity

(f) State public university means a university described in section 4 5 or 6 of article VIII of the state constitution of 1963

Sec 502 (1) A public school academy shall be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors A public school academy corporation shall be organized under the nonprofit corporation act Act No 162 of the Public Acts of 1982 being sections 450 2101 to 450 3192 of the Michigan Compiled Laws except that a public school academy corporation is not required to comply with sections 170 to 177 of Act No 327 of the Public Acts of 1981 being sections 450 170 to 450 177 of the Michigan Compiled Laws To the extent disqualified under the state or federal constitution a public school academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization

(2) Any of the following may act as an authorizing body to issue a contract to organize and operate 1 or more public school academies under this part

(a) The board of a school district However the board of a school district shall not issue a contract for a public school academy to operate outside the school district s boundaries and a public school academy authorized by the board of a school district shall not operate outside that school district s boundaries

(b) An intermediate school board However the board of an intermediate school district shall not issue a contract for a public school academy to operate outside the intermediate school district s boundaries and a public school academy authorized by the board of an intermediate school district shall not operate outside that intermediate school district s boundaries

(c) The board of a community college However except as otherwise provided in this subdivision the board of a community college shall not issue a contract for more than 1 public school academy the board of a community college shall not issue a contract for a public school academy to operate in a school district organized as a school district of the first class and a public school academy authorized by the board of a community college shall not operate in a school district organized as a school district of the first class and the board of a community college shall not issue a contract for a public school academy to operate outside the boundaries of the community college district and a public school academy authorized by the board of a community college shall not operate outside the boundaries of the community college district In addition to the power under this subdivision to issue a contract for 1 public school academy to operate within the boundaries of the community college district the board of a community college also may issue a contract for not more than 1 public school academy to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district or may operate a public school academy itself on the grounds of such a federal military installation if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years

(d) The governing board of a state public university

(3) To obtain a contract to organize and operate 1 or more public school academies 1 or more persons or an entity may apply to an authorizing body described in subsection (2) The application shall include at least all of the following

(a) Identification of the applicant for the contract

(b) Subject to the resolution adopted by the authorizing body under section 503(4) a list of the proposed members of the board of directors of the public school academy and a description of the qualifications and method for appointment or election of members of the board of directors

(c) The proposed articles of incorporation which shall include at least all of the following

(i) The name of the proposed public school academy

(ii) The purposes for the public school academy corporation This language shall provide that the public school academy is incorporated pursuant to this part and that the public school academy corporation is a governmental entity

(iii) The name of the authorizing body

(iv) The proposed time when the articles of incorporation will be effective

(v) Other matters considered expedient to be in the articles of incorporation

(d) A copy of the proposed bylaws of the public school academy

(e) Documentation meeting the application requirements of the authorizing body including at least all of the following

(i) The governance structure of the public school academy

(ii) A copy of the educational goals of the public school academy and the curricula to be offered and methods of pupil assessment to be used by the public school academy To the extent applicable the progress of the pupils in the public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state endorsed high school diploma or 1 or more of the following nationally normed tests the California achievement test the Stanford achievement test the Iowa test of basic skills or the metropolitan achievement test

(iii) The admission policy and criteria to be maintained by the public school academy The admission policy and criteria shall comply with section 504

(iv) The school calendar and school day schedule

(v) The age or grade range of pupils to be enrolled

(f) Descriptions of staff responsibilities and of the public school academy's governance structure

(g) For an application to the board of a school district an intermediate school board or board of a community college identification of the local and intermediate school districts in which the public school academy will be located

(h) An agreement that the public school academy will comply with the provisions of this part and subject to the provisions of this part with all other state law applicable to public bodies and with federal law applicable to public bodies or school districts

(i) For a public school academy authorized by a school district an assurance that employees of the public school academy will be covered by the collective bargaining agreements that apply to other employees of the school district employed in similar classifications in schools that are not public school academies

(j) A description of and address for the proposed physical plant in which the public school academy will be located

(4) A public school academy shall be presumed to be legally organized if it has exercised the franchises and privileges of a public school academy for at least 2 years

Sec 503 (1) An authorizing body is not required to issue a contract to any person or entity Public school academy contracts shall be issued on a competitive basis taking into consideration the resources available for the proposed public school academy the population to be served by the proposed public school academy and the educational goals to be achieved by the proposed public school academy

(2) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more public school academies within the boundaries of the school district and the board does not issue the contract the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school electors of the school district The petition shall contain all of the information required to be in the contract application under section 502(3) and shall be signed by a number of school electors of the school district equal to at least 15% of the total number of school electors of that school district The petition shall be filed with the secretary of the board If the board receives a petition meeting the requirements of this subsection the board shall place the question of issuing the contract on the ballot at its next annual school election held at least 60 days after receiving the petition If a majority of the school electors of the school district voting on the question vote to issue the contract the board shall issue the contract

(3) Within 10 days after issuing a contract for a public school academy the board of the authorizing body shall submit to the state board a copy of the contract and of the application under section 502

(4) An authorizing body shall adopt a resolution establishing the method of selection length of term and number of members of the board of directors of each public school academy subject to its jurisdiction

(5) A contract issued to organize and administer a public school academy shall contain at least all of the following

(a) The educational goals the public school academy is to achieve and the methods by which it will be held accountable The pupil outcomes of a public school academy shall be assessed using a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state endorsed high school diploma or 1 or more of the following nationally normed tests the California achievement test the Stanford achievement test the Iowa test of basic skills or the metropolitan achievement test

(b) A description of the method to be used to monitor the public school academy's compliance with applicable law and its performance in meeting its targeted educational outcomes

(c) A description of the process for amending the contract during the term of the contract

(d) All of the matters set forth in the application for the contract

(e) For a public school academy authorized by a school district an agreement that employees of the public school academy will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not public school academies

(f) Procedures for revoking the contract and grounds for revoking the contract including at least the grounds listed in section 507

(g) A description of and address for the proposed physical plant in which the public school academy will be located

(6) A public school academy shall comply with all applicable law including all of the following

(a) 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

(b) The freedom of information act Act No 442 of the Public Acts of 1976 being sections 15 231 to 15 246 of the Michigan Compiled Laws

(c) Act No 336 of the Public Acts of 1947 being sections 423 201 to 423 217 of the Michigan Compiled Laws

(d) Act No 166 of the Public Acts of 1965 being sections 408 551 to 408 558 of the Michigan Compiled Laws

(e) Sections 1267 and 1274

(7) A public school academy and its incorporators board members officers employees and volunteers have governmental immunity as provided in section 7 of Act No 170 of the Public Acts of 1964 being section 691 1407 of the Michigan Compiled Laws An authorizing body and its board members officers and employees are immune from civil liability both personally and professionally for any acts or omissions in authorizing a public school academy if the authorizing body or the person acted or reasonably believed he or she acted within the authorizing body's or the person's scope of authority

(8) A public school academy is exempt from all taxation on its earnings and property Instruments of conveyance to or from a public school academy are exempt from all taxation including taxes imposed by Act No 134 of the Public Acts of 1966 being sections 207 501 to 207 513 of the Michigan Compiled Laws A public school academy may not levy ad valorem property taxes or any other tax for any purpose

(9) A public school academy may acquire by purchase gift devise lease sublease installment purchase agreement land contract option or by any other means hold and own in its own name buildings and other property for school purposes and interests therein and other real and personal property including but not limited to interests in property subject to mortgages security interests or other liens necessary or convenient to fulfill its purposes For the purposes of condemnation a public school academy may proceed under the uniform condemnation procedures act Act No 87 of the Public Acts of 1980 being sections 213 51 to 213 77 of the Michigan Compiled Laws excluding sections 6 to 9 of that act being sections 213 56 to 213 59 of the Michigan Compiled Laws or other applicable statutes but only with the express written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid

Sec 504 (1) A public school academy may be located in all or part of an existing public school building A public school academy shall not operate at a site other than the single site requested for the configuration of grades that will use the site as specified in the application required under section 502 and in the contract

(2) A public school academy shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability measures of achievement or aptitude status as a handicapped person or any other basis that would be illegal if used by a school district However a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district

(3) Except for a foreign exchange student who is not a United States citizen a public school academy shall not enroll a pupil who is not a resident of this state Enrollment in the public school academy may be open to all individuals who reside in this state who meet the admission policy and shall be open to all pupils who reside within the geographic boundaries if any of the authorizing body as described in section 502(2)(a) to (c) who meet the admission policy except that admission to a public school academy authorized by the board of a community college to operate or operated by the board of a community college on the grounds of a federal military installation as described in section 502(2)(c) shall be open to all pupils who reside in the county in which the federal military installation is located For a public school academy authorized by a state public university enrollment shall be open to all pupils who reside in this state who meet the admission policy If there are more applications to enroll in the public school academy than there are spaces available pupils shall be selected to attend using a random selection process However a public school academy may give enrollment priority to a sibling of a pupil enrolled in the public school academy A public school academy shall allow any pupil who was enrolled in the public school academy in the immediately preceding school year to enroll in the public school academy in the appropriate grade unless the appropriate grade is not offered at that public school academy

(4) A public school academy may include any grade up to grade 12 or any configuration of those grades including kindergarten and early childhood education as specified in its contract If specified in its contract a public school academy may also operate an adult basic education program adult high school completion program or general education development testing preparation program The authorizing body may approve amendment of a contract with respect to ages of pupils or grades offered

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

(a) To sue and be sued in its name

(b) To acquire hold and own in its own name real and personal property or interests in real or personal property for educational purposes by purchase gift grant devise bequest lease sublease installment purchase agreement land contract option or condemnation and subject to mortgages security interests or other liens and to sell or convey the property as the interests of the public school academy require

(c) To receive and disburse funds for lawful purposes

(d) To enter into binding legal agreements with persons or entities as necessary for the operation management and maintenance of the public school academy

(e) Subject to applicable rules of the state board to incur temporary debt in anticipation of receipt of funds

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

Sec 505 (1) Except as otherwise provided by law a public school academy shall use certificated teachers according to state board rule

(2) A public school academy operated by a state public university or community college may use noncertificated individuals to teach as follows

(a) If the public school academy is operated by a state public university the public school academy may use as a classroom teacher in any grade a faculty member who is employed full time by the state public university and who has been granted institutional tenure or has been designated as being on tenure track by the state public university

(b) For a public school academy operated by a community college the public school academy may use as a classroom teacher a full time member of the community college faculty who has at least 5 years experience at that community college in teaching the subject matter that he or she is teaching at the public school academy

(c) In any other situation in which a school district is permitted under this act to use noncertificated teachers

(3) A public school academy may develop and implement new teaching techniques or methods or significant revisions to known teaching techniques or methods and shall report those to the authorizing body and state board to be made available to the public A public school academy may use any instructional technique or delivery method that may be used by a school district

Sec 505a The board of a school district may grant a charter to an eligible entity for a chartered educational clinic The application requirements and procedures for such a contract for a chartered educational clinic are the same as for a contract for another public school academy A chartered educational clinic is a specialty public school academy and shall only serve public school pupils described in this section during hours outside the pupil's normal class hours by providing special assistance for up to 3 hours per week pursuant to a written prescription by the principal of the public school in which the pupil is regularly enrolled on recommendation of a teacher of the pupil A public school pupil enrolled in grades K 12 who is in educational difficulty or is at risk of falling seriously behind other pupils of his or her age level of not being advanced in grade level or of dropping out or being expelled from school may be served by a chartered educational clinic

PART 6B PUBLIC SCHOOL ACADEMIES

Sec 511 (1) To improve the public elementary and secondary schools of this state public school academies may be established within this state's system of public schools as provided under this part as an effective means of achieving the following purposes

(a) To improve pupil achievement for all pupils including but not limited to educationally disadvantaged pupils by improving the learning environment

(b) To stimulate innovative teaching methods

(c) To create new professional opportunities for teachers in a new type of public school in which the school structure and educational program can be innovatively designed and managed by teachers at the school site level

(d) To achieve school accountability for pupil educational outcomes by placing full responsibility for performance at the school site level

(e) To provide parents and pupils with greater choices among public schools both within and outside their existing school districts

(f) To determine whether state educational funds can be more effectively efficiently and equitably utilized by allocating funds on a per pupil basis directly to the school rather than through school district administration

(2) A public school academy is a public school under section 2 of article VIII of the state constitution of 1963 is a school district for the purposes of section 11 of article IX of the state constitution of 1963 and is subject to the leadership and general supervision of the state board over all public education under section 3 of article VIII of the state constitution of 1963 A public school academy is a body corporate and is a governmental agency The powers granted to a public school academy under this part constitute the performance of essential public purposes and governmental functions of this state

(3) As used in this part

(a) Authorizing body means any of the following that issues a contract as provided in this part

(i) The board of a school district that is organized under this act as a school district of the first class second class or third class

(ii) An intermediate school board

(iii) The board of a community college

(v) The governing board of a state public university

(b) Certificated teacher means an individual who holds a valid teaching certificate issued by the state board under section 1531

(c) Community college means a community college organized under the community college act of 1966 Act No 331 of the Public Acts of 1966 being sections 389 1 to 389 195 of the Michigan Compiled Laws or a federally controlled community college that is recognized under the federally controlled community college assistance act of 1978 Public Law 95 471 92 Stat 1325 and is determined by the department to meet the requirements for accreditation by a recognized regional accrediting body

(d) Contract means the executive act taken by an authorizing body that evidences the authorization of a public school academy and that establishes subject to the constitutional powers of the state board and applicable law the written instrument executed by an authorizing body conferring certain rights franchises privileges and obligations on a public school academy as provided by this part and confirming the status of a public school academy as a public school in this state

(e) Entity means a partnership nonprofit or business corporation labor organization or any other association corporation trust or other legal entity

(f) State public university means a university described in section 4 5 or 6 of article VIII of the state constitution of 1963

Sec 512 (1) Subject to the leadership and general supervision of the state board over all public education a public school academy shall be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors A public school academy corporation shall be organized as provided under section 512a To the extent disqualified under the state or federal constitution a public school academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization

(2) Any of the following may act as an authorizing body to issue a contract to organize and operate 1 or more public school academies under this part

(a) The board of a school district that is organized under this act as a school district of the first class second class or third class However the board of a school district shall not issue a contract for a public school academy to operate outside the school district's boundaries and a public school academy authorized by the board of a school district shall not operate outside that school district's boundaries

(b) An intermediate school board However the board of an intermediate school district shall not issue a contract for a public school academy to operate outside the intermediate school district's boundaries and a public school academy authorized by the board of an intermediate school district shall not operate outside that intermediate school district's boundaries

(c) The board of a community college However except as otherwise provided in this subdivision the board of a community college shall not issue a contract for more than 1 public school academy the board of a community college shall not issue a contract for a public school academy to operate in a school district organized as a school district of the first class and a public school academy authorized by the board of a community college shall not operate in a school district organized as a school district of the first class and the board of a community college shall not issue a contract for a public school academy to operate outside the boundaries of the community college district and a public school academy authorized by the board of a community college shall not operate outside the boundaries of the community college district The board of a community college also may issue a contract for not more than 1 public school academy to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district or may operate a public school academy itself on the grounds of such a federal military installation if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years

(d) The governing board of a state public university However the combined total number of contracts for public school academies issued by all state public universities shall not exceed 75

(3) To obtain a contract to organize and operate 1 or more public school academies 1 or more persons or an entity may apply to an authorizing body described in subsection (2) The application shall include at least all of the following

(a) Identification of the applicant for the contract

(b) Subject to the resolution adopted by the authorizing body under section 513(5) a list of the proposed members of the board of directors of the public school academy and a description of the qualifications and method for appointment or election of members of the board of directors

(c) The proposed articles of incorporation which shall meet the requirements of section 512a

(d) A copy of the proposed bylaws of the public school academy

(e) Documentation meeting the application requirements of the authorizing body including at least all of the following

(i) The governance structure of the public school academy

(ii) A copy of the educational goals and programs of the public school academy and the curricula to be offered and methods of pupil assessment to be used by the public school academy The educational goals and programs and the curricula to be offered shall fulfill at least 1 of the purposes described in section 511(1) To the extent applicable the progress of the pupils in the public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state endorsed high school diploma or 1 or more of the following nationally normed tests the California achievement test the Stanford achievement test the Iowa test of basic skills or the metropolitan achievement test

(iii) The admission policy and criteria to be maintained by the public school academy The admission policy and criteria shall comply with section 514

(iv) The school calendar and school day schedule

(v) The age or grade range of pupils to be enrolled

(vi) Any other documentation required by the authorizing body or by state board rule

(f) Descriptions of staff responsibilities and of the public school academy's governance structure

(g) For an application to the board of a school district an intermediate school board or board of a community college identification of the local and intermediate school districts in which the public school academy will be located

(h) An agreement that the public school academy will comply with the provisions of this part and subject to the provisions of this part with all other state law applicable to public bodies and with federal law applicable to public bodies or school districts

(i) For a public school academy authorized by a school district an assurance that employees of the public school academy will be covered by the collective bargaining agreements that apply to other employees of the school district employed in similar classifications in schools that are not public school academies

(j) A description of and address for the proposed physical plant in which the public school academy will be located

Sec 512a (1) A public school academy corporation shall be incorporated under either subsection (2) or subsection (3)

(2) A public school academy corporation may be incorporated by or with the approval of the authorizing body under the nonprofit corporation act Act No 162 of the Public Acts of 1982 being sections 450 2101 to 450 3192 of the Michigan Compiled Laws except that a public school academy corporation is not required to comply with sections 170 to 177 of Act No 327 of the Public Acts of 1981 being sections 450 170 to 450 177 of the Michigan Compiled Laws

(3) A public school academy may be incorporated under this subsection by adoption of the articles of incorporation by an authorizing body according to the following procedures

(a) Adoption of the articles of incorporation by affirmative vote of a majority of the members of the board of the authorizing body

(b) Execution of the articles of incorporation for and on behalf of the authorizing body by the chief executive officer and secretary of the authorizing body The secretary of the authorizing body also shall affix to the articles of incorporation following the signatures a certificate substantially as follows

The foregoing articles of incorporation were adopted by the _____ of the [name of authorizing body] at a meeting duly held on the ____ day of _____ 19__

Secretary

(c) Publication of the articles of incorporation at least once in a newspaper designated in the articles of incorporation and circulated within the county in which the public school academy will be located

(d) Execution in triplicate of the articles of incorporation which shall be filed as follows 1 copy filed with the superintendent of public instruction 1 copy filed with the secretary of the authorizing body and 1 copy retained by the public school academy corporation Attached to each copy shall be the certificate of the secretary of the authorizing body setting forth that the copy is a true and complete copy of the articles of incorporation on file in the secretary's office and the date and place of publication of the articles The public school academy shall be established at the time provided in the articles of incorporation

(4) All of the following apply to incorporation under either subsection (2) or subsection (3)

(a) The articles of incorporation of a public school academy corporation shall set forth at least all of the following

(i) The name of the public school academy

(ii) The name of the authorizing body

(iii) The purpose for which the public school academy is created

(v) The manner term and method of selection of the public school academy board of directors which shall conform with subdivision (b)

(v) The powers and duties of the board and its officers which shall not include any powers and duties expressly prohibited by law

(vi) The date upon which the articles of incorporation shall be effective and the public school academy shall be established

(vii) The person responsible for the publication and filings required by this act

(viii) Any other matters necessary or expedient to be included that are not prohibited by law or by rule of the state board

(b) The articles of incorporation shall provide that the board of directors of the public school academy shall be selected in accordance with the following

(i) The board of directors shall consist of from 3 to 9 members as determined by the authorizing body

(ii) A member of the board of directors shall hold office for a term of 3 years except that of the members first appointed 1/3 shall be appointed for a term of 3 years 1/3 shall be appointed for a term of 2 years and the remainder shall be appointed for a term of 1 year

(iii) The initial board of directors shall be appointed by resolution of the authorizing body

(iv) Subsequent members of the board of directors shall be appointed by the authorizing body from a list of nominees submitted by the board of directors of the public school academy equaling at least twice the number of vacancies on the board A member may be appointed for 1 or more additional terms

(v) A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the vacating member in the same manner as the original appointment

(vi) Membership on the board of directors shall constitute the holding of a public office and each member shall file an acceptance of office and take and file the following oath or affirmation before assuming office I do solemnly swear (or affirm) that I will support the constitution of the United States and the constitution of this state and that I will faithfully discharge the duties of the office of a member of the board of directors of a public school academy according to the best of my ability

(c) A vacancy in the office of a member of the board of directors occurs immediately without declaration by an officer or acceptance by the board or 1 of its members upon 1 of the following events

(i) The death of the incumbent or the incumbent's being adjudicated insane or being found to be mentally incompetent by a proper court

(ii) The incumbent's resignation

(iii) The incumbent's removal from office

(iv) The incumbent's conviction of a felony

(v) The incumbent's appointment being declared void by the authorizing body state board or a competent court

(vi) The incumbent's neglect or failure to file the acceptance of office with the authorizing body to take the oath of office or to give or renew an official bond required by law

(vii) The incumbent ceasing to possess the legal qualifications for holding office

(viii) The incumbent ceasing to reside in this state

(d) Amendments may be made to the articles of incorporation if adopted by the board of directors pursuant to the contract or as required by law Each amendment shall be adopted executed and published and certified printed copies shall be filed in the same manner as the original articles of incorporation

(e) A public school academy shall be presumed to be legally organized if it has exercised the franchises and privileges of a public school academy for at least 2 years

Sec 513 (1) An authorizing body is not required to issue a contract to any person or entity Public school academy contracts shall be issued on a competitive basis taking into consideration the resources available for the proposed public school academy the population to be served by the proposed public school academy and the educational goals to be achieved by the proposed public school academy

(2) If an authorizing body determines that an application submitted to it under section 512 meets the authorizing body's requirements and the requirements of applicable law the authorizing body by 1 or more resolutions may approve the application adopt articles of incorporation for the public school academy appoint the initial board of directors for the public school academy and approve and authorize execution of the contract between the authorizing body and the public school academy The affirmative vote of a majority of the members serving on the board of the authorizing body is required for adoption of a resolution described in this subsection

(3) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more public school academies within the boundaries of the school district and the board does not issue the contract the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school

electors of the school district. The petition shall contain all of the information required to be in the contract application under section 512(3) and shall be signed by a number of school electors of the school district equal to at least 15% of the total number of school electors of that school district. The petition shall be filed with the secretary of the board. If the board receives a petition meeting the requirements of this subsection, the board shall place the question of issuing the contract on the ballot at its next annual school election held at least 60 days after receiving the petition. If a majority of the school electors of the school district voting on the question vote to issue the contract, the board shall issue the contract in the manner specified in subsection (2).

(4) Within 10 days after issuing a contract for a public school academy, the board of the authorizing body shall submit to the state board a copy of the contract and of the application under section 512.

(5) Subject to section 512a, an authorizing body shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each public school academy subject to its jurisdiction.

(6) A contract issued to organize and administer a public school academy shall contain at least all of the following:

(a) The educational goals the public school academy is to achieve and the methods by which it will be held accountable. The pupil outcomes of a public school academy shall be assessed using a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state endorsed high school diploma, or 1 or more of the following nationally normed tests: the California achievement test, the Stanford achievement test, the Iowa test of basic skills, or the metropolitan achievement test.

(b) A description of the method to be used to monitor the public school academy's compliance with applicable law and its performance in meeting its targeted educational outcomes.

(c) A description of the process for amending the contract during the term of the contract.

(d) All of the matters set forth in the application for the contract.

(e) For a public school academy authorized by a school district, an agreement that employees of the public school academy will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not public school academies.

(f) Procedures for revoking the contract and grounds for revoking the contract, including at least the grounds listed in section 517.

(g) A description of and address for the proposed physical plant in which the public school academy will be located.

(h) Requirements and procedures for financial audits.

(i) Types and amounts of insurance coverage.

(j) Legal remedies of the authorizing body and the state board, in addition to remedies under law, for substantial failure by the public school academy to meet its obligations under the contract.

(7) The term of a contract issued under this section shall not exceed 10 years, and a contract is subject to mandatory review at least every 7 years by the authorizing body to review whether the public school academy is in compliance with the contract and applicable law. A contract may be renewed for succeeding terms not to exceed 10 years, subject to mandatory review as described in this subsection.

(8) A public school academy shall comply with all of the following:

(a) 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.

(b) The freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15 231 to 15 246 of the Michigan Compiled Laws.

(c) Act No. 336 of the Public Acts of 1947, being sections 423 201 to 423 217 of the Michigan Compiled Laws.

(d) Act No. 166 of the Public Acts of 1965, being sections 408 551 to 408 558 of the Michigan Compiled Laws.

(e) Sections 1263(3), 1267, and 1274.

(f) Act No. 35 of the Public Acts of 1951, being sections 124 1 to 124 13 of the Michigan Compiled Laws.

(g) Act No. 8 of the Public Acts of the Extra Session of 1967, being sections 124 531 to 124 536 of the Michigan Compiled Laws.

(9) Subsection (8) does not exempt a public school academy from any law.

(10) A public school academy and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of Act No. 170 of the Public Acts of 1964, being section 691 1407 of the Michigan Compiled Laws. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for any acts or omissions in authorizing a public school academy if the authorizing body or the person acted or reasonably believed he or she acted within the authorizing body's or the person's scope of authority.

(11) A public school academy is exempt from all taxation on its earnings and property. Instruments of conveyance to or from a public school academy are exempt from all taxation, including taxes imposed by Act No. 134 of the Public Acts of 1966, being sections 207 501 to 207 513 of the Michigan Compiled Laws. A public school academy may not levy ad valorem property taxes or any other tax for any purpose.

(12) A public school academy may acquire by purchase gift devise lease sublease installment purchase agreement land contract option or by any other means hold and own in its own name buildings and other property for school purposes and interests therein and other real and personal property including but not limited to interests in property subject to mortgages security interests or other liens necessary or convenient to fulfill its purposes For the purposes of condemnation a public school academy may proceed under the uniform condemnation procedures act Act No 87 of the Public Acts of 1980 being sections 213 51 to 213 77 of the Michigan Compiled Laws excluding sections 6 to 9 of that act being sections 213 56 to 213 59 of the Michigan Compiled Laws or other applicable statutes but only with the express written permission of the authorizing body in each instance of condemnation and only after just compensation has been determined and paid

Sec 514 (1) A public school academy may be located in all or part of an existing public school building A public school academy shall not operate at a site other than the single site requested for the configuration of grades that will use the site as specified in the application required under section 512 and in the contract

(2) A public school academy shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability measures of achievement or aptitude status as a handicapped person or any other basis that would be illegal if used by a school district However a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district

(3) Except for a foreign exchange student who is not a United States citizen a public school academy shall not enroll a pupil who is not a resident of this state Enrollment in the public school academy may be open to all individuals who reside in this state who meet the admission policy and shall be open to all pupils who reside within the geographic boundaries if any of the authorizing body as described in section 512(2)(a) to (c) who meet the admission policy except that admission to a public school academy authorized by the board of a community college to operate or operated by the board of a community college on the grounds of a federal military installation as described in section 512(2)(c) shall be open to all pupils who reside in the county in which the federal military installation is located For a public school academy authorized by a state public university enrollment shall be open to all pupils who reside in this state who meet the admission policy If there are more applications to enroll in the public school academy than there are spaces available pupils shall be selected to attend using a random selection process However a public school academy may give enrollment priority to a sibling of a pupil enrolled in the public school academy A public school academy shall allow any pupil who was enrolled in the public school academy in the immediately preceding school year to enroll in the public school academy in the appropriate grade unless the appropriate grade is not offered at that public school academy

(4) A public school academy shall comply with all state and federal law applicable to public schools concerning church state issues

(5) A public school academy may include any grade up to grade 12 or any configuration of those grades including kindergarten and early childhood education as specified in its contract If specified in its contract a public school academy may also operate an adult basic education program adult high school completion program or general education development testing preparation program The authorizing body may approve amendment of a contract with respect to ages of pupils or grades offered

(6) The educational goals and programs of and curricula offered by a public school academy shall be designed to fulfill at least 1 of the purposes of section 511(1)

Sec 514a In addition to other powers set forth in this part a public school academy may take action to carry out the purposes for which it was incorporated under this part including but not limited to all of the following

(a) To sue and be sued in its name

(b) To acquire hold and own in its own name real and personal property or interests in real or personal property for educational purposes by purchase gift grant devise bequest lease sublease installment purchase agreement land contract option or condemnation and subject to mortgages security interests or other liens and to sell or convey the property as the interests of the public school academy require

(c) To receive and disburse funds for lawful purposes

(d) To enter into binding legal agreements with persons or entities as necessary for the operation management and maintenance of the public school academy

(e) Subject to applicable rules of the state board to incur temporary debt in anticipation of receipt of funds

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

Sec 515 (1) Except as otherwise provided by law a public school academy shall use certificated teachers according to state board rule

(2) A public school academy operated by a state public university or community college may use noncertificated individuals to teach as follows

(a) If the public school academy is operated by a state public university the public school academy may use as a classroom teacher in any grade a faculty member who is employed full time by the state public university and who has been granted institutional tenure or has been designated as being on tenure track by the state public university

(b) For a public school academy operated by a community college the public school academy may use as a classroom teacher a full time member of the community college faculty who has at least 5 years experience at that community college in teaching the subject matter that he or she is teaching at the public school academy

(c) In any other situation in which a school district is permitted under this act to use noncertificated teachers

(3) A public school academy may develop and implement new teaching techniques or methods or significant revisions to known teaching techniques or methods and shall report those to the authorizing body and state board to be made available to the public. A public school academy may use any instructional technique or delivery method that may be used by a school district

Sec 515a The board of a school district may grant a charter to an eligible entity for a chartered educational clinic. The application requirements and procedures for such a contract for a chartered educational clinic are the same as for a contract for another public school academy. A chartered educational clinic is a specialty public school academy and shall only serve public school pupils described in this section during hours outside the pupils normal class hours by providing special assistance for up to 3 hours per week pursuant to a written prescription by the principal of the public school in which the pupil is regularly enrolled on recommendation of a teacher of the pupil. A public school pupil enrolled in grades K-12 who is in educational difficulty or is at risk of falling seriously behind other pupils of his or her age level or of not being advanced in grade level or of dropping out or being expelled from school may be served by a chartered educational clinic

Sec 516 A public school academy with the approval of the authorizing body may employ or contract with personnel as necessary for the operation of the public school academy prescribe their duties and fix their compensation

Sec 516a (1) In the exercise of its general supervision over public school academies and to implement this part the state board may promulgate or prescribe rules to regulate the application form application process incorporation basic contract terms and the enforcement of those terms general operations and personnel and authorizing body oversight of public school academies

(2) To better effectuate its general supervision over public school academies the state board may

(a) Subject to judicial review reject the incorporation or contract of a public school academy if the state board determines that the incorporation was invalid or the contract was issued by an authorizing body in violation of law

(b) Subject to the state school aid act withhold or delay state school aid payments for noncompliance with its contract or applicable law pending compliance by a public school academy with its contract or applicable law

(c) In addition to its general authority to enforce laws applicable to public school academies enforce the contract between a public school academy and its authorizing body up to and including revocation under section 517

(d) Subject to judicial review assist in resolving any disputes between an authorizing body and a public school academy

Sec 517 (1) The authorizing body for a public school academy is the fiscal agent for the public school academy. Subject to the state school aid act of 1979 and applicable state board rules a state school aid payment for a public school academy shall be paid to the authorizing body that is the fiscal agent for that public school academy which shall then forward the payment to the public school academy

(2) Subject to the leadership and general supervision of the state board over all public education an authorizing body has the responsibility to oversee a public school academy's compliance with the contract and all applicable law

(3) In addition to other remedies available to the authorizing body or state board under the contract or by law a contract issued under this part may be revoked by the authorizing body that issued the contract or by the state board if the authorizing body or state board determines that 1 or more of the following has occurred

(a) Failure of the public school academy to abide by and meet the educational goals set forth in the contract

(b) Failure of the public school academy to comply with all applicable law

(c) Substantial failure to comply with applicable state board rule

(d) Failure of the public school academy to meet generally accepted public sector accounting principles

(e) The existence of 1 or more other grounds for revocation as specified in the contract

(f) Failure of the public school academy to pay for services provided to the public school academy by a nonauthorizing local or intermediate school district if the public school academy requested and contracted for the services

Sec 517a Not later than December 31 of each year the state board shall prepare and submit to the committees of the legislature having jurisdiction over education legislation a report detailing at least all of the following for each public school academy for the immediately preceding school year

(a) A detailed financial report that includes at least all of the following

(i) Amounts and sources of revenue

(ii) Expenditures for employees wages and benefits equipment materials maintenance capital costs and other operating costs

(iii) Fund balances

(b) The number of pupils served

(c) A summary of the curricula

(d) Aggregate test scores of pupils on Michigan education assessment program tests and other standardized tests

Sec 518 This part is repealed if the final disposition of *council of organizations and others for education about parochial inc et al v John Engler* (Ingham county circuit court case no 94 78461 AW) is that part 6a as added by Act No 362 of the Public Acts of 1993 is held by a court of competent jurisdiction to be constitutional effective or otherwise valid

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 A contract with the intermediate superintendent shall be for a term not to exceed 4 years 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

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

Sec 1205 A member of the board of a school district or of the board of directors of a public school academy may administer oaths for qualifying school officers and oaths required in any transaction connected with or related to the public schools of the school district or public school academy

Sec 1217 A board of a school district or board of directors of a public school academy shall not apply money received by it from any source for the support and maintenance of a school sectarian in character This section does not prohibit the transportation to school and from school of pupils attending nonpublic schools under sections 1321 and 1322

Sec 1221 (1) The treasurer of a board of a school district or board of directors of a public school academy shall deposit the funds of the school district or public school academy in a bank savings and loan association or credit union having its principal office in this state or in a joint investment authorized by section 1223 The deposit shall be made in the name of the treasurer as an officer of the school district or public school academy The board or board of directors shall designate a depository or depositories in which the funds of the school district or public school academy shall be deposited The treasurer shall deposit funds of the school district or public school academy in 1 or more depositories in the proportion and manner determined by the board or board of directors

(2) Notwithstanding subsection (1) additional funds of a school district or public school academy shall not be deposited or invested in a bank savings and loan association or credit union that is not eligible to be a depository of surplus funds belonging to this state under section 5 or 6 of Act No 105 of the Public Acts of 1855 being sections 21 145 and 21 146 of the Michigan Compiled Laws

(3) As used in this section deposit includes purchases of or investment in shares of a credit union

Sec 1260 Unless approved by the state board a school board or intermediate school board shall not impose any deed restriction prohibiting or otherwise prohibit property sold or transferred by the school board or intermediate school board from being used for any lawful public education purpose Any deed restriction or other prohibition in effect as of the effective date of this subsection is void

Sec 1267 (1) Before commencing construction of a new school building or addition to or repair or renovation of an existing school building except repair in emergency situations the board of a school district or board of directors of a public school academy except for the board of a first class school district shall obtain competitive bids on all the material and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building

(2) The board or board of directors shall advertise for the bids required under subsection (1) once each week for 2 successive weeks in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place The advertisement for bids shall do all of the following

- (a) Specify the date and time by which all bids must be received by the board or board of directors
- (b) State that the board or board of directors will not consider or accept a bid received by the board or board of directors after the date and time specified for bid submission
- (c) Identify the time date and place of a public meeting at which the board or board of directors or its designee will open and read aloud each bid received by the board or board of directors by the date and time specified in subdivision (a)
- (3) The board or board of directors shall require each bidder for a contract under this section to file with the board or board of directors security in an amount not less than 1/20 of the amount of the bid conditioned to secure the school district from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance if the bid is accepted by the board or board of directors
- (4) The board or board of directors shall not open consider or accept a bid that the board or board of directors receives after the date and time specified for bid submission in the advertisement for bids described in subsection (2)

(5) At a public meeting identified in the advertisement for bids described in subsection (2) the board or board of directors or its designee shall open and read aloud each bid that the board or board of directors received at or before the time and date for bid submission specified in the advertisement for bids. The board or board of directors may reject any or all bids and if all bids are rejected shall readvertise in the manner required by this section.

(6) This section does not apply to buildings renovations or repairs costing less than \$12 500 00 or to repair work normally performed by school district employees. The maximum amount specified in this subsection 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.

Sec 1274 (1) The board of a school district or board of directors of a public school academy shall adopt written policies governing the procurement of supplies materials and equipment. A school district or public school academy shall not purchase an item or a group of items in a single transaction costing \$12 500 00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the school board or board of directors. The maximum amount specified in this subsection 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.

(2) The board of a school district or local act school district or board of directors of a public school academy may acquire by purchase lease or rental with or without option to purchase equipment necessary for the operation of the school program 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 district or public school academy. 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.

Sec 1281 (1) The state board shall

(a) Require each board each public school academy board of directors each intermediate school board and the officers of each of those boards to observe the laws relating to schools.

(b) Require each board to maintain school or to provide educational opportunities for resident children for the statutory period.

(c) Prescribe appropriate uniform pupil and finance accounting records for use in school districts public school academies and intermediate school districts and promulgate rules for their adoption.

(d) Require each board each public school academy board of directors and each intermediate school board to carry out the state board's recommendations relative to the safety of school buildings equipment and appurtenances including any condition that may endanger the health or life of pupils.

(2) The state board may examine and audit the official records and accounts of school districts public school academies and intermediate school districts and may compel proper accounting by legal action instituted by direction of the attorney general.

Sec 1289 (1) A board of a school district or board of directors of a public school academy may join an organization association or league which has as its object the promotion and regulation of sport and athletic oratorical musical dramatic creative arts or other contests by or between pupils if the organization association or league provides in its constitution or bylaws that a representative of the state board shall be an ex officio member of its governing body with the same rights and privileges as other members of its governing body.

(2) An association established for the purpose of organizing and conducting athletic events contests or tournaments among schools shall be the official association of the state. The association is responsible for the adoption and enforcement of regulations relative to eligibility of pupils in schools for participation in interscholastic athletic events contests or tournaments.

(3) Female pupils shall be permitted to participate in all noncontact interscholastic athletic activities including archery badminton baseball bowling fencing golf gymnastics riflery shuffleboard sking swimming diving table tennis track and field and tennis. If a school has a girls team in a noncontact interscholastic athletic activity a female shall be permitted to compete for a position on any other team for that activity. This subsection shall not be construed to prevent or interfere with the selection of competing teams solely on the basis of athletic ability.

Sec 1291 (1) Not later than June 30 1995 the department of management and budget shall prepare a state plan for creation of a Michigan information network linking each local and intermediate school district public school academy community college independent nonprofit college or university located in this state and state public university and

each state local or regional library on an equal basis by fiber optic or coaxial cable or other comparable system allowing a world class statewide interactive video and data access and exchange system

(2) All educational entities in this state are encouraged to participate in the Michigan information network created in subsection (1) and in similar networks or systems and are encouraged to use computer telecommunications and other interactive technology to develop and use distance learning for educational purposes

Sec 1300 The board of a school district or board of directors of a public school academy shall make reasonable regulations relative to anything necessary for the proper establishment maintenance management and carrying on of the public schools of the school district or public school academy including regulations relative to the conduct of pupils while in attendance at school or en route to and from school The regulations made under this section may include a dress code for pupils

Sec 1324 The board of a school district or board of directors of a public school academy may enter into a contract with the board of another school district or board of directors of a public school academy or with private persons to furnish transportation for nonresident pupils attending public and state approved nonpublic schools located within the school district or in other school districts The price paid for the transportation shall not be less than the actual cost of the transportation to the school district or public school academy furnishing transportation

Sec 1521 A board or the board of directors of a public school academy may join an organization created pursuant to section 1289 that has as its object the promotion of sport and the adoption of rules for the conduct of athletic contests between students The association is the official association of the state for the purpose of organizing and conducting athletic events contests and tournaments among schools The association shall be responsible for the adoption and enforcement of regulations relative to eligibility of athletes in schools for participation in interscholastic athletic events contests and tournaments

Sec 1701a For the purposes of ensuring that a handicapped person enrolled in a public school academy created under part 6a or 6b is provided with special education programs and services the public school academy is considered to be a local school district under this article

Section 2 This amendatory act shall take effect January 6 1995

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor