

**SUBSTITUTE FOR
HOUSE BILL NO. 4338**

(As amended March 17, 2004)

[A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 373 and 613 (MCL 380.373 and 380.613), section 373
as amended by 2000 PA 230 and section 613 as amended by 2003 PA 299, and
by adding sections 614a, 619, 620, and 1107.]

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

[Sec. 373. (1) Beginning on the effective date of the amendatory act that added this part or the date on which a school district becomes a qualifying school district, the powers and duties of the elected school board of the qualifying school district and of its secretary and treasurer are suspended unless and until a new school board is elected under section 375. However, until the expiration of each individual member's current term, the members of the elected school board of a qualifying school district may continue to meet as an advisory board to provide input to the school reform board on an advisory basis only. Notwithstanding section 417a or any board policy, bylaw, or resolution to the contrary, these advisory board members shall serve without compensation or reimbursement, and funds of the qualifying school district shall not be used to staff or otherwise support the advisory board in any way.

(2) Beginning on the effective date of the amendatory act that added this part or the date on which a school district becomes a qualifying school district, and until appointment of a school reform board for a qualifying school district under this part, all provisions of this act that would otherwise apply to the school board of the qualifying school district or to the school reform board or chief executive officer apply to the mayor, and the mayor immediately may exercise all the powers and duties otherwise vested by law in the board of the qualifying school district and in its secretary and treasurer, and all powers and duties of

the school reform board or chief executive officer as provided under this part. Within 30 days after appointing a school reform board under this part, the mayor shall initiate a financial audit of the qualifying school district. The mayor shall provide the results of this audit to the school reform board.

(3) Upon appointment of a school reform board for a qualifying school district under this part, and until appointment of a chief executive officer under section 374, all provisions of this act that would otherwise apply to the school board of the qualifying school district or to the chief executive officer apply to the school reform board, and the school reform board immediately may exercise all the powers and duties otherwise vested by law in the board of the qualifying school district and in its secretary and treasurer, and all powers and duties of the chief executive officer as provided under this part.

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

(a) Authority over the expenditure of all school district funds, including proceeds from bonded indebtedness and other funds dedicated to capital projects. **However, the chief executive officer shall not enter a contract that obligates the qualifying school district for more than \$100,000.00 unless the contract is approved by the school reform board.**

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

(c) Rights to prosecute and defend litigation.

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

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

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

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

(6) Beginning on the effective date of the amendatory act that added this part or the date on which a school district becomes a qualifying school district, and until appointment of a school reform board for a qualifying school district under this part, each employee of the qualifying school district whose position is not covered by a collective

bargaining agreement is employed at the will of the mayor. Upon appointment of a school reform board for a qualifying school district under this part, and until appointment of a chief executive officer under section 374, each employee of the qualifying school district whose position is not covered by a collective bargaining agreement is employed at the will of the school reform board. Upon appointment of a chief executive officer for a qualifying school district under section 374, each employee of the qualifying school district whose position is not covered by a collective bargaining agreement is employed at the will of the chief executive officer.

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

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

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

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

(i) Standardized test scores of pupils.

(ii) Dropout rates.

(iii) Daily attendance figures.

(iv) Enrollment figures.

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

(vi) Changes made in course offerings.

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

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

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

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

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

1 Sec. 613. (1) The intermediate school board shall meet
2 annually on or before the fourth Monday of December or, if the
3 intermediate school district's regular election is in May, on or
4 before the fourth Monday of June.

5 (2) The intermediate school board shall organize by electing
6 a president, a vice-president, a secretary, and a treasurer.
7 ~~The~~ **Until July 1, 2004, the** president and vice-president shall
8 be members of the intermediate school board, but the secretary
9 and treasurer need not be. **Beginning July 1, 2004, all officers**

1 shall be members of the intermediate school board.

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

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

9 Sec. 614a. (1) A member of an intermediate school board
10 elected under section 614 at a biennial election meeting
11 described in section 614(1) or appointed to fill a vacancy under
12 section 614(3) is subject to recall by the intermediate school
13 electors of the intermediate school district in the manner
14 prescribed in chapter XXXVI of the Michigan election law, MCL
15 168.951 to 168.976.

16 (2) A member of an intermediate school board elected under
17 section 614 at a biennial election meeting described in section
18 614(1) or appointed to fill a vacancy under section 614(3) may be
19 removed from office by the boards of the constituent districts.
20 A member is removed from office under this subsection if a number
21 of the boards of the constituent districts at least equal to a
22 majority of the boards plus 1 adopt resolutions requesting
23 removal of the member and file those resolutions within a 60-day
24 period with the secretary of the intermediate school board.
25 However, if the secretary of the intermediate school board is the
26 subject of the removal resolution, a constituent district board
27 may file the resolution with another officer of the intermediate

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1 school board.

2 (3) A member of an intermediate school board elected under
3 section 614 at a biennial election meeting described in section
4 614(1) or appointed to fill a vacancy under section 614(3) may be
5 removed from office by the governor as prescribed in section
6 619.

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Sec. 619. (1) The governor may remove a member of an

1 intermediate school board from office under this section if the
2 governor is satisfied from the evidence submitted to the governor
3 that the member is guilty of gross neglect of duty, corrupt
4 conduct in office, or any other misfeasance or malfeasance in
5 office.

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

9 (a) Charges shall be submitted to the governor in writing
10 specifying the grounds for removal. The charges shall be
11 accompanied by the affidavit of the person making the charges
12 verifying that the person believes the charges to be true.

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

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

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

27 (c) The intermediate school board member shall be given an

1 opportunity to respond to the charges.

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

[Sec. 620. (1) At the next regular school election occurring at least 90 days after the effective date of this section, the intermediate school board shall present to the school electors of the constituent districts comprising the intermediate school district the question of whether to adopt term limits for intermediate school board members of the intermediate school district. The question under this subsection shall be presented as a separate question and shall include a brief description of the term limits as described in subsection (2).

(2) If the question under subsection (1) is approved by a majority of the school electors of the constituent districts voting on the question, a person is not eligible to be elected under section 614 or sections 615 to 617 to the office of intermediate school board member more than 3 times. A person appointed or elected to fill a vacancy in the office of intermediate school board member for a period of 2 years or more is considered to have been elected to serve 1 time in that office for the purposes of this subsection. This limitation on the number of times a person may be elected to office applies to terms of office beginning after the next election of intermediate school board members after the approval of the question.]

6 Sec. 1107. (1) The governor may remove a member of a school
7 board from office under this section if the governor is satisfied
8 from the evidence submitted to the governor that the member is
9 guilty of gross neglect of duty, corrupt conduct in office, or
10 any other misfeasance or malfeasance in office.

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

13 (a) Charges shall be submitted to the governor in writing
14 specifying the grounds for removal. The charges shall be
15 accompanied by the affidavit of the person making the charges
16 verifying that the person believes the charges to be true.

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

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

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

1 known place of residence.

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

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