

# HOUSE BILL No. 4935

July 2, 2003, Introduced by Reps. Ruth Johnson, Drolet, Brandenburg, Bradstreet, Rocca, Amos, Garfield, Stakoe, Pappageorge, Robertson and Hoogendyk and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 601a (MCL 380.601a), as added by 1995 PA 289,  
and by adding sections 606, 607, 608, and 609.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

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

10       (a) Educating pupils. In addition to educating pupils in

1 grades K-12, this function may include operation of preschool,  
2 lifelong education, adult education, community education,  
3 training, enrichment, and recreation programs for other persons.

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

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

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

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

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

24 (3) An intermediate school board may conduct, operate,  
25 participate in, administer, or serve as fiscal agent or  
26 administrative entity, or both, for 1 or more programs involving  
27 workforce development, including, but not limited to, job

1 training and development programs, school-to-work initiatives,  
2 work first or programs under the job training partnership act,  
3 Public Law 97-300, 96 Stat. 1322, or a successor program.

4 (4) Unless expressly provided in ~~the amendatory act that~~  
5 ~~added this section~~ 1995 PA 289, the powers of an intermediate  
6 school board or intermediate school district are not diminished  
7 by this section or by ~~the amendatory act that added this~~  
8 ~~section~~ 1995 PA 289.

9 (5) The powers of an intermediate school board or  
10 intermediate school district are subject to sections 606 to 609.

11 Sec. 606. (1) An intermediate school district shall be  
12 placed under the governance of a reform board under sections 606  
13 to 609 if a majority of the intermediate school electors voting  
14 on the question approve the change in governance of the  
15 intermediate school district.

16 (2) The question of placing an intermediate school district  
17 under the governance of a reform board shall be placed on the  
18 ballot in the intermediate school district if either of the  
19 following occurs:

20 (a) The intermediate school board is petitioned to place the  
21 question on the ballot by a number of intermediate school  
22 electors at least equal to 10% of the number of votes cast for  
23 governor within the intermediate school district at the most  
24 recent gubernatorial election.

25 (b) Within a 120-day period, the school boards of more than  
26 1/2 of the constituent districts of the intermediate school  
27 district submit resolutions to the intermediate school board

1 requesting the question to be placed on the ballot under this  
2 section.

3       (3) The intermediate school district shall submit the  
4 question to the intermediate school electors as provided under  
5 section 661 at the next regular school election occurring at  
6 least 90 days after receiving the petition under subsection  
7 (2)(a) or receiving the last of the resolutions under subsection  
8 (2)(b) or, if the petition or all of the resolutions call for a  
9 special election on the question, at a special election under  
10 section 662 called for that purpose not earlier than 90 days or  
11 later than 120 days after receiving the petition or the last of  
12 the resolutions.

13       (4) If the question of dissolving an intermediate school  
14 district is approved, sections 606 to 609 apply to the  
15 intermediate school district.

16       Sec. 607. (1) If the question of placing an intermediate  
17 school district under the governance of a reform board is  
18 approved under section 606, not later than 30 days after the date  
19 of the election at which the question was approved, the  
20 superintendent of public instruction and the superintendents of  
21 the constituent districts shall appoint a reform board for the  
22 affected school district in the manner prescribed in subsection  
23 (2).

24       (2) A reform board established under this section shall  
25 consist of the following 7 members:

26       (a) Three members appointed by the superintendent of public  
27 instruction.

1 (b) Four members appointed jointly by the superintendents of  
2 the constituent districts of the intermediate school district.

3 (3) A person who is a current member of the intermediate  
4 school board of the intermediate school district is not eligible  
5 for appointment as a member of the reform board for that  
6 intermediate school district. Section 612(1) does not disqualify  
7 any person from appointment to a reform board under this  
8 section. However, at least a majority of the members of a reform  
9 board must be school electors of the intermediate school  
10 district.

11 (4) A member of a reform board shall serve at the will of the  
12 official or group who appointed the member. The term of an  
13 appointed member shall be 4 years, except that of the members  
14 first appointed under subsection (2)(a), 1 shall be appointed for  
15 a term of 2 years and 2 shall be appointed for a term of 4 years,  
16 and of the members first appointed under subsection (2)(b), 2  
17 shall be appointed for a term of 2 years and 2 shall be appointed  
18 for a term of 4 years.

19 (5) If a member of a reform board is removed from office by  
20 the official or group who appointed the member or is unable to  
21 complete his or her term, the official or group who appointed the  
22 member shall appoint a successor for the balance of the unexpired  
23 term. At the end of a member's term, the official or group who  
24 appointed the member shall appoint a successor or reappoint the  
25 member.

26 (6) The superintendent of public instruction shall call the  
27 first meeting of the reform board and shall designate a

1 chairperson of the reform board from among its members. If there  
2 is a vacancy in the office of chairperson, the superintendent of  
3 public instruction shall designate a successor.

4 (7) At the first meeting of the reform board, the reform  
5 board may elect from among its members other officers as it  
6 considers necessary or appropriate. After the first meeting, the  
7 reform board shall meet at least monthly, or more frequently at  
8 the call of the chairperson or if requested by 4 or more  
9 members.

10 (8) A majority of the members of the reform board constitute  
11 a quorum for the transaction of business at a meeting of the  
12 reform board. A majority of the members present and serving are  
13 required for official action of the reform board.

14 (9) Members of the reform board shall serve without  
15 compensation. However, members may be reimbursed for their  
16 actual and necessary expenses incurred in the performance of  
17 their official duties as members of the reform board.

18 Sec. 608. (1) If the question of placing an intermediate  
19 school district under the governance of a reform board is  
20 approved under section 606, beginning 30 days after the date of  
21 the election at which the question was approved, the powers and  
22 duties of the intermediate school board of the intermediate  
23 school district and of its officers are suspended unless and  
24 until a new intermediate school board is elected under section  
25 609.

26 (2) Beginning 30 days after the date of the election at which  
27 the question is approved under section 606, all of the following

1 apply:

2 (a) All provisions of this act that would otherwise apply to  
3 the intermediate school board of the intermediate school district  
4 or to the intermediate superintendent apply to the reform board,  
5 and the reform board immediately may exercise all the powers and  
6 duties otherwise vested by law in the intermediate school board  
7 of the intermediate school district and in its officers, and all  
8 powers and duties of the intermediate superintendent.

9 (b) The reform board accedes to all the rights, duties, and  
10 obligations of the intermediate school board of the intermediate  
11 school district. These powers, rights, duties, and obligations  
12 include, but are not limited to, all of the following:

13 (i) Authority over the expenditure of all intermediate school  
14 district funds, including proceeds from bonded indebtedness and  
15 other funds dedicated to capital projects.

16 (ii) Rights and obligations under collective bargaining  
17 agreements and employment contracts entered into by the  
18 intermediate school board.

19 (iii) Rights to prosecute and defend litigation.

20 (iv) Obligations under any judgments entered against the  
21 intermediate school board.

22 (v) Rights and obligations under statute, rule, and common  
23 law.

24 (vi) Authority to delegate any of the reform board's powers  
25 and duties to 1 or more designees, with proper supervision by the  
26 reform board.

27 (3) In addition to its other powers, the reform board may

1 terminate any contract entered into by the intermediate school  
2 board of the intermediate school district except for a collective  
3 bargaining agreement. However, this subsection does not allow  
4 any termination or diminishment of obligations to pay debt  
5 service on legally authorized bonds. A contract terminated by a  
6 reform board under this subsection is void.

7 (4) Beginning 30 days after the date of the election at which  
8 the question is approved under section 606, each employee of the  
9 intermediate school district whose position is not covered by a  
10 collective bargaining agreement is employed at the will of the  
11 reform board.

12 (5) A reform board may employ or contract with an  
13 intermediate superintendent or other administrative officials for  
14 the intermediate school district.

15 (6) The superintendent of public instruction, this state, a  
16 reform board established under section 607, or an intermediate  
17 superintendent or other official appointed under subsection (5)  
18 is not liable for any obligation of or claim against an  
19 intermediate school district resulting from an action taken under  
20 sections 606 to 609.

21 Sec. 609. (1) After the expiration of 5 years after the  
22 initial appointment of a reform board in an intermediate school  
23 district under this part, the question of whether to retain the  
24 reform board and the authority under this part to appoint the  
25 reform board shall be placed on the ballot in the intermediate  
26 school district under this section.

27 (2) The question under subsection (1) shall be placed on the



1 ballot in the intermediate school district at the next regular  
2 June school election occurring at least 90 days after the  
3 expiration of 5 years after the date of the initial appointment  
4 of the reform board.

5 (3) The question under subsection (1) shall be in  
6 substantially the following form:

7 "Shall the reform board serving in \_\_\_\_\_ (name of  
8 intermediate school district) under sections 606 to 609 of the  
9 revised school code be retained and shall the state  
10 superintendent of public instruction and local school district  
11 superintendents retain the authority to appoint members of the  
12 reform board? A vote in the affirmative continues the reform  
13 board in place in the intermediate school district and continues  
14 the authority of the state superintendent of public instruction  
15 and local school district superintendents to appoint members of  
16 the reform board. A vote in the negative will result in the  
17 selection of a new intermediate school board as the governing  
18 body of the intermediate school district and will render the  
19 provisions of law establishing authority to appoint a reform  
20 board inapplicable for this intermediate school district.

21 Yes ( )

22 No ( )".

23 (4) If the question under subsection (1) is approved by a  
24 majority of the intermediate school electors voting on the  
25 question either under subsection (1) or pursuant to  
26 subdivision (c), all of the following apply:

27 (a) The reform board continues in place in the intermediate

1 school district.

2 (b) The authority of the superintendent of public instruction  
3 and superintendents of the constituent districts to appoint  
4 members of the reform board continues in the intermediate school  
5 district.

6 (c) The question may not be placed on the ballot again in the  
7 intermediate school district until the expiration of 5 years  
8 after the election at which the question was approved. The  
9 question may be placed on the ballot again in the intermediate  
10 school district under this subdivision if petitions calling for  
11 the question to be placed on the ballot are filed with the county  
12 clerk for the county in which the majority of the territory of  
13 the intermediate school district is located not sooner than 4  
14 years after the question was most recently on the ballot and if  
15 the petitions are signed by a number of intermediate school  
16 electors of the intermediate school district at least equal to  
17 10% of the number of votes cast within that county for secretary  
18 of state in the most recent November general election in which a  
19 secretary of state was elected. If those petitions are submitted  
20 and verified, the question shall be placed on the ballot in the  
21 intermediate school district at the next November general  
22 election occurring at least 5 years after the question was most  
23 recently on the ballot and at least 90 days after the petitions  
24 are submitted and verified.

25 (5) If the question under subsection (1) is not approved by a  
26 majority of the intermediate school electors voting on the  
27 question either under subsection (1) or pursuant to subsection

1 (4)(c), all of the following apply:

2 (a) The reform board shall arrange for selection of a new  
3 elected intermediate school board for the intermediate school  
4 district under either section 614 or sections 615 to 617, as  
5 applicable in the intermediate school district. This election  
6 shall be at a special election held as soon as practicable, but  
7 not sooner than 90 days after the election under subsection (1).  
8 This election shall be conducted in the manner otherwise provided  
9 under either section 614 or sections 615 to 617, as applicable in  
10 the intermediate school district.

11 (b) Effective on the next July 1 following the election under  
12 subdivision (a), the new intermediate school board of the  
13 intermediate school district shall serve as the governing body of  
14 the intermediate school district and this intermediate school  
15 board and its officers shall be fully vested with all powers and  
16 duties that those officials had before the appointment of the  
17 reform board.

18 (c) Effective on the next July 1 following the election under  
19 subdivision (a), the powers of the reform board established for  
20 the intermediate school district under sections 606 to 609 and of  
21 all officials appointed under section 608(5) cease.

22 (d) Effective on the next July 1 following the election under  
23 subdivision (a), the provisions of sections 606 to 609 do not  
24 apply to that intermediate school district.