

# HOUSE BILL No. 5639

March 11, 2004, Introduced by Reps. Daniels, Pappageorge, Garfield, Richardville, Pastor, Kooiman, Ehardt, Rocca, Dennis, Ruth Johnson, Caul, Middaugh, Hart, Shaffer, Voorhees, Hummel, Farrah, Gielegem, Woodward, Wenke, Farhat, Vander Veen, Palmer, Hoogendyk, Stallworth, Waters, Cheeks, Emmons, Gaffney, Hune, Zelenko, DeRoche, Huizenga and Smith and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 373 (MCL 380.373), as amended by 2000 PA  
230.

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

HOUSE BILL No. 5639

1       Sec. 373. (1) Beginning on ~~the effective date of the~~  
2 ~~amendatory act that added this part or~~ **March 26, 1999** or, if the  
3 **qualifying school district becomes a qualifying school district**  
4 **after March 26, 1999**, the date on which a school district becomes  
5 a qualifying school district, the powers and duties of the  
6 elected school board of the qualifying school district and of its  
7 secretary and treasurer are suspended unless and until a new  
8 school board is elected under section 375. However, until the  
9 expiration of each individual member's current term, the members  
10 of the elected school board of a qualifying school district may

1 continue to meet as an advisory board to provide input to the  
2 school reform board on an advisory basis only. Notwithstanding  
3 section 417a or any board policy, bylaw, or resolution to the  
4 contrary, these advisory board members shall serve without  
5 compensation or reimbursement, and funds of the qualifying school  
6 district shall not be used to staff or otherwise support the  
7 advisory board in any way.

8 (2) Beginning on ~~the effective date of the amendatory act~~  
9 ~~that added this part or~~ **March 26, 1999 or, if the qualifying**  
10 **school district becomes a qualifying school district after March**  
11 **26, 1999**, the date on which a school district becomes a  
12 qualifying school district, and until appointment of a school  
13 reform board for a qualifying school district under this part,  
14 all provisions of this act that would otherwise apply to the  
15 school board of the qualifying school district or to the school  
16 reform board or chief executive officer apply to the mayor, and  
17 the mayor immediately may exercise all the powers and duties  
18 otherwise vested by law in the board of the qualifying school  
19 district and in its secretary and treasurer, and all powers and  
20 duties of the school reform board or chief executive officer as  
21 provided under this part. Within 30 days after appointing a  
22 school reform board under this part, the mayor shall initiate a  
23 financial audit of the qualifying school district. The mayor  
24 shall provide the results of this audit to the school reform  
25 board.

26 (3) Upon appointment of a school reform board for a  
27 qualifying school district under this part, and until appointment

1 of a chief executive officer under section 374, all provisions of  
2 this act that would otherwise apply to the school board of the  
3 qualifying school district or to the chief executive officer  
4 apply to the school reform board, and the school reform board  
5 immediately may exercise all the powers and duties otherwise  
6 vested by law in the board of the qualifying school district and  
7 in its secretary and treasurer, and all powers and duties of the  
8 chief executive officer as provided under this part.

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

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

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

5 (c) Rights to prosecute and defend litigation.

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

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

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

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

21 (6) Beginning on ~~the effective date of the amendatory act~~  
22 ~~that added this part or~~ **March 26, 1999 or, if the qualifying**  
23 **school district becomes a qualifying school district after March**  
24 **26, 1999**, the date on which a school district becomes a  
25 qualifying school district, and until appointment of a school  
26 reform board for a qualifying school district under this part,  
27 each employee of the qualifying school district whose position is

1 not covered by a collective bargaining agreement is employed at  
2 the will of the mayor. Upon appointment of a school reform board  
3 for a qualifying school district under this part, and until  
4 appointment of a chief executive officer under section 374, each  
5 employee of the qualifying school district whose position is not  
6 covered by a collective bargaining agreement is employed at the  
7 will of the school reform board. Upon appointment of a chief  
8 executive officer for a qualifying school district under section  
9 374, each employee of the qualifying school district whose  
10 position is not covered by a collective bargaining agreement is  
11 employed at the will of the chief executive officer.

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

27 (8) A chief executive officer with the approval of the school

1 reform board for the qualifying school district shall submit an  
2 annual report to the mayor, governor, school district  
3 accountability board created in section 376, and legislature and  
4 shall make the annual report available to the community in the  
5 qualifying school district. The annual report shall contain at  
6 least all of the following:

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

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

15 (i) Standardized test scores of pupils.

16 (ii) Dropout rates.

17 (iii) Daily attendance figures.

18 (iv) Enrollment figures.

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

21 (vi) Changes made in course offerings.

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

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

27 (9) A school reform board may organize and establish

1 community assistance teams to work with the school reform board  
2 to implement a cohesive, full service community school program  
3 addressing the needs and concerns of the qualifying school  
4 district's population. The school reform board may delegate to a  
5 community assistance team the authority to devise and implement  
6 family, community, cultural, and recreational activities to  
7 assure that the academic mission of the schools is successful.  
8 The community assistance teams may also develop parental  
9 involvement activities that focus on the encouragement of  
10 voluntary parenting education, enhancing parent and family  
11 involvement in education, and promoting adult and family  
12 literacy.

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