

MICHIGAN PUBLIC SCHOOL ACADEMIES

Frequently Asked Questions

1. What is a public school academy (PSA)?

A PSA is a state-supported public school. A PSA may include grades K-12 or any combination of those grades.

2. What law governs the establishment and operation of a PSA?

The Revised School Code, 1995 Public Act 291, Part 6A and 2003 Public Act 179, Part 6C, “Urban High Schools.”

3. Is a PSA considered a local school district?

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 for the purposes of section 1225, 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.

For the purpose of state aid and federal funding, a PSA is considered a local district. For the purpose of the Revised School Code and federal mandates, a PSA is also considered a public school building.

4. What does the term “authorizing body” mean?

An authorizing body is a public educational institution that has been granted the power to issue contracts to those interested in establishing and operating a PSA. Authorizing bodies include boards of:

- a. Public state universities,
- b. Intermediate school districts,
- c. Community colleges, and
- d. Local school districts operating grades K-12.

5. What does it mean when an authorizing body grants a PSA contract?

A contract, subject to the constitutional powers of the State Board of Education and applicable law, allows applicants to establish and operate a PSA.

6. What are the major components of a PSA application that are required by the law?

- a. The educational goals of the school and the methods by which they will be assessed.
- b. The method to be used to monitor the school's compliance with applicable law.
- c. The address and description of the physical plant.
- d. The governance structure of the school.
- e. The school's admissions policy.
- f. The school calendar and school day schedule.
- g. The age or grade range of the pupils attending the school.
- h. Description of staff responsibilities.
- i. The articles of incorporation.

7. What are the major responsibilities of an authorizing body?

- a. To thoroughly review the applicant's educational plan. The plan must address the educational needs of the students, curriculum goals and objectives, teaching methods, and student assessment.
- b. To determine if all fire, safety, and health codes are met.
- c. To review and approve the PSA bylaws.
- d. To develop a system by which the school's programs and practices will be monitored.
- e. To set and enforce the terms of the authorizing contract.
- f. To recommend PSA status to the State Board of Education within ten days of granting an applicant a contract.

8. May a PSA be selective in their admissions policy?

A PSA may not be selective. It may not screen out students based on race, religion, sex, test scores, etc. It may predetermine the ages, grades, and number of students it will serve. A random selection process must be used if the number of applicants exceeds the school's enrollment capacity.

9. If a student is enrolled in a PSA during a particular school year, does the student have to be part of the random selection if the PSA exceeds its enrollment number the following school year?

No, a student is automatically granted enrollment privileges for succeeding school years. Siblings of admitted students may be granted enrollment priority.

10. Must a PSA use certified and highly qualified teachers?

Certification requirements for PSA teachers are identical to those of local school district teachers. Special exceptions are made for a PSA that is operated by a state university or community college that may wish to use collegiate staff to teach PSA students.

11. May a PSA be religiously affiliated?

No. A PSA must maintain the separation between church and state.

12. May a private school become a PSA?

Private schools can become a PSA only if they are reconstituted as public entities and accept the duties and responsibilities of becoming a public school.

13. May a PSA charge tuition?

A PSA may not charge tuition.

14. How is a PSA funded?

A PSA is funded through the State School Aid Act. A PSA received funding through the per-pupil base foundation. By law, this amount may not exceed the pre-pupil base foundation received by the local school district where the PSA is geographically located. For 2006-2007, this amount is currently capped at \$7,385.

15. Does a PSA qualify for state and federal grant funds in the same manner as a local school district?

Yes, a PSA may access state and federal grants in the same manner as local school districts. Various factors apply to the eligibility of academies and school districts to apply for grants. The Michigan Department of Education publishes a report entitled Grants Available that lists all grants made available to PSAs and local school districts. This report can be accessed on the Web.

16. Must all state and federal education dollars be sent directly to the authorizing body of the PSA?

No. The law requires that payments under the State School Aid Act be sent directly to the authorizing bodies. A PSA may receive federal grant funds directly from the Michigan Department of Education by following the same procedures as local school districts are required to follow.

17. Do local public school districts have the responsibility for transporting PSA students to and from school?

No. The transportation of students is at the discretion of the PSA.

18. Does a PSA have to participate in the federal free and reduced lunch program?

No, participation in this program is optional for a PSA. If a PSA elects not to serve lunch, the PSA is encouraged to determine the number of students who would qualify for free or reduced lunch. The number of qualifying students is used to determine funding levels for various other state and federal programs (Title 1, At-Risk, etc.).

19. If a student voluntarily leaves a PSA, must the student's resident school district enroll the student?

Yes, the only exception is in the case of an expulsion. Expulsions should be handled on an individual basis as prescribed by state law.

20. If a student voluntarily leaves a local school district, must a PSA enroll the student?

Yes, the only exceptions are when a PSA has reached their enrollment capacity or in the case of an expulsion. Expulsions should be handled on an individual basis.

21. Is a PSA permitted to offer Career and Technical Education (Vocational Education) programs for students?

Yes. As a public education entity, these programs may be offered at a PSA in the same manner as these programs are offered in any public school district. Since most programs are offered at the high school level, the cost may be prohibitive just as it is in many small K-12 districts due to expensive equipment/supplies and low student numbers.

22. What are the common responsibilities of a PSA to the Michigan Department of Education as they relate to financial reporting?

a. A PSA is required to follow a common fiscal year. That year begins July 1 and ends June 30 of the following calendar year. (Michigan Administrative Rules Relating to Education, 1989, R340.852)

b. A PSA is required to follow generally accepted accounting principles for governmental entities. The Michigan School Accounting Manual addresses many of these and should be used as a reference.

c. A PSA is required to follow a uniform chart of accounts. That chart of accounts is found in the Michigan School Accounting Manual. The Revised School Code, PA291 of 1995, Section 1281c, requires the Michigan Department of Education to:

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.

In addition, Michigan Administrative Rules Relating to Education (R340.852) states: The Chart of Accounts (Michigan School Accounting Manual) prescribed and published by the MDE shall be used by all public schools...

- d. A PSA is to submit an annual financial report using the chart of accounts prescribed in the Michigan School Accounting Manual. The report is submitted electronically and is due at MDE on November 15 each year. The penalty for non-compliance is the withholding of state school aid payments. See the State School Aid Act, Section 18 (3&5).
- e. A PSA is required to have an audit of their financial accounting records conducted at least annually by a certified public accountant. The PSA shall file the audit reports with MDE no later than November 15 each year. Guidance for the audit is given in the Michigan School Auditing Manual. The penalty for non-compliance is the withholding of state school aid payments. See the State School Aid Act. Section 18 (2&5).
- f. All Financial Audits of a PSA are subject to Government Auditing Standards (GAS). The pamphlet describing the standards is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20401, stock number 020-000-00243-3.
- g. A PSA's board shall adopt a budget prior to the commencement of the fiscal year using the minimum levels of appropriation described in the Michigan School Accounting Manual. See Section IV of the Michigan School Accounting Manual.
- h. A PSA is not to adopt or operate under a "deficit budget" State School Aid Act, Section 102. MDE closely monitors entities who violate this statute.
- i. A PSA is to follow guidance in the Revised School Code of 1996 when procuring short-term operating loans. (380.1225) Competent legal counsel should be sought before an academy enters into any borrowing agreement!

SPECIAL EDUCATION

- 1. If a PSA is entitled to Act 18 (intermediate school district special education millage) funds, may they be held to the same limitations as other local districts; i.e., cap on student-staff ratio used only for certain categories of programming?**

Yes. For purposes of special education services, a PSA is bound to the same requirements as other local constituent districts served by their respective intermediate school districts. To participate, the PSA, just as any other constituent district, must be recognized in its respective Intermediate School District Plan for Special Education Programs and Services.

- 2. Is a PSA eligible for Individuals with Disabilities Education Act funds?**

Federal special education funds under the Individuals with Disabilities Education Act are granted to the intermediate school district. These funds are distributed to constituent local school districts according to the Intermediate School District Plan for Special Education Programs and Services which, in turn, must comply with state and federal regulations controlling use and distribution of Federal Individuals with Disabilities Education Act funds.

The Intermediate School District Plan for Special Education Programs and Services is developed cooperatively with local constituent school districts, including PSAs.

3. Must a PSA adhere to all of the Michigan Revised Administrative Rules for Special Education and regulations, the Family Education Rights and Privacy Act, the Individuals with Disabilities Education, and Section 504?

Yes, the Individuals with Disabilities Education Act considers the state a whole. If the state as a whole receives federal funds, then all entities of the public educational system are responsible to comply with the Individuals with Disabilities Education Act provisions, including ensuring that each eligible child with a disability is provided a “free appropriate public education.” Michigan complies with the Individuals with Disabilities Education Act and its implementing regulations. A PSA is required to adhere to Michigan statutes and rules for special education as well as the federal requirements.

The Family Education Rights and Privacy Act has broader applicability for special education; it applies to all public educational entities and their students, whether or not special education is at issue. Section 504 of the Vocational Rehabilitation Act is essentially a civil rights statute that applies to individuals “with disabilities” and bars discrimination on the basis of a disability. The definition in Section 504 of “disabled” is broader or more inclusive than the definition in the Individuals with Disabilities Education Act or Michigan standards for special education eligibility. Michigan has no authority to exempt a PSA from those federal requirements. Further, the Act in Section 380.514(2) specifically prohibits a PSA from employing discriminatory pupil admission policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a person with a disability, or any other basis that would be illegal as used by a school district.

4. Is the intermediate school district required to monitor special education programs and services?

Yes. A PSA is identified in statute as a local public school district and it has the same rights and responsibilities as any other school district. The Michigan Department of Education is required to monitor local and intermediate school districts for compliance with the Individuals with Disabilities Education Act and with Michigan’s Revised Administrative Rules for Special Education. This activity includes a PSA.

The intermediate school districts are an integral part of the monitoring process. As such, intermediate school districts must monitor a PSA to ensure their compliance with pertinent special education requirements.

5. To what extent is the intermediate school district responsible to support a PSA that is serving pupils whose parents reside outside of the intermediate school district where the PSA is located?

The PSA is a constituent district of the intermediate school district in which it is located. The intermediate school district has the same responsibility to the PSA as it does to any other

constituent district. It is not unusual for a public school district to serve pupils who come from other districts, including pupils whose parents live in another intermediate school district. The intermediate school district has the same obligation to pupils whose parents live elsewhere as it does to any other pupil legally enrolled by a constituent district. This applies to tuition pupils, pupils released by their district of residence under Section 388.1605 (Section (6)(4)(b)) of the State School Aid Act, eligible migrant pupils under Section (4)(5) of the State School Aid Act, and pupils in a PSA located within the intermediate school district geographic boundaries.

6. With which special education rules is a PSA obliged to comply?

For reasons stated in the response to question #3, a PSA is obligated to comply with all state and federal special education rules and regulations.

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