

**International Academy  
Consortium Agreement Amendment  
Frequently Asked Questions  
May 31, 2020**

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**1. Why has the Governance Structure been amended?**

- a. The Governance Structure has been amended to allow the Fiscal Agents to Provide Greater Clarity and Direction about what takes place at their campuses. The Governance Structure was changed from 13 members, to 5 members, in order to ensure Open Meetings Act compliance, while still being able to get essential work completed. A Board of 13 members routinely has concerns with achieving a quorum.

**2. How will the students of my school district be affected by the Amendments?**

- a. The short answer is they will not be negatively affected. In fact, because the Agreement does not have a stipulated termination date, the Agreement provides for greater security regarding the viability of the Consortium and the schools.

**3. If my Superintendent is no longer on the Joint Steering Committee, how will my school district receive information about the Consortium?**

- a. First, even though a superintendent is not on the Governing Body, he or she will still receive updates from the Governing Body. Further, the Governing Body must comply with the OMA; therefore, all member districts will be aware of the Governing Body meetings. Moreover, the Fiscal Agents are required to send out budgets for approval from the local school districts that have students who attend that Fiscal Agents' campus.

**4. Will there be an increased cost to my school district for participating in the Agreement, as amended?**

- a. In general, no, the costs will remain as they have been in previous Agreement. However, costs are reviewed on an annual basis, as they have always been, and costs in any given year may increase.

**5. How will the educational model and instruction change under the Amended Agreement?**

- a. The educational model and instruction will not change under the Agreement. The amendments do not alter any of the academic or instructional portions of the Consortium.

**6. Why does the Governing Body only meet quarterly?**

- a. The Agreement provides that the Governing Body must meet at least quarterly. This is consistent with the current agreement and how the Joint Steering Committee meets. Moreover, this provision does not limit the Governing Body from calling meetings on a more regular basis if there is a need.

**7. How are fiscal agents limited from unilaterally implement additional costs on participating districts?**

- a. In order to assess excess costs above the per pupil charge, a fiscal agent must provide an amended budget to member districts of that fiscal agent and receive approval from the member districts. If the fiscal agent does not receive approval from the member districts, the fiscal agent is solely responsible for the excess costs.

**8. How does the amended Agreement reduce potential liability?**

- a. The amended Agreement requires the Governing Body to comply with the Open Meetings Act. Moreover, the Agreement states the Consortium is not a corporation, and cannot contract in its name. Further, the Agreement reduces potential joint employer liability by clarifying the employers of record for employees.

**9. Can participating districts restrict a fiscal agent from incurring debt obligations, such as bonds?**

- a. The original Agreement referenced fiscal agents not being able to incur debt at its campus without approval from participating districts. The intent of such language was to ensure fiscal agents did not pass through obligations to participating districts without notice. However, the intent is not to require approval of the participating districts if the debt is not passed to the participating districts. The excess costs provision added to the amended Agreement addresses this issue, and further amendments will be made to clarify the provision in the current agreement regarding debt obligations of fiscal agents.

**10. What is the statutory authority for the Governing Body to be comprised of superintendents instead of local school board members?**

- a. Section 11a(3)(ii) of the Revised School Code, MCL 380.11a(3)(ii), provides that a general powers school district has the power to cause public education services to be provided for pupils of the district through an agreement, contract, or other cooperative agreement with another school district. This authority to partner with other school districts is also stated more broadly in Section 11a(4) of the Revised School Code, MCL 380.11a(4), which states as follows:

A general powers school district may enter into agreements, contracts, or other cooperative arrangements with other entities, public or private, including, but not limited to, another school district...or join organizations as part of performing the functions of the school district.

In addition, Section 1282(1) of the Revised School Code, MCL 380.1282(1), provides as follows:

The board of a school district shall establish and carry on the grades, schools, and departments it considers necessary or desirable for the maintenance and improvement of its schools and determine the courses of study to be pursued.

The first paragraph of the current Agreement states that the Agreement is “authorized by Act 35, Public Acts of Michigan, 1951, as amended, and Sections 11a and 1282 of the Revised School Code, as amended.” Act 35 refers to the Intergovernmental Contracts Between Municipal Corporations Act, MCL 124.1 *et seq.*, which authorizes a school district to join with other school **districts by contract** or as otherwise permitted by law “for the ownership, operation, or performance, jointly, or

by 1 or any more on behalf of all, of any property, facility or service which each would have the power to own, operate or perform separately.” MCL 124.2. While Act 35 provides authority for school districts to form consortia like the Academy, its primary focus is on self-insurance pools and cable television franchises. Moreover, it does not contain any provisions regarding the establishment of a board or commission to supervise the execution of a contract formed under its authority.

A similar act which provides further clarity regarding the authority for school districts to enter into such an agreement, is the Intergovernmental Transfers of Functions and Responsibilities Act, MCL 125.531 *et seq.* (“ITFRA” or “the Act”) Section 2 of this Act provides:

[t]wo or more political subdivisions are authorized to enter into a contract with each other providing for the transfer of functions or responsibilities to one another or any combination thereof upon the consent of each political subdivision involved. MCL 124.532.

The term “Political subdivision” is defined in Section 1(b) of the Act to include a school district. MCL 124.501(b). Section 5 of the Act addresses governance, and provides as follows:

A joint board or commission may be established by the political subdivisions involved to supervise the execution of a contract. An officer or employee of the...political subdivision...may serve on or with any joint board or commission created by the contract and shall not be required to relinquish his office or employment by reason of such service. MCL 124.535 (emphasis added).

The above-cited provision clearly authorizes a Superintendent to be a member of the board of the entity created by school districts under the Act. Accordingly, the draft amended Consortium Agreement has been updated to include a provision that in addition to applicable provisions of the Revised School Code and the Intergovernmental Contracts Between Municipal Corporations Act, the Agreement is further authorized by the Intergovernmental Transfers of Functions and Responsibilities Act.

## **11. Why should my school district board approve the amended Agreement?**

- a. The International Academy provides one of the best educational opportunities available in Michigan to students across Oakland County, as well as students from neighboring counties such as Wayne County and Macomb County. The amendments to the Agreement allow the Consortium to continue to offer that same great education. In addition, the amendments also reduce potential liability for both the Consortium and the individual school district members of the Consortium. The amended Agreement requires more detailed transparency and promotes efficiencies in operations.