

~~FIRST SECOND~~ AMENDED BYLAWS
FLINT PROMISE ZONE AUTHORITY

**ARTICLE I
NAME, OFFICES AND PURPOSE**

- 1.1 Name. The official name of this body shall be the Flint Promise Zone Authority (FPZA).
- 1.2 Places of Business. The corporation shall have its principal place of business in Genesee County, Michigan, and may have such other places of business as the Board may from time to time determine.
- 1.3 Purposes. The purposes for which FPZA is organized are set forth in the [Michigan Promise Michigan Promise](#) Zone Authority Act, MCLA 390.1611, *et seq.* (the Act) as the same may be amended from time to time. In the event the Michigan Promise Zone Authority Act is amended, these Bylaws shall be deemed to be amended to match the corresponding terms of the amended Act.
- 1.4 FPZA is a public body corporate that may sue and be sued in any court in this State. FPZA possesses all the powers necessary to carry out its purpose. The enumeration of a power in MCLA 390.1661, *et seq.* shall not be construed as a limitation on the general powers of FPZA.

**ARTICLE II
BOARD MEMBERS**

- 2.1 Board Members. Board members are to be appointed pursuant to the Michigan Promise Zone Authority Act, MCL 390.1665, ~~as recited below, as the same may be amended from time to time. Concurrent with the adoption of these First Amended Bylaws, the procedure for election Board members pursuant to the Act is as recited below.~~ Flint & Genesee Education & Talent, ~~a division of the Flint & Genesee Group~~ and the Community Foundation of Greater Flint, in partnership with the City of Flint, Michigan, are authorized to develop and administer the selection of and policy for appointment of the Board of Directors in accordance with MCLA 390.1665, as the same may be amended from time to time.
- 2.2 Directors. The Board of the FPZA shall consist of 11 members, as follows, pursuant to MCL 390.1665 as the same may be amended from time to time. ~~No Board member may serve for more than 4 consecutive terms.~~

(1) FPZA shall be under the supervision and control of a Board. All of the following apply to the Board of FPZA:

(a) The Board shall consist of 11 members, as follows:

(i) Nine locally appointed members. The chief executive officer of the eligible entity, with the advice and consent of the governing body, the Flint & Genesee Education & Talent, ~~a division of the Flint & Genesee Group~~ and the Community Foundation of Greater Flint, ~~shall~~must appoint the 9 initial locally appointed members of the Board described in this subparagraph. If a vacancy occurs in an office of a locally appointed member appointed under this subparagraph, the Board shall appoint a new member to fill that vacancy. As used in this subparagraph, for a local school district or an intermediate school district, “chief executive officer” means the superintendent of that local school district or intermediate school district.

(ii) Subject to subsection four (4), One member appointed by the senate majority leader.

(iii) Subject to subsection four (4), One member appointed by the speaker of the house of representatives.

(b) Not more than 3 members of the Board shall be government officials.

(c) One member of the Board shall be a representative of the ~~public school~~public-school community.

(d) The term of office of a member of the Board is 4 years. However, of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years.

(e) A member of the Board shall hold office until the member's successor is appointed.

(f) Members of the Board shall serve without ~~compensation, but~~compensation but may be reimbursed for actual and necessary expenses.

(g) The chairperson and other officers of the Board shall be elected by the Board.

(2) Both of the following apply to any individual appointed to the board under subsection (3)(a)(ii) or (iii) on or after the effective date of the amendatory act that added this subsection~~Before assuming the duties of office, a member of the Board shall qualify by taking and subscribing to the constitutional oath of office.~~

(a) To be eligible for the appointment, the individual must reside in the promise zone or within reasonable proximity of it.

(b) To continue serving as a member of the board, the 10 individual must continue to reside in the promise zone or within reasonable proximity of it. For purposes of this subdivision and subdivision (a), an individual resides within reasonable proximity of a promise zone if the individual resides within a county contiguous to the promise zone.

(3) Before assuming the duties of office, a member of the Board shall qualify by taking and subscribing to the constitutional oath of office.

(43) The proceedings and rules of the Board are subject to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The Board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the Board.

(54) After having been given notice and an opportunity to be heard, a member of the Board may be removed for cause by the governing body.

(65) A writing prepared, owned, used, in the possession of, or retained by the Board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

2.3 Financial Compensation. FPZA Board members shall serve without financial compensation. The FPZA Board members may request reimbursement for actual and necessary expenses incurred on behalf of FPZA. FPZA will consider such requests and make payment for the same provided the budget and funds exist for reimbursement of such expenses.

2.4 Conflict of Interest. FPZA members shall disclose any potential conflicts of interest pursuant to FPZA's Conflict of Interest Policy to be developed by the Board. Board members shall abstain from voting on matters when it is determined that the member has a conflict of interest pursuant to FPZA's Conflict of Interest Policy.

2.5 Resignation of Board Members. Any Board member may resign at any time by providing written notice to FPZA. Such notice of resignation shall be effective upon receipt by FPZA unless a different time is specified in the written notice.

In the event of a vacancy on the FPZA Board, for any reason, a successor Board member shall be appointed pursuant to Article 2.2, above.

2.6. Director, Treasurer, Secretary, and Other Personnel; Powers and Duties.

(1) The Board employs Flint & Genesee Education & Talent as the initial Director/Chief Operating Officer of the authority.~~The Board may employ a Director of the authority.~~ All of the following apply to a Director employed by a Board under this subsection:

- (a) The Board shall establish the Director's compensation.
- (b) The Director serves at the pleasure of the Board.
- (c) A member of the Board is not eligible to hold the position of Director.

(d) Before beginning ~~his or her~~the duties of the office, the Director ~~shall~~must take and subscribe to the constitutional oath and furnish a bond in an amount determined in the resolution establishing the authority, payable to the authority for use and benefit of the authority,

approved by the Board, and filed with the clerk of the eligible entity. The premium on the bond shall be considered an operating expense of the authority, payable from money available to the authority for expenses of operation.

(e) The Director is the chief executive officer of the authority.

(2) Subject to the approval of the Board, the Director shall supervise and is responsible for implementing the promise zone development plan and the performance of the functions of the authority in the manner authorized under this act. The Director ~~shall~~must attend the meetings of the Board and shall provide to the Board, the governing body, and the chief executive officer of the eligible entity a regular report covering the activities and financial condition of the authority. If the Director is absent or disabled, the Board may designate a qualified person as acting Director to perform the duties of the office. Before beginning his or her duties, the acting Director shall take and subscribe to the oath, and furnish a bond, as required of the Director under subsection (1)(d). The Director shall furnish the Board with any information or reports governing the operation of the authority that the Board requires.

(3) The Board ~~employs the Flint & Genesee Education & Talent as the initial Treasurer~~may employ and fix the compensation of a Treasurer, who ~~shall~~must keep the financial records of the authority and who, together with the Director, shall approve all vouchers for the expenditure of money of the authority. The Treasurer shall perform all duties delegated to him or her by the Board and shall furnish a bond in an amount prescribed by the Board.

(4) The Board ~~employs Flint & Genesee Education & Talent as the initial Secretary~~may employ and fix the compensation for a Secretary, who ~~shall~~must maintain custody of the official seal and of records, books, documents, or other papers the Treasurer is not required to maintain. The Secretary ~~shall~~must attend meetings of the Board and keep a record of its proceedings and ~~shall~~must perform other duties delegated by the Board.

(5) The Board may retain legal counsel to advise the Board in the proper performance of its duties.

(6) The Board may employ any other personnel that the Board considers necessary.

(7) The authority ~~shall~~must immediately deposit any money it receives to the credit of the authority, subject to disbursement under this act.

(8) Beginning in the first fiscal year in which it receives revenue from the state from the capture of state education tax revenue under section 17, the authority may use not more than 15% of the amount of that revenue to pay for administrative costs. As used in this subsection, "administrative costs" does not include the cost of personnel who provide services to students or any expenditure of funds for implementing and carrying out educational improvement activities or success programming for students as described in section 7(2)(a).

(9) Within 120 days after the end of each fiscal year, the Board shall submit audited financial statements of the authority for that fiscal year to the department of education. The Board

~~shall~~must include with the financial statements a certification by the Board that the Board and authority are in compliance with this act and with the authority's approved promise zone development plan.

ARTICLE III BOARD POWERS

3.1 Board Powers. The Board may do any of the following:

(a) Prepare an analysis of the postsecondary educational opportunities for the residents of the promise zone.

(b) Study and analyze the need for financial resources to provide postsecondary educational opportunities for residents of the promise zone.

(c) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this act, and grant or acquire licenses, easements, and options.

(d) Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property.

(e) Lease, in whole or in part, any facility, building, or property under its control.

(f) Solicit and accept grants and donations of money, property, labor, or other things of value from a public or private source.

ARTICLE IV FLINT PROMISE ZONE AUTHORITY DEVELOPMENT PLAN

4.1 Flint Promise Zone Development Plan. The Flint Promise Zone Development Plan shall include, but is not limited to, all of the following:

(a) A complete description of the proposed promise of financial assistance. The proposed promise of financial assistance shall include, but is not limited to, a promise of financial assistance to all eligible students residing within the promise zone and who graduate from a public high school or nonpublic high school located within that promise zone, in an amount established by the Board to reflect the amount available for disbursement to eligible students and included in the annual budget under section 15. The amount of proposed promise of financial assistance ~~shall~~must, at a minimum, equal or exceed the amount the Board determines is sufficient to pay for the qualified educational expenses for an eligible student to obtain an associate degree at a community or junior college in this state, and ~~shall~~must not exceed the amount the Board determines is sufficient to pay for the qualified educational expenses for an eligible student to obtain a bachelor's

degree or its equivalent at a public postsecondary institution in this state or combination of public postsecondary institutions in this state, subject to any limitations authorized under this section. The proposed promise of financial assistance may also, at most, provide funding for an eligible student to attend a private college in this state in an amount that does not exceed the average amount of qualified educational expenses to obtain a bachelor's degree at all public universities in this state. The proposed promise of financial assistance may also authorize the expenditure of funds for educational improvement activities designed to increase [student readiness for postsecondary education at public schools located in the promise zone](#) [or success programming designed to increase student degree or certificate attainment at postsecondary partner institutions and their entry into the workforce](#).

(b) A complete description of any limitation on the promise of financial assistance, including, but not limited to, any of the following:

(i) If the promise of financial assistance will be prorated based on the number of years the student has resided within the promise zone.

(ii) If the promise of financial assistance will be restricted to students who have resided within or attended a public high school or nonpublic high school within the promise zone for a minimum number of years.

(iii) If the promise of financial assistance is predicated on the student maintaining a minimum college grade point average and carrying a minimum college credit hour classload.

(iv) If the promise of financial assistance is restricted to attendance at 1 or more public or private postsecondary institutions in this state.

(v) If the promise of financial assistance is limited to students whose cumulative high school grade point average exceeds a specified minimum. However, a Board may revise, establish, or eliminate a high school grade point average requirement for students after it submits a promise zone development plan to the department of treasury and is not required to amend the plan or obtain approval from the department of treasury for that change.

(vi) If the promise of financial assistance is limited to students who comply with requirements established by the Board in order to improve student progress toward degree completion.

(vii) If the promise of financial assistance in a promise zone that encompasses more than 2 school districts is limited to students who reside in and graduate from high schools located within the boundaries of fewer than all of its constituent school districts.

(c) A requirement that graduates of a public high school or nonpublic high school exhaust all other known and available restricted grants for qualified educational expenses for

postsecondary education provided by a federal, state, or local governmental entity, as determined by the Board.

(d) How the funds necessary to accomplish the promise of financial assistance will be raised. Any amount received under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1896, shall not be included as a method of raising the necessary funds. The promise zone development plan shall be financed from 1 or more of the following sources:

(i) Donations.

(ii) Revenues.

(iii) Money obtained from other sources approved by the governing body or otherwise authorized by law.

(e) An actuarial model of how much the proposed plan is estimated to cost, based on actuarial formulas developed by the department of treasury.

(f) A complete description of the criteria and procedures by which the performance of students receiving financial assistance pursuant to the proposed plan will be assessed and reported. This assessment and reporting methodology shall include, but is not limited to, the submission of a written report by no later than October 31 of each year to the department of treasury. This annual report shall include the following information, which may be obtained, in whole or in part, from any reliable source that complies with applicable laws regarding student privacy:

(i) The number of students who received financial assistance pursuant to the authority's approved promise zone development plan during the prior academic year.

(ii) Of those students accounted for under subparagraph (i), the number who successfully completed the following:

(A) A certificate or associate program.

(B) A bachelor's program.

(iii) Of those students accounted for under subparagraph (i), the number who withdrew from classes during the prior academic year.

(iv) Of those students accounted for under subparagraph (i) who initially reached successful completion of more than the equivalent of 23 semester credits during the prior academic year, the average time to successfully complete the equivalent of 24 semester credits.

(v) The 6-year graduation rate for recipients of financial assistance pursuant to the authority's approved promise zone development plan.

(3) The proposed promise of financial assistance under subsection (2) shall not include funding for attendance at a public or private postsecondary institution not located in this state.

(4) The Board shall submit the promise zone development plan to the department of treasury within 5 years after the eligibility to establish the promise zone was certified by the department of treasury under section 4(4). If a promise zone development plan is not submitted within this time frame, the department of treasury may dissolve the promise zone. The promise zone development plan shall be published on the website of the eligible entity that established the promise zone.

(5) The department of treasury ~~shall~~must review the promise zone development plan submitted under subsection (4). Not more than 60 days after receipt of a promise zone development plan submitted under subsection (4), the department of treasury shall either approve the promise zone development plan or provide a written notice of deficiencies. If the department of treasury does not approve a promise zone development plan submitted under subsection (4) or provide a written notice of deficiencies within 60 days, the promise zone development plan shall be considered approved. If a promise zone development plan is approved, the department of treasury shall certify that the promise zone development plan meets all requirements under this act and is sustainable.

(6) The department of treasury shall review any proposed amendments to a promise zone development plan. Not more than 60 days after receipt of proposed amendments to a promise zone development plan, the department of treasury shall either approve the proposed amendments or provide a written notice of deficiencies. If the department of treasury does not approve proposed amendments or provide a written notice of deficiencies within 60 days, the proposed amendments shall be considered approved. If proposed amendments are approved, the department of treasury shall certify that the amendments meet all requirements under this act.

(7) A promise zone development plan approved under this act before February 16, 2016 ~~the effective date of the amendatory act that added this subsection shall~~ must be amended as necessary to meet the assessment and reporting requirements described in subsection (2)(f). That amendment shall include a first annual reporting deadline not later than October 31, 2017. The board shall submit the amendment ~~That amendment shall be submitted by the Board~~ to the department of treasury within 60 days after the effective date of the amendatory act that added this subsection and is subject to the review process set forth in subsection (6).

~~(8) Any amended Development Plan approved by the department of treasury shall be substituted for the Development Plan as set forth in these Bylaws.~~

ARTICLE V BUDGET

5.1 Budget.

(1) The Board shall adopt a budget for the operation of the authority for each fiscal year, before the beginning of that fiscal year, based on a budget submitted to it by the Director. The budget shall be prepared in the manner and contain the information required of municipal departments. Unless authorized by the governing body, the budget of an authority shall not include any money of the eligible entity.

(2) The budget described in subsection (1) shall include the amount the authority intends to disburse to each eligible student in the fiscal year covered by the budget. Subject to the maximum amounts described in section 7(2)(a), the Board shall establish the amount of the annual payment to eligible students and, in making that determination, shall consider the financial resources available to the authority for disbursement to those students.

ARTICLE VI OFFICERS

6.1 Officers. The Flint Promise Zone Authority shall nominate and elect a chairperson to preside at all meeting and to ensure that meetings are conducted in an orderly manner. A vice-chairperson must be appointed and the duties of the vice-chairperson must be to assume the duties of the chairperson in the absence of the chairperson. Such chairperson and vice-chairperson must be nominated and elected annually for terms commencing January 1 through December 31 of each year. There is no limitation on the number of terms a person or persons can serve as a chairperson and/or vice-chairperson. ~~A vice chairperson secretary and treasurer may also be nominated and elected to serve 4 year terms.. A person can serve as an officer for no more than 4 consecutive terms.~~

ARTICLE VII BOARD MEETINGS

7.1 Board Meetings. Regular meetings of the FPZA Board may be held at such times and places as determined by the chairperson. Special meetings of the FPZA Board may be called by the chairperson and shall be called by the chairperson or Secretary upon the written request of a minimum of three Board members. All meetings of the FPZA Board are subject to the Open Meetings Act.

7.2 Quorum and Voting Requirements. A simple majority of the FPZA Board shall constitute a quorum for transaction of business. The vote of a simple majority of the quorum shall be the act of the Board of the Flint Promise Zone Authority. Participation in meetings may be by conference telephone or similar communications equipment provided that all persons participating in the meeting can hear one another. Participation in the meeting in this matter constitutes the presence in person at the meeting.

7.3 Open Meetings Act. The Flint Promise Zone Authority Board is a public body pursuant to the Michigan Open Meetings Act. All meetings must be conducted and notice given to the public pursuant to the Open Meetings Act. All actions of the Flint Promise Zone Authority Board and all business of the Flint Promise Zone Authority Board must be conducted in accordance with the Open Meetings Act, MCL 15.262, *et seq.*

ARTICLE XIII COMMITTEES

8.1 Committees. The Flint Promise Zone Authority Board may create committees as it determines are needed from time to time. For any committee created by the Flint Promise Zone Authority Board, the chairperson of such committee shall be appointed by the chairperson of the Flint Promise Zone Authority Board.

ARTICLE IX INDEMNIFICATION

9.1 Subject to all of the other provisions of this Article, the FPZA Board of Directors shall indemnify any present or former Board Member, Director, Officer or Employee who was or is a defendant, or is threatened to be made a defendant to, any threatened, pending or completed action, suit or proceedings. This includes any civil, criminal, administrative or investigative proceedings, whether formal or informal. Such indemnification shall apply only to a person who was or is a Board Member, Director, Officer or Employee of the FPZA or who was or is serving at the request of the FPZA as a Director, officer, partner, trustee, volunteer, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not for profit. The person shall be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the FPZA. With respect to any criminal action or proceeding the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or on a plea of nolo contendere or its equivalent, shall not by itself create a presumption that (a) the person did not act in good faith and in a manner the person reasonably believed to be opposed to the best interests of the FPZA, or (b) with respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

9.2 Expenses of a Successful Defense. To the extent that a person has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter in the action, suit or proceeding, the person shall be indemnified against expenses (including actual and reasonable attorney fees) incurred in connection with the action and in any proceeding brought to enforce the mandatory indemnification provided by this Article.

9.3 Contract Right: Limitation on Indemnity. The right to indemnification conferred in this Article shall be a contract right. Except as provided this Article, the FPZA shall have no obligations to indemnify any person in connection with any proceeding, or part thereof, initiated by such person without authorization by the corporation.

9.4 Determination that Indemnification is Proper. Any indemnification under this Article (unless ordered by a court) shall be made by the FPZA only as authorized in the specific case. The FPZA must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 9.1 or 9.2, whichever is applicable. Such determination shall be made:

a) By a majority vote of the entire FPZA Board who are/were not parties to such action, suit or proceeding.

b) If the vote described in clause (a) above is not obtainable, then by independent legal counsel in written opinion.

9.5 Proportionate Indemnity. If a person is entitled to indemnification under this Article for a portion of expenses, including attorney fees, judgments, penalties, fines and amounts paid in settlement, but not for the total amount, the FPZA shall indemnify the person for the portion of the expenses, judgments, penalties, fines or amounts paid in settlement for which the person is entitled to be indemnified.

9.6 Expenses Advance. If authorized by the FPZA Board, expenses incurred in defending a civil or criminal action, suit or proceeding described in this Article may be paid by the FPZA in advance of the final disposition of the action, suit or proceeding, on receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the FPZA. The undertaking shall be an unlimited general obligation of the person on whose behalf advances are made, but need not be secured.

9.7 Nonexclusively of Rights. The indemnification or advancement of expenses provided under this Article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the FPZA. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

9.8 Indemnification of Employees and Agents of the FPZA. The FPZA may, to the extent specifically authorized by the FPZA Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the FPZA to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and Officers of the FPZA.

9.9 Continuation of Indemnification. The indemnification provided in this Article continues for a person who has ceased to be in the position which created their eligibility for indemnification and shall inure to the benefit of the heirs, executors and administrators of that person.

9.10 Insurance. The FPZA may purchase and maintain insurance on behalf of any person who (a) was or is a Director, Officer, Administrator, employee or agent of the FPZA, or (b) was or is serving at the request of the FPZA as a Director, officer, volunteer, employee or agent of another FPZA, partnership, joint venture, trust or other enterprise. Such insurance may protect against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the FPZA would have power to indemnify against such liability under this Article or the laws of the State of Michigan.

9.11 Changes in Michigan Law. If there are any changes in the Michigan statutory provisions applicable to the FPZA and relating to the subject matter of this Article, then the indemnification to which any person shall be entitled shall be determined by such changed provisions, but only to the extent that any such change permits the FPZA to provide broader indemnification rights than such provisions permitted the FPZA to provide before any such change. The fiscal year of the FPZA shall end as determined by the Board.

ARTICLE X AMENDMENTS

10.1 Amendments. These Bylaws can be amended by a two-thirds or greater vote of all FPZA Board members serving at the time the amendment is made and shall automatically be amended to reflect any amendments to the Michigan Promise Zone Authority Act, MCL 390.1611, *et seq.*