

HOUSE STANDING COMMITTEE ON EDUCATION

Wednesday, November 30, 2011

9:00 a.m.

519 House Office Building

Representative McMillin, Chair, called the meeting to order.

MEMBERS PRESENT: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Lyons, Bumstead, Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss.

Representative Brown moved to approve the minutes of the November 29, 2011 meeting.

There being no objection, the motion prevailed by unanimous consent.

The Chair laid SB 618 before the committee.

SB 618 Pavlov Education; public school academies; revisions to provisions concerning formation, operation, and termination of public school academies, urban high school academies, and schools of excellence; provide for, and allow school districts to contract with outside entity for provision of teachers.

David Randels and Brad Biladeau, representing the Michigan Association of Intermediate School Administrators, submitted a testimony card in opposition to SB 618, but did not wish to speak.

Judy Allen, representing the Oakland County Schools, submitted a testimony card in opposition to SB 618, but did not wish to speak.

Chad Aldis, representing Student First, submitted a testimony card in support of SB 618, but did not wish to speak.

Representative Franz moved to adopt substitute (H-1) to SB 618.

The motion prevailed by a vote of 17-0-0.

FAVORABLE ROLL CALL:

Yeas: Representatives McMillin, Crawford, Hooker, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, Bumstead, Brown, Darany, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: None,

Pass: None.

Representative Brown offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 23, following line 22, by inserting:

"SEC. 504D. IF THE SCHOOL DISTRICT IN WHICH A PUBLIC SCHOOL ACADEMY IS LOCATED PROVIDES TRANSPORTATION TO AND FROM SCHOOL FOR SOME OR ALL OF ITS PUPILS, THE PUBLIC SCHOOL ACADEMY SHALL PROVIDE TRANSPORTATION TO AND FROM SCHOOL WITHIN THE BOUNDARIES OF THAT SCHOOL DISTRICT."

2. Amend page 46, following line 18, by inserting:

"SEC. 524A. IF THE SCHOOL DISTRICT IN WHICH AN URBAN HIGH SCHOOL ACADEMY IS LOCATED PROVIDES TRANSPORTATION TO AND FROM SCHOOL FOR SOME OR ALL OF ITS PUPILS, THE URBAN HIGH SCHOOL ACADEMY SHALL PROVIDE TRANSPORTATION TO AND FROM SCHOOL WITHIN THE BOUNDARIES OF THAT SCHOOL DISTRICT."

3. Amend page 79, following line 12, by inserting:

"SEC. 556A. IF THE SCHOOL DISTRICT IN WHICH A SCHOOL OF EXCELLENCE IS LOCATED PROVIDES TRANSPORTATION TO AND FROM SCHOOL FOR SOME OR ALL OF ITS PUPILS, THE SCHOOL OF EXCELLENCE SHALL PROVIDE TRANSPORTATION TO AND FROM SCHOOL WITHIN THE BOUNDARIES OF THAT SCHOOL DISTRICT."

The motion did not prevail by a vote of 6-11-0.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hookers, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: None.

Representative Stallworth offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 9, following line 23, by inserting:

"(9) AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY OR AMEND A CONTRACT TO EXPAND AN EXISTING PUBLIC SCHOOL ACADEMY TO AN ADDITIONAL GRADE LEVEL OR AN ADDITIONAL SITE UNLESS THE APPLICANT FOR THE CONTRACT OR THE PUBLIC SCHOOL ACADEMY SEEKING THE AMENDMENT PROVIDES DOCUMENTATION THAT DEMONSTRATES AT LEAST 1 OF THE FOLLOWING:

(A) FOR A CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION WILL OPERATE THE PUBLIC SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION ANYWHERE IN THE UNITED STATES PERFORM AT LEAST AS WELL AS THE TOP 50% OF ALL PUBLIC SCHOOLS IN STUDENT ACHIEVEMENT IN THE STATE IN WHICH THE SCHOOL IS LOCATED ON THE STATE'S ASSESSMENT AMONG STUDENTS WHO MEET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM; AND, FOR A CONTRACT AMENDMENT, THE PUBLIC

SCHOOL ACADEMY OR, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION OPERATES THE PUBLIC SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION ANYWHERE IN THE UNITED STATES PERFORM AT LEAST AS WELL AS THE TOP 50% OF ALL PUBLIC SCHOOLS IN STUDENT ACHIEVEMENT IN THE STATE IN WHICH THE PUBLIC SCHOOL ACADEMY OR SCHOOL IS LOCATED ON THE STATE'S ASSESSMENT AMONG STUDENTS WHO MEET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM. AS USED IN THIS SUBDIVISION, "STATE" INCLUDES A STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA.

(B) FOR A CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION WILL OPERATE THE PUBLIC SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION IN THIS STATE ARE RANKED IN THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT AS RANKED IN THE "TOP-TO-BOTTOM" LIST PREPARED BY THE DEPARTMENT OR, IF THAT LIST IS NOT AVAILABLE, PERFORM AT LEAST AS WELL AS THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE ON STATE ASSESSMENTS OF STUDENT ACHIEVEMENT; AND, FOR A CONTRACT AMENDMENT, THE PUBLIC SCHOOL ACADEMY IS, OR, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION OPERATES THE PUBLIC SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION IN THIS STATE ARE, RANKED IN THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT AS RANKED IN THE "TOP-TO-BOTTOM" LIST PREPARED BY THE DEPARTMENT OR, IF THAT LIST IS NOT AVAILABLE, PERFORM AT LEAST AS WELL AS THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE ON STATE ASSESSMENTS OF STUDENT ACHIEVEMENT. (10) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (11), AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY IF ANY OF THE FOLLOWING APPLY:

(A) BEGINNING JULY 1, 2014, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 10% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(B) BEGINNING JULY 1, 2015, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 15% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(C) BEGINNING JULY 1, 2016, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 20% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(11) SUBSECTION (10) DOES NOT APPLY TO AN AUTHORIZING BODY THAT IS CREATED FOR THE PURPOSE OF TAKING OVER MANAGEMENT OR OPERATION OF SOME OR ALL OF THE LOWEST PERFORMING PUBLIC SCHOOLS IN THIS STATE."

2. Amend page 35, following line 25, by inserting:

"(9) AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A NEW URBAN HIGH SCHOOL ACADEMY OR AMEND A CONTRACT TO EXPAND AN EXISTING URBAN HIGH SCHOOL ACADEMY TO AN ADDITIONAL GRADE LEVEL OR AN ADDITIONAL SITE UNLESS THE APPLICANT FOR THE CONTRACT OR THE URBAN SCHOOL ACADEMY SEEKING THE AMENDMENT PROVIDES DOCUMENTATION THAT DEMONSTRATES AT LEAST 1 OF THE FOLLOWING:

(A) FOR A CONTRACT FOR A NEW URBAN HIGH SCHOOL ACADEMY, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION WILL OPERATE THE URBAN HIGH SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION ANYWHERE IN THE UNITED STATES PERFORM AT LEAST AS WELL AS THE TOP 50% OF ALL PUBLIC SCHOOLS IN STUDENT ACHIEVEMENT IN THE STATE IN WHICH THE SCHOOL IS LOCATED ON THE STATE'S ASSESSMENT AMONG STUDENTS WHO MEET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM; AND, FOR A CONTRACT AMENDMENT, THE URBAN HIGH SCHOOL ACADEMY OR, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION OPERATES THE URBAN HIGH SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION ANYWHERE IN THE UNITED STATES PERFORM AT LEAST AS WELL AS THE TOP 50% OF ALL PUBLIC SCHOOLS IN STUDENT ACHIEVEMENT IN THE STATE IN WHICH THE URBAN HIGH SCHOOL ACADEMY OR SCHOOL IS LOCATED ON THE STATE'S ASSESSMENT AMONG STUDENTS WHO MEET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM. AS USED IN THIS SUBDIVISION, "STATE" INCLUDES A STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA.

(B) FOR A CONTRACT FOR A NEW URBAN HIGH SCHOOL ACADEMY, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION WILL OPERATE THE URBAN HIGH SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION IN THIS STATE ARE RANKED IN THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT AS RANKED IN THE "TOP-TO-BOTTOM" LIST PREPARED BY THE DEPARTMENT OR, IF THAT LIST IS NOT AVAILABLE, PERFORM AT LEAST AS WELL AS THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE ON STATE ASSESSMENTS OF STUDENT ACHIEVEMENT; AND, FOR A CONTRACT AMENDMENT, THE URBAN HIGH SCHOOL ACADEMY IS, OR, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION OPERATES THE URBAN HIGH SCHOOL ACADEMY, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION IN THIS STATE ARE, RANKED IN THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT AS RANKED IN THE "TOP-TO-BOTTOM" LIST PREPARED BY THE DEPARTMENT OR, IF THAT LIST IS NOT AVAILABLE, PERFORM AT LEAST AS WELL AS THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE ON STATE ASSESSMENTS OF STUDENT ACHIEVEMENT.

(10) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (11), AN

AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A NEW URBAN HIGH SCHOOL ACADEMY IF ANY OF THE FOLLOWING APPLY:

(A) BEGINNING JULY 1, 2014, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 10% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(B) BEGINNING JULY 1, 2015, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 15% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(C) BEGINNING JULY 1, 2016, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 20% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(11) SUBSECTION (10) DOES NOT APPLY TO AN AUTHORIZING BODY THAT IS CREATED FOR THE PURPOSE OF TAKING OVER MANAGEMENT OR OPERATION OF SOME OR ALL OF THE LOWEST PERFORMING PUBLIC SCHOOLS IN THIS STATE."

3. Amend page 65, following line 20, by inserting:

"(13) AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A NEW SCHOOL OF EXCELLENCE OR AMEND A CONTRACT TO EXPAND AN EXISTING SCHOOL OF EXCELLENCE TO AN ADDITIONAL GRADE LEVEL OR AN ADDITIONAL SITE UNLESS THE APPLICANT FOR THE CONTRACT OR THE SCHOOL OF EXCELLENCE SEEKING THE AMENDMENT PROVIDES DOCUMENTATION THAT DEMONSTRATES AT LEAST 1 OF THE FOLLOWING:

(A) FOR A CONTRACT FOR A NEW SCHOOL OF EXCELLENCE, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION WILL OPERATE THE SCHOOL OF EXCELLENCE, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION ANYWHERE IN THE UNITED STATES PERFORM AT LEAST AS WELL AS THE TOP 50% OF ALL PUBLIC SCHOOLS IN STUDENT ACHIEVEMENT IN THE STATE IN WHICH THE SCHOOL IS LOCATED ON THE STATE'S ASSESSMENT AMONG STUDENTS WHO MEET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM; AND, FOR A CONTRACT AMENDMENT, THE SCHOOL OF EXCELLENCE OR, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION OPERATES THE SCHOOL OF EXCELLENCE, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION ANYWHERE IN THE UNITED STATES PERFORM AT LEAST AS WELL AS THE TOP 50% OF ALL PUBLIC SCHOOLS IN STUDENT ACHIEVEMENT IN THE STATE IN WHICH THE SCHOOL OF EXCELLENCE OR SCHOOL IS LOCATED ON THE STATE'S ASSESSMENT AMONG STUDENTS WHO MEET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM. AS USED IN THIS SUBDIVISION, "STATE" INCLUDES A STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA.

(B) FOR A CONTRACT FOR A NEW SCHOOL OF EXCELLENCE, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION WILL OPERATE THE SCHOOL

OF EXCELLENCE, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION IN THIS STATE ARE RANKED IN THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT AS RANKED IN THE "TOP-TO-BOTTOM" LIST PREPARED BY THE DEPARTMENT OR, IF THAT LIST IS NOT AVAILABLE, PERFORM AT LEAST AS WELL AS THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE ON STATE ASSESSMENTS OF STUDENT ACHIEVEMENT; AND, FOR A CONTRACT AMENDMENT, THE SCHOOL OF EXCELLENCE IS, OR, IF AN EDUCATIONAL MANAGEMENT ORGANIZATION OPERATES THE SCHOOL OF EXCELLENCE, ALL OF THE SCHOOLS OPERATED BY THAT EDUCATIONAL MANAGEMENT ORGANIZATION IN THIS STATE ARE, RANKED IN THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT AS RANKED IN THE "TOP-TO-BOTTOM" LIST PREPARED BY THE DEPARTMENT OR, IF THAT LIST IS NOT AVAILABLE, PERFORM AT LEAST AS WELL AS THE TOP 67% OF PUBLIC SCHOOLS IN THIS STATE ON STATE ASSESSMENTS OF STUDENT ACHIEVEMENT.

(14) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (15), AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A NEW SCHOOL OF EXCELLENCE IF ANY OF THE FOLLOWING APPLY:

(A) BEGINNING JULY 1, 2014, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 10% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(B) BEGINNING JULY 1, 2015, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 15% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(C) BEGINNING JULY 1, 2016, AT LEAST 1 PUBLIC SCHOOL ACADEMY AUTHORIZED BY THE AUTHORIZING BODY HAS BEEN RANKED BY THE DEPARTMENT IN THE LOWEST 20% OF PUBLIC SCHOOLS IN THIS STATE IN STUDENT ACHIEVEMENT FOR 3 CONSECUTIVE YEARS.

(15) SUBSECTION (14) DOES NOT APPLY TO AN AUTHORIZING BODY THAT IS CREATED FOR THE PURPOSE OF TAKING OVER MANAGEMENT OR OPERATION OF SOME OR ALL OF THE LOWEST PERFORMING PUBLIC SCHOOLS IN THIS STATE."

The motion did not prevail by a vote of 7-11-0.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: None.

Representative Brown offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 36, line 12, after "within" by striking out "5" and inserting "3".
2. Amend page 46, line 12, after "within" by striking out "5" and inserting "4".

The motion did not prevail by a vote of 7-11-0.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: None.

Representative Brown offered and moved to adopt the following amendment to SB 618 (H-1):

1. Amend page 74, line 22, by inserting:

"(5) At the end of a cyber school's second full school year of operations, the authorizing body of a school of excellence that is a cyber school shall submit to the superintendent of public instruction and the legislature, in the form and manner prescribed by the superintendent of public instruction, a report detailing the operation of the cyber school, providing statistics of pupil participation and academic performance, and making recommendations for any further statutory or rule change related to cyber schools and online learning in this state."

The motion did not prevail by a vote of 9-7-2.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Hooker, Heise, Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Crawford, Franz, Nesbitt, Yonker, Lyons, and Bumstead,

Pass: Representatives O'Brien, and Price.

Representative Darany offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 9, line 7, after the first "of" by striking out "3%" and inserting "1%".
2. Amend page 34, line 26, after the first "of" by striking out "3%" and inserting "1%".
3. Amend page 64, line 17, after the first "of" by striking out "3%" and inserting "1%".

The motion did not prevail by a vote of 6-11-1.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, and Geiss,

Nays: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: Representative Stallworth.

Representative Darany offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 12, line 16, after "least" by striking out "5%" and inserting "15%".
2. Amend page 12, line 17, after "district" by inserting "**OR, IF AT LEAST 10% OF THE SCHOOLS THAT THE SCHOOL DISTRICT OPERATES ARE ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, SHALL BE SIGNED BY A NUMBER OF SCHOOL ELECTORS OF THE SCHOOL DISTRICT EQUAL TO AT LEAST 5% OF THE TOTAL NUMBER OF SCHOOL ELECTORS OF THAT SCHOOL DISTRICT**".
3. Amend page 66, line 11, after "least" by striking out "5%" and inserting "15%".
4. Amend page 66, line 12, after "district" by inserting "**OR, IF AT LEAST 10% OF THE SCHOOLS THAT THE SCHOOL DISTRICT OPERATES ARE ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, SHALL BE SIGNED BY A NUMBER OF SCHOOL ELECTORS OF THE SCHOOL DISTRICT EQUAL TO AT LEAST 5% OF THE TOTAL NUMBER OF SCHOOL ELECTORS OF THAT SCHOOL DISTRICT**".

The motion did not prevail by a vote of 8-10-0.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Hooker, Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: None.

Representative Geiss offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 12, line 6, after "12." by inserting "**BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A PUBLIC SCHOOL ACADEMY UNLESS THE PUBLIC SCHOOL ACADEMY WILL BE LOCATED IN THE SAME BUILDING OR WITHIN 1 MILE OF A PUBLIC SCHOOL THAT OPERATES THE SAME GRADE LEVELS AND THAT IS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE.**".
2. Amend page 35, line 27, after "entity." by inserting "**BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR AN URBAN HIGH SCHOOL ACADEMY UNLESS THE URBAN HIGH SCHOOL ACADEMY WILL BE LOCATED IN THE SAME BUILDING OR WITHIN 1 MILE OF A HIGH SCHOOL**".

THAT IS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE."

3. Amend page 66, line 1, after "schools." by inserting "**BEGINNING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SENTENCE, AN AUTHORIZING BODY SHALL NOT ISSUE A CONTRACT FOR A SCHOOL OF EXCELLENCE UNLESS THE SCHOOL OF EXCELLENCE WILL BE LOCATED IN THE SAME BUILDING OR WITHIN 1 MILE OF A PUBLIC SCHOOL THAT OPERATES THE SAME GRADE LEVELS AND THAT IS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE."**

The motion did not prevail by a vote of 7-11-0.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: None.

Representative Geiss offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 8, line 1, by inserting:

"(i) For a public school academy authorized by a school district, an assurance that employees of the public school academy will be covered by the collective bargaining agreements that apply to other employees of the school district employed in similar classifications in schools that are not public school academies." and relettering the remaining subdivision.

2. Amend page 13, line 25, by inserting:

"(e) For a public school academy authorized by a school district, an agreement that employees of the public school academy will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not public school academies." and relettering the remaining subdivisions.

3. Amend page 17, line 4, after "**SUBDIVISION**" by striking out "**(G)**" and inserting "**(H)**".

4. Amend page 63, line 10, by inserting:

"(i) For a school of excellence authorized by a school district, an assurance that employees of the school of excellence will be covered by the collective bargaining agreements that apply to other employees of the school district employed in similar classifications in schools that are not schools of excellence." and relettering the remaining subdivision.

5. Amend page 67, line 20, by inserting:

"(e) For a school of excellence authorized by a school district, an agreement that employees of the school of excellence will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not schools of excellence." and relettering the remaining subdivisions.

6. Amend page 70, line 14, after "subdivision" by striking out "(G)." and inserting "(h).".

The motion did not prevail by a vote of 7-11-0.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, Bumstead,

Pass: None.

Representative Hobbs offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 5, line 16, after "university." by inserting "**HOWEVER, A STATE PUBLIC UNIVERSITY SHALL NOT ISSUE A CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY IF THE STATE PUBLIC UNIVERSITY IS SERVING AS THE AUTHORIZING BODY FOR 1 OR MORE PUBLIC SCHOOL ACADEMIES AT THE TIME AN APPLICATION IS SUBMITTED FOR ISSUANCE OF A CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY AND ANY OF THE PUBLIC SCHOOL ACADEMIES AUTHORIZED BY THAT STATE PUBLIC UNIVERSITY MEET BOTH OF THE FOLLOWING:**

(i) IS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE.

(ii) IS NOT AN ALTERNATIVE SCHOOL OR PROGRAM SERVING A SPECIAL PUPIL POPULATION."

2. Amend page 29, line 6, after "SHALL" by striking out the balance of the subsection and inserting "**REPLACE THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY WITH A NEW BOARD OF DIRECTORS AND, IF THE PUBLIC SCHOOL ACADEMY HAS ENTERED INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO PROVIDE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE PUBLIC SCHOOL ACADEMY, SHALL REQUIRE THE PUBLIC SCHOOL ACADEMY TO TERMINATE THAT AGREEMENT AND PERFORM THOSE FUNCTIONS ITSELF OR ENTER INTO AN AGREEMENT WITH A DIFFERENT EDUCATIONAL MANAGEMENT ORGANIZATION."**

3. Amend page 29, line 27, after "(7)" by striking out "**EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5),"**

4. Amend page 31, line 17, after "part." by inserting "**HOWEVER, A STATE PUBLIC UNIVERSITY SHALL NOT ISSUE A CONTRACT FOR A NEW URBAN HIGH SCHOOL ACADEMY IF THE STATE PUBLIC UNIVERSITY IS SERVING AS THE AUTHORIZING BODY FOR 1 OR MORE URBAN HIGH SCHOOL ACADEMIES AT THE TIME AN APPLICATION IS SUBMITTED FOR ISSUANCE OF A CONTRACT FOR A NEW URBAN HIGH SCHOOL ACADEMY AND ANY OF THE URBAN HIGH SCHOOL ACADEMIES AUTHORIZED BY THAT STATE PUBLIC UNIVERSITY MEET BOTH OF THE FOLLOWING:**

(A) IS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE.

(B) IS NOT AN ALTERNATIVE SCHOOL OR PROGRAM SERVING A SPECIAL PUPIL POPULATION."

5. Amend page 49, line 18, after "SHALL" by striking out the balance of the subsection and inserting "**REPLACE THE BOARD OF DIRECTORS OF THE URBAN**

HIGH SCHOOL ACADEMY WITH A NEW BOARD OF DIRECTORS AND, IF THE URBAN HIGH SCHOOL ACADEMY HAS ENTERED INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO PROVIDE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE URBAN HIGH SCHOOL ACADEMY, SHALL REQUIRE THE URBAN HIGH SCHOOL ACADEMY TO TERMINATE THAT AGREEMENT AND PERFORM THOSE FUNCTIONS ITSELF OR ENTER INTO AN AGREEMENT WITH A DIFFERENT EDUCATIONAL MANAGEMENT ORGANIZATION."

6. Amend page 50, line 13, after "(7)" by striking out "EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), BEFORE" and inserting "Before".

7. Amend page 61, line 3, after "university." by inserting "HOWEVER, A STATE PUBLIC UNIVERSITY SHALL NOT ISSUE A CONTRACT FOR A NEW SCHOOL OF EXCELLENCE IF THE STATE PUBLIC UNIVERSITY IS SERVING AS THE AUTHORIZING BODY FOR 1 OR MORE SCHOOLS OF EXCELLENCE AT THE TIME AN APPLICATION IS SUBMITTED FOR ISSUANCE OF A CONTRACT FOR A NEW SCHOOL OF EXCELLENCE AND ANY OF THE SCHOOLS OF EXCELLENCE AUTHORIZED BY THAT STATE PUBLIC UNIVERSITY MEET BOTH OF THE FOLLOWING:

(i) IS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE.

(ii) IS NOT AN ALTERNATIVE SCHOOL OR PROGRAM SERVING A SPECIAL PUPIL POPULATION."

8. Amend page 83, line 9, after "shall" by striking out the balance of the subsection and inserting "REPLACE THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE WITH A NEW BOARD OF DIRECTORS AND, IF THE SCHOOL OF EXCELLENCE HAS ENTERED INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO PROVIDE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE SCHOOL OF EXCELLENCE, SHALL REQUIRE THE SCHOOL OF EXCELLENCE TO TERMINATE THAT AGREEMENT AND PERFORM THOSE FUNCTIONS ITSELF OR ENTER INTO AN AGREEMENT WITH A DIFFERENT EDUCATIONAL MANAGEMENT ORGANIZATION."

9. Amend page 84, line 7, after "(7)" by striking out "Except as otherwise provided in subsection (5), before" and inserting "BEFORE".

The motion did not prevail by a vote of 7-5-5.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Franz, Nesbitt, O'Brien, and Bumstead,

Pass: Representatives Hooker, Crawford, Heise, Price, and Yonker.

Representative Hobbs offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 20, following line 25, by inserting:
"SEC. 503D. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER

THE EFFECTIVE DATE OF THIS SECTION, IF THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE PUBLIC SCHOOL ACADEMY, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL PROVIDE TO THE BOARD OF DIRECTORS AND TO THE DEPARTMENT ALL STUDENT ACHIEVEMENT DATA FOR THAT PUBLIC SCHOOL ACADEMY AND FOR ALL OTHER PUBLIC SCHOOLS MANAGED BY THE EDUCATIONAL MANAGEMENT ORGANIZATION, INCLUDING CHANGE IN STUDENT ACHIEVEMENT AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA. THE STUDENT ACHIEVEMENT DATA SHALL INCLUDE ALL STUDENT ACHIEVEMENT DATA THAT A SCHOOL DISTRICT IS REQUIRED TO PROVIDE TO THE DEPARTMENT OR ANY OTHER AGENCY OF THIS STATE.

(B) THE BOARD OF DIRECTORS SHALL ENSURE THAT THE MANAGEMENT AGREEMENT REQUIRES THE EDUCATIONAL MANAGEMENT ORGANIZATION TO COMPLY WITH SUBDIVISION (A) AND THAT THE MANAGEMENT AGREEMENT MAY BE CANCELED IF THE BOARD OF DIRECTORS IS INFORMED BY THE DEPARTMENT THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION IS NOT COMPLYING WITH SUBDIVISION (A).

(2) THE DEPARTMENT SHALL COMPILE THE REPORTS SUBMITTED BY EDUCATIONAL MANAGEMENT ORGANIZATIONS UNDER THIS SECTION AND PUBLISH THE REPORTS ON ITS WEBSITE.

(3) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH A PUBLIC SCHOOL ACADEMY.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A PUBLIC SCHOOL ACADEMY.

SEC. 503E. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF A PUBLIC SCHOOL ACADEMY ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE PUBLIC SCHOOL ACADEMY, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL NOT CANCEL OR TERMINATE THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(B) THE PUBLIC SCHOOL ACADEMY SHALL ENSURE THAT THE MANAGEMENT AGREEMENT INCLUDES APPROPRIATE PROVISIONS TO PREVENT THE CANCELLATION OR TERMINATION OF THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(2) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION CANCELS OR TERMINATES A MANAGEMENT AGREEMENT WITH A PUBLIC SCHOOL ACADEMY DURING A SCHOOL YEAR, THE PUBLIC SCHOOL ACADEMY SHALL REPORT THE CANCELLATION OR TERMINATION TO ITS AUTHORIZING BODY AND TO THE DEPARTMENT. IF THE DEPARTMENT RECEIVES A NOTICE UNDER THIS SUBSECTION OF A CANCELLATION OR TERMINATION OF A MANAGEMENT AGREEMENT BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DURING A SCHOOL YEAR, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE A NOTICE TO PUBLIC SCHOOL ACADEMIES AND AUTHORIZING BODIES THAT THE EDUCATIONAL MANAGEMENT

ORGANIZATION HAS CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR, AND SHALL COMPILE AND MAINTAIN ON ITS WEBSITE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(3) A PUBLIC SCHOOL ACADEMY SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS ON THE LIST UNDER SUBSECTION (2) OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(4) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH A PUBLIC SCHOOL ACADEMY.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A PUBLIC SCHOOL ACADEMY."

2. Amend page 44, following line 11, by inserting:

"SEC. 523D. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF THE BOARD OF DIRECTORS OF AN URBAN HIGH SCHOOL ACADEMY ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE URBAN HIGH SCHOOL ACADEMY, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL PROVIDE TO THE BOARD OF DIRECTORS AND TO THE DEPARTMENT ALL STUDENT ACHIEVEMENT DATA FOR THAT URBAN HIGH SCHOOL ACADEMY AND FOR ALL OTHER PUBLIC SCHOOLS MANAGED BY THE EDUCATIONAL MANAGEMENT ORGANIZATION, INCLUDING CHANGE IN STUDENT ACHIEVEMENT AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA. THE STUDENT ACHIEVEMENT DATA SHALL INCLUDE ALL STUDENT ACHIEVEMENT DATA THAT A SCHOOL DISTRICT IS REQUIRED TO PROVIDE TO THE DEPARTMENT OR ANY OTHER AGENCY OF THIS STATE.

(B) THE BOARD OF DIRECTORS SHALL ENSURE THAT THE MANAGEMENT AGREEMENT REQUIRES THE EDUCATIONAL MANAGEMENT ORGANIZATION TO COMPLY WITH SUBDIVISION (A) AND THAT THE MANAGEMENT AGREEMENT MAY BE CANCELED IF THE BOARD OF DIRECTORS IS INFORMED BY THE DEPARTMENT THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION IS NOT COMPLYING WITH SUBDIVISION (A).

(2) THE DEPARTMENT SHALL COMPILE THE REPORTS SUBMITTED BY EDUCATIONAL MANAGEMENT ORGANIZATIONS UNDER THIS SECTION AND PUBLISH THE REPORTS ON ITS WEBSITE.

(3) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH AN URBAN HIGH SCHOOL ACADEMY.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO AN URBAN HIGH SCHOOL ACADEMY.

SEC. 523E. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF AN URBAN HIGH SCHOOL ACADEMY ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE URBAN HIGH SCHOOL ACADEMY, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL NOT CANCEL OR TERMINATE THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(B) THE URBAN HIGH SCHOOL ACADEMY SHALL ENSURE THAT THE MANAGEMENT AGREEMENT INCLUDES APPROPRIATE PROVISIONS TO PREVENT THE CANCELLATION OR TERMINATION OF THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(2) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION CANCELS OR TERMINATES A MANAGEMENT AGREEMENT WITH AN URBAN HIGH SCHOOL ACADEMY DURING A SCHOOL YEAR, THE URBAN HIGH SCHOOL ACADEMY SHALL REPORT THE CANCELLATION OR TERMINATION TO ITS AUTHORIZING BODY AND TO THE DEPARTMENT. IF THE DEPARTMENT RECEIVES A NOTICE UNDER THIS SUBSECTION OF A CANCELLATION OR TERMINATION OF A MANAGEMENT AGREEMENT BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DURING A SCHOOL YEAR, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE A NOTICE TO URBAN HIGH SCHOOL ACADEMIES AND AUTHORIZING BODIES THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION HAS CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR, AND SHALL MAINTAIN ON ITS WEBSITE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(3) AN URBAN HIGH SCHOOL ACADEMY SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS ON THE LIST UNDER SUBSECTION (2) OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(4) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH AN URBAN HIGH SCHOOL ACADEMY.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO AN URBAN HIGH SCHOOL ACADEMY."

3. Amend page 71, following line 5, by inserting:

"SEC. 553D. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE SCHOOL OF EXCELLENCE, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL PROVIDE TO THE BOARD OF DIRECTORS AND TO THE DEPARTMENT ALL STUDENT ACHIEVEMENT DATA FOR THAT SCHOOL OF EXCELLENCE AND FOR ALL OTHER PUBLIC SCHOOLS MANAGED BY THE EDUCATIONAL MANAGEMENT ORGANIZATION, INCLUDING CHANGE IN STUDENT

ACHIEVEMENT AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA. THE STUDENT ACHIEVEMENT DATA SHALL INCLUDE ALL STUDENT ACHIEVEMENT DATA THAT A SCHOOL DISTRICT IS REQUIRED TO PROVIDE TO THE DEPARTMENT OR ANY OTHER AGENCY OF THIS STATE.

(B) THE BOARD OF DIRECTORS SHALL ENSURE THAT THE MANAGEMENT AGREEMENT REQUIRES THE EDUCATIONAL MANAGEMENT ORGANIZATION TO COMPLY WITH SUBDIVISION (A) AND THAT THE MANAGEMENT AGREEMENT MAY BE CANCELED IF THE BOARD OF DIRECTORS IS INFORMED BY THE DEPARTMENT THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION IS NOT COMPLYING WITH SUBDIVISION (A).

(2) THE DEPARTMENT SHALL COMPILE THE REPORTS SUBMITTED BY EDUCATIONAL MANAGEMENT ORGANIZATIONS UNDER THIS SECTION AND PUBLISH THE REPORTS ON ITS WEBSITE.

(3) AS USED IN THIS SECTION, "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A SCHOOL OF EXCELLENCE.

SEC. 553E. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF A SCHOOL OF EXCELLENCE ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE SCHOOL OF EXCELLENCE, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL NOT CANCEL OR TERMINATE THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(B) THE SCHOOL OF EXCELLENCE SHALL ENSURE THAT THE MANAGEMENT AGREEMENT INCLUDES APPROPRIATE PROVISIONS TO PREVENT THE CANCELLATION OR TERMINATION OF THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(2) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION CANCELS OR TERMINATES A MANAGEMENT AGREEMENT WITH A SCHOOL OF EXCELLENCE DURING A SCHOOL YEAR, THE SCHOOL OF EXCELLENCE SHALL REPORT THE CANCELLATION OR TERMINATION TO ITS AUTHORIZING BODY AND TO THE DEPARTMENT. IF THE DEPARTMENT RECEIVES A NOTICE UNDER THIS SUBSECTION OF A CANCELLATION OR TERMINATION OF A MANAGEMENT AGREEMENT BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DURING A SCHOOL YEAR, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE A NOTICE TO SCHOOLS OF EXCELLENCE AND AUTHORIZING BODIES THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION HAS CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR, AND SHALL MAINTAIN ON ITS WEBSITE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(3) A SCHOOL OF EXCELLENCE SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS ON THE LIST UNDER SUBSECTION (2) OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(4) AS USED IN THIS SECTION, "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A SCHOOL OF EXCELLENCE."

4. Amend page 87, following line 7, by inserting:
"SEC. 1280D. (1) SUBJECT TO SUBSECTION (2), IF AN EDUCATIONAL MANAGEMENT ORGANIZATION IS A PARTY TO A MANAGEMENT

AGREEMENT WITH 1 OR MORE PUBLIC SCHOOLS ON THE LIST UNDER SECTION 1280C(1) OF THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, THE BOARD OF A SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH THE EDUCATIONAL MANAGEMENT ORGANIZATION. SUBJECT TO SUBSECTION (2), THE DEPARTMENT SHALL COMPILE AND ANNUALLY UPDATE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS DESCRIBED IN THIS SECTION AND POST THAT LIST ON ITS WEBSITE.

(2) UPON REQUEST BY THE EDUCATIONAL MANAGEMENT ORGANIZATION, IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES THAT EACH OF THE SCHOOLS BEING MANAGED BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DESCRIBED IN SUBSECTION (1) THAT ARE ON THE LIST DESCRIBED IN SUBSECTION (1) ARE ON THAT LIST DUE TO REASONS OTHER THAN THE PERFORMANCE OF THE EDUCATIONAL MANAGEMENT ORGANIZATION, INCLUDING, BUT NOT LIMITED TO, REASONS RELATED TO THE PUPIL POPULATION OF THE SCHOOL, THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY EXEMPT THE EDUCATIONAL MANAGEMENT ORGANIZATION FROM THE OPERATION OF SUBSECTION (1).

(3) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH THE GOVERNING BOARD OF A PUBLIC SCHOOL.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A PUBLIC SCHOOL."

The motion did not prevail by a vote of 9-4-5.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Heise, Yonker, Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Franz, Nesbitt, and Bumstead,

Pass: Representatives Hooker, Crawford, O'Brien, Price, and Shaughnessy,

Representative Howze offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 23, following line 22, by inserting:

"SEC. 504E. THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL ENSURE THAT THE PUBLIC SCHOOL ACADEMY OR A PERSON ACTING ON BEHALF OF THE PUBLIC SCHOOL ACADEMY DOES NOT OFFER OR PROVIDE ANY MONEY, GIFT, PRIZE, OR OTHER COMPENSATION IN EXCHANGE FOR EITHER OF THE FOLLOWING:

(A) A CHILD'S ENROLLMENT IN THE PUBLIC SCHOOL ACADEMY.

(B) A PUPIL'S ATTENDANCE AT SCHOOL AT THE PUBLIC SCHOOL ACADEMY ON A PUPIL MEMBERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY, AS DEFINED UNDER THE STATE SCHOOL AID ACT OF 1979."

2. Amend page 46, following line 18, by inserting:

"SEC. 524B. THE BOARD OF DIRECTORS OF AN URBAN HIGH SCHOOL ACADEMY SHALL ENSURE THAT THE URBAN HIGH SCHOOL ACADEMY OR A PERSON ACTING ON BEHALF OF THE URBAN HIGH SCHOOL ACADEMY DOES NOT OFFER OR PROVIDE ANY MONEY, GIFT, PRIZE, OR OTHER COMPENSATION IN EXCHANGE FOR EITHER OF THE FOLLOWING:

(A) A CHILD'S ENROLLMENT IN THE URBAN HIGH SCHOOL ACADEMY.

(B) A PUPIL'S ATTENDANCE AT SCHOOL AT THE URBAN HIGH SCHOOL ACADEMY ON A PUPIL MEMBERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY, AS DEFINED UNDER THE STATE SCHOOL AID ACT OF 1979."

3. Amend page 79, following line 12, by inserting:

"SEC. 556B. THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE SHALL ENSURE THAT THE SCHOOL OF EXCELLENCE OR A PERSON ACTING ON BEHALF OF THE SCHOOL OF EXCELLENCE DOES NOT OFFER OR PROVIDE ANY MONEY, GIFT, PRIZE, OR OTHER COMPENSATION IN EXCHANGE FOR EITHER OF THE FOLLOWING:

(A) A CHILD'S ENROLLMENT IN THE SCHOOL OF EXCELLENCE.

(B) A PUPIL'S ATTENDANCE AT SCHOOL AT THE SCHOOL OF EXCELLENCE ON A PUPIL MEMBERSHIP COUNT DAY OR SUPPLEMENTAL COUNT DAY, AS DEFINED UNDER THE STATE SCHOOL AID ACT OF 1979."

The motion did not prevail by a vote of 7-8-3.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hooker, Franz, Nesbitt, O'Brien, Price, Yonker, and Bumstead,

Pass: Representatives Crawford, Heise, and Shaughnessy.

Representative Howze offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 21, line 5, after "process." by inserting **"THE RANDOM SELECTION PROCESS SHALL BE CONDUCTED BY AN INDIVIDUAL OR GROUP OF INDIVIDUALS WHO ARE MEMBERS OF THE LOCAL COMMUNITY IN WHICH THE PUBLIC SCHOOL ACADEMY IS LOCATED AND WHO HAVE NO FAMILY OR BUSINESS AFFILIATION, OTHER THAN THE ARRANGEMENT FOR THE CONDUCT OF THE RANDOM SELECTION PROCESS, WITH THE PUBLIC SCHOOL ACADEMY, WITH A MEMBER OF THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY, WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS PARTY TO AN AGREEMENT WITH THE PUBLIC SCHOOL ACADEMY, OR WITH AN OFFICER OF AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS PARTY TO AN AGREEMENT WITH THE PUBLIC SCHOOL ACADEMY."**

2. Amend page 23, line 3, after "least" by striking out "5%" and inserting "1/3".

3. Amend page 43, line 9, after "process." by inserting **"THE RANDOM SELECTION PROCESS SHALL BE CONDUCTED BY AN INDIVIDUAL OR GROUP OF INDIVIDUALS WHO ARE MEMBERS OF THE LOCAL COMMUNITY IN WHICH THE URBAN HIGH SCHOOL ACADEMY IS LOCATED AND WHO HAVE NO FAMILY OR BUSINESS AFFILIATION, OTHER THAN THE ARRANGEMENT FOR**

THE CONDUCT OF THE RANDOM SELECTION PROCESS, WITH THE URBAN HIGH SCHOOL ACADEMY, WITH A MEMBER OF THE BOARD OF DIRECTORS OF THE URBAN HIGH SCHOOL ACADEMY, WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS PARTY TO AN AGREEMENT WITH THE URBAN HIGH SCHOOL ACADEMY, OR WITH AN OFFICER OF AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS PARTY TO AN AGREEMENT WITH THE URBAN HIGH SCHOOL ACADEMY."

4. Amend page 73, line 18, after "process." by inserting "**THE RANDOM SELECTION PROCESS SHALL BE CONDUCTED BY AN INDIVIDUAL OR GROUP OF INDIVIDUALS WHO ARE MEMBERS OF THE LOCAL COMMUNITY IN WHICH THE SCHOOL OF EXCELLENCE IS LOCATED AND WHO HAVE NO FAMILY OR BUSINESS AFFILIATION, OTHER THAN THE ARRANGEMENT FOR THE CONDUCT OF THE RANDOM SELECTION PROCESS, WITH THE SCHOOL OF EXCELLENCE, WITH A MEMBER OF THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE, WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS PARTY TO AN AGREEMENT WITH THE SCHOOL OF EXCELLENCE, OR WITH AN OFFICER OF AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS PARTY TO AN AGREEMENT WITH THE SCHOOL OF EXCELLENCE.**".

5. Amend page 78, line 9, after "least" by striking out "5%" and inserting "1/3".

The motion did not prevail by a vote of 7-10-1.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, and Bumstead,

Pass: Representative Hooker.

Representative Rutledge offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 20, following line 25, by inserting:

"SEC. 503E. A PUBLIC SCHOOL ACADEMY SHALL NOT ENTER INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO PROVIDE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE PUBLIC SCHOOL ACADEMY UNLESS THE EDUCATIONAL MANAGEMENT ORGANIZATION IS A NONPROFIT ENTITY."

2. Amend page 44, following line 11, by inserting:

"SEC. 523E. AN URBAN HIGH SCHOOL ACADEMY SHALL NOT ENTER INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO PROVIDE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE URBAN HIGH SCHOOL ACADEMY UNLESS THE EDUCATIONAL MANAGEMENT ORGANIZATION IS A NONPROFIT ENTITY."

3. Amend page 76, following line 5, by inserting:

"SEC. 553E. A SCHOOL OF EXCELLENCE SHALL NOT ENTER INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO

PROVIDE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE SCHOOL OF EXCELLENCE UNLESS THE EDUCATIONAL MANAGEMENT ORGANIZATION IS A NONPROFIT ENTITY."

The motion did not prevail by a vote of 7-11-1.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Hooker, Brown, Darany, Howze, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Lyons, and Bumstead,

Pass: Representative Hobbs.

Representative Rutledge offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 11, line 13, by inserting:

"(iii) ~~At the time the contract is issued, the~~ **THE** public school academy shall not be located in a school district that, **AS OF THE DATE THE CONTRACT IS ISSUED**, has a graduation rate of over 75.5%, on average, for the most recent 3 school years for which the data are available, as determined by the department."

2. Amend page 14, line 7, after "located." by inserting "~~At the time the contract is issued for~~ **FOR** a public school academy **THAT IS CONVERTED TO A SCHOOL OF EXCELLENCE** under section 502a, the public school academy **THAT IS CONVERTED TO A SCHOOL OF EXCELLENCE** shall not be located in a school district that, **AS OF THE DATE THE CONTRACT IS ISSUED**, has a graduation rate of over 75.5%, on average, for the most recent 3 school years for which the data are available, as determined by the department."

The motion did not prevail by a vote of 7-11-1.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Hobbs, Rutledge, Stallworth, and Geiss,

Nays: Representatives McMillin, Hooker, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Yonker, Lyons, and Bumstead,

Pass: Representative Shaughnessy.

Representative Darany offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 56, line 2, after "(1)" by striking out the balance of the line through "subsection." on line 5.

2. Amend page 56, line 5, after "apply to" by striking out the balance of the line through "subsection:" on line 6 and inserting "**THE ISSUANCE OF A CONTRACT BY AN AUTHORIZING BODY UNDER THIS PART:**".

3. Amend page 56, line 12, by striking out all of subdivision (b) and relettering the

remaining subdivisions.

The motion prevailed by a vote of 15-0-4.

FAVORABLE ROLL CALL:

Yeas: Representatives McMillin, Hooker, Heise, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Lyons, Bumstead, Darany, Howze, Hobbs, Rutledge, and Geiss,

Nays: None,

Pass: Representatives Crawford, Franz, Brown, and Stallworth.

Representative Hobbs offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 19, following line 18, by inserting:

"SEC. 503D. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF A PUBLIC SCHOOL ACADEMY ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE PUBLIC SCHOOL ACADEMY, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL NOT CANCEL OR TERMINATE THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(B) THE PUBLIC SCHOOL ACADEMY SHALL ENSURE THAT THE MANAGEMENT AGREEMENT INCLUDES APPROPRIATE PROVISIONS TO PREVENT THE CANCELLATION OR TERMINATION OF THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(2) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION CANCELS OR TERMINATES A MANAGEMENT AGREEMENT WITH A PUBLIC SCHOOL ACADEMY DURING A SCHOOL YEAR, THE PUBLIC SCHOOL ACADEMY SHALL REPORT THE CANCELLATION OR TERMINATION TO ITS AUTHORIZING BODY AND TO THE DEPARTMENT. IF THE DEPARTMENT RECEIVES A NOTICE UNDER THIS SUBSECTION OF A CANCELLATION OR TERMINATION OF A MANAGEMENT AGREEMENT BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DURING A SCHOOL YEAR, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE A NOTICE TO PUBLIC SCHOOL ACADEMIES AND AUTHORIZING BODIES THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION HAS CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR, AND SHALL COMPILE AND MAINTAIN ON ITS WEBSITE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(3) A PUBLIC SCHOOL ACADEMY SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS ON THE LIST UNDER SUBSECTION (2) OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELLED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(4) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH A PUBLIC SCHOOL ACADEMY.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO

PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A PUBLIC SCHOOL ACADEMY."

2. Amend page 41, following line 24, by inserting:

"SEC. 523D. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF AN URBAN HIGH SCHOOL ACADEMY ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE OPERATIONS OF THE URBAN HIGH SCHOOL ACADEMY, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL NOT CANCEL OR TERMINATE THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(B) THE URBAN HIGH SCHOOL ACADEMY SHALL ENSURE THAT THE MANAGEMENT AGREEMENT INCLUDES APPROPRIATE PROVISIONS TO PREVENT THE CANCELLATION OR TERMINATION OF THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(2) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION CANCELS OR TERMINATES A MANAGEMENT AGREEMENT WITH AN URBAN HIGH SCHOOL ACADEMY DURING A SCHOOL YEAR, THE URBAN HIGH SCHOOL ACADEMY SHALL REPORT THE CANCELLATION OR TERMINATION TO ITS AUTHORIZING BODY AND TO THE DEPARTMENT. IF THE DEPARTMENT RECEIVES A NOTICE UNDER THIS SUBSECTION OF A CANCELLATION OR TERMINATION OF A MANAGEMENT AGREEMENT BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DURING A SCHOOL YEAR, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE A NOTICE TO URBAN HIGH SCHOOL ACADEMIES AND AUTHORIZING BODIES THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION HAS CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR, AND SHALL MAINTAIN ON ITS WEBSITE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(3) AN URBAN HIGH SCHOOL ACADEMY SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS ON THE LIST UNDER SUBSECTION (2) OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(4) AS USED IN THIS SECTION:

(A) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO A MANAGEMENT AGREEMENT WITH AN URBAN HIGH SCHOOL ACADEMY.

(B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(C) "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO AN URBAN HIGH SCHOOL ACADEMY."

3. Amend page 72, following line 6, by inserting:

"SEC. 553D. (1) BEGINNING WITH MANAGEMENT AGREEMENTS DESCRIBED IN THIS SECTION THAT ARE ENTERED INTO OR RENEWED AFTER THE EFFECTIVE DATE OF THIS SECTION, IF A SCHOOL OF EXCELLENCE ENTERS INTO OR RENEWS A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO CARRY OUT THE

OPERATIONS OF THE SCHOOL OF EXCELLENCE, BOTH OF THE FOLLOWING APPLY:

(A) THE EDUCATIONAL MANAGEMENT ORGANIZATION SHALL NOT CANCEL OR TERMINATE THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(B) THE SCHOOL OF EXCELLENCE SHALL ENSURE THAT THE MANAGEMENT AGREEMENT INCLUDES APPROPRIATE PROVISIONS TO PREVENT THE CANCELLATION OR TERMINATION OF THE MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(2) IF AN EDUCATIONAL MANAGEMENT ORGANIZATION CANCELS OR TERMINATES A MANAGEMENT AGREEMENT WITH A SCHOOL OF EXCELLENCE DURING A SCHOOL YEAR, THE SCHOOL OF EXCELLENCE SHALL REPORT THE CANCELLATION OR TERMINATION TO ITS AUTHORIZING BODY AND TO THE DEPARTMENT. IF THE DEPARTMENT RECEIVES A NOTICE UNDER THIS SUBSECTION OF A CANCELLATION OR TERMINATION OF A MANAGEMENT AGREEMENT BY AN EDUCATIONAL MANAGEMENT ORGANIZATION DURING A SCHOOL YEAR, THE DEPARTMENT SHALL PUBLISH ON ITS WEBSITE A NOTICE TO SCHOOLS OF EXCELLENCE AND AUTHORIZING BODIES THAT THE EDUCATIONAL MANAGEMENT ORGANIZATION HAS CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR, AND SHALL MAINTAIN ON ITS WEBSITE A LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(3) A SCHOOL OF EXCELLENCE SHALL NOT ENTER INTO A MANAGEMENT AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS ON THE LIST UNDER SUBSECTION (2) OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT HAVE CANCELED OR TERMINATED A MANAGEMENT AGREEMENT DURING A SCHOOL YEAR.

(4) AS USED IN THIS SECTION, "MANAGEMENT AGREEMENT" MEANS AN AGREEMENT TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO A SCHOOL OF EXCELLENCE."

The motion did not prevail by a vote of 6-7-5.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Yonker, Darany, Howze, Hobbs, Rutledge, and Geiss,

Nays: Representatives McMillin, Franz, Nesbitt, O'Brien, Price, Lyons, and Bumstead,

Pass: Representatives Hooker, Heise, Shaughnessy, Brown, and Stallworth.

Chair McMillin offered the following amendments to SB 618 (H-1):

Amend page 18, line 26, after "TAXES" by inserting "LEVIED FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211, TO THE EXTENT EXEMPTED UNDER THAT SECTION, AND FROM REAL AND PERSONAL PROPERTY TAXES LEVIED UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906".

2. Amend page 42, line 17, after "TAXES" by inserting "LEVIED FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211, TO THE EXTENT EXEMPTED UNDER THAT SECTION, AND FROM REAL AND PERSONAL PROPERTY TAXES LEVIED UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO

211.906".

3. Amend page 72, line 22, after "**TAXES**" by inserting "**LEVIED FOR SCHOOL OPERATING PURPOSES UNDER SECTION 1211, TO THE EXTENT EXEMPTED UNDER THAT SECTION, AND FROM REAL AND PERSONAL PROPERTY TAXES LEVIED UNDER THE STATE EDUCATION TAX ACT, 1993 PA 331, MCL 211.901 TO 211.906**".

4. Amend page 87, following line 7, by inserting:

" Sec. 1211. (1) Except as otherwise provided in this section and section 1211c, the board of a school district shall levy not more than 18 mills for school operating purposes or the number of mills levied in 1993 for school operating purposes, whichever is less. A principal residence, qualified agricultural property, qualified forest property, supportive housing property, **PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**, and industrial personal property are exempt from the mills levied under this subsection except for the number of mills by which that exemption is reduced under this subsection. Except as otherwise provided in subsection (9), the board of a school district that had a foundation allowance for the 1994-95 state fiscal year greater than \$6,500.00 may reduce the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, **PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**, and industrial personal property are exempted under this subsection by up to the number of mills, as certified under section 1211a, required to be levied on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, **PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**, and industrial personal property for the school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for the state fiscal year ending in 1995, and the board also may levy in 1994 or a succeeding year that number of mills for school operating purposes on a principal residence, qualified agricultural property, qualified forest property, supportive housing property, **PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**, and industrial personal property.

(2) Subject to subsection (3), if the department of treasury determines that the maximum number of mills allowed to be levied under subsection (1) on all classes of property was not sufficient for a school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for that school fiscal year, the board of the school district may levy in 1994 or a succeeding year additional mills uniformly on all property up to the number of mills required for the school district's combined state and local revenue per membership pupil for the school fiscal year ending in 1995 to be equal to the school district's foundation allowance for the state fiscal year ending in 1995. However, the board of a school district described in this subsection, by board resolution, may elect to exempt each principal residence and all qualified agricultural property, qualified forest property, supportive housing property, **PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**, and industrial personal property located in the school district from some or all of the mills that the board is authorized to levy under this subsection.

(3) After 1994, the number of mills a school district may levy under this section on any class of property shall not exceed the lesser of the number of mills the school district was certified by the department of treasury under section 1211a to levy on that class of property under this section in 1994 or the number of mills required to be levied on that class of property under this section to ensure that the increase from the immediately preceding state fiscal year in

the school district's combined state and local revenue per membership pupil, calculated as if the school district had levied the maximum number of mills the school district was allowed to levy under this section regardless of the number of mills the school district actually levied, does not exceed the lesser of the dollar amount of the increase in the basic foundation allowance under section 20 of the state school aid act of 1979, MCL 388.1620, from the immediately preceding state fiscal year or the percentage increase in the general price level in the immediately preceding calendar year. If the number of mills a school district is allowed to levy under this section in a year after 1994 is less than the number of mills the school district was allowed to levy under this section in the immediately preceding year, any reduction required by this subsection in the school district's millage rate shall be calculated by first reducing the number of mills the school district is allowed to levy under subsection (2) and then increasing the number of mills from which a principal residence, qualified agricultural property, qualified forest property, supportive housing property, **PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY**, and industrial personal property are exempted under subsection (1).

(4) Commercial personal property is exempt from 12 of the mills levied under this section. However, if the number of mills from which industrial personal property is exempted for a specific school district is reduced under this section, then the number of mills from which commercial personal property is exempted for that school district shall be reduced by that same number of mills.

(5) Millage levied under this section must be approved by the school electors. For the purposes of this section, millage approved by the school electors before January 1, 1994 for which the authorization has not expired is considered to be approved by the school electors.

(6) If a school district levies millage for school operating purposes that is in excess of the limits of this section, the amount of the resulting excess tax revenue shall be deducted from the school district's next regular tax levy.

(7) If a school district levies millage for school operating purposes that is less than the limits of this section, the board of the school district may levy at the school district's next regular tax levy an additional number of mills not to exceed the additional millage needed to make up the shortfall.

(8) A school district shall not levy mills allocated under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a, other than mills allocated to a school district of the first class for payment to a public library commission under section 11(4) of the property tax limitation act, 1933 PA 62, MCL 211.211, after 1993.

(9) Beginning with taxes levied for 2011, if a school district had a foundation allowance for the 1994-95 state fiscal year greater than \$6,500.00 and if the school district's foundation allowance for the 2009-2010 state fiscal year was less than the basic foundation allowance prescribed for the 2009-2010 state fiscal year under section 20 of the state school aid act of 1979, MCL 388.1620, the school district may not reduce the number of mills from which certain classes of property are exempted from the levy of millage under subsection (1) and may not levy that number of mills on those classes of property as would otherwise be allowed under subsection (1).

(10) As used in this section:

(a) "Combined state and local revenue per membership pupil" means that term as defined in section 20 of the state school aid act of 1979, MCL 388.1620.

(b) "Commercial personal property" means property classified as commercial personal property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

(c) "Foundation allowance" means a school district's foundation allowance as calculated under section 20 of the state school aid act of 1979, MCL 388.1620.

(d) "General price level" means that term as defined in section 33 of article IX of the state constitution of 1963.

(e) "Industrial personal property" means property classified as industrial personal property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

(f) "Membership" means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(g) "Owner", "person", "principal residence", and "qualified agricultural property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(H) "PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY" MEANS PROPERTY OCCUPIED BY A PUBLIC SCHOOL ACADEMY, URBAN HIGH SCHOOL ACADEMY, OR SCHOOL OF EXCELLENCE THAT IS USED EXCLUSIVELY FOR EDUCATIONAL PURPOSES.

(I) ~~(H)~~ "Qualified forest property" means that term as defined in section 7jj of the general property tax act, 1893 PA 206, MCL 211.7jj[1].

(J) ~~(I)~~ "School operating purposes" includes expenditures for furniture and equipment, for alterations necessary to maintain school facilities in a safe and sanitary condition, for funding the cost of energy conservation improvements in school facilities, for deficiencies in operating expenses for the preceding year, and for paying the operating allowance due from the school district to a joint high school district in which the school district is a participating school district under former part 3a. Taxes levied for school operating purposes do not include any of the following:

(i) Taxes levied by a school district for operating a community college under part 25.

(ii) Taxes levied under section 1212.

(iii) Taxes levied under section 1356 for eliminating an operating deficit.

(iv) Taxes levied for operation of a library under section 1451 or for operation of a library established pursuant to 1913 PA 261, MCL 397.261 to 397.262, that were not included in the operating millage reported by the district to the department as of April 1, 1993. However, a district may report to the department not later than April 1, 1994 the number of mills it levied in 1993 for a purpose described in this subparagraph that the school district does not want considered as operating millage and then that number of mills is excluded under this section from taxes levied for school operating purposes.

(v) Taxes paid by a school district of the first class to a public library commission pursuant to section 11(4) of the property tax limitation act, 1933 PA 62, MCL 211.211.

(vi) Taxes levied under former section 1512 for operation of a community swimming pool. In addition, if a school district included the millage it levied in 1993 for operation of a community swimming pool as part of its operating millage reported to the department for 1993, the school district may report to the department not later than June 17, 1994 the number of mills it levied in 1993 for operation of a community swimming pool that the school district does not want considered as operating millage and then that number of mills is excluded under this section from taxes levied for school operating purposes.

(K) ~~(J)~~ "Supportive housing property" means real property certified as supportive housing property under chapter 3B of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1459 to 125.1459b."

Representative Crawford moved to adopt the amendments to SB 618 (H-1).

The motion prevailed by a vote of 12-4-2.

FAVORABLE ROLL CALL:

Yeas: Representatives McMillin, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Lyons, Bumstead, and Howze,

Nays: Representatives Hooker, Darany, Rutledge, and Stallworth,

Pass: Representatives Brown and Geiss.

Representative Brown offered and moved to adopt the following amendments to SB 618 (H-1):

Amend page 18, line 24, after "207.513." by striking out the balance of the line through "**TAXES.**" on line 26.

2. Amend page 42, line 15, after "property." by striking out the balance of the line through "**TAXES.**" on line 17.

3. Amend page 72, line 20, after "property." by striking out the balance of the line through "**TAXES.**" on line 22.

The motion did not prevail by a vote of 5-7-6.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Rutledge, and Geiss,

Nays: Representatives McMillin, Franz, Nesbitt, O'Brien, Price, Lyons, and Bumstead,

Pass: Representatives Hooker, Crawford, Heise, Shaughnessy, Yonker, and Stallworth.

Representative Stallworth offered and moved to adopt the following amendments to SB 618 (H-1):

1. Amend page 18, line 24, after "**TAXES.**" by inserting "**HOWEVER, THE EXEMPTIONS FROM REAL AND PERSONAL PROPERTY TAXES UNDER THIS SUBSECTION DO NOT APPLY TO A PUBLIC SCHOOL ACADEMY UNLESS THE PUBLIC SCHOOL ACADEMY IS LOCATED IN A SCHOOL BUILDING THAT WAS VACANT BEFORE BEING OCCUPIED BY THE PUBLIC SCHOOL ACADEMY.**".

2. Amend page 42, line 20, after "207.513." by inserting "**HOWEVER, THE EXEMPTIONS FROM REAL AND PERSONAL PROPERTY TAXES UNDER THIS SUBSECTION DO NOT APPLY TO AN URBAN HIGH SCHOOL ACADEMY UNLESS THE URBAN HIGH SCHOOL ACADEMY IS LOCATED IN A SCHOOL BUILDING THAT WAS VACANT BEFORE BEING OCCUPIED BY THE URBAN HIGH SCHOOL ACADEMY.**".

3. Amend page 72, line 24, after "207.513." by inserting "**HOWEVER, THE EXEMPTIONS FROM REAL AND PERSONAL PROPERTY TAXES UNDER THIS SUBSECTION DO NOT APPLY TO A SCHOOL OF EXCELLENCE UNLESS THE**

SCHOOL OF EXCELLENCE IS LOCATED IN A SCHOOL BUILDING THAT WAS VACANT BEFORE BEING OCCUPIED BY THE SCHOOL OF EXCELLENCE."

The motion did not prevail by a vote of 6-6-6.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brown, Darany, Howze, Rutledge, Stallworth, and Geiss,
Nays: Representatives McMillin, Franz, Nesbitt, O'Brien, Lyons, and Bumstead,
Pass: Representatives Hooker, Crawford, Heise, Price, Shaughnessy, and Yonker.

Representative Lyons moved to report out SB 618 as substitute (H-4) with recommendation.

The motion prevailed by a vote of 11-7-0.

FAVORABLE ROLL CALL:

Yeas: Representatives McMillin, Crawford, Franz, Heise, Nesbitt, O'Brien, Price, Shaughnessy, Yonker, Lyons, and Bumstead,
Nays: Representatives Hooker, Brown, Darany, Howze, Rutledge, Stallworth, and Geiss,
Pass: None.

SB 618 (H-4) reported out with recommendation.

With no further business to come before the committee, the Chair adjourned the meeting, the time being 10:30 a.m.

Representative Tom McMillin, Chair

Ben Cook
Committee Clerk
bcook@house.mi.gov
November 30, 2011
1 hour 30 minutes

Date Approved and Signed