

**SUBSTITUTE FOR
SENATE BILL NO. 981**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 5, 6, 502, 503, 504, 507, 522, 523, 524, 1246,
1250, 1278a, 1311e, 1536, and 1701a (MCL 380.5, 380.6, 380.502,
380.503, 380.504, 380.507, 380.522, 380.523, 380.524, 380.1246,
380.1250, 380.1278a, 380.1311e, 380.1536, and 380.1701a), section 5
as amended by 2005 PA 61, sections 6, 504, and 1701a as amended by
2008 PA 1, sections 502 and 507 as amended and section 1250 as
added by 1995 PA 289, section 503 as amended by 2003 PA 299,
sections 522, 523, and 524 as added by 2003 PA 179, section 1246 as

amended by 2004 PA 148, section 1278a as amended by 2008 PA 316, section 1311e as added by 1999 PA 23, and section 1536 as added by 2006 PA 335, and by adding sections 502a and 1249 and part 6e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) "Local act school district" or "special act school
2 district" means a district governed by a special or local act or
3 chapter of a local act. "Local school district" and "local school
4 district board" as used in article 3 include a local act school
5 district and a local act school district board.

6 (2) "Membership" means the number of full-time equivalent
7 pupils in a public school as determined by the number of pupils
8 registered for attendance plus pupils received by transfer and
9 minus pupils lost as defined by rules promulgated by the state
10 board.

11 (3) "Michigan election law" means the Michigan election law,
12 1954 PA 116, MCL 168.1 to 168.992.

13 (4) "Nonpublic school" means a private, denominational, or
14 parochial school.

15 (5) "Objectives" means measurable pupil academic skills and
16 knowledge.

17 (6) "Public school" means a public elementary or secondary
18 educational entity or agency that is established under this act,
19 has as its primary mission the teaching and learning of academic
20 and vocational-technical skills and knowledge, and is operated by a
21 school district, local act school district, special act school
22 district, intermediate school district, **SCHOOL OF EXCELLENCE**,
23 public school academy corporation, strict discipline academy

1 corporation, urban high school academy corporation, or by the
2 department or state board. Public school also includes a laboratory
3 school or other elementary or secondary school that is controlled
4 and operated by a state public university described in section 4,
5 5, or 6 of article VIII of the state constitution of 1963.

6 (7) "Public school academy" means a public school academy
7 established under part 6a and, except as used in part 6a, also
8 includes an urban high school academy established under part 6c, **A**
9 **SCHOOL OF EXCELLENCE ESTABLISHED UNDER PART 6E**, and a strict
10 discipline academy established under sections 1311b to 1311l.

11 (8) "Pupil membership count day" of a school district means
12 that term as defined in section 6 of the state school aid act of
13 1979, MCL 388.1606.

14 (9) "Regular school election" or "regular election" means the
15 election held in a school district, local act school district, or
16 intermediate school district to elect a school board member in the
17 regular course of the terms of that office and held on the school
18 district's regular election date as determined under section 642 or
19 642a of the Michigan election law, MCL 168.642 and 168.642a.

20 (10) "Reorganized intermediate school district" means an
21 intermediate school district formed by consolidation or annexation
22 of 2 or more intermediate school districts under sections 701 and
23 702.

24 (11) "Rule" means a rule promulgated under the administrative
25 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

26 Sec. 6. (1) "School district" or "local school district" means
27 a general powers school district organized under this act,

1 regardless of previous classification, or a school district of the
2 first class.

3 (2) "School district filing official" means the school
4 district election coordinator as defined in section 4 of the
5 Michigan election law, MCL 168.4, or an authorized agent of the
6 school district election coordinator.

7 (3) "School elector" means a person qualified as an elector
8 under section 492 of the Michigan election law, MCL 168.492, and
9 resident of the school district or intermediate school district on
10 or before the thirtieth day before the next ensuing regular or
11 special school election.

12 (4) "School month" means a 4-week period of 5 days each unless
13 otherwise specified in the teacher's contract.

14 (5) **"SCHOOL OF EXCELLENCE" MEANS A SCHOOL OF EXCELLENCE**
15 **ESTABLISHED UNDER PART 6E.**

16 (6) ~~(5)~~ "Special education building and equipment" means a
17 structure or portion of a structure or personal property accepted,
18 leased, purchased, or otherwise acquired, prepared, or used for
19 special education programs and services.

20 (7) ~~(6)~~ "Special education personnel" means persons engaged in
21 and having professional responsibility for students with a
22 disability in special education programs and services including,
23 but not limited to, teachers, aides, school social workers,
24 diagnostic personnel, physical therapists, occupational therapists,
25 audiologists, teachers of speech and language, instructional media-
26 curriculum specialists, mobility specialists, teacher consultants,
27 supervisors, and directors.

1 (8) ~~(7)~~—"Special education programs and services" means
2 educational and training services designed for students with a
3 disability and operated by local school districts, local act school
4 districts, intermediate school districts, the Michigan schools for
5 the deaf and blind, the department of community health, the
6 department of human services, or a combination of these, and
7 ancillary professional services for students with a disability
8 rendered by agencies approved by the state board. The programs
9 shall include vocational training, but need not include academic
10 programs of college or university level.

11 (9) ~~(8)~~—"Special school election" or "special election" means
12 a school district election to fill a vacancy on the school board or
13 submit a ballot question to the school electors that is held on a
14 regular election date established under section 641 of the Michigan
15 election law, MCL 168.641.

16 (10) ~~(9)~~—"State approved nonpublic school" means a nonpublic
17 school that complies with 1921 PA 302, MCL 388.551 to 388.558.

18 (11) ~~(10)~~—"State board" means the state board of education
19 unless clearly otherwise stated.

20 (12) ~~(11)~~—"Student with a disability" means that term as
21 defined in R 340.1702 of the Michigan administrative code.

22 (13) ~~(12)~~—"Department" means the department of education
23 created and operating under sections 300 to 305 of the executive
24 organization act of 1965, 1965 PA 380, MCL 16.400 to 16.405.

25 (14) ~~(13)~~—"State school aid" means allotments from the general
26 appropriating act for the purpose of aiding in the support of the
27 public schools of the state.

1 (15) ~~(14)~~ "The state school aid act of 1979" means the state
2 school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

3 Sec. 502. (1) A public school academy shall be organized and
4 administered under the direction of a board of directors in
5 accordance with this part and with bylaws adopted by the board of
6 directors. A public school academy corporation shall be organized
7 under the nonprofit corporation act, ~~Act No. 162 of the Public Acts~~
8 ~~of 1982, being sections 450.2101 to 450.3192 of the Michigan~~
9 ~~Compiled Laws 1982 PA 162, MCL 450.2101 TO 450.3192~~, except that a
10 public school academy corporation is not required to comply with
11 sections 170 to 177 of ~~Act No. 327 of the Public Acts of 1931,~~
12 ~~being sections 450.170 to 450.177 of the Michigan Compiled Laws~~
13 **1931 PA 327, MCL 450.170 TO 450.177**. To the extent disqualified
14 under the state or federal constitution, a public school academy
15 shall not be organized by a church or other religious organization
16 and shall not have any organizational or contractual affiliation
17 with or constitute a church or other religious organization.

18 (2) Any of the following may act as an authorizing body to
19 issue a contract to organize and operate 1 or more public school
20 academies under this part:

21 (a) The board of a school district that operates grades K to
22 12. However, the board of a school district shall not issue a
23 contract for a public school academy to operate outside the school
24 district's boundaries, and a public school academy authorized by
25 the board of a school district shall not operate outside that
26 school district's boundaries.

27 (b) An intermediate school board. However, the board of an

1 intermediate school district shall not issue a contract for a
2 public school academy to operate outside the intermediate school
3 district's boundaries, and a public school academy authorized by
4 the board of an intermediate school district shall not operate
5 outside that intermediate school district's boundaries.

6 (c) The board of a community college. However, except as
7 otherwise provided in this subdivision, the board of a community
8 college shall not issue a contract for a public school academy to
9 operate in a school district organized as a school district of the
10 first class, a public school academy authorized by the board of a
11 community college shall not operate in a school district organized
12 as a school district of the first class, the board of a community
13 college shall not issue a contract for a public school academy to
14 operate outside the boundaries of the community college district,
15 and a public school academy authorized by the board of a community
16 college shall not operate outside the boundaries of the community
17 college district. The board of a community college also may issue a
18 contract for not more than 1 public school academy to operate on
19 the grounds of an active or closed federal military installation
20 located outside the boundaries of the community college district,
21 or may operate a public school academy itself on the grounds of
22 such a federal military installation, if the federal military
23 installation is not located within the boundaries of any community
24 college district and the community college has previously offered
25 courses on the grounds of the federal military installation for at
26 least 10 years.

27 (d) The governing board of a state public university. However,

1 the combined total number of contracts for public school academies
2 issued by all state public universities shall not exceed ~~85 through~~
3 ~~1996, and, after the initial evaluation under section 501a, shall~~
4 ~~not exceed 100 through 1997, 125 through 1998, or 150 thereafter~~
5 **150**. Further, the total number of contracts issued by any 1 state
6 public university shall not exceed ~~50 through 1996, and thereafter~~
7 ~~shall not exceed 50%~~ of the maximum combined total number that may
8 be issued under this subdivision.

9 (3) To obtain a contract to organize and operate 1 or more
10 public school academies, 1 or more persons or an entity may apply
11 to an authorizing body described in subsection (2). The application
12 shall include at least all of the following:

13 (a) Identification of the applicant for the contract.

14 (b) Subject to the resolution adopted by the authorizing body
15 under section 503(4), a list of the proposed members of the board
16 of directors of the public school academy and a description of the
17 qualifications and method for appointment or election of members of
18 the board of directors.

19 (c) The proposed articles of incorporation, which shall
20 include at least all of the following:

21 (i) The name of the proposed public school academy.

22 (ii) The purposes for the public school academy corporation.

23 This language shall provide that the public school academy is
24 incorporated pursuant to this part and that the public school
25 academy corporation is a governmental entity.

26 (iii) The name of the authorizing body.

27 (iv) The proposed time when the articles of incorporation will

1 be effective.

2 (v) Other matters considered expedient to be in the articles
3 of incorporation.

4 (d) A copy of the proposed bylaws of the public school
5 academy.

6 (e) Documentation meeting the application requirements of the
7 authorizing body, including at least all of the following:

8 (i) The governance structure of the public school academy.

9 (ii) A copy of the educational goals of the public school
10 academy and the curricula to be offered and methods of pupil
11 assessment to be used by the public school academy. To the extent
12 applicable, the progress of the pupils in the public school academy
13 shall be assessed using at least a Michigan education assessment
14 program (MEAP) test or ~~an assessment instrument developed under~~
15 ~~section 1279 for a state endorsed high school diploma~~ **THE MICHIGAN**
16 **MERIT EXAMINATION, AS APPLICABLE.**

17 (iii) The admission policy and criteria to be maintained by the
18 public school academy. The admission policy and criteria shall
19 comply with section 504. This part of the application also shall
20 include a description of how the applicant will provide to the
21 general public adequate notice that a public school academy is
22 being created and adequate information on the admission policy,
23 criteria, and process.

24 (iv) The school calendar and school day schedule.

25 (v) The age or grade range of pupils to be enrolled.

26 (f) Descriptions of staff responsibilities and of the public
27 school academy's governance structure.

1 (g) For an application to the board of a school district, an
2 intermediate school board, or board of a community college,
3 identification of the local and intermediate school districts in
4 which the public school academy will be located.

5 (h) An agreement that the public school academy will comply
6 with the provisions of this part and, subject to the provisions of
7 this part, with all other state law applicable to public bodies and
8 with federal law applicable to public bodies or school districts.

9 (i) For a public school academy authorized by a school
10 district, an assurance that employees of the public school academy
11 will be covered by the collective bargaining agreements that apply
12 to other employees of the school district employed in similar
13 classifications in schools that are not public school academies.

14 (j) A description of and address for the proposed physical
15 plant in which the public school academy will be located.

16 (4) An authorizing body shall oversee, or shall contract with
17 an intermediate school district, community college, or state public
18 university to oversee, each public school academy operating under a
19 contract issued by the authorizing body. The oversight shall be
20 sufficient to ensure that the authorizing body can certify that the
21 public school academy is in compliance with statute, rules, and the
22 terms of the contract.

23 (5) If the ~~state board~~ **SUPERINTENDENT OF A PUBLIC INSTRUCTION**
24 finds that an authorizing body is not engaging in appropriate
25 continuing oversight of 1 or more public school academies operating
26 under a contract issued by the authorizing body, the ~~state board~~
27 **SUPERINTENDENT OF PUBLIC INSTRUCTION** may suspend the power of the

1 authorizing body to issue new contracts to organize and operate
2 public school academies. A contract issued by the authorizing body
3 during the suspension is void. A contract issued by the authorizing
4 body before the suspension is not affected by the suspension.

5 (6) An authorizing body shall not charge a fee, or require
6 reimbursement of expenses, for considering an application for a
7 contract, for issuing a contract, or for providing oversight of a
8 contract for a public school academy in an amount that exceeds a
9 combined total of 3% of the total state school aid received by the
10 public school academy in the school year in which the fees or
11 expenses are charged. An authorizing body may provide other
12 services for a public school academy and charge a fee for those
13 services, but shall not require such an arrangement as a condition
14 to issuing the contract authorizing the public school academy.

15 (7) A public school academy shall be presumed to be legally
16 organized if it has exercised the franchises and privileges of a
17 public school academy for at least 2 years.

18 **SEC. 502A. IF A PUBLIC SCHOOL ACADEMY OPERATING UNDER THIS**
19 **PART MEETS THE REQUIREMENTS OF PART 6E, WITH THE APPROVAL OF ITS**
20 **AUTHORIZING BODY, THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL**
21 **ACADEMY MAY ADOPT A RESOLUTION CHOOSING TO CONVERT THE PUBLIC**
22 **SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE UNDER PART 6E. IF A BOARD**
23 **OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY THAT MEETS THE REQUIREMENTS**
24 **OF PART 6E IS ISSUED A CONTRACT TO OPERATE AS A SCHOOL OF**
25 **EXCELLENCE UNDER PART 6E, ALL OF THE FOLLOWING APPLY:**

26 (A) THE PUBLIC SCHOOL ACADEMY SHALL CEASE TO OPERATE AS A
27 PUBLIC SCHOOL ACADEMY UNDER THIS PART AND SHALL OPERATE AS A SCHOOL

1 OF EXCELLENCE UNDER PART 6E UPON THE ISSUANCE OF THE CONTRACT UNDER
2 PART 6E OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY.

3 (B) THE PUBLIC SCHOOL ACADEMY SHALL BE CONSIDERED TO BE A
4 SCHOOL OF EXCELLENCE FOR ALL PURPOSES UPON THE ISSUANCE OF THE
5 CONTRACT UNDER PART 6E OR AT ANOTHER TIME AS DETERMINED BY THE
6 AUTHORIZING BODY, BUT SHALL RETAIN ITS CORPORATE IDENTITY.

7 (C) THE CONVERSION OF A PUBLIC SCHOOL ACADEMY TO A SCHOOL OF
8 EXCELLENCE OPERATING UNDER PART 6E SHALL NOT IMPAIR ANY AGREEMENT,
9 MORTGAGE, LOAN, BOND, NOTE OR OTHER INSTRUMENT OF INDEBTEDNESS, OR
10 ANY OTHER AGREEMENT ENTERED INTO BY A PUBLIC SCHOOL ACADEMY WHILE
11 IT WAS OPERATING UNDER THIS PART.

12 (D) THE CONTRACT ISSUED TO THE PUBLIC SCHOOL ACADEMY UNDER
13 THIS PART SHALL AUTOMATICALLY TERMINATE UPON THE ISSUANCE OF A
14 CONTRACT UNDER PART 6E OR AT ANOTHER TIME AS DETERMINED BY THE
15 AUTHORIZING BODY.

16 (E) IF THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY IS
17 THE GOVERNING BOARD OF A STATE UNIVERSITY, THEN ALL OF THE
18 FOLLOWING APPLY TO ISSUANCE OF A NEW CONTRACT FOR A PUBLIC SCHOOL
19 ACADEMY UNDER THIS PART AFTER THE CONVERSION:

20 (i) FOR A PERIOD OF 12 MONTHS AFTER THE CONTRACT IS ISSUED
21 UNDER PART 6E, THAT AUTHORIZING BODY IS THE ONLY AUTHORIZING BODY
22 THAT MAY ISSUE A NEW CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY TO
23 FILL THE AVAILABILITY UNDER SECTION 502(D) THAT IS CREATED BY THE
24 CONVERSION OF THE PUBLIC SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE.

25 (ii) IF THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY
26 THAT IS ISSUED A CONTRACT TO FILL THE AVAILABILITY UNDER SECTION
27 502(D) THAT IS CREATED BY THE CONVERSION CHOOSES TO ENTER INTO AN

1 AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO MANAGE OR
2 OPERATE THE PUBLIC SCHOOL ACADEMY, THE BOARD OF DIRECTORS MAY GIVE
3 PREFERENCE TO AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT HAS
4 PREVIOUSLY OPERATED A SCHOOL THAT MET THE CRITERIA DESCRIBED IN
5 SECTION 552(4).

6 (iii) AT THE TIME THE CONTRACT IS ISSUED, THE PUBLIC SCHOOL
7 ACADEMY SHALL NOT BE LOCATED IN A SCHOOL DISTRICT THAT HAS A
8 GRADUATION RATE OF OVER 75.5%, ON AVERAGE, FOR THE MOST RECENT 3
9 SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE, AS DETERMINED BY THE
10 DEPARTMENT.

11 Sec. 503. (1) An authorizing body is not required to issue a
12 contract to any person or entity. Public school academy contracts
13 shall be issued on a competitive basis taking into consideration
14 the resources available for the proposed public school academy, the
15 population to be served by the proposed public school academy, and
16 the educational goals to be achieved by the proposed public school
17 academy, AND THE APPLICANT'S TRACK RECORD, IF ANY, IN OPERATING
18 PUBLIC SCHOOL ACADEMIES OR OTHER PUBLIC SCHOOLS. HOWEVER, AN
19 AUTHORIZING BODY MAY GIVE PRIORITY TO A PUBLIC SCHOOL ACADEMY THAT
20 IS INTENDED TO REPLACE A PUBLIC SCHOOL ACADEMY THAT HAS BEEN CLOSED
21 PURSUANT TO SECTION 507(2), THAT WILL OPERATE ALL OF THE SAME GRADE
22 LEVELS AS THE PUBLIC SCHOOL ACADEMY THAT HAS BEEN CLOSED, AND THAT
23 WILL WORK TOWARD OPERATING ALL OF GRADES 9 TO 12 WITHIN 6 YEARS
24 AFTER IT BEGINS OPERATIONS UNLESS A MATRICULATION AGREEMENT HAS
25 BEEN ENTERED INTO WITH ANOTHER PUBLIC SCHOOL THAT PROVIDES GRADES 9
26 TO 12.

27 (2) If a person or entity applies to the board of a school

1 district for a contract to organize and operate 1 or more public
2 school academies within the boundaries of the school district and
3 the board does not issue the contract, the person or entity may
4 petition the board to place the question of issuing the contract on
5 the ballot to be decided by the school electors of the school
6 district. The petition shall contain all of the information
7 required to be in the contract application under section 502 and
8 shall be signed by a number of school electors of the school
9 district equal to at least 15% of the total number of school
10 electors of that school district. The petition shall be filed with
11 the school district filing official. If the board receives a
12 petition meeting the requirements of this subsection, the board
13 shall have the question of issuing the contract placed on the
14 ballot at its next regular school election held at least 60 days
15 after receiving the petition. If a majority of the school electors
16 of the school district voting on the question vote to issue the
17 contract, the board shall issue the contract.

18 (3) Within 10 days after issuing a contract for a public
19 school academy, the authorizing body shall submit to the
20 superintendent of public instruction a copy of the contract and of
21 the application under section 502.

22 (4) An authorizing body shall adopt a resolution establishing
23 the method of selection, length of term, and number of members of
24 the board of directors of each public school academy subject to its
25 jurisdiction.

26 (5) A contract issued to organize and administer a public
27 school academy shall contain at least all of the following:

1 (a) The educational goals the public school academy is to
2 achieve and the methods by which it will be held accountable. To
3 the extent applicable, the pupil performance of a public school
4 academy shall be assessed using at least a Michigan education
5 assessment program (MEAP) test or ~~an assessment instrument~~
6 ~~developed under section 1279~~ **THE MICHIGAN MERIT EXAMINATION, AS**
7 **APPLICABLE.**

8 (b) A description of the method to be used to monitor the
9 public school academy's compliance with applicable law and its
10 performance in meeting its targeted educational objectives.

11 (c) A description of the process for amending the contract
12 during the term of the contract.

13 (d) All of the matters set forth in the application for the
14 contract.

15 (e) For a public school academy authorized by a school
16 district, an agreement that employees of the public school academy
17 will be covered by the collective bargaining agreements that apply
18 to employees of the school district employed in similar
19 classifications in schools that are not public school academies.

20 (f) Procedures for revoking the contract and grounds for
21 revoking the contract, including at least the grounds listed in
22 section 507.

23 (g) A description of and address for the proposed physical
24 plant in which the public school academy will be located. **AT THE**
25 **TIME THE CONTRACT IS ISSUED FOR A PUBLIC SCHOOL ACADEMY UNDER**
26 **SECTION 502A, THE PUBLIC SCHOOL ACADEMY SHALL NOT BE LOCATED IN A**
27 **SCHOOL DISTRICT THAT HAS A GRADUATION RATE OF OVER 75.5%, ON**

1 AVERAGE, FOR THE MOST RECENT 3 SCHOOL YEARS FOR WHICH THE DATA ARE
2 AVAILABLE, AS DETERMINED BY THE DEPARTMENT.

3 (h) Requirements and procedures for financial audits. The
4 financial audits shall be conducted at least annually by a
5 certified public accountant in accordance with generally accepted
6 governmental auditing principles.

7 (I) THE TERM OF THE CONTRACT AND A DESCRIPTION OF THE PROCESS
8 AND STANDARDS FOR RENEWAL OF THE CONTRACT AT THE END OF THE TERM.
9 THE STANDARDS FOR RENEWAL SHALL INCLUDE STUDENT GROWTH AS MEASURED
10 BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA AS A SIGNIFICANT FACTOR
11 IN THE DECISION OF WHETHER OR NOT TO RENEW THE CONTRACT.

12 (6) A public school academy shall comply with all applicable
13 law, including all of the following:

14 (a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

15 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
16 15.246.

17 (c) 1947 PA 336, MCL 423.201 to 423.217.

18 (d) 1965 PA 166, MCL 408.551 to 408.558.

19 (e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

20 (7) A public school academy and its incorporators, board
21 members, officers, employees, and volunteers have governmental
22 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
23 authorizing body and its board members, officers, and employees are
24 immune from civil liability, both personally and professionally,
25 for an act or omission in authorizing a public school academy if
26 the authorizing body or the person acted or reasonably believed he
27 or she acted within the authorizing body's or the person's scope of

1 authority.

2 (8) A public school academy is exempt from all taxation on its
3 earnings and property. Instruments of conveyance to or from a
4 public school academy are exempt from all taxation including taxes
5 imposed by 1966 PA 134, MCL 207.501 to 207.513. A public school
6 academy may not levy ad valorem property taxes or another tax for
7 any purpose. However, operation of 1 or more public school
8 academies by a school district or intermediate school district does
9 not affect the ability of the school district or intermediate
10 school district to levy ad valorem property taxes or another tax.

11 (9) A public school academy may acquire by purchase, gift,
12 devise, lease, sublease, installment purchase agreement, land
13 contract, option, or by any other means, hold and own in its own
14 name buildings and other property for school purposes, and
15 interests therein, and other real and personal property, including,
16 but not limited to, interests in property subject to mortgages,
17 security interests, or other liens, necessary or convenient to
18 fulfill its purposes. For the purposes of condemnation, a public
19 school academy may proceed under the uniform condemnation
20 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding
21 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other
22 applicable statutes, but only with the express, written permission
23 of the authorizing body in each instance of condemnation and only
24 after just compensation has been determined and paid.

25 Sec. 504. (1) A public school academy may be located in all or
26 part of an existing public school building. A public school academy
27 shall not operate at a site other than the single site requested

1 for the configuration of grades that will use the site, as
2 specified in the application required under section 502 and in the
3 contract.

4 (2) A public school academy shall not charge tuition and shall
5 not discriminate in its pupil admissions policies or practices on
6 the basis of intellectual or athletic ability, measures of
7 achievement or aptitude, status as a student with a disability, or
8 any other basis that would be illegal if used by a school district.
9 However, a public school academy may limit admission to pupils who
10 are within a particular range of age or grade level or on any other
11 basis that would be legal if used by a school district **AND MAY GIVE**
12 **ENROLLMENT PRIORITY AS PROVIDED IN SUBSECTION (4)**.

13 (3) Except for a foreign exchange student who is not a United
14 States citizen, a public school academy shall not enroll a pupil
15 who is not a resident of this state. Enrollment in the public
16 school academy may be open to all individuals who reside in this
17 state who meet the admission policy and shall be open to all pupils
18 who reside within the geographic boundaries, if any, of the
19 authorizing body as described in section 502(2)(a) to (c) who meet
20 the admission policy, except that admission to a public school
21 academy authorized by the board of a community college to operate,
22 or operated by the board of a community college, on the grounds of
23 a federal military installation, as described in section 502(2)(c),
24 shall be open to all pupils who reside in the county in which the
25 federal military installation is located. For a public school
26 academy authorized by a state public university, enrollment shall
27 be open to all pupils who reside in this state who meet the

1 admission policy. ~~If SUBJECT TO SUBSECTION (4), IF~~ there are more
2 applications to enroll in the public school academy than there are
3 spaces available, pupils shall be selected to ~~attend~~ ENROLL using a
4 random selection process. ~~However, a public school academy may give~~
5 ~~enrollment priority to a sibling of a pupil enrolled in the public~~
6 ~~school academy.~~ A public school academy shall allow any pupil who
7 was enrolled in the public school academy in the immediately
8 preceding school year to enroll in the public school academy in the
9 appropriate grade unless the appropriate grade is not offered at
10 that public school academy.

11 (4) A PUBLIC SCHOOL ACADEMY MAY GIVE ENROLLMENT PRIORITY TO 1
12 OR MORE OF THE FOLLOWING:

13 (A) A SIBLING OF A PUPIL ENROLLED IN THE PUBLIC SCHOOL
14 ACADEMY.

15 (B) A PUPIL WHO TRANSFERS TO THE PUBLIC SCHOOL ACADEMY FROM
16 ANOTHER PUBLIC SCHOOL ACADEMY PURSUANT TO A MATRICULATION AGREEMENT
17 BETWEEN THE PUBLIC SCHOOL ACADEMIES THAT PROVIDES FOR THIS
18 ENROLLMENT PRIORITY, IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

19 (C) EACH PUBLIC SCHOOL ACADEMY THAT ENTERS INTO THE
20 MATRICULATION AGREEMENT REMAINS A SEPARATE AND INDEPENDENT PUBLIC
21 SCHOOL ACADEMY.

22 (D) THE PUBLIC SCHOOL ACADEMY THAT GIVES THE ENROLLMENT
23 PRIORITY SELECTS AT LEAST 5% OF ITS PUPILS FOR ENROLLMENT USING A
24 RANDOM SELECTION PROCESS.

25 (E) THE MATRICULATION AGREEMENT ALLOWS ANY PUPIL WHO WAS
26 ENROLLED AT ANY TIME DURING ELEMENTARY SCHOOL IN A PUBLIC SCHOOL
27 ACADEMY THAT IS PARTY TO THE MATRICULATION AGREEMENT AND WHO WAS

1 NOT EXPELLED FROM THE PUBLIC SCHOOL ACADEMY TO ENROLL IN THE PUBLIC
2 SCHOOL ACADEMY GIVING ENROLLMENT PRIORITY UNDER THE MATRICULATION
3 AGREEMENT.

4 (5) ~~(4)~~—A public school academy may include any grade up to
5 grade 12 or any configuration of those grades, including
6 kindergarten and early childhood education, as specified in its
7 contract. If specified in its contract, a public school academy may
8 also operate an adult basic education program, adult high school
9 completion program, or general education development testing
10 preparation program. The authorizing body may approve amendment of
11 a contract with respect to ages of pupils or grades offered.

12 Sec. 507. (1) The authorizing body for a public school academy
13 is the fiscal agent for the public school academy. A state school
14 aid payment for a public school academy shall be paid to the
15 authorizing body that is the fiscal agent for that public school
16 academy, which shall then forward the payment to the public school
17 academy. An authorizing body has the responsibility to oversee a
18 public school academy's compliance with the contract and all
19 applicable law. A contract issued under this part may be revoked by
20 the authorizing body that issued the contract if the authorizing
21 body determines that 1 or more of the following has occurred:

22 (a) Failure of the public school academy to abide by and meet
23 the educational goals set forth in the contract.

24 (b) Failure of the public school academy to comply with all
25 applicable law.

26 (c) Failure of the public school academy to meet generally
27 accepted public sector accounting principles.

1 (d) The existence of 1 or more other grounds for revocation as
2 specified in the contract.

3 (2) EXCEPT FOR A PUBLIC SCHOOL ACADEMY THAT IS AN ALTERNATIVE
4 SCHOOL SERVING A SPECIAL STUDENT POPULATION, IF THE SUPERINTENDENT
5 OF PUBLIC INSTRUCTION DETERMINES THAT A PUBLIC SCHOOL ACADEMY THAT
6 HAS BEEN OPERATING FOR AT LEAST 4 YEARS IS AMONG THE LOWEST
7 ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, AS DEFINED FOR
8 THE PURPOSES OF THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER
9 SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND
10 REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, AND IS IN YEAR 2 OF
11 RESTRUCTURING SANCTIONS UNDER THE NO CHILD LEFT BEHIND ACT OF 2001,
12 PUBLIC LAW 107-110, NOT TO INCLUDE THE INDIVIDUALIZED EDUCATION
13 PLAN SUBGROUP, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL
14 NOTIFY THE PUBLIC SCHOOL ACADEMY'S AUTHORIZING BODY. IF AN
15 AUTHORIZING BODY RECEIVES NOTICE FROM THE SUPERINTENDENT OF PUBLIC
16 INSTRUCTION UNDER THIS SUBSECTION, THE AUTHORIZING BODY SHALL
17 REVOKE THE PUBLIC SCHOOL ACADEMY'S CONTRACT AND THE PUBLIC SCHOOL
18 ACADEMY SHALL BE CLOSED, EFFECTIVE AT THE END OF THE CURRENT SCHOOL
19 YEAR.

20 (3) ~~(2) The~~ EXCEPT FOR A CONTRACT ISSUED BY A SCHOOL DISTRICT
21 PURSUANT TO A VOTE BY THE SCHOOL ELECTORS ON A BALLOT QUESTION
22 UNDER SECTION 503(2), THE decision of an authorizing body to revoke
23 a contract under this section is solely within the discretion of
24 the authorizing body, is final, and is not subject to review by a
25 court or any state agency.

26 (4) An authorizing body that revokes a contract under this
27 section is not liable for that action to the public school academy,

1 public school academy corporation, a pupil of the public school
2 academy, the parent or guardian of a pupil of the public school
3 academy, or any other person.

4 Sec. 522. (1) An urban high school academy shall be organized
5 and administered under the direction of a board of directors in
6 accordance with this part and with bylaws adopted by the board of
7 directors. An urban high school academy corporation shall be
8 organized under the nonprofit corporation act, 1982 PA 162, MCL
9 450.2101 to 450.3192, except that an urban high school academy
10 corporation is not required to comply with sections 170 to 177 of
11 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified
12 under the state or federal constitution, an urban high school
13 academy shall not be organized by a church or other religious
14 organization and shall not have any organizational or contractual
15 affiliation with or constitute a church or other religious
16 organization.

17 (2) The governing board of a state public university may act
18 as an authorizing body to issue a contract for the organization and
19 operation of an urban high school academy under this part. Subject
20 to section 524(1), not more than 15 contracts may be issued under
21 this part. A contract issued under this part shall be for an urban
22 high school academy that will be located in a ~~school district of~~
23 ~~the first class~~ **COUNTY WITH A POPULATION OF AT LEAST 1,000,000**. An
24 urban high school academy authorized under this part shall not
25 operate outside the boundaries of a ~~school district of the first~~
26 ~~class~~ **COUNTY WITH A POPULATION OF AT LEAST 1,000,000**.

27 (3) A contract issued under this part shall be issued for an

1 initial term of 10 years. If the urban high school academy meets
2 the educational goals set forth in the contract and operates in
3 substantial compliance with this part, the authorizing body shall
4 automatically renew the contract for subsequent 10-year terms.

5 (4) To obtain a contract to organize and operate 1 or more
6 urban high school academies, an entity may apply to an authorizing
7 body described in subsection (2). The contract shall be issued to
8 an urban high school academy corporation designated by the entity
9 applying for the contract. The application shall include at least
10 all of the following:

11 (a) Name of the entity applying for the contract.

12 (b) Subject to the resolution adopted by the authorizing body
13 under section 528, a list of the proposed members of the board of
14 directors of the urban high school academy and a description of the
15 qualifications and method for appointment or election of members of
16 the board of directors.

17 (c) The proposed articles of incorporation, which shall
18 include at least all of the following:

19 (i) The name of the proposed urban high school academy to which
20 the contract will be issued.

21 (ii) The purposes for the urban high school academy
22 corporation. This language shall provide that the urban high school
23 academy is incorporated pursuant to this part and that the urban
24 high school academy corporation is a governmental entity and
25 political subdivision of this state.

26 (iii) The name of the authorizing body.

27 (iv) The proposed time when the articles of incorporation will

1 be effective.

2 (v) Other matters considered expedient to be in the articles
3 of incorporation.

4 (d) A copy of the proposed bylaws of the urban high school
5 academy.

6 (e) Documentation meeting the application requirements of the
7 authorizing body, including at least all of the following:

8 (i) The governance structure of the urban high school academy.

9 (ii) A copy of the educational goals of the urban high school
10 academy and the curricula to be offered and methods of pupil
11 assessment to be used by the urban high school academy. To the
12 extent applicable, the progress of the pupils in the urban high
13 school academy shall be assessed using at least a Michigan
14 education assessment program (MEAP) test or an assessment
15 instrument developed under section 1279.

16 (iii) The admission policy and criteria to be maintained by the
17 urban high school academy. The admission policy and criteria shall
18 comply with section 524. This part of the application also shall
19 include a description of how the applicant will provide to the
20 general public adequate notice that an urban high school academy is
21 being created and adequate information on the admission policy,
22 criteria, and process.

23 (iv) The school calendar and school day schedule.

24 (v) The age or grade range of pupils to be enrolled.

25 (f) Descriptions of staff responsibilities and of the urban
26 high school academy's governance structure.

27 (g) A description of and address for the proposed building or

1 buildings in which the urban high school academy will be located,
2 and a financial commitment by the entity applying for the contract
3 to construct or renovate the building or buildings that will be
4 occupied by the urban high school academy that is issued the
5 contract.

6 (5) If a particular state public university issues a contract
7 that allows an urban high school academy to operate the same
8 configuration of grades at more than 1 site, as provided in section
9 524(1), each of those sites shall be under the direction of the
10 board of directors that is a party to the contract.

11 (6) If the state board finds that an authorizing body is not
12 engaging in appropriate continuing oversight of 1 or more urban
13 high school academies operating under a contract issued by the
14 authorizing body, the state board by unanimous vote may suspend the
15 power of the authorizing body to issue new contracts to organize
16 and operate urban high school academies. A contract issued by the
17 authorizing body during the suspension is void. A contract issued
18 by the authorizing body before the suspension is not affected by
19 the suspension.

20 (7) An authorizing body shall not charge a fee, or require
21 reimbursement of expenses, for considering an application for a
22 contract, for issuing a contract, or for providing oversight of a
23 contract for an urban high school academy in an amount that exceeds
24 a combined total of 3% of the total state school aid received by
25 the urban high school academy in the school year in which the fees
26 or expenses are charged. All of the following apply to this fee:

27 (a) An authorizing body may use this fee only for the

1 following purposes:

2 (i) Considering applications and issuing or administering
3 contracts.

4 (ii) Compliance monitoring and oversight of urban high school
5 academies.

6 (iii) Training for urban high school academy applicants,
7 administrators, and boards of directors.

8 (iv) Technical assistance to urban high school academies.

9 (v) Academic support to urban high school academies or to
10 pupils or graduates of urban high school academies.

11 (vi) Evaluation of urban high school academy performance.

12 (vii) Training of teachers, including supervision of teacher
13 interns.

14 (viii) Other purposes that assist the urban high school
15 academies or traditional public schools in achieving improved
16 academic performance.

17 (b) An authorizing body may provide other services for an
18 urban high school academy and charge a fee for those services, but
19 shall not require such an arrangement as a condition to issuing the
20 contract authorizing the urban high school academy.

21 (8) An urban high school academy shall be presumed to be
22 legally organized if it has exercised the franchises and privileges
23 of an urban high school academy for at least 2 years.

24 Sec. 523. (1) An authorizing body is not required to issue a
25 contract to any entity. Urban high school academy contracts shall
26 be issued on a competitive basis taking into consideration the
27 resources available for the proposed urban high school academy, the

1 population to be served by the proposed urban high school academy,
2 and the educational goals to be achieved by the proposed urban high
3 school academy. In evaluating if an applicant is qualified, the
4 authorizing body shall examine the proposed performance standards,
5 proposed academic program, financial viability of the applicant,
6 and the ability of the proposed board of directors to meet the
7 contract goals and objectives. An authorizing body shall give
8 priority to applicants that demonstrate all of the following:

9 (a) The proposed school will operate at least all of grades 9
10 through 12 within 3 years after beginning operation.

11 (b) The proposed school will occupy a building or buildings
12 that are newly constructed or renovated after January 1, 2003.

13 (c) The proposed school has a stated goal of increasing high
14 school graduation rates.

15 (d) The proposed school has received commitments for financial
16 and educational support from the entity applying for the contract.

17 (e) The entity that submits the application for a contract has
18 net assets of at least \$50,000,000.00.

19 (2) A contract issued to organize and administer an urban high
20 school academy shall contain at least all of the following:

21 (a) The educational goals the urban high school academy is to
22 achieve and the methods by which it will be held accountable. To
23 the extent applicable, the pupil performance of an urban high
24 school academy shall be assessed using at least a Michigan
25 education assessment program (MEAP) test or ~~an assessment~~
26 ~~instrument developed under section 1279~~ **THE MICHIGAN MERIT**
27 **EXAMINATION DEVELOPED UNDER SECTION 1279G, AS APPLICABLE.**

1 (b) A description of the method to be used to monitor the
2 urban high school academy's compliance with applicable law and its
3 performance in meeting its targeted educational objectives.

4 (c) A description of the process for amending the contract
5 during the term of the contract. An authorizing body may approve
6 amendment of the contract with respect to any provision contained
7 in the contract.

8 (d) A certification, signed by an authorized member of the
9 urban high school academy board of directors, that the urban high
10 school academy will comply with the contract and all applicable
11 law.

12 (e) Procedures for revoking the contract and grounds for
13 revoking the contract.

14 (f) A description of and address for the proposed building or
15 buildings in which the urban high school academy will be located.

16 (g) Requirements and procedures for financial audits. The
17 financial audits shall be conducted at least annually by an
18 independent certified public accountant in accordance with
19 generally accepted governmental auditing principles.

20 (h) A requirement that the board of directors shall ensure
21 compliance with the requirements of 1968 PA 317, MCL 15.321 to
22 15.330.

23 (i) A requirement that the board of directors shall prohibit
24 specifically identified family relationships between members of the
25 board of directors, individuals who have an ownership interest in
26 or who are officers or employees of an educational management
27 company involved in the operation of the urban high school academy,

1 and employees of the urban high school academy. The contract shall
2 identify the specific prohibited relationships consistent with
3 applicable law.

4 (j) A requirement that the board of directors of the urban
5 high school academy shall make information concerning its operation
6 and management available to the public and to the authorizing body
7 in the same manner as is required by state law for school
8 districts.

9 (k) A requirement that the board of directors of the urban
10 high school academy shall collect, maintain, and make available to
11 the public and the authorizing body, in accordance with applicable
12 law and the contract, at least all of the following information
13 concerning the operation and management of the urban high school
14 academy:

15 (i) A copy of the contract issued by the authorizing body for
16 the urban high school academy.

17 (ii) A list of currently serving members of the board of
18 directors of the urban high school academy, including name,
19 address, and term of office; copies of policies approved by the
20 board of directors; board meeting agendas and minutes; copy of the
21 budget approved by the board of directors and of any amendments to
22 the budget; and copies of bills paid for amounts of \$10,000.00 or
23 more as they were submitted to the board of directors.

24 (iii) Quarterly financial reports submitted to the authorizing
25 body.

26 (iv) A current list of teachers working at the urban high
27 school academy that includes their individual salaries; copies of

1 the teaching certificates or permits of current teaching staff; and
2 evidence of compliance with the criminal background and records
3 checks and unprofessional conduct check required under sections
4 1230, 1230a, and 1230b for all teachers and administrators working
5 at the urban high school academy.

6 (v) Curriculum documents and materials given to the
7 authorizing body.

8 (vi) Proof of insurance as required by the contract.

9 (vii) Copies of facility leases or deeds, or both, and of any
10 equipment leases.

11 (viii) Copies of any management contracts or services contracts
12 approved by the board of directors.

13 (ix) All health and safety reports and certificates, including
14 those relating to fire safety, environmental matters, asbestos
15 inspection, boiler inspection, and food service.

16 (x) Any management letters issued as part of the annual
17 financial audit under subdivision (g).

18 (xi) Any other information specifically required under this
19 act.

20 (l) A requirement that the authorizing body must review and may
21 disapprove any agreement between the board of directors and an
22 educational management company before the agreement is final and
23 valid. An authorizing body may disapprove an agreement described in
24 this subdivision only if the agreement is contrary to the contract
25 or applicable law.

26 (m) A requirement that the board of directors shall
27 demonstrate all of the following to the satisfaction of the

1 authorizing body with regard to its pupil admission process:

2 (i) That the urban high school academy has made a reasonable
3 effort to advertise its enrollment openings in a newspaper of
4 general circulation in the intermediate school district in which
5 the urban high school academy is located.

6 (ii) That the urban high school academy has made the following
7 additional efforts to recruit pupils who are eligible for special
8 education programs and services to apply for admission:

9 (A) Reasonable efforts to advertise all enrollment openings to
10 organizations and media that regularly serve and advocate for
11 individuals with disabilities within the boundaries of the
12 intermediate school district in which the urban high school academy
13 is located.

14 (B) Inclusion in all pupil recruitment materials of a
15 statement that appropriate special education services will be made
16 available to pupils attending the school as required by law.

17 (iii) That the open enrollment period for the urban high school
18 academy is for a duration of at least 2 weeks and that the
19 enrollment times include some evening and weekend times.

20 (n) A requirement that the board of directors shall prohibit
21 any individual from being employed by the urban high school academy
22 in more than 1 full-time position and simultaneously being
23 compensated at a full-time rate for each of those positions.

24 (o) A requirement that, if requested, the board of directors
25 shall report to the authorizing body the total compensation for
26 each individual working at the urban high school academy.

27 **(P) THE TERM OF THE CONTRACT AND A DESCRIPTION OF THE PROCESS**

1 AND STANDARDS FOR RENEWAL OF THE CONTRACT AT THE END OF THE TERM.
2 THE STANDARDS FOR RENEWAL SHALL INCLUDE STUDENT GROWTH AS MEASURED
3 BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA AS A SIGNIFICANT FACTOR
4 IN THE DECISION OF WHETHER OR NOT TO RENEW THE CONTRACT.

5 (3) An urban high school academy shall comply with all
6 applicable law, including all of the following:

7 (a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

8 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
9 15.246.

10 (c) 1947 PA 336, MCL 423.201 to 423.217.

11 (d) 1965 PA 166, MCL 408.551 to 408.558.

12 (e) 1978 PA 566, MCL 15.181 to 15.185.

13 (f) 1968 PA 317, MCL 15.321 to 15.330.

14 (g) The uniform budgeting and accounting act, 1968 PA 2, MCL
15 141.421 to 141.440a.

16 (h) The revised municipal finance act, 2001 PA 34, MCL
17 141.2101 to 141.2821.

18 (i) The federal no child left behind act of 2001, Public Law
19 107-110, 115 Stat. 1425.

20 (j) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274, and
21 1280.

22 (4) An urban high school academy and its incorporators, board
23 members, officers, employees, and volunteers have governmental
24 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
25 authorizing body and its board members, officers, and employees are
26 immune from civil liability, both personally and professionally,
27 for any acts or omissions in authorizing or oversight of an urban

1 high school academy if the authorizing body or the person acted or
2 reasonably believed he or she acted within the authorizing body's
3 or the person's scope of authority.

4 (5) An urban high school academy is exempt from all taxation
5 on its earnings and property. Instruments of conveyance to or from
6 an urban high school academy are exempt from all taxation,
7 including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An
8 urban high school academy may not levy ad valorem property taxes or
9 any other tax for any purpose.

10 (6) An urban high school academy may acquire by purchase,
11 gift, devise, lease, sublease, installment purchase agreement, land
12 contract, option, or any other means, hold, and own in its own name
13 buildings and other property for school purposes, and interests
14 therein, and other real and personal property, including, but not
15 limited to, interests in property subject to mortgages, security
16 interests, or other liens, necessary or convenient to fulfill its
17 purposes. For the purposes of condemnation, an urban high school
18 academy may proceed under the uniform condemnation procedures act,
19 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of that
20 act, MCL 213.56 to 213.59, or other applicable statutes, but only
21 with the express, written permission of the authorizing body in
22 each instance of condemnation and only after just compensation has
23 been determined and paid.

24 Sec. 524. (1) An urban high school academy may be located in
25 all or part of an existing public school building. Except as
26 otherwise provided in this subsection, an urban high school academy
27 shall not operate at a site other than the single site requested

1 for the configuration of grades that will use the site, as
2 specified in the contract. However, an authorizing body may include
3 a provision in the contract allowing an urban high school academy
4 to operate the same configuration of grades at more than 1 site. If
5 an urban high school academy operates the same configuration of
6 grades at more than 1 site, each of those sites shall be considered
7 to be operated under a separate contract, and the operation shall
8 be equivalent to the issuance of a contract, for the purposes of
9 the limitation in section 522(2) on the number of contracts that
10 may be issued under this part. For the purposes of this subsection,
11 if an urban high school academy operates classes at more than 1
12 location, the urban high school academy shall be considered to be
13 operating at a single site if all of the locations are within a 1-
14 mile radius of the urban high school academy's central
15 administrative office and if the total number of pupils enrolled in
16 any particular grade at all of the locations does not exceed ~~125~~
17 135.

18 (2) An urban high school academy shall not charge tuition.
19 Except as otherwise provided in this section, an urban high school
20 academy shall not discriminate in its pupil admissions policies or
21 practices on the basis of intellectual or athletic ability,
22 measures of achievement or aptitude, status as a handicapped
23 person, or any other basis that would be illegal if used by a
24 school district. However, an urban high school academy may limit
25 admission to pupils who are within a particular range of age or
26 grade level or on any other basis that would be legal if used by a
27 school district and may give enrollment priority as provided in

1 subsection (4).

2 (3) Except for a foreign exchange student who is not a United
3 States citizen, an urban high school academy shall not enroll a
4 pupil who is not a resident of this state. Enrollment in an urban
5 high school academy shall be open to all pupils who reside in this
6 state who meet the admission policy. Subject to subsection (4), if
7 there are more applications to enroll in the urban high school
8 academy than there are spaces available, pupils shall be selected
9 to attend using a random selection process. An urban high school
10 academy shall allow any pupil who was enrolled in the urban high
11 school academy in the immediately preceding school year to enroll
12 in the urban high school academy in the appropriate grade unless
13 the appropriate grade is not offered at that urban high school
14 academy.

15 (4) An urban high school academy may give enrollment priority
16 to 1 or more of the following:

17 (a) A sibling of a pupil enrolled in the urban high school
18 academy.

19 (b) A child of a person who is employed by or at the urban
20 high school academy or who is on the board of directors of the
21 urban high school academy. As used in this subdivision, "child"
22 includes an adopted child or a legal ward.

23 (5) Subject to the terms of the contract authorizing the urban
24 high school academy, an urban high school academy shall include at
25 least grades 9 through 12 within 5 years after beginning operations
26 and may include other grades or any configuration of those grades,
27 including kindergarten and early childhood education, as specified

1 in its contract. If specified in its contract, an urban high school
2 academy may also operate an adult basic education program, adult
3 high school completion program, or general education development
4 testing preparation program.

5 **PART 6E**

6 **SCHOOLS OF EXCELLENCE**

7 **SEC. 551. (1) A SCHOOL OF EXCELLENCE IS A PUBLIC SCHOOL UNDER**
8 **SECTION 2 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963, IS A**
9 **SCHOOL DISTRICT FOR THE PURPOSES OF SECTION 11 OF ARTICLE IX OF THE**
10 **STATE CONSTITUTION OF 1963 AND FOR THE PURPOSES OF SECTION 1225 AND**
11 **SECTION 1351A, AND IS SUBJECT TO THE LEADERSHIP AND GENERAL**
12 **SUPERVISION OF THE STATE BOARD OVER ALL PUBLIC EDUCATION UNDER**
13 **SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963. A**
14 **SCHOOL OF EXCELLENCE IS A BODY CORPORATE AND IS A GOVERNMENTAL**
15 **AGENCY. THE POWERS GRANTED TO A SCHOOL OF EXCELLENCE UNDER THIS**
16 **PART CONSTITUTE THE PERFORMANCE OF ESSENTIAL PUBLIC PURPOSES AND**
17 **GOVERNMENTAL FUNCTIONS OF THIS STATE.**

18 **(2) AS USED IN THIS PART:**

19 **(A) "AUTHORIZING BODY" MEANS ANY OF THE FOLLOWING THAT ISSUES**
20 **A CONTRACT AS PROVIDED IN THIS PART:**

21 **(i) THE BOARD OF A SCHOOL DISTRICT THAT OPERATES GRADES K TO**
22 **12.**

23 **(ii) AN INTERMEDIATE SCHOOL BOARD.**

24 **(iii) THE BOARD OF A COMMUNITY COLLEGE.**

25 **(iv) THE GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY.**

26 **(B) "CERTIFICATED TEACHER" MEANS AN INDIVIDUAL WHO HOLDS A**
27 **VALID TEACHING CERTIFICATE ISSUED BY THE SUPERINTENDENT OF PUBLIC**

1 INSTRUCTION UNDER SECTION 1531.

2 (C) "COMMUNITY COLLEGE" MEANS A COMMUNITY COLLEGE ORGANIZED
3 UNDER THE COMMUNITY COLLEGE ACT OF 1966, 1966 PA 331, MCL 389.1 TO
4 389.195, OR A FEDERAL TRIBALLY CONTROLLED COMMUNITY COLLEGE THAT IS
5 RECOGNIZED UNDER THE TRIBALLY CONTROLLED COMMUNITY COLLEGE
6 ASSISTANCE ACT OF 1978, PUBLIC LAW 95-471, AND IS DETERMINED BY THE
7 DEPARTMENT TO MEET THE REQUIREMENTS FOR ACCREDITATION BY A
8 RECOGNIZED REGIONAL ACCREDITING BODY.

9 (D) "CONTRACT" MEANS THE EXECUTIVE ACT TAKEN BY AN AUTHORIZING
10 BODY THAT EVIDENCES THE AUTHORIZATION OF A SCHOOL OF EXCELLENCE AND
11 THAT ESTABLISHES, SUBJECT TO THE CONSTITUTIONAL POWERS OF THE STATE
12 BOARD AND APPLICABLE LAW, THE WRITTEN INSTRUMENT EXECUTED BY AN
13 AUTHORIZING BODY CONFERRING CERTAIN RIGHTS, FRANCHISES, PRIVILEGES,
14 AND OBLIGATIONS ON A SCHOOL OF EXCELLENCE, AS PROVIDED BY THIS
15 PART, AND CONFIRMING THE STATUS OF A SCHOOL OF EXCELLENCE AS A
16 PUBLIC SCHOOL IN THIS STATE.

17 (E) "CYBER SCHOOL" MEANS A SCHOOL OF EXCELLENCE ESTABLISHED
18 UNDER THIS PART THAT HAS BEEN ISSUED A CONTRACT TO BE ORGANIZED AND
19 OPERATED AS A CYBER SCHOOL UNDER SECTION 552(2) AND THAT PROVIDES
20 FULL-TIME INSTRUCTION TO PUPILS THROUGH ONLINE LEARNING OR
21 OTHERWISE ON A COMPUTER OR OTHER TECHNOLOGY, WHICH INSTRUCTION AND
22 LEARNING MAY BE REMOTE FROM A SCHOOL FACILITY.

23 (F) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT
24 ENTERS INTO AN AGREEMENT WITH THE GOVERNING BOARD OF A PUBLIC
25 SCHOOL TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE,
26 MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE PUBLIC
27 SCHOOL.

1 (G) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS
2 CORPORATION, LABOR ORGANIZATION, OR ANY OTHER ASSOCIATION,
3 CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

4 (H) "STATE PUBLIC UNIVERSITY" MEANS A STATE UNIVERSITY
5 DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE
6 CONSTITUTION OF 1963.

7 SEC. 552. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (2)
8 AND (3), NOT MORE THAN A COMBINED TOTAL OF 10 CONTRACTS TO ORGANIZE
9 AND OPERATE A SCHOOL OF EXCELLENCE MAY BE ISSUED BY ALL AUTHORIZING
10 BODIES UNDER THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO A
11 CONTRACT ISSUED UNDER THIS SUBSECTION:

12 (A) THE ISSUANCE OF THE CONTRACT MUST BE APPROVED BY THE
13 SUPERINTENDENT OF PUBLIC INSTRUCTION. THE SUPERINTENDENT OF PUBLIC
14 INSTRUCTION SHALL APPROVE ISSUANCE OF A CONTRACT IF HE OR SHE
15 DETERMINES THAT THE PROPOSED SCHOOL OF EXCELLENCE IS MODELED AFTER
16 A HIGH-PERFORMING SCHOOL OR PROGRAM.

17 (B) A CONTRACT MAY NOT BE ISSUED UNDER THIS SUBSECTION AFTER
18 JANUARY 1, 2015.

19 (C) THE FIRST 5 CONTRACTS ISSUED BY ALL AUTHORIZING BODIES
20 UNDER THIS SUBSECTION SHALL BE FOR SCHOOLS OF EXCELLENCE THAT OFFER
21 1 OR MORE OF HIGH SCHOOL GRADES 9 TO 12, OR ANY COMBINATION OF
22 THOSE GRADES, AS SPECIFIED IN THE CONTRACT.

23 (D) A SCHOOL OF EXCELLENCE AUTHORIZED UNDER THIS SUBSECTION
24 SHALL NOT BE LOCATED IN A SCHOOL DISTRICT THAT HAS A GRADUATION
25 RATE OF OVER 75%, ON AVERAGE, FOR THE MOST RECENT 3 SCHOOL YEARS
26 FOR WHICH THE DATA ARE AVAILABLE, AS DETERMINED BY THE DEPARTMENT.

27 (2) A COMBINED TOTAL OF 2 CONTRACTS MAY BE ISSUED BY ALL

1 AUTHORIZING BODIES UNDER THIS SUBSECTION FOR SCHOOLS OF EXCELLENCE
2 THAT ARE CYBER SCHOOLS AND THAT MEET ALL OF THE FOLLOWING
3 ADDITIONAL REQUIREMENTS:

4 (A) ARE AVAILABLE FOR ENROLLMENT TO ALL PUPILS IN THIS STATE
5 WHO WERE PREVIOUSLY ENROLLED IN A PUBLIC SCHOOL.

6 (B) OFFER ALL OF GRADES K TO 12.

7 (C) THE ENTITY APPLYING FOR THE SCHOOL OF EXCELLENCE THAT IS A
8 CYBER SCHOOL DEMONSTRATES EXPERIENCE IN SERVING URBAN AND AT-RISK
9 STUDENT POPULATIONS THROUGH AN EDUCATIONAL MODEL INVOLVING A
10 SIGNIFICANT CYBER COMPONENT.

11 (D) HAS AN INITIAL ENROLLMENT IN THE SCHOOL OF EXCELLENCE THAT
12 IS A CYBER SCHOOL THAT DOES NOT EXCEED 400 PUPILS.

13 (E) IN THE SECOND AND SUBSEQUENT YEARS OF OPERATION UNDER THE
14 CONTRACT, A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL MAY EXPAND
15 ENROLLMENT TO EXCEED 400 PUPILS BY ADDING 1 PUPIL FOR EACH PUPIL
16 WHO BECOMES ENROLLED IN THE SCHOOL OF EXCELLENCE WHO IS IDENTIFIED
17 AS A DROPOUT IN THE MICHIGAN STUDENT DATA SYSTEM MAINTAINED BY THE
18 CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION. THE SCHOOL OF
19 EXCELLENCE THAT IS A CYBER SCHOOL SHALL ANNUALLY ACCOUNT FOR THE
20 NUMBER OF PUPILS IT ENROLLS WHO ARE IDENTIFIED AS A DROPOUT IN THE
21 MICHIGAN STUDENT DATA SYSTEM AND REPORT THAT INFORMATION TO THE
22 DEPARTMENT, IN A FORM AND MANNER DETERMINED BY THE SUPERINTENDENT
23 OF PUBLIC INSTRUCTION. THE SCHOOL OF EXCELLENCE SHALL MAINTAIN ITS
24 RATIO OF PUPILS WHO ARE IDENTIFIED AS A DROPOUT. MAXIMUM ENROLLMENT
25 AT A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL SHALL NOT EXCEED
26 1,000 PUPILS.

27 (3) FOR A PUBLIC SCHOOL ACADEMY OPERATING UNDER PART 6A THAT

1 MEETS THE REQUIREMENTS OF SUBSECTION (4), WITH THE APPROVAL OF ITS
2 AUTHORIZING BODY, THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL
3 ACADEMY MAY ADOPT A RESOLUTION CHOOSING TO CONVERT THE PUBLIC
4 SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE UNDER THIS PART. IF THE
5 BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY THAT MEETS THE
6 REQUIREMENTS OF SUBSECTION (4) IS ISSUED A CONTRACT AS A SCHOOL OF
7 EXCELLENCE UNDER THIS SUBSECTION, ALL THE FOLLOWING APPLY:

8 (A) THE PUBLIC SCHOOL ACADEMY SHALL CEASE TO OPERATE AS A
9 PUBLIC SCHOOL ACADEMY UNDER PART 6A AND SHALL OPERATE AS A SCHOOL
10 OF EXCELLENCE UPON THE ISSUANCE OF A CONTRACT OR AT ANOTHER TIME AS
11 DETERMINED BY THE AUTHORIZING BODY.

12 (B) THE PUBLIC SCHOOL ACADEMY SHALL BE CONSIDERED TO BE A
13 SCHOOL OF EXCELLENCE FOR ALL PURPOSES UPON THE ISSUANCE OF A
14 CONTRACT OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY,
15 BUT SHALL RETAIN ITS CORPORATE IDENTITY.

16 (C) THE CONVERSION OF A PUBLIC SCHOOL ACADEMY UNDER PART 6A TO
17 A SCHOOL OF EXCELLENCE OPERATING UNDER THIS PART SHALL NOT IMPAIR
18 ANY AGREEMENT, MORTGAGE, LOAN, BOND, NOTE OR OTHER INSTRUMENT OF
19 INDEBTEDNESS, OR ANY OTHER AGREEMENT ENTERED INTO BY A PUBLIC
20 SCHOOL ACADEMY WHILE IT WAS OPERATING UNDER PART 6A.

21 (D) THE CONTRACT ISSUED TO THE PUBLIC SCHOOL ACADEMY UNDER
22 PART 6A SHALL AUTOMATICALLY TERMINATE UPON THE ISSUANCE OF A
23 CONTRACT OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY.

24 (4) SUBSECTION (3) APPLIES TO A PUBLIC SCHOOL ACADEMY THAT IS
25 DETERMINED BY THE DEPARTMENT TO MEET ALL OF THE FOLLOWING, AS
26 APPLICABLE:

27 (A) IF THE PUBLIC SCHOOL ACADEMY OPERATES ONLY SOME OR ALL OF

1 GRADES K TO 8, MEETS AT LEAST 1 OF THE FOLLOWING:

2 (i) ON AVERAGE OVER A 3-YEAR PERIOD, AT LEAST 90% OF THE PUPILS
3 ENROLLED IN THE PUBLIC SCHOOL ACADEMY ACHIEVED A SCORE OF
4 PROFICIENT OR BETTER ON THE MICHIGAN EDUCATION ASSESSMENT PROGRAM
5 MATHEMATICS AND READING TESTS OR SUCCESSOR STATE ASSESSMENT
6 PROGRAM.

7 (ii) ON AVERAGE OVER A 3-YEAR PERIOD, AT LEAST 70% OF THE
8 PUPILS ENROLLED IN THE PUBLIC SCHOOL ACADEMY ACHIEVED A SCORE OF
9 PROFICIENT OR BETTER ON THE MICHIGAN EDUCATION ASSESSMENT PROGRAM
10 MATHEMATICS AND READING TESTS OR SUCCESSOR STATE ASSESSMENT PROGRAM
11 AND AT LEAST 50% OF THE PUPILS ENROLLED IN THE PUBLIC SCHOOL
12 ACADEMY MET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR
13 REDUCED-PRICE LUNCH PROGRAM, AS DETERMINED UNDER THE RICHARD B.
14 RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769I, AND
15 REPORTED TO THE DEPARTMENT.

16 (B) IF THE PUBLIC SCHOOL ACADEMY OPERATES GRADES 9 TO 12, AT
17 LEAST 80% OF THE SCHOOL'S PUPILS GRADUATE FROM HIGH SCHOOL OR ARE
18 DETERMINED BY THE DEPARTMENT TO BE ON TRACK TO GRADUATE FROM HIGH
19 SCHOOL, THE SCHOOL HAS AT LEAST 80% AVERAGE ATTENDANCE, AND THE
20 SCHOOL HAS AT LEAST AN 80% POSTSECONDARY ENROLLMENT RATE.

21 (5) A SCHOOL OF EXCELLENCE SHALL BE ORGANIZED AND ADMINISTERED
22 UNDER THE DIRECTION OF A BOARD OF DIRECTORS IN ACCORDANCE WITH THIS
23 PART AND WITH BYLAWS ADOPTED BY THE BOARD OF DIRECTORS. A SCHOOL OF
24 EXCELLENCE SHALL BE ORGANIZED UNDER THE NONPROFIT CORPORATION ACT,
25 1982 PA 162, MCL 450.2101 TO 450.3192, EXCEPT THAT A SCHOOL OF
26 EXCELLENCE IS NOT REQUIRED TO COMPLY WITH SECTIONS 170 TO 177 OF
27 1931 PA 327, MCL 450.170 TO 450.177. TO THE EXTENT DISQUALIFIED

1 UNDER THE STATE OR FEDERAL CONSTITUTION, A SCHOOL OF EXCELLENCE
2 SHALL NOT BE ORGANIZED BY A CHURCH OR OTHER RELIGIOUS ORGANIZATION
3 AND SHALL NOT HAVE ANY ORGANIZATIONAL OR CONTRACTUAL AFFILIATION
4 WITH OR CONSTITUTE A CHURCH OR OTHER RELIGIOUS ORGANIZATION.

5 (6) ANY OF THE FOLLOWING MAY ACT AS AN AUTHORIZING BODY TO
6 ISSUE A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE SCHOOLS OF
7 EXCELLENCE UNDER THIS PART:

8 (A) THE BOARD OF A SCHOOL DISTRICT THAT OPERATES GRADES K TO
9 12. HOWEVER, THE BOARD OF A SCHOOL DISTRICT SHALL NOT ISSUE A
10 CONTRACT FOR A SCHOOL OF EXCELLENCE TO OPERATE OUTSIDE THE SCHOOL
11 DISTRICT'S BOUNDARIES, AND A SCHOOL OF EXCELLENCE AUTHORIZED BY THE
12 BOARD OF A SCHOOL DISTRICT SHALL NOT OPERATE OUTSIDE THAT SCHOOL
13 DISTRICT'S BOUNDARIES.

14 (B) AN INTERMEDIATE SCHOOL BOARD. HOWEVER, THE BOARD OF AN
15 INTERMEDIATE SCHOOL DISTRICT SHALL NOT ISSUE A CONTRACT FOR A
16 SCHOOL OF EXCELLENCE TO OPERATE OUTSIDE THE INTERMEDIATE SCHOOL
17 DISTRICT'S BOUNDARIES, AND A SCHOOL OF EXCELLENCE AUTHORIZED BY THE
18 BOARD OF AN INTERMEDIATE SCHOOL DISTRICT SHALL NOT OPERATE OUTSIDE
19 THAT INTERMEDIATE SCHOOL DISTRICT'S BOUNDARIES.

20 (C) THE BOARD OF A COMMUNITY COLLEGE. THE BOARD OF A COMMUNITY
21 COLLEGE SHALL NOT ISSUE A CONTRACT FOR A SCHOOL OF EXCELLENCE TO
22 OPERATE OUTSIDE THE BOUNDARIES OF THE COMMUNITY COLLEGE DISTRICT,
23 AND A SCHOOL OF EXCELLENCE AUTHORIZED BY THE BOARD OF A COMMUNITY
24 COLLEGE SHALL NOT OPERATE OUTSIDE THE BOUNDARIES OF THE COMMUNITY
25 COLLEGE DISTRICT. THE BOARD OF A COMMUNITY COLLEGE ALSO MAY ISSUE A
26 CONTRACT FOR NOT MORE THAN 1 SCHOOL OF EXCELLENCE TO OPERATE ON THE
27 GROUNDS OF AN ACTIVE OR CLOSED FEDERAL MILITARY INSTALLATION

1 LOCATED OUTSIDE THE BOUNDARIES OF THE COMMUNITY COLLEGE DISTRICT,
2 OR MAY OPERATE A SCHOOL OF EXCELLENCE ITSELF ON THE GROUNDS OF SUCH
3 A FEDERAL MILITARY INSTALLATION, IF THE FEDERAL MILITARY
4 INSTALLATION IS NOT LOCATED WITHIN THE BOUNDARIES OF ANY COMMUNITY
5 COLLEGE DISTRICT AND THE COMMUNITY COLLEGE HAS PREVIOUSLY OFFERED
6 COURSES ON THE GROUNDS OF THE FEDERAL MILITARY INSTALLATION FOR AT
7 LEAST 10 YEARS.

8 (D) THE GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY.

9 (7) TO OBTAIN A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE
10 SCHOOLS OF EXCELLENCE, 1 OR MORE PERSONS OR AN ENTITY MAY APPLY TO
11 AN AUTHORIZING BODY DESCRIBED IN THIS SECTION. THE APPLICATION
12 SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

13 (A) IDENTIFICATION OF THE APPLICANT FOR THE CONTRACT.

14 (B) SUBJECT TO THE RESOLUTION ADOPTED BY THE AUTHORIZING BODY
15 UNDER SECTION 553(4), A LIST OF THE PROPOSED MEMBERS OF THE BOARD
16 OF DIRECTORS OF THE SCHOOL OF EXCELLENCE AND A DESCRIPTION OF THE
17 QUALIFICATIONS AND METHOD FOR APPOINTMENT OR ELECTION OF MEMBERS OF
18 THE BOARD OF DIRECTORS.

19 (C) THE PROPOSED ARTICLES OF INCORPORATION, WHICH SHALL
20 INCLUDE AT LEAST ALL OF THE FOLLOWING:

21 (i) THE NAME OF THE PROPOSED SCHOOL OF EXCELLENCE.

22 (ii) THE PURPOSES FOR THE SCHOOL OF EXCELLENCE CORPORATION.

23 THIS LANGUAGE SHALL PROVIDE THAT THE SCHOOL OF EXCELLENCE IS
24 INCORPORATED PURSUANT TO THIS PART AND THAT THE SCHOOL OF
25 EXCELLENCE IS A GOVERNMENTAL ENTITY.

26 (iii) THE NAME OF THE AUTHORIZING BODY.

27 (iv) THE PROPOSED TIME WHEN THE ARTICLES OF INCORPORATION WILL

1 BE EFFECTIVE.

2 (v) OTHER MATTERS CONSIDERED EXPEDIENT TO BE IN THE ARTICLES
3 OF INCORPORATION.

4 (D) A COPY OF THE PROPOSED BYLAWS OF THE SCHOOL OF EXCELLENCE.

5 (E) DOCUMENTATION MEETING THE APPLICATION REQUIREMENTS OF THE
6 AUTHORIZING BODY, INCLUDING AT LEAST ALL OF THE FOLLOWING:

7 (i) THE GOVERNANCE STRUCTURE OF THE SCHOOL OF EXCELLENCE.

8 (ii) A COPY OF THE EDUCATIONAL GOALS OF THE SCHOOL OF
9 EXCELLENCE AND THE CURRICULA TO BE OFFERED AND METHODS OF PUPIL
10 ASSESSMENT TO BE USED BY THE SCHOOL OF EXCELLENCE. TO THE EXTENT
11 APPLICABLE, THE PROGRESS OF THE PUPILS IN THE SCHOOL OF EXCELLENCE
12 SHALL BE ASSESSED USING AT LEAST A MICHIGAN EDUCATION ASSESSMENT
13 PROGRAM (MEAP) TEST OR THE MICHIGAN MERIT EXAMINATION UNDER SECTION
14 1279G.

15 (iii) THE ADMISSION POLICY AND CRITERIA TO BE MAINTAINED BY THE
16 SCHOOL OF EXCELLENCE. THE ADMISSION POLICY AND CRITERIA SHALL
17 COMPLY WITH SECTION 556. THIS PART OF THE APPLICATION ALSO SHALL
18 INCLUDE A DESCRIPTION OF HOW THE APPLICANT WILL PROVIDE TO THE
19 GENERAL PUBLIC ADEQUATE NOTICE THAT A SCHOOL OF EXCELLENCE IS BEING
20 CREATED AND ADEQUATE INFORMATION ON THE ADMISSION POLICY, CRITERIA,
21 AND PROCESS.

22 (iv) EXCEPT FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL,
23 THE SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE.

24 (v) THE AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED.

25 (F) DESCRIPTIONS OF STAFF RESPONSIBILITIES AND OF THE SCHOOL
26 OF EXCELLENCE GOVERNANCE STRUCTURE.

27 (G) FOR AN APPLICATION TO THE BOARD OF A SCHOOL DISTRICT, AN

1 INTERMEDIATE SCHOOL BOARD, OR BOARD OF A COMMUNITY COLLEGE,
2 IDENTIFICATION OF THE SCHOOL DISTRICT AND INTERMEDIATE SCHOOL
3 DISTRICT IN WHICH THE SCHOOL OF EXCELLENCE WILL BE LOCATED.

4 (H) AN AGREEMENT THAT THE SCHOOL OF EXCELLENCE WILL COMPLY
5 WITH THE PROVISIONS OF THIS PART AND, SUBJECT TO THE PROVISIONS OF
6 THIS PART, WITH ALL OTHER STATE LAW APPLICABLE TO PUBLIC BODIES AND
7 WITH FEDERAL LAW APPLICABLE TO PUBLIC BODIES OR SCHOOL DISTRICTS.

8 (I) FOR A SCHOOL OF EXCELLENCE AUTHORIZED BY A SCHOOL
9 DISTRICT, AN ASSURANCE THAT EMPLOYEES OF THE SCHOOL OF EXCELLENCE
10 WILL BE COVERED BY THE COLLECTIVE BARGAINING AGREEMENTS THAT APPLY
11 TO OTHER EMPLOYEES OF THE SCHOOL DISTRICT EMPLOYED IN SIMILAR
12 CLASSIFICATIONS IN SCHOOLS THAT ARE NOT SCHOOLS OF EXCELLENCE.

13 (J) A DESCRIPTION OF AND ADDRESS FOR THE PROPOSED PHYSICAL
14 PLANT IN WHICH THE SCHOOL OF EXCELLENCE WILL BE LOCATED.

15 (8) AN AUTHORIZING BODY SHALL OVERSEE, OR SHALL CONTRACT WITH
16 AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY COLLEGE, OR STATE PUBLIC
17 UNIVERSITY TO OVERSEE, EACH SCHOOL OF EXCELLENCE OPERATING UNDER A
18 CONTRACT ISSUED BY THE AUTHORIZING BODY. THE OVERSIGHT SHALL BE
19 SUFFICIENT TO ENSURE THAT THE AUTHORIZING BODY CAN CERTIFY THAT THE
20 SCHOOL OF EXCELLENCE IS IN COMPLIANCE WITH STATUTE, RULES, AND THE
21 TERMS OF THE CONTRACT.

22 (9) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION FINDS THAT AN
23 AUTHORIZING BODY IS NOT ENGAGING IN APPROPRIATE CONTINUING
24 OVERSIGHT OF 1 OR MORE SCHOOLS OF EXCELLENCE OPERATING UNDER A
25 CONTRACT ISSUED BY THE AUTHORIZING BODY, THE SUPERINTENDENT OF
26 PUBLIC INSTRUCTION MAY SUSPEND THE POWER OF THE AUTHORIZING BODY TO
27 ISSUE NEW CONTRACTS TO ORGANIZE AND OPERATE SCHOOLS OF EXCELLENCE.

1 A CONTRACT ISSUED BY THE AUTHORIZING BODY DURING THE SUSPENSION IS
2 VOID. A CONTRACT ISSUED BY THE AUTHORIZING BODY BEFORE THE
3 SUSPENSION IS NOT AFFECTED BY THE SUSPENSION.

4 (10) AN AUTHORIZING BODY SHALL NOT CHARGE A FEE, OR REQUIRE
5 REIMBURSEMENT OF EXPENSES, FOR CONSIDERING AN APPLICATION FOR A
6 CONTRACT, FOR ISSUING A CONTRACT, OR FOR PROVIDING OVERSIGHT OF A
7 CONTRACT FOR A SCHOOL OF EXCELLENCE IN AN AMOUNT THAT EXCEEDS A
8 COMBINED TOTAL OF 3% OF THE TOTAL STATE SCHOOL AID RECEIVED BY THE
9 SCHOOL OF EXCELLENCE IN THE SCHOOL YEAR IN WHICH THE FEES OR
10 EXPENSES ARE CHARGED. ALL OF THE FOLLOWING APPLY TO THIS FEE:

11 (A) THE AUTHORIZING BODY MAY USE THIS FEE ONLY FOR THE
12 FOLLOWING PURPOSES:

13 (i) CONSIDERING APPLICATIONS AND ISSUING OR ADMINISTERING
14 CONTRACTS.

15 (ii) COMPLIANCE MONITORING AND OVERSIGHT OF SCHOOLS OF
16 EXCELLENCE.

17 (iii) TRAINING FOR SCHOOL OF EXCELLENCE APPLICANTS,
18 ADMINISTRATORS, AND BOARDS OF DIRECTORS.

19 (iv) TECHNICAL ASSISTANCE TO SCHOOLS OF EXCELLENCE.

20 (v) ACADEMIC SUPPORT TO SCHOOLS OF EXCELLENCE OR TO PUPILS OF
21 SCHOOLS OF EXCELLENCE.

22 (vi) EVALUATION OF SCHOOL OF EXCELLENCE PERFORMANCE.

23 (vii) TRAINING OF TEACHERS.

24 (viii) OTHER PURPOSES THAT ASSIST THE SCHOOL OF EXCELLENCE OR
25 TRADITIONAL PUBLIC SCHOOLS IN ACHIEVING IMPROVED ACADEMIC
26 PERFORMANCE.

27 (B) THE AUTHORIZING BODY MAY PROVIDE OTHER SERVICES FOR A

1 SCHOOL OF EXCELLENCE AND CHARGE A FEE FOR THOSE SERVICES, BUT SHALL
2 NOT REQUIRE SUCH AN ARRANGEMENT AS A CONDITION TO ISSUING THE
3 CONTRACT AUTHORIZING THE SCHOOL OF EXCELLENCE.

4 (11) A SCHOOL OF EXCELLENCE SHALL BE PRESUMED TO BE LEGALLY
5 ORGANIZED IF IT HAS EXERCISED THE FRANCHISES AND PRIVILEGES OF A
6 PUBLIC SCHOOL ACADEMY FOR AT LEAST 2 YEARS.

7 SEC. 553. (1) AN AUTHORIZING BODY IS NOT REQUIRED TO ISSUE A
8 CONTRACT TO ANY PERSON OR ENTITY. SCHOOLS OF EXCELLENCE CONTRACTS
9 SHALL BE ISSUED ON A COMPETITIVE BASIS TAKING INTO CONSIDERATION
10 THE RESOURCES AVAILABLE FOR THE PROPOSED SCHOOL OF EXCELLENCE, THE
11 POPULATION TO BE SERVED BY THE PROPOSED SCHOOL OF EXCELLENCE, THE
12 EDUCATIONAL GOALS TO BE ACHIEVED BY THE PROPOSED SCHOOL OF
13 EXCELLENCE, AND THE APPLICANT'S TRACK RECORD, IF ANY, IN OPERATING
14 PUBLIC SCHOOL ACADEMIES OR OTHER PUBLIC SCHOOLS.

15 (2) IF A PERSON OR ENTITY APPLIES TO THE BOARD OF A SCHOOL
16 DISTRICT FOR A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE SCHOOLS
17 OF EXCELLENCE WITHIN THE BOUNDARIES OF THE SCHOOL DISTRICT AND THE
18 BOARD DOES NOT ISSUE THE CONTRACT, THE PERSON OR ENTITY MAY
19 PETITION THE BOARD TO PLACE THE QUESTION OF ISSUING THE CONTRACT ON
20 THE BALLOT TO BE DECIDED BY THE SCHOOL ELECTORS OF THE SCHOOL
21 DISTRICT. THE PETITION SHALL CONTAIN ALL OF THE INFORMATION
22 REQUIRED TO BE IN THE CONTRACT APPLICATION UNDER SECTION 552 AND
23 SHALL BE SIGNED BY A NUMBER OF SCHOOL ELECTORS OF THE SCHOOL
24 DISTRICT EQUAL TO AT LEAST 15% OF THE TOTAL NUMBER OF SCHOOL
25 ELECTORS OF THAT SCHOOL DISTRICT. THE PETITION SHALL BE FILED WITH
26 THE SCHOOL DISTRICT FILING OFFICIAL. IF THE BOARD RECEIVES A
27 PETITION MEETING THE REQUIREMENTS OF THIS SUBSECTION, THE BOARD

1 SHALL HAVE THE QUESTION OF ISSUING THE CONTRACT PLACED ON THE
2 BALLOT AT ITS NEXT REGULAR SCHOOL ELECTION HELD AT LEAST 60 DAYS
3 AFTER RECEIVING THE PETITION. IF A MAJORITY OF THE SCHOOL ELECTORS
4 OF THE SCHOOL DISTRICT VOTING ON THE QUESTION VOTE TO ISSUE THE
5 CONTRACT, THE BOARD SHALL ISSUE THE CONTRACT.

6 (3) WITHIN 10 DAYS AFTER ISSUING A CONTRACT FOR A SCHOOL OF
7 EXCELLENCE, THE AUTHORIZING BODY SHALL SUBMIT TO THE SUPERINTENDENT
8 OF PUBLIC INSTRUCTION A COPY OF THE CONTRACT AND OF THE APPLICATION
9 UNDER SECTION 552.

10 (4) AN AUTHORIZING BODY SHALL ADOPT A RESOLUTION ESTABLISHING
11 THE METHOD OF SELECTION, LENGTH OF TERM, AND NUMBER OF MEMBERS OF
12 THE BOARD OF DIRECTORS OF EACH SCHOOL OF EXCELLENCE SUBJECT TO ITS
13 JURISDICTION.

14 (5) A CONTRACT ISSUED TO ORGANIZE AND ADMINISTER A SCHOOL OF
15 EXCELLENCE SHALL CONTAIN AT LEAST ALL OF THE FOLLOWING:

16 (A) THE EDUCATIONAL GOALS THE SCHOOL OF EXCELLENCE IS TO
17 ACHIEVE AND THE METHODS BY WHICH IT WILL BE HELD ACCOUNTABLE. TO
18 THE EXTENT APPLICABLE, THE PUPIL PERFORMANCE OF A SCHOOL OF
19 EXCELLENCE SHALL BE ASSESSED USING AT LEAST A MICHIGAN EDUCATION
20 ASSESSMENT PROGRAM (MEAP) TEST OR THE MICHIGAN MERIT EXAMINATION
21 UNDER SECTION 1279G.

22 (B) A DESCRIPTION OF THE METHOD TO BE USED TO MONITOR THE
23 SCHOOL OF EXCELLENCE'S COMPLIANCE WITH APPLICABLE LAW AND ITS
24 PERFORMANCE IN MEETING ITS TARGETED EDUCATIONAL OBJECTIVES.

25 (C) A DESCRIPTION OF THE PROCESS FOR AMENDING THE CONTRACT
26 DURING THE TERM OF THE CONTRACT.

27 (D) ALL OF THE MATTERS SET FORTH IN THE APPLICATION FOR THE

1 CONTRACT.

2 (E) FOR A SCHOOL OF EXCELLENCE AUTHORIZED BY A SCHOOL
3 DISTRICT, AN AGREEMENT THAT EMPLOYEES OF THE SCHOOL OF EXCELLENCE
4 WILL BE COVERED BY THE COLLECTIVE BARGAINING AGREEMENTS THAT APPLY
5 TO EMPLOYEES OF THE SCHOOL DISTRICT EMPLOYED IN SIMILAR
6 CLASSIFICATIONS IN SCHOOLS THAT ARE NOT SCHOOLS OF EXCELLENCE.

7 (F) PROCEDURES FOR REVOKING THE CONTRACT AND GROUNDS FOR
8 REVOKING THE CONTRACT, INCLUDING AT LEAST THE GROUNDS LISTED IN
9 SECTION 561.

10 (G) A DESCRIPTION OF AND ADDRESS FOR THE PROPOSED PHYSICAL
11 PLANT IN WHICH THE SCHOOL OF EXCELLENCE WILL BE LOCATED.

12 (H) REQUIREMENTS AND PROCEDURES FOR FINANCIAL AUDITS. THE
13 FINANCIAL AUDITS SHALL BE CONDUCTED AT LEAST ANNUALLY BY A
14 CERTIFIED PUBLIC ACCOUNTANT IN ACCORDANCE WITH GENERALLY ACCEPTED
15 GOVERNMENTAL AUDITING PRINCIPLES.

16 (I) A CERTIFICATION, SIGNED BY AN AUTHORIZED MEMBER OF THE
17 SCHOOL OF EXCELLENCE BOARD OF DIRECTORS, THAT THE SCHOOL OF
18 EXCELLENCE WILL COMPLY WITH THE CONTRACT AND ALL APPLICABLE LAW.

19 (J) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL ENSURE
20 COMPLIANCE WITH THE REQUIREMENTS OF 1968 PA 317, MCL 15.321 TO
21 15.330.

22 (K) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL PROHIBIT
23 SPECIFICALLY IDENTIFIED FAMILY RELATIONSHIPS BETWEEN MEMBERS OF THE
24 BOARD OF DIRECTORS, INDIVIDUALS WHO HAVE AN OWNERSHIP INTEREST IN
25 OR WHO ARE OFFICERS OR EMPLOYEES OF AN EDUCATIONAL MANAGEMENT
26 ORGANIZATION INVOLVED IN THE OPERATION OF THE SCHOOL OF EXCELLENCE,
27 AND EMPLOYEES OF THE SCHOOL OF EXCELLENCE. THE CONTRACT SHALL

1 IDENTIFY THE SPECIFIC PROHIBITED RELATIONSHIPS CONSISTENT WITH
2 APPLICABLE LAW.

3 (l) A REQUIREMENT THAT THE BOARD OF DIRECTORS OF THE SCHOOL OF
4 EXCELLENCE SHALL MAKE INFORMATION CONCERNING ITS OPERATION AND
5 MANAGEMENT AVAILABLE TO THE PUBLIC AND TO THE AUTHORIZING BODY IN
6 THE SAME MANNER AS IS REQUIRED BY STATE LAW FOR SCHOOL DISTRICTS.

7 (m) A REQUIREMENT THAT THE BOARD OF DIRECTORS OF THE SCHOOL OF
8 EXCELLENCE SHALL COLLECT, MAINTAIN, AND MAKE AVAILABLE TO THE
9 PUBLIC AND THE AUTHORIZING BODY, IN ACCORDANCE WITH APPLICABLE LAW
10 AND THE CONTRACT, AT LEAST ALL OF THE FOLLOWING INFORMATION
11 CONCERNING THE OPERATION AND MANAGEMENT OF THE SCHOOL OF
12 EXCELLENCE:

13 (i) A COPY OF THE CONTRACT ISSUED BY THE AUTHORIZING BODY FOR
14 THE SCHOOL OF EXCELLENCE.

15 (ii) A LIST OF CURRENTLY SERVING MEMBERS OF THE BOARD OF
16 DIRECTORS OF THE SCHOOL OF EXCELLENCE, INCLUDING NAME, ADDRESS, AND
17 TERM OF OFFICE; COPIES OF POLICIES APPROVED BY THE BOARD OF
18 DIRECTORS; BOARD MEETING AGENDAS AND MINUTES; COPY OF THE BUDGET
19 APPROVED BY THE BOARD OF DIRECTORS AND OF ANY AMENDMENTS TO THE
20 BUDGET; AND COPIES OF BILLS PAID FOR AMOUNTS OF \$10,000.00 OR MORE
21 AS THEY WERE SUBMITTED TO THE BOARD OF DIRECTORS.

22 (iii) QUARTERLY FINANCIAL REPORTS SUBMITTED TO THE AUTHORIZING
23 BODY.

24 (iv) A CURRENT LIST OF TEACHERS AND SCHOOL ADMINISTRATORS
25 WORKING AT THE SCHOOL OF EXCELLENCE THAT INCLUDES THEIR INDIVIDUAL
26 SALARIES; COPIES OF THE TEACHING OR SCHOOL ADMINISTRATOR'S
27 CERTIFICATES OR PERMITS OF CURRENT TEACHING AND ADMINISTRATIVE

1 STAFF; AND EVIDENCE OF COMPLIANCE WITH THE CRIMINAL BACKGROUND AND
2 RECORDS CHECKS AND UNPROFESSIONAL CONDUCT CHECK REQUIRED UNDER
3 SECTIONS 1230, 1230A, AND 1230B FOR ALL TEACHERS AND ADMINISTRATORS
4 WORKING AT THE SCHOOL OF EXCELLENCE.

5 (v) CURRICULUM DOCUMENTS AND MATERIALS GIVEN TO THE
6 AUTHORIZING BODY.

7 (vi) PROOF OF INSURANCE AS REQUIRED BY THE CONTRACT.

8 (vii) COPIES OF FACILITY LEASES OR DEEDS, OR BOTH, AND OF ANY
9 EQUIPMENT LEASES.

10 (viii) COPIES OF ANY MANAGEMENT CONTRACTS OR SERVICES CONTRACTS
11 APPROVED BY THE BOARD OF DIRECTORS.

12 (ix) ALL HEALTH AND SAFETY REPORTS AND CERTIFICATES, INCLUDING
13 THOSE RELATING TO FIRE SAFETY, ENVIRONMENTAL MATTERS, ASBESTOS
14 INSPECTION, BOILER INSPECTION, AND FOOD SERVICE.

15 (x) ANY MANAGEMENT LETTERS ISSUED AS PART OF THE ANNUAL
16 FINANCIAL AUDIT UNDER SUBDIVISION (H).

17 (xi) ANY OTHER INFORMATION SPECIFICALLY REQUIRED UNDER THIS
18 ACT.

19 (N) A REQUIREMENT THAT THE AUTHORIZING BODY MUST REVIEW AND
20 MAY DISAPPROVE ANY AGREEMENT BETWEEN THE BOARD OF DIRECTORS AND AN
21 EDUCATIONAL MANAGEMENT ORGANIZATION BEFORE THE AGREEMENT IS FINAL
22 AND VALID. AN AUTHORIZING BODY MAY DISAPPROVE AN AGREEMENT
23 DESCRIBED IN THIS SUBDIVISION ONLY IF THE AGREEMENT IS CONTRARY TO
24 CONTRACT OR APPLICABLE LAW.

25 (O) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL
26 DEMONSTRATE ALL OF THE FOLLOWING TO THE SATISFACTION OF THE
27 AUTHORIZING BODY WITH REGARD TO ITS PUPIL ADMISSION PROCESS:

1 (i) THAT THE SCHOOL OF EXCELLENCE HAS MADE A REASONABLE EFFORT
2 TO ADVERTISE ITS ENROLLMENT OPENINGS.

3 (ii) THAT THE SCHOOL OF EXCELLENCE HAS MADE THE FOLLOWING
4 ADDITIONAL EFFORTS TO RECRUIT PUPILS WHO ARE ELIGIBLE FOR SPECIAL
5 EDUCATION PROGRAMS AND SERVICES OR ENGLISH AS A SECOND LANGUAGE
6 SERVICES TO APPLY FOR ADMISSION:

7 (A) REASONABLE EFFORTS TO ADVERTISE ALL ENROLLMENT OPENINGS TO
8 ORGANIZATIONS AND MEDIA THAT REGULARLY SERVE AND ADVOCATE FOR
9 INDIVIDUALS WITH DISABILITIES OR CHILDREN WITH LIMITED ENGLISH-
10 SPEAKING ABILITY WITHIN THE BOUNDARIES OF THE INTERMEDIATE SCHOOL
11 DISTRICT IN WHICH THE SCHOOL OF EXCELLENCE IS LOCATED.

12 (B) INCLUSION IN ALL PUPIL RECRUITMENT MATERIALS OF A
13 STATEMENT THAT APPROPRIATE SPECIAL EDUCATION SERVICES AND ENGLISH
14 AS A SECOND LANGUAGE SERVICES WILL BE MADE AVAILABLE TO PUPILS
15 ATTENDING THE SCHOOL AS REQUIRED BY LAW.

16 (iii) THAT THE OPEN ENROLLMENT PERIOD FOR THE SCHOOL OF
17 EXCELLENCE IS FOR A DURATION OF AT LEAST 2 WEEKS AND THAT THE
18 ENROLLMENT TIMES INCLUDE SOME EVENING AND WEEKEND TIMES.

19 (P) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL PROHIBIT
20 ANY INDIVIDUAL FROM BEING EMPLOYED BY THE SCHOOL OF EXCELLENCE IN
21 MORE THAN 1 FULL-TIME POSITION AND SIMULTANEOUSLY BEING COMPENSATED
22 AT A FULL-TIME RATE FOR EACH OF THOSE POSITIONS.

23 (Q) A REQUIREMENT THAT, IF REQUESTED, THE BOARD OF DIRECTORS
24 SHALL REPORT TO THE AUTHORIZING BODY THE TOTAL COMPENSATION FOR
25 EACH INDIVIDUAL WORKING AT THE SCHOOL OF EXCELLENCE.

26 (6) A SCHOOL OF EXCELLENCE SHALL COMPLY WITH ALL APPLICABLE
27 LAW, INCLUDING ALL OF THE FOLLOWING:

1 (A) THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

2 (B) THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
3 15.246.

4 (C) 1947 PA 336, MCL 423.201 TO 423.217.

5 (D) 1965 PA 166, MCL 408.551 TO 408.558.

6 (E) SECTIONS 1134, 1135, 1146, 1153, 1263(3), 1267, AND 1274.

7 (7) A SCHOOL OF EXCELLENCE AND ITS INCORPORATORS, BOARD
8 MEMBERS, OFFICERS, EMPLOYEES, AND VOLUNTEERS HAVE GOVERNMENTAL
9 IMMUNITY AS PROVIDED IN SECTION 7 OF 1964 PA 170, MCL 691.1407. AN
10 AUTHORIZING BODY AND ITS BOARD MEMBERS, OFFICERS, AND EMPLOYEES ARE
11 IMMUNE FROM CIVIL LIABILITY, BOTH PERSONALLY AND PROFESSIONALLY,
12 FOR AN ACT OR OMISSION IN AUTHORIZING A SCHOOL OF EXCELLENCE IF THE
13 AUTHORIZING BODY OR THE PERSON ACTED OR REASONABLY BELIEVED HE OR
14 SHE ACTED WITHIN THE AUTHORIZING BODY'S OR THE PERSON'S SCOPE OF
15 AUTHORITY.

16 (8) A SCHOOL OF EXCELLENCE IS EXEMPT FROM ALL TAXATION ON ITS
17 EARNINGS AND PROPERTY. INSTRUMENTS OF CONVEYANCE TO OR FROM A
18 SCHOOL OF EXCELLENCE ARE EXEMPT FROM ALL TAXATION INCLUDING TAXES
19 IMPOSED BY 1966 PA 134, MCL 207.501 TO 207.513. A SCHOOL OF
20 EXCELLENCE MAY NOT LEVY AD VALOREM PROPERTY TAXES OR ANOTHER TAX
21 FOR ANY PURPOSE. HOWEVER, OPERATION OF 1 OR MORE SCHOOLS OF
22 EXCELLENCE BY A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT
23 DOES NOT AFFECT THE ABILITY OF THE SCHOOL DISTRICT OR INTERMEDIATE
24 SCHOOL DISTRICT TO LEVY AD VALOREM PROPERTY TAXES OR ANOTHER TAX.

25 (9) A SCHOOL OF EXCELLENCE MAY ACQUIRE BY PURCHASE, GIFT,
26 DEVISE, LEASE, SUBLEASE, INSTALLMENT PURCHASE AGREEMENT, LAND
27 CONTRACT, OPTION, OR BY ANY OTHER MEANS, HOLD, AND OWN IN ITS OWN

1 NAME BUILDINGS AND OTHER PROPERTY FOR SCHOOL PURPOSES, AND
2 INTERESTS THEREIN, AND OTHER REAL AND PERSONAL PROPERTY, INCLUDING,
3 BUT NOT LIMITED TO, INTERESTS IN PROPERTY SUBJECT TO MORTGAGES,
4 SECURITY INTERESTS, OR OTHER LIENS, NECESSARY OR CONVENIENT TO
5 FULFILL ITS PURPOSES. FOR THE PURPOSES OF CONDEMNATION, A SCHOOL OF
6 EXCELLENCE MAY PROCEED UNDER THE UNIFORM CONDEMNATION PROCEDURES
7 ACT, 1980 PA 87, MCL 213.51 TO 213.75, EXCLUDING SECTIONS 6 TO 9 OF
8 THAT ACT, MCL 213.56 TO 213.59, OR OTHER APPLICABLE STATUTES, BUT
9 ONLY WITH THE EXPRESS, WRITTEN PERMISSION OF THE AUTHORIZING BODY
10 IN EACH INSTANCE OF CONDEMNATION AND ONLY AFTER JUST COMPENSATION
11 HAS BEEN DETERMINED AND PAID.

12 SEC. 553A. (1) AN AUTHORIZING BODY MAY ISSUE A CONTRACT TO
13 ESTABLISH A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL. A CYBER
14 SCHOOL SHALL PROVIDE FULL-TIME INSTRUCTION TO PUPILS THROUGH ONLINE
15 LEARNING OR OTHERWISE ON A COMPUTER OR OTHER TECHNOLOGY, AND THIS
16 INSTRUCTION AND LEARNING MAY OCCUR REMOTE FROM A SCHOOL FACILITY.

17 (2) A CONTRACT FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER
18 SCHOOL SHALL INCLUDE ALL OF THE PROVISIONS REQUIRED UNDER SECTION
19 553 AND ALL OF THE FOLLOWING:

20 (A) A REQUIREMENT THAT A TEACHER WHO HOLDS APPROPRIATE
21 CERTIFICATION ACCORDING TO STATE BOARD RULE WILL BE RESPONSIBLE FOR
22 ALL OF THE FOLLOWING FOR EACH COURSE IN WHICH A PUPIL IS ENROLLED:

23 (i) IMPROVING LEARNING BY PLANNED INSTRUCTION.

24 (ii) DIAGNOSING THE PUPIL'S LEARNING NEEDS.

25 (iii) ASSESSING LEARNING, ASSIGNING GRADES, AND DETERMINING
26 ADVANCEMENT.

27 (iv) REPORTING OUTCOMES TO ADMINISTRATORS AND PARENTS OR LEGAL

1 GUARDIANS.

2 (B) A REQUIREMENT THAT THE CYBER SCHOOL WILL MAKE EDUCATIONAL
3 SERVICES AVAILABLE TO PUPILS FOR A MINIMUM OF AT LEAST 1,098 HOURS
4 DURING A SCHOOL YEAR AND WILL ENSURE THAT EACH PUPIL PARTICIPATES
5 IN THE EDUCATIONAL PROGRAM FOR AT LEAST 1,098 HOURS DURING A SCHOOL
6 YEAR.

7 (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT OR ANY
8 RULE, IF A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL IS IN
9 COMPLIANCE WITH THE REQUIREMENTS OF SUBSECTION (2) (A) REGARDING A
10 CERTIFICATED TEACHER, ANY OTHER ADULT ASSISTING WITH THE OVERSIGHT
11 OF A PUPIL DURING THE PUPIL'S PARTICIPATION IN THE CYBER SCHOOL'S
12 EDUCATION PROGRAM IS NOT REQUIRED TO BE A CERTIFICATED TEACHER OR
13 AN EMPLOYEE OF THE SCHOOL.

14 (4) NOTWITHSTANDING ANY RULE TO THE CONTRARY, A CYBER SCHOOL
15 IS NOT REQUIRED TO COMPLY WITH ANY RULE THAT WOULD REQUIRE A
16 PUPIL'S PHYSICAL PRESENCE OR ATTENDANCE IN A CLASSROOM.

17 (5) AT THE END OF A CYBER SCHOOL'S SECOND FULL SCHOOL YEAR OF
18 OPERATIONS, THE AUTHORIZING BODY OF A SCHOOL OF EXCELLENCE THAT IS
19 A CYBER SCHOOL SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC
20 INSTRUCTION AND THE LEGISLATURE, IN THE FORM AND MANNER PRESCRIBED
21 BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, A REPORT DETAILING THE
22 OPERATION OF THE CYBER SCHOOL, PROVIDING STATISTICS OF PUPIL
23 PARTICIPATION AND ACADEMIC PERFORMANCE, AND MAKING RECOMMENDATIONS
24 FOR ANY FURTHER STATUTORY OR RULE CHANGE RELATED TO CYBER SCHOOLS
25 AND ONLINE LEARNING IN THIS STATE.

26 SEC. 554. IF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT
27 APPLIES FOR AND OBTAINS A CONTRACT TO OPERATE 1 OR MORE SCHOOLS OF

1 EXCELLENCE UNDER THIS PART, THE POWER OF THE SCHOOL DISTRICT OR
2 INTERMEDIATE SCHOOL DISTRICT TO LEVY TAXES FOR ANY PURPOSE UNDER
3 THIS ACT IS NOT AFFECTED BY THE OPERATION OF A SCHOOL OF EXCELLENCE
4 BY THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT. REVENUE
5 FROM TAXES LEVIED BY A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
6 DISTRICT UNDER THIS ACT OR BONDS ISSUED BY A SCHOOL DISTRICT OR
7 INTERMEDIATE SCHOOL DISTRICT UNDER THIS ACT MAY BE USED TO SUPPORT
8 THE OPERATION OR FACILITIES OF A SCHOOL OF EXCELLENCE OPERATED BY
9 THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT IN THE SAME
10 MANNER AS THAT REVENUE MAY BE USED UNDER THIS ACT BY THE SCHOOL
11 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO SUPPORT SCHOOL DISTRICT
12 OR INTERMEDIATE SCHOOL DISTRICT OPERATIONS AND FACILITIES. THIS
13 SECTION DOES NOT AUTHORIZE A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
14 DISTRICT TO LEVY TAXES OR TO ISSUE BONDS FOR ANY PURPOSE THAT IS
15 NOT OTHERWISE AUTHORIZED UNDER THIS ACT.

16 SEC. 555. (1) AN AGREEMENT, MORTGAGE, LOAN, OR OTHER
17 INSTRUMENT OF INDEBTEDNESS ENTERED INTO BY A SCHOOL OF EXCELLENCE
18 AND A THIRD PARTY DOES NOT CONSTITUTE AN OBLIGATION, EITHER
19 GENERAL, SPECIAL, OR MORAL, OF THIS STATE OR AN AUTHORIZING BODY.
20 THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THIS STATE OR ANY
21 AGENCY OF THIS STATE, OR THE FULL FAITH AND CREDIT OF AN
22 AUTHORIZING BODY, MAY NOT BE PLEDGED FOR THE PAYMENT OF ANY SCHOOL
23 OF EXCELLENCE BOND, NOTE, AGREEMENT, MORTGAGE, LOAN, OR OTHER
24 INSTRUMENT OF INDEBTEDNESS.

25 (2) THIS PART DOES NOT IMPOSE ANY LIABILITY ON THIS STATE OR
26 ON AN AUTHORIZING BODY FOR ANY DEBT INCURRED BY A SCHOOL OF
27 EXCELLENCE.

1 SEC. 556. (1) A SCHOOL OF EXCELLENCE MAY BE LOCATED IN ALL OR
2 PART OF AN EXISTING PUBLIC SCHOOL BUILDING. A SCHOOL OF EXCELLENCE,
3 OTHER THAN A CYBER SCHOOL OPERATED UNDER SECTION 553A, SHALL NOT
4 OPERATE AT A SITE OTHER THAN THE SINGLE SITE REQUESTED FOR THE
5 CONFIGURATION OF GRADES THAT WILL USE THE SITE, AS SPECIFIED IN THE
6 APPLICATION REQUIRED UNDER SECTION 552 AND IN THE CONTRACT.

7 (2) A SCHOOL OF EXCELLENCE SHALL NOT CHARGE TUITION AND SHALL
8 NOT DISCRIMINATE IN ITS PUPIL ADMISSIONS POLICIES OR PRACTICES ON
9 THE BASIS OF INTELLECTUAL OR ATHLETIC ABILITY, MEASURES OF
10 ACHIEVEMENT OR APTITUDE, STATUS AS A STUDENT WITH A DISABILITY, OR
11 ANY OTHER BASIS THAT WOULD BE ILLEGAL IF USED BY A SCHOOL DISTRICT.
12 HOWEVER, A SCHOOL OF EXCELLENCE MAY LIMIT ADMISSION TO PUPILS WHO
13 ARE WITHIN A PARTICULAR RANGE OF AGE OR GRADE LEVEL OR ON ANY OTHER
14 BASIS THAT WOULD BE LEGAL IF USED BY A SCHOOL DISTRICT AND MAY GIVE
15 ENROLLMENT PRIORITY AS PROVIDED IN SUBSECTION (4).

16 (3) EXCEPT FOR A FOREIGN EXCHANGE STUDENT WHO IS NOT A UNITED
17 STATES CITIZEN, A SCHOOL OF EXCELLENCE SHALL NOT ENROLL A PUPIL WHO
18 IS NOT A RESIDENT OF THIS STATE. ENROLLMENT IN THE SCHOOL OF
19 EXCELLENCE MAY BE OPEN TO ALL INDIVIDUALS WHO RESIDE IN THIS STATE
20 WHO MEET THE ADMISSION POLICY AND SHALL BE OPEN TO ALL PUPILS WHO
21 RESIDE WITHIN THE GEOGRAPHIC BOUNDARIES, IF ANY, OF THE AUTHORIZING
22 BODY AS DESCRIBED IN SECTION 552(6) (A) TO (C) WHO MEET THE
23 ADMISSION POLICY, EXCEPT THAT ADMISSION TO A SCHOOL OF EXCELLENCE
24 AUTHORIZED BY THE BOARD OF A COMMUNITY COLLEGE TO OPERATE, OR
25 OPERATED BY THE BOARD OF A COMMUNITY COLLEGE, ON THE GROUNDS OF A
26 FEDERAL MILITARY INSTALLATION, AS DESCRIBED IN SECTION 552(6) (C),
27 SHALL BE OPEN TO ALL PUPILS WHO RESIDE IN THE COUNTY IN WHICH THE

1 FEDERAL MILITARY INSTALLATION IS LOCATED. FOR A SCHOOL OF
2 EXCELLENCE AUTHORIZED BY A STATE PUBLIC UNIVERSITY, ENROLLMENT
3 SHALL BE OPEN TO ALL PUPILS WHO RESIDE IN THIS STATE WHO MEET THE
4 ADMISSION POLICY. IF THERE ARE MORE APPLICATIONS TO ENROLL IN THE
5 SCHOOL OF EXCELLENCE THAN THERE ARE SPACES AVAILABLE, PUPILS SHALL
6 BE SELECTED TO ATTEND USING A RANDOM SELECTION PROCESS. A SCHOOL OF
7 EXCELLENCE SHALL ALLOW ANY PUPIL WHO WAS ENROLLED IN THE SCHOOL OF
8 EXCELLENCE IN THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ENROLL IN
9 THE SCHOOL OF EXCELLENCE IN THE APPROPRIATE GRADE UNLESS THE
10 APPROPRIATE GRADE IS NOT OFFERED AT THAT SCHOOL OF EXCELLENCE.

11 (4) A SCHOOL OF EXCELLENCE MAY GIVE ENROLLMENT PRIORITY TO 1
12 OR MORE OF THE FOLLOWING:

13 (A) A SIBLING OF A PUPIL ENROLLED IN THE PUBLIC SCHOOL.

14 (B) A PUPIL WHO TRANSFERS TO THE SCHOOL OF EXCELLENCE FROM
15 ANOTHER PUBLIC SCHOOL PURSUANT TO A MATRICULATION AGREEMENT BETWEEN
16 THE SCHOOL OF EXCELLENCE AND ANOTHER PUBLIC SCHOOL THAT PROVIDES
17 FOR THIS ENROLLMENT PRIORITY, IF ALL OF THE FOLLOWING REQUIREMENTS
18 ARE MET:

19 (A) EACH SCHOOL OF EXCELLENCE OR OTHER PUBLIC SCHOOL THAT
20 ENTERS INTO THE MATRICULATION AGREEMENT REMAINS A SEPARATE AND
21 INDEPENDENT PUBLIC SCHOOL.

22 (B) THE PUBLIC SCHOOL THAT GIVES THE ENROLLMENT PRIORITY
23 SELECTS AT LEAST 5% OF ITS PUPILS FOR ENROLLMENT USING A RANDOM
24 SELECTION PROCESS.

25 (C) THE MATRICULATION AGREEMENT ALLOWS ANY PUPIL WHO WAS
26 ENROLLED AT ANY TIME DURING ELEMENTARY SCHOOL IN A SCHOOL OF
27 EXCELLENCE THAT IS PARTY TO THE MATRICULATION AGREEMENT AND WHO WAS

1 NOT EXPELLED FROM THE SCHOOL OF EXCELLENCE TO ENROLL IN THE PUBLIC
2 SCHOOL GIVING ENROLLMENT PRIORITY UNDER THE MATRICULATION
3 AGREEMENT.

4 (5) SUBJECT TO SUBSECTION (6), A SCHOOL OF EXCELLENCE MAY
5 INCLUDE ANY GRADE UP TO GRADE 12 OR ANY CONFIGURATION OF THOSE
6 GRADES, INCLUDING KINDERGARTEN AND EARLY CHILDHOOD EDUCATION, AS
7 SPECIFIED IN ITS CONTRACT. IF SPECIFIED IN ITS CONTRACT, A SCHOOL
8 OF EXCELLENCE MAY ALSO OPERATE AN ADULT BASIC EDUCATION PROGRAM,
9 ADULT HIGH SCHOOL COMPLETION PROGRAM, OR GENERAL EDUCATION
10 DEVELOPMENT TESTING PREPARATION PROGRAM. THE AUTHORIZING BODY MAY
11 APPROVE AMENDMENT OF A CONTRACT WITH RESPECT TO AGES OF PUPILS OR
12 GRADES OFFERED.

13 (6) IN ADDITION TO ANY OTHER GRADE LEVELS IT OPERATES, A
14 SCHOOL OF EXCELLENCE SHALL WORK TOWARD OPERATING ALL OF GRADES 9 TO
15 12 WITHIN 6 YEARS AFTER IT BEGINS OPERATIONS, UNLESS A
16 MATRICULATION AGREEMENT HAS BEEN REACHED WITH ANOTHER PUBLIC SCHOOL
17 THAT PROVIDES GRADES 9 TO 12.

18 (7) IF A SCHOOL OF EXCELLENCE IS A CYBER SCHOOL AND ITS
19 AUTHORIZING BODY IS A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
20 DISTRICT, THE SCHOOL OF EXCELLENCE SHALL GIVE ENROLLMENT PRIORITY
21 TO PUPILS WHO RESIDE IN THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL
22 DISTRICT THAT IS THE AUTHORIZING BODY.

23 SEC. 557. IN ADDITION TO OTHER POWERS SET FORTH IN THIS PART,
24 A SCHOOL OF EXCELLENCE MAY TAKE ACTION TO CARRY OUT THE PURPOSES
25 FOR WHICH IT WAS INCORPORATED UNDER THIS PART, INCLUDING, BUT NOT
26 LIMITED TO, ALL OF THE FOLLOWING:

27 (A) TO SUE AND BE SUED IN ITS NAME.

1 (B) SUBJECT TO SECTION 555, TO ACQUIRE, HOLD, AND OWN IN ITS
2 OWN NAME REAL AND PERSONAL PROPERTY, OR INTERESTS IN REAL OR
3 PERSONAL PROPERTY, FOR EDUCATIONAL PURPOSES BY PURCHASE, GIFT,
4 GRANT, DEVISE, BEQUEST, LEASE, SUBLEASE, INSTALLMENT PURCHASE
5 AGREEMENT, LAND CONTRACT, OPTION, OR CONDEMNATION, AND SUBJECT TO
6 MORTGAGES, SECURITY INTERESTS, OR OTHER LIENS; AND TO SELL OR
7 CONVEY THE PROPERTY AS THE INTERESTS OF THE SCHOOL OF EXCELLENCE
8 REQUIRE.

9 (C) TO RECEIVE, DISBURSE, AND PLEDGE FUNDS FOR LAWFUL
10 PURPOSES.

11 (D) TO ENTER INTO BINDING LEGAL AGREEMENTS WITH PERSONS OR
12 ENTITIES AS NECESSARY FOR THE OPERATION, MANAGEMENT, FINANCING, AND
13 MAINTENANCE OF THE SCHOOL OF EXCELLENCE.

14 (E) TO INCUR TEMPORARY DEBT IN ACCORDANCE WITH SECTION 1225.

15 (F) TO SOLICIT AND ACCEPT ANY GRANTS OR GIFTS FOR EDUCATIONAL
16 PURPOSES AND TO ESTABLISH OR PERMIT TO BE ESTABLISHED ON ITS BEHALF
17 1 OR MORE NONPROFIT CORPORATIONS THE PURPOSE OF WHICH IS TO ASSIST
18 THE SCHOOL OF EXCELLENCE IN THE FURTHERANCE OF ITS PUBLIC PURPOSES.

19 (G) TO BORROW MONEY AND ISSUE BONDS IN ACCORDANCE WITH SECTION
20 1351A AND IN ACCORDANCE WITH PART VI OF THE REVISED MUNICIPAL
21 FINANCE ACT, 2001 PA 34, MCL 141.2601 TO 141.2613, EXCEPT THAT THE
22 BORROWING OF MONEY AND ISSUANCE OF BONDS BY A SCHOOL OF EXCELLENCE
23 IS NOT SUBJECT TO SECTION 1351A(4) OR SECTION 1351(2) TO (4). BONDS
24 ISSUED UNDER THIS SECTION SHALL BE FULL FAITH AND CREDIT
25 OBLIGATIONS OF THE SCHOOL OF EXCELLENCE, PLEDGING THE GENERAL FUNDS
26 OR ANY OTHER MONEY AVAILABLE FOR SUCH A PURPOSE. BONDS ISSUED UNDER
27 THIS SECTION ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001

1 PA 34, MCL 141.2101 TO 141.2821.

2 SEC. 558. IF A SCHOOL OF EXCELLENCE IS OPERATED BY A SCHOOL
3 DISTRICT THAT IS SUBJECT TO A COURT DESEGREGATION ORDER, PUPIL
4 SELECTION AT THE SCHOOL OF EXCELLENCE IS SUBJECT TO THAT ORDER.

5 SEC. 559. (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, AND EXCEPT
6 AS OTHERWISE PROVIDED UNDER SECTION 553A FOR A CYBER SCHOOL, A
7 SCHOOL OF EXCELLENCE SHALL USE CERTIFICATED TEACHERS ACCORDING TO
8 STATE BOARD RULE.

9 (2) A SCHOOL OF EXCELLENCE OPERATED BY A STATE PUBLIC
10 UNIVERSITY OR COMMUNITY COLLEGE MAY USE NONCERTIFICATED INDIVIDUALS
11 TO TEACH AS FOLLOWS:

12 (A) IF THE SCHOOL OF EXCELLENCE IS OPERATED BY A STATE PUBLIC
13 UNIVERSITY, THE SCHOOL OF EXCELLENCE MAY USE AS A CLASSROOM TEACHER
14 IN ANY GRADE A FACULTY MEMBER WHO IS EMPLOYED FULL-TIME BY THE
15 STATE PUBLIC UNIVERSITY AND WHO HAS BEEN GRANTED INSTITUTIONAL
16 TENURE, OR HAS BEEN DESIGNATED AS BEING ON TENURE TRACK, BY THE
17 STATE PUBLIC UNIVERSITY.

18 (B) FOR A SCHOOL OF EXCELLENCE OPERATED BY A COMMUNITY
19 COLLEGE, THE SCHOOL OF EXCELLENCE MAY USE AS A CLASSROOM TEACHER A
20 FULL-TIME MEMBER OF THE COMMUNITY COLLEGE FACULTY WHO HAS AT LEAST
21 5 YEARS' EXPERIENCE AT THAT COMMUNITY COLLEGE IN TEACHING THE
22 SUBJECT MATTER THAT HE OR SHE IS TEACHING AT THE SCHOOL OF
23 EXCELLENCE.

24 (C) IN ANY OTHER SITUATION IN WHICH A SCHOOL DISTRICT IS
25 PERMITTED UNDER THIS ACT TO USE NONCERTIFICATED TEACHERS.

26 (3) A SCHOOL OF EXCELLENCE MAY DEVELOP AND IMPLEMENT NEW
27 TEACHING TECHNIQUES OR METHODS OR SIGNIFICANT REVISIONS TO KNOWN

1 TEACHING TECHNIQUES OR METHODS, AND SHALL REPORT THOSE TO THE
2 AUTHORIZING BODY AND STATE BOARD TO BE MADE AVAILABLE TO THE
3 PUBLIC. A SCHOOL OF EXCELLENCE MAY USE ANY INSTRUCTIONAL TECHNIQUE
4 OR DELIVERY METHOD THAT MAY BE USED BY A SCHOOL DISTRICT.

5 SEC. 560. A SCHOOL OF EXCELLENCE, WITH THE APPROVAL OF THE
6 AUTHORIZING BODY, MAY EMPLOY OR CONTRACT WITH PERSONNEL AS
7 NECESSARY FOR THE OPERATION OF THE SCHOOL OF EXCELLENCE, PRESCRIBE
8 THEIR DUTIES, AND FIX THEIR COMPENSATION. A SCHOOL OF EXCELLENCE
9 MAY IMPLEMENT AND MAINTAIN A METHOD OF COMPENSATION FOR ITS
10 EMPLOYEES THAT IS BASED ON JOB PERFORMANCE, JOB ACCOMPLISHMENTS,
11 AND JOB ASSIGNMENT IN A SUBJECT AREA OR SCHOOL THAT IS DIFFICULT TO
12 FIND EMPLOYEES TO STAFF.

13 SEC. 560A. IF THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE
14 PROVIDES MEDICAL, OPTICAL, OR DENTAL BENEFITS TO EMPLOYEES AND
15 THEIR DEPENDENTS, THE BOARD OF DIRECTORS SHALL PROVIDE THOSE
16 BENEFITS IN ACCORDANCE WITH THE PUBLIC EMPLOYEES HEALTH BENEFIT
17 ACT, 2007 PA 106, MCL 124.71 TO 124.85, AND SHALL COMPLY WITH THAT
18 ACT.

19 SEC. 561. (1) IF AN AUTHORIZING BODY ISSUES A CONTRACT FOR A
20 SCHOOL OF EXCELLENCE UNDER THIS PART, THE AUTHORIZING BODY SHALL DO
21 ALL OF THE FOLLOWING:

22 (A) ENSURE THAT THE CONTRACT AND THE APPLICATION FOR THE
23 CONTRACT COMPLY WITH THE REQUIREMENTS OF THIS PART.

24 (B) WITHIN 10 DAYS AFTER ISSUING THE CONTRACT, SUBMIT TO THE
25 DEPARTMENT A COPY OF THE CONTRACT.

26 (C) ESTABLISH THE METHOD OF SELECTION, LENGTH OF TERM, AND
27 NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF EACH SCHOOL OF

1 EXCELLENCE THAT IT AUTHORIZES. THE AUTHORIZING BODY SHALL ENSURE
2 THAT THE BOARD OF DIRECTORS INCLUDES REPRESENTATION FROM THE LOCAL
3 COMMUNITY.

4 (D) OVERSEE THE OPERATIONS OF EACH SCHOOL OF EXCELLENCE
5 OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY. THE
6 OVERSIGHT SHALL BE SUFFICIENT TO ENSURE THAT THE SCHOOL OF
7 EXCELLENCE IS IN COMPLIANCE WITH THE TERMS OF THE CONTRACT AND WITH
8 APPLICABLE LAW.

9 (E) DEVELOP AND IMPLEMENT A PROCESS FOR HOLDING A SCHOOL OF
10 EXCELLENCE BOARD OF DIRECTORS ACCOUNTABLE FOR MEETING APPLICABLE
11 ACADEMIC PERFORMANCE STANDARDS SET FORTH IN THE CONTRACT AND FOR
12 IMPLEMENTING CORRECTIVE ACTION FOR A SCHOOL OF EXCELLENCE THAT DOES
13 NOT MEET THOSE STANDARDS.

14 (F) TAKE NECESSARY MEASURES TO ENSURE THAT A SCHOOL OF
15 EXCELLENCE BOARD OF DIRECTORS OPERATES INDEPENDENTLY OF ANY
16 EDUCATIONAL MANAGEMENT ORGANIZATION INVOLVED IN THE OPERATIONS OF
17 THE SCHOOL OF EXCELLENCE.

18 (G) OVERSEE AND ENSURE THAT THE PUPIL ADMISSION PROCESS USED
19 BY THE SCHOOL OF EXCELLENCE IS OPERATED IN A FAIR AND OPEN MANNER
20 AND IS IN COMPLIANCE WITH THE CONTRACT AND THIS PART.

21 (H) ENSURE THAT THE BOARD OF DIRECTORS OF THE SCHOOL OF
22 EXCELLENCE MAINTAINS AND RELEASES INFORMATION AS NECESSARY TO
23 COMPLY WITH APPLICABLE LAW.

24 (2) THE AUTHORIZING BODY MAY ENTER INTO AN AGREEMENT WITH 1 OR
25 MORE AUTHORIZING BODIES, AS DEFINED UNDER PART 6A, TO CARRY OUT ANY
26 FUNCTION OF THE AUTHORIZING BODY UNDER SUBSECTION (1) (A) TO (H).

27 (3) THE AUTHORIZING BODY FOR A SCHOOL OF EXCELLENCE IS THE

1 FISCAL AGENT FOR THE SCHOOL OF EXCELLENCE. A STATE SCHOOL AID
2 PAYMENT FOR A SCHOOL OF EXCELLENCE SHALL BE PAID TO THE AUTHORIZING
3 BODY AS THE FISCAL AGENT FOR THAT SCHOOL OF EXCELLENCE, AND THE
4 AUTHORIZING BODY SHALL THEN FORWARD THE PAYMENT TO THE SCHOOL OF
5 EXCELLENCE. WITHIN 30 DAYS AFTER A CONTRACT IS SUBMITTED TO THE
6 DEPARTMENT BY THE AUTHORIZING BODY UNDER SUBSECTION (1), THE
7 DEPARTMENT SHALL ISSUE A DISTRICT CODE TO THE SCHOOL OF EXCELLENCE
8 FOR WHICH THE CONTRACT WAS ISSUED. IF THE DEPARTMENT DOES NOT ISSUE
9 A DISTRICT CODE WITHIN 30 DAYS AFTER A CONTRACT IS FILED, THE STATE
10 TREASURER SHALL ASSIGN A TEMPORARY DISTRICT CODE IN ORDER FOR THE
11 SCHOOL OF EXCELLENCE TO RECEIVE FUNDING UNDER THE STATE SCHOOL AID
12 ACT OF 1979.

13 (4) A CONTRACT ISSUED UNDER THIS PART MAY BE REVOKED BY THE
14 AUTHORIZING BODY IF THE AUTHORIZING BODY DETERMINES THAT 1 OR MORE
15 OF THE FOLLOWING HAVE OCCURRED:

16 (A) FAILURE OF THE SCHOOL OF EXCELLENCE TO ABIDE BY AND MEET
17 THE EDUCATIONAL GOALS SET FORTH IN THE CONTRACT.

18 (B) FAILURE OF THE SCHOOL OF EXCELLENCE TO COMPLY WITH ALL
19 APPLICABLE LAW.

20 (C) FAILURE OF THE SCHOOL OF EXCELLENCE TO MEET GENERALLY
21 ACCEPTED PUBLIC SECTOR ACCOUNTING PRINCIPLES.

22 (D) THE EXISTENCE OF 1 OR MORE OTHER GROUNDS FOR REVOCATION AS
23 SPECIFIED IN THE CONTRACT.

24 (5) EXCEPT FOR A SCHOOL OF EXCELLENCE THAT IS AN ALTERNATIVE
25 SCHOOL SERVING A SPECIAL STUDENT POPULATION, IF THE SUPERINTENDENT
26 OF PUBLIC INSTRUCTION DETERMINES THAT A SCHOOL OF EXCELLENCE THAT
27 HAS BEEN OPERATING FOR AT LEAST 4 YEARS IS AMONG THE LOWEST

1 ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, AS DEFINED FOR
2 THE PURPOSES OF THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER
3 SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND
4 REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, AND IS IN YEAR 2 OF
5 RESTRUCTURING SANCTIONS UNDER THE NO CHILD LEFT BEHIND ACT OF 2001,
6 PUBLIC LAW 107-110, NOT TO INCLUDE THE INDIVIDUALIZED EDUCATION
7 PLAN SUBGROUP, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL
8 NOTIFY THE SCHOOL OF EXCELLENCE'S AUTHORIZING BODY. IF AN
9 AUTHORIZING BODY RECEIVES NOTICE FROM THE SUPERINTENDENT OF PUBLIC
10 INSTRUCTION UNDER THIS SUBSECTION, THE AUTHORIZING BODY SHALL
11 REVOKE THE SCHOOL OF EXCELLENCE'S CONTRACT AND THE SCHOOL OF
12 EXCELLENCE SHALL BE CLOSED, EFFECTIVE AT THE END OF THE CURRENT
13 SCHOOL YEAR.

14 (6) EXCEPT FOR A CONTRACT ISSUED BY A SCHOOL DISTRICT PURSUANT
15 TO A VOTE BY THE SCHOOL ELECTORS ON A BALLOT QUESTION UNDER SECTION
16 553(2), THE DECISION OF THE AUTHORIZING BODY TO ISSUE, REISSUE, OR
17 RECONSTITUTE A CONTRACT UNDER THIS PART, OR TO REVOKE A CONTRACT
18 UNDER THIS SECTION, IS SOLELY WITHIN THE DISCRETION OF THE
19 AUTHORIZING BODY, IS FINAL, AND IS NOT SUBJECT TO REVIEW BY A COURT
20 OR ANY OTHER STATE AGENCY. IF THE AUTHORIZING BODY DOES NOT ISSUE,
21 REISSUE, OR RECONSTITUTE A CONTRACT UNDER THIS PART, OR REVOKES A
22 CONTRACT UNDER THIS SECTION, THE AUTHORIZING BODY IS NOT LIABLE FOR
23 THAT ACTION TO THE SCHOOL OF EXCELLENCE, THE SCHOOL OF EXCELLENCE
24 CORPORATION, A PUPIL OF THE SCHOOL OF EXCELLENCE, THE PARENT OR
25 GUARDIAN OF A PUPIL OF THE SCHOOL OF EXCELLENCE, OR ANY OTHER
26 PERSON.

27 (7) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), BEFORE THE

1 AUTHORIZING BODY REVOKES A CONTRACT, THE AUTHORIZING BODY SHALL
2 CONSIDER AND TAKE CORRECTIVE MEASURES TO AVOID REVOCATION. THE
3 AUTHORIZING BODY MAY RECONSTITUTE THE SCHOOL OF EXCELLENCE IN A
4 FINAL ATTEMPT TO IMPROVE STUDENT EDUCATIONAL PERFORMANCE OR TO
5 AVOID INTERRUPTION OF THE EDUCATIONAL PROCESS. THE AUTHORIZING BODY
6 SHALL INCLUDE A RECONSTITUTING PROVISION IN THE CONTRACT THAT
7 IDENTIFIES THESE CORRECTIVE MEASURES, INCLUDING, BUT NOT LIMITED
8 TO, CANCELING A CONTRACT WITH AN EDUCATIONAL MANAGEMENT
9 ORGANIZATION, IF ANY, WITHDRAWING APPROVAL TO CONTRACT UNDER
10 SECTION 557, OR APPOINTING A NEW BOARD OF DIRECTORS OR A TRUSTEE TO
11 TAKE OVER OPERATION OF THE SCHOOL OF EXCELLENCE.

12 (8) IF THE AUTHORIZING BODY REVOKES A CONTRACT, THE
13 AUTHORIZING BODY SHALL WORK WITH A SCHOOL DISTRICT OR ANOTHER
14 PUBLIC SCHOOL, OR WITH A COMBINATION OF THESE ENTITIES, TO ENSURE A
15 SMOOTH TRANSITION FOR THE AFFECTED PUPILS. IF THE REVOCATION OCCURS
16 DURING THE SCHOOL YEAR, THE AUTHORIZING BODY, AS THE FISCAL AGENT
17 FOR THE SCHOOL OF EXCELLENCE UNDER THIS PART, SHALL RETURN ANY
18 SCHOOL AID FUNDS RECEIVED BY THE AUTHORIZING BODY THAT ARE
19 ATTRIBUTABLE TO THE AFFECTED PUPILS TO THE STATE TREASURER FOR
20 DEPOSIT INTO THE STATE SCHOOL AID FUND. THE STATE TREASURER SHALL
21 DISTRIBUTE FUNDS TO THE PUBLIC SCHOOL IN WHICH THE PUPILS ENROLL
22 AFTER THE REVOCATION PURSUANT TO A METHODOLOGY ESTABLISHED BY THE
23 DEPARTMENT AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND
24 INFORMATION.

25 (9) NOT MORE THAN 10 DAYS AFTER A SCHOOL OF EXCELLENCE'S
26 CONTRACT TERMINATES OR IS REVOKED, THE AUTHORIZING BODY SHALL
27 NOTIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION IN WRITING OF THE

1 NAME OF THE SCHOOL OF EXCELLENCE WHOSE CONTRACT HAS TERMINATED OR
2 BEEN REVOKED AND THE DATE OF CONTRACT TERMINATION OR REVOCATION.

3 (10) IF A SCHOOL OF EXCELLENCE'S CONTRACT TERMINATES OR IS
4 REVOKED, TITLE TO ALL REAL AND PERSONAL PROPERTY, INTEREST IN REAL
5 OR PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY THE SCHOOL OF
6 EXCELLENCE SHALL REVERT TO THE STATE. THIS PROPERTY SHALL BE
7 DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:

8 (A) WITHIN 30 DAYS FOLLOWING THE TERMINATION OR REVOCATION,
9 THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE SHALL HOLD A
10 PUBLIC MEETING TO ADOPT A PLAN OF DISTRIBUTION OF ASSETS AND TO
11 APPROVE THE DISSOLUTION OF THE SCHOOL OF EXCELLENCE CORPORATION,
12 ALL IN ACCORDANCE WITH CHAPTER 8 OF THE NONPROFIT CORPORATION ACT,
13 1982 PA 162, MCL 450.2801 TO 450.2864.

14 (B) THE SCHOOL OF EXCELLENCE SHALL FILE A CERTIFICATE OF
15 DISSOLUTION WITH THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC
16 GROWTH WITHIN 10 BUSINESS DAYS FOLLOWING BOARD APPROVAL.

17 (C) SIMULTANEOUSLY WITH THE FILING OF THE CERTIFICATE OF
18 DISSOLUTION UNDER SUBDIVISION (B), THE SCHOOL OF EXCELLENCE BOARD
19 OF DIRECTORS SHALL PROVIDE A COPY OF THE BOARD OF DIRECTORS' PLAN
20 OF DISTRIBUTION OF ASSETS TO THE STATE TREASURER FOR APPROVAL.
21 WITHIN 30 DAYS, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL
22 REVIEW AND APPROVE THE BOARD OF DIRECTORS' PLAN OF DISTRIBUTION OF
23 ASSETS. IF THE PROPOSED PLAN OF DISTRIBUTION OF ASSETS IS NOT
24 APPROVED WITHIN 30 DAYS, THE STATE TREASURER, OR HIS OR HER
25 DESIGNEE, SHALL PROVIDE THE BOARD OF DIRECTORS WITH AN ACCEPTABLE
26 PLAN OF DISTRIBUTION OF ASSETS.

27 (D) THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL MONITOR

1 THE SCHOOL OF EXCELLENCE'S WINDING UP OF THE DISSOLVED CORPORATION
2 IN ACCORDANCE WITH THE PLAN OF DISTRIBUTION OF ASSETS APPROVED OR
3 PROVIDED UNDER SUBDIVISION (C).

4 (E) AS PART OF THE PLAN OF DISTRIBUTION OF ASSETS, THE SCHOOL
5 OF EXCELLENCE BOARD OF DIRECTORS SHALL DESIGNATE THE DIRECTOR OF
6 THE DEPARTMENT OF MANAGEMENT AND BUDGET, OR HIS OR HER DESIGNEE, TO
7 DISPOSE OF ALL REAL PROPERTY OF THE SCHOOL OF EXCELLENCE
8 CORPORATION IN ACCORDANCE WITH THE DIRECTIVES DEVELOPED FOR
9 DISPOSITION OF SURPLUS LAND AND FACILITIES UNDER SECTION 251 OF THE
10 MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1251.

11 (F) IF THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE FAILS
12 TO TAKE ANY NECESSARY ACTION UNDER THIS SECTION, THE STATE
13 TREASURER, OR HIS OR HER DESIGNEE, MAY SUSPEND THE SCHOOL OF
14 EXCELLENCE BOARD OF DIRECTORS AND APPOINT A TRUSTEE TO CARRY OUT
15 THE BOARD'S PLAN OF DISTRIBUTION OF ASSETS. UPON APPOINTMENT, THE
16 TRUSTEE SHALL HAVE ALL THE RIGHTS, POWERS, AND PRIVILEGES UNDER LAW
17 THAT THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS HAD BEFORE BEING
18 SUSPENDED.

19 (G) FOLLOWING THE SALE OF THE REAL OR PERSONAL PROPERTY OR
20 INTERESTS IN THE REAL OR PERSONAL PROPERTY, AND AFTER PAYMENT OF
21 ANY SCHOOL OF EXCELLENCE DEBT SECURED BY THE PROPERTY OR INTEREST
22 IN PROPERTY, WHETHER REAL OR PERSONAL, THE SCHOOL OF EXCELLENCE
23 BOARD OF DIRECTORS, OR A TRUSTEE APPOINTED UNDER THIS SECTION,
24 SHALL FORWARD ANY REMAINING MONEY TO THE STATE TREASURER. FOLLOWING
25 RECEIPT, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL DEPOSIT
26 THIS REMAINING MONEY IN THE STATE SCHOOL AID FUND.

27 Sec. 1246. (1) A school district, public school academy, or

1 intermediate school district shall not continue to employ a person
2 as a superintendent, principal, assistant principal, or other
3 person whose primary responsibility is administering instructional
4 programs or as a chief business official unless the person **MEETS 1**
5 **OR MORE OF THE FOLLOWING REQUIREMENTS, AS APPLICABLE:**

6 (A) FOR A SUPERINTENDENT, PRINCIPAL, ASSISTANT PRINCIPAL, OR
7 OTHER PERSON WHOSE PRIMARY RESPONSIBILITY IS ADMINISTERING
8 INSTRUCTIONAL PROGRAMS, OR A CHIEF BUSINESS OFFICIAL, WHO WAS
9 EMPLOYED AS A SCHOOL ADMINISTRATOR IN THIS STATE ON OR BEFORE THE
10 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION,
11 has completed the continuing education requirements prescribed by
12 rule under subsection (2).

13 (B) SUBJECT TO SUBSECTION (3), FOR A SUPERINTENDENT,
14 PRINCIPAL, ASSISTANT PRINCIPAL, OR OTHER PERSON WHOSE PRIMARY
15 RESPONSIBILITY IS ADMINISTERING INSTRUCTIONAL PROGRAMS AND WHO IS
16 INITIALLY EMPLOYED AS A SCHOOL ADMINISTRATOR IN THIS STATE AFTER
17 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
18 SUBDIVISION, POSSESSES A VALID MICHIGAN SCHOOL ADMINISTRATOR'S
19 CERTIFICATE ISSUED UNDER SECTION 1536.

20 (2) The superintendent of public instruction shall promulgate
21 rules establishing continuing education requirements as a condition
22 for continued employment for persons ~~employed in positions~~
23 described in subsection ~~(1)~~-(1) (A). The rules shall prescribe a
24 minimum amount of continuing education that shall be completed
25 within 5 years after initial employment and shall be completed each
26 subsequent 5-year period to meet the requirements of subsection ~~(1)~~
27 (1) (A) for continued employment.

1 (3) A SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE
2 SCHOOL DISTRICT MAY EMPLOY AS A SUPERINTENDENT, PRINCIPAL,
3 ASSISTANT PRINCIPAL, OR OTHER PERSON WHOSE PRIMARY RESPONSIBILITY
4 IS ADMINISTERING INSTRUCTIONAL PROGRAMS A PERSON WHO IS ENROLLED IN
5 A PROGRAM LEADING TO CERTIFICATION AS A SCHOOL ADMINISTRATOR UNDER
6 SECTION 1536 NOT LATER THAN 6 MONTHS AFTER HE OR SHE BEGINS THE
7 EMPLOYMENT. A PERSON EMPLOYED AS A SCHOOL ADMINISTRATOR PURSUANT TO
8 THIS SUBSECTION HAS 3 YEARS TO MEET THE CERTIFICATION REQUIREMENTS
9 OF SECTION 1536, OR THE SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR
10 INTERMEDIATE SCHOOL DISTRICT SHALL NOT CONTINUE TO EMPLOY THE
11 PERSON AS A SCHOOL ADMINISTRATOR DESCRIBED IN THIS SUBSECTION.

12 SEC. 1249. WITH THE INVOLVEMENT OF TEACHERS AND SCHOOL
13 ADMINISTRATORS, THE BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE
14 SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY
15 SHALL ADOPT AND IMPLEMENT FOR ALL TEACHERS AND SCHOOL
16 ADMINISTRATORS A RIGOROUS, TRANSPARENT, AND FAIR PERFORMANCE
17 EVALUATION SYSTEM THAT DOES ALL OF THE FOLLOWING:

18 (A) EVALUATES THE TEACHER'S OR SCHOOL ADMINISTRATOR'S JOB
19 PERFORMANCE AT LEAST ANNUALLY WHILE PROVIDING TIMELY AND
20 CONSTRUCTIVE FEEDBACK.

21 (B) ESTABLISHES CLEAR APPROACHES TO MEASURING STUDENT GROWTH
22 AND PROVIDES TEACHERS AND SCHOOL ADMINISTRATORS WITH RELEVANT DATA
23 ON STUDENT GROWTH.

24 (C) EVALUATES A TEACHER'S OR SCHOOL ADMINISTRATOR'S JOB
25 PERFORMANCE, USING MULTIPLE RATING CATEGORIES THAT TAKE INTO
26 ACCOUNT DATA ON STUDENT GROWTH AS A SIGNIFICANT FACTOR. FOR THESE
27 PURPOSES, STUDENT GROWTH SHALL BE MEASURED BY NATIONAL, STATE, OR

1 LOCAL ASSESSMENTS AND OTHER OBJECTIVE CRITERIA.

2 (D) USES THE EVALUATIONS, AT A MINIMUM, TO INFORM DECISIONS
3 REGARDING ALL OF THE FOLLOWING:

4 (i) THE EFFECTIVENESS OF TEACHERS AND SCHOOL ADMINISTRATORS,
5 ENSURING THAT THEY ARE GIVEN AMPLE OPPORTUNITIES FOR IMPROVEMENT.

6 (ii) PROMOTION, RETENTION, AND DEVELOPMENT OF TEACHERS AND
7 SCHOOL ADMINISTRATORS, INCLUDING PROVIDING RELEVANT COACHING,
8 INSTRUCTION SUPPORT, OR PROFESSIONAL DEVELOPMENT.

9 (iii) WHETHER TO GRANT TENURE OR FULL CERTIFICATION, OR BOTH, TO
10 TEACHERS AND SCHOOL ADMINISTRATORS USING RIGOROUS STANDARDS AND
11 STREAMLINED, TRANSPARENT, AND FAIR PROCEDURES.

12 (iv) REMOVING INEFFECTIVE TENURED AND UNTENURED TEACHERS AND
13 SCHOOL ADMINISTRATORS AFTER THEY HAVE HAD AMPLE OPPORTUNITIES TO
14 IMPROVE, AND ENSURING THAT THESE DECISIONS ARE MADE USING RIGOROUS
15 STANDARDS AND STREAMLINED, TRANSPARENT, AND FAIR PROCEDURES.

16 Sec. 1250. (1) A school district, PUBLIC SCHOOL ACADEMY, or
17 intermediate school district ~~may~~ SHALL implement and maintain a
18 method of compensation for its ~~employees~~ TEACHERS AND SCHOOL
19 ADMINISTRATORS that ~~is based on~~ INCLUDES job performance and job
20 accomplishments AS A SIGNIFICANT FACTOR IN DETERMINING COMPENSATION
21 AND ADDITIONAL COMPENSATION. THE ASSESSMENT OF JOB PERFORMANCE
22 SHALL INCORPORATE A RIGOROUS, TRANSPARENT, AND FAIR EVALUATION
23 SYSTEM THAT EVALUATES A TEACHER'S OR SCHOOL ADMINISTRATOR'S
24 PERFORMANCE AT LEAST IN PART BASED UPON DATA ON STUDENT GROWTH AS
25 MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA.

26 (2) IF A COLLECTIVE BARGAINING AGREEMENT IS IN EFFECT FOR
27 TEACHERS OR SCHOOL ADMINISTRATORS OF A SCHOOL DISTRICT, PUBLIC

1 SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT AS OF THE EFFECTIVE
2 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, AND IF THAT
3 COLLECTIVE BARGAINING AGREEMENT PREVENTS COMPLIANCE WITH SUBSECTION
4 (1), THEN SUBSECTION (1) DOES NOT APPLY TO THAT SCHOOL DISTRICT,
5 PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT UNTIL AFTER
6 THE EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT.

7 Sec. 1278a. (1) Except as otherwise provided in this section
8 or section 1278b, beginning with pupils entering grade 8 in 2006,
9 the board of a school district or board of directors of a public
10 school academy shall not award a high school diploma to a pupil
11 unless the pupil meets all of the following:

12 (a) Has successfully completed all of the following credit
13 requirements of the Michigan merit standard before graduating from
14 high school:

15 (i) At least 4 credits in mathematics that are aligned with
16 subject area content expectations developed by the department and
17 approved by the state board under section 1278b, including
18 completion of at least algebra I, geometry, and algebra II, or an
19 integrated sequence of this course content that consists of 3
20 credits, and an additional mathematics credit, such as
21 trigonometry, statistics, precalculus, calculus, applied math,
22 accounting, business math, a retake of algebra II, a course in
23 financial literacy as described in section 1165. A pupil may
24 complete algebra II over 2 years with a ~~credit awarded for each of~~
25 ~~these years~~ **2 CREDITS AWARDED OR OVER 1.5 YEARS WITH 1.5 CREDITS**
26 **AWARDED** for the purposes of this section and section 1278b. **A PUPIL**
27 **ALSO MAY PARTIALLY OR FULLY FULFILL THE ALGEBRA II REQUIREMENT BY**

1 COMPLETING A DEPARTMENT-APPROVED FORMAL CAREER AND TECHNICAL
2 EDUCATION PROGRAM OR CURRICULUM THAT HAS APPROPRIATE EMBEDDED
3 MATHEMATICS CONTENT, SUCH AS A PROGRAM OR CURRICULUM IN
4 ELECTRONICS, MACHINING, CONSTRUCTION, WELDING, ENGINEERING, OR
5 RENEWABLE ENERGY. NOT LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE
6 OF THE AMENDATORY ACT THAT ADDED THE IMMEDIATELY PRECEDING
7 SENTENCE, THE DEPARTMENT SHALL POST ON ITS WEBSITE AND SUBMIT TO
8 THE SENATE AND HOUSE STANDING COMMITTEES ON EDUCATION GUIDELINES
9 FOR IMPLEMENTATION OF THE IMMEDIATELY PRECEDING SENTENCE. Each
10 pupil must successfully complete at least 1 mathematics course
11 during his or her final year of high school enrollment. This
12 subparagraph does not require completion of mathematics courses in
13 any particular sequence.

14 (ii) At least 3 credits in social science that are aligned with
15 subject area content expectations developed by the department and
16 approved by the state board under section 1278b, including
17 completion of at least 1 credit in United States history and
18 geography, 1 credit in world history and geography, 1/2 credit in
19 economics, and the civics course described in section 1166(2).

20 (iii) At least 1 credit in subject matter that includes both
21 health and physical education aligned with guidelines developed by
22 the department and approved by the state board under section 1278b.

23 (iv) At least 1 credit in visual arts, performing arts, or
24 applied arts, as defined by the department, that is aligned with
25 guidelines developed by the department and approved by the state
26 board under section 1278b.

27 (v) The credit requirements specified in section 1278b(1).

1 (b) Meets the online course or learning experience requirement
2 of this subsection. A school district or public school academy
3 shall provide the basic level of technology and internet access
4 required by the state board to complete the online course or
5 learning experience. For a pupil to meet this requirement, the
6 pupil shall meet either of the following, as determined by the
7 school district or public school academy:

8 (i) Has successfully completed at least 1 course or learning
9 experience that is presented online, as defined by the department.

10 (ii) The pupil's school district or public school academy has
11 integrated an online experience throughout the high school
12 curriculum by ensuring that each teacher of each course that
13 provides the required credits of the Michigan merit curriculum has
14 integrated an online experience into the course.

15 (2) In addition to the requirements under subsection (1),
16 beginning with pupils entering grade 3 in 2006, the board of a
17 school district or board of directors of a public school academy
18 shall not award a high school diploma to a pupil unless the pupil
19 has successfully completed during grades 9 to 12 at least 2
20 credits, as determined by the department, in a language other than
21 English, or the pupil has successfully completed at any time during
22 grades K to 12 course work or other learning experiences that are
23 substantially equivalent to 2 credits in a language other than
24 English, based on guidelines developed by the department. For the
25 purposes of this subsection, all of the following apply:

26 (a) American sign language is considered to be a language
27 other than English.

1 (b) The pupil may meet all or part of this requirement with
2 online course work.

3 (3) The requirements under this section and section 1278b for
4 a high school diploma are in addition to any local requirements
5 imposed by the board of a school district or board of directors of
6 a public school academy. The board of a school district or board of
7 directors of a public school academy, as a local requirement for a
8 high school diploma, may require a pupil to complete ~~some or all of~~
9 ~~the subject area assessments under section 1279 or the Michigan~~
10 ~~merit examination under section 1279g, as applicable to the pupil~~
11 ~~under section 1279g,~~ or may require a pupil to participate in the
12 MIAccess assessments if appropriate for the pupil.

13 (4) For the purposes of this section and section 1278b, all of
14 the following apply:

15 (a) A pupil is considered to have completed a credit if the
16 pupil successfully completes the subject area content expectations
17 or guidelines developed by the department that apply to the credit.

18 (b) A school district or public school academy shall base its
19 determination of whether a pupil has successfully completed the
20 subject area content expectations or guidelines developed by the
21 department that apply to a credit at least in part on the pupil's
22 performance on the assessments developed or selected by the
23 department under section 1278b or on 1 or more assessments
24 developed or selected by the school district or public school
25 academy that measure a pupil's understanding of the subject area
26 content expectations or guidelines that apply to the credit.

27 (c) A school district or public school academy shall also

1 grant a pupil a credit if the pupil earns a qualifying score, as
2 determined by the department, on the assessments developed or
3 selected for the subject area by the department under section 1278b
4 or the pupil earns a qualifying score, as determined by the school
5 district or public school academy, on 1 or more assessments
6 developed or selected by the school district or public school
7 academy that measure a pupil's understanding of the subject area
8 content expectations or guidelines that apply to the credit.

9 (5) If a high school is designated by the superintendent of
10 public instruction as a specialty school and the high school meets
11 the requirements of subsection (6), then the pupils of the high
12 school are not required to successfully complete the 4 credits in
13 English language arts required under section 1278b(1)(a) or the 3
14 credits in social science required under subsection (1)(a)(ii) and
15 the school district or public school academy is not required to
16 ensure that each pupil is offered the curriculum necessary for
17 meeting those English language arts or social science credit
18 requirements. The superintendent of public instruction may
19 designate up to 15 high schools that meet the requirements of this
20 subsection as specialty schools. Subject to this maximum number,
21 the superintendent of public instruction shall designate a high
22 school as a specialty school if the superintendent of public
23 instruction finds that the high school meets all of the following
24 criteria:

25 (a) The high school incorporates a significant reading and
26 writing component throughout its curriculum.

27 (b) The high school uses a specialized, innovative, and

1 rigorous curriculum in such areas as performing arts, foreign
2 language, extensive use of internships, or other learning
3 innovations that conform to pioneering innovations among other
4 leading national or international high schools.

5 (6) A high school that is designated by the superintendent of
6 public instruction as a specialty school under subsection (5) is
7 only exempt from requirements as described under subsection (5) as
8 long as the superintendent of public instruction finds that the
9 high school continues to meet all of the following requirements:

10 (a) The high school clearly states to prospective pupils and
11 their parents that it does not meet the requirements of the
12 Michigan merit standard under this section and section 1278b but is
13 a designated specialty school that is exempt from some of those
14 requirements and that a pupil who enrolls in the high school and
15 subsequently transfers to a high school that is not a specialty
16 school meeting the requirements of this subsection will be required
17 to comply with the requirements of the Michigan merit standard
18 under this section and section 1278b.

19 (b) For the most recent year for which the data are available,
20 the mean scores on both the mathematics and science portions of the
21 ACT examination for the pupils of the high school exceed by at
22 least 10% the mean scores on the mathematics and science portions
23 of the ACT examination for the pupils of the school district in
24 which the greatest number of the pupils of the high school reside.

25 (c) For the most recent year for which the data are available,
26 the high school had a graduation rate of at least 85%, as
27 determined by the department.

1 (d) For the most recent year for which the data are available,
2 at least 75% of the pupils who graduated from the high school the
3 preceding year are enrolled in a postsecondary institution.

4 (e) All pupils of the high school are required to meet the
5 mathematics credit requirements of subsection (1)(a)(i), with no
6 modification of these requirements under section 1278b(5), and each
7 pupil is offered the curriculum necessary to meet this requirement.

8 (f) All pupils of the high school are required to meet the
9 science credit requirements of section 1278b(1)(b) and are also
10 required to successfully complete at least 1 additional science
11 credit, for a total of at least 4 science credits, with no
12 modification of these requirements under section 1278b(5), and each
13 pupil is offered the curriculum necessary to meet this requirement.

14 Sec. 1311e. (1) An authorizing body is not required to issue a
15 contract to any person or entity. Contracts for strict discipline
16 academies shall be issued on a competitive basis taking into
17 consideration the resources available for the proposed strict
18 discipline academy, the population to be served by the proposed
19 strict discipline academy, and the educational goals to be achieved
20 by the proposed strict discipline academy.

21 (2) If a person or entity applies to the board of a school
22 district for a contract to organize and operate 1 or more strict
23 discipline academies within the boundaries of the school district
24 and the board does not issue the contract, the person or entity may
25 petition the board to place the question of issuing the contract on
26 the ballot to be decided by the school electors of the school
27 district. The petition shall contain all of the information

1 required to be in the contract application under section 1311d and
2 shall be signed by a number of school electors of the school
3 district equal to at least 15% of the total number of school
4 electors of that school district. The petition shall be filed with
5 the secretary of the board. If the board receives a petition
6 meeting the requirements of this subsection, the board shall place
7 the question of issuing the contract on the ballot at its next
8 annual school election held at least 60 days after receiving the
9 petition. If a majority of the school electors of the school
10 district voting on the question vote to issue the contract, the
11 board shall issue the contract.

12 (3) Within 10 days after issuing a contract for a strict
13 discipline academy, the board of the authorizing body shall submit
14 to the state board a copy of the contract and of the application
15 under section 1311d.

16 (4) An authorizing body shall adopt a resolution establishing
17 the method of selection, length of term, and number of members of
18 the board of directors of each strict discipline academy subject to
19 its jurisdiction.

20 (5) A contract issued to organize and administer a strict
21 discipline academy shall contain at least all of the following:

22 (a) The educational goals the strict discipline academy is to
23 achieve and the methods by which it will be held accountable. To
24 the extent applicable, the pupil performance of a strict discipline
25 academy shall be assessed using at least a Michigan education
26 assessment program (MEAP) test or ~~an assessment instrument~~
27 ~~developed under section 1279 for a state endorsed high school~~

1 ~~diploma~~ **THE MICHIGAN MERIT EXAMINATION DEVELOPED UNDER SECTION**
2 **1279G, AS APPLICABLE.**

3 (b) A description of the method to be used to monitor the
4 strict discipline academy's compliance with applicable law and its
5 performance in meeting its targeted educational objectives.

6 (c) A description of the process for amending the contract
7 during the term of the contract.

8 (d) All of the matters set forth in the application for the
9 contract.

10 (e) For a strict discipline academy authorized by a school
11 district, an agreement that employees of the strict discipline
12 academy will be covered by the collective bargaining agreements
13 that apply to employees of the school district employed in similar
14 classifications in schools that are not strict discipline
15 academies.

16 (f) Procedures for revoking the contract and grounds for
17 revoking the contract, including at least the grounds listed in
18 section 1311/.

19 (g) A description of and address for the proposed physical
20 plant in which the strict discipline academy will be located.

21 (h) Requirements and procedures for financial audits. The
22 financial audits shall be conducted at least annually by a
23 certified public accountant in accordance with generally accepted
24 governmental auditing principles.

25 **(I) THE TERM OF THE CONTRACT AND A DESCRIPTION OF THE PROCESS**
26 **AND STANDARDS FOR RENEWAL OF THE CONTRACT AT THE END OF THE TERM.**
27 **THE STANDARDS FOR RENEWAL SHALL INCLUDE STUDENT GROWTH AS MEASURED**

1 **BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA AS A SIGNIFICANT FACTOR**
2 **IN THE DECISION OF WHETHER OR NOT TO RENEW THE CONTRACT.**

3 (6) A strict discipline academy shall comply with all
4 applicable law, including all of the following:

5 (a) The open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

6 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
7 15.246.

8 (c) 1947 PA 336, MCL 423.201 to 423.217.

9 (d) 1965 PA 166, MCL 408.551 to 408.558.

10 (e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

11 (f) Except for part 6a, all provisions of this act that
12 explicitly apply to public school academies established under part
13 6a.

14 (7) A strict discipline academy and its incorporators, board
15 members, officers, employees, and volunteers have governmental
16 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
17 authorizing body and its board members, officers, and employees are
18 immune from civil liability, both personally and professionally,
19 for any acts or omissions in authorizing a strict discipline
20 academy if the authorizing body or the person acted or reasonably
21 believed he or she acted within the authorizing body's or the
22 person's scope of authority.

23 (8) A strict discipline academy is exempt from all taxation on
24 its earnings and property. Instruments of conveyance to or from a
25 strict discipline academy are exempt from all taxation including
26 taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. A strict
27 discipline academy may not levy ad valorem property taxes or any

1 other tax for any purpose. However, operation of 1 or more strict
2 discipline academies by a school district or intermediate school
3 district does not affect the ability of the school district or
4 intermediate school district to levy ad valorem property taxes or
5 any other tax.

6 (9) A strict discipline academy may acquire by purchase, gift,
7 devise, lease, sublease, installment purchase agreement, land
8 contract, option, or by any other means, hold and own in its own
9 name buildings and other property for school purposes, and
10 interests therein, and other real and personal property, including,
11 but not limited to, interests in property subject to mortgages,
12 security interests, or other liens, necessary or convenient to
13 fulfill its purposes. For the purposes of condemnation, a strict
14 discipline academy may proceed under the uniform condemnation
15 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding
16 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other
17 applicable statutes, but only with the express, written permission
18 of the authorizing body in each instance of condemnation and only
19 after just compensation has been determined and paid.

20 Sec. 1536. (1) The state board shall develop a school
21 administrator's certificate that ~~may~~ **SHALL** be issued to **ALL** school
22 district and intermediate school district superintendents, school
23 principals, assistant principals, and other administrators whose
24 primary responsibility is administering instructional programs **AND**
25 **WHO MEET THE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (3)**. An
26 individual **DESCRIBED IN SECTION 1246(1)(A)** is not required by this
27 section to have a school administrator's certificate under this

1 section or an endorsement under subsection (2) to be employed as a
2 school administrator by a school district, public school academy,
3 intermediate school district, or nonpublic school.

4 (2) The state board also ~~may~~**SHALL** develop appropriate
5 certificate endorsements for school administrators, by elementary,
6 secondary, and central office level.

7 (3) The state board shall develop standards, and **THE**
8 **SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DEVELOP** procedures, to
9 implement this section. The standards and procedures shall address
10 at least all of the following:

11 (a) The educational and professional experience requirements
12 for a certificate or endorsement under this section.

13 (b) Continuing education requirements for periodic
14 recertification. These requirements shall be consistent with the
15 continuing education requirements under section 1246.

16 (c) Procedures for application for and issuance of
17 certificates and endorsements under this section.

18 (d) Standards and procedures for suspension and revocation of
19 a certificate. These standards and procedures shall be based on the
20 standards and procedures for taking action against a person's
21 teaching certificate under section 1535a.

22 (4) The department shall consult and work with appropriate
23 professional organizations, primarily organizations representing
24 superintendents and building-level administrators, in developing
25 the standards required under this section.

26 (5) For the purposes of adding 1 or more enhancement or
27 specialty endorsements for a school administrator's certificate,

1 the department may recognize performance-based professional
2 learning programs offered by established state professional
3 organizations that represent school administrators described in
4 subsection (1). These programs must be approved by the department
5 based on alignment with state board-approved school administrator
6 program preparation standards.

7 **(6) A SCHOOL ADMINISTRATOR'S CERTIFICATE ISSUED UNDER THIS**
8 **SECTION IS VALID FOR 5 YEARS AND SHALL BE RENEWED UPON COMPLETION**
9 **OF RENEWAL UNITS AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC**
10 **INSTRUCTION.**

11 **(7) THE DEPARTMENT SHALL RECOGNIZE ALTERNATIVE PATHWAYS TO**
12 **EARNING THE BASIC SCHOOL ADMINISTRATOR'S CERTIFICATE BASED ON**
13 **EXPERIENCE OR ALTERNATIVE PREPARATION, OR BOTH, IF THE ALTERNATIVE**
14 **CERTIFICATION PROGRAM IS SUBMITTED BY AN ESTABLISHED STATE**
15 **PROFESSIONAL ORGANIZATION AND MEETS CRITERIA SET FORTH BY STATE**
16 **BOARD APPROVED SCHOOL ADMINISTRATOR PROGRAM PREPARATION STANDARDS.**

17 **(8) ~~(6)~~**As used in this section, "established state
18 professional organization" means an association that has served
19 members on a statewide basis for at least 10 years.

20 Sec. 1701a. For the purposes of ensuring that a student with a
21 disability enrolled in a public school academy ~~created under part~~
22 ~~6a or 6b~~ is provided with special education programs and services,
23 the public school academy is considered to be a local school
24 district under this article.

25 Enacting section 1. This amendatory act does not take effect
26 unless all of the following bills of the 95th Legislature are
27 enacted into law:

- 1 (a) Senate Bill No. 926.
- 2 (b) House Bill No. 4787.
- 3 (c) House Bill No. 4788.
- 4 (d) House Bill No. 5596.