

**SUBSTITUTE FOR
SENATE BILL NO. 619**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 552 (MCL 380.552), as added by 2009 PA 205.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 552. (1) Except as otherwise provided in subsections (2)
2 and (3), not more than a combined total of 10 contracts to organize
3 and operate a school of excellence may be issued by all authorizing
4 bodies under this subsection. All of the following apply to a
5 contract issued under this subsection:

6 (a) The issuance of the contract must be approved by the
7 superintendent of public instruction. The superintendent of public
8 instruction shall approve issuance of a contract if he or she
9 determines that the proposed school of excellence is modeled after
10 a high-performing school or program.

1 ~~_____ (b) A contract may not be issued under this subsection after~~
 2 ~~January 1, 2015.~~

3 (B) ~~(e)~~—The first 5 contracts issued by all authorizing bodies
 4 under this subsection shall be for schools of excellence that offer
 5 1 or more of high school grades 9 to 12, or any combination of
 6 those grades, as specified in the contract.

7 (C) ~~(d)~~—A school of excellence authorized under this
 8 subsection shall not be located in a school district that has a
 9 graduation rate of over 75%, on average, for the most recent 3
 10 school years for which the data are available, as determined by the
 11 department.

12 (2) A ~~combined total of 2 contracts~~ **CONTRACT** may be issued by
 13 ~~all~~ **AN** authorizing ~~bodies~~ **BODY** under this subsection for ~~schools~~ **A**
 14 **SCHOOL** of excellence that ~~are cyber schools~~ **IS A CYBER SCHOOL** and
 15 that ~~meet~~ **MEETS** all of the following additional requirements:

16 (a) ~~Are~~ **IS** available for enrollment to all pupils in this
 17 state. ~~who were previously enrolled in a public school.~~

18 (b) ~~Offer~~ **OFFERS SOME CONFIGURATION OF OR** all of grades K to
 19 12.

20 (c) The entity applying for the school of excellence that is a
 21 cyber school demonstrates experience in ~~servicing urban and at risk~~
 22 ~~student populations through an educational model involving a~~
 23 ~~significant cyber component.~~ **DELIVERING A QUALITY EDUCATION PROGRAM**
 24 **THAT IMPROVES PUPIL ACADEMIC ACHIEVEMENT.**

25 ~~_____ (d) Has an initial enrollment in the school of excellence that~~
 26 ~~is a cyber school that does not exceed 400 pupils.~~

27 ~~_____ (e) In the second and subsequent years of operation under the~~

~~1 contract, a school of excellence that is a cyber school may expand
2 enrollment to exceed 400 pupils by adding 1 pupil for each pupil
3 who becomes enrolled in the school of excellence who is identified
4 as a dropout in the Michigan student data system maintained by the
5 center for educational performance and information. The school of
6 excellence that is a cyber school shall annually account for the
7 number of pupils it enrolls who are identified as a dropout in the
8 Michigan student data system and report that information to the
9 department, in a form and manner determined by the superintendent
10 of public instruction. The school of excellence shall maintain its
11 ratio of pupils who are identified as a dropout. Maximum enrollment
12 at a school of excellence that is a cyber school shall not exceed
13 1,000 pupils.~~

14 (3) For a public school academy operating under part 6a that
15 meets the requirements of subsection (4), with the approval of its
16 authorizing body, the board of directors of the public school
17 academy may adopt a resolution choosing to convert the public
18 school academy to a school of excellence under this part. If the
19 board of directors of a public school academy that meets the
20 requirements of subsection (4) is issued a contract as a school of
21 excellence under this subsection, all the following apply:

22 (a) The public school academy shall cease to operate as a
23 public school academy under part 6a and shall operate as a school
24 of excellence upon the issuance of a contract or at another time as
25 determined by the authorizing body.

26 (b) The public school academy shall be considered to be a
27 school of excellence for all purposes upon the issuance of a

1 contract or at another time as determined by the authorizing body,
2 but shall retain its corporate identity.

3 (c) The conversion of a public school academy under part 6a to
4 a school of excellence operating under this part shall not impair
5 any agreement, mortgage, loan, bond, note or other instrument of
6 indebtedness, or any other agreement entered into by a public
7 school academy while it was operating under part 6a.

8 (d) The contract issued to the public school academy under
9 part 6a shall automatically terminate upon the issuance of a
10 contract or at another time as determined by the authorizing body.

11 (4) Subsection (3) applies to a public school academy that is
12 determined by the department to meet all of the following, as
13 applicable:

14 (a) If the public school academy operates only some or all of
15 grades K to 8, meets at least 1 of the following:

16 (i) On average over a 3-year period, at least 90% of the pupils
17 enrolled in the public school academy achieved a score of
18 proficient or better on the Michigan education assessment program
19 mathematics and reading tests or successor state assessment
20 program.

21 (ii) On average over a 3-year period, at least 70% of the
22 pupils enrolled in the public school academy achieved a score of
23 proficient or better on the Michigan education assessment program
24 mathematics and reading tests or successor state assessment program
25 and at least 50% of the pupils enrolled in the public school
26 academy met the income eligibility criteria for the federal free or
27 reduced-price lunch program, as determined under the Richard B.

1 Russell national school lunch act, 42 USC 1751 to 1769i, and
2 reported to the department.

3 (b) If the public school academy operates grades 9 to 12, at
4 least 80% of the school's pupils graduate from high school or are
5 determined by the department to be on track to graduate from high
6 school, the school has at least 80% average attendance, and the
7 school has at least an 80% postsecondary enrollment rate.

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

19 (6) Any of the following may act as an authorizing body to
20 issue a contract to organize and operate 1 or more schools of
21 excellence under this part:

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

1 (b) An intermediate school board. However, the board of an
2 intermediate school district shall not issue a contract for a
3 school of excellence to operate outside the intermediate school
4 district's boundaries, and a school of excellence authorized by the
5 board of an intermediate school district shall not operate outside
6 that intermediate school district's boundaries.

7 (c) The board of a community college. The board of a community
8 college shall not issue a contract for a school of excellence to
9 operate outside the boundaries of the community college district,
10 and a school of excellence authorized by the board of a community
11 college shall not operate outside the boundaries of the community
12 college district. The board of a community college also may issue a
13 contract for not more than 1 school of excellence to operate on the
14 grounds of an active or closed federal military installation
15 located outside the boundaries of the community college district,
16 or may operate a school of excellence itself on the grounds of such
17 a federal military installation, if the federal military
18 installation is not located within the boundaries of any community
19 college district and the community college has previously offered
20 courses on the grounds of the federal military installation for at
21 least 10 years.

22 (d) The governing board of a state public university.

23 (7) To obtain a contract to organize and operate 1 or more
24 schools of excellence, 1 or more persons or an entity may apply to
25 an authorizing body described in this section. The application
26 shall include at least all of the following:

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

1 (b) Subject to the resolution adopted by the authorizing body
2 under section 553(4), a list of the proposed members of the board
3 of directors of the school of excellence and a description of the
4 qualifications and method for appointment or election of members of
5 the board of directors.

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

8 (i) The name of the proposed school of excellence.

9 (ii) The purposes for the school of excellence corporation.

10 This language shall provide that the school of excellence is
11 incorporated pursuant to this part and that the school of
12 excellence is a governmental entity.

13 (iii) The name of the authorizing body.

14 (iv) The proposed time when the articles of incorporation will
15 be effective.

16 (v) Other matters considered expedient to be in the articles
17 of incorporation.

18 (d) A copy of the proposed bylaws of the school of excellence.

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

21 (i) The governance structure of the school of excellence.

22 (ii) A copy of the educational goals of the school of
23 excellence and the curricula to be offered and methods of pupil
24 assessment to be used by the school of excellence. To the extent
25 applicable, the progress of the pupils in the school of excellence
26 shall be assessed using at least a Michigan education assessment
27 program (MEAP) test or the Michigan merit examination under section

1 1279g.

2 (iii) The admission policy and criteria to be maintained by the
3 school of excellence. The admission policy and criteria shall
4 comply with section 556. This part of the application also shall
5 include a description of how the applicant will provide to the
6 general public adequate notice that a school of excellence is being
7 created and adequate information on the admission policy, criteria,
8 and process.

9 (iv) Except for a school of excellence that is a cyber school,
10 the school calendar and school day schedule.

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

12 (f) Descriptions of staff responsibilities and of the school
13 of excellence governance structure.

14 (g) For an application to the board of a school district, an
15 intermediate school board, or board of a community college,
16 identification of the school district and intermediate school
17 district in which the school of excellence will be located.

18 (h) An agreement that the school of excellence will comply
19 with the provisions of this part and, subject to the provisions of
20 this part, with all other state law applicable to public bodies and
21 with federal law applicable to public bodies or school districts.

22 (i) For a school of excellence authorized by a school
23 district, an assurance that employees of the school of excellence
24 will be covered by the collective bargaining agreements that apply
25 to other employees of the school district employed in similar
26 classifications in schools that are not schools of excellence.

27 (j) A description of and address for the proposed physical

1 plant in which the school of excellence will be located.

2 (8) An authorizing body shall oversee, or shall contract with
3 an intermediate school district, community college, or state public
4 university to oversee, each school of excellence operating under a
5 contract issued by the authorizing body. The oversight shall be
6 sufficient to ensure that the authorizing body can certify that the
7 school of excellence is in compliance with statute, rules, and the
8 terms of the contract.

9 (9) If the superintendent of public instruction finds that an
10 authorizing body is not engaging in appropriate continuing
11 oversight of 1 or more schools of excellence operating under a
12 contract issued by the authorizing body, the superintendent of
13 public instruction may suspend the power of the authorizing body to
14 issue new contracts to organize and operate schools of excellence.
15 A contract issued by the authorizing body during the suspension is
16 void. A contract issued by the authorizing body before the
17 suspension is not affected by the suspension.

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

25 (a) The authorizing body may use this fee only for the
26 following purposes:

27 (i) Considering applications and issuing or administering

Senate Bill No. 619 as amended October 27, 2011

1 contracts.

2 (ii) Compliance monitoring and oversight of schools of
3 excellence.

4 (iii) Training for school of excellence applicants,
5 administrators, and boards of directors.

6 (iv) Technical assistance to schools of excellence.

7 (v) Academic support to schools of excellence or to pupils of
8 schools of excellence.

9 (vi) Evaluation of school of excellence performance.

10 (vii) Training of teachers.

11 (viii) Other purposes that assist the school of excellence or
12 traditional public schools in achieving improved academic
13 performance.

14 (b) The authorizing body may provide other services for a
15 school of excellence and charge a fee for those services, but shall
16 not require such an arrangement as a condition to issuing the
17 contract authorizing the school of excellence.

18 (11) A school of excellence shall be presumed to be legally
19 organized if it has exercised the franchises and privileges of a
20 public school academy for at least 2 years.

**(12) A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL MAY MAKE
AVAILABLE TO OTHER PUBLIC SCHOOLS FOR PURCHASE ANY OF THE COURSE
OFFERINGS THAT THE CYBER SCHOOL OFFERS TO ITS OWN
PUPILS.**

21 Enacting section 1. This amendatory act does not take effect
22 unless all of the following bills of the 96th Legislature are
23 enacted into law:

24 (a) Senate Bill No. 618.

25 (b) Senate Bill No. 620.

26 (c) Senate Bill No. 621.