

# HOUSE BILL No. 5979

December 2, 2014, Introduced by Rep. Brown and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 11a, 503, 523, 553, and 1311e (MCL 380.11a,  
380.503, 380.523, 380.553, and 380.1311e), section 11a as amended  
by 2010 PA 91, sections 503, 523, and 553 as amended by 2011 PA  
277, and section 1311e as amended by 2009 PA 205.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 11a. (1) Beginning on July 1, 1996, each school district  
2       formerly organized as a primary school district or as a school  
3       district of the fourth class, third class, or second class shall be  
4       a general powers school district under this act.

5       (2) Beginning on July 1, 1996, a school district operating  
6       under a special or local act shall operate as a general powers  
7       school district under this act except to the extent that the

1 special or local act is inconsistent with this act. Upon repeal of  
2 a special or local act that governs a school district, that school  
3 district shall become a general powers school district under this  
4 act.

5 (3) A general powers school district has all of the rights,  
6 powers, and duties expressly stated in this act; may exercise a  
7 power implied or incident to a power expressly stated in this act;  
8 and, except as provided by law, may exercise a power incidental or  
9 appropriate to the performance of a function related to operation  
10 of the school district in the interests of public elementary and  
11 secondary education in the school district, including, but not  
12 limited to, all of the following:

13 (a) Educating pupils. In addition to educating pupils in  
14 grades K-12, this function may include operation of preschool,  
15 lifelong education, adult education, community education, training,  
16 enrichment, and recreation programs for other persons.

17 (b) Providing for the safety and welfare of pupils while at  
18 school or a school sponsored activity or while en route to or from  
19 school or a school sponsored activity.

20 (c) Acquiring, constructing, maintaining, repairing,  
21 renovating, disposing of, or conveying school property, facilities,  
22 equipment, technology, or furnishings.

23 (d) Hiring, contracting for, scheduling, supervising, or  
24 terminating employees, independent contractors, and others to carry  
25 out school district powers. A school district may indemnify its  
26 employees.

27 (e) Receiving, accounting for, investing, or expending school

1 district money; borrowing money and pledging school district funds  
2 for repayment; and qualifying for state school aid and other public  
3 or private money from local, regional, state, or federal sources.

4 (4) A general powers school district may enter into agreements  
5 or cooperative arrangements with other entities, public or private,  
6 or join organizations as part of performing the functions of the  
7 school district. An agreement or cooperative arrangement that is  
8 entered into under this act is not required to comply with the  
9 provisions of the urban cooperation act of 1967, 1967 (Ex Sess) PA  
10 7, MCL 124.501 to 124.512, as provided under section 503 of that  
11 act, MCL 124.503.

12 (5) A general powers school district is a body corporate and  
13 shall be governed by a school board. An act of a school board is  
14 not valid unless approved, at a meeting of the school board, by a  
15 majority vote of the members lawfully serving on the board.

16 (6) The board of a general powers school district shall adopt  
17 bylaws. These bylaws may establish or change board procedures, the  
18 number of board officers, titles and duties of board officers, and  
19 any other matter related to effective and efficient functioning of  
20 the board. Regular meetings of the board shall be held at least  
21 once each month, at the time and place fixed by the bylaws. Special  
22 meetings may be called and held in the manner and for the purposes  
23 specified in the bylaws. Board procedures, bylaws, and policies in  
24 effect on the effective date of this section shall continue in  
25 effect until changed by action of the board.

26 (7) The board of a school district shall be elected as  
27 provided under this act and the Michigan election law. The number

1 of members of the board of a general powers school district shall  
2 remain the same as for that school district before July 1, 1996  
3 unless changed by the school electors of the school district at a  
4 regular or special school election. A ballot question for changing  
5 the number of board members may be placed on the ballot by action  
6 of the board or by petition submitted by school electors as  
7 provided under chapter XIV of the Michigan election law, MCL  
8 168.301 to 168.316.

9 (8) Members of the board of a general powers school district  
10 shall be elected by the school electors for terms of 4 or 6 years,  
11 as provided by the school district's bylaws. At each regular school  
12 election, members of the board shall be elected to fill the  
13 positions of those whose terms will expire. A term of office begins  
14 as provided in section 302 of the Michigan election law, MCL  
15 168.302, and continues until a successor is elected and qualified.

16 (9) **THE BOARD OF A GENERAL POWERS SCHOOL DISTRICT SHALL ENSURE**  
17 **THAT, WITHIN 120 DAYS AFTER TAKING OFFICE UPON INITIAL ELECTION,**  
18 **REELECTION, OR INITIAL APPOINTMENT TO THE BOARD, A MEMBER OF THE**  
19 **BOARD ATTENDS AND COMPLETES SCHOOL BOARD TRAINING PROVIDED BY THE**  
20 **DEPARTMENT. THE SCHOOL BOARD TRAINING PROVIDED BY THE DEPARTMENT**  
21 **SHALL ADDRESS AT LEAST SCHOOL BOARD GOVERNANCE, PUBLIC SCHOOL**  
22 **FINANCING, FISCAL RESPONSIBILITY, AND ETHICS.**

23 (10) ~~(9)~~—The board of a general powers school district may  
24 submit to the school electors of the school district a question  
25 that is within the scope of the powers of the school electors and  
26 that the board considers proper for the management of the school  
27 system or the advancement of education in the school district. Upon

1 the adoption of a question by the board, the board shall submit the  
2 question to the school electors by complying with section 312 of  
3 the Michigan election law, MCL 168.312.

4 (11) ~~(10)~~—A special election may be called by the board of a  
5 general powers school district as provided under chapter XIV of the  
6 Michigan election law, MCL 168.301 to 168.316.

7 (12) ~~(11)~~—Unless expressly provided in 1995 PA 289, the powers  
8 of a school board or school district are not diminished by this  
9 section or by 1995 PA 289.

10 (13) ~~(12)~~—A school district operating a public library, public  
11 museum, or community recreational facility as of July 1, 1996 may  
12 continue to operate the public library, public museum, or community  
13 recreational facility.

14 (14) ~~(13)~~—A school district may establish and administer  
15 scholarships for its students or graduates to support their  
16 attendance at a postsecondary educational institution from funds  
17 the school district receives as a result of a compact entered into  
18 between this state and a federally recognized Indian tribe pursuant  
19 to the Indian gaming regulatory act, Public Law 100-497. A school  
20 district that establishes a scholarship program funded under this  
21 subsection shall ensure that the scholarship program provides for  
22 all of the following:

23 (a) That a student or graduate is not eligible to be awarded a  
24 scholarship unless the student or graduate is enrolled in the  
25 school district for all of grades 9 to 12 and meets 1 of the  
26 following:

27 (i) Is a resident of the school district for all of grades 9 to

1 12.

2 (ii) Was enrolled in the school district for the 2009-2010  
3 school year but was not a resident of the school district for that  
4 school year, and is enrolled in the school district continuously  
5 after that school year until graduation.

6 (b) That the amount of a scholarship awarded to a student or  
7 graduate who was not enrolled in and a continuous resident of the  
8 school district for all of grades K to 12 shall be adjusted based  
9 on length of enrollment and continuous residency or, for a student  
10 or graduate described in subdivision (a)(ii), based on length of  
11 enrollment.

12 Sec. 503. (1) An authorizing body is not required to issue a  
13 contract to any person or entity. Subject to subsection (2), public  
14 school academy contracts shall be issued on a competitive basis. In  
15 deciding whether to issue a contract for a proposed public school  
16 academy, an authorizing body shall consider all of the following:

17 (a) The resources available for the proposed public school  
18 academy.

19 (b) The population to be served by the proposed public school  
20 academy.

21 (c) The educational goals to be achieved by the proposed  
22 public school academy.

23 (d) The applicant's track record, if any, in organizing public  
24 school academies or other public schools.

25 (e) The graduation rate of a school district in which the  
26 proposed public school academy is proposed to be located.

27 (f) The population of a county in which the proposed public

1 school academy is proposed to be located.

2 (g) The number of schools in the proximity of a proposed  
3 location of the proposed public school academy that are on the list  
4 under section 1280c(1) of the public schools in this state that the  
5 department has determined to be among the lowest achieving 5% of  
6 all public schools in this state.

7 (h) The number of pupils on waiting lists of public school  
8 academies in the proximity of a proposed location of the proposed  
9 public school academy.

10 (2) An authorizing body may give priority to a proposed public  
11 school academy that is intended to replace a public school academy  
12 that has been closed pursuant to section 507(5), that will operate  
13 all of the same grade levels as the public school academy that has  
14 been closed, and that will work toward operating all of grades 9 to  
15 12 within 6 years after it begins operations unless a matriculation  
16 agreement has been entered into with another public school that  
17 provides grades 9 to 12.

18 (3) If a person or entity applies to the board of a school  
19 district for a contract to organize and operate 1 or more public  
20 school academies within the boundaries of the school district and  
21 the board does not issue the contract, the person or entity may  
22 petition the board to place the question of issuing the contract on  
23 the ballot to be decided by the school electors of the school  
24 district. The petition shall contain all of the information  
25 required to be in the contract application under section 502 and  
26 shall be signed by a number of school electors of the school  
27 district equal to at least 5% of the total number of school

1 electors of that school district. The petition shall be filed with  
2 the school district filing official. If the board receives a  
3 petition meeting the requirements of this subsection, the board  
4 shall have the question of issuing the contract placed on the  
5 ballot at its next regular school election held at least 60 days  
6 after receiving the petition. If a majority of the school electors  
7 of the school district voting on the question vote to issue the  
8 contract, the board shall issue the contract.

9 (4) Within 10 days after issuing a contract for a public  
10 school academy, the authorizing body shall submit to the  
11 superintendent of public instruction a copy of the contract.

12 (5) An authorizing body shall adopt a resolution establishing  
13 the method of selection, length of term, and number of members of  
14 the board of directors of each public school academy subject to its  
15 jurisdiction. The resolution shall be written or amended as  
16 necessary to include a requirement that each member of the board of  
17 directors must be a citizen of the United States.

18 (6) A contract issued to organize and administer a public  
19 school academy shall contain at least all of the following:

20 (a) The educational goals the public school academy is to  
21 achieve and the methods by which it will be held accountable. The  
22 educational goals shall include demonstrated improved pupil  
23 academic achievement for all groups of pupils. To the extent  
24 applicable, the pupil performance of a public school academy shall  
25 be assessed using at least a Michigan education assessment program  
26 (MEAP) test or the Michigan merit examination under section 1279g,  
27 as applicable.



1 (b) A description of the method to be used to monitor the  
2 public 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.

6 (d) All of the matters set forth in the application for the  
7 contract.

8 (e) Procedures for revoking the contract and grounds for  
9 revoking the contract, including at least the grounds listed in  
10 section 507.

11 (f) A description of and address for the proposed physical  
12 plant in which the public school academy will be located. An  
13 authorizing body may include a provision in the contract allowing  
14 the board of directors of the public school academy to operate the  
15 same configuration of age or grade levels at more than 1 site if  
16 each configuration of age or grade levels and each site identified  
17 in the contract are under the direction and control of the board of  
18 directors.

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

23 (h) The term of the contract and a description of the process  
24 and standards for renewal of the contract at the end of the term.  
25 The standards for renewal shall include increases in academic  
26 achievement for all groups of pupils as measured by assessments and  
27 other objective criteria as the most important factor in the

1 decision of whether or not to renew the contract.

2 (i) A certification, signed by an authorized member of the  
3 board of directors of the public school academy, that the public  
4 school academy will comply with the contract and all applicable  
5 law.

6 (j) A requirement that the board of directors of the public  
7 school academy shall ensure compliance with the requirements of  
8 1968 PA 317, MCL 15.321 to 15.330.

9 (k) A requirement that the board of directors of the public  
10 school academy shall prohibit specifically identified family  
11 relationships between members of the board of directors,  
12 individuals who have an ownership interest in or who are officers  
13 or employees of an educational management organization involved in  
14 the operation of the public school academy, and employees of the  
15 public school academy. The contract shall identify the specific  
16 prohibited relationships consistent with applicable law.

17 (l) A requirement that the board of directors of the public  
18 school academy shall make information concerning its operation and  
19 management available to the public and to the authorizing body in  
20 the same manner as is required by state law for school districts.

21 (m) A requirement that the board of directors of the public  
22 school academy shall collect, maintain, and make available to the  
23 public and the authorizing body, in accordance with applicable law  
24 and the contract, at least all of the following information  
25 concerning the operation and management of the public school  
26 academy:

27 (i) A copy of the contract issued by the authorizing body for

1 the public school academy.

2 (ii) A list of currently serving members of the board of  
3 directors of the public school academy, including name, address,  
4 and term of office; copies of policies approved by the board of  
5 directors; board meeting agendas and minutes; a copy of the budget  
6 approved by the board of directors and of any amendments to the  
7 budget; and copies of bills paid for amounts of \$10,000.00 or more  
8 as they were submitted to the board of directors.

9 (iii) Quarterly financial reports submitted to the authorizing  
10 body.

11 (iv) A current list of teachers and school administrators  
12 working at the public school academy that includes their individual  
13 salaries as submitted to the registry of educational personnel;  
14 copies of the teaching or school administrator's certificates or  
15 permits of current teaching and administrative staff; and evidence  
16 of compliance with the criminal background and records checks and  
17 unprofessional conduct check required under sections 1230, 1230a,  
18 and 1230b for all teachers and administrators working at the public  
19 school academy.

20 (v) Curriculum documents and materials given to the  
21 authorizing body.

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

23 (vii) Copies of facility leases or deeds, or both, and of any  
24 equipment leases.

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

27 (ix) All health and safety reports and certificates, including

1 those relating to fire safety, environmental matters, asbestos  
2 inspection, boiler inspection, and food service.

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

5 (xi) Any other information specifically required under this  
6 act.

7 (n) A requirement that the authorizing body must review and  
8 may disapprove any agreement between the board of directors of the  
9 public school academy and an educational management organization  
10 before the agreement is final and valid. An authorizing body may  
11 disapprove an agreement described in this subdivision only if the  
12 agreement is contrary to the contract or applicable law.

13 (o) A requirement that the board of directors of the public  
14 school academy shall demonstrate all of the following to the  
15 satisfaction of the authorizing body with regard to its pupil  
16 admission process:

17 (i) That the public school academy has made a reasonable effort  
18 to advertise its enrollment openings.

19 (ii) That the open enrollment period for the public school  
20 academy is for a duration of at least 2 weeks and that the  
21 enrollment times include some evening and weekend times.

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

27 (Q) A REQUIREMENT THAT, WITHIN 120 DAYS AFTER THE BEGINNING OF

1 A TERM AS A MEMBER OF THE BOARD OF DIRECTORS, A MEMBER OF THE BOARD  
2 OF DIRECTORS MUST ATTEND AND COMPLETE SCHOOL BOARD TRAINING  
3 PROVIDED BY THE DEPARTMENT. THE SCHOOL BOARD TRAINING PROVIDED BY  
4 THE DEPARTMENT SHALL ADDRESS AT LEAST SCHOOL BOARD GOVERNANCE,  
5 PUBLIC SCHOOL FINANCING, FISCAL RESPONSIBILITY, AND ETHICS.

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

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

9 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to  
10 15.246.

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

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

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

14 (f) Laws concerning participation in state assessments, data  
15 collection systems, state level student growth models, state  
16 accountability and accreditation systems, and other public  
17 comparative data collection required for public schools.

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

27 (9) A public school academy is exempt from all taxation on its

1 earnings and property. Instruments of conveyance to or from a  
2 public school academy are exempt from all taxation including taxes  
3 imposed by 1966 PA 134, MCL 207.501 to 207.513. Unless the property  
4 is already fully exempt from real and personal property taxes under  
5 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,  
6 property occupied by a public school academy and used exclusively  
7 for educational purposes is exempt from real and personal property  
8 taxes levied for school operating purposes under section 1211, to  
9 the extent exempted under that section, and from real and personal  
10 property taxes levied under the state education tax act, 1993 PA  
11 331, MCL 211.901 to 211.906. A public school academy may not levy  
12 ad valorem property taxes or another tax for any purpose. However,  
13 operation of 1 or more public school academies by a school district  
14 or intermediate school district does not affect the ability of the  
15 school district or intermediate school district to levy ad valorem  
16 property taxes or another tax.

17 (10) A public school academy may acquire by purchase, gift,  
18 devise, lease, sublease, installment purchase agreement, land  
19 contract, option, or by any other means, hold and own in its own  
20 name buildings and other property for school purposes, and  
21 interests therein, and other real and personal property, including,  
22 but not limited to, interests in property subject to mortgages,  
23 security interests, or other liens, necessary or convenient to  
24 fulfill its purposes. For the purposes of condemnation, a public  
25 school academy may proceed under the uniform condemnation  
26 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding  
27 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other

1 applicable statutes, but only with the express, written permission  
2 of the authorizing body in each instance of condemnation and only  
3 after just compensation has been determined and paid.

4 (11) A member of the board of directors of a public school  
5 academy is a public officer and shall, before entering upon the  
6 duties of the office, take the constitutional oath of office for  
7 public officers under section 1 of article XI of the state  
8 constitution of 1963.

9 Sec. 523. (1) An authorizing body is not required to issue a  
10 contract to any entity. Urban high school academy contracts shall  
11 be issued on a competitive basis taking into consideration the  
12 resources available for the proposed urban high school academy, the  
13 population to be served by the proposed urban high school academy,  
14 and the educational goals to be achieved by the proposed urban high  
15 school academy. In evaluating if an applicant is qualified, the  
16 authorizing body shall examine the proposed performance standards,  
17 proposed academic program, financial viability of the applicant,  
18 and the ability of the proposed board of directors to meet the  
19 contract goals and objectives. An authorizing body shall give  
20 priority to applicants that demonstrate all of the following:

21 (a) The proposed school will operate at least all of grades 9  
22 through 12 within 5 years after beginning operation.

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

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

27 (d) The proposed school has received commitments for financial

1 and educational support from the entity applying for the contract.

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

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

6 (a) The educational goals the urban high school academy is to  
7 achieve and the methods by which it will be held accountable. The  
8 educational goals shall include demonstrated improved pupil  
9 academic achievement for all groups of pupils. To the extent  
10 applicable, the pupil performance of an urban high school academy  
11 shall be assessed using at least a Michigan education assessment  
12 program (MEAP) test or the Michigan merit examination developed  
13 under section 1279g, as applicable.

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

17 (c) A description of the process for amending the contract  
18 during the term of the contract. An authorizing body may approve  
19 amendment of the contract with respect to any provision contained  
20 in the contract.

21 (d) A certification, signed by an authorized member of the  
22 urban high school academy board of directors, that the urban high  
23 school academy will comply with the contract and all applicable  
24 law.

25 (e) Procedures for revoking the contract and grounds for  
26 revoking the contract.

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



1 buildings in which the urban high school academy will be located.

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

6 (h) A requirement that the board of directors shall ensure  
7 compliance with the requirements of 1968 PA 317, MCL 15.321 to  
8 15.330.

9 (i) A requirement that the board of directors shall prohibit  
10 specifically identified family relationships between members of the  
11 board of directors, individuals who have an ownership interest in  
12 or who are officers or employees of an educational management  
13 company involved in the operation of the urban high school academy,  
14 and employees of the urban high school academy. The contract shall  
15 identify the specific prohibited relationships consistent with  
16 applicable law.

17 (j) A requirement that the board of directors of the urban  
18 high school academy shall make information concerning its operation  
19 and management available to the public and to the authorizing body  
20 in the same manner as is required by state law for school  
21 districts.

22 (k) A requirement that the board of directors of the urban  
23 high school academy shall collect, maintain, and make available to  
24 the public and the authorizing body, in accordance with applicable  
25 law and the contract, at least all of the following information  
26 concerning the operation and management of the urban high school  
27 academy:

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

3           (ii) A list of currently serving members of the board of  
4 directors of the urban high school academy, including name,  
5 address, and term of office; copies of policies approved by the  
6 board of directors; board meeting agendas and minutes; copy of the  
7 budget approved by the board of directors and of any amendments to  
8 the budget; and copies of bills paid for amounts of \$10,000.00 or  
9 more as they were submitted to the board of directors.

10          (iii) Quarterly financial reports submitted to the authorizing  
11 body.

12          (iv) A current list of teachers working at the urban high  
13 school academy that includes their individual salaries as submitted  
14 to the registry of educational personnel; copies of the teaching  
15 certificates or permits of current teaching staff; and evidence of  
16 compliance with the criminal background and records checks and  
17 unprofessional conduct check required under sections 1230, 1230a,  
18 and 1230b for all teachers and administrators working at the urban  
19 high school academy.

20          (v) Curriculum documents and materials given to the  
21 authorizing body.

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

23          (vii) Copies of facility leases or deeds, or both, and of any  
24 equipment leases.

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

27          (ix) All health and safety reports and certificates, including

1 those relating to fire safety, environmental matters, asbestos  
2 inspection, boiler inspection, and food service.

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

5 (xi) Any other information specifically required under this  
6 act.

7 (l) A requirement that the authorizing body must review and may  
8 disapprove any agreement between the board of directors and an  
9 educational management company before the agreement is final and  
10 valid. An authorizing body may disapprove an agreement described in  
11 this subdivision only if the agreement is contrary to the contract  
12 or applicable law.

13 (m) A requirement that the board of directors shall  
14 demonstrate all of the following to the satisfaction of the  
15 authorizing body with regard to its pupil admission process:

16 (i) That the urban high school academy has made a reasonable  
17 effort to advertise its enrollment openings.

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

21 (A) Reasonable efforts to advertise all enrollment openings to  
22 organizations and media that regularly serve and advocate for  
23 individuals with disabilities within the boundaries of the  
24 intermediate school district in which the urban high school academy  
25 is located.

26 (B) Inclusion in all pupil recruitment materials of a  
27 statement that appropriate special education services will be made

1 available to pupils attending the school as required by law.

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

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

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

12 (p) The term of the contract and a description of the process  
13 and standards for renewal of the contract at the end of the term.  
14 The standards for renewal shall include increases in academic  
15 achievement for all groups of pupils as measured by assessments and  
16 other objective criteria as the most important factor in the  
17 decision of whether or not to renew the contract.

18 **(Q) A REQUIREMENT THAT, WITHIN 120 DAYS AFTER THE BEGINNING OF**  
19 **A TERM AS A MEMBER OF THE BOARD OF DIRECTORS, A MEMBER OF THE BOARD**  
20 **OF DIRECTORS MUST ATTEND AND COMPLETE SCHOOL BOARD TRAINING**  
21 **PROVIDED BY THE DEPARTMENT. THE SCHOOL BOARD TRAINING PROVIDED BY**  
22 **THE DEPARTMENT SHALL ADDRESS AT LEAST SCHOOL BOARD GOVERNANCE,**  
23 **PUBLIC SCHOOL FINANCING, FISCAL RESPONSIBILITY, AND ETHICS.**

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

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

27 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to

1 15.246.

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

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

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

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

6 (g) The uniform budgeting and accounting act, 1968 PA 2, MCL  
7 141.421 to 141.440a.

8 (h) The revised municipal finance act, 2001 PA 34, MCL  
9 141.2101 to 141.2821.

10 (i) The ~~federal~~-no child left behind act of 2001, Public Law  
11 107-110, 115 Stat. 1425.

12 (j) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274, and  
13 1280.

14 (k) Laws concerning participation in state assessments, data  
15 collection systems, state level student growth models, state  
16 accountability and accreditation systems, and other public  
17 comparative data collection required for public schools.

18 (4) An urban high school academy and its incorporators, board  
19 members, officers, employees, and volunteers have governmental  
20 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An  
21 authorizing body and its board members, officers, and employees are  
22 immune from civil liability, both personally and professionally,  
23 for any acts or omissions in authorizing or oversight of an urban  
24 high school academy if the authorizing body or the person acted or  
25 reasonably believed he or she acted within the authorizing body's  
26 or the person's scope of authority.

27 (5) An urban high school academy is exempt from all taxation

1 on its earnings and property. Unless the property is already fully  
2 exempt from real and personal property taxes under the general  
3 property tax act, 1893 PA 206, MCL 211.1 to 211.155, property  
4 occupied by an urban high school academy and used exclusively for  
5 educational purposes is exempt from real and personal property  
6 taxes levied for school operating purposes under section 1211, to  
7 the extent exempted under that section, and from real and personal  
8 property taxes levied under the state education tax act, 1993 PA  
9 331, MCL 211.901 to 211.906. Instruments of conveyance to or from  
10 an urban high school academy are exempt from all taxation,  
11 including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An  
12 urban high school academy may not levy ad valorem property taxes or  
13 any other tax for any purpose.

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

1       Sec. 553. (1) An authorizing body is not required to issue a  
2 contract to any person or entity. Schools of excellence contracts  
3 shall be issued on a competitive basis taking into consideration  
4 the resources available for the proposed school of excellence, the  
5 population to be served by the proposed school of excellence, the  
6 educational goals to be achieved by the proposed school of  
7 excellence, and the applicant's track record, if any, in operating  
8 public school academies or other public schools.

9       (2) If a person or entity applies to the board of a school  
10 district for a contract to organize and operate 1 or more schools  
11 of excellence within the boundaries of the school district and the  
12 board does not issue the contract, the person or entity may  
13 petition the board to place the question of issuing the contract on  
14 the ballot to be decided by the school electors of the school  
15 district. The petition shall contain all of the information  
16 required to be in the contract application under section 552 and  
17 shall be signed by a number of school electors of the school  
18 district equal to at least 5% of the total number of school  
19 electors of that school district. The petition shall be filed with  
20 the school district filing official. If the board receives a  
21 petition meeting the requirements of this subsection, the board  
22 shall have the question of issuing the contract placed on the  
23 ballot at its next regular school election held at least 60 days  
24 after receiving the petition. If a majority of the school electors  
25 of the school district voting on the question vote to issue the  
26 contract, the board shall issue the contract.

27       (3) Within 10 days after issuing a contract for a school of

1 excellence, the authorizing body shall submit to the superintendent  
2 of public instruction a copy of the contract.

3 (4) An authorizing body shall adopt a resolution establishing  
4 the method of selection, length of term, and number of members of  
5 the board of directors of each school of excellence subject to its  
6 jurisdiction. The resolution shall be written or amended as  
7 necessary to include a requirement that each member of the board of  
8 directors must be a citizen of the United States.

9 (5) A contract issued to organize and administer a school of  
10 excellence shall contain at least all of the following:

11 (a) The educational goals the school of excellence is to  
12 achieve and the methods by which it will be held accountable. The  
13 educational goals shall include demonstrated improved pupil  
14 academic achievement for all groups of pupils. To the extent  
15 applicable, the pupil performance of a school of excellence shall  
16 be assessed using at least a Michigan education assessment program  
17 (MEAP) test or the Michigan merit examination under section 1279g,  
18 as applicable.

19 (b) A description of the method to be used to monitor the  
20 school of excellence's compliance with applicable law and its  
21 performance in meeting its targeted educational objectives.

22 (c) A description of the process for amending the contract  
23 during the term of the contract.

24 (d) All of the matters set forth in the application for the  
25 contract.

26 (e) Procedures for revoking the contract and grounds for  
27 revoking the contract, including at least the grounds listed in



1 section 561.

2 (f) A description of and address for the proposed physical  
3 plant in which the school of excellence will be located. An  
4 authorizing body may include a provision in the contract allowing  
5 the board of directors of the school of excellence to operate the  
6 same configuration of age or grade levels at more than 1 site if  
7 each configuration of age or grade levels and each site identified  
8 in the contract are under the direction and control of the board of  
9 directors.

10 (g) Requirements and procedures for financial audits. The  
11 financial audits shall be conducted at least annually by a  
12 certified public accountant in accordance with generally accepted  
13 governmental auditing principles.

14 (h) A certification, signed by an authorized member of the  
15 school of excellence board of directors, that the school of  
16 excellence will comply with the contract and all applicable law.

17 (i) A requirement that the board of directors shall ensure  
18 compliance with the requirements of 1968 PA 317, MCL 15.321 to  
19 15.330.

20 (j) A requirement that the board of directors shall prohibit  
21 specifically identified family relationships between members of the  
22 board of directors, individuals who have an ownership interest in  
23 or who are officers or employees of an educational management  
24 organization involved in the operation of the school of excellence,  
25 and employees of the school of excellence. The contract shall  
26 identify the specific prohibited relationships consistent with  
27 applicable law.

1           (k) A requirement that the board of directors of the school of  
2 excellence shall make information concerning its operation and  
3 management available to the public and to the authorizing body in  
4 the same manner as is required by state law for school districts.

5           (l) A requirement that the board of directors of the school of  
6 excellence shall collect, maintain, and make available to the  
7 public and the authorizing body, in accordance with applicable law  
8 and the contract, at least all of the following information  
9 concerning the operation and management of the school of  
10 excellence:

11           (i) A copy of the contract issued by the authorizing body for  
12 the school of excellence.

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

20           (iii) Quarterly financial reports submitted to the authorizing  
21 body.

22           (iv) A current list of teachers and school administrators  
23 working at the school of excellence that includes their individual  
24 salaries as submitted to the registry of educational personnel;  
25 copies of the teaching or school administrator's certificates or  
26 permits of current teaching and administrative staff; and evidence  
27 of compliance with the criminal background and records checks and

1 unprofessional conduct check required under sections 1230, 1230a,  
2 and 1230b for all teachers and administrators working at the school  
3 of excellence.

4 (v) Curriculum documents and materials given to the  
5 authorizing body.

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

7 (vii) Copies of facility leases or deeds, or both, and of any  
8 equipment leases.

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

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

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

16 (xi) Any other information specifically required under this  
17 act.

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

24 (n) A requirement that the board of directors shall  
25 demonstrate all of the following to the satisfaction of the  
26 authorizing body with regard to its pupil admission process:

27 (i) That the school of excellence has made a reasonable effort

1 to advertise its enrollment openings.

2 (ii) That the school of excellence has made the following  
3 additional efforts to recruit pupils who are eligible for special  
4 education programs and services or English as a second language  
5 services to apply for admission:

6 (A) Reasonable efforts to advertise all enrollment openings to  
7 organizations and media that regularly serve and advocate for  
8 individuals with disabilities or children with limited English-  
9 speaking ability within the boundaries of the intermediate school  
10 district in which the school of excellence is located.

11 (B) Inclusion in all pupil recruitment materials of a  
12 statement that appropriate special education services and English  
13 as a second language services will be made available to pupils  
14 attending the school as required by law.

15 (iii) That the open enrollment period for the school of  
16 excellence is for a duration of at least 2 weeks and that the  
17 enrollment times include some evening and weekend times.

18 (o) A requirement that the board of directors shall prohibit  
19 any individual from being employed by the school of excellence in  
20 more than 1 full-time position and simultaneously being compensated  
21 at a full-time rate for each of those positions.

22 (p) A requirement that, if requested, the board of directors  
23 shall report to the authorizing body the total compensation for  
24 each individual working at the school of excellence.

25 **(Q) A REQUIREMENT THAT, WITHIN 120 DAYS AFTER THE BEGINNING OF**  
26 **A TERM AS A MEMBER OF THE BOARD OF DIRECTORS, A MEMBER OF THE BOARD**  
27 **OF DIRECTORS MUST ATTEND AND COMPLETE SCHOOL BOARD TRAINING**

1 PROVIDED BY THE DEPARTMENT. THE SCHOOL BOARD TRAINING PROVIDED BY  
2 THE DEPARTMENT SHALL ADDRESS AT LEAST SCHOOL BOARD GOVERNANCE,  
3 PUBLIC SCHOOL FINANCING, FISCAL RESPONSIBILITY, AND ETHICS.

4 (6) A school of excellence shall comply with all applicable  
5 law, including all of the following:

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

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

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

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

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

12 (f) Laws concerning participation in state assessments, data  
13 collection systems, state level student growth models, state  
14 accountability and accreditation systems, and other public  
15 comparative data collection required for public schools.

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

25 (8) A school of excellence is exempt from all taxation on its  
26 earnings and property. Unless the property is already fully exempt  
27 from real and personal property taxes under the general property

1 tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by a  
2 school of excellence and used exclusively for educational purposes  
3 is exempt from real and personal property taxes levied for school  
4 operating purposes under section 1211, to the extent exempted under  
5 that section, and from real and personal property taxes levied  
6 under the state education tax act, 1993 PA 331, MCL 211.901 to  
7 211.906. Instruments of conveyance to or from a school of  
8 excellence are exempt from all taxation including taxes imposed by  
9 1966 PA 134, MCL 207.501 to 207.513. A school of excellence may not  
10 levy ad valorem property taxes or another tax for any purpose.  
11 However, operation of 1 or more schools of excellence by a school  
12 district or intermediate school district does not affect the  
13 ability of the school district or intermediate school district to  
14 levy ad valorem property taxes or another tax.

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

1 has been determined and paid.

2       Sec. 1311e. (1) An authorizing body is not required to issue a  
3 contract to any person or entity. Contracts for strict discipline  
4 academies shall be issued on a competitive basis taking into  
5 consideration the resources available for the proposed strict  
6 discipline academy, the population to be served by the proposed  
7 strict discipline academy, and the educational goals to be achieved  
8 by the proposed strict discipline academy.

9       (2) If a person or entity applies to the board of a school  
10 district for a contract to organize and operate 1 or more strict  
11 discipline academies within the boundaries of the school district  
12 and the board does not issue the contract, the person or entity may  
13 petition the board to place the question of issuing the contract on  
14 the ballot to be decided by the school electors of the school  
15 district. The petition shall contain all of the information  
16 required to be in the contract application under section 1311d and  
17 shall be signed by a number of school electors of the school  
18 district equal to at least 15% of the total number of school  
19 electors of that school district. The petition shall be filed with  
20 the secretary of the board. If the board receives a petition  
21 meeting the requirements of this subsection, the board shall place  
22 the question of issuing the contract on the ballot at its next  
23 annual school election held at least 60 days after receiving the  
24 petition. If a majority of the school electors of the school  
25 district voting on the question vote to issue the contract, the  
26 board shall issue the contract.

27       (3) Within 10 days after issuing a contract for a strict

1 discipline academy, the board of the authorizing body shall submit  
2 to the state board a copy of the contract and of the application  
3 under section 1311d.

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

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

10 (a) The educational goals the strict discipline academy is to  
11 achieve and the methods by which it will be held accountable. To  
12 the extent applicable, the pupil performance of a strict discipline  
13 academy shall be assessed using at least a Michigan education  
14 assessment program (MEAP) test or the Michigan merit examination  
15 developed under section 1279g, as applicable.

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

19 (c) A description of the process for amending the contract  
20 during the term of the contract.

21 (d) All of the matters set forth in the application for the  
22 contract.

23 (e) For a strict discipline academy authorized by a school  
24 district, an agreement that employees of the strict discipline  
25 academy will be covered by the collective bargaining agreements  
26 that apply to employees of the school district employed in similar  
27 classifications in schools that are not strict discipline



1 academies.

2 (f) Procedures for revoking the contract and grounds for  
3 revoking the contract, including at least the grounds listed in  
4 section 1311/.

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

7 (h) Requirements and procedures for financial audits. The  
8 financial audits shall be conducted at least annually by a  
9 certified public accountant in accordance with generally accepted  
10 governmental auditing principles.

11 (i) The term of the contract and a description of the process  
12 and standards for renewal of the contract at the end of the term.  
13 The standards for renewal shall include student growth as measured  
14 by assessments and other objective criteria as a significant factor  
15 in the decision of whether or not to renew the contract.

16 **(J) A REQUIREMENT THAT, WITHIN 120 DAYS AFTER THE BEGINNING OF**  
17 **A TERM AS A MEMBER OF THE BOARD OF DIRECTORS, A MEMBER OF THE BOARD**  
18 **OF DIRECTORS MUST ATTEND AND COMPLETE SCHOOL BOARD TRAINING**  
19 **PROVIDED BY THE DEPARTMENT. THE SCHOOL BOARD TRAINING PROVIDED BY**  
20 **THE DEPARTMENT SHALL ADDRESS AT LEAST SCHOOL BOARD GOVERNANCE,**  
21 **PUBLIC SCHOOL FINANCING, FISCAL RESPONSIBILITY, AND ETHICS.**

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

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

25 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to  
26 15.246.

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

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

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

3 (f) Except for part 6a, all provisions of this act that  
4 explicitly apply to public school academies established under part  
5 6a.

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

15 (8) A strict discipline academy is exempt from all taxation on  
16 its earnings and property. Instruments of conveyance to or from a  
17 strict discipline academy are exempt from all taxation including  
18 taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. A strict  
19 discipline academy may not levy ad valorem property taxes or any  
20 other tax for any purpose. However, operation of 1 or more strict  
21 discipline academies by a school district or intermediate school  
22 district does not affect the ability of the school district or  
23 intermediate school district to levy ad valorem property taxes or  
24 any other tax.

25 (9) A strict discipline academy 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 strict  
6 discipline academy may proceed under the uniform condemnation  
7 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding  
8 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other  
9 applicable statutes, but only with the express, written permission  
10 of the authorizing body in each instance of condemnation and only  
11 after just compensation has been determined and paid.