

SENATE BILL No. 461

July 31, 2013, Introduced by Senator HOPGOOD and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 503, 528, and 553 (MCL 380.503, 380.528, and
380.553), as amended by 2011 PA 277.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 (a) The resources available for the proposed public school
7 academy.

8 (b) The population to be served by the proposed public school
9 academy.

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

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

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

7 (f) The population of a county in which the proposed public
8 school academy is proposed to be located.

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

14 (h) The number of pupils on waiting lists of public school
15 academies in the proximity of a proposed location of the proposed
16 public school academy.

17 (2) An authorizing body may give priority to a proposed public
18 school academy that is intended to replace a public school academy
19 that has been closed pursuant to section 507(5), that will operate
20 all of the same grade levels as the public school academy that has
21 been closed, and that will work toward operating all of grades 9 to
22 12 within 6 years after it begins operations unless a matriculation
23 agreement has been entered into with another public school that
24 provides grades 9 to 12.

25 (3) If a person or entity applies to the board of a school
26 district for a contract to organize and operate 1 or more public
27 school academies within the boundaries of the school district and

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

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

19 (5) An authorizing body shall adopt a resolution establishing
20 the method of selection, length of term, **QUORUM REQUIREMENTS**, and
21 number of members of the board of directors of each public school
22 academy subject to its jurisdiction. The resolution shall be
23 written or amended as necessary to include ~~a~~**ALL OF THE FOLLOWING:**

24 (A) A requirement that each member of the board of directors
25 must be a citizen of the United States.

26 (B) **A LIMIT ON THE TERM OF SERVICE OF A BOARD MEMBER TO A TERM**
27 **OF NOT MORE THAN 5 CONSECUTIVE YEARS, WITH AT LEAST A 10-YEAR**

1 PERIOD BEFORE A MEMBER MAY SERVE AN ADDITIONAL TERM.

2 (C) A REQUIREMENT OF AT LEAST 7 MEMBERS ON A BOARD OF
3 DIRECTORS, WITH AT LEAST 2 MEMBERS BEING PARENTS OF PUPILS ENROLLED
4 IN THE PUBLIC SCHOOL ACADEMY.

5 (D) A REQUIREMENT OF AT LEAST 5 MEMBERS, INCLUDING THE
6 PRESIDENT OF THE BOARD OF DIRECTORS, FOR A QUORUM, EXCEPT IN THE
7 CASE OF A VACANCY.

8 (E) A REQUIREMENT THAT VACANCIES ON THE BOARD OF DIRECTORS
9 MUST BE FILLED WITHIN 90 DAYS.

10 (F) AN ATTENDANCE REQUIREMENT THAT PROVIDES FOR BOTH OF THE
11 FOLLOWING:

12 (i) DURING ANY 12-MONTH PERIOD, A BOARD MEMBER MUST ATTEND AT
13 LEAST 85% OF ALL BOARD FUNCTIONS, INCLUDING, BUT NOT LIMITED TO,
14 MONTHLY BOARD MEETINGS, SCHEDULED BOARD EVENTS, AND SPECIAL AND
15 EMERGENCY BOARD MEETINGS.

16 (ii) FAILURE TO MEET THIS ATTENDANCE REQUIREMENT CONSTITUTES A
17 VACATING OF THE OFFICE OF BOARD MEMBER.

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 (7) A public school academy shall comply with all applicable

1 law, including all of the following:

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

3 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
4 15.246.

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

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

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

8 (f) Laws concerning participation in state assessments, data
9 collection systems, state level student growth models, state
10 accountability and accreditation systems, and other public
11 comparative data collection required for public schools.

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

21 (9) A public school academy is exempt from all taxation on its
22 earnings and property. Instruments of conveyance to or from a
23 public school academy are exempt from all taxation including taxes
24 imposed by 1966 PA 134, MCL 207.501 to 207.513. Unless the property
25 is already fully exempt from real and personal property taxes under
26 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,
27 property occupied by a public school academy and used exclusively

1 for educational purposes is exempt from real and personal property
2 taxes levied for school operating purposes under section 1211, to
3 the extent exempted under that section, and from real and personal
4 property taxes levied under the state education tax act, 1993 PA
5 331, MCL 211.901 to 211.906. A public school academy may not levy
6 ad valorem property taxes or another tax for any purpose. However,
7 operation of 1 or more public school academies by a school district
8 or intermediate school district does not affect the ability of the
9 school district or intermediate school district to levy ad valorem
10 property taxes or another tax.

11 (10) 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 (11) A member of the board of directors of a public school
26 academy is a public officer and shall, before entering upon the
27 duties of the office, take the constitutional oath of office for

1 public officers under section 1 of article XI of the state
2 constitution of 1963.

3 Sec. 528. (1) An authorizing body that issues a contract for
4 an urban high school academy under this part shall do all of the
5 following:

6 (a) Ensure that the contract and the application for the
7 contract comply with the requirements of this part.

8 (b) Within 10 days after issuing the contract, submit to the
9 department a copy of the contract.

10 (c) Adopt a resolution establishing the method of selection,
11 length of term, **QUORUM REQUIREMENTS**, and number of members of the
12 board of directors of each urban high school academy that it
13 authorizes. The resolution shall be written or amended as necessary
14 to include ~~a~~**ALL OF THE FOLLOWING:**

15 (i) **A requirement that each member of the board of directors**
16 **must be a citizen of the United States.**

17 (ii) **A LIMIT ON THE TERM OF SERVICE OF A BOARD MEMBER TO A TERM**
18 **OF NOT MORE THAN 5 CONSECUTIVE YEARS, WITH AT LEAST A 10-YEAR**
19 **PERIOD BEFORE A MEMBER MAY SERVE AN ADDITIONAL TERM.**

20 (iii) **A REQUIREMENT OF AT LEAST 7 MEMBERS ON A BOARD OF**
21 **DIRECTORS, WITH AT LEAST 2 MEMBERS BEING PARENTS OF PUPILS ENROLLED**
22 **IN THE URBAN HIGH SCHOOL ACADEMY.**

23 (iv) **A REQUIREMENT OF AT LEAST 5 MEMBERS, INCLUDING THE**
24 **PRESIDENT OF THE BOARD OF DIRECTORS, FOR A QUORUM, EXCEPT IN THE**
25 **CASE OF A VACANCY.**

26 (v) **A REQUIREMENT THAT VACANCIES ON THE BOARD OF DIRECTORS**
27 **MUST BE FILLED WITHIN 90 DAYS.**

1 (vi) AN ATTENDANCE REQUIREMENT THAT PROVIDES FOR BOTH OF THE
2 FOLLOWING:

3 (A) DURING ANY 12-MONTH PERIOD, A BOARD MEMBER MUST ATTEND AT
4 LEAST 85% OF ALL BOARD FUNCTIONS, INCLUDING, BUT NOT LIMITED TO,
5 MONTHLY BOARD MEETINGS, SCHEDULED BOARD EVENTS, AND SPECIAL AND
6 EMERGENCY BOARD MEETINGS.

7 (B) FAILURE TO MEET THIS ATTENDANCE REQUIREMENT CONSTITUTES A
8 VACATING OF THE OFFICE OF BOARD MEMBER.

9 (d) Oversee the operations of each urban high school academy
10 operating under a contract issued by the authorizing body. The
11 oversight shall be sufficient to ensure that the urban high school
12 academy is in compliance with the terms of the contract and with
13 applicable law. An authorizing body may enter into an agreement
14 with 1 or more other authorizing bodies to oversee an urban high
15 school academy operating under a contract issued by the authorizing
16 body.

17 (e) Develop and implement a process for holding an urban high
18 school academy board of directors accountable for meeting
19 applicable academic performance standards set forth in the contract
20 and for implementing corrective action for an urban high school
21 academy that does not meet those standards.

22 (f) Take necessary measures to ensure that an urban high
23 school academy board of directors operates independently of any
24 educational management company involved in the operations of the
25 urban high school academy.

26 (g) Oversee and ensure that the pupil admission process used
27 by the urban high school academy is operated in a fair and open

1 manner and is in compliance with the contract and this part.

2 (h) Ensure that the board of directors of the urban high
3 school academy maintains and releases information as necessary to
4 comply with applicable law.

5 (2) An authorizing body may enter into an agreement with 1 or
6 more other authorizing bodies to carry out any function of an
7 authorizing body under this act.

8 (3) The authorizing body for an urban high school academy is
9 the fiscal agent for the urban high school academy. A state school
10 aid payment for an urban high school academy shall be paid to the
11 authorizing body that is the fiscal agent for that urban high
12 school academy, which shall then forward the payment to the urban
13 high school academy. Within 30 days after a contract is submitted
14 to the department by an authorizing body under subsection (1), the
15 department shall issue a district code to the urban high school
16 academy for which the contract was issued. If the department does
17 not issue a district code within 30 days after a contract is filed,
18 the state treasurer shall assign a temporary district code in order
19 for the urban high school academy to receive funding under the
20 state school aid act of 1979.

21 (4) A contract issued under this part may be revoked by the
22 authorizing body that issued the contract if the authorizing body
23 determines that 1 or more of the following have occurred:

24 (a) Failure of the urban high school academy to demonstrate
25 improved pupil academic achievement for all groups of pupils or
26 meet the educational goals set forth in the contract.

27 (b) Failure of the urban high school academy to comply with

1 all applicable law.

2 (c) Failure of the urban high school academy to meet generally
3 accepted public sector accounting principles and demonstrate sound
4 fiscal stewardship.

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

7 (5) Except for an urban high school academy that is an
8 alternative school serving a special student population, if the
9 superintendent of public instruction determines that an urban high
10 school academy site that has been operating for at least 4 years is
11 among the lowest achieving 5% of all public schools in this state,
12 as defined for the purposes of the federal incentive grant program
13 created under sections 14005 and 14006 of title XIV of the American
14 recovery and reinvestment act of 2009, Public Law 111-5, is in year
15 2 of restructuring sanctions under the no child left behind act of
16 2001, Public Law 107-110, not to include the individualized
17 education plan subgroup, and is not currently undergoing
18 reconstitution under this section, the superintendent of public
19 instruction shall notify the urban high school academy's
20 authorizing body. If an authorizing body receives notice from the
21 superintendent of public instruction under this subsection, the
22 authorizing body shall amend the urban high school academy's
23 contract to eliminate the urban high school academy's authority to
24 operate the existing age and grade levels at the site and the urban
25 high school academy shall cease operating the existing age and
26 grade levels at the site, effective at the end of the current
27 school year. If the urban high school academy operates at only 1

1 site, and the authorizing body receives notice from the
2 superintendent of public instruction under this subsection, the
3 authorizing body shall revoke the urban high school academy's
4 contract, effective at the end of the current school year.

5 (6) The decision of an authorizing body to issue, not issue,
6 or reconstitute a contract under this part, or to terminate or
7 revoke a contract under this section, is solely within the
8 discretion of the authorizing body, is final, and is not subject to
9 review by a court or any state agency. An authorizing body that
10 issues, does not issue, or reconstitutes a contract under this
11 part, or that terminates or revokes a contract under this section,
12 is not liable for that action to the urban high school academy, the
13 urban high school academy corporation, a pupil of the urban high
14 school academy, the parent or guardian of a pupil of the urban high
15 school academy, or any other person.

16 (7) Except as otherwise provided in subsection (5), before an
17 authorizing body revokes a contract, the authorizing body may
18 consider and take corrective measures to avoid revocation. An
19 authorizing body may reconstitute the urban high school academy in
20 a final attempt to improve student educational performance or to
21 avoid interruption of the educational process. An authorizing body
22 shall include a reconstituting provision in the contract that
23 identifies these corrective measures, including, but not limited
24 to, removing 1 or more members of the board of directors,
25 withdrawing approval to contract under section 527, or appointing a
26 new board of directors or a trustee to take over operation of the
27 urban high school academy.

1 (8) If an authorizing body revokes a contract, the authorizing
2 body shall work with a school district or another public school, or
3 with a combination of these entities, to ensure a smooth transition
4 for the affected pupils. If the revocation occurs during the school
5 year, the authorizing body, as the fiscal agent for the urban high
6 school academy under this part, shall return any school aid funds
7 held by the authorizing body that are attributable to the affected
8 pupils to the state treasurer for deposit into the state school aid
9 fund. The state treasurer shall distribute funds to the public
10 school in which the pupils enroll after the revocation pursuant to
11 a methodology established by the department and the center for
12 educational performance and information.

13 (9) If an authorizing body revokes a contract issued under
14 this part, the authorizing body may issue a new contract within the
15 1-year period following the revocation without the new contract
16 counting toward the maximum number of contracts that may be issued
17 under this part.

18 (10) Not more than 10 days after an urban high school
19 academy's contract terminates or is revoked, the authorizing body
20 shall notify the superintendent of public instruction in writing of
21 the name of the urban high school academy whose contract has
22 terminated or been revoked and the date of contract termination or
23 revocation.

24 (11) If an urban high school academy's contract terminates or
25 is revoked, title to all real and personal property, interest in
26 real or personal property, and other assets owned by the urban high
27 school academy shall revert to the state. This property shall be

1 distributed in accordance with the following:

2 (a) Within 30 days following the termination or revocation,
3 the board of directors of an urban high school academy shall hold a
4 public meeting to adopt a plan of distribution of assets and to
5 approve the dissolution of the urban high school academy
6 corporation, all in accordance with chapter 8 of the nonprofit
7 corporation act, 1982 PA 162, MCL 450.2801 to 450.2864.

8 (b) The urban high school academy shall file a certificate of
9 dissolution with the bureau of commercial services within 10
10 business days following board approval.

11 (c) Simultaneously with the filing of the certificate of
12 dissolution under subdivision (b), the urban high school academy
13 board of directors shall provide a copy of the board of directors'
14 plan of distribution of assets to the state treasurer for approval.
15 Within 30 days, the state treasurer, or his or her designee, shall
16 review and approve the board of directors' plan of distribution of
17 assets. If the proposed plan of distribution of assets is not
18 approved within 30 days, the state treasurer, or his or her
19 designee, shall provide the board of directors with an acceptable
20 plan of distribution of assets.

21 (d) The state treasurer, or his or her designee, shall monitor
22 the urban high school academy's winding up of the dissolved
23 corporation in accordance with the plan of distribution of assets
24 approved or provided under subdivision (c).

25 (e) As part of the plan of distribution of assets, the urban
26 high school academy board of directors shall designate the director
27 of the department of technology, management, and budget, or his or

1 her designee, to dispose of all real property of the urban high
2 school academy corporation in accordance with the directives
3 developed for disposition of surplus land and facilities under
4 section 251 of the management and budget act, 1984 PA 431, MCL
5 18.1251.

6 (f) If the board of directors of an urban high school academy
7 fails to take any necessary action under this section, the state
8 treasurer, or his or her designee, may suspend the urban high
9 school academy board of directors and appoint a trustee to carry
10 out the board's plan of distribution of assets. Upon appointment,
11 the trustee shall have all the rights, powers, and privileges under
12 law that the urban high school academy board of directors had
13 before being suspended.

14 (g) Following the sale of the real or personal property or
15 interests in the real or personal property, and after payment of
16 any urban high school academy debt secured by the property or
17 interest in property, whether real or personal, the urban high
18 school academy board of directors, or a trustee appointed under
19 this section, shall forward any remaining money to the state
20 treasurer. Following receipt, the state treasurer, or his or her
21 designee, shall deposit this remaining money in the state school
22 aid fund.

23 Sec. 553. (1) An authorizing body is not required to issue a
24 contract to any person or entity. Schools of excellence contracts
25 shall be issued on a competitive basis taking into consideration
26 the resources available for the proposed school of excellence, the
27 population to be served by the proposed school of excellence, the

1 educational goals to be achieved by the proposed school of
2 excellence, and the applicant's track record, if any, in operating
3 public school academies or other public schools.

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

22 (3) Within 10 days after issuing a contract for a school of
23 excellence, the authorizing body shall submit to the superintendent
24 of public instruction a copy of the contract.

25 (4) An authorizing body shall adopt a resolution establishing
26 the method of selection, length of term, **QUORUM REQUIREMENTS**, and
27 number of members of the board of directors of each school of

1 excellence subject to its jurisdiction. The resolution shall be
2 written or amended as necessary to include ~~a~~ALL OF THE FOLLOWING:

3 (A) A requirement that each member of the board of directors
4 must be a citizen of the United States.

5 (B) A LIMIT ON THE TERM OF SERVICE OF A BOARD MEMBER TO A TERM
6 OF NOT MORE THAN 5 CONSECUTIVE YEARS, WITH AT LEAST A 10-YEAR
7 PERIOD BEFORE A MEMBER MAY SERVE AN ADDITIONAL TERM.

8 (C) A REQUIREMENT OF AT LEAST 7 MEMBERS ON A BOARD OF
9 DIRECTORS, WITH AT LEAST 2 MEMBERS BEING PARENTS OF PUPILS ENROLLED
10 IN THE SCHOOL OF EXCELLENCE.

11 (D) A REQUIREMENT OF AT LEAST 5 MEMBERS, INCLUDING THE
12 PRESIDENT OF THE BOARD OF DIRECTORS, FOR A QUORUM, EXCEPT IN THE
13 CASE OF A VACANCY.

14 (E) A REQUIREMENT THAT VACANCIES ON THE BOARD OF DIRECTORS
15 MUST BE FILLED WITHIN 90 DAYS.

16 (F) AN ATTENDANCE REQUIREMENT THAT PROVIDES FOR BOTH OF THE
17 FOLLOWING:

18 (i) DURING ANY 12-MONTH PERIOD, A BOARD MEMBER MUST ATTEND AT
19 LEAST 85% OF ALL BOARD FUNCTIONS, INCLUDING, BUT NOT LIMITED TO,
20 MONTHLY BOARD MEETINGS, SCHEDULED BOARD EVENTS, AND SPECIAL AND
21 EMERGENCY BOARD MEETINGS.

22 (ii) FAILURE TO MEET THIS ATTENDANCE REQUIREMENT CONSTITUTES A
23 VACATING OF THE OFFICE OF BOARD MEMBER.

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

26 (a) The educational goals the school of excellence is to
27 achieve and the methods by which it will be held accountable. The

1 educational goals shall include demonstrated improved pupil
2 academic achievement for all groups of pupils. To the extent
3 applicable, the pupil performance of a school of excellence shall
4 be assessed using at least a Michigan education assessment program
5 (MEAP) test or the Michigan merit examination under section 1279g,
6 as applicable.

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

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

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

14 (e) Procedures for revoking the contract and grounds for
15 revoking the contract, including at least the grounds listed in
16 section 561.

17 (f) A description of and address for the proposed physical
18 plant in which the school of excellence will be located. An
19 authorizing body may include a provision in the contract allowing
20 the board of directors of the school of excellence to operate the
21 same configuration of age or grade levels at more than 1 site if
22 each configuration of age or grade levels and each site identified
23 in the contract are under the direction and control of the board of
24 directors.

25 (g) Requirements and procedures for financial audits. The
26 financial audits shall be conducted at least annually by a
27 certified public accountant in accordance with generally accepted

1 governmental auditing principles.

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (ix) All health and safety reports and certificates, including
27 those relating to fire safety, environmental matters, asbestos

1 inspection, boiler inspection, and food service.

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

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

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

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

15 (i) That the school of excellence has made a reasonable effort
16 to advertise its enrollment openings.

17 (ii) That the school of excellence has made the following
18 additional efforts to recruit pupils who are eligible for special
19 education programs and services or English as a second language
20 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 or children with limited English-
24 speaking ability within the boundaries of the intermediate school
25 district in which the school of excellence is located.

26 (B) Inclusion in all pupil recruitment materials of a
27 statement that appropriate special education services and English

1 as a second language services will be made available to pupils
2 attending the school as required by law.

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

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

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

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

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

16 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
17 15.246.

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

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

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

21 (f) Laws concerning participation in state assessments, data
22 collection systems, state level student growth models, state
23 accountability and accreditation systems, and other public
24 comparative data collection required for public schools.

25 (7) A school of excellence and its incorporators, board
26 members, officers, employees, and volunteers have governmental
27 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An

1 authorizing body and its board members, officers, and employees are
2 immune from civil liability, both personally and professionally,
3 for an act or omission in authorizing a school of excellence if the
4 authorizing body or the person acted or reasonably believed he or
5 she acted within the authorizing body's or the person's scope of
6 authority.

7 (8) A school of excellence is exempt from all taxation on its
8 earnings and property. Unless the property is already fully exempt
9 from real and personal property taxes under the general property
10 tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by a
11 school of excellence and used exclusively for educational purposes
12 is exempt from real and personal property taxes levied for school
13 operating purposes under section 1211, to the extent exempted under
14 that section, and from real and personal property taxes levied
15 under the state education tax act, 1993 PA 331, MCL 211.901 to
16 211.906. Instruments of conveyance to or from a school of
17 excellence are exempt from all taxation including taxes imposed by
18 1966 PA 134, MCL 207.501 to 207.513. A school of excellence may not
19 levy ad valorem property taxes or another tax for any purpose.
20 However, operation of 1 or more schools of excellence by a school
21 district or intermediate school district does not affect the
22 ability of the school district or intermediate school district to
23 levy ad valorem property taxes or another tax.

24 (9) A school of excellence may acquire by purchase, gift,
25 devise, lease, sublease, installment purchase agreement, land
26 contract, option, or by any other means, hold, and own in its own
27 name buildings and other property for school purposes, and

1 interests therein, and other real and personal property, including,
2 but not limited to, interests in property subject to mortgages,
3 security interests, or other liens, necessary or convenient to
4 fulfill its purposes. For the purposes of condemnation, a school of
5 excellence may proceed under the uniform condemnation procedures
6 act, 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of
7 that act, MCL 213.56 to 213.59, or other applicable statutes, but
8 only with the express, written permission of the authorizing body
9 in each instance of condemnation and only after just compensation
10 has been determined and paid.