

# Legislative Analysis

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## REFORMING AND REDESIGNING FAILING SCHOOLS

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**House Bill 4787 (Substitute H-3)**  
**House Bill 4789 as introduced**  
**Sponsor: Rep. Tim Melton**

**House Bill 4788 (Substitute H-3)**  
**Sponsor: Rep. Bert Johnson**  
**Committee: Education**

**Complete to 6-25-09**

## A SUMMARY OF HOUSE BILLS 4787- 4789 AS REPORTED FROM COMMITTEE

### BRIEF SUMMARY:

Among other things, the bills would:

- Require the State Superintendent of Public Instruction to appoint a **school reform/redesign officer** to be chosen on the basis of the individual's competence and experience in educational reform. Certain "failing" schools would be placed under the control and supervision of the reform/redesign officer.
- Create a State **School Reform/Redesign School District** that would consist of certain failing schools throughout the state.
- Beginning with the 2009-2010 school year, **define a "failing" school** as one that has been unaccredited for four consecutive years; or has failed to achieve the federal pupil performance standard for four or more consecutive years; and has fewer than a "designated percentage" of its students scoring at least "proficient" for both mathematics and English language arts on the most recent MEAP assessments or Michigan Merit Examination. The term "designated percentage" is defined to mean 30 percent for 2010-2011, 33 percent for 2011-2012, 36 percent for 2012-2013, 39 percent for 2013-2014, 42 percent for 2014-2015, and 45 percent for 2015-2016 and thereafter.
- Establish a **process to identify and restructure "failing" schools**. If a school met the criteria for a failing school and was placed under the control of the reform officer, a review team would be appointed to identify the causes of the failure and recommend actions to remedy the situation. Their evaluation would focus on both school district and school building issues, and a report would be issued within 30 days. The state reform/redesign officer also would create and confer with a school advisory council consisting of parents and community leaders.

- Allow a **"failing" school to be placed under the oversight of the state reform/redesign officer** and operated as a "redesigned school" with modified staffing rules, either (1) under a **memorandum of understanding with the school district** that allows a renegotiation of collective bargaining agreements regarding staff assignments, seniority, and work rules, or (2) under a **performance contract with a charter school** (referred to as a "qualified entity") that meets certain performance criteria and that was selected after a request for proposals. Generally, a school would first operate under a memorandum of understanding within its regular school district and then, if there was not sufficient improvement or the MOU was violated, would be placed in the special school district and would be operated as a special charter school.
- **Expand the definition of "public school"** to include the turnaround school corporation, and the State School Reform/Redesign School District, and expand the definition of "public school academy" to include a turnaround school.
- Provide for **the creation and funding of "turnaround schools."** A turnaround school would be classified in statute as a kind of public school academy or charter school. It would be organized under the Nonprofit Corporation Act and be administered by a board of directors. It could not be organized by or affiliated with a religious organization. A turnaround school would be subject to the leadership and general supervision of the State Board of Education. A turnaround school could only be authorized by the state reform/redesign school district. (Once authorized, however, it could contract with other charter school authorizers for services.)
- Specify that there could be **one turnaround school per failing school**; that it would have to be located within the attendance area of the corresponding failing school and within the same school district; and that it would operate under a five-year contract that could be renewed if certain performance criteria were met. A turnaround school would have to enter into a contract with an approved educational management organization.
- The state reform/redesign officer would create a **High Performing School Review Team** consisting of teachers, school administrators, and other educational experts, to evaluate Michigan charter schools and similar public schools in other states to identify programs that operate high-performing public schools.
- Require the Department of Education to publish a **"watch list" of public schools in danger of meeting the failing schools criteria**, and to notify the board members and representatives of all unions who, in turn, would notify the parents of students. The watch list would include schools whose students failed to achieve federal performance standards for three or more consecutive years, and schools where fewer than 45 percent of the students scored at least proficient on the MEAP or Merit Exam in both math and English language arts.

**House Bill 4787** is the main bill in the package and amends the Revised School Code. It contains a new Part 6D, entitled "Turnaround Schools," and amends existing Part 16 of the code to add the other provisions on school reform and redesign.

**House Bill 4788** would amend Public Act 336 of 1947 (MCL 423.215), which deals with collective bargaining and employee relations for public school teachers, to specify that a collective bargaining agreement entered into under the act would be subject to the new provisions added by House Bill 4787 regarding staffing decisions in "redesigned schools."

The bill specifies that if a public school is designated as a failing public school by the state school superintendent, then for the purposes of collective bargaining, the state school reform/redesign officer would be a joint employer of the public school employees, along with the employer that operated the school.

The bill also would allow collective bargaining over the starting date of the school year, the composition of site-based decisionmaking bodies, and third-party contracting for noninstructional services. (These are currently among the topics that state law says cannot be addressed during collective bargaining in schools systems.)

**House Bill 4789** would amend the State School Aid Act (MCL 388.1606) to provide for the funding of turnaround schools, by including turnaround schools within the definition of "public school academy."

House Bills 4788 and 4789 are each tie-barred to House Bill 4787, which in turn is tie-barred to those two bills. This means, essentially, that all the bills must be enacted for any to take effect.

#### **FISCAL IMPACT:**

The bills would have an indeterminate fiscal impact on the state and school districts. The proposed turnaround schools would be a type of public school academy (PSA) for the purposes of school aid funding and as such would be paid a foundation allowance equal to the PSA maximum or the foundation allowance of the district in which they are located, whichever was less. Districts in which a failing school was closed would lose funding due to the loss of pupils, and the funding would follow the pupils to the turnaround school. The state would spend less per pupil for turnaround schools created in districts where the foundation allowance was higher than the PSA maximum, which is currently \$7,580. In addition, the bills would create additional costs for the Department of Education associated with the establishment of a state school reform/redesign officer, school review teams, and the added level of oversight for failing and turnaround schools.

## DETAILED SUMMARY OF HOUSE BILL 4787 (H-1):

### Turnaround Schools

State Reform/Redesign District as authorizer. An authorizing body would issue a contract for the organization and operation of a turnaround school. The bill defines "authorizing body" to mean the state reform/redesign school district created under the act.

Five-year contract. A contract would be issued to a qualified entity selected on a competitive basis, and could be solicited, by the state superintendent of public instruction. The authorizer could grant approval for one turnaround school for each failing public school, and would identify the failing public school that corresponded to the turnaround school. A contract would be issued for five years, and if successful, could be extended an additional five years. To earn a contract extension, the operator would have to meet, by the final year of the contract, the "80-80-18 test": 80 percent high school graduation, 80 percent average daily attendance, and an average score of 18 on the college entrance examination component of the Michigan Merit Exam.

The contract would be issued to a qualified entity selected by the State Reform/Redesign District on a competitive basis, after receiving and evaluating proposals. Under the bill, a "qualified entity" is defined, and generally means an in-state charter school operator that operates high-performing schools (as determined by a High Performing School Review Team created under the bill), or an out-of-state school operation that is similar to a public school in Michigan, or that provides comprehensive educational, administrative, management, or instructional services or staff for a school in another state, and who operates high-performing schools (as determined by a High Performing School Review Team created under the bill).

High-performing school review team. The "High Performing School Review Team" would be created by the State School Reform/Redesign Officer to evaluate charter schools in Michigan and out-of-state, to identify people or entities that operate high-performing public schools. The team would consist of at least teachers, school administrators, and other educational experts. In identifying high-performing public schools, the team would take into account the past academic performance of students at the school, past grade offerings, and student demographics. The Reform/Redesign Officer would use the evaluation to recruit entities to operate turnaround schools.

A turnaround school's five-year contract could be renewed if the following conditions were met:

- At least 80 percent of the students had graduated from high school or were determined by the Department of Education to be on track to graduate, the school had at least 80 percent average attendance, and if applicable, the school's students had an average score of at least 18 on the college entrance examination component of the Michigan Merit Examination.
- The school was meeting the other educational goals set forth in the contract.
- The school was operating in substantial compliance with the Revised School Code.

Application to create a turnaround school. To obtain a contract, a qualified entity would apply to the authorizing body, completing an application that included, among other things the sponsor's name, the board members' names (including representatives from the local community), and the articles of incorporation, as well as the proposed school's name, purpose, bylaws, governance structure, education goals (including those noted above) and the curricula and manner of assessment, the admission policy, school calendar and day schedule, the age and range of the students to be enrolled (including all of the same grade levels offered by the failing public school), descriptions of staff responsibilities, and a description of and address for the proposed buildings where the turnaround school would be located, including a financial commitment by the qualified entity to construct or renovate the buildings.

Locate within attendance area. The turnaround school would have to be located within the attendance area of the failing public school, and within the same school district.

Authorizer's fees; duties; contracts; EMOs. An authorizing body could not charge a fee that exceeded a combined total of three percent of the total state school aid received by the turnaround school, and the legislation describes the uses to which the fee could be put.

The authorizing body would not be required to issue a contract to any entity, and the state reform/redesign officer could solicit applications. Turnaround school contracts would be issued on a competitive basis, taking into consideration the resources available for the proposed school, the population to be served; and the educational goals to be achieved. The legislation specifies evaluation criteria against which applicants would be measured. It also prohibits an authorizing body from issuing a contract unless the contract requires the turnaround school to enter into an agreement for operation of the school by an established educational management organization (EMO) approved by the Department of Education.

Under the bill, a contract issued to organize and administer a turnaround school would have to contain, among other things, information about the proposed school's educational goals (including those noted above); assurance that the MEAP and Merit Exam would be used to measure achievement; a description of its compliance method; a description to be followed when amending the contract; a board-signed certificate of compliance; contract revocation procedures; a school's address (within the attendance area and school district) and description of its buildings; requirements and procedures for annual independent financial audits; policies concerning conflicts of interest; school accountability procedures, including public posting of the contract and board meeting agendas and minutes; public posting of budgets; and quarterly financial reports submitted to the authorizing body.

The contract would also have to contain a current list of teachers and copies of their teaching certificates; curriculum documents; proof of insurance; copies of facility leases or deeds and equipment leases; copies of management and service contracts; health and safety reports; any management letters issued as part of the annual financial audit; a requirement that the authorizing body must review and may disapprove any agreement between the board of directors and an educational management organization (EMO)

before the agreement is final and valid; a requirement that all procedures concerning fair and open enrollment, as specified in the bill, have been followed; inclusion in all student recruitment materials of a statement that appropriate special education services and English as a second language services are available; an open enrollment period lasting two weeks, including evening and weekend hours; a prohibition that individuals are employed in more than one full-time position; and a requirement that if requested, the board report to the authorizing body the total compensation for each person working at the turnaround school.

Legal compliance; governmental immunity; taxation. A turnaround school would be required to comply with, among others, the following laws: the Open Meetings Act, the Freedom of Information Act, the Uniform Budgeting and Accounting Act, the Revised Municipal Finance Act, and the federal No Child Left Behind Act.

A turnaround school and its incorporators, board members, officers, employees, and volunteers would have governmental immunity. An authorizing body and its board members, officers, and employees would be immune from civil liability, both personally and professionally, for any acts or omissions in authorization or oversight if they acted within its scope of authority. A turnaround school would be exempt from all taxation on its earnings and property and could not levy property taxes, or any other tax.

A turnaround school could acquire by purchase, gift, lease, or in other ways delineated in the legislation, buildings and other property for school purposes. An agreement, mortgage, loan, or other instrument of indebtedness entered into by a turnaround school and a third party would not constitute an obligation of the State of Michigan or an authorizing body. Neither the full faith-and-credit of the state nor that of an authorizing body may be pledged for the payment of any turnaround school bond, note, agreement, mortgage, loan, or other instrument of indebtedness.

Turnaround school location; tuition; enrollment priority; grade levels. A turnaround school can be located in all or part of an existing public school building. If not, it must be located within the attendance area and school district (as established by the school district that operates the failing school) of the failing public school to which it corresponds. The school cannot charge tuition, nor can it discriminate in its student admissions policies on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis that would be illegal if used by a school district. However, a turnaround school could limit admission to students who were within a particular range or age or grade level, or on any other basis that would be legal if used by a school district. Except for foreign exchange students, only Michigan residents could be enrolled.

The bill specifies that a turnaround school allow the enrollment of any child who was previously enrolled in the failing public school to which it corresponds. The school could also give priority to a sibling of a student already enrolled, and to a child of a person who was employed by the turnaround school.

A turnaround school would be required to include all of the same grade levels offered by the failing public school to which it corresponds. A turnaround school could also include

other grades or any configuration of grades, including kindergarten and early childhood education.

Teachers; certification; personnel contracts. A turnaround school would be required to use certificated teachers--that is, "only an individual holding a Michigan teaching certificate, except as otherwise provided by law."

A turnaround school may develop and implement new teaching techniques or methods, and report those to the authorizing body and to the state board in order to make them available to the public. A turnaround school could, with the approval of its authorizing body, employ or contract with personnel, or enter into a contract with another party to furnish teachers or other personnel, prescribe their duties, and fix their compensation. If health care benefits are provided, then they must be provided in accord with the Public Employees Health Benefit Act.

Authorizer responsibilities. If the authorizing body issued a contract for a turnaround school, the authorizer would be required to do all of the following:

- Ensure that the contract and the application for the contract comply with all requirements noted in the law.
- Within 10 days after issuing the contract, submit a copy to the Department of Education.
- Establish the method of selection, length of term, and number of members of the board of directors of each turnaround school that it authorizes, ensuring that the board includes representation from the local community.
- Oversee the operations of each turnaround school operating under a contract issued by the authorizing body.
- Develop and implement a process for holding a turnaround school board of directors accountable for meeting academic performance standards.
- Take necessary measures to ensure that a turnaround school board of directors operates independently of any educational management company involved in the operations of the turnaround school.
- Oversee and ensure that the student admission process is operated in a fair and open manner.
- Ensure that the board of directors of the turnaround school maintains and releases information as necessary under the law.

An authorizing body can enter into an agreement with other authorizing bodies to carry out its oversight functions.

State school aid. The authorizing body of a turnaround school is its fiscal agent. A state school aid payment for a turnaround school is paid to the authorizing body which, in turn, forwards the payment to the turnaround school. Within 30 days after a contract is submitted to the Department of Education by an authorizing body, the department must issue a district code to the turnaround school. (If the department fails to do so, then the State Treasurer issues a temporary district code so the school can receive funding.)

Contract revocation. A contract issued may be revoked by the authorizing body if one or more of the following occurs: failure of the turnaround school to abide by and meet the educational goals set forth in the contract; failure to comply with all applicable law; failure to meet generally accepted public sector accounting principles; or the existence of other grounds for revocation, as specified in the contract. The decision to issue, to re-issue, to reconstitute, or to revoke a contract, is solely within the discretion of the authorizing body. The decision is final, and it is not subject to review by a court or any state agency.

However, before an authorizing body revokes a contract, it must consider and take corrective measures, including reconstituting the school, in order to avoid revocation. Ultimately, an authorizing body is responsible for a smooth transition for affected students, and must return any school aid funds attributable to those students to the State Treasurer for redistribution to the public school in which the students enroll after revocation. (This is done following a methodology established by the department together with the Center for Educational Performance and Information.)

The authorizer must notify the State School Superintendent, in writing, of any contract revocations within 10 days. Upon revocation, title to all real and personal property and other assets owned by the turnaround school revert to the State of Michigan. Then, within 30 days, the turnaround school board of directors must meet to adopt a plan of distribution of assets and to approve the dissolution of the turnaround school corporation, all in accord with Chapter 8 of the Nonprofit Corporation Act.

That plan must be forwarded to the State Treasurer for approval, and the State Treasurer (or a designee) would monitor the dissolution process. In addition, within 10 business days after its dissolution meeting, the turnaround school board must file a certificate of dissolution with the Department of Energy, Labor, and Economic Growth. As part of the plan of distribution of assets, the turnaround school board would designate the director of the Department of Management and Budget (or a designee) to dispose of all real property of the turnaround school, in accordance with the directions developed for disposition of surplus land and facilities under the Management and Budget Act. The State Treasurer could appoint a trustee to carry out these duties, if the turnaround school board failed to do so, and any money collected from the sale of property would be deposited in the State School Aid Fund.

Special contract provisions. An authorizing body and turnaround school could include provisions in their contract that permitted the qualified entity that applied for the contract to do any of the following:

- Participate in the recruiting, interviewing, and nominating process for members of the turnaround school board of directors.
- Conduct an independent educational review, on a periodic basis, to determine whether the turnaround school was successful in implementing the educational goals set forth in the contract.
- Serve as contract administrator between the turnaround school board of directors and any educational management company contracted to operate the turnaround school.



- Make recommendations to the authorizing body and turnaround school on how to improve the turnaround school's operation.

### **Reform/Redesign Officer and Failing Schools**

State school reform/redesign officer; evaluation team. Under the bill, the State Superintendent would hire a state school reform/redesign officer who has competence and experience in educational reform. The state school reform/redesign officer would be exempt from the civil service, and directly responsible to the state school superintendent.

State school reform/redesign school district. A state school reform/redesign school district would be created, as constitutionally prescribed for the purpose of receiving state school aid, and subject to the leadership of the State Board of Education. All of the following would apply to the state school reform/redesign school district:

- It would consist of failing schools from school districts throughout the state that were placed into the district, in order to turn them around academically.
- The state reform/redesign officer would serve as the reform/redesign school district's superintendent.
- The state reform/redesign officer's powers, rights, duties, and obligations would include, but not be limited to, the following: authority over all expenditures; rights and obligations under collective bargaining agreements and employment contracts entered into by the school board for employees at the school; rights to prosecute and defend litigation; rights under statute, rule, and common law; authority to delegate any powers to designees with proper supervision; and the power to terminate contracts, or portions of contracts (excepting debt service on legally authorized bonds).

Beginning after the 2009-2010 school year, if the Department of Education determined that a school has been unaccredited for four consecutive years, or had failed to achieve the federal pupil performance standard for four or more consecutive years, and that the percentage of all pupils enrolled in the school who scored at least "proficient" on the most recent Michigan Education Assessment Program assessment or Michigan Merit Examination (as applicable) was less than the "designated percentage" in both mathematics and English language arts, then the Superintendent of Public Instruction could (but would not be required to) issue an order placing the failing public school under the control and supervision of the state school reform/redesign officer. Under the bill, the term "designated percentage" would be defined to mean 30 percent for 2010-2011, 33 percent for 2011-2012, 36 percent for 2012-2013, 39 percent for 2013-2014, 42 percent for 2014-2015, and 45 percent for 2015-2016 and thereafter.

Currently under the law, the State Superintendent must take action if the school has been unaccredited for three consecutive years.

Review team. Under the bill, within 15 days after an order placing a school under a reform/redesign officer's control, the redesign officer would appoint a review team to conduct an evaluation of the failing public school. The review team would consist of at least a teacher, a support staff member, a parent, a school administrator, a school board

member, a member of the local community, and a designee of the state superintendent. The members, excepting the designee of the state school superintendent, would serve at the pleasure of the state school reform/redesign officer. The evaluation would cover, at a minimum, standards and expectations, curriculum, instruction, time on task, learning environment, parental involvement, community involvement, staff development, planning and assessment, and governance and leadership.

That review team would submit a report within 30 days to the state reform/redesign officer, based on its evaluation that identifies the reasons for the public school's failure and contains recommendations on the measures that the state school reform/redesign officer should take to turn the school around. The board of a school district or charter school would be required to cooperate fully with a review team appointed for this purpose.

Actions to address a failing school. If a public school is designated as a failing school by the state superintendent, then all of the following apply:

- If the public school was a charter school, then the state superintendent could order the charter school's authorizing body to revoke the charter school's contract, and the charter school could be closed.
- If the public school was not a charter school, then all of the following would apply:

(1) The state school reform/redesign officer would confer with the school board that operates the school, and also with collective bargaining representatives of all of the bargaining units, to attempt to enter into a memorandum of understanding (MOU). If the parties were unable to agree to a MOU by the next January 31 after the public school was designated as a failing school, then the state school reform/redesign officer would impose a MOU on the parties and proceed under the act, based on the imposed MOU.

(2) The state school reform/redesign officer would place the failing public school into the state school reform/redesign school district created under the act, and take other specified actions if any of the following occurred:

-- If the school had operated for at least two full school years under a MOU and had failed to meet the requirements for continuing to operate under a MOU. The requirements for continuing to operate would be contained in the MOU and would include at least a requirement that the Department of Education determines either that the percentage of all students enrolled in the school who scored at least "proficient" on the most recent MEAP assessments or Michigan Merit Examination (as applicable) was at least 30 percent in either mathematics or English language arts or that the percentage of all students below the proficient achievement level used for the federal student performance standard decreased by at least 10 percent from the preceding year. (Scores labeled "provisionally proficient" would be considered as proficient for these purposes.)

-- If the state superintendent determined that the school board had failed to comply with the MOU.

Memorandum of Understanding provisions. If the state school reform/redesign officer entered into a MOU with the school board that operated the failing public school, the MOU would provide for at least all of the following:

- General oversight and supervision of the failing public school by the state school reform/redesign officer.
- The requirements for continuing to operate under the MOU.
- Continued day-to-day operation of the failing public school by the school board, but only after modification of school district policies and renegotiation of applicable collective bargaining agreements to provide for any of the following as determined by the state school reform/redesign officer:
  - (1) that any contractual or other seniority system otherwise applicable would not apply at the public school. (However, this would not allow unilateral changes in pay scales or benefits.)
  - (2) that any contractual or other work rules the reform/redesign officer determined to be impediments to achieving satisfactory student performance would not apply at the public school. (However, this subparagraph would not allow unilateral changes in pay scales or benefits.)
  - (3) that the reform/redesign officer would direct the expenditure of all state school aid attributable to students at the public school and the principal or other school leader designated by the reform/redesign officer would have full autonomy and control over curriculum and discretionary spending at the public school.
  - (4) that, for the purposes of collective bargaining under Public Act 336 of 11947, the state school reform/redesign officer would be a joint employer of the employees at the public school along with the board of the school district that operated the public schools.
  - (5) that an individual could be employed to teach at the school without holding a teaching certificate otherwise required by state law if the individual met qualifications established by the superintendent of public instruction for teaching in a failing public school operated under a MOU.

The bill specifies that the state school reform/redesign officer would be a joint employer of the employees at the school, along with the board of the school district or board of directors of the public school academy that operates the school.

Performance contract or turnaround school. If the reform/redesign officer decided to place the public school in the state school reform/redesign school district, then he or she would have to do one of two things: assume autonomous control by establishing a school performance contract or create a turnaround school (see above).

If the reform/redesign officer assumed autonomous control and oversight through a performance contract with a qualified person or entity to operate the school, then the officer would publish a request for proposals for qualified entities to enter into a performance contract with the state to operate the school. The reform/redesign officer would select the contractor and enter into a contract having at least those elements described in the bill, including provisions to address educational goals, assessments, accountability, and contract compliance. (At a minimum, the educational goals would include that at least 80 percent of the school's students graduate from high school or be determined by the Department of Education to be on track to graduate, the school have at least 80 percent average attendance, and if the school was a high school, the students have an average score of at least 18 on the college entrance examination component of the Michigan Merit Examination.)

All of the following would apply to the operation of a redesigned public school by qualified persons or entities working under a performance contract:

- The school district that operated the failing school would remain the employer of all staff, but for the purposes of collective bargaining, the state school reform/redesign district would be the joint employer of all employees working at the school, along with the board.
- A qualified person or entity managing the school could remove a staff member from a job assignment and direct that he or she be assigned elsewhere (but would make these personnel decisions without terminating a person from school district employment).
- The principal or other school leader designated by the qualified person or entity could hire and assign employees to work at the school, and an employee who worked at the school at the time it was designated as a failing school would have to reapply to be rehired (but would not be terminated from school district employment).
- With the approval of the reform/redesign district, any contractual or other work rules would not apply at the school (without allowing unilateral changes in pay scales or benefits).
- With the approval of the reform/redesign district, any contractual or other seniority system would not apply at the school.
- The principal or other school leader designated by the qualified person or entity would have full autonomy and control over curriculum and discretionary spending at the school.
- The school manager could assign to teach at the school only an individual holding a valid Michigan teaching certificate.

Educational management organizations (EMOs). The bill specifies that if a governing board of a public school enters into a contract with an educational management company to carry out the operations of a public school, then the governing board must ensure all of the following:

- That the governing board has conducted sufficient due diligence to conclude that the educational management company has sufficient educational expertise and management experience to provide the agreed services.

- That the governing board will obtain independent legal counsel in all negotiations with the educational management company.
- In the case of a charter school, that the educational management company will provide, under its contract, all financial and other information needed to comply with the reporting requirements contained in the contract between the board of directors and its authorizing body.

The bill specifies that if a governing board of a public school enters into a contract with an educational management company to carry out the operations of a public school, then the contract would have to contain at least all of the following provisions:

- A provision requiring the educational management company to provide to the governing board information regarding teachers, administrators, and support staff employed by the company and assigned to work at the public school, including at least all of the following personal information: name; education, including highest degree attained; salary; copy of teaching certificate or other required permit or credential, if required for the position; description of relevant experience; and employment record.
- A provision requiring the educational management company to provide to the governing board information regarding the business operations of the public school, including financial records and information concerning the operation of the school; financial records and information concerning leases for equipment, physical facility space, or institutional and educational materials; and financial records and information concerning mortgages and loans.
- In the case of a charter school, a provision requiring that the educational management company will make information available concerning the operation and management of the charter school, including at least all the information necessary to comply with the reporting requirements contained in the contract between the board of directors and its authorizing body.

Watch list. At least annually, the Department of Education would publish a "watch list" of public schools that were in danger of meeting the failing schools criteria, and notify the board that operated the school, and also representatives of all the bargaining units. The board would be required to notify the parents and publish a notice about its status in the school website. A school would be included on a "watch list" if the department determined that a school had *"failed to achieve the federal pupil performance standard"* for three or more consecutive years, and that the percentage of all students enrolled in the school who scored at least "proficient" on the most recent MEAP or Merit Exam was less than 45 percent in both math and English language arts.

Further, the list could include other schools if the department determined that there were other reasons why the schools were in danger of meeting the criteria. Under the bill, the phrase *"failed to achieve the federal pupil performance standard"* is defined to mean that the department has determined that the school has failed to achieve adequate yearly progress under the No Child Left Behind Act of 2001, Public Law 107-110, or has failed to meet a successor federal standard that the Superintendent of Public Instruction has identified as being a standard established by the federal government that is based on pupil performance and is required to be met in order to receive full federal funding.

The state superintendent would prioritize efforts by addressing the lowest-performing public schools first and addressing others as resources became available if he or she determined that the resources available were insufficient to address all of the "failing" public schools.

At least quarterly, the state school reform/redesign officer would submit a report to the standing committees of the Senate and House of Representatives with jurisdiction over education on the progress in student proficiency due to the measures under the act.

Definitions. The bill defines several terms, including among others "educational management company," "educational management organization," "entity," and "qualified entity." Definitions of those terms follow.

The term "educational management company" means an entity that enters into an agreement with the governing board of a public school to provide comprehensive educational, administrative, management, or instructional services or staff to the public school.

The term "educational management organization" means an entity that enters into an agreement with the governing board of a public school to provide comprehensive educational, administrative, management, or instructional services or staff to the public school.

Under the bill, a "qualified entity" means an entity that is determined by the superintendent of public instruction to meet either of the following:

(1) Meets both of the following:

- Has been issued and is currently a party to a contract to organize and operate at least one public school academy under Part 6A.
- The high-performing school review team created under Section 1280c has determined that it operates high-performing schools.

(2) Meets both of the following:

- Is an entity that operates a school in another state that is similar to a public school in Michigan or that provides comprehensive educational, administrative, management, or instructional services or staff for a school in another state that is similar to a public school in Michigan.
- The high-performing school review team created under Section 12280c has determined that it operates, or provides services or staff, for high-performing schools.

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Bethany Wicksall

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.