

**SUBSTITUTE FOR
HOUSE BILL NO. 4787**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 5, 507, and 1701a (MCL 380.5, 380.507, and
380.1701a), section 5 as amended by 2005 PA 61, section 507 as
amended by 1995 PA 289, and section 1701a as amended by 2008 PA 1,
and by adding sections 1280c and 1320 and part 6d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 (2) "Membership" means the number of full-time equivalent
7 pupils in a public school as determined by the number of pupils
8 registered for attendance plus pupils received by transfer and

1 minus pupils lost as defined by rules promulgated by the state
2 board.

3 (3) "Michigan election law" means the Michigan election law,
4 1954 PA 116, MCL 168.1 to 168.992.

5 (4) "Nonpublic school" means a private, denominational, or
6 parochial school.

7 (5) "Objectives" means measurable pupil academic skills and
8 knowledge.

9 (6) "Public school" means a public elementary or secondary
10 educational entity or agency that is established under this act,
11 has as its primary mission the teaching and learning of academic
12 and vocational-technical skills and knowledge, and is operated by a
13 school district, local act school district, special act school
14 district, intermediate school district, public school academy
15 corporation, strict discipline academy corporation, urban high
16 school academy corporation, **TURNAROUND SCHOOL CORPORATION, THE**
17 **STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT CREATED UNDER SECTION**
18 **1280C**, or by the department or state board. Public school also
19 includes a laboratory school or other elementary or secondary
20 school that is controlled and operated by a state public university
21 described in section 4, 5, or 6 of article VIII of the state
22 constitution of 1963.

23 (7) "Public school academy" means a public school academy
24 established under part 6a and, except as used in part 6a, also
25 includes an urban high school academy established under part 6c, **A**
26 **TURNAROUND SCHOOL ESTABLISHED UNDER PART 6D**, and a strict
27 discipline academy established under sections 1311b to 1311f.

1 (8) "Pupil membership count day" of a school district means
2 that term as defined in section 6 of the state school aid act of
3 1979, MCL 388.1606.

4 (9) "Regular school election" or "regular election" means the
5 election held in a school district, local act school district, or
6 intermediate school district to elect a school board member in the
7 regular course of the terms of that office and held on the school
8 district's regular election date as determined under section 642 or
9 642a of the Michigan election law, MCL 168.642 and 168.642a.

10 (10) "Reorganized intermediate school district" means an
11 intermediate school district formed by consolidation or annexation
12 of 2 or more intermediate school districts under sections 701 and
13 702.

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

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

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

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

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

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

7 (2) IF AN AUTHORIZING BODY RECEIVES NOTICE FROM THE
8 SUPERINTENDENT OF PUBLIC INSTRUCTION THAT A PUBLIC SCHOOL ACADEMY
9 THAT IT AUTHORIZED HAS BEEN DESIGNATED BY THE SUPERINTENDENT OF
10 PUBLIC INSTRUCTION AS A FAILING PUBLIC SCHOOL UNDER SECTION 1280C,
11 THE AUTHORIZING BODY MAY REVOKE THE PUBLIC SCHOOL ACADEMY'S
12 CONTRACT AND THE PUBLIC SCHOOL ACADEMY MAY BE CLOSED.

13 (3) ~~(2) The~~ EXCEPT AS PROVIDED IN SUBSECTION (2), THE decision
14 of an authorizing body to revoke a contract under this section is
15 solely within the discretion of the authorizing body, is final, and
16 is not subject to review by a court or any state agency.

17 (4) An authorizing body that revokes a contract under this
18 section is not liable for that action to the public school academy,
19 public school academy corporation, a pupil of the public school
20 academy, the parent or guardian of a pupil of the public school
21 academy, or any other person.

22 PART 6D

23 TURNAROUND SCHOOLS

24 SEC. 531. (1) A TURNAROUND SCHOOL IS A PUBLIC SCHOOL UNDER
25 SECTION 2 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963, IS A
26 SCHOOL DISTRICT FOR THE PURPOSES OF SECTION 11 OF ARTICLE IX OF THE
27 STATE CONSTITUTION OF 1963 AND FOR THE PURPOSES OF SECTIONS 1225

1 AND 1351A, AND IS SUBJECT TO THE LEADERSHIP AND GENERAL SUPERVISION
2 OF THE STATE BOARD OVER ALL PUBLIC EDUCATION UNDER SECTION 3 OF
3 ARTICLE VIII OF THE STATE CONSTITUTION OF 1963. A TURNAROUND SCHOOL
4 IS A BODY CORPORATE AND IS A GOVERNMENTAL AGENCY. THE POWERS
5 GRANTED TO A TURNAROUND SCHOOL UNDER THIS PART CONSTITUTE THE
6 PERFORMANCE OF ESSENTIAL PUBLIC PURPOSES AND GOVERNMENTAL FUNCTIONS
7 OF THIS STATE.

8 (2) AS USED IN THIS PART:

9 (A) "AUTHORIZING BODY" MEANS THE STATE REFORM/REDESIGN SCHOOL
10 DISTRICT CREATED UNDER SECTION 1280C.

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

19 (C) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT
20 ENTERS INTO AN AGREEMENT WITH THE GOVERNING BOARD OF A PUBLIC
21 SCHOOL TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE,
22 MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE PUBLIC
23 SCHOOL.

24 (D) "ENTITY" MEANS THAT TERM AS DEFINED IN PART 6A.

25 (E) "FAILING PUBLIC SCHOOL" MEANS A SCHOOL THAT IS DETERMINED
26 BY THE DEPARTMENT TO MEET THE CRITERIA UNDER SECTION 1280C(3) AND
27 IS DESIGNATED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION AS A

1 FAILING PUBLIC SCHOOL UNDER SECTION 1280C(3).

2 (F) "QUALIFIED ENTITY" MEANS AN ENTITY THAT IS DETERMINED BY
3 THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO MEET EITHER OF THE
4 FOLLOWING:

5 (i) MEETS BOTH OF THE FOLLOWING:

6 (A) HAS BEEN ISSUED AND IS CURRENTLY A PARTY TO A CONTRACT TO
7 ORGANIZE AND OPERATE AT LEAST 1 PUBLIC SCHOOL ACADEMY UNDER PART
8 6A.

9 (B) THE HIGH-PERFORMING SCHOOL REVIEW TEAM CREATED UNDER
10 SECTION 1280C HAS DETERMINED THAT IT OPERATES HIGH-PERFORMING
11 SCHOOLS.

12 (ii) MEETS BOTH OF THE FOLLOWING:

13 (A) IS AN ENTITY THAT OPERATES A SCHOOL IN ANOTHER STATE THAT
14 IS SIMILAR TO A PUBLIC SCHOOL IN THIS STATE OR THAT PROVIDES
15 COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR
16 INSTRUCTIONAL SERVICES OR STAFF FOR A SCHOOL IN ANOTHER STATE THAT
17 IS SIMILAR TO A PUBLIC SCHOOL IN THIS STATE.

18 (B) THE HIGH-PERFORMING SCHOOL REVIEW TEAM CREATED UNDER
19 SECTION 1280C HAS DETERMINED THAT IT OPERATES, OR PROVIDES SERVICES
20 OR STAFF FOR, HIGH-PERFORMING SCHOOLS.

21 SEC. 532. (1) A TURNAROUND SCHOOL SHALL BE ORGANIZED AND
22 ADMINISTERED UNDER THE DIRECTION OF A BOARD OF DIRECTORS IN
23 ACCORDANCE WITH THIS PART AND WITH BYLAWS ADOPTED BY THE BOARD OF
24 DIRECTORS. A TURNAROUND SCHOOL CORPORATION SHALL BE ORGANIZED UNDER
25 THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2101 TO
26 450.3192, EXCEPT THAT A TURNAROUND SCHOOL CORPORATION IS NOT
27 REQUIRED TO COMPLY WITH SECTIONS 170 TO 177 OF 1931 PA 327, MCL

1 450.170 TO 450.177. TO THE EXTENT DISQUALIFIED UNDER THE STATE OR
2 FEDERAL CONSTITUTION, A TURNAROUND SCHOOL SHALL NOT BE ORGANIZED BY
3 A CHURCH OR OTHER RELIGIOUS ORGANIZATION AND SHALL NOT HAVE ANY
4 ORGANIZATIONAL OR CONTRACTUAL AFFILIATION WITH OR CONSTITUTE A
5 CHURCH OR OTHER RELIGIOUS ORGANIZATION.

6 (2) THE AUTHORIZING BODY MAY ISSUE A CONTRACT FOR THE
7 ORGANIZATION AND OPERATION OF A TURNAROUND SCHOOL UNDER THIS PART.
8 ALL OF THE FOLLOWING APPLY TO THE ISSUANCE OF A CONTRACT BY THE
9 AUTHORIZING BODY:

10 (A) THE AUTHORIZING BODY SHALL NOT ISSUE MORE THAN 1
11 TURNAROUND SCHOOL CONTRACT FOR EACH FAILING PUBLIC SCHOOL.

12 (B) IN THE CONTRACT, THE AUTHORIZING BODY SHALL IDENTIFY THE
13 FAILING PUBLIC SCHOOL THAT CORRESPONDS TO THE TURNAROUND SCHOOL.

14 (C) THE CONTRACT WILL BE ISSUED TO A QUALIFIED ENTITY SELECTED
15 BY THE AUTHORIZING BODY ON A COMPETITIVE BASIS AS DESCRIBED IN
16 SECTION 533(1) AFTER RECEIVING AND EVALUATING APPLICATIONS FROM
17 QUALIFIED ENTITIES. THE AUTHORIZING BODY MAY SOLICIT APPLICATIONS
18 FROM QUALIFIED ENTITIES.

19 (3) A CONTRACT ISSUED UNDER THIS PART SHALL BE ISSUED FOR AN
20 INITIAL TERM OF 5 YEARS. IF AT THE END OF THE 5-YEAR PERIOD THE
21 TURNAROUND SCHOOL IS DETERMINED BY THE DEPARTMENT TO MEET ALL OF
22 THE FOLLOWING, THE AUTHORIZING BODY MAY RENEW THE CONTRACT FOR
23 SUBSEQUENT 5-YEAR TERMS:

24 (A) AT LEAST 80% OF THE SCHOOL'S PUPILS GRADUATE FROM HIGH
25 SCHOOL OR ARE DETERMINED BY THE DEPARTMENT TO BE ON TRACK TO
26 GRADUATE FROM HIGH SCHOOL, THE SCHOOL HAS AT LEAST 80% AVERAGE
27 ATTENDANCE, AND, IF THE SCHOOL IS A HIGH SCHOOL, THE SCHOOL'S

1 PUPILS HAVE AN AVERAGE SCORE OF AT LEAST 18 ON THE COLLEGE ENTRANCE
2 EXAMINATION COMPONENT OF THE MICHIGAN MERIT EXAMINATION.

3 (B) IS MEETING THE OTHER EDUCATIONAL GOALS SET FORTH IN THE
4 CONTRACT.

5 (C) IS OPERATING IN SUBSTANTIAL COMPLIANCE WITH THIS PART.

6 (4) TO OBTAIN A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE
7 TURNAROUND SCHOOLS, A QUALIFIED ENTITY MAY APPLY TO THE AUTHORIZING
8 BODY, AS DESCRIBED IN SUBSECTION (2). THE CONTRACT SHALL BE ISSUED
9 TO A TURNAROUND SCHOOL CORPORATION DESIGNATED BY THE QUALIFIED
10 ENTITY APPLYING FOR THE CONTRACT. THE APPLICATION SHALL INCLUDE AT
11 LEAST ALL OF THE FOLLOWING:

12 (A) NAME OF THE QUALIFIED ENTITY APPLYING FOR THE CONTRACT.

13 (B) SUBJECT TO THE ACTION OF THE AUTHORIZING BODY UNDER
14 SECTION 538(1)(C), A LIST OF THE PROPOSED MEMBERS OF THE BOARD OF
15 DIRECTORS OF THE TURNAROUND SCHOOL AND A DESCRIPTION OF THE
16 QUALIFICATIONS AND METHOD FOR APPOINTMENT OR ELECTION OF MEMBERS OF
17 THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS SHALL INCLUDE
18 REPRESENTATION FROM THE LOCAL COMMUNITY.

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

21 (i) THE NAME OF THE PROPOSED TURNAROUND SCHOOL TO WHICH THE
22 CONTRACT WILL BE ISSUED.

23 (ii) THE PURPOSES FOR THE TURNAROUND SCHOOL CORPORATION. THIS
24 LANGUAGE SHALL PROVIDE THAT THE TURNAROUND SCHOOL IS INCORPORATED
25 PURSUANT TO THIS PART AND THAT THE TURNAROUND SCHOOL CORPORATION IS
26 A GOVERNMENTAL ENTITY AND POLITICAL SUBDIVISION OF THIS STATE.

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

1 BE EFFECTIVE.

2 (iv) OTHER MATTERS CONSIDERED DESIRABLE TO BE IN THE ARTICLES
3 OF INCORPORATION.

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

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

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

8 (ii) A COPY OF THE EDUCATIONAL GOALS OF THE TURNAROUND SCHOOL
9 AND THE CURRICULA TO BE OFFERED AND METHODS OF PUPIL ASSESSMENT TO
10 BE USED BY THE TURNAROUND SCHOOL. TO THE EXTENT APPLICABLE, THE
11 PROGRESS OF THE PUPILS IN THE TURNAROUND SCHOOL SHALL BE ASSESSED
12 USING AT LEAST A MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TEST
13 OR THE MICHIGAN MERIT EXAMINATION DEVELOPED UNDER SECTION 1279G, AS
14 APPLICABLE. THE EDUCATIONAL GOALS SHALL INCLUDE THAT, BY THE LAST
15 YEAR OF THE CONTRACT, AT LEAST 80% OF THE SCHOOL'S PUPILS WILL
16 GRADUATE FROM HIGH SCHOOL OR BE DETERMINED BY THE DEPARTMENT TO BE
17 ON TRACK TO GRADUATE FROM HIGH SCHOOL, THE SCHOOL WILL HAVE AT
18 LEAST 80% AVERAGE ATTENDANCE, AND, IF THE SCHOOL IS A HIGH SCHOOL,
19 THE SCHOOL'S PUPILS WILL HAVE AN AVERAGE SCORE OF AT LEAST 18 ON
20 THE COLLEGE ENTRANCE EXAMINATION COMPONENT OF THE MICHIGAN MERIT
21 EXAMINATION.

22 (iii) THE ADMISSION POLICY AND CRITERIA TO BE MAINTAINED BY THE
23 TURNAROUND SCHOOL. THE ADMISSION POLICY AND CRITERIA SHALL COMPLY
24 WITH SECTION 534. THIS PART OF THE APPLICATION ALSO SHALL INCLUDE A
25 DESCRIPTION OF HOW THE APPLICANT WILL PROVIDE TO THE GENERAL PUBLIC
26 ADEQUATE NOTICE THAT A TURNAROUND SCHOOL IS BEING CREATED AND
27 ADEQUATE INFORMATION ON THE ADMISSION POLICY, CRITERIA, AND

1 PROCESS.

2 (iv) THE SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE.

3 (v) THE AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED. THE GRADE
4 RANGE SHALL INCLUDE AT LEAST ALL OF THE SAME GRADE LEVELS OFFERED
5 BY THE FAILING PUBLIC SCHOOL THAT IS IDENTIFIED UNDER SUBSECTION
6 (2) AS CORRESPONDING TO THE TURNAROUND SCHOOL.

7 (F) DESCRIPTIONS OF STAFF RESPONSIBILITIES AND OF THE
8 TURNAROUND SCHOOL'S GOVERNANCE STRUCTURE.

9 (G) A DESCRIPTION OF AND ADDRESS FOR THE PROPOSED BUILDING OR
10 BUILDINGS IN WHICH THE TURNAROUND SCHOOL WILL BE LOCATED, AND A
11 FINANCIAL COMMITMENT BY THE QUALIFIED ENTITY APPLYING FOR THE
12 CONTRACT TO CONSTRUCT OR RENOVATE THE BUILDING OR BUILDINGS THAT
13 WILL BE OCCUPIED BY THE TURNAROUND SCHOOL THAT IS ISSUED THE
14 CONTRACT. A TURNAROUND SCHOOL MUST BE LOCATED WITHIN THE ATTENDANCE
15 AREA OF THE FAILING PUBLIC SCHOOL THAT CORRESPONDS TO THE
16 TURNAROUND SCHOOL, AS ESTABLISHED BY THE SCHOOL DISTRICT THAT
17 OPERATED THE FAILING PUBLIC SCHOOL, AND WITHIN THE SAME SCHOOL
18 DISTRICT AS THAT FAILING PUBLIC SCHOOL IS LOCATED.

19 (5) THE AUTHORIZING BODY SHALL NOT CHARGE A FEE, OR REQUIRE
20 REIMBURSEMENT OF EXPENSES, FOR CONSIDERING AN APPLICATION FOR A
21 CONTRACT, FOR ISSUING A CONTRACT, OR FOR PROVIDING OVERSIGHT OF A
22 CONTRACT FOR A TURNAROUND SCHOOL IN AN AMOUNT THAT EXCEEDS A
23 COMBINED TOTAL OF 3% OF THE TOTAL STATE SCHOOL AID RECEIVED BY THE
24 TURNAROUND SCHOOL IN THE SCHOOL YEAR IN WHICH THE FEES OR EXPENSES
25 ARE CHARGED. ALL OF THE FOLLOWING APPLY TO THIS FEE:

26 (A) THE AUTHORIZING BODY MAY USE THIS FEE ONLY FOR THE
27 FOLLOWING PURPOSES:

1 (i) CONSIDERING APPLICATIONS AND ISSUING OR ADMINISTERING
2 CONTRACTS.

3 (ii) COMPLIANCE MONITORING AND OVERSIGHT OF TURNAROUND SCHOOLS.

4 (iii) TRAINING FOR TURNAROUND SCHOOL APPLICANTS, ADMINISTRATORS,
5 AND BOARDS OF DIRECTORS.

6 (iv) TECHNICAL ASSISTANCE TO TURNAROUND SCHOOLS.

7 (v) ACADEMIC SUPPORT TO TURNAROUND SCHOOLS OR TO PUPILS OR
8 GRADUATES OF TURNAROUND SCHOOLS.

9 (vi) EVALUATION OF TURNAROUND SCHOOL PERFORMANCE.

10 (vii) TRAINING OF TEACHERS, INCLUDING SUPERVISION OF TEACHER
11 INTERNS.

12 (viii) OTHER PURPOSES THAT ASSIST THE TURNAROUND SCHOOL OR
13 TRADITIONAL PUBLIC SCHOOLS IN ACHIEVING IMPROVED ACADEMIC
14 PERFORMANCE.

15 (B) THE AUTHORIZING BODY MAY PROVIDE OTHER SERVICES FOR A
16 TURNAROUND SCHOOL AND CHARGE A FEE FOR THOSE SERVICES, BUT SHALL
17 NOT REQUIRE SUCH AN ARRANGEMENT AS A CONDITION TO ISSUING THE
18 CONTRACT AUTHORIZING THE TURNAROUND SCHOOL.

19 (6) A TURNAROUND SCHOOL SHALL BE PRESUMED TO BE LEGALLY
20 ORGANIZED IF IT HAS EXERCISED THE FRANCHISES AND PRIVILEGES OF A
21 TURNAROUND SCHOOL FOR AT LEAST 2 YEARS.

22 SEC. 533. (1) THE AUTHORIZING BODY IS NOT REQUIRED TO ISSUE A
23 CONTRACT TO ANY ENTITY. TURNAROUND SCHOOL CONTRACTS SHALL BE ISSUED
24 ON A COMPETITIVE BASIS TAKING INTO CONSIDERATION THE RESOURCES
25 AVAILABLE FOR THE PROPOSED TURNAROUND SCHOOL, THE POPULATION TO BE
26 SERVED BY THE PROPOSED TURNAROUND SCHOOL, AND THE EDUCATIONAL GOALS
27 TO BE ACHIEVED BY THE PROPOSED TURNAROUND SCHOOL. HOWEVER, THE

1 STATE SCHOOL REFORM/REDESIGN OFFICER MAY SOLICIT APPLICATIONS FROM
2 QUALIFIED ENTITIES. IN EVALUATING IF AN APPLICANT IS QUALIFIED, THE
3 AUTHORIZING BODY SHALL EXAMINE THE PROPOSED PERFORMANCE STANDARDS,
4 PROPOSED ACADEMIC PROGRAM, FINANCIAL VIABILITY OF THE APPLICANT,
5 AND THE ABILITY OF THE PROPOSED BOARD OF DIRECTORS TO MEET THE
6 CONTRACT GOALS AND OBJECTIVES. THE AUTHORIZING BODY SHALL NOT ISSUE
7 A CONTRACT UNLESS THE CONTRACT REQUIRES THE TURNAROUND SCHOOL TO
8 ENTER INTO AN AGREEMENT FOR OPERATION OF THE SCHOOL BY AN
9 ESTABLISHED EDUCATIONAL MANAGEMENT ORGANIZATION APPROVED BY THE
10 DEPARTMENT.

11 (2) A CONTRACT ISSUED TO ORGANIZE AND ADMINISTER A TURNAROUND
12 SCHOOL SHALL CONTAIN AT LEAST ALL OF THE FOLLOWING:

13 (A) THE EDUCATIONAL GOALS THE TURNAROUND SCHOOL IS TO ACHIEVE
14 AND THE METHODS BY WHICH IT WILL BE HELD ACCOUNTABLE. TO THE EXTENT
15 APPLICABLE, THE PUPIL PERFORMANCE OF A TURNAROUND SCHOOL SHALL BE
16 ASSESSED USING AT LEAST A MICHIGAN EDUCATION ASSESSMENT PROGRAM
17 (MEAP) TEST OR THE MICHIGAN MERIT EXAMINATION DEVELOPED UNDER
18 SECTION 1279G, AS APPLICABLE. THE EDUCATIONAL GOALS SHALL INCLUDE
19 THAT, BY THE LAST YEAR OF THE CONTRACT, AT LEAST 80% OF THE
20 SCHOOL'S PUPILS WILL GRADUATE FROM HIGH SCHOOL OR BE DETERMINED BY
21 THE DEPARTMENT TO BE ON TRACK TO GRADUATE FROM HIGH SCHOOL, THE
22 SCHOOL WILL HAVE AT LEAST 80% AVERAGE ATTENDANCE, AND, IF THE
23 SCHOOL IS A HIGH SCHOOL, THE SCHOOL'S PUPILS WILL HAVE AN AVERAGE
24 SCORE OF AT LEAST 18 ON THE COLLEGE ENTRANCE EXAMINATION COMPONENT
25 OF THE MICHIGAN MERIT EXAMINATION.

26 (B) A DESCRIPTION OF THE METHOD TO BE USED TO MONITOR THE
27 TURNAROUND SCHOOL'S COMPLIANCE WITH APPLICABLE LAW AND ITS

1 PERFORMANCE IN MEETING ITS TARGETED EDUCATIONAL OBJECTIVES.

2 (C) A DESCRIPTION OF THE PROCESS FOR AMENDING THE CONTRACT
3 DURING THE TERM OF THE CONTRACT. THE AUTHORIZING BODY MAY APPROVE
4 AMENDMENT OF THE CONTRACT WITH RESPECT TO ANY PROVISION CONTAINED
5 IN THE CONTRACT EXCEPT FOR THE LOCATION OF THE BUILDING OR
6 BUILDINGS TO BE OPERATED BY THE TURNAROUND SCHOOL.

7 (D) A CERTIFICATION, SIGNED BY AN AUTHORIZED MEMBER OF THE
8 TURNAROUND SCHOOL BOARD OF DIRECTORS, THAT THE TURNAROUND SCHOOL
9 WILL COMPLY WITH THE CONTRACT AND ALL APPLICABLE LAW.

10 (E) PROCEDURES FOR REVOKING THE CONTRACT AND GROUNDS FOR
11 REVOKING THE CONTRACT. THE GROUNDS SHALL INCLUDE, BUT ARE NOT
12 LIMITED TO, THE FAILURE TO MEET THE REQUIREMENTS FOR RENEWAL OF A
13 CONTRACT UNDER SECTION 532(3)(A) TO (C) WITHIN 5 YEARS.

14 (F) A DESCRIPTION OF AND ADDRESS FOR THE PROPOSED BUILDING OR
15 BUILDINGS IN WHICH THE TURNAROUND SCHOOL WILL BE LOCATED. A
16 TURNAROUND SCHOOL MUST BE LOCATED WITHIN THE ATTENDANCE AREA OF THE
17 FAILING PUBLIC SCHOOL THAT CORRESPONDS TO THE TURNAROUND SCHOOL, AS
18 ESTABLISHED BY THE SCHOOL DISTRICT THAT OPERATED THE FAILING PUBLIC
19 SCHOOL.

20 (G) REQUIREMENTS AND PROCEDURES FOR FINANCIAL AUDITS. THE
21 FINANCIAL AUDITS SHALL BE CONDUCTED AT LEAST ANNUALLY BY AN
22 INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT IN ACCORDANCE WITH
23 GENERALLY ACCEPTED GOVERNMENTAL AUDITING PRINCIPLES.

24 (H) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL ENSURE
25 COMPLIANCE WITH THE REQUIREMENTS OF 1968 PA 317, MCL 15.321 TO
26 15.330.

27 (I) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL PROHIBIT

1 SPECIFICALLY IDENTIFIED FAMILY RELATIONSHIPS BETWEEN MEMBERS OF THE
2 BOARD OF DIRECTORS, INDIVIDUALS WHO HAVE AN OWNERSHIP INTEREST IN
3 OR WHO ARE OFFICERS OR EMPLOYEES OF AN EDUCATIONAL MANAGEMENT
4 COMPANY INVOLVED IN THE OPERATION OF THE TURNAROUND SCHOOL, AND
5 EMPLOYEES OF THE TURNAROUND SCHOOL. THE CONTRACT SHALL IDENTIFY THE
6 SPECIFIC PROHIBITED RELATIONSHIPS CONSISTENT WITH APPLICABLE LAW.

7 (J) A REQUIREMENT THAT THE BOARD OF DIRECTORS OF THE
8 TURNAROUND SCHOOL SHALL MAKE INFORMATION CONCERNING ITS OPERATION
9 AND MANAGEMENT AVAILABLE TO THE PUBLIC AND TO THE AUTHORIZING BODY
10 IN THE SAME MANNER AS IS REQUIRED BY STATE LAW FOR SCHOOL
11 DISTRICTS.

12 (K) A REQUIREMENT THAT THE BOARD OF DIRECTORS OF THE
13 TURNAROUND SCHOOL SHALL COLLECT, MAINTAIN, AND MAKE AVAILABLE TO
14 THE PUBLIC AND THE AUTHORIZING BODY, IN ACCORDANCE WITH APPLICABLE
15 LAW AND THE CONTRACT, AT LEAST ALL OF THE FOLLOWING INFORMATION
16 CONCERNING THE OPERATION AND MANAGEMENT OF THE TURNAROUND SCHOOL:

17 (i) A COPY OF THE CONTRACT ISSUED BY THE AUTHORIZING BODY FOR
18 THE TURNAROUND SCHOOL.

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

26 (iii) QUARTERLY FINANCIAL REPORTS SUBMITTED TO THE AUTHORIZING
27 BODY.

1 (iv) A CURRENT LIST OF TEACHERS WORKING AT THE TURNAROUND
2 SCHOOL THAT INCLUDES THEIR INDIVIDUAL SALARIES; COPIES OF THE
3 TEACHING CERTIFICATES OR PERMITS OF CURRENT TEACHING STAFF; AND
4 EVIDENCE OF COMPLIANCE WITH THE CRIMINAL BACKGROUND AND RECORDS
5 CHECKS AND UNPROFESSIONAL CONDUCT CHECK REQUIRED UNDER SECTIONS
6 1230, 1230A, AND 1230B FOR ALL TEACHERS AND ADMINISTRATORS WORKING
7 AT THE TURNAROUND SCHOOL.

8 (v) CURRICULUM DOCUMENTS AND MATERIALS GIVEN TO THE
9 AUTHORIZING BODY.

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

11 (vii) COPIES OF FACILITY LEASES OR DEEDS, OR BOTH, AND OF ANY
12 EQUIPMENT LEASES.

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

15 (ix) ALL HEALTH AND SAFETY REPORTS AND CERTIFICATES, INCLUDING
16 THOSE RELATING TO FIRE SAFETY, ENVIRONMENTAL MATTERS, ASBESTOS
17 INSPECTION, BOILER INSPECTION, AND FOOD SERVICE.

18 (x) ANY MANAGEMENT LETTERS ISSUED AS PART OF THE ANNUAL
19 FINANCIAL AUDIT UNDER SUBDIVISION (G).

20 (xi) ANY OTHER INFORMATION SPECIFICALLY REQUIRED UNDER THIS
21 ACT.

22 (l) A REQUIREMENT THAT THE AUTHORIZING BODY MUST REVIEW AND MAY
23 DISAPPROVE ANY AGREEMENT BETWEEN THE BOARD OF DIRECTORS AND AN
24 EDUCATIONAL MANAGEMENT ORGANIZATION BEFORE THE AGREEMENT IS FINAL
25 AND VALID.

26 (m) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL
27 DEMONSTRATE ALL OF THE FOLLOWING TO THE SATISFACTION OF THE

House Bill No. 4787 (H-5) as amended June 25, 2009

1 AUTHORIZING BODY WITH REGARD TO ITS PUPIL ADMISSION PROCESS:

2 (i) THAT THE TURNAROUND SCHOOL HAS MADE A REASONABLE EFFORT TO
3 ADVERTISE ITS ENROLLMENT OPENINGS [.

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6 (ii) THAT THE TURNAROUND SCHOOL HAS MADE THE FOLLOWING
7 ADDITIONAL EFFORTS TO RECRUIT PUPILS WHO ARE ELIGIBLE FOR SPECIAL
8 EDUCATION PROGRAMS AND SERVICES OR ENGLISH AS A SECOND LANGUAGE
9 SERVICES TO APPLY FOR ADMISSION:

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

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

19 (iii) THAT THE OPEN ENROLLMENT PERIOD FOR THE TURNAROUND SCHOOL
20 IS FOR A DURATION OF AT LEAST 2 WEEKS AND THAT THE ENROLLMENT TIMES
21 INCLUDE SOME EVENING AND WEEKEND TIMES.

22 (N) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL PROHIBIT
23 ANY INDIVIDUAL FROM BEING EMPLOYED BY THE TURNAROUND SCHOOL IN MORE
24 THAN 1 FULL-TIME POSITION AND SIMULTANEOUSLY BEING COMPENSATED AT A
25 FULL-TIME RATE FOR EACH OF THOSE POSITIONS.

26 (O) A REQUIREMENT THAT, IF REQUESTED, THE BOARD OF DIRECTORS
27 SHALL REPORT TO THE AUTHORIZING BODY THE TOTAL COMPENSATION FOR

1 EACH INDIVIDUAL WORKING AT THE TURNAROUND SCHOOL.

2 (3) A TURNAROUND SCHOOL SHALL COMPLY WITH ALL APPLICABLE LAW,
3 INCLUDING ALL OF THE FOLLOWING:

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

5 (B) THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
6 15.246.

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

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

9 (E) 1978 PA 566, MCL 15.181 TO 15.185.

10 (F) 1968 PA 317, MCL 15.321 TO 15.330.

11 (G) THE UNIFORM BUDGETING AND ACCOUNTING ACT, 1968 PA 2, MCL
12 141.421 TO 141.440A.

13 (H) THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL
14 141.2101 TO 141.2821.

15 (I) THE FEDERAL NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW
16 107-110.

17 (J) SECTIONS 1134, 1135, 1146, 1153, 1263, 1267, 1274, AND
18 1280.

19 (4) A TURNAROUND SCHOOL AND ITS INCORPORATORS, BOARD MEMBERS,
20 OFFICERS, EMPLOYEES, AND VOLUNTEERS HAVE GOVERNMENTAL IMMUNITY AS
21 PROVIDED IN SECTION 7 OF 1964 PA 170, MCL 691.1407. AN AUTHORIZING
22 BODY AND ITS BOARD MEMBERS, OFFICERS, AND EMPLOYEES ARE IMMUNE FROM
23 CIVIL LIABILITY, BOTH PERSONALLY AND PROFESSIONALLY, FOR ANY ACTS
24 OR OMISSIONS IN AUTHORIZING OR OVERSIGHT OF A TURNAROUND SCHOOL IF
25 THE AUTHORIZING BODY OR THE PERSON ACTED OR REASONABLY BELIEVED HE
26 OR SHE ACTED WITHIN THE AUTHORIZING BODY'S OR THE PERSON'S SCOPE OF
27 AUTHORITY.

1 (5) A TURNAROUND SCHOOL IS EXEMPT FROM ALL TAXATION ON ITS
2 EARNINGS AND PROPERTY. INSTRUMENTS OF CONVEYANCE TO OR FROM A
3 TURNAROUND SCHOOL ARE EXEMPT FROM ALL TAXATION, INCLUDING TAXES
4 IMPOSED BY 1966 PA 134, MCL 207.501 TO 207.513. A TURNAROUND SCHOOL
5 MAY NOT LEVY AD VALOREM PROPERTY TAXES OR ANY OTHER TAX FOR ANY
6 PURPOSE.

7 (6) A TURNAROUND SCHOOL MAY ACQUIRE BY PURCHASE, GIFT, DEVISE,
8 LEASE, SUBLEASE, INSTALLMENT PURCHASE AGREEMENT, LAND CONTRACT,
9 OPTION, OR ANY OTHER MEANS, HOLD, AND OWN IN ITS OWN NAME BUILDINGS
10 AND OTHER PROPERTY FOR SCHOOL PURPOSES, AND INTERESTS THEREIN, AND
11 OTHER REAL AND PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO,
12 INTERESTS IN PROPERTY SUBJECT TO MORTGAGES, SECURITY INTERESTS, OR
13 OTHER LIENS, NECESSARY OR CONVENIENT TO FULFILL ITS PURPOSES. FOR
14 THE PURPOSES OF CONDEMNATION, A TURNAROUND SCHOOL MAY PROCEED UNDER
15 THE UNIFORM CONDEMNATION PROCEDURES ACT, 1980 PA 87, MCL 213.51 TO
16 213.75, EXCLUDING SECTIONS 6 TO 9 OF THAT ACT, MCL 213.56 TO
17 213.59, OR OTHER APPLICABLE STATUTES, BUT ONLY WITH THE EXPRESS,
18 WRITTEN PERMISSION OF THE AUTHORIZING BODY IN EACH INSTANCE OF
19 CONDEMNATION AND ONLY AFTER JUST COMPENSATION HAS BEEN DETERMINED
20 AND PAID.

21 SEC. 533A. (1) AN AGREEMENT, MORTGAGE, LOAN, OR OTHER
22 INSTRUMENT OF INDEBTEDNESS ENTERED INTO BY A TURNAROUND SCHOOL AND
23 A THIRD PARTY DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL,
24 SPECIAL, OR MORAL, OF THIS STATE OR THE AUTHORIZING BODY. THE FULL
25 FAITH AND CREDIT OR THE TAXING POWER OF THIS STATE OR ANY AGENCY OF
26 THIS STATE, OR THE FULL FAITH AND CREDIT OF THE AUTHORIZING BODY,
27 MAY NOT BE PLEDGED FOR THE PAYMENT OF ANY TURNAROUND SCHOOL BOND,

1 NOTE, AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF
2 INDEBTEDNESS.

3 (2) THIS PART DOES NOT IMPOSE ANY LIABILITY ON THIS STATE OR
4 ON THE AUTHORIZING BODY FOR ANY DEBT INCURRED BY A TURNAROUND
5 SCHOOL.

6 SEC. 534. (1) A TURNAROUND SCHOOL MAY BE LOCATED IN ALL OR
7 PART OF AN EXISTING PUBLIC SCHOOL BUILDING. A TURNAROUND SCHOOL
8 SHALL NOT OPERATE AT A SITE OTHER THAN THE SINGLE SITE REQUESTED
9 FOR THE CONFIGURATION OF GRADES THAT WILL USE THE SITE, AS
10 SPECIFIED IN THE CONTRACT. A TURNAROUND SCHOOL SHALL NOT RELOCATE
11 TO A DIFFERENT LOCATION THAN THE SITE OR SITES SPECIFIED IN THE
12 CONTRACT. A TURNAROUND SCHOOL MUST BE LOCATED WITHIN THE ATTENDANCE
13 AREA OF THE FAILING PUBLIC SCHOOL THAT IS IDENTIFIED UNDER SECTION
14 532(2) AS CORRESPONDING TO THE TURNAROUND SCHOOL, AS ESTABLISHED BY
15 THE SCHOOL DISTRICT THAT OPERATED THE FAILING PUBLIC SCHOOL.

16 (2) A TURNAROUND SCHOOL SHALL NOT CHARGE TUITION. EXCEPT AS
17 OTHERWISE PROVIDED IN THIS SECTION, A TURNAROUND SCHOOL SHALL NOT
18 DISCRIMINATE IN ITS PUPIL ADMISSIONS POLICIES OR PRACTICES ON THE
19 BASIS OF INTELLECTUAL OR ATHLETIC ABILITY, MEASURES OF ACHIEVEMENT
20 OR APTITUDE, STATUS AS A HANDICAPPED PERSON, OR ANY OTHER BASIS
21 THAT WOULD BE ILLEGAL IF USED BY A SCHOOL DISTRICT. HOWEVER, A
22 TURNAROUND SCHOOL MAY LIMIT ADMISSION TO PUPILS WHO ARE WITHIN A
23 PARTICULAR RANGE OF AGE OR GRADE LEVEL OR ON ANY OTHER BASIS THAT
24 WOULD BE LEGAL IF USED BY A SCHOOL DISTRICT AND SHALL COMPLY WITH
25 SUBSECTIONS (3) AND (4).

26 (3) EXCEPT FOR A FOREIGN EXCHANGE STUDENT WHO IS NOT A UNITED
27 STATES CITIZEN, A TURNAROUND SCHOOL SHALL NOT ENROLL A PUPIL WHO IS

1 NOT A RESIDENT OF THIS STATE. ENROLLMENT IN A TURNAROUND SCHOOL
2 SHALL BE OPEN TO ALL PUPILS WHO RESIDE IN THIS STATE WHO MEET THE
3 ADMISSION POLICY. SUBJECT TO SUBSECTION (4), IF THERE ARE MORE
4 APPLICATIONS TO ENROLL IN THE TURNAROUND SCHOOL THAN THERE ARE
5 SPACES AVAILABLE, PUPILS SHALL BE SELECTED TO ATTEND USING A RANDOM
6 SELECTION PROCESS. A TURNAROUND SCHOOL SHALL ALLOW ANY PUPIL WHO
7 WAS ENROLLED IN THE TURNAROUND SCHOOL IN THE IMMEDIATELY PRECEDING
8 SCHOOL YEAR TO ENROLL IN THE TURNAROUND SCHOOL IN THE APPROPRIATE
9 GRADE UNLESS THE APPROPRIATE GRADE IS NOT OFFERED AT THAT
10 TURNAROUND SCHOOL.

11 (4) A TURNAROUND SCHOOL SHALL ALLOW A CHILD WHO WAS PREVIOUSLY
12 ENROLLED IN THE FAILING PUBLIC SCHOOL THAT IS IDENTIFIED UNDER
13 SECTION 532(2) AS CORRESPONDING TO THE TURNAROUND SCHOOL TO ENROLL
14 IN THE TURNAROUND SCHOOL. A TURNAROUND SCHOOL ALSO MAY GIVE
15 ENROLLMENT PRIORITY TO 1 OR MORE OF THE FOLLOWING:

16 (A) A SIBLING OF A PUPIL ENROLLED IN THE TURNAROUND SCHOOL.

17 (B) A CHILD OF A PERSON WHO IS EMPLOYED BY OR AT THE
18 TURNAROUND SCHOOL OR WHO IS ON THE BOARD OF DIRECTORS OF THE
19 TURNAROUND SCHOOL. AS USED IN THIS SUBDIVISION, "CHILD" INCLUDES AN
20 ADOPTED CHILD OR A LEGAL WARD.

21 (5) A TURNAROUND SCHOOL SHALL INCLUDE AT LEAST ALL OF THE SAME
22 GRADE LEVELS OFFERED BY THE FAILING PUBLIC SCHOOL THAT IS
23 IDENTIFIED UNDER SECTION 532(2) AS CORRESPONDING TO THE TURNAROUND
24 SCHOOL. A TURNAROUND SCHOOL ALSO MAY INCLUDE OTHER GRADES OR ANY
25 CONFIGURATION OF THOSE GRADES, INCLUDING KINDERGARTEN AND EARLY
26 CHILDHOOD EDUCATION, AS SPECIFIED IN ITS CONTRACT.

27 SEC. 535. IN ADDITION TO OTHER POWERS SET FORTH IN THIS PART,

1 A TURNAROUND SCHOOL MAY TAKE ACTION TO CARRY OUT THE PURPOSES FOR
2 WHICH IT WAS INCORPORATED UNDER THIS PART, INCLUDING, BUT NOT
3 LIMITED TO, ALL OF THE FOLLOWING:

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

5 (B) SUBJECT TO SECTION 533A, TO ACQUIRE, HOLD, AND OWN IN ITS
6 OWN NAME REAL AND PERSONAL PROPERTY, OR INTERESTS IN REAL OR
7 PERSONAL PROPERTY, FOR EDUCATIONAL PURPOSES BY PURCHASE, GIFT,
8 GRANT, DEVISE, BEQUEST, LEASE, SUBLEASE, INSTALLMENT PURCHASE
9 AGREEMENT, LAND CONTRACT, OPTION, OR CONDEMNATION, AND SUBJECT TO
10 MORTGAGES, SECURITY INTERESTS, OR OTHER LIENS; AND TO SELL OR
11 CONVEY THE PROPERTY AS THE INTERESTS OF THE TURNAROUND SCHOOL
12 REQUIRE.

13 (C) TO RECEIVE, DISBURSE, AND PLEDGE FUNDS FOR LAWFUL
14 PURPOSES.

15 (D) TO ENTER INTO BINDING LEGAL AGREEMENTS WITH PERSONS OR
16 ENTITIES AS NECESSARY FOR THE OPERATION, MANAGEMENT, FINANCING, AND
17 MAINTENANCE OF THE TURNAROUND SCHOOL.

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

19 (F) TO SOLICIT AND ACCEPT ANY GRANTS OR GIFTS FOR EDUCATIONAL
20 PURPOSES AND TO ESTABLISH OR PERMIT TO BE ESTABLISHED ON ITS BEHALF
21 1 OR MORE NONPROFIT CORPORATIONS THE PURPOSE OF WHICH IS TO ASSIST
22 THE TURNAROUND SCHOOL IN THE FURTHERANCE OF ITS PUBLIC PURPOSES.

23 (G) TO BORROW MONEY AND ISSUE BONDS IN ACCORDANCE WITH SECTION
24 1351A AND IN ACCORDANCE WITH PART VI OF THE REVISED MUNICIPAL
25 FINANCE ACT, 2001 PA 34, MCL 141.2601 TO 141.2613, EXCEPT THAT THE
26 BORROWING OF MONEY AND ISSUANCE OF BONDS BY A TURNAROUND SCHOOL ARE
27 NOT SUBJECT TO SECTION 1351A(4) OR SECTION 1351(2) TO (4). BONDS

1 ISSUED UNDER THIS SECTION SHALL BE FULL FAITH AND CREDIT
2 OBLIGATIONS OF THE TURNAROUND SCHOOL, PLEDGING THE GENERAL FUNDS OR
3 ANY OTHER MONEY AVAILABLE FOR SUCH A PURPOSE. BONDS ISSUED UNDER
4 THIS SECTION ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001
5 PA 34, MCL 141.2101 TO 141.2821.

6 SEC. 536. (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, A
7 TURNAROUND SCHOOL SHALL ASSIGN TO TEACH ONLY AN INDIVIDUAL HOLDING
8 A VALID MICHIGAN TEACHING CERTIFICATE.

9 (2) A TURNAROUND SCHOOL MAY DEVELOP AND IMPLEMENT NEW TEACHING
10 TECHNIQUES OR METHODS OR SIGNIFICANT REVISIONS TO KNOWN TEACHING
11 TECHNIQUES OR METHODS AND SHALL REPORT THOSE TO THE AUTHORIZING
12 BODY AND STATE BOARD TO BE MADE AVAILABLE TO THE PUBLIC. A
13 TURNAROUND SCHOOL MAY USE ANY INSTRUCTIONAL TECHNIQUE OR DELIVERY
14 METHOD THAT MAY BE USED BY A SCHOOL DISTRICT.

15 SEC. 537. A TURNAROUND SCHOOL, WITH THE APPROVAL OF THE
16 AUTHORIZING BODY, MAY EMPLOY OR CONTRACT WITH PERSONNEL, OR ENTER
17 INTO A CONTRACT WITH ANOTHER PARTY TO FURNISH TEACHERS OR OTHER
18 PERSONNEL, AS NECESSARY FOR THE OPERATION OF THE TURNAROUND SCHOOL,
19 PRESCRIBE THEIR DUTIES, AND FIX THEIR COMPENSATION.

20 SEC. 537A. IF THE BOARD OF DIRECTORS OF A TURNAROUND SCHOOL
21 PROVIDES MEDICAL, OPTICAL, OR DENTAL BENEFITS TO EMPLOYEES AND
22 THEIR DEPENDENTS, THE BOARD OF DIRECTORS SHALL PROVIDE THOSE
23 BENEFITS IN ACCORDANCE WITH THE PUBLIC EMPLOYEES HEALTH BENEFIT
24 ACT, 2007 PA 106, MCL 124.71 TO 124.85, AND SHALL COMPLY WITH THAT
25 ACT.

26 SEC. 538. (1) IF THE AUTHORIZING BODY ISSUES A CONTRACT FOR A
27 TURNAROUND SCHOOL UNDER THIS PART, THE AUTHORIZING BODY SHALL DO

1 ALL OF THE FOLLOWING:

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

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

6 (C) ESTABLISH THE METHOD OF SELECTION, LENGTH OF TERM, AND
7 NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF EACH TURNAROUND
8 SCHOOL THAT IT AUTHORIZES. THE AUTHORIZING BODY SHALL ENSURE THAT
9 THE BOARD OF DIRECTORS INCLUDES REPRESENTATION FROM THE LOCAL
10 COMMUNITY.

11 (D) OVERSEE THE OPERATIONS OF EACH TURNAROUND SCHOOL OPERATING
12 UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY. THE OVERSIGHT
13 SHALL BE SUFFICIENT TO ENSURE THAT THE TURNAROUND SCHOOL IS IN
14 COMPLIANCE WITH THE TERMS OF THE CONTRACT AND WITH APPLICABLE LAW.

15 (E) DEVELOP AND IMPLEMENT A PROCESS FOR HOLDING A TURNAROUND
16 SCHOOL BOARD OF DIRECTORS ACCOUNTABLE FOR MEETING APPLICABLE
17 ACADEMIC PERFORMANCE STANDARDS SET FORTH IN THE CONTRACT AND FOR
18 IMPLEMENTING CORRECTIVE ACTION FOR A TURNAROUND SCHOOL THAT DOES
19 NOT MEET THOSE STANDARDS.

20 (F) TAKE NECESSARY MEASURES TO ENSURE THAT A TURNAROUND SCHOOL
21 BOARD OF DIRECTORS OPERATES INDEPENDENTLY OF ANY EDUCATIONAL
22 MANAGEMENT COMPANY INVOLVED IN THE OPERATIONS OF THE TURNAROUND
23 SCHOOL.

24 (G) OVERSEE AND ENSURE THAT THE PUPIL ADMISSION PROCESS USED
25 BY THE TURNAROUND SCHOOL IS OPERATED IN A FAIR AND OPEN MANNER AND
26 IS IN COMPLIANCE WITH THE CONTRACT AND THIS PART.

27 (H) ENSURE THAT THE BOARD OF DIRECTORS OF THE TURNAROUND

1 SCHOOL MAINTAINS AND RELEASES INFORMATION AS NECESSARY TO COMPLY
2 WITH APPLICABLE LAW.

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

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

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

21 (A) FAILURE OF THE TURNAROUND SCHOOL TO ABIDE BY AND MEET THE
22 EDUCATIONAL GOALS SET FORTH IN THE CONTRACT.

23 (B) FAILURE OF THE TURNAROUND SCHOOL TO COMPLY WITH ALL
24 APPLICABLE LAW.

25 (C) FAILURE OF THE TURNAROUND SCHOOL TO MEET GENERALLY
26 ACCEPTED PUBLIC SECTOR ACCOUNTING PRINCIPLES.

27 (D) THE EXISTENCE OF 1 OR MORE OTHER GROUNDS FOR REVOCATION AS

1 SPECIFIED IN THE CONTRACT.

2 (5) THE DECISION OF THE AUTHORIZING BODY TO ISSUE, REISSUE, OR
3 RECONSTITUTE A CONTRACT UNDER THIS PART, OR TO REVOKE A CONTRACT
4 UNDER THIS SECTION, IS SOLELY WITHIN THE DISCRETION OF THE
5 AUTHORIZING BODY, IS FINAL, AND IS NOT SUBJECT TO REVIEW BY A COURT
6 OR ANY OTHER STATE AGENCY. IF THE AUTHORIZING BODY DOES NOT ISSUE,
7 REISSUE, OR RECONSTITUTE A CONTRACT UNDER THIS PART, OR REVOKES A
8 CONTRACT UNDER THIS SECTION, THE AUTHORIZING BODY IS NOT LIABLE FOR
9 THAT ACTION TO THE TURNAROUND SCHOOL, THE TURNAROUND SCHOOL
10 CORPORATION, A PUPIL OF THE TURNAROUND SCHOOL, THE PARENT OR
11 GUARDIAN OF A PUPIL OF THE TURNAROUND SCHOOL, OR ANY OTHER PERSON.

12 (6) BEFORE THE AUTHORIZING BODY REVOKES A CONTRACT, THE
13 AUTHORIZING BODY MAY CONSIDER AND TAKE CORRECTIVE MEASURES TO AVOID
14 REVOCATION. THE AUTHORIZING BODY MAY RECONSTITUTE THE TURNAROUND
15 SCHOOL IN A FINAL ATTEMPT TO IMPROVE STUDENT EDUCATIONAL
16 PERFORMANCE OR TO AVOID INTERRUPTION OF THE EDUCATIONAL PROCESS.
17 THE AUTHORIZING BODY MAY INCLUDE A RECONSTITUTING PROVISION IN THE
18 CONTRACT THAT IDENTIFIES THESE CORRECTIVE MEASURES, INCLUDING, BUT
19 NOT LIMITED TO, REMOVING 1 OR MORE MEMBERS OF THE BOARD OF
20 DIRECTORS, WITHDRAWING APPROVAL TO CONTRACT UNDER SECTION 535 FOR
21 AN AGREEMENT DESCRIBED IN SECTION 1320, OR APPOINTING A NEW BOARD
22 OF DIRECTORS OR A TRUSTEE TO TAKE OVER OPERATION OF THE TURNAROUND
23 SCHOOL.

24 (7) IF THE AUTHORIZING BODY REVOKES A CONTRACT, THE
25 AUTHORIZING BODY SHALL WORK WITH A SCHOOL DISTRICT OR ANOTHER
26 PUBLIC SCHOOL, OR WITH A COMBINATION OF THESE ENTITIES, TO ENSURE A
27 SMOOTH TRANSITION FOR THE AFFECTED PUPILS. IF THE REVOCATION OCCURS

1 DURING THE SCHOOL YEAR, THE AUTHORIZING BODY, AS THE FISCAL AGENT
2 FOR THE TURNAROUND SCHOOL UNDER THIS PART, SHALL RETURN ANY SCHOOL
3 AID FUNDS RECEIVED BY THE AUTHORIZING BODY THAT ARE ATTRIBUTABLE TO
4 THE AFFECTED PUPILS TO THE STATE TREASURER FOR DEPOSIT INTO THE
5 STATE SCHOOL AID FUND. THE STATE TREASURER SHALL DISTRIBUTE FUNDS
6 TO THE PUBLIC SCHOOL IN WHICH THE PUPILS ENROLL AFTER THE
7 REVOCATION PURSUANT TO A METHODOLOGY ESTABLISHED BY THE DEPARTMENT
8 AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION.

9 (8) NOT MORE THAN 10 DAYS AFTER A TURNAROUND SCHOOL'S CONTRACT
10 TERMINATES OR IS REVOKED, THE AUTHORIZING BODY SHALL NOTIFY THE
11 SUPERINTENDENT OF PUBLIC INSTRUCTION IN WRITING OF THE NAME OF THE
12 TURNAROUND SCHOOL WHOSE CONTRACT HAS TERMINATED OR BEEN REVOKED AND
13 THE DATE OF CONTRACT TERMINATION OR REVOCATION.

14 (9) IF A TURNAROUND SCHOOL'S CONTRACT TERMINATES OR IS
15 REVOKED, TITLE TO ALL REAL AND PERSONAL PROPERTY, INTEREST IN REAL
16 OR PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY THE TURNAROUND
17 SCHOOL SHALL REVERT TO THE STATE. THIS PROPERTY SHALL BE
18 DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:

19 (A) WITHIN 30 DAYS FOLLOWING THE TERMINATION OR REVOCATION,
20 THE BOARD OF DIRECTORS OF A TURNAROUND SCHOOL SHALL HOLD A PUBLIC
21 MEETING TO ADOPT A PLAN OF DISTRIBUTION OF ASSETS AND TO APPROVE
22 THE DISSOLUTION OF THE TURNAROUND SCHOOL CORPORATION, ALL IN
23 ACCORDANCE WITH CHAPTER 8 OF THE NONPROFIT CORPORATION ACT, 1982 PA
24 162, MCL 450.2801 TO 450.2864.

25 (B) THE TURNAROUND SCHOOL SHALL FILE A CERTIFICATE OF
26 DISSOLUTION WITH THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC
27 GROWTH WITHIN 10 BUSINESS DAYS FOLLOWING BOARD APPROVAL.

1 (C) SIMULTANEOUSLY WITH THE FILING OF THE CERTIFICATE OF
2 DISSOLUTION UNDER SUBDIVISION (B), THE TURNAROUND SCHOOL BOARD OF
3 DIRECTORS SHALL PROVIDE A COPY OF THE BOARD OF DIRECTORS' PLAN OF
4 DISTRIBUTION OF ASSETS TO THE STATE TREASURER FOR APPROVAL. WITHIN
5 30 DAYS, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL REVIEW
6 AND APPROVE THE BOARD OF DIRECTORS' PLAN OF DISTRIBUTION OF ASSETS.
7 IF THE PROPOSED PLAN OF DISTRIBUTION OF ASSETS IS NOT APPROVED
8 WITHIN 30 DAYS, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL
9 PROVIDE THE BOARD OF DIRECTORS WITH AN ACCEPTABLE PLAN OF
10 DISTRIBUTION OF ASSETS.

11 (D) THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL MONITOR
12 THE TURNAROUND SCHOOL'S WINDING UP OF THE DISSOLVED CORPORATION IN
13 ACCORDANCE WITH THE PLAN OF DISTRIBUTION OF ASSETS APPROVED OR
14 PROVIDED UNDER SUBDIVISION (C).

15 (E) AS PART OF THE PLAN OF DISTRIBUTION OF ASSETS, THE
16 TURNAROUND SCHOOL BOARD OF DIRECTORS SHALL DESIGNATE THE DIRECTOR
17 OF THE DEPARTMENT OF MANAGEMENT AND BUDGET, OR HIS OR HER DESIGNEE,
18 TO DISPOSE OF ALL REAL PROPERTY OF THE TURNAROUND SCHOOL
19 CORPORATION IN ACCORDANCE WITH THE DIRECTIVES DEVELOPED FOR
20 DISPOSITION OF SURPLUS LAND AND FACILITIES UNDER SECTION 251 OF THE
21 MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1251.

22 (F) IF THE BOARD OF DIRECTORS OF A TURNAROUND SCHOOL FAILS TO
23 TAKE ANY NECESSARY ACTION UNDER THIS SECTION, THE STATE TREASURER,
24 OR HIS OR HER DESIGNEE, MAY SUSPEND THE TURNAROUND SCHOOL BOARD OF
25 DIRECTORS AND APPOINT A TRUSTEE TO CARRY OUT THE BOARD'S PLAN OF
26 DISTRIBUTION OF ASSETS. UPON APPOINTMENT, THE TRUSTEE SHALL HAVE
27 ALL THE RIGHTS, POWERS, AND PRIVILEGES UNDER LAW THAT THE

1 TURNAROUND SCHOOL BOARD OF DIRECTORS HAD BEFORE BEING SUSPENDED.

2 (G) FOLLOWING THE SALE OF THE REAL OR PERSONAL PROPERTY OR
3 INTERESTS IN THE REAL OR PERSONAL PROPERTY, AND AFTER PAYMENT OF
4 ANY TURNAROUND SCHOOL DEBT SECURED BY THE PROPERTY OR INTEREST IN
5 PROPERTY, WHETHER REAL OR PERSONAL, THE TURNAROUND SCHOOL BOARD OF
6 DIRECTORS, OR A TRUSTEE APPOINTED UNDER THIS SECTION, SHALL FORWARD
7 ANY REMAINING MONEY TO THE STATE TREASURER. FOLLOWING RECEIPT, THE
8 STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL DEPOSIT THIS
9 REMAINING MONEY IN THE STATE SCHOOL AID FUND.

10 SEC. 539. THE AUTHORIZING BODY AND TURNAROUND SCHOOL MAY
11 INCLUDE PROVISIONS IN THE CONTRACT THAT PERMIT THE QUALIFIED ENTITY
12 THAT APPLIED FOR THE CONTRACT TO DO ANY OF THE FOLLOWING:

13 (A) PARTICIPATE IN THE RECRUITING, INTERVIEWING, AND
14 NOMINATING PROCESS FOR MEMBERS OF THE TURNAROUND SCHOOL BOARD OF
15 DIRECTORS.

16 (B) CONDUCT AN INDEPENDENT EDUCATIONAL REVIEW, ON A PERIODIC
17 BASIS, TO DETERMINE WHETHER THE TURNAROUND SCHOOL IS SUCCESSFUL IN
18 IMPLEMENTING THE EDUCATIONAL GOALS SET FORTH IN THE CONTRACT.

19 (C) SERVE AS CONTRACT ADMINISTRATOR BETWEEN THE TURNAROUND
20 SCHOOL BOARD OF DIRECTORS AND ANY EDUCATIONAL MANAGEMENT COMPANY
21 CONTRACTED TO OPERATE THE TURNAROUND SCHOOL.

22 (D) MAKE RECOMMENDATIONS TO THE AUTHORIZING BODY AND
23 TURNAROUND SCHOOL ON HOW TO IMPROVE THE TURNAROUND SCHOOL'S
24 OPERATION.

25 SEC. 1280C. (1) THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL
26 HIRE A STATE SCHOOL REFORM/REDESIGN OFFICER TO CARRY OUT THE
27 FUNCTIONS UNDER THIS SECTION AND AS OTHERWISE PRESCRIBED BY LAW.

1 THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL BE CHOSEN SOLELY ON
2 THE BASIS OF HIS OR HER COMPETENCE AND EXPERIENCE IN EDUCATIONAL
3 REFORM AND REDESIGN. THE STATE SCHOOL REFORM/REDESIGN OFFICER IS
4 EXEMPT FROM CIVIL SERVICE. THE STATE SCHOOL REFORM/REDESIGN OFFICER
5 IS RESPONSIBLE DIRECTLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
6 TO ENSURE THAT THE PURPOSES OF THIS SECTION ARE CARRIED OUT AND
7 ACCORDINGLY SHOULD BE A POSITION WITHIN THE DEPARTMENT THAT IS
8 EXEMPT FROM THE CLASSIFIED STATE CIVIL SERVICE. THE DEPARTMENT
9 SHALL REQUEST THAT THE CIVIL SERVICE COMMISSION ESTABLISH THE
10 POSITION OF STATE SCHOOL REFORM/REDESIGN OFFICER AS A POSITION THAT
11 IS EXEMPT FROM THE CLASSIFIED STATE CIVIL SERVICE.

12 (2) THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS
13 CREATED. THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS A
14 SCHOOL DISTRICT FOR THE PURPOSES OF SECTION 11 OF ARTICLE IX OF THE
15 STATE CONSTITUTION OF 1963 AND FOR RECEIVING STATE SCHOOL AID UNDER
16 THE STATE SCHOOL AID ACT OF 1979 AND IS SUBJECT TO THE LEADERSHIP
17 AND GENERAL SUPERVISION OF THE STATE BOARD OVER ALL PUBLIC
18 EDUCATION UNDER SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION
19 OF 1963. THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS A BODY
20 CORPORATE AND IS A GOVERNMENTAL AGENCY. ALL OF THE FOLLOWING APPLY
21 TO THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT:

22 (A) THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT SHALL
23 CONSIST OF SCHOOLS THAT ARE PLACED IN THE STATE SCHOOL
24 REFORM/REDESIGN SCHOOL DISTRICT AS DESCRIBED UNDER SUBSECTIONS (7)
25 AND (8).

26 (B) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL ACT AS THE
27 SUPERINTENDENT OF THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT.

1 WITH RESPECT TO SCHOOLS PLACED IN THE STATE SCHOOL REFORM/REDESIGN
2 SCHOOL DISTRICT, THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS ALL
3 OF THE POWERS AND DUTIES DESCRIBED IN SUBSECTIONS (7) AND (8) AND
4 ALL PROVISIONS OF THIS ACT THAT WOULD OTHERWISE APPLY TO THE SCHOOL
5 BOARD THAT PREVIOUSLY OPERATED A SCHOOL PLACED IN THE STATE SCHOOL
6 REFORM/REDESIGN SCHOOL DISTRICT APPLY TO THE STATE SCHOOL
7 REFORM/REDESIGN OFFICER WITH RESPECT TO THAT SCHOOL, EXCEPT THOSE
8 RELATING TO TAXATION OR BORROWING; SUBJECT TO SUBSECTIONS (7) AND
9 (8), THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY EXERCISE ALL THE
10 POWERS AND DUTIES OTHERWISE VESTED BY LAW IN THE SCHOOL BOARD THAT
11 PREVIOUSLY OPERATED A SCHOOL PLACED IN THE STATE SCHOOL
12 REFORM/REDESIGN SCHOOL DISTRICT AND IN ITS OFFICERS, EXCEPT THOSE
13 RELATING TO TAXATION OR BORROWING, AND MAY EXERCISE ALL ADDITIONAL
14 POWERS AND DUTIES PROVIDED UNDER THIS SECTION; AND, SUBJECT TO
15 SUBSECTIONS (7) AND (8), THE STATE SCHOOL REFORM/REDESIGN OFFICER
16 ACCEDES TO ALL THE RIGHTS, DUTIES, AND OBLIGATIONS OF THE SCHOOL
17 BOARD WITH RESPECT TO THAT SCHOOL. THESE POWERS, RIGHTS, DUTIES,
18 AND OBLIGATIONS INCLUDE, BUT ARE NOT LIMITED TO, ALL OF THE
19 FOLLOWING:

20 (i) AUTHORITY OVER THE EXPENDITURE OF ALL FUNDS ATTRIBUTABLE TO
21 PUPILS AT THAT SCHOOL, INCLUDING THAT PORTION OF PROCEEDS FROM
22 BONDED INDEBTEDNESS AND OTHER FUNDS DEDICATED TO CAPITAL PROJECTS
23 THAT WOULD OTHERWISE BE APPORTIONED TO THAT SCHOOL BY THE SCHOOL
24 BOARD THAT PREVIOUSLY OPERATED THE SCHOOL ACCORDING TO THE TERMS OF
25 THE BOND ISSUE OR FINANCING DOCUMENTS.

26 (ii) SUBJECT TO SUBSECTION (8), RIGHTS AND OBLIGATIONS UNDER
27 COLLECTIVE BARGAINING AGREEMENTS AND EMPLOYMENT CONTRACTS ENTERED

1 INTO BY THE SCHOOL BOARD FOR EMPLOYEES AT THE SCHOOL.

2 (iii) RIGHTS TO PROSECUTE AND DEFEND LITIGATION.

3 (iv) RIGHTS AND OBLIGATIONS UNDER STATUTE, RULE, AND COMMON
4 LAW.

5 (v) AUTHORITY TO DELEGATE ANY OF THE STATE SCHOOL
6 REFORM/REDESIGN OFFICER'S POWERS AND DUTIES TO 1 OR MORE DESIGNEES,
7 WITH PROPER SUPERVISION BY THE STATE SCHOOL REFORM/REDESIGN
8 OFFICER.

9 (vi) POWER TO TERMINATE ANY CONTRACT OR PORTION OF A CONTRACT
10 ENTERED INTO BY THE SCHOOL BOARD THAT APPLIES TO THAT SCHOOL.
11 HOWEVER, THIS SUBSECTION DOES NOT ALLOW ANY TERMINATION OR
12 DIMINISHMENT OF OBLIGATIONS TO PAY DEBT SERVICE ON LEGALLY
13 AUTHORIZED BONDS AND DOES NOT ALLOW A COLLECTIVE BARGAINING
14 AGREEMENT TO BE AFFECTED EXCEPT AS PROVIDED UNDER SUBSECTIONS (6)
15 AND (8). A CONTRACT TERMINATED BY THE STATE SCHOOL REFORM/REDESIGN
16 OFFICER UNDER THIS SUBSECTION IS VOID.

17 (3) BEGINNING AFTER THE 2008-2009 SCHOOL YEAR, IF THE
18 DEPARTMENT DETERMINES THAT A PUBLIC SCHOOL HAS BEEN UNACCREDITED
19 FOR 4 CONSECUTIVE YEARS OR HAS FAILED TO ACHIEVE THE FEDERAL PUPIL
20 PERFORMANCE STANDARD FOR ALL PUPILS FOR ACADEMIC PERFORMANCE FOR 4
21 OR MORE CONSECUTIVE YEARS AND THAT THE PERCENTAGE OF ALL PUPILS
22 ENROLLED IN THE PUBLIC SCHOOL WHO SCORED AT LEAST "PROFICIENT" ON
23 THE MOST RECENT MICHIGAN EDUCATION ASSESSMENT PROGRAM ASSESSMENTS
24 OR MICHIGAN MERIT EXAMINATION, AS APPLICABLE, FOR WHICH RESULTS ARE
25 AVAILABLE WAS LESS THAN THE DESIGNATED PERCENTAGE, AS DEFINED IN
26 SUBSECTION (14), IN BOTH MATHEMATICS AND ENGLISH LANGUAGE ARTS,
27 THEN THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY ISSUE AN ORDER

1 DESIGNATING THE PUBLIC SCHOOL AS A FAILING PUBLIC SCHOOL AND
2 PLACING THE PUBLIC SCHOOL UNDER THE CONTROL AND SUPERVISION OF THE
3 STATE SCHOOL REFORM/REDESIGN OFFICER. IF THE SUPERINTENDENT OF
4 PUBLIC INSTRUCTION DECIDES TO ISSUE AN ORDER DESIGNATING A PUBLIC
5 SCHOOL AS A FAILING PUBLIC SCHOOL, HE OR SHE SHALL ISSUE THAT ORDER
6 WITHIN 15 DAYS AFTER IT IS DETERMINED THAT THE PUBLIC SCHOOL MEETS
7 THE CRITERIA UNDER THIS SUBSECTION. IF THE SUPERINTENDENT OF PUBLIC
8 INSTRUCTION DECIDES NOT TO ISSUE SUCH AN ORDER FOR A PUBLIC SCHOOL
9 THAT IS DETERMINED TO MEET THE CRITERIA UNDER THIS SUBSECTION, HE
10 OR SHE SHALL WORK WITH THE PUBLIC SCHOOL AND ITS GOVERNING BOARD TO
11 ENSURE THAT THEY ARE CONTINUING ALL ONGOING RESTRUCTURING AND
12 REFORM EFFORTS AND TO ENSURE THAT THEY ARE REGULARLY REPORTING TO
13 THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

14 (4) WITHIN 15 DAYS AFTER AN ORDER IS ISSUED UNDER SUBSECTION
15 (3), THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL APPOINT A
16 REVIEW TEAM TO CONDUCT AN EVALUATION OF THE FAILING PUBLIC SCHOOL.
17 THE REVIEW TEAM SHALL CONSIST OF AT LEAST A TEACHER, A SUPPORT
18 STAFF MEMBER, A PARENT, A SCHOOL ADMINISTRATOR, A SCHOOL BOARD
19 MEMBER, A MEMBER OF THE LOCAL COMMUNITY, AND A DESIGNEE OF THE
20 SUPERINTENDENT OF PUBLIC INSTRUCTION. A MEMBER OF THE REVIEW TEAM,
21 OTHER THAN THE DESIGNEE OF THE SUPERINTENDENT OF PUBLIC
22 INSTRUCTION, SERVES AT THE PLEASURE OF THE STATE SCHOOL
23 REFORM/REDESIGN OFFICER AND MAY BE REMOVED AND REPLACED BY THE
24 STATE SCHOOL REFORM/REDESIGN OFFICER. THE EVALUATION SHALL FOCUS ON
25 ISSUES AT BOTH THE SCHOOL DISTRICT LEVEL AND SCHOOL BUILDING LEVEL
26 AND SHALL COVER, AT A MINIMUM, STANDARDS AND EXPECTATIONS,
27 CURRICULUM, INSTRUCTION, TIME ON TASK, LEARNING ENVIRONMENT,

1 PREVALENCE OF TRANSIENT PUPILS, PARENTAL INVOLVEMENT, COMMUNITY
2 INVOLVEMENT, STAFF DEVELOPMENT, PLANNING AND ASSESSMENT, AND
3 GOVERNANCE AND LEADERSHIP. WITHIN 30 DAYS AFTER BEING APPOINTED,
4 THE REVIEW TEAM SHALL SUBMIT A REPORT TO THE STATE SCHOOL
5 REFORM/REDESIGN OFFICER BASED ON ITS EVALUATION THAT IDENTIFIES THE
6 REASONS FOR THE FAILING PUBLIC SCHOOL'S FAILURES AND CONTAINS
7 RECOMMENDATIONS ON THE MEASURES THAT THE STATE SCHOOL
8 REFORM/REDESIGN OFFICER SHOULD TAKE UNDER THIS SECTION WITH REGARD
9 TO THE FAILING PUBLIC SCHOOL. THE BOARD OF A SCHOOL DISTRICT OR
10 BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL COOPERATE FULLY
11 WITH A REVIEW TEAM APPOINTED UNDER THIS SUBSECTION.

12 (5) IF A PUBLIC SCHOOL IS DESIGNATED AS A FAILING PUBLIC
13 SCHOOL BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION UNDER SUBSECTION
14 (3), THEN ALL OF THE FOLLOWING APPLY:

15 (A) IF THE PUBLIC SCHOOL IS A PUBLIC SCHOOL ACADEMY, THE
16 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL NOTIFY THE PUBLIC SCHOOL
17 ACADEMY'S AUTHORIZING BODY THAT THE SCHOOL HAS BEEN DESIGNATED AS A
18 FAILING PUBLIC SCHOOL. THE SUPERINTENDENT OF PUBLIC INSTRUCTION
19 THEN MAY ORDER THE PUBLIC SCHOOL ACADEMY'S AUTHORIZING BODY TO
20 REVOKE THE PUBLIC SCHOOL ACADEMY'S CONTRACT, AND THE PUBLIC SCHOOL
21 ACADEMY MAY BE CLOSED. IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION
22 DOES NOT ORDER REVOCATION OF THE CONTRACT, THE STATE SCHOOL
23 REFORM/REDESIGN OFFICER SHALL PROCEED WITH A MEMORANDUM OF
24 UNDERSTANDING FOR THE PUBLIC SCHOOL ACADEMY UNDER SUBSECTION (6) OR
25 SHALL PLACE THE PUBLIC SCHOOL ACADEMY INTO THE STATE SCHOOL
26 REFORM/REDESIGN SCHOOL DISTRICT CREATED UNDER SUBSECTION (2) AND
27 TAKE ACTION AS DESCRIBED IN SUBSECTION (7).

1 (B) IF THE FAILING PUBLIC SCHOOL IS NOT A PUBLIC SCHOOL
2 ACADEMY, THEN ALL OF THE FOLLOWING APPLY TO THE SCHOOL:

3 (i) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL CONFER WITH
4 THE SCHOOL BOARD THAT OPERATES THE SCHOOL ALONG WITH COLLECTIVE
5 BARGAINING REPRESENTATIVES OF ALL OF THE BARGAINING UNITS AT THE
6 SCHOOL TO ATTEMPT TO ENTER INTO A MEMORANDUM OF UNDERSTANDING
7 DESCRIBED IN SUBSECTION (6) WITH THE SCHOOL BOARD. IF THE PARTIES
8 ARE UNABLE TO AGREE TO A MEMORANDUM OF UNDERSTANDING BY THE NEXT
9 JANUARY 31 AFTER THE PUBLIC SCHOOL IS DESIGNATED AS A FAILING
10 PUBLIC SCHOOL, THEN THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL
11 IMPOSE A MEMORANDUM OF UNDERSTANDING ON THE PARTIES AND PROCEED
12 UNDER SUBSECTION (6) BASED ON THE IMPOSED MEMORANDUM OF
13 UNDERSTANDING.

14 (ii) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL PLACE THE
15 FAILING PUBLIC SCHOOL INTO THE STATE SCHOOL REFORM/REDESIGN SCHOOL
16 DISTRICT CREATED UNDER SUBSECTION (2) AND SHALL TAKE ACTION AS
17 DESCRIBED IN SUBSECTION (7) IF ANY OF THE FOLLOWING OCCUR:

18 (A) IF THE SCHOOL HAS OPERATED FOR AT LEAST 2 FULL SCHOOL
19 YEARS UNDER A MEMORANDUM OF UNDERSTANDING DESCRIBED IN SUBSECTION
20 (6) AND HAS FAILED TO MEET THE REQUIREMENTS FOR CONTINUING TO
21 OPERATE UNDER A MEMORANDUM OF UNDERSTANDING. THE REQUIREMENTS FOR
22 CONTINUING TO OPERATE UNDER A MEMORANDUM OF UNDERSTANDING SHALL BE
23 CONTAINED IN THE MEMORANDUM OF UNDERSTANDING, AND SHALL INCLUDE AT
24 LEAST A REQUIREMENT THAT THE DEPARTMENT DETERMINES EITHER THAT THE
25 PERCENTAGE OF ALL PUPILS ENROLLED IN THE SCHOOL WHO SCORED AT LEAST
26 "PROFICIENT" ON THE MOST RECENT MICHIGAN EDUCATION ASSESSMENT
27 PROGRAM ASSESSMENTS OR MICHIGAN MERIT EXAMINATION, AS APPLICABLE,

1 FOR WHICH RESULTS ARE AVAILABLE WAS AT LEAST 30% IN EITHER
2 MATHEMATICS OR ENGLISH LANGUAGE ARTS OR THAT THE PERCENTAGE OF ALL
3 PUPILS BELOW THE PROFICIENT ACHIEVEMENT LEVEL USED FOR THE FEDERAL
4 PUPIL PERFORMANCE STANDARD DECREASED BY AT LEAST 10% FROM THE
5 PRECEDING YEAR. SCORES LABELED "PROVISIONALLY PROFICIENT" ARE
6 CONSIDERED AS PROFICIENT FOR THESE PURPOSES.

7 (B) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES
8 THAT THE SCHOOL BOARD HAS FAILED TO COMPLY WITH THE MEMORANDUM OF
9 UNDERSTANDING.

10 (6) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER ENTERS INTO A
11 MEMORANDUM OF UNDERSTANDING WITH THE SCHOOL BOARD OR BOARD OF
12 DIRECTORS THAT OPERATES THE FAILING PUBLIC SCHOOL, THE MEMORANDUM
13 OF UNDERSTANDING SHALL PROVIDE FOR AT LEAST ALL OF THE FOLLOWING:

14 (A) GENERAL OVERSIGHT AND SUPERVISION OF THE FAILING PUBLIC
15 SCHOOL BY THE STATE SCHOOL REFORM/REDESIGN OFFICER.

16 (B) THE REQUIREMENTS FOR CONTINUING TO OPERATE UNDER THE
17 MEMORANDUM OF UNDERSTANDING, AS DESCRIBED IN SUBSECTION

18 (5) (B) (ii) (A) .

19 (C) CONTINUED DAY-TO-DAY OPERATION OF THE FAILING PUBLIC
20 SCHOOL BY THE SCHOOL BOARD OR BOARD OF DIRECTORS, BUT ONLY AFTER
21 MODIFICATION OF SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY POLICIES
22 AND RENEGOTIATION OF APPLICABLE COLLECTIVE BARGAINING AGREEMENTS TO
23 PROVIDE FOR ANY OF THE FOLLOWING THAT ARE DETERMINED BY THE STATE
24 SCHOOL REFORM/REDESIGN OFFICER TO BE NECESSARY TO ACHIEVE THE
25 EDUCATIONAL GOALS ESTABLISHED BY THE STATE SCHOOL REFORM/REDESIGN
26 OFFICER:

27 (i) THAT ANY CONTRACTUAL OR OTHER SENIORITY SYSTEM THAT WOULD

1 OTHERWISE BE APPLICABLE SHALL NOT APPLY AT THE PUBLIC SCHOOL. THIS
2 SUBPARAGRAPH DOES NOT ALLOW UNILATERAL CHANGES IN PAY SCALES OR
3 BENEFITS.

4 (ii) THAT ANY CONTRACTUAL OR OTHER WORK RULES THE STATE SCHOOL
5 REFORM/REDESIGN OFFICER DETERMINES TO BE IMPEDIMENTS TO ACHIEVING
6 SATISFACTORY PUPIL PERFORMANCE SHALL NOT APPLY AT THE PUBLIC
7 SCHOOL. THIS SUBPARAGRAPH DOES NOT ALLOW UNILATERAL CHANGES IN PAY
8 SCALES OR BENEFITS.

9 (iii) THAT THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DIRECT
10 THE EXPENDITURE OF ALL FUNDS ATTRIBUTABLE TO PUPILS AT THE PUBLIC
11 SCHOOL AND THE PRINCIPAL OR OTHER SCHOOL LEADER DESIGNATED BY THE
12 STATE SCHOOL REFORM/REDESIGN OFFICER SHALL HAVE FULL AUTONOMY AND
13 CONTROL OVER CURRICULUM AND DISCRETIONARY SPENDING AT THE PUBLIC
14 SCHOOL.

15 (D) THAT, FOR THE PURPOSES OF COLLECTIVE BARGAINING UNDER 1947
16 PA 336, MCL 423.201 TO 423.217, THE STATE SCHOOL REFORM/REDESIGN
17 OFFICER IS A JOINT EMPLOYER OF THE EMPLOYEES AT THE PUBLIC SCHOOL
18 ALONG WITH THE BOARD OF THE SCHOOL DISTRICT, OR BOARD OF DIRECTORS
19 OF THE PUBLIC SCHOOL ACADEMY, THAT OPERATES THE PUBLIC SCHOOL.

20 (E) THAT, EXCEPT AS OTHERWISE PROVIDED BY LAW, AN INDIVIDUAL
21 MAY BE EMPLOYED TO TEACH AT THE SCHOOL ONLY IF HE OR SHE HOLDS A
22 VALID MICHIGAN TEACHING CERTIFICATE.

23 (7) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER PLACES THE
24 PUBLIC SCHOOL IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT,
25 THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DO 1 OF THE
26 FOLLOWING, AS DETERMINED BY THE STATE SCHOOL REFORM/REDESIGN
27 OFFICER:

1 (A) ASSUME AUTONOMOUS CONTROL AND OVERSIGHT OF THE PUBLIC
2 SCHOOL THROUGH A PERFORMANCE CONTRACT WITH A QUALIFIED PERSON OR
3 ENTITY TO MANAGE THE SCHOOL. IF THE STATE SCHOOL REFORM/REDESIGN
4 OFFICER TAKES THIS ACTION, THE STATE SCHOOL REFORM/REDESIGN SCHOOL
5 DISTRICT SHALL PUBLISH A REQUEST FOR PROPOSALS FOR QUALIFIED
6 PERSONS OR ENTITIES TO ENTER INTO A PERFORMANCE CONTRACT WITH THE
7 STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT TO MANAGE THE SCHOOL.
8 THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT SHALL SELECT A
9 QUALIFIED PERSON OR ENTITY AND ENTER INTO A PERFORMANCE CONTRACT
10 WITH THE QUALIFIED PERSON OR ENTITY TO MANAGE THE SCHOOL AS A
11 REDESIGNED PUBLIC SCHOOL. A PERFORMANCE CONTRACT SHALL CONTAIN AT
12 LEAST ALL OF THE FOLLOWING:

13 (i) THE EDUCATIONAL GOALS THE REDESIGNED PUBLIC SCHOOL IS TO
14 ACHIEVE AND THE METHODS BY WHICH IT WILL BE HELD ACCOUNTABLE. TO
15 THE EXTENT APPLICABLE, THE PUPIL PERFORMANCE OF A REDESIGNED PUBLIC
16 SCHOOL SHALL BE ASSESSED USING AT LEAST A MICHIGAN EDUCATION
17 ASSESSMENT PROGRAM (MEAP) TEST OR THE MICHIGAN MERIT EXAMINATION,
18 AS APPLICABLE. AT A MINIMUM, THE EDUCATIONAL GOALS SHALL INCLUDE
19 THAT AT LEAST 80% OF THE SCHOOL'S PUPILS GRADUATE FROM HIGH SCHOOL
20 OR ARE DETERMINED BY THE DEPARTMENT TO BE ON TRACK TO GRADUATE FROM
21 HIGH SCHOOL, THE SCHOOL HAS AT LEAST 80% AVERAGE ATTENDANCE, AND,
22 IF THE SCHOOL IS A HIGH SCHOOL, THE SCHOOL'S PUPILS HAVE AN AVERAGE
23 SCORE OF AT LEAST 18 ON THE COLLEGE ENTRANCE EXAMINATION COMPONENT
24 OF THE MICHIGAN MERIT EXAMINATION.

25 (ii) A DESCRIPTION OF THE METHOD TO BE USED TO MONITOR THE
26 REDESIGNED PUBLIC SCHOOL'S COMPLIANCE WITH APPLICABLE LAW AND ITS
27 PERFORMANCE IN MEETING ITS TARGETED EDUCATIONAL OBJECTIVES.

1 (iii) A DESCRIPTION OF THE PROCESS FOR AMENDING THE PERFORMANCE
2 CONTRACT DURING THE TERM OF THE CONTRACT.

3 (iv) PROCEDURES FOR REVOKING THE PERFORMANCE CONTRACT AND
4 GROUNDS FOR REVOKING THE PERFORMANCE CONTRACT. THE GROUNDS SHALL
5 INCLUDE, BUT ARE NOT LIMITED TO, THE FAILURE TO MEET THE
6 EDUCATIONAL GOALS OF THE REDESIGNED PUBLIC SCHOOL.

7 (v) A PROVISION THAT REQUIRES THE QUALIFIED PERSON OR ENTITY
8 TO PROVIDE TO THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT THE
9 SAME INFORMATION THAT AN EDUCATIONAL MANAGEMENT COMPANY IS REQUIRED
10 TO PROVIDE TO A GOVERNING BOARD UNDER SECTION 1320(2).

11 (B) AUTHORIZE A TURNAROUND SCHOOL UNDER PART 6D. IF THE STATE
12 SCHOOL REFORM/REDESIGN OFFICER TAKES THIS ACTION, THE STATE SCHOOL
13 REFORM/REDESIGN OFFICER SHALL SOLICIT APPLICATIONS FROM QUALIFIED
14 ENTITIES, AS DEFINED IN PART 6D, FOR ORGANIZING A TURNAROUND SCHOOL
15 UNDER PART 6D TO CORRESPOND TO THE FAILING PUBLIC SCHOOL AND THE
16 STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT SHALL ISSUE A CONTRACT
17 TO A QUALIFIED ENTITY UNDER PART 6D AUTHORIZING A TURNAROUND SCHOOL
18 UNDER PART 6D THAT CORRESPONDS TO THE FAILING PUBLIC SCHOOL. IF THE
19 STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT ISSUES A CONTRACT FOR
20 A TURNAROUND SCHOOL UNDER PART 6D THAT CORRESPONDS TO A FAILING
21 PUBLIC SCHOOL, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL THEN
22 ISSUE AN ORDER CLOSING THE FAILING PUBLIC SCHOOL.

23 (8) ALL OF THE FOLLOWING APPLY TO MANAGEMENT OF A REDESIGNED
24 PUBLIC SCHOOL BY A QUALIFIED PERSON OR ENTITY PURSUANT TO A
25 PERFORMANCE CONTRACT UNDER SUBSECTION (7) (A) :

26 (A) THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY THAT
27 PREVIOUSLY OPERATED THE FAILING PUBLIC SCHOOL REMAINS THE EMPLOYER

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1 OF ALL STAFF EMPLOYED AT THE SCHOOL, BUT FOR THE PURPOSES OF
2 COLLECTIVE BARGAINING UNDER 1947 PA 336, MCL 423.201 TO 423.217,
3 THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS A JOINT
4 EMPLOYER OF THOSE EMPLOYEES ALONG WITH THE BOARD OF THE SCHOOL
5 DISTRICT, OR BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY, THAT
6 PREVIOUSLY OPERATED THE FAILING PUBLIC SCHOOL.

7 (B) THE QUALIFIED PERSON OR ENTITY MANAGING THE SCHOOL OR A
8 SCHOOL LEADER DESIGNATED BY THE QUALIFIED PERSON OR ENTITY MAY
9 REMOVE A STAFF MEMBER FROM A JOB ASSIGNMENT AT THE SCHOOL IN
10 ACCORDANCE WITH ANY APPLICABLE COLLECTIVE BARGAINING AGREEMENT [THAT
11 APPLIES TO THAT SCHOOL, AFTER ANY MODIFICATION OF THE COLLECTIVE
12 BARGAINING AGREEMENT UNDER THIS SECTION,] AND
13 DIRECT THAT HE OR SHE BE ASSIGNED ELSEWHERE. HOWEVER, THIS
14 SUBDIVISION APPLIES ONLY TO ASSIGNMENT AT THAT SCHOOL AND DOES NOT
15 ALLOW A STAFF MEMBER TO BE TERMINATED FROM HIS OR HER EMPLOYMENT
16 WITH THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY THAT PREVIOUSLY
17 OPERATED THE SCHOOL.

18 (C) THE PRINCIPAL OR OTHER SCHOOL LEADER DESIGNATED BY THE
19 QUALIFIED PERSON OR ENTITY MAY HIRE AND ASSIGN EMPLOYEES TO WORK AT
20 THE SCHOOL. AN EMPLOYEE WHO WORKS AT THE SCHOOL AT THE TIME IT IS
21 DESIGNATED AS A FAILING SCHOOL BY THE STATE SCHOOL REFORM/REDESIGN
22 OFFICER MUST REAPPLY AND BE REHIRED FOR ASSIGNMENT AT THE SCHOOL.
23 HOWEVER, THIS SUBDIVISION APPLIES ONLY TO ASSIGNMENT AT THAT SCHOOL
24 AND DOES NOT ALLOW A STAFF MEMBER TO BE TERMINATED FROM HIS OR HER
25 EMPLOYMENT WITH THE SCHOOL DISTRICT OR PUBLIC SCHOOL ACADEMY THAT
26 PREVIOUSLY OPERATED THE SCHOOL.

27 (D) WITH THE APPROVAL OF THE STATE SCHOOL REFORM/REDESIGN
SCHOOL DISTRICT, CONTRACTUAL OR OTHER WORK RULES THAT WOULD
OTHERWISE BE APPLICABLE SHALL NOT APPLY AT THE SCHOOL. THIS

1 SUBDIVISION DOES NOT ALLOW UNILATERAL CHANGES IN PAY SCALES OR
2 BENEFITS.

3 (E) WITH THE APPROVAL OF THE STATE SCHOOL REFORM/REDESIGN
4 SCHOOL DISTRICT, ANY CONTRACTUAL OR OTHER SENIORITY SYSTEM THAT
5 WOULD OTHERWISE BE APPLICABLE SHALL NOT APPLY AT THE SCHOOL. THIS
6 SUBDIVISION DOES NOT ALLOW UNILATERAL CHANGES IN PAY SCALES OR
7 BENEFITS.

8 (F) THE PRINCIPAL OR OTHER SCHOOL LEADER DESIGNATED BY THE
9 QUALIFIED PERSON OR ENTITY SHALL HAVE FULL AUTONOMY AND CONTROL
10 OVER CURRICULUM AND DISCRETIONARY SPENDING AT THE SCHOOL.

11 (G) THE QUALIFIED PERSON OR ENTITY MANAGING THE SCHOOL SHALL
12 ASSIGN TO TEACH AT THE SCHOOL ONLY AN INDIVIDUAL HOLDING A VALID
13 MICHIGAN TEACHING CERTIFICATE.

14 (H) THE SCHOOL BOARD OR BOARD OF DIRECTORS THAT OPERATED THE
15 PUBLIC SCHOOL BEFORE IT WAS DESIGNATED AS A FAILING PUBLIC SCHOOL
16 SHALL ENSURE THAT ALL OF ITS SCHOOL OFFICIALS AND EMPLOYEES
17 COOPERATE WITH THE STATE SCHOOL REFORM/REDESIGN OFFICER AND WITH
18 THE QUALIFIED PERSON OR ENTITY MANAGING THE PUBLIC SCHOOL UNDER A
19 PERFORMANCE CONTRACT UNDER SUBSECTION (7) AS REQUESTED BY THE STATE
20 SCHOOL REFORM/REDESIGN OFFICER AND THE QUALIFIED PERSON OR ENTITY.

21 (I) THE PUBLIC SCHOOL IS PART OF THE SCHOOL REFORM/REDESIGN
22 SCHOOL DISTRICT FOR MANAGEMENT OF THE PUBLIC SCHOOL, BUT, FOR
23 PURPOSES OF CALCULATING STATE SCHOOL AID UNDER THE STATE SCHOOL AID
24 ACT OF 1979, IS CONSIDERED PART OF THE SCHOOL DISTRICT OR PUBLIC
25 SCHOOL ACADEMY THAT OPERATED THE PUBLIC SCHOOL BEFORE IT WAS
26 DESIGNATED AS A FAILING PUBLIC SCHOOL.

27 (J) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL ESTABLISH A

1 SCHOOL ADVISORY COUNCIL FOR THE SCHOOL CONSISTING OF PARENTS AND
2 COMMUNITY LEADERS AND SHALL MEET WITH THE SCHOOL ADVISORY COUNCIL
3 PERIODICALLY TO RECEIVE THEIR INPUT. THE STATE SCHOOL
4 REFORM/REDESIGN OFFICER MAY ALSO INCLUDE ON THE ADVISORY COUNCIL 1
5 OR MORE PUPILS; REPRESENTATIVES OF LOCAL COMMUNITY ORGANIZATIONS
6 THAT OFFER HEALTH, SOCIAL, OR EDUCATIONAL SERVICES; OR
7 REPRESENTATIVES OF LOCAL WORKFORCE DEVELOPMENT BOARDS OR
8 POSTSECONDARY INSTITUTIONS THAT SERVE THE LOCAL COMMUNITY.

9 (9) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DO 1 OF THE
10 FOLLOWING:

11 (A) CREATE A HIGH-PERFORMING SCHOOL REVIEW TEAM THAT EVALUATES
12 PUBLIC SCHOOL ACADEMIES IN THIS STATE AND SIMILAR PUBLIC SCHOOLS IN
13 OTHER STATES TO IDENTIFY PERSONS OR ENTITIES THAT OPERATE HIGH-
14 PERFORMING PUBLIC SCHOOLS. THE HIGH-PERFORMING SCHOOL REVIEW TEAM
15 SHALL CONSIST OF AT LEAST TEACHERS, SCHOOL ADMINISTRATORS, AND
16 OTHER EDUCATIONAL EXPERTS. IN IDENTIFYING HIGH-PERFORMING PUBLIC
17 SCHOOLS, THE HIGH-PERFORMING SCHOOL REVIEW TEAM SHALL TAKE INTO
18 ACCOUNT THE PAST ACADEMIC PERFORMANCE OF PUPILS AT THE SCHOOL, PAST
19 GRADE OFFERINGS AT THE SCHOOL, AND THE DEMOGRAPHICS OF PUPILS AT
20 THE SCHOOL.

21 (B) CONTRACT WITH AN ENTITY TO PERFORM THE FUNCTIONS UNDER
22 SUBDIVISION (A).

23 (10) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL USE THE
24 EVALUATIONS OF THE HIGH-PERFORMING SCHOOL REVIEW TEAM OR THE
25 CONTRACTING ENTITY UNDER SUBSECTION (9) WHEN SOLICITING PROPOSALS
26 FROM QUALIFIED PERSONS OR ENTITIES FOR THE PURPOSES OF SUBSECTION
27 (7) OR SOLICITING QUALIFIED ENTITIES, AS DEFINED IN PART 6D, TO

1 OPERATE TURNAROUND SCHOOLS FOR THE PURPOSES OF PART 6D.

2 (11) AT LEAST ANNUALLY, THE DEPARTMENT SHALL PUBLISH A WATCH
3 LIST OF PUBLIC SCHOOLS THAT ARE IN DANGER OF MEETING THE CRITERIA
4 UNDER SUBSECTION (3). IF A PUBLIC SCHOOL IS INCLUDED ON THE LIST,
5 THE DEPARTMENT SHALL NOTIFY THE BOARD OR BOARD OF DIRECTORS THAT
6 OPERATES THE PUBLIC SCHOOL AND THE COLLECTIVE BARGAINING
7 REPRESENTATIVES OF ALL COLLECTIVE BARGAINING UNITS WITH MEMBERS WHO
8 WORK AT THE SCHOOL. THE BOARD OR BOARD OF DIRECTORS SHALL NOTIFY
9 EMPLOYEES AND PARENT ORGANIZATIONS AT THE SCHOOL THAT THE SCHOOL
10 HAS BEEN PLACED ON THIS WATCH LIST AND SHALL PUBLISH A NOTICE TO
11 THIS EFFECT ON ITS WEBSITE. THE DEPARTMENT SHALL INCLUDE A PUBLIC
12 SCHOOL ON THIS WATCH LIST IF THE DEPARTMENT DETERMINES THAT A
13 PUBLIC SCHOOL HAS FAILED TO ACHIEVE THE FEDERAL PUPIL PERFORMANCE
14 STANDARD FOR 3 OR MORE CONSECUTIVE YEARS AND THAT THE PERCENTAGE OF
15 ALL PUPILS ENROLLED IN THE PUBLIC SCHOOL WHO SCORED AT LEAST
16 "PROFICIENT" ON THE MOST RECENT MICHIGAN EDUCATION ASSESSMENT
17 PROGRAM ASSESSMENTS OR MICHIGAN MERIT EXAMINATION, AS APPLICABLE,
18 FOR WHICH RESULTS ARE AVAILABLE WAS LESS THAN 45% IN BOTH
19 MATHEMATICS AND ENGLISH LANGUAGE ARTS, AND MAY INCLUDE OTHER PUBLIC
20 SCHOOLS IF THE DEPARTMENT DETERMINES THAT THERE ARE OTHER REASONS
21 WHY THEY ARE IN DANGER OF MEETING THE CRITERIA UNDER SUBSECTION
22 (3).

23 (12) FOR THE PURPOSES OF THIS SECTION, THE STATE SCHOOL
24 REFORM/REDESIGN OFFICER IS ENCOURAGED TO CONSIDER TAKING MEASURES
25 TO INCREASE THE NUMBER OF QUALIFIED SCHOOL COUNSELORS SERVING A
26 FAILING PUBLIC SCHOOL TO ENSURE THAT THERE IS AT LEAST 1 QUALIFIED
27 SCHOOL COUNSELOR FOR EVERY 250 PUPILS.

1 (13) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES
2 THAT THE RESOURCES AVAILABLE TO THE DEPARTMENT AND TO THE STATE
3 SCHOOL REFORM/REDESIGN SCHOOL DISTRICT ARE INSUFFICIENT TO ADDRESS
4 ALL OF THE PUBLIC SCHOOLS IN THIS STATE THAT MEET THE CRITERIA
5 UNDER SUBSECTION (3), THE SUPERINTENDENT OF PUBLIC INSTRUCTION
6 SHALL PRIORITIZE HIS OR HER EFFORTS BY ADDRESSING THE LOWEST-
7 PERFORMING PUBLIC SCHOOLS FIRST AND ADDRESSING OTHERS AS RESOURCES
8 BECOME AVAILABLE.

9 (14) AT LEAST QUARTERLY, THE STATE SCHOOL REFORM/REDESIGN
10 OFFICER SHALL SUBMIT A REPORT TO THE STANDING COMMITTEES OF THE
11 SENATE AND HOUSE OF REPRESENTATIVES HAVING JURISDICTION OVER
12 EDUCATION LEGISLATION ON THE PROGRESS BEING MADE IN IMPROVING PUPIL
13 PROFICIENCY DUE TO THE MEASURES UNDER THIS SECTION.

14 (15) AS USED IN THIS SECTION:

15 (A) "ACHIEVED THE FEDERAL PUPIL PERFORMANCE STANDARD" MEANS
16 THAT THE DEPARTMENT HAS DETERMINED THAT THE SCHOOL HAS ACHIEVED
17 ADEQUATE YEARLY PROGRESS UNDER THE NO CHILD LEFT BEHIND ACT OF
18 2001, PUBLIC LAW 107-110, OR HAS MET A SUCCESSOR FEDERAL STANDARD
19 THAT THE SUPERINTENDENT OF PUBLIC INSTRUCTION HAS IDENTIFIED AS
20 BEING A STANDARD ESTABLISHED BY THE FEDERAL GOVERNMENT THAT IS
21 BASED ON PUPIL PERFORMANCE AND IS REQUIRED TO BE MET IN ORDER TO
22 RECEIVE FULL FEDERAL FUNDING.

23 (B) "DESIGNATED PERCENTAGE" MEANS 30% FOR 2009-2010, 33% FOR
24 2010-2011, 36% FOR 2011-2012, 39% FOR 2012-2013, 42% FOR 2013-2014,
25 AND 45% FOR 2014-2015 AND THEREAFTER.

26 (C) "FAILED TO ACHIEVE THE FEDERAL PUPIL PERFORMANCE STANDARD"
27 MEANS THAT THE DEPARTMENT HAS DETERMINED THAT THE SCHOOL HAS FAILED

1 TO ACHIEVE ADEQUATE YEARLY PROGRESS UNDER THE NO CHILD LEFT BEHIND
2 ACT OF 2001, PUBLIC LAW 107-110, OR HAS FAILED TO MEET A SUCCESSOR
3 FEDERAL STANDARD THAT THE SUPERINTENDENT OF PUBLIC INSTRUCTION HAS
4 IDENTIFIED AS BEING A STANDARD ESTABLISHED BY THE FEDERAL
5 GOVERNMENT THAT IS BASED ON PUPIL PERFORMANCE AND IS REQUIRED TO BE
6 MET IN ORDER TO RECEIVE FULL FEDERAL FUNDING.

7 SEC. 1320. (1) BEGINNING WITH CONTRACTS DESCRIBED IN THIS
8 SECTION THAT ARE ENTERED INTO AFTER THE EFFECTIVE DATE OF THIS
9 SECTION, IF THE GOVERNING BOARD OF A PUBLIC SCHOOL ENTERS INTO A
10 CONTRACT WITH AN EDUCATIONAL MANAGEMENT COMPANY TO CARRY OUT THE
11 OPERATIONS OF A PUBLIC SCHOOL UNDER THIS ACT, THE GOVERNING BOARD
12 SHALL ENSURE ALL OF THE FOLLOWING:

13 (A) THAT THE GOVERNING BOARD HAS CONDUCTED SUFFICIENT DUE
14 DILIGENCE TO CONCLUDE THAT THE EDUCATIONAL MANAGEMENT COMPANY HAS
15 SUFFICIENT EDUCATIONAL EXPERTISE AND MANAGEMENT EXPERIENCE TO
16 PROVIDE THE AGREED SERVICES.

17 (B) THAT THE GOVERNING BOARD WILL OBTAIN INDEPENDENT LEGAL
18 COUNSEL IN ALL NEGOTIATIONS WITH THE EDUCATIONAL MANAGEMENT
19 COMPANY.

20 (C) IF THE GOVERNING BOARD IS THE BOARD OF DIRECTORS OF A
21 PUBLIC SCHOOL ACADEMY, THAT, PURSUANT TO THE CONTRACT BETWEEN THE
22 BOARD OF DIRECTORS AND THE EDUCATIONAL MANAGEMENT COMPANY OR
23 EDUCATIONAL MANAGEMENT ORGANIZATION, THE EDUCATIONAL MANAGEMENT
24 COMPANY WILL PROVIDE TO THE BOARD OF DIRECTORS ALL FINANCIAL AND
25 OTHER INFORMATION REQUIRED TO COMPLY WITH THE REQUIREMENTS
26 CONCERNING REPORTING THAT ARE CONTAINED IN THE CONTRACT BETWEEN THE
27 BOARD OF DIRECTORS AND ITS AUTHORIZING BODY UNDER SECTION 503 OR

1 533, AS APPLICABLE.

2 (2) BEGINNING WITH CONTRACTS DESCRIBED IN THIS SECTION THAT
3 ARE ENTERED INTO AFTER THE EFFECTIVE DATE OF THIS SECTION, IF THE
4 GOVERNING BOARD OF A PUBLIC SCHOOL ENTERS INTO A CONTRACT WITH AN
5 EDUCATIONAL MANAGEMENT COMPANY TO CARRY OUT THE OPERATIONS OF A
6 PUBLIC SCHOOL UNDER THIS ACT, THE CONTRACT BETWEEN THE GOVERNING
7 BOARD AND THE EDUCATIONAL MANAGEMENT COMPANY SHALL CONTAIN AT LEAST
8 ALL OF THE FOLLOWING PROVISIONS:

9 (A) A PROVISION REQUIRING THE EDUCATIONAL MANAGEMENT COMPANY
10 TO PROVIDE TO THE GOVERNING BOARD INFORMATION REGARDING ANY
11 TEACHERS, ADMINISTRATORS, AND SUPPORT STAFF EMPLOYED BY THE
12 EDUCATIONAL MANAGEMENT COMPANY AND ASSIGNED TO WORK AT THE PUBLIC
13 SCHOOL, INCLUDING AT LEAST ALL OF THE FOLLOWING PERSONAL
14 INFORMATION:

15 (i) NAME.

16 (ii) EDUCATION, INCLUDING HIGHEST DEGREE ATTAINED.

17 (iii) SALARY.

18 (iv) COPY OF TEACHING CERTIFICATE OR OTHER REQUIRED PERMIT OR
19 CREDENTIAL, IF REQUIRED FOR THE POSITION.

20 (v) DESCRIPTION OF RELEVANT EXPERIENCE.

21 (vi) EMPLOYMENT RECORD.

22 (B) A PROVISION REQUIRING THE EDUCATIONAL MANAGEMENT COMPANY
23 TO PROVIDE TO THE GOVERNING BOARD INFORMATION REGARDING THE
24 BUSINESS OPERATIONS OF THE PUBLIC SCHOOL, INCLUDING AT LEAST ALL OF
25 THE FOLLOWING:

26 (i) FINANCIAL RECORDS AND INFORMATION CONCERNING THE OPERATION
27 OF THE SCHOOL, INCLUDING, BUT NOT LIMITED TO, BUDGETS AND DETAILED

1 RECORDS OF FUNDS RECEIVED FROM THIS STATE AND OTHER ENTITIES,
2 EXPENDITURE OF THOSE FUNDS, INVESTMENT OF THOSE FUNDS, CARRYOVER,
3 AND CONTRACTUAL ARRANGEMENTS OR AGREEMENTS ENTERED INTO BY THE
4 EDUCATIONAL MANAGEMENT COMPANY AS AN AGENT OF THE GOVERNING BOARD.

5 (ii) FINANCIAL RECORDS AND INFORMATION CONCERNING LEASES TO
6 WHICH THE GOVERNING BOARD IS A PARTY, INCLUDING, BUT NOT LIMITED
7 TO, LEASES FOR EQUIPMENT, PHYSICAL FACILITY SPACE, OR INSTITUTIONAL
8 AND EDUCATIONAL MATERIALS.

9 (iii) FINANCIAL RECORDS AND INFORMATION CONCERNING MORTGAGES AND
10 LOANS TO WHICH THE GOVERNING BOARD IS A PARTY.

11 (C) IF THE GOVERNING BOARD IS THE BOARD OF DIRECTORS OF A
12 PUBLIC SCHOOL ACADEMY, A PROVISION REQUIRING THE EDUCATIONAL
13 MANAGEMENT COMPANY TO MAKE INFORMATION AVAILABLE TO THE BOARD OF
14 DIRECTORS CONCERNING THE OPERATION AND MANAGEMENT OF THE PUBLIC
15 SCHOOL ACADEMY, INCLUDING AT LEAST ALL OF THE INFORMATION NECESSARY
16 TO COMPLY WITH THE REQUIREMENTS CONCERNING REPORTING THAT ARE
17 CONTAINED IN THE CONTRACT BETWEEN THE BOARD OF DIRECTORS AND ITS
18 AUTHORIZING BODY UNDER SECTION 503 OR 533, AS APPLICABLE.

19 (3) THIS SECTION DOES NOT APPLY TO A CONTRACT TO FURNISH
20 SUBSTITUTE TEACHERS ENTERED INTO UNDER SECTION 1236A.

21 (4) AS USED IN THIS SECTION:

22 (A) "EDUCATIONAL MANAGEMENT COMPANY" MEANS AN ENTITY THAT
23 ENTERS INTO AN AGREEMENT WITH THE GOVERNING BOARD OF A PUBLIC
24 SCHOOL TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE,
25 MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE PUBLIC
26 SCHOOL. EDUCATIONAL MANAGEMENT COMPANY INCLUDES AN EDUCATIONAL
27 MANAGEMENT ORGANIZATION AS THAT TERM IS DEFINED AND USED IN PART 6D

1 OR A QUALIFIED PERSON OR ENTITY WITH WHOM THE STATE SCHOOL
2 REFORM/REDESIGN OFFICER ENTERS INTO A PERFORMANCE CONTRACT UNDER
3 SECTION 1280C.

4 (B) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS
5 CORPORATION, LABOR ORGANIZATION, OR ANY OTHER ASSOCIATION,
6 CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

7 Sec. 1701a. For the purposes of ensuring that a student with a
8 disability enrolled in a public school academy ~~created under part~~
9 ~~6a or 6b~~ is provided with special education programs and services,
10 the public school academy is considered to be a local school
11 district under this article.

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

15 (a) House Bill No. 4788.

16 (b) House Bill No. 4789.