

**SUBSTITUTE FOR
HOUSE BILL NO. 5526**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 4, 12a, 381, 392, 393, 502, 503, 507, 522,
528, 552, 561, and 1250 (MCL 380.4, 380.12a, 380.381, 380.392,
380.393, 380.502, 380.503, 380.507, 380.522, 380.528, 380.552,
380.561, and 380.1250), section 4 as amended by 2011 PA 232,
section 12a as added by 2013 PA 96, and sections 381, 392, and 393
as added and sections 502, 507, 522, 528, 552, 561, and 1250 as
amended by 2016 PA 192, and section 503 as amended by 2011 PA 277,
and by adding sections 1280g and 1280h; and to repeal acts and
parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) "EDUCATION ACCOUNTABILITY POLICY COMMISSION" MEANS
2 THE EDUCATION ACCOUNTABILITY POLICY COMMISSION CREATED UNDER

1 **SECTION 1280H.**

2 (2) ~~(1)~~—"Educational media center" means a program operated by
3 an intermediate school district and approved by the state board
4 that provides services to local school districts or constituent
5 districts under section 671.

6 (3) ~~(2)~~—"Intermediate school board" means the board of an
7 intermediate school district.

8 (4) ~~(3)~~—"Intermediate school district" means a corporate body
9 established under part 7.

10 (5) ~~(4)~~—"Intermediate school district election" means an
11 election called by an intermediate school board and held on the
12 date of the regular school elections of constituent districts or on
13 a date determined by the intermediate school board under section
14 642c of the Michigan election law, MCL 168.642c.

15 (6) ~~(5)~~—"Intermediate school elector" means a person who is a
16 school elector of a constituent district and who is registered in
17 the city or township in which the person resides.

18 (7) ~~(6)~~—"Intermediate superintendent" means the superintendent
19 of an intermediate school district.

20 Sec. 12a. (1) As permitted under federal law, if a school
21 district is dissolved under section 12 or if the functions and
22 responsibilities of a school district for operating a public school
23 are transferred to another public entity, ~~including, but not~~
24 ~~limited to, a transfer to another public entity under section~~
25 ~~1280e,~~ the superintendent of public instruction shall grant each
26 receiving school district or other public entity assuming the
27 functions and responsibilities for the public school an allocation

1 of grants under 20 USC 6333, 6334, 6335, and 6337 and of other
2 federal funds that would otherwise be made available for grants to
3 or federal funding for the public school or make other adjustments
4 in the allocation of federal funds to implement the dissolution of
5 the school district or other transfer of functions and
6 responsibilities.

7 (2) As used in this section, "receiving school district" means
8 that term as defined in section 12.

9 Sec. 381. (1) A school district organized as a community
10 district shall be governed by this part, by the provisions of
11 article 2 not inconsistent with this part, and by articles 3 and 4.

12 (2) A community district is a political subdivision and public
13 body corporate separate and distinct from this state and other
14 school districts in this state.

15 (3) The name of a school district governed by this part shall
16 include the name of the city, village, or township with the
17 greatest population located within the geographic boundaries of the
18 community district, the word "school" or "schools", and the word
19 "community" or "district", or both.

20 (4) Subject to section 12b, a school district governed by this
21 part shall be under the jurisdiction of and governed by the school
22 board of the community district provided for by section 384.

23 (5) As used in this part:

24 (a) "Authorizing body" means that term as defined in section
25 501, 521, or 551, as applicable.

26 ~~———— (b) "State school reform/redesign officer" means that officer~~
27 ~~———— serving under section 1280e.~~

1 **(B)** ~~(e)~~ "Transfer date" means that term as defined in section
2 12b.

3 Sec. 392. The board of a community district shall not open a
4 new school if both of the following circumstances exist:

5 ~~(a) Until the accountability system under section 390 has been~~
6 ~~in effect in the community district for at least 3 full school~~
7 ~~years, the~~ **THE** proposed school would operate at the same location
8 as a public school that currently is on the list under section
9 1280c(1) **OR 1280G(3), AS APPLICABLE**, of the public schools in this
10 state that ~~the state school reform/redesign office has determined~~
11 ~~to be among the lowest achieving 5% of all public schools in this~~
12 ~~state or has been on that list~~ **THE LIST UNDER SECTION 1280C(1) OR**
13 **1280G(3), AS APPLICABLE**, during the immediately preceding 3-year
14 period. ~~Beginning after the accountability system under section 390~~
15 ~~has been in effect in the community district for at least 3 full~~
16 ~~school years, the proposed school would operate at the same~~
17 ~~location as a public school that has been assigned a grade of "F"~~
18 ~~under section 390 for 3 of the preceding 5 school years.~~

19 (b) The proposed school would have substantially the same
20 leadership and substantially the same curriculum offerings as the
21 school that previously operated at that location.

22 Sec. 393. (1) A community district shall have, support, and
23 maintain an advisory council as provided in this section.

24 (2) The advisory council shall consist of 6 members as
25 follows:

26 (a) The superintendent of schools of the community district or
27 his or her designee.

1 (b) The school board president of the community district or
2 his or her designee.

3 (c) One member, appointed by the state school reform/redesign
4 officer, who at the time of his or her appointment is the parent of
5 at least 1 pupil who is currently enrolled, and who has been
6 enrolled for at least 1 full school year, in a public school
7 operated by the community district or operated by the qualifying
8 school district with the same boundaries as the community district.
9 If a member appointed under this subdivision ceases to have a child
10 enrolled in a public school operated by the community district,
11 that member shall be considered to have vacated the member's
12 office.

13 (d) One member representing authorizing bodies that have
14 authorized at least 3 public school academies located within the
15 community district, appointed by the ~~state school reform/redesign~~
16 ~~officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION** from among
17 nominees submitted by a statewide organization representing
18 authorizing bodies.

19 (e) One member who serves as a school administrator in, or on
20 the board of directors of, a public school academy that is located
21 within the community district and is authorized by the governing
22 board of a state public university, appointed by the ~~state school~~
23 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
24 from among nominees submitted by a statewide organization
25 representing public school academies.

26 (f) One member, appointed by the ~~state school reform/redesign~~
27 ~~officer~~, **EDUCATION ACCOUNTABILITY POLICY COMMISSION**, who at the

1 time of his or her appointment is the parent of at least 1 pupil
2 who is currently enrolled, and who has been enrolled for at least 1
3 full school year, in a public school academy located within the
4 community district. If a member appointed under this subdivision
5 ceases to have a child enrolled in a public school academy located
6 within the community district, that member shall be considered to
7 have vacated the member's office.

8 (3) The advisory council members appointed under subsection
9 (2)(c) to (f) shall serve for a term of 4 years. A vacancy in the
10 office shall be filled in the same manner as the original
11 appointment for the vacated seat.

12 (4) In carrying out its functions, an advisory council shall
13 solicit input and consider recommendations from representatives of
14 authorizing bodies for public school academies operating within the
15 community district, community groups, and other interested parties
16 with relevant experience.

17 (5) On an annual basis, an advisory council shall prepare and
18 submit to the school board of the community district a report on
19 the physical state of public school facilities located within the
20 community district; the utilization of public school facilities
21 located within the community district, considering efficiency of
22 that utilization and possible consolidation or elimination of
23 facilities; the siting of existing and future public schools within
24 the community district, considering population, population density,
25 and the efficient and equitable distribution of facilities; and
26 transportation of pupils to and from public schools located within
27 the community district. The school board of the community district

1 shall provide a copy of this report to the ~~state school~~
2 ~~reform/redesign officer,~~ **EDUCATION ACCOUNTABILITY POLICY**
3 **COMMISSION**, to the authorizing body of each public school academy
4 located within the community district, and to the standing
5 committees of the senate and house of representatives with
6 responsibility for education legislation.

7 (6) In carrying out its functions and responsibilities, the
8 school board of a community district shall consider the reports
9 received from the advisory council under subsection (5).

10 Sec. 502. (1) A public school academy shall be organized and
11 administered under the direction of a board of directors in
12 accordance with this part and with bylaws adopted by the board of
13 directors. A public school academy corporation shall be organized
14 under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
15 450.3192, except that a public school academy corporation is not
16 required to comply with sections 170 to 177 of 1931 PA 327, MCL
17 450.170 to 450.177. To the extent disqualified under the state or
18 federal constitution, a public school academy shall not be
19 organized by a church or other religious organization and shall not
20 have any organizational or contractual affiliation with or
21 constitute a church or other religious organization.

22 (2) Subject to subsection (9), any of the following may act as
23 an authorizing body to issue a contract to organize and operate 1
24 or more public school academies under this part:

25 (a) The board of a school district. However, the board of a
26 school district shall not issue a contract for a public school
27 academy to operate outside the school district's boundaries, and a

1 public school academy authorized by the board of a school district
2 shall not operate outside that school district's boundaries.

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

9 (c) The board of a community college. However, except as
10 otherwise provided in this subdivision, the board of a community
11 college shall not issue a contract for a public school academy to
12 operate in a school district organized as a school district of the
13 first class, a public school academy authorized by the board of a
14 community college shall not operate in a school district organized
15 as a school district of the first class, the board of a community
16 college shall not issue a contract for a public school academy to
17 operate outside the boundaries of the community college district,
18 and a public school academy authorized by the board of a community
19 college shall not operate outside the boundaries of the community
20 college district. The board of a community college also may issue a
21 contract for not more than 1 public school academy to operate on
22 the grounds of an active or closed federal military installation
23 located outside the boundaries of the community college district,
24 or may operate a public school academy itself on the grounds of
25 such a federal military installation, if the federal military
26 installation is not located within the boundaries of any community
27 college district and the community college has previously offered

1 courses on the grounds of the federal military installation for at
2 least 10 years.

3 (d) The governing board of a state public university. However,
4 the combined total number of contracts for public school academies
5 issued by all state public universities shall not exceed 300
6 through December 31, 2012 and shall not exceed 500 through December
7 31, 2014. After December 31, 2014, there is no limit on the
8 combined total number of contracts for public school academies that
9 may be issued by all state public universities.

10 (e) Two or more of the public agencies described in
11 subdivisions (a) to (d) exercising power, privilege, or authority
12 jointly pursuant to an interlocal agreement under the urban
13 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
14 124.512.

15 (3) To obtain a contract to organize and operate 1 or more
16 public school academies, 1 or more persons or an entity may apply
17 to an authorizing body described in subsection (2). The application
18 shall include at least all of the following:

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

20 (b) Subject to the resolution adopted by the authorizing body
21 under section 503(5), a list of the proposed members of the board
22 of directors of the public school academy and a description of the
23 qualifications and method for appointment or election of members of
24 the board of directors.

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

27 (i) The name of the proposed public school academy.

1 (ii) The purposes for the public school academy corporation.

2 This language shall provide that the public school academy is
3 incorporated pursuant to this part and that the public school
4 academy corporation is a governmental entity.

5 (iii) The name of the authorizing body.

6 (iv) The proposed time when the articles of incorporation will
7 be effective.

8 (v) Other matters considered expedient to be in the articles
9 of incorporation.

10 (d) A copy of the proposed bylaws of the public school
11 academy.

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

14 (i) The governance structure of the public school academy.

15 (ii) A copy of the educational goals of the public school
16 academy and the curricula to be offered and methods of pupil
17 assessment to be used by the public school academy. The educational
18 goals shall include demonstrated improved pupil academic
19 achievement for all groups of pupils. To the extent applicable, the
20 progress of the pupils in the public school academy shall be
21 assessed using both the mathematics and reading portions of the
22 Michigan student test of educational progress (M-STEP) or the
23 Michigan merit examination under section 1279g, as applicable.

24 (iii) The admission policy and criteria to be maintained by
25 the public school academy. The admission policy and criteria shall
26 comply with section 504. This part of the application also shall
27 include a description of how the applicant will provide to the

1 general public adequate notice that a public school academy is
2 being created and adequate information on the admission policy,
3 criteria, and process.

4 (iv) The school calendar and school day schedule.

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

6 (f) Descriptions of staff responsibilities and of the public
7 school academy's governance structure.

8 (g) For an application to the board of a school district, an
9 intermediate school board, or board of a community college,
10 identification of the local and intermediate school districts in
11 which the public school academy will be located.

12 (h) An agreement that the public school academy will comply
13 with the provisions of this part and, subject to the provisions of
14 this part, with all other state law applicable to public bodies and
15 with federal law applicable to public bodies or school districts.

16 (i) A description of and address for the proposed physical
17 plant in which the public school academy will be located. An
18 applicant may request the authorizing body to issue a contract
19 allowing the public school academy board of directors to operate
20 the same configuration of age or grade levels at more than 1 site.

21 (4) An authorizing body shall oversee, or shall contract with
22 an intermediate school district, community college, or state public
23 university to oversee, each public school academy operating under a
24 contract issued by the authorizing body. The authorizing body is
25 responsible for overseeing compliance by the board of directors
26 with the contract and all applicable law. This subsection does not
27 relieve any other government entity of its enforcement or

1 supervisory responsibility.

2 (5) If the superintendent of public instruction finds that an
3 authorizing body is not engaging in appropriate continuing
4 oversight of 1 or more public school academies operating under a
5 contract issued by the authorizing body, the superintendent of
6 public instruction may suspend the power of the authorizing body to
7 issue new contracts to organize and operate public school
8 academies. A contract issued by the authorizing body during the
9 suspension is void. A contract issued by the authorizing body
10 before the suspension is not affected by the suspension.

11 (6) An authorizing body shall not charge a fee, or require
12 reimbursement of expenses, for considering an application for a
13 contract, for issuing a contract, or for providing oversight of a
14 contract for a public school academy in an amount that exceeds a
15 combined total of 3% of the total state school aid received by the
16 public school academy in the school year in which the fees or
17 expenses are charged. An authorizing body may provide other
18 services for a public school academy and charge a fee for those
19 services, but shall not require such an arrangement as a condition
20 to issuing the contract authorizing the public school academy.

21 (7) A public school academy shall be presumed to be legally
22 organized if it has exercised the franchises and privileges of a
23 public school academy for at least 2 years.

24 (8) An authorizing body may enter into an intergovernmental
25 agreement with another authorizing body to issue public school
26 academy contracts. At a minimum, the agreement shall further the
27 purposes set forth in section 501, describe which authorizing body

1 shall issue the contract, and set forth which authorizing body will
2 be responsible for monitoring compliance by the board of directors
3 of the public school academy with the contract and all applicable
4 law.

5 (9) Both of the following apply to the issuance of a contract
6 for a public school academy to be located within a community
7 district:

8 (a) An authorizing body shall not issue a contract to organize
9 and operate a new public school academy to be located in a
10 community district unless, before issuing the contract, the
11 governing board of the authorizing body has certified to the ~~state~~
12 ~~school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY**
13 **COMMISSION** that the authorizing body has been accredited as an
14 authorizing body by a nationally recognized accreditation body. For
15 an authorizing body described in subsection (2)(e), the authorizing
16 body shall not issue a contract to organize and operate a new
17 public school academy to be located in a community district unless,
18 before issuing the contract, the governing board of each of the
19 public agencies that is party to the interlocal agreement has
20 certified to the ~~state school reform/redesign officer~~ **EDUCATION**
21 **ACCOUNTABILITY POLICY COMMISSION** that the public agency has been
22 accredited as an authorizing body by a nationally recognized
23 accreditation body.

24 (b) An authorizing body shall not issue a contract for a new
25 public school academy to be located in a community district if both
26 of the following circumstances exist:

27 (i) Either of the following:

1 (A) ~~Until the accountability system under section 390 has been~~
2 ~~in effect in the community district for at least 3 full school~~
3 ~~years, the~~ **THE** proposed public school academy would operate at the
4 same location as a public school that currently is on the list
5 under section 1280c(1) **OR 1280G(3), AS APPLICABLE**, of the public
6 schools in this state ~~that the state school reform/redesign office~~
7 ~~has determined to be among the lowest achieving 5% of all public~~
8 ~~schools in this state or has been on that list~~ **THE LIST UNDER**
9 **SECTION 1280C(1) OR 1280G(3), AS APPLICABLE**, during the immediately
10 preceding 3-year period. ~~Beginning after the accountability system~~
11 ~~under section 390 has been in effect in the community district for~~
12 ~~at least 3 full school years, the proposed public school academy~~
13 ~~would operate at the same location as a public school that has been~~
14 ~~assigned a grade of "F" under section 390 for 3 of the preceding 5~~
15 ~~school years.~~

16 (B) The proposed public school academy would operate at the
17 same location as a public school academy, urban high school
18 academy, school of excellence, or strict discipline academy that
19 has had its contract revoked or terminated by an authorizing body
20 under the applicable part or section.

21 (ii) The proposed public school academy would have
22 substantially the same board of directors, substantially the same
23 leadership, and substantially the same curriculum offerings as the
24 public school that previously operated at that location.

25 ~~—— (10) A public school academy that is located within a~~
26 ~~community district is subject to section 390.~~

27 Sec. 503. (1) An authorizing body is not required to issue a

1 contract to any person or entity. Subject to subsection (2), public
2 school academy contracts shall be issued on a competitive basis. In
3 deciding whether to issue a contract for a proposed public school
4 academy, an authorizing body shall consider all of the following:

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

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

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

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

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

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

17 (g) The number of schools in the proximity of a proposed
18 location of the proposed public school academy that are on the list
19 under section 1280c(1) **OR 1280G(3), AS APPLICABLE**, of the public
20 schools in this state ~~that the department has determined to be~~
21 among the lowest achieving ~~5% of all~~ public schools in this state.

22 (h) The number of pupils on waiting lists of public school
23 academies in the proximity of a proposed location of the proposed
24 public school academy.

25 (2) An authorizing body may give priority to a proposed public
26 school academy that is intended to replace a public school academy
27 that has been closed pursuant to section 507(5), that will operate

1 all of the same grade levels as the public school academy that has
2 been closed, and that will work toward operating all of grades 9 to
3 12 within 6 years after it begins operations unless a matriculation
4 agreement has been entered into with another public school that
5 provides grades 9 to 12.

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

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

27 (5) An authorizing body shall adopt a resolution establishing

1 the method of selection, length of term, and number of members of
2 the board of directors of each public school academy subject to its
3 jurisdiction. The resolution shall be written or amended as
4 necessary to include a requirement that each member of the board of
5 directors must be a citizen of the United States.

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

8 (a) The educational goals the public school academy is to
9 achieve and the methods by which it will be held accountable. The
10 educational goals shall include demonstrated improved pupil
11 academic achievement for all groups of pupils. To the extent
12 applicable, the pupil performance of a public school academy shall
13 be assessed using at least a ~~THE Michigan education assessment~~
14 ~~program (MEAP) test~~ **STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)**
15 or the Michigan merit examination under section 1279g, as
16 applicable.

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

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

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

24 (e) Procedures for revoking the contract and grounds for
25 revoking the contract, including at least the grounds listed in
26 section 507.

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

1 plant in which the public school academy will be located. An
2 authorizing body may include a provision in the contract allowing
3 the board of directors of the public school academy to operate the
4 same configuration of age or grade levels at more than 1 site if
5 each configuration of age or grade levels and each site identified
6 in the contract are under the direction and control of the board of
7 directors.

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

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

18 (i) A certification, signed by an authorized member of the
19 board of directors of the public school academy, that the public
20 school academy will comply with the contract and all applicable
21 law.

22 (j) A requirement that the board of directors of the public
23 school academy shall ensure compliance with the requirements of
24 1968 PA 317, MCL 15.321 to 15.330.

25 (k) A requirement that the board of directors of the public
26 school academy shall prohibit specifically identified family
27 relationships between members of the board of directors,

1 individuals who have an ownership interest in or who are officers
2 or employees of an educational management organization involved in
3 the operation of the public school academy, and employees of the
4 public school academy. The contract shall identify the specific
5 prohibited relationships consistent with applicable law.

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

10 (m) A requirement that the board of directors of the public
11 school academy shall collect, maintain, and make available to the
12 public and the authorizing body, in accordance with applicable law
13 and the contract, at least all of the following information
14 concerning the operation and management of the public school
15 academy:

16 (i) A copy of the contract issued by the authorizing body for
17 the public school academy.

18 (ii) A list of currently serving members of the board of
19 directors of the public school academy, including name, address,
20 and term of office; copies of policies approved by the board of
21 directors; board meeting agendas and minutes; a copy of the budget
22 approved by the board of directors and of any amendments to the
23 budget; and copies of bills paid for amounts of \$10,000.00 or more
24 as they were submitted to the board of directors.

25 (iii) Quarterly financial reports submitted to the authorizing
26 body.

27 (iv) A current list of teachers and school administrators

1 working at the public school academy that includes their individual
2 salaries as submitted to the registry of educational personnel;
3 copies of the teaching or school administrator's certificates or
4 permits of current teaching and administrative staff; and evidence
5 of compliance with the criminal background and records checks and
6 unprofessional conduct check required under sections 1230, 1230a,
7 and 1230b for all teachers and administrators working at the public
8 school academy.

9 (v) Curriculum documents and materials given to the
10 authorizing body.

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

12 (vii) Copies of facility leases or deeds, or both, and of any
13 equipment leases.

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

16 (ix) All health and safety reports and certificates, including
17 those relating to fire safety, environmental matters, asbestos
18 inspection, boiler inspection, and food service.

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

21 (xi) Any other information specifically required under this
22 act.

23 (n) A requirement that the authorizing body must review and
24 may disapprove any agreement between the board of directors of the
25 public school academy and an educational management organization
26 before the agreement is final and valid. An authorizing body may
27 disapprove an agreement described in this subdivision only if the

1 agreement is contrary to the contract or applicable law.

2 (o) A requirement that the board of directors of the public
3 school academy shall demonstrate all of the following to the
4 satisfaction of the authorizing body with regard to its pupil
5 admission process:

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

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

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

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

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

19 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
20 15.246.

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

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

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

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

1 (8) A public school academy and its incorporators, board
2 members, officers, employees, and volunteers have governmental
3 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
4 authorizing body and its board members, officers, and employees are
5 immune from civil liability, both personally and professionally,
6 for an act or omission in authorizing a public school academy if
7 the authorizing body or the person acted or reasonably believed he
8 or she acted within the authorizing body's or the person's scope of
9 authority.

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

27 (10) A public school academy may acquire by purchase, gift,

1 devise, lease, sublease, installment purchase agreement, land
2 contract, option, or by any other means, hold and own in its own
3 name buildings and other property for school purposes, and
4 interests therein, and other real and personal property, including,
5 but not limited to, interests in property subject to mortgages,
6 security interests, or other liens, necessary or convenient to
7 fulfill its purposes. For the purposes of condemnation, a public
8 school academy may proceed under the uniform condemnation
9 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding
10 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other
11 applicable statutes, but only with the express, written permission
12 of the authorizing body in each instance of condemnation and only
13 after just compensation has been determined and paid.

14 (11) A member of the board of directors of a public school
15 academy is a public officer and shall, before entering upon the
16 duties of the office, take the constitutional oath of office for
17 public officers under section 1 of article XI of the state
18 constitution of 1963.

19 Sec. 507. (1) An authorizing body that issues a contract for a
20 public school academy under this part shall do all of the
21 following:

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

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

26 (c) Establish the method of selection, length of term, and
27 number of members of the board of directors of each public school

1 academy that it authorizes. The authorizing body shall ensure that
2 the board of directors includes representation from the local
3 community.

4 (d) Oversee each public school academy operating under a
5 contract issued by the authorizing body. The oversight shall be
6 sufficient to ensure that the board of directors is in compliance
7 with the terms of the contract and with applicable law.

8 (e) Develop and implement a process for holding a public
9 school academy accountable for meeting applicable academic
10 performance standards set forth in the contract and for
11 implementing corrective action for a public school academy that
12 does not meet those standards.

13 (f) Take necessary measures to ensure that the board of
14 directors of a public school academy operates independently of any
15 educational management company involved in the operations of the
16 public school academy.

17 (g) Oversee and ensure that the pupil admission process used
18 by the public school academy is operated in a fair and open manner
19 and is in compliance with the contract and this part.

20 (h) Ensure that the board of directors of the public school
21 academy maintains and releases information as necessary to comply
22 with applicable law.

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

26 (3) The authorizing body for a public school academy is the
27 fiscal agent for the public school academy. A state school aid

1 payment for a public school academy shall be paid to the
2 authorizing body that is the fiscal agent for that public school
3 academy, and the authorizing body shall then forward the payment to
4 the public school academy. Within 30 days after a contract is
5 submitted to the department by an authorizing body under subsection
6 (1), the department shall issue a district code to the public
7 school academy for which the contract was issued. If the department
8 does not issue a district code within 30 days after a contract is
9 filed, the state treasurer shall assign a temporary district code
10 in order for the public school academy to receive funding under the
11 state school aid act of 1979.

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

15 (a) Failure of the public school academy to demonstrate
16 improved pupil academic achievement for all groups of pupils or
17 meet the educational goals set forth in the contract.

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

20 (c) Failure of the public school academy to meet generally
21 accepted public sector accounting principles and demonstrate sound
22 fiscal stewardship.

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

25 (5) Except for a public school academy that is an alternative
26 school serving a special student population, if ~~the state school~~
27 ~~reform/redesign officer determines that~~ a public school academy

1 site that has been operating for at least 4 years is among the
2 lowest achieving ~~5% of all public~~ schools in this state for the
3 immediately preceding 3 school years, as determined under section
4 1280c **OR 1280G, AS APPLICABLE**, not to include any individualized
5 education plan subgroup, the ~~state school reform/redesign officer~~
6 **EDUCATION ACCOUNTABILITY POLICY COMMISSION** shall notify the public
7 school academy's authorizing body. Also, ~~except for a public school~~
8 ~~academy that is an alternative school serving a special student~~
9 ~~population, after the accountability system under section 390 has~~
10 ~~been in effect in the community district for at least 3 full school~~
11 ~~years, if the state school reform/redesign officer determines that~~
12 ~~a public school academy site located in a community district has~~
13 ~~been assigned a grade of "F" under section 390 for the immediately~~
14 ~~preceding 3 school years, and is not currently undergoing~~
15 ~~reconstitution under this section, the state school reform/redesign~~
16 ~~officer shall notify the public school academy's authorizing body.~~
17 Subject to subsection (6), if an authorizing body receives notice
18 from the ~~state school reform/redesign officer~~ **EDUCATION**
19 **ACCOUNTABILITY POLICY COMMISSION** under this subsection, the
20 authorizing body shall amend the public school academy's contract
21 to eliminate the public school academy's authority to operate the
22 existing age and grade levels at the site and the public school
23 academy shall cease operating the existing age and grade levels at
24 the site, effective at the end of the current school year. Subject
25 to subsection (6), if the public school academy operates at only 1
26 site, and the authorizing body receives notice from the ~~state~~
27 ~~school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY**

1 **COMMISSION** under this subsection, the authorizing body shall revoke
2 the public school academy's contract, effective at the end of the
3 current school year.

4 (6) For a public school academy or site that is subject to a
5 notice to its authorizing body under this subsection, the ~~state~~
6 ~~school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY**
7 **COMMISSION** shall consider other public school options available to
8 pupils in the grade levels offered by the public school academy or
9 site who reside in the geographic area served by the public school
10 academy or site. If the ~~state school reform/redesign officer~~
11 **EDUCATION ACCOUNTABILITY POLICY COMMISSION** determines that closure
12 of the public school academy or site would result in an
13 unreasonable hardship to these pupils because there are
14 insufficient other public school options reasonably available for
15 these pupils, the ~~state school reform/redesign officer~~ **EDUCATION**
16 **ACCOUNTABILITY POLICY COMMISSION** may rescind the notice. If the
17 ~~state school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY**
18 **POLICY COMMISSION** rescinds a notice subjecting a public school
19 academy or site to closure, the ~~state school reform/redesign~~
20 ~~officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION** shall do so
21 before the end of the school year. If the ~~state school~~
22 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
23 rescinds a notice subjecting a public school academy or site to
24 closure, the ~~state school reform/redesign officer~~ **EDUCATION**
25 **ACCOUNTABILITY POLICY COMMISSION** shall require the public school
26 academy or site to implement a school improvement plan that
27 includes measures to increase pupil growth and improve pupil

1 proficiency, with growth and proficiency measured by performance on
2 state assessments.

3 (7) Except as otherwise provided in section 502 or 503, the
4 decision of an authorizing body to issue, not issue, or
5 reconstitute a contract under this part, or to terminate or revoke
6 a contract under this section, is solely within the discretion of
7 the authorizing body, is final, and is not subject to review by a
8 court or any state agency. An authorizing body that issues, does
9 not issue, or reconstitutes a contract under this part, or that
10 terminates or revokes a contract under this section, is not liable
11 for that action to the public school academy, the public school
12 academy corporation, a pupil of the public school academy, the
13 parent or guardian of a pupil of the public school academy, or any
14 other person.

15 (8) Except as otherwise provided in this section, before an
16 authorizing body revokes a contract, the authorizing body may
17 consider and take corrective measures to avoid revocation. An
18 authorizing body may reconstitute the public school academy in a
19 final attempt to improve student educational performance or to
20 avoid interruption of the educational process. An authorizing body
21 shall include a reconstituting provision in the contract that
22 identifies these corrective measures, including, but not limited
23 to, canceling a contract with an educational management
24 organization, if any, withdrawing approval of a contract under
25 section 506, or appointing a new board of directors or a trustee to
26 take over operation of the public school academy.

27 (9) If an authorizing body revokes a contract, the authorizing

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

12 (10) Not more than 10 days after a public school academy's
13 contract terminates or is revoked, the authorizing body shall
14 notify the superintendent of public instruction in writing of the
15 name of the public school academy whose contract has terminated or
16 been revoked and the date of contract termination or revocation.

17 Sec. 522. (1) An urban high school academy shall be organized
18 and administered under the direction of a board of directors in
19 accordance with this part and with bylaws adopted by the board of
20 directors. An urban high school academy corporation shall be
21 organized under the nonprofit corporation act, 1982 PA 162, MCL
22 450.2101 to 450.3192, except that an urban high school academy
23 corporation is not required to comply with sections 170 to 177 of
24 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified
25 under the state or federal constitution, an urban high school
26 academy shall not be organized by a church or other religious
27 organization and shall not have any organizational or contractual

1 affiliation with or constitute a church or other religious
2 organization.

3 (2) Subject to subsection (9), the governing board of a state
4 public university may act as an authorizing body to issue a
5 contract for the organization and operation of an urban high school
6 academy under this part.

7 (3) A contract issued under this part shall be issued for an
8 initial term of 10 years. If the urban high school academy meets
9 the educational goals set forth in the contract and operates in
10 substantial compliance with this part, the authorizing body shall
11 automatically renew the contract for a subsequent 10-year term.

12 (4) To obtain a contract to organize and operate 1 or more
13 urban high school academies, an entity may apply to an authorizing
14 body described in subsection (2). The contract shall be issued to
15 an urban high school academy corporation designated by the entity
16 applying for the contract. The application shall include at least
17 all of the following:

18 (a) Name of the entity applying for the contract.

19 (b) Subject to the resolution adopted by the authorizing body
20 under section 528, a list of the proposed members of the board of
21 directors of the urban high school academy and a description of the
22 qualifications and method for appointment or election of members of
23 the board of directors.

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

26 (i) The name of the proposed urban high school academy to
27 which the contract will be issued.

1 (ii) The purposes for the urban high school academy
2 corporation. This language shall provide that the urban high school
3 academy is incorporated pursuant to this part and that the urban
4 high school academy corporation is a governmental entity and
5 political subdivision of this state.

6 (iii) The name of the authorizing body.

7 (iv) The proposed time when the articles of incorporation will
8 be effective.

9 (v) Other matters considered expedient to be in the articles
10 of incorporation.

11 (d) A copy of the proposed bylaws of the urban high school
12 academy.

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

15 (i) The governance structure of the urban high school academy.

16 (ii) A copy of the educational goals of the urban high school
17 academy and the curricula to be offered and methods of pupil
18 assessment to be used by the urban high school academy. The
19 educational goals shall include demonstrated improved pupil
20 academic achievement for all groups of pupils. To the extent
21 applicable, the progress of the pupils in the urban high school
22 academy shall be assessed using both the mathematics and reading
23 portions of the Michigan student test of educational progress (M-
24 STEP) or the Michigan merit examination under section 1279g, as
25 applicable.

26 (iii) The admission policy and criteria to be maintained by
27 the urban high school academy. The admission policy and criteria

1 shall comply with section 524. This part of the application also
2 shall include a description of how the applicant will provide to
3 the general public adequate notice that an urban high school
4 academy is being created and adequate information on the admission
5 policy, criteria, and process.

6 (iv) The school calendar and school day schedule.

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

8 (f) Descriptions of staff responsibilities and of the urban
9 high school academy's governance structure.

10 (g) A description of and address for the proposed building or
11 buildings in which the urban high school academy will be located,
12 and a financial commitment by the entity applying for the contract
13 to construct or renovate the building or buildings that will be
14 occupied by the urban high school academy that is issued the
15 contract.

16 (5) If a particular state public university issues a contract
17 that allows an urban high school academy to operate the same
18 configuration of grades at more than 1 site, as provided in section
19 524(1), each of those sites shall be under the direction of the
20 board of directors that is a party to the contract.

21 (6) If the superintendent of public instruction finds that an
22 authorizing body is not engaging in appropriate continuing
23 oversight of 1 or more urban high school academies operating under
24 a contract issued by the authorizing body, the superintendent of
25 public instruction may suspend the power of the authorizing body to
26 issue new contracts to organize and operate urban high school
27 academies. A contract issued by the authorizing body during the

1 suspension is void. A contract issued by the authorizing body
2 before the suspension is not affected by the suspension.

3 (7) An authorizing body shall not charge a fee, or require
4 reimbursement of expenses, for considering an application for a
5 contract, for issuing a contract, or for providing oversight of a
6 contract for an urban high school academy in an amount that exceeds
7 a combined total of 3% of the total state school aid received by
8 the urban high school academy in the school year in which the fees
9 or expenses are charged. All of the following apply to this fee:

10 (a) An authorizing body may use this fee only for the
11 following purposes:

12 (i) Considering applications and issuing or administering
13 contracts.

14 (ii) Compliance monitoring and oversight of urban high school
15 academies.

16 (iii) Training for urban high school academy applicants,
17 administrators, and boards of directors.

18 (iv) Technical assistance to urban high school academies.

19 (v) Academic support to urban high school academies or to
20 pupils or graduates of urban high school academies.

21 (vi) Evaluation of urban high school academy performance.

22 (vii) Training of teachers, including supervision of teacher
23 interns.

24 (viii) Other purposes that assist the urban high school
25 academies or traditional public schools in achieving improved
26 academic performance.

27 (b) An authorizing body may provide other services for an

1 urban high school academy and charge a fee for those services, but
2 shall not require such an arrangement as a condition to issuing the
3 contract authorizing the urban high school academy.

4 (8) An urban high school academy shall be presumed to be
5 legally organized if it has exercised the franchises and privileges
6 of an urban high school academy for at least 2 years.

7 (9) Both of the following apply to the issuance of a contract
8 for an urban high school academy to be located within a community
9 district:

10 (a) An authorizing body shall not issue a contract to organize
11 and operate a new urban high school academy to be located in a
12 community district unless, before issuing the contract, the
13 governing board of the authorizing body has certified to the ~~state~~
14 ~~school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY**
15 **COMMISSION** that the authorizing body has been accredited as an
16 authorizing body by a nationally recognized accreditation body.

17 (b) An authorizing body shall not issue a contract for a new
18 urban high school academy to be located in a community district if
19 both of the following circumstances exist:

20 (i) Either of the following:

21 (A) ~~Until the accountability system under section 390 has been~~
22 ~~in effect in the community district for at least 3 full school~~
23 ~~years, the~~ **THE** proposed urban high school academy would operate at
24 the same location as a public school that currently is on the list
25 under section 1280c(1) **OR 1280G(3), AS APPLICABLE**, of the public
26 schools in this state ~~that the state school reform/redesign office~~
27 ~~has determined to be among the lowest achieving 5% of all public~~

1 schools in this state or has been on that list during the
2 immediately preceding 3-year period. ~~Beginning after the~~
3 ~~accountability system under section 390 has been in effect in the~~
4 ~~community district for at least 3 full school years, the proposed~~
5 ~~urban high school academy would operate at the same location as a~~
6 ~~public school that has been assigned a grade of "F" under section~~
7 ~~390 for 3 of the preceding 5 school years.~~

8 (B) The proposed urban high school academy would operate at
9 the same location as a public school academy, urban high school
10 academy, school of excellence, or strict discipline academy that
11 has had its contract revoked or terminated by an authorizing body
12 under the applicable part or section.

13 (ii) The proposed urban high school academy would have
14 substantially the same board of directors, substantially the same
15 leadership, and substantially the same curriculum offerings as the
16 public school that previously operated at that location.

17 ~~—— (10) An urban high school academy that is located within a~~
18 ~~community district is subject to section 390.~~

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

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

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

26 (c) Adopt a resolution establishing the method of selection,
27 length of term, and number of members of the board of directors of

1 each urban high school academy that it authorizes. The resolution
2 shall be written or amended as necessary to include a requirement
3 that each member of the board of directors must be a citizen of the
4 United States.

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

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

18 (f) Take necessary measures to ensure that an urban high
19 school academy board of directors operates independently of any
20 educational management company involved in the operations of the
21 urban high school academy.

22 (g) Oversee and ensure that the pupil admission process used
23 by the urban high school academy is operated in a fair and open
24 manner and is in compliance with the contract and this part.

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

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

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

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

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

23 (b) Failure of the urban high school academy to comply with
24 all applicable law.

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

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

3 (5) Except for an urban high school academy that is an
4 alternative school serving a special student population, if the
5 ~~state school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY**
6 **POLICY COMMISSION** determines that an urban high school academy site
7 that has been operating for at least 4 years is among the lowest
8 achieving 5% of all public schools in this state for the
9 immediately preceding 3 school years, as determined under section
10 1280c **OR 1280G, AS APPLICABLE**, not to include any individualized
11 education plan subgroup, the ~~state school reform/redesign officer~~
12 **EDUCATION ACCOUNTABILITY POLICY COMMISSION** shall notify the urban
13 high school academy's authorizing body. Also, ~~except for an urban~~
14 ~~high school academy that is an alternative school serving a special~~
15 ~~student population, after the accountability system under section~~
16 ~~390 has been in effect in the community district for at least 3~~
17 ~~full school years, if the state school reform/redesign officer~~
18 ~~determines that an urban high school academy site located in a~~
19 ~~community district has been assigned a grade of "F" under section~~
20 ~~390 for the immediately preceding 3 school years, and is not~~
21 ~~currently undergoing reconstitution under this section, the state~~
22 ~~school reform/redesign officer shall notify the urban high school~~
23 ~~academy's authorizing body.~~ Subject to subsection (6), if an
24 authorizing body receives notice from the ~~state school~~
25 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
26 under this subsection, the authorizing body shall amend the urban
27 high school academy's contract to eliminate the urban high school

1 academy's authority to operate the existing age and grade levels at
2 the site and the urban high school academy shall cease operating
3 the existing age and grade levels at the site, effective at the end
4 of the current school year. Subject to subsection (6), if the urban
5 high school academy operates at only 1 site, and the authorizing
6 body receives notice from the ~~state school reform/redesign officer~~
7 **EDUCATION ACCOUNTABILITY POLICY COMMISSION** under this subsection,
8 the authorizing body shall revoke the urban high school academy's
9 contract, effective at the end of the current school year.

10 (6) For an urban high school academy or site that is subject
11 to a notice to its authorizing body under this subsection, the
12 ~~state school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY**
13 **POLICY COMMISSION** shall consider other public school options
14 available to pupils in the grade levels offered by the urban high
15 school academy or site who reside in the geographic area served by
16 the urban high school academy or site. If the ~~state school~~
17 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
18 determines that closure of the urban high school academy or site
19 would result in an unreasonable hardship to these pupils because
20 there are insufficient other public school options reasonably
21 available for these pupils, the ~~state school reform/redesign~~
22 ~~officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION** may rescind the
23 notice. If the ~~state school reform/redesign officer~~ **EDUCATION**
24 **ACCOUNTABILITY POLICY COMMISSION** rescinds a notice subjecting an
25 urban high school academy or site to closure, the ~~state school~~
26 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
27 shall do so before the end of the school year. If the ~~state school~~

1 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
2 rescinds a notice subjecting an urban high school academy or site
3 to closure, the ~~state school reform/redesign officer~~ **EDUCATION**
4 **ACCOUNTABILITY POLICY COMMISSION** shall require the urban high
5 school academy or site to implement a school improvement plan that
6 includes measures to increase pupil growth and improve pupil
7 proficiency, with growth and proficiency measured by performance on
8 state assessments.

9 (7) Except as otherwise provided in section 522, the decision
10 of an authorizing body to issue, not issue, or reconstitute a
11 contract under this part, or to terminate or revoke a contract
12 under this section, is solely within the discretion of the
13 authorizing body, is final, and is not subject to review by a court
14 or any state agency. An authorizing body that issues, does not
15 issue, or reconstitutes a contract under this part, or that
16 terminates or revokes a contract under this section, is not liable
17 for that action to the urban high school academy, the urban high
18 school academy corporation, a pupil of the urban high school
19 academy, the parent or guardian of a pupil of the urban high school
20 academy, or any other person.

21 (8) Except as otherwise provided in this section, before an
22 authorizing body revokes a contract, the authorizing body may
23 consider and take corrective measures to avoid revocation. An
24 authorizing body may reconstitute the urban high school academy in
25 a final attempt to improve student educational performance or to
26 avoid interruption of the educational process. An authorizing body
27 shall include a reconstituting provision in the contract that

1 identifies these corrective measures, including, but not limited
2 to, removing 1 or more members of the board of directors,
3 withdrawing approval to contract under section 527, or appointing a
4 new board of directors or a trustee to take over operation of the
5 urban high school academy.

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

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

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

1 distributed in accordance with the following:

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

8 (b) The urban high school academy shall file a certificate of
9 dissolution with the department of licensing and regulatory affairs
10 within 10 business days following board approval.

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

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

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

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

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

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

23 Sec. 552. (1) An authorizing body may issue contracts under
24 this subsection to organize and operate a school of excellence. All
25 of the following apply to the issuance of a contract by an
26 authorizing body under this subsection:

27 (a) The issuance of the contract must be approved by the

1 superintendent of public instruction. The superintendent of public
2 instruction shall approve issuance of a contract if he or she
3 determines that the proposed school of excellence is modeled after
4 a high-performing school or program.

5 (b) The first 5 contracts issued by all authorizing bodies
6 under this subsection shall be for schools of excellence that offer
7 1 or more of high school grades 9 to 12, or any combination of
8 those grades, as specified in the contract.

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

13 (2) Subject to the limitations in this subsection and
14 subsections (14) and (15), an authorizing body may issue contracts
15 under this subsection for 1 or more schools of excellence that are
16 cyber schools. The combined total number of contracts issued by all
17 statewide authorizing bodies under this subsection for schools of
18 excellence that are cyber schools shall not exceed 15. The board of
19 a school district, an intermediate school board, the board of a
20 community college that is not a statewide authorizing body, or 2 or
21 more public agencies acting jointly as described in subsection
22 (6)(e) may not act as the authorizing body for more than 1 school
23 of excellence that is a cyber school. An authorizing body shall not
24 issue a contract for a school of excellence that is a cyber school
25 unless the school of excellence that is a cyber school meets all of
26 the following requirements:

27 (a) Is available for enrollment to all pupils in this state.

1 (b) Offers some configuration of or all of grades K to 12.

2 (c) The entity applying for the school of excellence that is a
3 cyber school demonstrates experience in delivering a quality
4 education program that improves pupil academic achievement. In
5 determining whether this requirement is met, an authorizing body
6 shall refer to the standards for quality online learning
7 established by the national association of charter school
8 authorizers or other similar nationally recognized standards for
9 quality online learning.

10 (d) The enrollment in the school of excellence that is a cyber
11 school is limited to not more than 2,500 pupils in membership for
12 the first school year of operation of the school of excellence that
13 is a cyber school, not more than 5,000 pupils in membership for the
14 second school year of operation of the school of excellence that is
15 a cyber school, and not more than 10,000 pupils in membership for
16 the third and subsequent school years of operation of the school of
17 excellence that is a cyber school. As used in this subdivision,
18 "membership" means that term as defined in section 6 of the state
19 school aid act of 1979, MCL 388.1606.

20 (e) The school of excellence that is a cyber school offers
21 each pupil's family a computer and subsidizes the cost of internet
22 access.

23 (3) For a public school academy operating under part 6a that
24 meets the requirements of subsection (4), with the approval of its
25 authorizing body, the board of directors of the public school
26 academy may adopt a resolution choosing to convert the public
27 school academy to a school of excellence under this part. If the

1 board of directors of a public school academy that meets the
2 requirements of subsection (4) is issued a contract as a school of
3 excellence under this subsection, all the following apply:

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

8 (b) The public school academy shall be considered to be a
9 school of excellence for all purposes upon the issuance of a
10 contract or at another time as determined by the authorizing body,
11 but shall retain its corporate identity.

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

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

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

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

25 (i) On average over a 3-year period, at least 90% of the
26 pupils enrolled in the public school academy achieved a score of
27 proficient or better on the Michigan education assessment program

1 mathematics and reading tests or successor state assessment
2 program.

3 (ii) On average over a 3-year period, at least 70% of the
4 pupils enrolled in the public school academy achieved a score of
5 proficient or better on the Michigan education assessment program
6 mathematics and reading tests or successor state assessment program
7 and at least 50% of the pupils enrolled in the public school
8 academy met the income eligibility criteria for the federal free or
9 reduced-price lunch program, as determined under the Richard B.
10 Russell national school lunch act, 42 USC 1751 to 1769j, and
11 reported to the department.

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

17 (5) A school of excellence shall be organized and administered
18 under the direction of a board of directors in accordance with this
19 part and with bylaws adopted by the board of directors. A school of
20 excellence shall be organized under the nonprofit corporation act,
21 1982 PA 162, MCL 450.2101 to 450.3192, except that a school of
22 excellence is not required to comply with sections 170 to 177 of
23 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified
24 under the state or federal constitution, a school of excellence
25 shall not be organized by a church or other religious organization
26 and shall not have any organizational or contractual affiliation
27 with or constitute a church or other religious organization.

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

4 (a) The board of a school district. However, except as
5 otherwise provided in this subdivision, the board of a school
6 district shall not issue a contract for a school of excellence to
7 operate outside the school district's boundaries, and a school of
8 excellence authorized by the board of a school district shall not
9 operate outside that school district's boundaries. If the board of
10 a school district issues a contract for a school of excellence that
11 is a cyber school, the contract may authorize the school of
12 excellence that is a cyber school to operate outside that school
13 district's boundaries.

14 (b) An intermediate school board. However, except as otherwise
15 provided in this subdivision, the board of an intermediate school
16 district shall not issue a contract for a school of excellence to
17 operate outside the intermediate school district's boundaries, and
18 a school of excellence authorized by the board of an intermediate
19 school district shall not operate outside that intermediate school
20 district's boundaries. If the board of an intermediate school
21 district issues a contract for a school of excellence that is a
22 cyber school, the contract may authorize the school of excellence
23 that is a cyber school to operate outside that intermediate school
24 district's boundaries.

25 (c) The board of a community college. Except as otherwise
26 provided in this subdivision, the board of a community college
27 shall not issue a contract for a school of excellence to operate

1 outside the boundaries of the community college district, and a
2 school of excellence authorized by the board of a community college
3 shall not operate outside the boundaries of the community college
4 district. If the board of a community college issues a contract for
5 a school of excellence that is a cyber school, the contract may
6 authorize the school of excellence that is a cyber school to
7 operate outside the boundaries of the community college district.
8 The board of a community college also may issue a contract for not
9 more than 1 school of excellence to operate on the grounds of an
10 active or closed federal military installation located outside the
11 boundaries of the community college district, or may operate a
12 school of excellence itself on the grounds of such a federal
13 military installation, if the federal military installation is not
14 located within the boundaries of any community college district and
15 the community college has previously offered courses on the grounds
16 of the federal military installation for at least 10 years.

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

18 (e) Two or more of the public agencies described in
19 subdivisions (a) to (d) exercising power, privilege, or authority
20 jointly pursuant to an interlocal agreement under the urban
21 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
22 124.512.

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

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

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

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

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

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

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

13 (iii) The name of the authorizing body.

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

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

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

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

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

22 (ii) A copy of the educational goals of the school of
23 excellence and the curricula to be offered and methods of pupil
24 assessment to be used by the school of excellence. The educational
25 goals shall include demonstrated improved pupil academic
26 achievement for all groups of pupils. To the extent applicable, the
27 progress of the pupils in the school of excellence shall be

1 assessed using both the mathematics and reading portions of the
2 Michigan student test of educational progress (M-STEP) or the
3 Michigan merit examination under section 1279g, as applicable.

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

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

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

14 (f) Descriptions of staff responsibilities and of the school
15 of excellence governance structure.

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

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

24 (i) A description of and address for the proposed physical
25 plant in which the school of excellence will be located. An
26 applicant may request the authorizing body to issue a contract
27 allowing the board of directors of the school of excellence to

1 operate the same configuration of age or grade levels at more than
2 1 site.

3 (8) An authorizing body shall oversee, or shall contract with
4 an intermediate school district, community college, or state public
5 university to oversee, each school of excellence operating under a
6 contract issued by the authorizing body. The authorizing body is
7 responsible for overseeing compliance by the board of directors
8 with the contract and all applicable law. This subsection does not
9 relieve any other government entity of its enforcement or
10 supervisory responsibility.

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

20 (10) An authorizing body shall not charge a fee, or require
21 reimbursement of expenses, for considering an application for a
22 contract, for issuing a contract, or for providing oversight of a
23 contract for a school of excellence in an amount that exceeds a
24 combined total of 3% of the total state school aid received by the
25 school of excellence in the school year in which the fees or
26 expenses are charged. The authorizing body may provide other
27 services for a school of excellence and charge a fee for those

1 services, but shall not require such an arrangement as a condition
2 to issuing the contract authorizing the school of excellence.

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

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

11 (13) A school of excellence that is a cyber school may make
12 available to other public schools for purchase any of the course
13 offerings that the cyber school offers to its own pupils.

14 (14) If the department determines that the combined total
15 statewide final audited membership for all pupils in membership in
16 schools of excellence that are cyber schools for the 2012-2013
17 state fiscal year exceeds a number equal to 1% of the combined
18 total statewide final audited membership for all pupils in
19 membership in public schools for the 2011-2012 state fiscal year,
20 then all of the following apply:

21 (a) An authorizing body may not issue a new contract for a new
22 school of excellence that is a cyber school to begin operations in
23 the 2013-2014 school year.

24 (b) A school of excellence that is a cyber school may not
25 enroll any new pupils in the school of excellence that is a cyber
26 school in the 2013-2014 school year.

27 (15) Beginning July 1, 2013, if the department determines that

1 the combined total statewide final audited membership for all
2 pupils in membership in schools of excellence that are cyber
3 schools for a state fiscal year exceeds a number equal to 2% of the
4 combined total statewide final audited membership for all pupils in
5 membership in public schools for the 2011-2012 state fiscal year,
6 then all of the following apply:

7 (a) Subject to subdivision (c), an authorizing body may not
8 issue a new contract for a new school of excellence that is a cyber
9 school to begin operations in a school year that begins after that
10 determination is made.

11 (b) Subject to subdivision (c), a school of excellence that is
12 a cyber school may not enroll any new pupils in the school of
13 excellence that is a cyber school in a school year that begins
14 after that determination is made.

15 (c) If the department determines that the combined total
16 statewide final audited membership for all pupils in membership in
17 schools of excellence that are cyber schools for a state fiscal
18 year does not exceed a number equal to 2% of the combined total
19 statewide final audited membership for all pupils in membership in
20 public schools for the 2011-2012 state fiscal year, then
21 subdivisions (a) and (b) do not apply for a school year that begins
22 after that determination is made unless the department makes a new
23 determination that the membership limits under this subsection have
24 been exceeded.

25 (16) For the purposes of subsections (14) and (15), not later
26 than July 1 of each year, the department shall determine the
27 percentage of the combined total statewide final audited membership

1 for all pupils in membership in public schools that are pupils in
2 membership in schools of excellence that are cyber schools for the
3 state fiscal year that includes that July 1.

4 (17) As used in this section:

5 (a) "Membership" means that term as defined in section 6 of
6 the state school aid act of 1979, MCL 388.1606.

7 (b) "Statewide authorizing body" means the governing board of
8 a state public university or the board of a federally
9 controlled community college that is recognized under the tribally
10 controlled colleges and universities assistance act of 1978, 25 USC
11 1801 to 1864, and is determined by the department to meet the
12 requirements for accreditation by a recognized regional accrediting
13 body.

14 (18) Not later than October 1, 2012, if a district, an
15 intermediate school district, a public school academy, or the
16 education achievement system offers online learning, the board or
17 board of directors of the district, intermediate school district,
18 or public school academy, or the education achievement system,
19 shall submit to the department a report that details the per-pupil
20 costs of operating the online learning. The report shall include,
21 on a per-pupil basis, at least all of the following costs:

22 (a) Textbooks, instructional materials, and supplies,
23 including electronic instructional material.

24 (b) Computer and other electronic equipment, including
25 internet and telephone access.

26 (c) Salaries and benefits for the online learning employees.

27 (d) Purchased courses and curricula.

1 (e) Fees associated with oversight and regulation.

2 (f) Travel costs associated with school activities and
3 testing.

4 (g) Facilities costs.

5 (h) Costs associated with special education.

6 (19) Not later than December 31, 2012, the department shall
7 issue a report to the legislature including the following:

8 (a) A review of the data submitted under subsection (14).

9 (b) A comparison with costs of substantially similar programs
10 in other states and relevant national research on the costs of
11 online learning.

12 (c) Any conclusions concerning factors or characteristics of
13 online learning programs that make a difference in the costs of
14 operating the programs.

15 (20) The board of directors of a school of excellence that is
16 a cyber school, or the board of a school district, intermediate
17 school district, or public school academy that operates an online
18 or other distance learning program, shall submit a monthly report
19 to the department, in the form and manner prescribed by the
20 department, that reports the number of pupils enrolled in the
21 school of excellence that is a cyber school, or in the online or
22 other distance learning program, during the immediately preceding
23 month.

24 (21) The board of directors of a school of excellence that is
25 a cyber school shall ensure that, when a pupil enrolls in the
26 school of excellence that is a cyber school, the pupil and his or
27 her parent or legal guardian are provided with a parent-student

1 orientation. If the pupil is at least age 18 or is an emancipated
2 minor, the orientation may be provided to just the pupil.

3 (22) Both of the following apply to the issuance of a contract
4 for a school of excellence to be located within a community
5 district:

6 (a) An authorizing body shall not issue a contract to organize
7 and operate a new school of excellence to be located in a community
8 district unless, before issuing the contract, the governing board
9 of the authorizing body has certified to the ~~state school~~
10 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
11 that the authorizing body has been accredited as an authorizing
12 body by a nationally recognized accreditation body. For an
13 authorizing body described in subsection (6)(e), the authorizing
14 body shall not issue a contract to organize and operate a new
15 school of excellence to be located in a community district unless,
16 before issuing the contract, the governing board of each of the
17 public agencies that is party to the interlocal agreement has
18 certified to the ~~state school reform/redesign officer~~ **EDUCATION**
19 **ACCOUNTABILITY POLICY COMMISSION** that the public agency has been
20 accredited as an authorizing body by a nationally recognized
21 accreditation body.

22 (b) An authorizing body shall not issue a contract for a new
23 school of excellence to be located in a community district if both
24 of the following circumstances exist:

25 (i) Either of the following:

26 (A) ~~Until the accountability system under section 390 has been~~
27 ~~in effect in the community district for at least 3 full school~~

1 ~~years, the~~ **THE** proposed school of excellence would operate at the
2 same location as a public school that currently is on the list
3 under section 1280c(1) **OR 1280G(3), AS APPLICABLE**, of the public
4 schools in this state ~~that the state school reform/redesign office~~
5 ~~has determined to be among the lowest achieving 5% of all public~~
6 ~~schools in this state or has been on that list during the~~
7 ~~immediately preceding 3-year period. Beginning after the~~
8 ~~accountability system under section 390 has been in effect in the~~
9 ~~community district for at least 3 full school years, the proposed~~
10 ~~school of excellence would operate at the same location as a public~~
11 ~~school that has been assigned a grade of "F" under section 390 for~~
12 ~~3 of the preceding 5 school years.~~

13 (B) The proposed school of excellence would operate at the
14 same location as a public school academy, urban high school
15 academy, school of excellence, or strict discipline academy that
16 has had its contract revoked or terminated by an authorizing body
17 under the applicable part or section.

18 (ii) The proposed school of excellence would have
19 substantially the same board of directors, substantially the same
20 leadership, and substantially the same curriculum offerings as the
21 public school that previously operated at that location.

22 ~~—— (23) A school of excellence that is located within a community~~
23 ~~district is subject to section 390.~~

24 Sec. 561. (1) If an authorizing body issues a contract for a
25 school of excellence under this part, the authorizing body shall do
26 all of the following:

27 (a) Ensure that the contract and the application for the

1 contract comply with the requirements of this part.

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

4 (c) Establish the method of selection, length of term, and
5 number of members of the board of directors of each school of
6 excellence that it authorizes. The authorizing body shall ensure
7 that the board of directors includes representation from the local
8 community.

9 (d) Oversee the operations of each school of excellence
10 operating under a contract issued by the authorizing body. The
11 oversight shall be sufficient to ensure that the school of
12 excellence is in compliance with the terms of the contract and with
13 applicable law. This subdivision does not relieve any other
14 governmental entity of its enforcement or supervisory
15 responsibility.

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

21 (f) Take necessary measures to ensure that a school of
22 excellence board of directors operates independently of any
23 educational management organization involved in the operations of
24 the school of excellence.

25 (g) Oversee and ensure that the pupil admission process used
26 by the school of excellence is operated in a fair and open manner
27 and is in compliance with the contract and this part.

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

4 (2) The authorizing body may enter into an agreement with 1 or
5 more authorizing bodies, as defined under part 6a, to carry out any
6 function of the authorizing body under subsection (1)(a) to (h).

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

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

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

26 (b) Failure of the school of excellence to comply with all
27 applicable law.

1 (c) Failure of the school of excellence to meet generally
2 accepted public sector accounting principles and demonstrate sound
3 fiscal stewardship.

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

6 (5) Except for a school of excellence that is an alternative
7 school serving a special student population, if the ~~state school~~
8 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
9 determines that a school of excellence site that has been operating
10 for at least 4 years is among the lowest achieving 5% of all public
11 schools in this state for the immediately preceding 3 school years,
12 as determined under section 1280c **OR 1280G, AS APPLICABLE**, not to
13 include any individualized education plan subgroup, the ~~state~~
14 ~~school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY**
15 **COMMISSION** shall notify the school of excellence's authorizing
16 body. Also, ~~except for a school of excellence that is an~~
17 ~~alternative school serving a special student population, after the~~
18 ~~accountability system under section 390 has been in effect in the~~
19 ~~community district for at least 3 full school years, if the state~~
20 ~~school reform/redesign officer determines that a school of~~
21 ~~excellence site located in a community district has been assigned a~~
22 ~~grade of "F" under section 390 for the immediately preceding 3~~
23 ~~school years, and is not currently undergoing reconstitution under~~
24 ~~this section, the state school reform/redesign officer shall notify~~
25 ~~the school of excellence's authorizing body. Subject to subsection~~
26 (6), if an authorizing body receives notice from the ~~state school~~
27 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**

1 under this subsection, the authorizing body shall amend the school
2 of excellence's contract to eliminate the school of excellence's
3 authority to operate the existing age and grade levels at the site
4 and the school of excellence shall cease operating the existing age
5 and grade levels at the site, effective at the end of the current
6 school year. Subject to subsection (6), if the school of excellence
7 operates at only 1 site or is a cyber school, and the authorizing
8 body receives notice from the ~~state school reform/redesign officer~~
9 **EDUCATION ACCOUNTABILITY POLICY COMMISSION** under this subsection,
10 the authorizing body shall revoke the school of excellence's
11 contract, effective at the end of the current school year.

12 (6) For a school of excellence or site that is subject to a
13 notice to its authorizing body under this subsection, the ~~state~~
14 ~~school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY**
15 **COMMISSION** shall consider other public school options available to
16 pupils in the grade levels offered by the school of excellence or
17 site who reside in the geographic area served by the school of
18 excellence or site. If the ~~state school reform/redesign officer~~
19 **EDUCATION ACCOUNTABILITY POLICY COMMISSION** determines that closure
20 of the school of excellence or site would result in an unreasonable
21 hardship to these pupils because there are insufficient other
22 public school options reasonably available for these pupils, the
23 ~~state school reform/redesign officer~~ **EDUCATION ACCOUNTABILITY**
24 **POLICY COMMISSION** may rescind the notice. If the ~~state school~~
25 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
26 rescinds a notice subjecting a school of excellence or site to
27 closure, the ~~state school reform/redesign officer~~ **EDUCATION**

1 **ACCOUNTABILITY POLICY COMMISSION** shall do so before the end of the
2 school year. If the ~~state school reform/redesign officer~~ **EDUCATION**
3 **ACCOUNTABILITY POLICY COMMISSION** rescinds a notice subjecting a
4 school of excellence or site to closure, the ~~state school~~
5 ~~reform/redesign officer~~ **EDUCATION ACCOUNTABILITY POLICY COMMISSION**
6 shall require the school of excellence or site to implement a
7 school improvement plan that includes measures to increase pupil
8 growth and improve pupil proficiency, with growth and proficiency
9 measured by performance on state assessments.

10 (7) Except for a contract issued by a school district pursuant
11 to a vote by the school electors on a ballot question under section
12 553(2), and except as otherwise provided in section 552, the
13 decision of the authorizing body to issue, not issue, or
14 reconstitute a contract under this part, or to terminate or revoke
15 a contract under this section, is solely within the discretion of
16 the authorizing body, is final, and is not subject to review by a
17 court or any other state agency. If the authorizing body issues,
18 does not issue, or reconstitutes a contract under this part, or
19 terminates or revokes a contract under this section, the
20 authorizing body is not liable for that action to the school of
21 excellence, the school of excellence corporation, a pupil of the
22 school of excellence, the parent or guardian of a pupil of the
23 school of excellence, or any other person.

24 (8) Except as otherwise provided in this section, before the
25 authorizing body revokes a contract, the authorizing body may
26 consider and take corrective measures to avoid revocation. The
27 authorizing body may reconstitute the school of excellence in a

1 final attempt to improve student educational performance or to
2 avoid interruption of the educational process. The authorizing body
3 shall include a reconstituting provision in the contract that
4 identifies these corrective measures, including, but not limited
5 to, canceling a contract with an educational management
6 organization, if any, withdrawing approval to contract under
7 section 560, or appointing a new board of directors or a trustee to
8 take over operation of the school of excellence.

9 (9) If the authorizing body revokes a contract, the
10 authorizing body shall work with a school district or another
11 public school, or with a combination of these entities, to ensure a
12 smooth transition for the affected pupils. If the revocation occurs
13 during the school year, the authorizing body, as the fiscal agent
14 for the school of excellence under this part, shall return any
15 school aid funds held by the authorizing body that are attributable
16 to the affected pupils to the state treasurer for deposit into the
17 state school aid fund. The state treasurer shall distribute funds
18 to the public school in which the pupils enroll after the
19 revocation pursuant to a methodology established by the department
20 and the center for educational performance and information.

21 (10) Not more than 10 days after a school of excellence's
22 contract terminates or is revoked, the authorizing body shall
23 notify the superintendent of public instruction in writing of the
24 name of the school of excellence whose contract has terminated or
25 been revoked and the date of contract termination or revocation.

26 (11) If a school of excellence's contract terminates or is
27 revoked, title to all real and personal property, interest in real

1 or personal property, and other assets owned by the school of
2 excellence shall revert to the state. This property shall be
3 distributed in accordance with the following:

4 (a) Within 30 days following the termination or revocation,
5 the board of directors of a school of excellence shall hold a
6 public meeting to adopt a plan of distribution of assets and to
7 approve the dissolution of the school of excellence corporation,
8 all in accordance with chapter 8 of the nonprofit corporation act,
9 1982 PA 162, MCL 450.2801 to 450.2864.

10 (b) The school of excellence shall file a certificate of
11 dissolution with the department of licensing and regulatory affairs
12 within 10 business days following board approval.

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

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

27 (e) As part of the plan of distribution of assets, the school

1 of excellence board of directors shall designate the director of
2 the department of technology, management, and budget, or his or her
3 designee, to dispose of all real property of the school of
4 excellence corporation in accordance with the directives developed
5 for disposition of surplus land and facilities under section 251 of
6 the management and budget act, 1984 PA 431, MCL 18.1251.

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

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

23 Sec. 1250. (1) Except as otherwise provided in this section, a
24 school district, public school academy, or intermediate school
25 district shall implement and maintain a method of compensation for
26 its teachers and school administrators that includes job
27 performance and job accomplishments as a significant factor in

1 determining compensation and additional compensation. The
2 assessment of job performance shall incorporate a rigorous,
3 transparent, and fair evaluation system that evaluates a teacher's
4 or school administrator's performance at least in part based upon
5 data on student growth as measured by assessments and other
6 objective criteria.

7 (2) If a collective bargaining agreement is in effect for
8 teachers or school administrators of a school district, public
9 school academy, or intermediate school district as of January 4,
10 2010, and if that collective bargaining agreement prevents
11 compliance with subsection (1), then subsection (1) does not apply
12 to that school district, public school academy, or intermediate
13 school district until after the expiration of that collective
14 bargaining agreement.

15 (3) For teachers and school administrators who are hired by a
16 community district after ~~the accountability system under section~~
17 ~~390 has been implemented, **SEPTEMBER 1, 2019,**~~ the community district
18 shall implement and maintain a method of compensation that includes
19 job performance and job accomplishments as the primary factor in
20 determining compensation and additional compensation. A teacher's
21 or school administrator's job performance shall be evaluated based
22 on the teacher's annual evaluation under section 1249 or the school
23 administrator's annual evaluation under section 1249b, as
24 applicable.

25 (4) For teachers and school administrators who are hired by a
26 community district after ~~the accountability system under section~~
27 ~~390 has been implemented, **SEPTEMBER 1, 2019,**~~ the community district

1 shall not use length of service or achievement of an advanced
2 degree as a factor in compensation levels or adjustments in
3 compensation except as follows:

4 (a) For a teacher with a secondary level teaching certificate
5 who has a subject area endorsement and who teaches in that subject
6 area, an advanced degree achieved in that subject area may be
7 considered as a factor in the teacher's base compensation.

8 (b) For a teacher with an elementary level teaching
9 certificate who teaches in an elementary grade, an advanced degree
10 in elementary education may be considered as a factor in the
11 teacher's base compensation.

12 **SEC. 1280G. (1) NOT LATER THAN SEPTEMBER 1, 2018, THE**
13 **EDUCATION ACCOUNTABILITY POLICY COMMISSION CREATED UNDER SECTION**
14 **1280H SHALL DEVELOP A STATEWIDE SYSTEM OF ACCOUNTABILITY**
15 **MEASUREMENTS TO IMPROVE THE NATIONAL EDUCATIONAL RANKING OF THIS**
16 **STATE. ALL OF THE FOLLOWING APPLY TO THE STATEWIDE SYSTEM OF**
17 **ACCOUNTABILITY MEASUREMENTS:**

18 (A) NOT LATER THAN SEPTEMBER 1, 2019, AND NOT LATER THAN
19 SEPTEMBER 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL ASSIGN A
20 LETTER GRADE OF A, B, C, D, OR F FOR EACH OF THE FOLLOWING
21 INDICATORS FOR EACH PUBLIC SCHOOL:

22 (i) PUPIL PROFICIENCY IN MATHEMATICS AND ENGLISH LANGUAGE
23 ARTS, AS MEASURED BY THE PERCENTAGE OF ALL PUPILS WHO ACHIEVE
24 PROFICIENCY ON THE APPLICABLE STATE ASSESSMENT, AS DETERMINED BY
25 THE COMMISSION.

26 (ii) THE PERCENTAGE OF ALL PUPILS WHO ACHIEVE ADEQUATE GROWTH
27 IN MATHEMATICS AND ENGLISH LANGUAGE ARTS ON THE APPLICABLE STATE

1 ASSESSMENT. THE MEASURE OF ADEQUATE GROWTH UNDER THIS SUBDIVISION
2 MAY INCORPORATE REPORTING OF PUPIL GROWTH MEASURES, AS REPORTED BY
3 THE MODEL VALUE-ADDED GROWTH AND PROJECTION ANALYTICS SYSTEM
4 IMPLEMENTED BY THE DEPARTMENT, AND SHALL BE BASED ON AT LEAST ALL
5 OF THE FOLLOWING, AS DETERMINED BY THE COMMISSION:

6 (A) PUPIL GROWTH MEASURED FROM FALL TO SPRING OF THE SAME
7 SCHOOL YEAR OR FROM THE SPRING OF ONE SCHOOL YEAR TO THE SPRING OF
8 THE NEXT SCHOOL YEAR, AS APPROPRIATE BASED ON THE TIMING OF
9 APPLICABLE STATE ASSESSMENTS.

10 (B) PUPILS WHO SCORED PROFICIENT ON THE IMMEDIATELY PRECEDING
11 APPLICABLE STATE ASSESSMENT AND WHO AT LEAST MAINTAINED A SCORE OF
12 PROFICIENT ON THE MOST RECENT APPLICABLE STATE ASSESSMENT.

13 (C) PUPILS WHO SCORED LESS THAN PROFICIENT ON THE IMMEDIATELY
14 PRECEDING APPLICABLE STATE ASSESSMENT AND WHO DEMONSTRATE GROWTH
15 SUFFICIENT TO REACH PROFICIENCY IN 3 SCHOOL YEARS.

16 (iii) THE PERCENTAGE OF PUPILS WHO ARE ENGLISH LANGUAGE
17 LEARNERS AND WHO ACHIEVE ADEQUATE GROWTH TOWARD PROFICIENCY IN THE
18 ENGLISH LANGUAGE, AS DETERMINED BY THE COMMISSION AND AS REQUIRED
19 UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.

20 (iv) THE GRADUATION RATE OF PUPILS ENROLLED IN HIGH SCHOOL, AS
21 APPLICABLE AND AS DEFINED BY AND REPORTED TO CEPI.

22 (v) THE RATE OF PUPILS WHO ARE CHRONICALLY ABSENT AS DEFINED
23 BY AND REPORTED TO CEPI.

24 (vi) THE PARTICIPATION RATE FOR EACH APPLICABLE STATE
25 ASSESSMENT, BASED ON PUPILS WHO ARE ASSIGNED TO TAKE EACH
26 APPLICABLE STATE ASSESSMENT.

27 (B) NOT LATER THAN SEPTEMBER 1, 2019, AND NOT LATER THAN

1 SEPTEMBER 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL ASSIGN A
2 RANKING OF SIGNIFICANTLY ABOVE AVERAGE, ABOVE AVERAGE, AVERAGE,
3 BELOW AVERAGE, OR SIGNIFICANTLY BELOW AVERAGE TO EACH PUBLIC SCHOOL
4 FOR EACH OF THE FOLLOWING INDICATORS:

5 (i) THE ACADEMIC PERFORMANCE OF THE PUBLIC SCHOOL'S PUPILS ON
6 THE APPLICABLE STATE ASSESSMENT COMPARED TO PUPIL PERFORMANCE ON
7 THE APPLICABLE STATE ASSESSMENT FOR ALL PUBLIC SCHOOLS SERVING A
8 SIMILAR PUPIL POPULATION. THE DEPARTMENT SHALL DETERMINE SIMILAR
9 PUPIL POPULATION USING DEMOGRAPHIC FACTORS THAT THE COMMISSION
10 CONSIDERS TO HAVE A STRONG CORRELATION TO ACADEMIC ACHIEVEMENT.

11 (ii) PUPIL SUBGROUP PERFORMANCE COMPARED TO PUPILS IN THE SAME
12 SUBGROUP STATEWIDE, AS REQUIRED UNDER THE EVERY STUDENT SUCCEEDS
13 ACT, PUBLIC LAW 114-95.

14 (C) THE DEPARTMENT SHALL REPORT THE LETTER GRADES AND RANKINGS
15 UNDER SUBDIVISIONS (A) AND (B) IN A FORM AND MANNER PRESCRIBED BY
16 THE COMMISSION.

17 (D) THE COMMISSION SHALL DEVELOP STANDARDS FOR IDENTIFYING
18 PUBLIC SCHOOLS AS FALLING INTO CATEGORIES OF PERFORMANCE AND
19 ADEQUATE ACHIEVEMENT. THE STANDARDS DEVELOPED UNDER THIS
20 SUBDIVISION MUST MEET ALL OF THE FOLLOWING:

21 (i) THE COMMISSION SHALL DEVELOP STANDARDS FOR IDENTIFYING THE
22 LOWEST ACHIEVING PUBLIC SCHOOLS AS COMPREHENSIVE SUPPORT AND
23 IMPROVEMENT SCHOOLS, AS REQUIRED UNDER THE EVERY STUDENT SUCCEEDS
24 ACT, PUBLIC LAW 114-95. SUBJECT TO SUBDIVISION (ii), A PUBLIC
25 SCHOOL THAT MEETS ANY OF THE FOLLOWING SHALL BE IDENTIFIED AS A
26 COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOL:

27 (A) IS A HIGH SCHOOL THAT GRADUATES LESS THAN 2/3 OF ITS

1 PUPILS.

2 (B) RECEIVES THE LOWEST GRADE OR RANKING ON ALL OF THE
3 INDICATORS UNDER SUBDIVISIONS (A) (i) AND (ii) AND (B) (i) .

4 (C) MEETS ANY OTHER CRITERIA FOR A COMPREHENSIVE SUPPORT AND
5 IMPROVEMENT SCHOOL UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW
6 114-95, AS DETERMINED BY THE COMMISSION.

7 (ii) THE NUMBER OF PUBLIC SCHOOLS IN THIS STATE IDENTIFIED AS
8 COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOLS SHALL NOT EXCEED A
9 NUMBER EQUAL TO 5% OF ALL PUBLIC SCHOOLS IN THIS STATE.

10 (iii) THE COMMISSION SHALL DEVELOP STANDARDS FOR IDENTIFYING
11 HIGH ACHIEVING PUBLIC SCHOOLS AS REWARD SCHOOLS. A PUBLIC SCHOOL
12 THAT MEETS ANY OF THE FOLLOWING SHALL BE IDENTIFIED AS A REWARD
13 SCHOOL:

14 (A) IS A HIGH SCHOOL THAT GRADUATES AT LEAST 99% OF ITS
15 PUPILS.

16 (B) RECEIVES THE HIGHEST GRADE OR RANKING ON ANY OF THE
17 INDICATORS UNDER SUBDIVISIONS (A) (i) OR (ii) OR (B) (i) .

18 (C) MEETS ANY OTHER CRITERIA FOR IDENTIFICATION AS A REWARD
19 SCHOOL, AS DETERMINED BY THE COMMISSION.

20 (iv) THE COMMISSION SHALL ALSO DEVELOP STANDARDS FOR ALL OF
21 THE FOLLOWING:

22 (A) IDENTIFYING PUBLIC SCHOOLS IN WHICH 1 OR MORE GROUPS OF
23 PUPILS ARE CONSISTENTLY UNDERPERFORMING AS TARGETED SUPPORT AND
24 IMPROVEMENT SCHOOLS, AS DESCRIBED IN THE EVERY STUDENT SUCCEEDS
25 ACT, PUBLIC LAW 114-95.

26 (B) IDENTIFYING PUBLIC SCHOOLS IN WHICH THE PERFORMANCE OF 1
27 OR MORE GROUPS OF PUPILS WOULD PLACE THOSE PUPILS IN THE BOTTOM 5%

1 OF TITLE I SCHOOLS, AS DESCRIBED IN THE EVERY STUDENT SUCCEEDS ACT,
2 PUBLIC LAW 114-95.

3 (C) IDENTIFYING PUBLIC SCHOOLS IN ANY OTHER CATEGORIZATION
4 REQUIRED UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95,
5 AS DETERMINED BY THE COMMISSION.

6 (E) THE COMMISSION SHALL MONITOR THE EFFECTIVENESS OF THE
7 STATEWIDE SYSTEM OF ACCOUNTABILITY MEASUREMENTS DEVELOPED UNDER
8 THIS SUBSECTION AND SHALL MAKE CHANGES TO THE SYSTEM AS THE
9 COMMISSION DETERMINES NECESSARY TO MAKE THE SYSTEM MORE EFFECTIVE
10 AND TO ENSURE COMPLIANCE WITH THE REQUIREMENTS UNDER THIS SECTION.
11 AS PART OF THIS MONITORING PROCESS, THE COMMISSION SHALL DEVELOP
12 AND IMPLEMENT PROCESSES FOR RECEIVING AND CONSIDERING INPUT FROM
13 THE PUBLIC AND THE EDUCATIONAL COMMUNITY.

14 (F) NOT LATER THAN DECEMBER 1, 2018, THE COMMISSION SHALL
15 DEVELOP ACCOUNTABILITY MEASURES TO IMPOSE ON PUBLIC SCHOOLS THAT
16 HAVE BEEN IDENTIFIED AS COMPREHENSIVE SUPPORT AND IMPROVEMENT
17 SCHOOLS UNDER THIS SECTION. FOR THE PURPOSES OF THE ACCOUNTABILITY
18 MEASURES DEVELOPED UNDER THIS SECTION, A PUBLIC SCHOOL THAT WAS
19 INCLUDED ON THE LIST OF THE LOWEST ACHIEVING 5% OF PUBLIC SCHOOLS
20 IN THIS STATE UNDER SECTION 1280C(1) IS CONSIDERED TO HAVE BEEN
21 IDENTIFIED AS A COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOL FOR
22 THAT SCHOOL YEAR.

23 (G) NOT LATER THAN JULY 1, 2019, THE DEPARTMENT SHALL
24 IMPLEMENT THE ACCOUNTABILITY MEASURES DEVELOPED BY THE COMMISSION
25 UNDER SUBDIVISION (F).

26 (2) BEGINNING IN THE 2019-2020 SCHOOL YEAR, THE DEPARTMENT
27 SHALL IMPLEMENT AND ADMINISTER THE STATEWIDE SYSTEM OF

1 ACCOUNTABILITY MEASUREMENTS DEVELOPED BY THE EDUCATION
2 ACCOUNTABILITY POLICY COMMISSION UNDER SUBSECTION (1).

3 (3) NOT LATER THAN SEPTEMBER 1, 2019, AND NOT LATER THAN
4 SEPTEMBER 1 EVERY 3 YEARS THEREAFTER, THE SUPERINTENDENT OF PUBLIC
5 INSTRUCTION SHALL PUBLISH A LIST OF THE PUBLIC SCHOOLS IN THIS
6 STATE THAT THE DEPARTMENT HAS IDENTIFIED AS COMPREHENSIVE SUPPORT
7 AND IMPROVEMENT SCHOOLS UNDER THIS SECTION FOR THAT SCHOOL YEAR,
8 AND A LIST OF THE PUBLIC SCHOOLS THAT THE DEPARTMENT HAS IDENTIFIED
9 AS REWARD SCHOOLS UNDER THIS SECTION FOR THAT SCHOOL YEAR. A PUBLIC
10 SCHOOL IDENTIFIED AS A COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOL
11 UNDER THIS SECTION IS CONSIDERED TO BE AMONG THE LOWEST ACHIEVING
12 PUBLIC SCHOOLS IN THIS STATE.

13 (4) THE DEPARTMENT SHALL DESIGNATE A PUBLIC SCHOOL AS AN
14 ALTERNATIVE EDUCATION CAMPUS AND SHALL NOT ASSIGN GRADES OR
15 RANKINGS UNDER SUBSECTION (1) FOR THE PUBLIC SCHOOL IF THE PUBLIC
16 SCHOOL MEETS AT LEAST 1 OF THE FOLLOWING:

17 (A) IS A CENTER PROGRAM.

18 (B) IS A STRICT DISCIPLINE ACADEMY ESTABLISHED UNDER SECTIONS
19 1311B TO 1311M.

20 (C) IS A PROGRAM FOR ADJUDICATED YOUTH.

21 (D) SERVES ANY OTHER SPECIALIZED PUPIL POPULATION WITH SPECIAL
22 NEEDS, AS DETERMINED BY THE DEPARTMENT.

23 (5) BEGINNING SEPTEMBER 1, 2019, AND NOT LATER THAN SEPTEMBER
24 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL ISSUE A SUMMARY
25 STATUS FOR EACH PUBLIC SCHOOL DESIGNATED AS AN ALTERNATIVE
26 EDUCATION CAMPUS UNDER SUBSECTION (4). THE SUMMARY STATUS SHALL
27 INDICATE WHETHER THE PUBLIC SCHOOL IS IN COMPLIANCE WITH APPLICABLE

1 LAW AND WHETHER PUPILS ENROLLED IN THE PUBLIC SCHOOL ARE MAKING
2 MEANINGFUL, MEASURABLE ACADEMIC PROGRESS TOWARD EDUCATIONAL GOALS
3 ESTABLISHED BY THE GOVERNING BODY OF THE PUBLIC SCHOOL AND APPROVED
4 BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

5 (6) THE ACCOUNTABILITY SYSTEM DEVELOPED UNDER THIS SECTION
6 REPLACES THE ACCOUNTABILITY SYSTEM UNDER SECTION 390.

7 (7) AS USED IN THIS SECTION:

8 (A) "CENTER PROGRAM" MEANS THAT TERM AS DEFINED IN SECTION 6
9 OF THE STATE SCHOOL AID ACT OF 1979, MCL 388.1606.

10 (B) "CEPI" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND
11 INFORMATION CREATED IN SECTION 94A OF THE STATE SCHOOL AID ACT OF
12 1979, MCL 388.1694A.

13 SEC. 1280H. (1) THE EDUCATION ACCOUNTABILITY POLICY COMMISSION
14 IS CREATED IN THE DEPARTMENT. THE COMMISSION CONSISTS OF THE
15 FOLLOWING 13 MEMBERS:

16 (A) THREE MEMBERS APPOINTED BY THE GOVERNOR WHO REPRESENT
17 BUSINESS SECTORS THAT ARE IMPORTANT TO THIS STATE'S ECONOMY AND
18 RELY ON A COLLEGE- OR CAREER-READY WORKFORCE, NONPROFIT
19 ORGANIZATIONS AND ASSOCIATIONS THAT PROMOTE COLLEGE AND CAREER
20 EDUCATION, K-12 AND POSTSECONDARY INSTITUTIONS INVOLVED IN COLLEGE
21 AND CAREER EDUCATION, OR OTHER SECTORS AS DETERMINED APPROPRIATE BY
22 THE GOVERNOR.

23 (B) ONE MEMBER APPOINTED BY THE SENATE MAJORITY LEADER, IN
24 CONSULTATION WITH THE CHAIRPERSON OF THE SENATE STANDING COMMITTEE
25 ON EDUCATION.

26 (C) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
27 REPRESENTATIVES, IN CONSULTATION WITH THE CHAIRPERSON OF THE HOUSE

1 STANDING COMMITTEE ON EDUCATION.

2 (D) THE SUPERINTENDENT OF PUBLIC INSTRUCTION, OR HIS OR HER
3 DESIGNEE.

4 (E) ONE MEMBER APPOINTED BY THE SUPERINTENDENT OF PUBLIC
5 INSTRUCTION FROM AMONG NOMINEES SUBMITTED BY STATEWIDE
6 ORGANIZATIONS REPRESENTING PUBLIC SCHOOL ACADEMIES.

7 (F) ONE MEMBER APPOINTED BY THE SUPERINTENDENT OF PUBLIC
8 INSTRUCTION FROM AMONG NOMINEES SUBMITTED BY STATEWIDE
9 ORGANIZATIONS REPRESENTING SCHOOL ADMINISTRATORS WORKING IN SCHOOL
10 DISTRICTS.

11 (G) A CURRENTLY SERVING SCHOOL BOARD MEMBER APPOINTED BY THE
12 SUPERINTENDENT OF PUBLIC INSTRUCTION FROM AMONG NOMINEES SUBMITTED
13 BY STATEWIDE ORGANIZATIONS REPRESENTING SCHOOL BOARDS.

14 (H) ONE MEMBER APPOINTED BY THE GOVERNOR FROM AMONG NOMINEES
15 SUBMITTED BY STATEWIDE ORGANIZATIONS REPRESENTING URBAN SCHOOL
16 DISTRICTS.

17 (I) ONE MEMBER APPOINTED BY THE GOVERNOR FROM AMONG NOMINEES
18 SUBMITTED BY STATEWIDE ORGANIZATIONS REPRESENTING RURAL SCHOOL
19 DISTRICTS.

20 (J) ONE MEMBER APPOINTED BY THE GOVERNOR FROM AMONG NOMINEES
21 SUBMITTED BY STATEWIDE ORGANIZATIONS REPRESENTING PARENTS OF
22 PUPILS.

23 (K) ONE MEMBER APPOINTED BY THE GOVERNOR FROM AMONG NOMINEES
24 SUBMITTED BY STATEWIDE ORGANIZATIONS REPRESENTING TEACHERS.

25 (2) INITIAL EDUCATION ACCOUNTABILITY POLICY COMMISSION MEMBERS
26 MUST BE APPOINTED UNDER SUBSECTION (1) NOT LATER THAN JULY 1, 2018.

27 (3) THE MEMBERS OF THE EDUCATION ACCOUNTABILITY POLICY

1 COMMISSION SHALL ELECT A CHAIRPERSON OF THE COMMISSION AND OTHER
2 OFFICERS THE COMMISSION DETERMINES APPROPRIATE.

3 (4) MEMBERS OF THE EDUCATION ACCOUNTABILITY POLICY COMMISSION
4 SHALL BE APPOINTED FOR 4-YEAR TERMS.

5 (5) A VACANCY ON THE EDUCATION ACCOUNTABILITY POLICY
6 COMMISSION SHALL BE FILLED IN THE SAME MANNER AS THE ORIGINAL
7 APPOINTMENT. A MEMBER APPOINTED TO FILL A VACANCY CAUSED BY A
8 RESIGNATION OR DEATH SHALL BE APPOINTED FOR THE BALANCE OF THE
9 UNEXPIRED TERM.

10 (6) THE GOVERNOR MAY REMOVE A MEMBER OF THE EDUCATION
11 ACCOUNTABILITY POLICY COMMISSION FOR INCOMPETENCE, DERELICTION OF
12 DUTY, MALFEASANCE, MISFEASANCE, OR NONFEASANCE IN OFFICE, OR ANY
13 OTHER GOOD CAUSE.

14 (7) MEMBERS OF THE EDUCATION ACCOUNTABILITY POLICY COMMISSION
15 SHALL SERVE WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE
16 COMMISSION MAY BE REIMBURSED FOR THEIR ACTUAL AND NECESSARY
17 EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES AS
18 MEMBERS OF THE COMMISSION.

19 (8) THE EDUCATION ACCOUNTABILITY POLICY COMMISSION MAY
20 ESTABLISH SUBCOMMITTEES THAT MAY CONSIST OF INDIVIDUALS WHO ARE NOT
21 MEMBERS OF THE COMMISSION, INCLUDING, BUT NOT LIMITED TO, EXPERTS
22 IN MATTERS OF INTEREST TO THE COMMISSION.

23 (9) A MAJORITY OF THE MEMBERS OF THE EDUCATION ACCOUNTABILITY
24 POLICY COMMISSION CONSTITUTE A QUORUM FOR CONDUCTING BUSINESS. A
25 VOTE OF A MAJORITY OF THE MEMBERS OF THE COMMISSION PRESENT AND
26 SERVING IS REQUIRED FOR THE OFFICIAL ACTION OF THE COMMISSION.

27 Enacting section 1. Sections 390, 391, and 1280c of the

1 revised school code, 1976 PA 451, MCL 380.390, 380.391, and
2 380.1280c, are repealed effective June 30, 2019.

3 Enacting section 2. This amendatory act takes effect 90 days
4 after the date it is enacted into law.