

**SUBSTITUTE FOR
HOUSE BILL NO. 5526**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 12a, 381, 392, 393, 502, 503, 507, 522, 528,
552, 561, and 1250 (MCL 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 12a as added by 2013 PA 96, 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 section 1280g; and to repeal acts and parts
of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12a. (1) As permitted under federal law, if a school
2 district is dissolved under section 12 or if the functions and
3 responsibilities of a school district for operating a public school

1 are transferred to another public entity, ~~including, but not~~
2 ~~limited to, a transfer to another public entity under section~~
3 ~~1280e,~~ the superintendent of public instruction shall grant each
4 receiving school district or other public entity assuming the
5 functions and responsibilities for the public school an allocation
6 of grants under 20 USC 6333, 6334, 6335, and 6337 and of other
7 federal funds that would otherwise be made available for grants to
8 or federal funding for the public school or make other adjustments
9 in the allocation of federal funds to implement the dissolution of
10 the school district or other transfer of functions and
11 responsibilities.

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

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

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

20 (3) The name of a school district governed by this part shall
21 include the name of the city, village, or township with the
22 greatest population located within the geographic boundaries of the
23 community district, the word "school" or "schools", and the word
24 "community" or "district", or both.

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

1 (5) As used in this part:

2 (a) "Authorizing body" means that term as defined in section
3 501, 521, or 551, as applicable.

4 ~~(b) "State school reform/redesign officer" means that officer~~
5 ~~serving under section 1280c.~~

6 **(B)** ~~(c)~~ "Transfer date" means that term as defined in section
7 12b.

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

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

24 (b) The proposed school would have substantially the same
25 leadership and substantially the same curriculum offerings as the
26 school that previously operated at that location.

27 Sec. 393. (1) A community district shall have, support, and

House Bill No. 5526 as amended December 13, 2018

1 maintain an advisory council as provided in this section.

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

4 (a) The superintendent of schools of the community district or
5 his or her designee.

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

8 (c) One member, appointed by the [~~state school reform/redesign~~
9 ~~officer, DEPARTMENT,~~] who at the time of his or her appointment is the
parent of

10 at least 1 pupil who is currently enrolled, and who has been
11 enrolled for at least 1 full school year, in a public school
12 operated by the community district or operated by the qualifying
13 school district with the same boundaries as the community district.
14 If a member appointed under this subdivision ceases to have a child
15 enrolled in a public school operated by the community district,
16 that member shall be considered to have vacated the member's
17 office.

18 (d) One member representing authorizing bodies that have
19 authorized at least 3 public school academies located within the
20 community district, appointed by the ~~state school reform/redesign~~
21 ~~officer-DEPARTMENT~~ from among nominees submitted by a statewide
22 organization representing authorizing bodies.

23 (e) One member who serves as a school administrator in, or on
24 the board of directors of, a public school academy that is located
25 within the community district and is authorized by the governing
26 board of a state public university, appointed by the ~~state school~~
27 ~~reform/redesign officer-DEPARTMENT~~ from among nominees submitted by

1 a statewide organization representing public school academies.

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

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

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

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

1 transportation of pupils to and from public schools located within
2 the community district. The school board of the community district
3 shall provide a copy of this report to the ~~state school~~
4 ~~reform/redesign officer, DEPARTMENT,~~ to the authorizing body of
5 each public school academy located within the community district,
6 and to the standing committees of the senate and house of
7 representatives with responsibility for education legislation.

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

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

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

26 (a) The board of a school district. However, the board of a
27 school district shall not issue a contract for a public school

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

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

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

1 college district and the community college has previously offered
2 courses on the grounds of the federal military installation for at
3 least 10 years.

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

11 (e) Two or more of the public agencies described in
12 subdivisions (a) to (d) exercising power, privilege, or authority
13 jointly pursuant to an interlocal agreement under the urban
14 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
15 124.512.

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

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

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

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

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

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

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

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 public 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 public school academy.

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

25 (iii) The admission policy and criteria to be maintained by
26 the public school academy. The admission policy and criteria shall
27 comply with section 504. This part of the application also shall

1 include a description of how the applicant will provide to the
2 general public adequate notice that a public school academy is
3 being created and adequate information on the admission policy,
4 criteria, and process.

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

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

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

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

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

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

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

1 relieve any other government entity of its enforcement or
2 supervisory responsibility.

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

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

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

25 (8) An authorizing body may enter into an intergovernmental
26 agreement with another authorizing body to issue public school
27 academy contracts. At a minimum, the agreement shall further the

1 purposes set forth in section 501, describe which authorizing body
2 shall issue the contract, and set forth which authorizing body will
3 be responsible for monitoring compliance by the board of directors
4 of the public school academy with the contract and all applicable
5 law.

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

9 (a) An authorizing body shall not issue a contract to organize
10 and operate a new public school academy to be located in a
11 community district unless, before issuing the contract, the
12 governing board of the authorizing body has certified to the ~~state~~
13 ~~school reform/redesign officer~~ **DEPARTMENT** that the authorizing body
14 has been accredited as an authorizing body by a nationally
15 recognized accreditation body. For an authorizing body described in
16 subsection (2)(e), the authorizing body shall not issue a contract
17 to organize and operate a new public school academy to be located
18 in a community district unless, before issuing the contract, the
19 governing board of each of the public agencies that is party to the
20 interlocal agreement has certified to the ~~state school~~
21 ~~reform/redesign officer~~ **DEPARTMENT** 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 **(D)** ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
24 1274.

25 **(E)** ~~(f)~~ Laws concerning participation in state assessments,
26 data collection systems, state level student growth models, state
27 accountability and accreditation systems, and other public

1 comparative data collection required for public schools.

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

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

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

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

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

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

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

27 (c) Establish the method of selection, length of term, and

1 number of members of the board of directors of each public school
2 academy that it authorizes. The authorizing body shall ensure that
3 the board of directors includes representation from the local
4 community.

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

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

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

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

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

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

27 (3) The authorizing body for a public school academy is the

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

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

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

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

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

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

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

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

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1 **DEPARTMENT** under this subsection, the authorizing body shall **NOTIFY**
2 **THE PUBLIC SCHOOL ACADEMY AND** revoke the public school academy's
3 contract, effective at the end of the 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 (5)~~, the
6 ~~state school reform/redesign officer~~ [**DEPARTMENT**] shall
7 consider other public school options available to pupils in the
8 grade levels offered by the public school academy or site who
9 reside in the geographic area served by the public school academy
10 or site. If the ~~state school reform/redesign officer~~ [**DEPARTMENT**
11] determines that closure of the public school academy or site
12 would result in an unreasonable hardship to these pupils because
13 there are insufficient other public school options reasonably
14 available for these pupils, the ~~state school reform/redesign~~
15 ~~officer~~ [**DEPARTMENT**] may rescind the notice. If the ~~state~~
16 ~~school reform/redesign officer~~ [**DEPARTMENT**] rescinds a notice
17 subjecting a public school academy or site to closure, the ~~state~~
18 ~~school reform/redesign officer~~ [**DEPARTMENT**] shall do so before
19 the end of the school year. If the ~~state school reform/redesign~~
20 ~~officer~~ [**DEPARTMENT**] rescinds a notice subjecting a public
21 school academy or site to closure, the ~~state school reform/redesign~~
22 ~~officer~~ [**DEPARTMENT**] shall require the public school academy or
23 site to implement a school improvement plan that includes measures
24 to increase pupil growth and improve pupil proficiency, with growth
25 and proficiency measured by performance on state assessments.
26 (7) Except as otherwise provided in section 502 or 503, the
27 decision of an authorizing body to issue, not issue, or

1 reconstitute a contract under this part, or to terminate or revoke
2 a contract under this section, is solely within the discretion of
3 the authorizing body, is final, and is not subject to review by a
4 court or any state agency. An authorizing body that issues, does
5 not issue, or reconstitutes a contract under this part, or that
6 terminates or revokes a contract under this section, is not liable
7 for that action to the public school academy, the public school
8 academy corporation, a pupil of the public school academy, the
9 parent or guardian of a pupil of the public school academy, or any
10 other person.

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

23 (9) If an authorizing body revokes a contract, the authorizing
24 body shall work with a school district or another public school, or
25 with a combination of these entities, to ensure a smooth transition
26 for the affected pupils. If the revocation occurs during the school
27 year, the authorizing body, as the fiscal agent for the public

1 school academy under this part, shall return any school aid funds
2 held by the authorizing body that are attributable to the affected
3 pupils to the state treasurer for deposit into the state school aid
4 fund. The state treasurer shall distribute funds to the public
5 school in which the pupils enroll after the revocation pursuant to
6 a methodology established by the department and the center for
7 educational performance and information.

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

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

26 (2) Subject to subsection (9), the governing board of a state
27 public university may act as an authorizing body to issue a

1 contract for the organization and operation of an urban high school
2 academy under this part.

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

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

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

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

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

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

24 (ii) The purposes for the urban high school academy
25 corporation. This language shall provide that the urban high school
26 academy is incorporated pursuant to this part and that the urban
27 high school academy corporation is a governmental entity and

1 political subdivision of this state.

2 (iii) The name of the authorizing body.

3 (iv) The proposed time when the articles of incorporation will
4 be effective.

5 (v) Other matters considered expedient to be in the articles
6 of incorporation.

7 (d) A copy of the proposed bylaws of the urban high school
8 academy.

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

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

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

22 (iii) The admission policy and criteria to be maintained by
23 the urban high school academy. The admission policy and criteria
24 shall comply with section 524. This part of the application also
25 shall include a description of how the applicant will provide to
26 the general public adequate notice that an urban high school
27 academy is being created and adequate information on the admission

1 policy, criteria, and process.

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

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

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

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

12 (5) If a particular state public university issues a contract
13 that allows an urban high school academy to operate the same
14 configuration of grades at more than 1 site, as provided in section
15 524(1), each of those sites shall be under the direction of the
16 board of directors that is a party to the contract.

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

26 (7) An authorizing body shall not charge a fee, or require
27 reimbursement of expenses, for considering an application for a

1 contract, for issuing a contract, or for providing oversight of a
2 contract for an urban high school academy in an amount that exceeds
3 a combined total of 3% of the total state school aid received by
4 the urban high school academy in the school year in which the fees
5 or expenses are charged. All of the following apply to this fee:

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

8 (i) Considering applications and issuing or administering
9 contracts.

10 (ii) Compliance monitoring and oversight of urban high school
11 academies.

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

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

15 (v) Academic support to urban high school academies or to
16 pupils or graduates of urban high school academies.

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

18 (vii) Training of teachers, including supervision of teacher
19 interns.

20 (viii) Other purposes that assist the urban high school
21 academies or traditional public schools in achieving improved
22 academic performance.

23 (b) An authorizing body may provide other services for an
24 urban high school academy and charge a fee for those services, but
25 shall not require such an arrangement as a condition to issuing the
26 contract authorizing the urban high school academy.

27 (8) An urban high school academy shall be presumed to be

1 legally organized if it has exercised the franchises and privileges
2 of an urban high school academy for at least 2 years.

3 (9) Both of the following apply to the issuance of a contract
4 for an urban high school academy 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 urban high school academy to be located in a
8 community district unless, before issuing the contract, the
9 governing board of the authorizing body has certified to the ~~state~~
10 ~~school reform/redesign officer~~ **DEPARTMENT** that the authorizing body
11 has been accredited as an authorizing body by a nationally
12 recognized accreditation body.

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

16 (i) Either of the following:

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

1 ~~urban high school academy would operate at the same location as a~~
2 ~~public school that has been assigned a grade of "F" under section~~
3 ~~390 for 3 of the preceding 5 school years.~~

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

9 (ii) The proposed urban high school academy would have
10 substantially the same board of directors, substantially the same
11 leadership, and substantially the same curriculum offerings as the
12 public school that previously operated at that location.

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

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

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

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

22 (c) Adopt a resolution establishing the method of selection,
23 length of term, and number of members of the board of directors of
24 each urban high school academy that it authorizes. The resolution
25 shall be written or amended as necessary to include a requirement
26 that each member of the board of directors must be a citizen of the
27 United States.

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

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

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

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

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

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

27 (3) The authorizing body for an urban high school academy is

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

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

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

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

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

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

26 (5) Except for an urban high school academy that is an
27 alternative school serving a special student population, if the

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

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1 site, and the authorizing body receives notice from the ~~state~~
2 ~~school reform/redesign officer~~ **DEPARTMENT** under this subsection,
3 the authorizing body shall **NOTIFY THE URBAN HIGH SCHOOL ACADEMY AND**
4 revoke the urban high school academy's contract, effective at the
5 end of the current school year.

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

1 by performance on state assessments.

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

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

26 (9) If an authorizing body revokes a contract, the authorizing
27 body shall work with a school district or another public school, or

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

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

17 (11) If an urban high school academy's contract terminates or
18 is revoked, title to all real and personal property, interest in
19 real or personal property, and other assets owned by the urban high
20 school academy shall revert to the state. This property shall be
21 distributed in accordance with the following:

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

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

4 (c) Simultaneously with the filing of the certificate of
5 dissolution under subdivision (b), the urban high school academy
6 board of directors shall provide a copy of the board of directors'
7 plan of distribution of assets to the state treasurer for approval.
8 Within 30 days, the state treasurer, or his or her designee, shall
9 review and approve the board of directors' plan of distribution of
10 assets. If the proposed plan of distribution of assets is not
11 approved within 30 days, the state treasurer, or his or her
12 designee, shall provide the board of directors with an acceptable
13 plan of distribution of assets.

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

18 (e) As part of the plan of distribution of assets, the urban
19 high school academy board of directors shall designate the director
20 of the department of technology, management, and budget, or his or
21 her designee, to dispose of all real property of the urban high
22 school academy corporation in accordance with the directives
23 developed for disposition of surplus land and facilities under
24 section 251 of the management and budget act, 1984 PA 431, MCL
25 18.1251.

26 (f) If the board of directors of an urban high school academy
27 fails to take any necessary action under this section, the state

1 treasurer, or his or her designee, may suspend the urban high
2 school academy board of directors and appoint a trustee to carry
3 out the board's plan of distribution of assets. Upon appointment,
4 the trustee shall have all the rights, powers, and privileges under
5 law that the urban high school academy board of directors had
6 before being suspended.

7 (g) Following the sale of the real or personal property or
8 interests in the real or personal property, and after payment of
9 any urban high school academy debt secured by the property or
10 interest in property, whether real or personal, the urban high
11 school academy board of directors, or a trustee appointed under
12 this section, shall forward any remaining money to the state
13 treasurer. Following receipt, the state treasurer, or his or her
14 designee, shall deposit this remaining money in the state school
15 aid fund.

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

20 (a) The issuance of the contract must be approved by the
21 superintendent of public instruction. The superintendent of public
22 instruction shall approve issuance of a contract if he or she
23 determines that the proposed school of excellence is modeled after
24 a high-performing school or program.

25 (b) The first 5 contracts issued by all authorizing bodies
26 under this subsection shall be for schools of excellence that offer
27 1 or more of high school grades 9 to 12, or any combination of

1 those grades, as specified in the contract.

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

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

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

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

22 (c) The entity applying for the school of excellence that is a
23 cyber school demonstrates experience in delivering a quality
24 education program that improves pupil academic achievement. In
25 determining whether this requirement is met, an authorizing body
26 shall refer to the standards for quality online learning
27 established by the national association of charter school

1 authorizers or other similar nationally recognized standards for
2 quality online learning.

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

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

16 (3) For a public school academy operating under part 6a that
17 meets the requirements of subsection (4), with the approval of its
18 authorizing body, the board of directors of the public school
19 academy may adopt a resolution choosing to convert the public
20 school academy to a school of excellence under this part. If the
21 board of directors of a public school academy that meets the
22 requirements of subsection (4) is issued a contract as a school of
23 excellence under this subsection, all the following apply:

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

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

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

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

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

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

18 (i) On average over a 3-year period, at least 90% of the
19 pupils enrolled in the public school academy achieved a score of
20 proficient or better on the Michigan education assessment program
21 mathematics and reading tests or successor state assessment
22 program.

23 (ii) On average over a 3-year period, at least 70% of the
24 pupils enrolled in the public school academy achieved a score of
25 proficient or better on the Michigan education assessment program
26 mathematics and reading tests or successor state assessment program
27 and at least 50% of the pupils enrolled in the public school

1 academy met the income eligibility criteria for the federal free or
2 reduced-price lunch program, as determined under the Richard B.
3 Russell national school lunch act, 42 USC 1751 to 1769j, and
4 reported to the department.

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

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

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

24 (a) The board of a school district. However, except as
25 otherwise provided in this subdivision, the board of a school
26 district shall not issue a contract for a school of excellence to
27 operate outside the school district's boundaries, and a school of

1 excellence authorized by the board of a school district shall not
2 operate outside that school district's boundaries. If the board of
3 a school district issues a contract for a school of excellence that
4 is a cyber school, the contract may authorize the school of
5 excellence that is a cyber school to operate outside that school
6 district's boundaries.

7 (b) An intermediate school board. However, except as otherwise
8 provided in this subdivision, the board of an intermediate school
9 district shall not issue a contract for a school of excellence to
10 operate outside the intermediate school district's boundaries, and
11 a school of excellence authorized by the board of an intermediate
12 school district shall not operate outside that intermediate school
13 district's boundaries. If the board of an intermediate school
14 district issues a contract for a school of excellence that is a
15 cyber school, the contract may authorize the school of excellence
16 that is a cyber school to operate outside that intermediate school
17 district's boundaries.

18 (c) The board of a community college. Except as otherwise
19 provided in this subdivision, the board of a community college
20 shall not issue a contract for a school of excellence to operate
21 outside the boundaries of the community college district, and a
22 school of excellence authorized by the board of a community college
23 shall not operate outside the boundaries of the community college
24 district. If the board of a community college issues a contract for
25 a school of excellence that is a cyber school, the contract may
26 authorize the school of excellence that is a cyber school to
27 operate outside the boundaries of the community college district.

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

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

11 (e) Two or more of the public agencies described in
12 subdivisions (a) to (d) exercising power, privilege, or authority
13 jointly pursuant to an interlocal agreement under the urban
14 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
15 124.512.

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

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

21 (b) Subject to the resolution adopted by the authorizing body
22 under section 553(4), a list of the proposed members of the board
23 of directors of the school of excellence and a description of the
24 qualifications and method for appointment or election of members of
25 the board of directors.

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

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

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

3 This language shall provide that the school of excellence is
4 incorporated pursuant to this part and that the school of
5 excellence is a governmental entity.

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 school of excellence.

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 school of excellence.

15 (ii) A copy of the educational goals of the school of
16 excellence and the curricula to be offered and methods of pupil
17 assessment to be used by the school of excellence. 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 school of excellence 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 school of excellence. The admission policy and criteria shall
26 comply with section 556. 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 school of excellence is being
2 created and adequate information on the admission policy, criteria,
3 and process.

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

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

7 (f) Descriptions of staff responsibilities and of the school
8 of excellence governance structure.

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

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

17 (i) A description of and address for the proposed physical
18 plant in which the school of excellence will be located. An
19 applicant may request the authorizing body to issue a contract
20 allowing the board of directors of the school of excellence to
21 operate the same configuration of age or grade levels at more than
22 1 site.

23 (8) An authorizing body shall oversee, or shall contract with
24 an intermediate school district, community college, or state public
25 university to oversee, each school of excellence operating under a
26 contract issued by the authorizing body. The authorizing body is
27 responsible for overseeing compliance by the board of directors

1 with the contract and all applicable law. This subsection does not
2 relieve any other government entity of its enforcement or
3 supervisory responsibility.

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

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

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

26 (12) A member of the board of directors of a school of
27 excellence is a public officer and shall, before entering upon the

1 duties of the office, take the constitutional oath of office for
2 public officers under section 1 of article XI of the state
3 constitution of 1963.

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

7 (14) If the department determines that the combined total
8 statewide final audited membership for all pupils in membership in
9 schools of excellence that are cyber schools for the 2012-2013
10 state fiscal year exceeds a number equal to 1% of the combined
11 total statewide final audited membership for all pupils in
12 membership in public schools for the 2011-2012 state fiscal year,
13 then all of the following apply:

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

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

20 (15) Beginning July 1, 2013, if the department determines that
21 the combined total statewide final audited membership for all
22 pupils in membership in schools of excellence that are cyber
23 schools for a state fiscal year exceeds a number equal to 2% of the
24 combined total statewide final audited membership for all pupils in
25 membership in public schools for the 2011-2012 state fiscal year,
26 then all of the following apply:

27 (a) Subject to subdivision (c), an authorizing body may not

1 issue a new contract for a new school of excellence that is a cyber
2 school to begin operations in a school year that begins after that
3 determination is made.

4 (b) Subject to subdivision (c), a school of excellence that is
5 a cyber school may not enroll any new pupils in the school of
6 excellence that is a cyber school in a school year that begins
7 after that determination is made.

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

18 (16) For the purposes of subsections (14) and (15), not later
19 than July 1 of each year, the department shall determine the
20 percentage of the combined total statewide final audited membership
21 for all pupils in membership in public schools that are pupils in
22 membership in schools of excellence that are cyber schools for the
23 state fiscal year that includes that July 1.

24 (17) As used in this section:

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

27 (b) "Statewide authorizing body" means the governing board of

1 a state public university or the board of a federal tribally
2 controlled community college that is recognized under the tribally
3 controlled colleges and universities assistance act of 1978, 25 USC
4 1801 to 1864, and is determined by the department to meet the
5 requirements for accreditation by a recognized regional accrediting
6 body.

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

15 (a) Textbooks, instructional materials, and supplies,
16 including electronic instructional material.

17 (b) Computer and other electronic equipment, including
18 internet and telephone access.

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

20 (d) Purchased courses and curricula.

21 (e) Fees associated with oversight and regulation.

22 (f) Travel costs associated with school activities and
23 testing.

24 (g) Facilities costs.

25 (h) Costs associated with special education.

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

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

2 (b) A comparison with costs of substantially similar programs
3 in other states and relevant national research on the costs of
4 online learning.

5 (c) Any conclusions concerning factors or characteristics of
6 online learning programs that make a difference in the costs of
7 operating the programs.

8 (20) The board of directors of a school of excellence that is
9 a cyber school, or the board of a school district, intermediate
10 school district, or public school academy that operates an online
11 or other distance learning program, shall submit a monthly report
12 to the department, in the form and manner prescribed by the
13 department, that reports the number of pupils enrolled in the
14 school of excellence that is a cyber school, or in the online or
15 other distance learning program, during the immediately preceding
16 month.

17 (21) The board of directors of a school of excellence that is
18 a cyber school shall ensure that, when a pupil enrolls in the
19 school of excellence that is a cyber school, the pupil and his or
20 her parent or legal guardian are provided with a parent-student
21 orientation. If the pupil is at least age 18 or is an emancipated
22 minor, the orientation may be provided to just the pupil.

23 (22) Both of the following apply to the issuance of a contract
24 for a school of excellence to be located within a community
25 district:

26 (a) An authorizing body shall not issue a contract to organize
27 and operate a new school of excellence to be located in a community

1 district unless, before issuing the contract, the governing board
2 of the authorizing body has certified to the ~~state school~~
3 ~~reform/redesign officer~~ **DEPARTMENT** that the authorizing body has
4 been accredited as an authorizing body by a nationally recognized
5 accreditation body. For an authorizing body described in subsection
6 (6) (e), the 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 each of the public agencies that is party to the interlocal
10 agreement has certified to the ~~state school reform/redesign officer~~
11 **DEPARTMENT** that the public agency has been accredited as an
12 authorizing body by a nationally recognized accreditation body.

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

16 (i) Either of the following:

17 (A) ~~Until the accountability system under section 390 has been~~
18 ~~in effect in the community district for at least 3 full school~~
19 ~~years, the~~ **THE** proposed school of excellence would operate at the
20 same location as a public school that currently is on the list
21 under section 1280c(1) **OR 1280G(3), AS APPLICABLE**, of the public
22 schools in this state ~~that the state school reform/redesign office~~
23 ~~has determined to be among the lowest achieving 5% of all public~~
24 schools in this state or has been on that list during the
25 immediately preceding 3-year period. ~~Beginning after the~~
26 ~~accountability system under section 390 has been in effect in the~~
27 ~~community district for at least 3 full school years, the proposed~~

1 ~~school of excellence would operate at the same location as a public~~
2 ~~school that has been assigned a grade of "F" under section 390 for~~
3 ~~3 of the preceding 5 school years.~~

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

9 (ii) The proposed school of excellence would have
10 substantially the same board of directors, substantially the same
11 leadership, and substantially the same curriculum offerings as the
12 public school that previously operated at that location.

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

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

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

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

22 (c) Establish the method of selection, length of term, and
23 number of members of the board of directors of each school of
24 excellence that it authorizes. The authorizing body shall ensure
25 that the board of directors includes representation from the local
26 community.

27 (d) Oversee the operations of each school of excellence

1 operating under a contract issued by the authorizing body. The
2 oversight shall be sufficient to ensure that the school of
3 excellence is in compliance with the terms of the contract and with
4 applicable law. This subdivision does not relieve any other
5 governmental entity of its enforcement or supervisory
6 responsibility.

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

12 (f) Take necessary measures to ensure that a school of
13 excellence board of directors operates independently of any
14 educational management organization involved in the operations of
15 the school of excellence.

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

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

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

25 (3) The authorizing body for a school of excellence is the
26 fiscal agent for the school of excellence. A state school aid
27 payment for a school of excellence shall be paid to the authorizing

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

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

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

17 (b) Failure of the school of excellence to comply with all
18 applicable law.

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

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

24 (5) Except for a school of excellence that is an alternative
25 school serving a special student population, if the ~~state school~~
26 ~~reform/redesign officer~~ **DEPARTMENT** determines that a school of
27 excellence site that has been operating for at least 4 years is

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

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1 revoke the school of excellence's contract, effective at the end of
2 the current school year.

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

25 (7) Except for a contract issued by a school district pursuant
26 to a vote by the school electors on a ballot question under section
27 553(2), and except as otherwise provided in section 552, the

1 decision of the authorizing body to issue, not issue, or
2 reconstitute a contract under this part, or to terminate or revoke
3 a contract under this section, is solely within the discretion of
4 the authorizing body, is final, and is not subject to review by a
5 court or any other state agency. If the authorizing body issues,
6 does not issue, or reconstitutes a contract under this part, or
7 terminates or revokes a contract under this section, the
8 authorizing body is not liable for that action to the school of
9 excellence, the school of excellence corporation, a pupil of the
10 school of excellence, the parent or guardian of a pupil of the
11 school of excellence, or any other person.

12 (8) Except as otherwise provided in this section, before the
13 authorizing body revokes a contract, the authorizing body may
14 consider and take corrective measures to avoid revocation. The
15 authorizing body may reconstitute the school of excellence in a
16 final attempt to improve student educational performance or to
17 avoid interruption of the educational process. The authorizing body
18 shall include a reconstituting provision in the contract that
19 identifies these corrective measures, including, but not limited
20 to, canceling a contract with an educational management
21 organization, if any, withdrawing approval to contract under
22 section 560, or appointing a new board of directors or a trustee to
23 take over operation of the school of excellence.

24 (9) If the authorizing body revokes a contract, the
25 authorizing body shall work with a school district or another
26 public school, or with a combination of these entities, to ensure a
27 smooth transition for the affected pupils. If the revocation occurs

1 during the school year, the authorizing body, as the fiscal agent
2 for the school of excellence under this part, shall return any
3 school aid funds held by the authorizing body that are attributable
4 to the affected pupils to the state treasurer for deposit into the
5 state school aid fund. The state treasurer shall distribute funds
6 to the public school in which the pupils enroll after the
7 revocation pursuant to a methodology established by the department
8 and the center for educational performance and information.

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

14 (11) If a school of excellence's contract terminates or is
15 revoked, title to all real and personal property, interest in real
16 or personal property, and other assets owned by the school of
17 excellence shall revert to the state. This property shall be
18 distributed in accordance with the following:

19 (a) Within 30 days following the termination or revocation,
20 the board of directors of a school of excellence shall hold a
21 public meeting to adopt a plan of distribution of assets and to
22 approve the dissolution of the school of excellence corporation,
23 all in accordance with chapter 8 of the nonprofit corporation act,
24 1982 PA 162, MCL 450.2801 to 450.2864.

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

1 (c) Simultaneously with the filing of the certificate of
2 dissolution under subdivision (b), the school of excellence board
3 of directors shall provide a copy of the board of directors' plan
4 of distribution of assets to the state treasurer for approval.
5 Within 30 days, the state treasurer, or his or her designee, shall
6 review and approve the board of directors' plan of distribution of
7 assets. If the proposed plan of distribution of assets is not
8 approved within 30 days, the state treasurer, or his or her
9 designee, shall provide the board of directors with an acceptable
10 plan of distribution of assets.

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

15 (e) As part of the plan of distribution of assets, the school
16 of excellence board of directors shall designate the director of
17 the department of technology, management, and budget, or his or her
18 designee, to dispose of all real property of the school of
19 excellence corporation in accordance with the directives developed
20 for disposition of surplus land and facilities under section 251 of
21 the management and budget act, 1984 PA 431, MCL 18.1251.

22 (f) If the board of directors of a school of excellence fails
23 to take any necessary action under this section, the state
24 treasurer, or his or her designee, may suspend the school of
25 excellence board of directors and appoint a trustee to carry out
26 the board's plan of distribution of assets. Upon appointment, the
27 trustee shall have all the rights, powers, and privileges under law

1 that the school of excellence board of directors had before being
2 suspended.

3 (g) Following the sale of the real or personal property or
4 interests in the real or personal property, and after payment of
5 any school of excellence debt secured by the property or interest
6 in property, whether real or personal, the school of excellence
7 board of directors, or a trustee appointed under this section,
8 shall forward any remaining money to the state treasurer. Following
9 receipt, the state treasurer, or his or her designee, shall deposit
10 this remaining money in the state school aid fund.

11 Sec. 1250. (1) Except as otherwise provided in this section, a
12 school district, public school academy, or intermediate school
13 district shall implement and maintain a method of compensation for
14 its teachers and school administrators that includes job
15 performance and job accomplishments as a significant factor in
16 determining compensation and additional compensation. The
17 assessment of job performance shall incorporate a rigorous,
18 transparent, and fair evaluation system that evaluates a teacher's
19 or school administrator's performance at least in part based upon
20 data on student growth as measured by assessments and other
21 objective criteria.

22 (2) If a collective bargaining agreement is in effect for
23 teachers or school administrators of a school district, public
24 school academy, or intermediate school district as of January 4,
25 2010, and if that collective bargaining agreement prevents
26 compliance with subsection (1), then subsection (1) does not apply
27 to that school district, public school academy, or intermediate

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1 school district until after the expiration of that collective
2 bargaining agreement.

3 (3) For teachers and school administrators who are hired by a
4 community district after ~~the accountability system under section~~
5 ~~390 has been implemented,~~ [September 1, 2019,] the community district
6 shall implement and maintain a method of compensation that includes
7 job performance and job accomplishments as the primary factor in
8 determining compensation and additional compensation. A teacher's
9 or school administrator's job performance shall be evaluated based
10 on the teacher's annual evaluation under section 1249 or the school
11 administrator's annual evaluation under section 1249b, as
12 applicable.

13 (4) For teachers and school administrators who are hired by a
14 community district after ~~the accountability system under section~~
15 ~~390 has been implemented,~~ **SEPTEMBER 1, 2019,** the community district
16 shall not use length of service or achievement of an advanced
17 degree as a factor in compensation levels or adjustments in
18 compensation except as follows:

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

23 (b) For a teacher with an elementary level teaching
24 certificate who teaches in an elementary grade, an advanced degree
25 in elementary education may be considered as a factor in the
26 teacher's base compensation.

27 **SEC. 1280G. (1) NOT LATER THAN [AUGUST 1, 2019,] THE**

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1 DEPARTMENT SHALL DEVELOP A STATEWIDE SYSTEM OF ACCOUNTABILITY
2 MEASUREMENTS TO IMPROVE THE NATIONAL EDUCATIONAL RANKING OF THIS
3 STATE. ALL OF THE FOLLOWING APPLY TO THE STATEWIDE SYSTEM OF
4 ACCOUNTABILITY MEASUREMENTS:

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

9 (i) PUPIL PROFICIENCY IN MATHEMATICS AND ENGLISH LANGUAGE
10 ARTS, AS MEASURED BY THE PERCENTAGE OF ALL PUPILS WHO ACHIEVE
11 PROFICIENCY ON THE APPLICABLE STATE ASSESSMENT, AS DETERMINED BY
12 THE DEPARTMENT.

13 (ii) [PUPILS] WHO ACHIEVE ADEQUATE GROWTH
14 IN MATHEMATICS AND ENGLISH LANGUAGE ARTS ON THE APPLICABLE STATE
15 ASSESSMENT. THE MEASURE OF ADEQUATE GROWTH UNDER THIS SUBDIVISION
16 MAY INCORPORATE REPORTING OF PUPIL GROWTH MEASURES, AS REPORTED BY
17 THE MODEL VALUE-ADDED GROWTH AND PROJECTION ANALYTICS SYSTEM
18 IMPLEMENTED BY THE DEPARTMENT, AND SHALL BE BASED ON [ANY]
19 OF THE FOLLOWING, AS DETERMINED BY THE DEPARTMENT:

20 (A) PUPIL GROWTH MEASURED FROM FALL TO SPRING OF THE SAME
21 SCHOOL YEAR OR FROM THE SPRING OF ONE SCHOOL YEAR TO THE SPRING OF
22 THE NEXT SCHOOL YEAR, AS APPROPRIATE BASED ON THE TIMING OF
23 APPLICABLE STATE ASSESSMENTS.

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

27 (C) PUPILS WHO SCORED LESS THAN PROFICIENT ON THE IMMEDIATELY

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1 PRECEDING APPLICABLE STATE ASSESSMENT AND WHO DEMONSTRATE GROWTH
2 SUFFICIENT TO REACH PROFICIENCY IN 3 SCHOOL YEARS.

3 (iii) [PUPILS] WHO ARE ENGLISH LANGUAGE
4 LEARNERS AND WHO ACHIEVE ADEQUATE GROWTH TOWARD PROFICIENCY IN THE
5 ENGLISH LANGUAGE, AS DETERMINED BY THE DEPARTMENT AND AS REQUIRED
6 UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95.

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

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

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14 (B) NOT LATER THAN SEPTEMBER 1, 2019, AND NOT LATER THAN
15 SEPTEMBER 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL ASSIGN A
16 RANKING OF SIGNIFICANTLY ABOVE AVERAGE, ABOVE AVERAGE, AVERAGE,
17 BELOW AVERAGE, OR SIGNIFICANTLY BELOW AVERAGE TO EACH PUBLIC SCHOOL
18 FOR EACH OF THE FOLLOWING INDICATORS:

19 [(i) THE RATE OF PUPILS WHO ARE CHRONICALLY ABSENT AS DEFINED BY
AND REPORTED TO CEPI.

(ii) THE PARTICIPATION RATE FOR EACH APPLICABLE STATE ASSESSMENT,
BASED ON PUPILS WHO ARE ASSIGNED TO TAKE EACH APPLICABLE STATE
ASSESSMENT. FOR PURPOSES OF THIS SUBPARAGRAPH, THE DEPARTMENT SHALL NOT
CONSIDER A PUPIL WHO MEETS BOTH OF THE FOLLOWING:

(A) IS ELIGIBLE FOR SPECIAL EDUCATION PROGRAMS AND SERVICES
ACCORDING TO STATUTE OR RULE OR IS A CHILD WITH DISABILITIES, AS DEFINED
UNDER THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT, PUBLIC LAW 108-
446.

(B) IS NOT REQUIRED TO PARTICIPATE IN A STATE ASSESSMENT.

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25 *(iii)*] PUPIL SUBGROUP PERFORMANCE COMPARED TO PUPILS IN THE SAME
26 SUBGROUP STATEWIDE, AS REQUIRED UNDER THE EVERY STUDENT SUCCEEDS
27 ACT, PUBLIC LAW 114-95.

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1 (C) LETTER GRADES AND RANKINGS UNDER SUBDIVISIONS (A) AND (B)
2 SHALL BE REPORTED IN A FORM AND MANNER PRESCRIBED BY THE
3 DEPARTMENT.

4 (D) THE DEPARTMENT SHALL DEVELOP STANDARDS FOR IDENTIFYING
5 PUBLIC SCHOOLS AS FALLING INTO CATEGORIES OF PERFORMANCE AND
6 ADEQUATE ACHIEVEMENT. THE STANDARDS DEVELOPED UNDER THIS
7 SUBDIVISION MUST MEET ALL OF THE FOLLOWING:

8 (i) THE DEPARTMENT SHALL DEVELOP STANDARDS FOR IDENTIFYING THE
9 LOWEST ACHIEVING PUBLIC SCHOOLS AS COMPREHENSIVE SUPPORT AND
10 IMPROVEMENT SCHOOLS, AS REQUIRED UNDER THE EVERY STUDENT SUCCEEDS
11 ACT, PUBLIC LAW 114-95. SUBJECT TO SUBDIVISION (ii), A PUBLIC
12 SCHOOL THAT MEETS ANY OF THE FOLLOWING SHALL BE IDENTIFIED AS A
13 COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOL:

14 (A) IS A HIGH SCHOOL THAT GRADUATES LESS THAN 2/3 OF ITS
15 PUPILS.

16 (B) RECEIVES THE LOWEST GRADE [] ON ALL OF THE
17 INDICATORS UNDER [SUBDIVISION (A) (i), (ii), AND (v).]

18 (C) MEETS ANY OTHER CRITERIA FOR A COMPREHENSIVE SUPPORT AND
19 IMPROVEMENT SCHOOL UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW
20 114-95, AS DETERMINED BY THE DEPARTMENT.

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

24 (iii) THE DEPARTMENT SHALL DEVELOP STANDARDS FOR IDENTIFYING
25 HIGH ACHIEVING PUBLIC SCHOOLS AS REWARD SCHOOLS. A PUBLIC SCHOOL
26 THAT MEETS ANY OF THE FOLLOWING SHALL BE IDENTIFIED AS A REWARD
27 SCHOOL:

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

3 (B) RECEIVES THE HIGHEST GRADE [] ON ANY OF THE
4 INDICATORS UNDER [SUBDIVISION (A) (i), (ii), OR (v).]

5 (C) MEETS ANY OTHER CRITERIA FOR IDENTIFICATION AS A REWARD
6 SCHOOL, AS DETERMINED BY THE DEPARTMENT.

7 (iv) THE DEPARTMENT SHALL ALSO DEVELOP STANDARDS FOR ALL OF
8 THE FOLLOWING:

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

13 (B) IDENTIFYING PUBLIC SCHOOLS IN WHICH THE PERFORMANCE OF 1
14 OR MORE GROUPS OF PUPILS WOULD PLACE THOSE PUPILS IN THE BOTTOM 5%
15 OF TITLE I SCHOOLS, AS DESCRIBED IN THE EVERY STUDENT SUCCEEDS ACT,
16 PUBLIC LAW 114-95.

17 (C) IDENTIFYING PUBLIC SCHOOLS IN ANY OTHER CATEGORIZATION
18 REQUIRED UNDER THE EVERY STUDENT SUCCEEDS ACT, PUBLIC LAW 114-95,
19 AS DETERMINED BY THE DEPARTMENT.

20 (E) THE DEPARTMENT [] SHALL MONITOR THE EFFECTIVENESS OF
21 THE STATEWIDE SYSTEM OF ACCOUNTABILITY MEASUREMENTS DEVELOPED UNDER
22 THIS SUBSECTION AND SHALL MAKE CHANGES TO THE SYSTEM AS THE
23 DEPARTMENT DETERMINES NECESSARY TO MAKE THE SYSTEM MORE EFFECTIVE
24 AND TO ENSURE COMPLIANCE WITH THE REQUIREMENTS UNDER THIS SECTION.
25 AS PART OF THIS MONITORING PROCESS, THE DEPARTMENT SHALL DEVELOP
26 AND IMPLEMENT PROCESSES FOR RECEIVING AND CONSIDERING INPUT FROM
27 THE PUBLIC AND THE EDUCATIONAL COMMUNITY.

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1 (F) NOT LATER THAN [DECEMBER 1, 2019,] THE DEPARTMENT SHALL
2 DEVELOP ACCOUNTABILITY MEASURES TO IMPOSE ON PUBLIC SCHOOLS THAT
3 HAVE BEEN IDENTIFIED AS COMPREHENSIVE SUPPORT AND IMPROVEMENT
4 SCHOOLS UNDER THIS SECTION. FOR THE PURPOSES OF THE ACCOUNTABILITY
5 MEASURES DEVELOPED UNDER THIS SECTION, A PUBLIC SCHOOL THAT WAS
6 INCLUDED ON THE LIST OF THE LOWEST ACHIEVING 5% OF PUBLIC SCHOOLS
7 IN THIS STATE UNDER SECTION 1280C(1) IS CONSIDERED TO HAVE BEEN
8 IDENTIFIED AS A COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOL FOR
9 THAT SCHOOL YEAR.

10 (G) NOT LATER THAN [JULY 1, 2020,] THE DEPARTMENT SHALL
11 IMPLEMENT THE ACCOUNTABILITY MEASURES DEVELOPED UNDER SUBDIVISION
12 (F) .

13 (2) BEGINNING IN THE 2019-2020 SCHOOL YEAR, THE DEPARTMENT
14 SHALL IMPLEMENT AND ADMINISTER THE STATEWIDE SYSTEM OF
15 ACCOUNTABILITY MEASUREMENTS UNDER SUBSECTION (1) .

16 (3) NOT LATER THAN SEPTEMBER 1, 2019, AND NOT LATER THAN
17 SEPTEMBER 1 EVERY 3 YEARS THEREAFTER, THE SUPERINTENDENT OF PUBLIC
18 INSTRUCTION SHALL PUBLISH A LIST OF THE PUBLIC SCHOOLS IN THIS
19 STATE THAT THE DEPARTMENT HAS IDENTIFIED AS COMPREHENSIVE SUPPORT
20 AND IMPROVEMENT SCHOOLS UNDER THIS SECTION FOR THAT SCHOOL YEAR,
21 AND A LIST OF THE PUBLIC SCHOOLS THAT THE DEPARTMENT HAS IDENTIFIED
22 AS REWARD SCHOOLS UNDER THIS SECTION FOR THAT SCHOOL YEAR. A PUBLIC
23 SCHOOL IDENTIFIED AS A COMPREHENSIVE SUPPORT AND IMPROVEMENT SCHOOL
24 UNDER THIS SECTION IS CONSIDERED TO BE AMONG THE LOWEST ACHIEVING
25 PUBLIC SCHOOLS IN THIS STATE.

26 (4) THE DEPARTMENT SHALL DESIGNATE A PUBLIC SCHOOL AS AN
27 ALTERNATIVE EDUCATION CAMPUS AND SHALL NOT ASSIGN GRADES OR

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1 RANKINGS UNDER SUBSECTION (1) FOR THE PUBLIC SCHOOL IF THE PUBLIC
2 SCHOOL MEETS AT LEAST 1 OF THE FOLLOWING:

3 (A) IS A CENTER PROGRAM.

4 (B) IS A STRICT DISCIPLINE ACADEMY ESTABLISHED UNDER SECTIONS
5 1311B TO 1311M.

6 (C) IS A PROGRAM FOR ADJUDICATED YOUTH.

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

9 (5) BEGINNING SEPTEMBER 1, 2019, AND NOT LATER THAN SEPTEMBER
10 1 OF EACH SUBSEQUENT YEAR, THE DEPARTMENT SHALL ISSUE A SUMMARY
11 STATUS FOR EACH PUBLIC SCHOOL DESIGNATED AS AN ALTERNATIVE
12 EDUCATION CAMPUS UNDER SUBSECTION (4). THE SUMMARY STATUS SHALL
13 INDICATE WHETHER THE PUBLIC SCHOOL IS IN COMPLIANCE WITH APPLICABLE
14 LAW AND WHETHER PUPILS ENROLLED IN THE PUBLIC SCHOOL ARE MAKING
15 MEANINGFUL, MEASURABLE ACADEMIC PROGRESS TOWARD EDUCATIONAL GOALS
16 ESTABLISHED BY THE GOVERNING BODY OF THE PUBLIC SCHOOL AND APPROVED
17 BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

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

20 (7) NOT LATER THAN [AUGUST 1, 2019,] THE DEPARTMENT SHALL
21 SUBMIT ITS PROPOSED STANDARDS FOR DETERMINING LETTER GRADES AND
22 RANKINGS UNDER THIS SECTION TO A PEER REVIEW PANEL CONSISTING OF 5
23 INDIVIDUALS WITH EXPERTISE IN SCHOOL ACCOUNTABILITY SYSTEMS. NOT
24 LATER THAN [AUGUST 15, 2019,] THE PEER REVIEW PANEL SHALL SUBMIT
25 ITS FINDINGS TO THE DEPARTMENT AND TO THE STANDING COMMITTEES OF
26 THE SENATE AND HOUSE OF REPRESENTATIVES HAVING JURISDICTION OVER
27 EDUCATION LEGISLATION. THE PEER REVIEW PANEL MUST CONSIST OF THE

1 FOLLOWING 5 MEMBERS:

2 (A) THREE MEMBERS APPOINTED BY THE GOVERNOR.

3 (B) ONE MEMBER APPOINTED BY THE SENATE MAJORITY LEADER.

4 (C) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF
5 REPRESENTATIVES.

6 (8) AT LEAST ANNUALLY, THE DEPARTMENT SHALL PRESENT TO THE
7 STANDING COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES
8 HAVING JURISDICTION OVER EDUCATION LEGISLATION, IN THE FORM AND
9 MANNER PRESCRIBED BY THOSE COMMITTEES, A STATUS UPDATE ON THE
10 STATEWIDE SYSTEM OF ACCOUNTABILITY MEASUREMENTS UNDER THIS SECTION.

11 (9) AS USED IN THIS SECTION:

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

14 (B) "CEPI" MEANS THE CENTER FOR EDUCATIONAL PERFORMANCE AND
15 INFORMATION CREATED IN SECTION 94A OF THE STATE SCHOOL AID ACT OF
16 1979, MCL 388.1694A.

17 Enacting section 1. Sections 390, 391, and 1280c of the
18 revised school code, 1976 PA 451, MCL 380.390, 380.391, and
19 380.1280c, are repealed effective June 30, 2019.

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