

HOUSE BILL No. 4597

May 11, 2017, Introduced by Rep. Hornberger and referred to the Committee on Commerce and Trade.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 503, 523, 553, and 1311e (MCL 380.503, 380.523, 380.553, and 380.1311e), sections 503, 523, and 553 as amended by 2011 PA 277 and section 1311e as amended by 2009 PA 205.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (5) An authorizing body shall adopt a resolution establishing
20 the method of selection, length of term, and number of members of
21 the board of directors of each public school academy subject to its
22 jurisdiction. The resolution shall be written or amended as
23 necessary to include a requirement that each member of the board of
24 directors must be a citizen of the United States.

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

27 (a) The educational goals the public school academy is to

1 achieve and the methods by which it will be held accountable. The
2 educational goals shall include demonstrated improved pupil
3 academic achievement for all groups of pupils. To the extent
4 applicable, the pupil performance of a public school academy shall
5 be assessed using at least a Michigan education assessment program
6 (MEAP) test or the Michigan merit examination under section 1279g,
7 as applicable.

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

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

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

15 (e) Procedures for revoking the contract and grounds for
16 revoking the contract, including at least the grounds listed in
17 section 507.

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

26 (g) Requirements and procedures for financial audits. The
27 financial audits shall be conducted at least annually by a

1 certified public accountant in accordance with generally accepted
2 governmental auditing principles.

3 (h) The term of the contract and a description of the process
4 and standards for renewal of the contract at the end of the term.
5 The standards for renewal shall include increases in academic
6 achievement for all groups of pupils as measured by assessments and
7 other objective criteria as the most important factor in the
8 decision of whether or not to renew the contract.

9 (i) A certification, signed by an authorized member of the
10 board of directors of the public school academy, that the public
11 school academy will comply with the contract and all applicable
12 law.

13 (j) A requirement that the board of directors of the public
14 school academy shall ensure compliance with the requirements of
15 1968 PA 317, MCL 15.321 to 15.330.

16 (k) A requirement that the board of directors of the public
17 school academy shall prohibit specifically identified family
18 relationships between members of the board of directors,
19 individuals who have an ownership interest in or who are officers
20 or employees of an educational management organization involved in
21 the operation of the public school academy, and employees of the
22 public school academy. The contract shall identify the specific
23 prohibited relationships consistent with applicable law.

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

1 (m) A requirement that the board of directors of the public
2 school academy ~~shall~~ collect, maintain, and make available to the
3 public and the authorizing body, in accordance with applicable law
4 and the contract, at least all of the following information
5 concerning the operation and management of the public school
6 academy:

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

9 (ii) A list of currently serving members of the board of
10 directors of the public school academy, including name, address,
11 and term of office; copies of policies approved by the board of
12 directors; board meeting agendas and minutes; a copy of the budget
13 approved by the board of directors and of any amendments to the
14 budget; and copies of bills paid for amounts of \$10,000.00 or more
15 as they were submitted to the board of directors.

16 (iii) Quarterly financial reports submitted to the authorizing
17 body.

18 (iv) A current list of teachers and school administrators
19 working at the public school academy that includes their individual
20 salaries as submitted to the registry of educational personnel;
21 copies of the teaching or school administrator's certificates or
22 permits of current teaching and administrative staff; and evidence
23 of compliance with the criminal background and records checks and
24 unprofessional conduct check required under sections 1230, 1230a,
25 and 1230b for all teachers and administrators working at the public
26 school academy.

27 (v) Curriculum documents and materials given to the

1 authorizing body.

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

3 (vii) Copies of facility leases or deeds, or both, and of any
4 equipment leases.

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

7 (ix) All health and safety reports and certificates, including
8 those relating to fire safety, environmental matters, asbestos
9 inspection, boiler inspection, and food service.

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

12 (xi) Any other information specifically required under this
13 act.

14 (n) A requirement that the authorizing body must review and
15 may disapprove any agreement between the board of directors of the
16 public school academy and an educational management organization
17 before the agreement is final and valid. An authorizing body may
18 disapprove an agreement described in this subdivision only if the
19 agreement is contrary to the contract or applicable law.

20 (o) A requirement that the board of directors of the public
21 school academy shall demonstrate all of the following to the
22 satisfaction of the authorizing body with regard to its pupil
23 admission process:

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

26 (ii) That the open enrollment period for the public school
27 academy is for a duration of at least 2 weeks and that the

1 enrollment times include some evening and weekend times.

2 (p) A requirement that the board of directors of the public
3 school academy ~~shall~~ prohibit any individual from being employed by
4 the public school academy in more than 1 full-time position and
5 simultaneously being compensated at a full-time rate for each of
6 those positions.

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

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

10 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
11 15.246.

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

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

14 **(D)** ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
15 1274.

16 **(E)** ~~(f)~~ Laws concerning participation in state assessments,
17 data collection systems, state level student growth models, state
18 accountability and accreditation systems, and other public
19 comparative data collection required for public schools.

20 (8) A public school academy and its incorporators, board
21 members, officers, employees, and volunteers have governmental
22 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
23 authorizing body and its board members, officers, and employees are
24 immune from civil liability, both personally and professionally,
25 for an act or omission in authorizing a public school academy if
26 the authorizing body or the person acted or reasonably believed he
27 or she acted within the authorizing body's or the person's scope of

1 authority.

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

19 (10) A public school academy may acquire by purchase, gift,
20 devise, lease, sublease, installment purchase agreement, land
21 contract, option, or by any other means, hold and own in its own
22 name buildings and other property for school purposes, and
23 interests therein, and other real and personal property, including,
24 but not limited to, interests in property subject to mortgages,
25 security interests, or other liens, necessary or convenient to
26 fulfill its purposes. For the purposes of condemnation, a public
27 school academy may proceed under the uniform condemnation

1 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding
2 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other
3 applicable statutes, but only with the express, written permission
4 of the authorizing body in each instance of condemnation and only
5 after just compensation has been determined and paid.

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

11 Sec. 523. (1) An authorizing body is not required to issue a
12 contract to any entity. Urban high school academy contracts shall
13 be issued on a competitive basis taking into consideration the
14 resources available for the proposed urban high school academy, the
15 population to be served by the proposed urban high school academy,
16 and the educational goals to be achieved by the proposed urban high
17 school academy. In evaluating if an applicant is qualified, the
18 authorizing body shall examine the proposed performance standards,
19 proposed academic program, financial viability of the applicant,
20 and the ability of the proposed board of directors to meet the
21 contract goals and objectives. An authorizing body shall give
22 priority to applicants that demonstrate all of the following:

23 (a) The proposed school will operate at least all of grades 9
24 through 12 within 5 years after beginning operation.

25 (b) The proposed school will occupy a building or buildings
26 that are newly constructed or renovated after January 1, 2003.

27 (c) The proposed school has a stated goal of increasing high

1 school graduation rates.

2 (d) The proposed school has received commitments for financial
3 and educational support from the entity applying for the contract.

4 (e) The entity that submits the application for a contract has
5 net assets of at least \$50,000,000.00.

6 (2) A contract issued to organize and administer an urban high
7 school academy shall contain at least all of the following:

8 (a) The educational goals the urban high 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 an urban high school academy
13 shall be assessed using at least a Michigan education assessment
14 program (MEAP) test or the Michigan merit examination developed
15 under section 1279g, as applicable.

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

19 (c) A description of the process for amending the contract
20 during the term of the contract. An authorizing body may approve
21 amendment of the contract with respect to any provision contained
22 in the contract.

23 (d) A certification, signed by an authorized member of the
24 urban high school academy board of directors, that the urban high
25 school academy will comply with the contract and all applicable
26 law.

27 (e) Procedures for revoking the contract and grounds for

1 revoking the contract.

2 (f) A description of and address for the proposed building or
3 buildings in which the urban high school academy will be located.

4 (g) Requirements and procedures for financial audits. The
5 financial audits shall be conducted at least annually by an
6 independent certified public accountant in accordance with
7 generally accepted governmental auditing principles.

8 (h) A requirement that the board of directors ~~shall~~ ensure
9 compliance with the requirements of 1968 PA 317, MCL 15.321 to
10 15.330.

11 (i) A requirement that the board of directors ~~shall~~ prohibit
12 specifically identified family relationships between members of the
13 board of directors, individuals who have an ownership interest in
14 or who are officers or employees of an educational management
15 company involved in the operation of the urban high school academy,
16 and employees of the urban high school academy. The contract shall
17 identify the specific prohibited relationships consistent with
18 applicable law.

19 (j) A requirement that the board of directors of the urban
20 high school academy ~~shall~~ make information concerning its operation
21 and management available to the public and to the authorizing body
22 in the same manner as is required by state law for school
23 districts.

24 (k) A requirement that the board of directors of the urban
25 high school academy ~~shall~~ collect, maintain, and make available to
26 the public and the authorizing body, in accordance with applicable
27 law and the contract, at least all of the following information

1 concerning the operation and management of the urban high school
2 academy:

3 (i) A copy of the contract issued by the authorizing body for
4 the urban high school academy.

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

12 (iii) Quarterly financial reports submitted to the authorizing
13 body.

14 (iv) A current list of teachers working at the urban high
15 school academy that includes their individual salaries as submitted
16 to the registry of educational personnel; copies of the teaching
17 certificates or permits of current teaching staff; and evidence of
18 compliance with the criminal background and records checks and
19 unprofessional conduct check required under sections 1230, 1230a,
20 and 1230b for all teachers and administrators working at the urban
21 high school academy.

22 (v) Curriculum documents and materials given to the
23 authorizing body.

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

25 (vii) Copies of facility leases or deeds, or both, and of any
26 equipment leases.

27 (viii) Copies of any management contracts or services

1 contracts approved by the board of directors.

2 (ix) All health and safety reports and certificates, including
3 those relating to fire safety, environmental matters, asbestos
4 inspection, boiler inspection, and food service.

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

7 (xi) Any other information specifically required under this
8 act.

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

15 (m) A requirement that the board of directors ~~shall~~
16 demonstrate all of the following to the satisfaction of the
17 authorizing body with regard to its pupil admission process:

18 (i) That the urban high school academy has made a reasonable
19 effort to advertise its enrollment openings.

20 (ii) That the urban high school academy has made the following
21 additional efforts to recruit pupils who are eligible for special
22 education programs and services to apply for admission:

23 (A) Reasonable efforts to advertise all enrollment openings to
24 organizations and media that regularly serve and advocate for
25 individuals with disabilities within the boundaries of the
26 intermediate school district in which the urban high school academy
27 is located.

1 (B) Inclusion in all pupil recruitment materials of a
2 statement that appropriate special education services will be made
3 available to pupils attending the school as required by law.

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

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

11 (o) A requirement that, if requested, the board of directors
12 ~~shall~~ report to the authorizing body the total compensation for
13 each individual working at the urban high school academy.

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

20 (3) An urban high school academy shall comply with all
21 applicable law, including all of the following:

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

23 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
24 15.246.

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

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

27 **(D)** ~~(e)~~ 1978 PA 566, MCL 15.181 to 15.185.

1 **(E)** ~~(f)~~—1968 PA 317, MCL 15.321 to 15.330.

2 **(F)** ~~(g)~~—The uniform budgeting and accounting act, 1968 PA 2,
3 MCL 141.421 to 141.440a.

4 **(G)** ~~(h)~~—The revised municipal finance act, 2001 PA 34, MCL
5 141.2101 to 141.2821.

6 **(H)** ~~(i)~~—The ~~federal~~ no child left behind act of 2001, Public
7 Law 107-110, 115 Stat. 1425.

8 **(I)** ~~(j)~~—Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274,
9 and 1280.

10 **(J)** ~~(k)~~—Laws concerning participation in state assessments,
11 data collection systems, state level student growth models, state
12 accountability and accreditation systems, and other public
13 comparative data collection required for public schools.

14 (4) An urban high school academy and its incorporators, board
15 members, officers, employees, and volunteers have governmental
16 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
17 authorizing body and its board members, officers, and employees are
18 immune from civil liability, both personally and professionally,
19 for any acts or omissions in authorizing or oversight of an urban
20 high school academy if the authorizing body or the person acted or
21 reasonably believed he or she acted within the authorizing body's
22 or the person's scope of authority.

23 (5) An urban high school academy is exempt from all taxation
24 on its earnings and property. Unless the property is already fully
25 exempt from real and personal property taxes under the general
26 property tax act, 1893 PA 206, MCL 211.1 to 211.155, property
27 occupied by an urban high school academy and used exclusively for

1 educational purposes is exempt from real and personal property
2 taxes levied for school operating purposes under section 1211, to
3 the extent exempted under that section, and from real and personal
4 property taxes levied under the state education tax act, 1993 PA
5 331, MCL 211.901 to 211.906. Instruments of conveyance to or from
6 an urban high school academy are exempt from all taxation,
7 including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An
8 urban high school academy may not levy ad valorem property taxes or
9 any other tax for any purpose.

10 (6) An urban high school academy may acquire by purchase,
11 gift, devise, lease, sublease, installment purchase agreement, land
12 contract, option, or any other means, hold, and own in its own name
13 buildings and other property for school purposes, and interests
14 therein, and other real and personal property, including, but not
15 limited to, interests in property subject to mortgages, security
16 interests, or other liens, necessary or convenient to fulfill its
17 purposes. For the purposes of condemnation, an urban high school
18 academy may proceed under the uniform condemnation procedures act,
19 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of that
20 act, MCL 213.56 to 213.59, or other applicable statutes, but only
21 with the express, written permission of the authorizing body in
22 each instance of condemnation and only after just compensation has
23 been determined and paid.

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

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

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

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

26 (4) An authorizing body shall adopt a resolution establishing
27 the method of selection, length of term, and number of members of

1 the board of directors of each school of excellence subject to its
2 jurisdiction. The resolution shall be written or amended as
3 necessary to include a requirement that each member of the board of
4 directors must be a citizen of the United States.

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

7 (a) The educational goals the school of excellence is to
8 achieve and the methods by which it will be held accountable. The
9 educational goals shall include demonstrated improved pupil
10 academic achievement for all groups of pupils. To the extent
11 applicable, the pupil performance of a school of excellence shall
12 be assessed using at least a Michigan education assessment program
13 (MEAP) test or the Michigan merit examination under section 1279g,
14 as applicable.

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

18 (c) A description of the process for amending the contract
19 during the term of the contract.

20 (d) All of the matters set forth in the application for the
21 contract.

22 (e) Procedures for revoking the contract and grounds for
23 revoking the contract, including at least the grounds listed in
24 section 561.

25 (f) A description of and address for the proposed physical
26 plant in which the school of excellence will be located. An
27 authorizing body may include a provision in the contract allowing

1 the board of directors of the school of excellence to operate the
2 same configuration of age or grade levels at more than 1 site if
3 each configuration of age or grade levels and each site identified
4 in the contract ~~are~~**IS** under the direction and control of the board
5 of directors.

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

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

13 (i) A requirement that the board of directors shall ensure
14 compliance with the requirements of 1968 PA 317, MCL 15.321 to
15 15.330.

16 (j) A requirement that the board of directors shall prohibit
17 specifically identified family relationships between members of the
18 board of directors, individuals who have an ownership interest in
19 or who are officers or employees of an educational management
20 organization involved in the operation of the school of excellence,
21 and employees of the school of excellence. The contract shall
22 identify the specific prohibited relationships consistent with
23 applicable law.

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

1 (l) A requirement that the board of directors of the school of
2 excellence shall collect, maintain, and make available to the
3 public and the authorizing body, in accordance with applicable law
4 and the contract, at least all of the following information
5 concerning the operation and management of the school of
6 excellence:

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

9 (ii) A list of currently serving members of the board of
10 directors of the school of excellence, including name, address, and
11 term of office; copies of policies approved by the board of
12 directors; board meeting agendas and minutes; copy of the budget
13 approved by the board of directors and of any amendments to the
14 budget; and copies of bills paid for amounts of \$10,000.00 or more
15 as they were submitted to the board of directors.

16 (iii) Quarterly financial reports submitted to the authorizing
17 body.

18 (iv) A current list of teachers and school administrators
19 working at the school of excellence that includes their individual
20 salaries as submitted to the registry of educational personnel;
21 copies of the teaching or school administrator's certificates or
22 permits of current teaching and administrative staff; and evidence
23 of compliance with the criminal background and records checks and
24 unprofessional conduct check required under sections 1230, 1230a,
25 and 1230b for all teachers and administrators working at the school
26 of excellence.

27 (v) Curriculum documents and materials given to the

1 authorizing body.

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

3 (vii) Copies of facility leases or deeds, or both, and of any
4 equipment leases.

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

7 (ix) All health and safety reports and certificates, including
8 those relating to fire safety, environmental matters, asbestos
9 inspection, boiler inspection, and food service.

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

12 (xi) Any other information specifically required under this
13 act.

14 (m) A requirement that the authorizing body must review and
15 may disapprove any agreement between the board of directors and an
16 educational management organization before the agreement is final
17 and valid. An authorizing body may disapprove an agreement
18 described in this subdivision only if the agreement is contrary to
19 contract or applicable law.

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

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

25 (ii) That the school of excellence has made the following
26 additional efforts to recruit pupils who are eligible for special
27 education programs and services or English as a second language

1 services to apply for admission:

2 (A) Reasonable efforts to advertise all enrollment openings to
3 organizations and media that regularly serve and advocate for
4 individuals with disabilities or children with limited English-
5 speaking ability within the boundaries of the intermediate school
6 district in which the school of excellence is located.

7 (B) Inclusion in all pupil recruitment materials of a
8 statement that appropriate special education services and English
9 as a second language services will be made available to pupils
10 attending the school as required by law.

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

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

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

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

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

24 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
25 15.246.

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

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

1 (D) ~~(e)~~—Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
2 1274.

3 (E) ~~(f)~~—Laws concerning participation in state assessments,
4 data collection systems, state level student growth models, state
5 accountability and accreditation systems, and other public
6 comparative data collection required for public schools.

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

16 (8) A school of excellence is exempt from all taxation on its
17 earnings and property. Unless the property is already fully exempt
18 from real and personal property taxes under the general property
19 tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by a
20 school of excellence and used exclusively for educational purposes
21 is exempt from real and personal property taxes levied for school
22 operating purposes under section 1211, to the extent exempted under
23 that section, and from real and personal property taxes levied
24 under the state education tax act, 1993 PA 331, MCL 211.901 to
25 211.906. Instruments of conveyance to or from a school of
26 excellence are exempt from all taxation including taxes imposed by
27 1966 PA 134, MCL 207.501 to 207.513. A school of excellence may not

1 levy ad valorem property taxes or another tax for any purpose.
2 However, operation of 1 or more schools of excellence by a school
3 district or intermediate school district does not affect the
4 ability of the school district or intermediate school district to
5 levy ad valorem property taxes or another tax.

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

20 Sec. 1311e. (1) An authorizing body is not required to issue a
21 contract to any person or entity. Contracts for strict discipline
22 academies shall be issued on a competitive basis taking into
23 consideration the resources available for the proposed strict
24 discipline academy, the population to be served by the proposed
25 strict discipline academy, and the educational goals to be achieved
26 by the proposed strict discipline academy.

27 (2) If a person or entity applies to the board of a school

1 district for a contract to organize and operate 1 or more strict
2 discipline academies within the boundaries of the school district
3 and the board does not issue the contract, the person or entity may
4 petition the board to place the question of issuing the contract on
5 the ballot to be decided by the school electors of the school
6 district. The petition shall contain all of the information
7 required to be in the contract application under section 1311d and
8 shall be signed by a number of school electors of the school
9 district equal to at least 15% of the total number of school
10 electors of that school district. The petition shall be filed with
11 the secretary of the board. If the board receives a petition
12 meeting the requirements of this subsection, the board shall place
13 the question of issuing the contract on the ballot at its next
14 annual school election held at least 60 days after receiving the
15 petition. If a majority of the school electors of the school
16 district voting on the question vote to issue the contract, the
17 board shall issue the contract.

18 (3) Within 10 days after issuing a contract for a strict
19 discipline academy, the board of the authorizing body shall submit
20 to the state board a copy of the contract and of the application
21 under section 1311d.

22 (4) An authorizing body shall adopt a resolution establishing
23 the method of selection, length of term, and number of members of
24 the board of directors of each strict discipline academy subject to
25 its jurisdiction.

26 (5) A contract issued to organize and administer a strict
27 discipline academy shall contain at least all of the following:

1 (a) The educational goals the strict discipline academy is to
2 achieve and the methods by which it will be held accountable. To
3 the extent applicable, the pupil performance of a strict discipline
4 academy shall be assessed using at least a Michigan education
5 assessment program (MEAP) test or the Michigan merit examination
6 developed under section 1279g, as applicable.

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

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

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

14 (e) For a strict discipline academy authorized by a school
15 district, an agreement that employees of the strict discipline
16 academy will be covered by the collective bargaining agreements
17 that apply to employees of the school district employed in similar
18 classifications in schools that are not strict discipline
19 academies.

20 (f) Procedures for revoking the contract and grounds for
21 revoking the contract, including at least the grounds listed in
22 section 1311l.

23 (g) A description of and address for the proposed physical
24 plant in which the strict discipline academy will be located.

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

1 governmental auditing principles.

2 (i) The term of the contract and a description of the process
3 and standards for renewal of the contract at the end of the term.
4 The standards for renewal shall include student growth as measured
5 by assessments and other objective criteria as a significant factor
6 in the decision of whether or not to renew the contract.

7 (6) A strict discipline academy shall comply with all
8 applicable law, including all of the following:

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

10 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
11 15.246.

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

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

14 **(D)** ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
15 1274.

16 **(E)** ~~(f)~~ Except for part 6a, all provisions of this act that
17 explicitly apply to public school academies established under part
18 6a.

19 (7) A strict discipline academy and its incorporators, board
20 members, officers, employees, and volunteers have governmental
21 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
22 authorizing body and its board members, officers, and employees are
23 immune from civil liability, both personally and professionally,
24 for any acts or omissions in authorizing a strict discipline
25 academy if the authorizing body or the person acted or reasonably
26 believed he or she acted within the authorizing body's or the
27 person's scope of authority.

1 (8) A strict discipline academy is exempt from all taxation on
2 its earnings and property. Instruments of conveyance to or from a
3 strict discipline academy are exempt from all taxation including
4 taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. A strict
5 discipline academy may not levy ad valorem property taxes or any
6 other tax for any purpose. However, operation of 1 or more strict
7 discipline academies by a school district or intermediate school
8 district does not affect the ability of the school district or
9 intermediate school district to levy ad valorem property taxes or
10 any other tax.

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

25 Enacting section 1. This amendatory act takes effect 90 days
26 after the date it is enacted into law.

27 Enacting section 2. This amendatory act does not take effect

- 1 unless Senate Bill No. _____ or House Bill No. 4596 (request no.
- 2 02346'17) of the 99th Legislature is enacted into law.