

HOUSE BILL No. 5289

November 30, 2017, Introduced by Reps. Pagan, Wittenberg, Faris, Cochran, Greig, Ellison, Gay-Dagnogo, Lasinski, Sowerby, Chang, Geiss, Guerra, Camilleri, Moss, Elder and Yancey and referred to the Committee on Education Reform.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 502, 522, 552, and 1311d (MCL 380.502, 380.522, 380.552, and 380.1311d), sections 502, 522, and 552 as amended by 2016 PA 192 and section 1311d as added by 1999 PA 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 502. (1) A public school academy shall be organized and
2 administered under the direction of a board of directors in
3 accordance with this part and with bylaws adopted by the board of
4 directors. A public school academy corporation shall be organized
5 under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to
6 450.3192, except that a public school academy corporation is not
7 required to comply with sections 170 to 177 of 1931 PA 327, MCL

1 450.170 to 450.177. To the extent disqualified under the state or
2 federal constitution, a public school academy shall not be
3 organized by a church or other religious organization and shall not
4 have any organizational or contractual affiliation with or
5 constitute a church or other religious organization.

6 (2) Subject to subsection ~~(9)~~, **(11)**, any of the following may
7 act as an authorizing body to issue a contract to organize and
8 operate 1 or more public school academies under this part:

9 (a) The board of a school district. However, the board of a
10 school district shall not issue a contract for a public school
11 academy to operate outside the school district's boundaries, and a
12 public school academy authorized by the board of a school district
13 shall not operate outside that school district's boundaries.

14 (b) An intermediate school board. However, the board of an
15 intermediate school district shall not issue a contract for a
16 public school academy to operate outside the intermediate school
17 district's boundaries, and a public school academy authorized by
18 the board of an intermediate school district shall not operate
19 outside that intermediate school district's boundaries.

20 (c) The board of a community college. However, except as
21 otherwise provided in this subdivision, the board of a community
22 college shall not issue a contract for a public school academy to
23 operate in a school district organized as a school district of the
24 first class, a public school academy authorized by the board of a
25 community college shall not operate in a school district organized
26 as a school district of the first class, the board of a community
27 college shall not issue a contract for a public school academy to

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

14 (d) The governing board of a state public university. ~~However,~~
15 ~~the combined total number of contracts for public school academies~~
16 ~~issued by all state public universities shall not exceed 300~~
17 ~~through December 31, 2012 and shall not exceed 500 through December~~
18 ~~31, 2014. After December 31, 2014, there is no limit on the~~
19 ~~combined total number of contracts for public school academies that~~
20 ~~may be issued by all state public universities.~~

21 (e) Two or more of the public agencies described in
22 subdivisions (a) to (d) exercising power, privilege, or authority
23 jointly pursuant to an interlocal agreement under the urban
24 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
25 124.512.

26 (3) To obtain a contract to organize and operate 1 or more
27 public school academies, 1 or more persons or an entity may apply

1 to an authorizing body described in subsection (2). The application
2 shall include at least all of the following:

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

4 (b) Subject to the resolution adopted by the authorizing body
5 under section 503(5), a list of the proposed members of the board
6 of directors of the public school academy and a description of the
7 qualifications and method for appointment or election of members of
8 the board of directors.

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

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

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

13 This language shall provide that the public school academy is
14 incorporated pursuant to this part and that the public school
15 academy corporation is a governmental entity.

16 (iii) The name of the authorizing body.

17 (iv) The proposed time when the articles of incorporation will
18 be effective.

19 (v) Other matters considered expedient to be in the articles
20 of incorporation.

21 (d) A copy of the proposed bylaws of the public school
22 academy.

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

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

26 (ii) A copy of the educational goals of the public school
27 academy and the curricula to be offered and methods of pupil

1 assessment to be used by the public school academy. The educational
2 goals shall include demonstrated improved pupil academic
3 achievement for all groups of pupils. To the extent applicable, the
4 progress of the pupils in the public school academy shall be
5 assessed using both the mathematics and reading portions of the
6 Michigan student test of educational progress (M-STEP) or the
7 Michigan merit examination under section 1279g, as applicable.

8 (iii) The admission policy and criteria to be maintained by
9 the public school academy. The admission policy and criteria shall
10 comply with section 504. This part of the application also shall
11 include a description of how the applicant will provide to the
12 general public adequate notice that a public school academy is
13 being created and adequate information on the admission policy,
14 criteria, and process.

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

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

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

19 (g) For an application to the board of a school district, an
20 intermediate school board, or board of a community college,
21 identification of the local and intermediate school districts in
22 which the public school academy will be located.

23 (h) An agreement that the public school academy will comply
24 with the provisions of this part and, subject to the provisions of
25 this part, with all other state law applicable to public bodies and
26 with federal law applicable to public bodies or school districts.

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

1 plant in which the public school academy will be located. An
2 applicant may request the authorizing body to issue a contract
3 allowing the public school academy board of directors to operate
4 the same configuration of age or grade levels at more than 1 site.

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

13 (5) If the superintendent of public instruction ~~finds~~
14 **DETERMINES** that an authorizing body is not engaging in appropriate
15 continuing oversight of 1 or more public school academies operating
16 under a contract issued by the authorizing body, the superintendent
17 of public instruction ~~may~~**SHALL** suspend the power of the
18 authorizing body to issue new contracts to organize and operate
19 public school academies **UNDER THIS PART, URBAN HIGH SCHOOL**
20 **ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND**
21 **STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.** A
22 contract issued by the authorizing body during the ~~suspension~~
23 **PERIOD IN WHICH THE AUTHORIZING BODY WAS NOT ENGAGING IN**
24 **APPROPRIATE CONTINUING OVERSIGHT, AS DETERMINED BY THE**
25 **SUPERINTENDENT OF PUBLIC INSTRUCTION,** is void. A contract issued by
26 the authorizing body before ~~the suspension~~**THAT PERIOD** is not
27 affected by the suspension.

1 (6) An authorizing body shall not charge a fee, or require
2 reimbursement of expenses, for considering an application for a
3 contract, for issuing a contract, or for providing oversight of a
4 contract for a public school academy in an amount that exceeds a
5 combined total of 3% of the total state school aid received by the
6 public school academy in the school year in which the fees or
7 expenses are charged. **THE AUTHORIZING BODY SHALL PROVIDE TO THE**
8 **PUBLIC SCHOOL ACADEMY BOARD OF DIRECTORS AN ACCOUNTING OF THE FEES**
9 **AND REIMBURSEMENTS COLLECTED UNDER THIS SUBSECTION SPECIFYING HOW**
10 **THE SPECIFIC FUNDS COLLECTED FROM THAT PUBLIC SCHOOL ACADEMY WERE**
11 **EXPENDED, INCLUDING AN ITEMIZED LIST OF USE AND PURPOSE.** An
12 authorizing body may provide other services for a public school
13 academy and charge a fee for those services, but shall not require
14 such an arrangement as a condition to issuing the contract
15 authorizing the public school academy.

16 (7) **AT LEAST ANNUALLY, AN AUTHORIZING BODY SHALL COMPILE AND**
17 **SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE**
18 **BOARD A COMPLIANCE REPORT SHOWING THE STATUS OF EACH PUBLIC SCHOOL**
19 **ACADEMY OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY**
20 **REGARDING COMPLIANCE WITH THE STATUTORY AND CONTRACTUAL**
21 **REQUIREMENTS FOR OPERATING THE PUBLIC SCHOOL ACADEMY. IF THE**
22 **SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES, AFTER A REVIEW OF**
23 **THIS REPORT, THAT THE AUTHORIZING BODY HAS AN ACTIVE CONTRACT WITH**
24 **A PUBLIC SCHOOL ACADEMY THAT IS NOT IN COMPLIANCE WITH THESE**
25 **REQUIREMENTS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ORDER**
26 **THE AUTHORIZING BODY TO RETURN ALL OF THE FEES COLLECTED UNDER**
27 **SUBSECTION (6) FROM THAT PUBLIC SCHOOL ACADEMY TO THE SCHOOL AID**

1 FUND.

2 (8) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION SUSPENDS THE
3 POWER OF AN AUTHORIZING BODY TO ISSUE NEW CONTRACTS TO ORGANIZE AND
4 OPERATE PUBLIC SCHOOL ACADEMIES UNDER THIS PART, URBAN HIGH SCHOOL
5 ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND
6 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M, AS
7 PROVIDED UNDER SUBSECTION (5), THE AUTHORIZING BODY MAY PETITION
8 THE STATE BOARD TO REINSTATE ITS POWER TO ISSUE NEW CONTRACTS TO
9 ORGANIZE AND OPERATE PUBLIC SCHOOL ACADEMIES UNDER THIS PART, URBAN
10 HIGH SCHOOL ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER
11 PART 6E, AND STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO
12 1311M. IF THE STATE BOARD FINDS THAT THE SUSPENSION BY THE
13 SUPERINTENDENT OF PUBLIC INSTRUCTION IS NOT ARBITRARY OR
14 CAPRICIOUS, THE STATE BOARD SHALL ESTABLISH BENCHMARKS THAT THE
15 AUTHORIZING BODY MUST MEET, AS DETERMINED BY THE STATE BOARD, TO
16 HAVE ITS POWER REINSTATED TO ISSUE NEW CONTRACTS TO ORGANIZE AND
17 OPERATE PUBLIC SCHOOL ACADEMIES UNDER THIS PART, URBAN HIGH SCHOOL
18 ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND
19 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.

20 (9) ~~(7)~~—A public school academy shall be presumed to be
21 legally organized if it has exercised the franchises and privileges
22 of a public school academy for at least 2 years.

23 (10) ~~(8)~~—An authorizing body may enter into an
24 intergovernmental agreement with another authorizing body to issue
25 public school academy contracts. At a minimum, the agreement shall
26 further the purposes set forth in section 501, describe which
27 authorizing body shall issue the contract, and set forth which

1 authorizing body will be responsible for monitoring compliance by
2 the board of directors of the public school academy with the
3 contract and all applicable law.

4 **(11)** ~~(9)~~—Both of the following apply to the issuance of a
5 contract for a public school academy to be located within a
6 community district:

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

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

25 (i) Either of the following:

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

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

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

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

21 **(12)** ~~(10)~~—A public school academy that is located within a
22 community district is subject to section 390.

23 Sec. 522. (1) An urban high school academy shall be organized
24 and administered under the direction of a board of directors in
25 accordance with this part and with bylaws adopted by the board of
26 directors. An urban high school academy corporation shall be
27 organized under the nonprofit corporation act, 1982 PA 162, MCL

1 450.2101 to 450.3192, except that an urban high school academy
2 corporation is not required to comply with sections 170 to 177 of
3 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified
4 under the state or federal constitution, an urban high school
5 academy shall not be organized by a church or other religious
6 organization and shall not have any organizational or contractual
7 affiliation with or constitute a church or other religious
8 organization.

9 (2) Subject to subsection ~~(9)~~, **(11)**, the governing board of a
10 state public university may act as an authorizing body to issue a
11 contract for the organization and operation of an urban high school
12 academy under this part.

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

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

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

25 (b) Subject to the resolution adopted by the authorizing body
26 under section 528, a list of the proposed members of the board of
27 directors of the urban high school academy and a description of the

1 qualifications and method for appointment or election of members of
2 the board of directors.

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

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

7 (ii) The purposes for the urban high school academy
8 corporation. This language shall provide that the urban high school
9 academy is incorporated pursuant to this part and that the urban
10 high school academy corporation is a governmental entity and
11 political subdivision of this state.

12 (iii) The name of the authorizing body.

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

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

17 (d) A copy of the proposed bylaws of the urban high school
18 academy.

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

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

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

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

5 (iii) The admission policy and criteria to be maintained by
6 the urban high school academy. The admission policy and criteria
7 shall comply with section 524. This part of the application also
8 shall include a description of how the applicant will provide to
9 the general public adequate notice that an urban high school
10 academy is being created and adequate information on the admission
11 policy, criteria, and process.

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

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

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

16 (g) A description of and address for the proposed building or
17 buildings in which the urban high school academy will be located,
18 and a financial commitment by the entity applying for the contract
19 to construct or renovate the building or buildings that will be
20 occupied by the urban high school academy that is issued the
21 contract.

22 (5) If a particular state public university issues a contract
23 that allows an urban high school academy to operate the same
24 configuration of grades at more than 1 site, as provided in section
25 524(1), each of those sites shall be under the direction of the
26 board of directors that is a party to the contract.

27 (6) If the superintendent of public instruction ~~finds~~

1 **DETERMINES** that an authorizing body is not engaging in appropriate
2 continuing oversight of 1 or more urban high school academies
3 operating under a contract issued by the authorizing body, the
4 superintendent of public instruction ~~may~~**SHALL** suspend the power of
5 the authorizing body to issue new contracts to organize and operate
6 **PUBLIC SCHOOL ACADEMIES UNDER PART 6A, urban high school academies**
7 **UNDER THIS PART, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND STRICT**
8 **DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.** A contract
9 issued by the authorizing body during the ~~suspension~~**PERIOD IN**
10 **WHICH THE AUTHORIZING BODY WAS NOT ENGAGING IN APPROPRIATE**
11 **CONTINUING OVERSIGHT, AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC**
12 **INSTRUCTION,** is void. A contract issued by the authorizing body
13 before the ~~suspension~~**THAT PERIOD** is not affected by the
14 suspension.

15 (7) **AT LEAST ANNUALLY, AN AUTHORIZING BODY SHALL COMPILE AND**
16 **SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE**
17 **BOARD A COMPLIANCE REPORT SHOWING THE STATUS OF EACH URBAN HIGH**
18 **SCHOOL ACADEMY OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING**
19 **BODY REGARDING COMPLIANCE WITH THE STATUTORY AND CONTRACTUAL**
20 **REQUIREMENTS FOR OPERATING THE URBAN HIGH SCHOOL ACADEMY. IF THE**
21 **SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES, AFTER A REVIEW OF**
22 **THIS REPORT, THAT THE AUTHORIZING BODY HAS AN ACTIVE CONTRACT WITH**
23 **AN URBAN HIGH SCHOOL ACADEMY THAT IS NOT IN COMPLIANCE WITH THESE**
24 **REQUIREMENTS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ORDER**
25 **THE AUTHORIZING BODY TO RETURN ALL OF THE FEES COLLECTED UNDER**
26 **SUBSECTION (9) FROM THAT URBAN HIGH SCHOOL ACADEMY TO THE SCHOOL**
27 **AID FUND.**

1 (8) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION SUSPENDS THE
2 POWER OF AN AUTHORIZING BODY TO ISSUE NEW CONTRACTS TO ORGANIZE AND
3 OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL
4 ACADEMIES UNDER THIS PART, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND
5 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M, AS
6 PROVIDED UNDER SUBSECTION (6), THE AUTHORIZING BODY MAY PETITION
7 THE STATE BOARD TO REINSTATE ITS POWER TO ISSUE NEW CONTRACTS TO
8 ORGANIZE AND OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN
9 HIGH SCHOOL ACADEMIES UNDER THIS PART, SCHOOLS OF EXCELLENCE UNDER
10 PART 6E, AND STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO
11 1311M. IF THE STATE BOARD FINDS THAT THE SUSPENSION BY THE
12 SUPERINTENDENT OF PUBLIC INSTRUCTION IS NOT ARBITRARY OR
13 CAPRICIOUS, THE STATE BOARD SHALL ESTABLISH BENCHMARKS THAT THE
14 AUTHORIZING BODY MUST MEET, AS DETERMINED BY THE STATE BOARD, TO
15 HAVE ITS POWER REINSTATED TO ISSUE NEW CONTRACTS TO ORGANIZE AND
16 OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL
17 ACADEMIES UNDER THIS PART, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND
18 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.

19 (9) ~~(7)~~—An authorizing body shall not charge a fee, or require
20 reimbursement of expenses, for considering an application for a
21 contract, for issuing a contract, or for providing oversight of a
22 contract for an urban high school academy in an amount that exceeds
23 a combined total of 3% of the total state school aid received by
24 the urban high school academy in the school year in which the fees
25 or expenses are charged. **THE AUTHORIZING BODY SHALL PROVIDE TO THE**
26 **URBAN HIGH SCHOOL ACADEMY BOARD OF DIRECTORS AN ACCOUNTING OF THE**
27 **FEEES AND REIMBURSEMENTS COLLECTED UNDER THIS SUBSECTION SPECIFYING**

1 **HOW THE SPECIFIC FUNDS COLLECTED FROM THAT URBAN HIGH SCHOOL**
2 **ACADEMY WERE EXPENDED, INCLUDING AN ITEMIZED LIST OF USE AND**
3 **PURPOSE.** All of the following apply to this fee:

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

6 (i) Considering applications and issuing or administering
7 contracts.

8 (ii) Compliance monitoring and oversight of urban high school
9 academies.

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

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

13 (v) Academic support to urban high school academies or to
14 pupils or graduates of urban high school academies.

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

16 (vii) Training of teachers, including supervision of teacher
17 interns.

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

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

25 **(10)** ~~(8)~~—An urban high school academy shall be presumed to be
26 legally organized if it has exercised the franchises and privileges
27 of an urban high school academy for at least 2 years.

1 **(11)** ~~(9)~~—Both of the following apply to the issuance of a
2 contract for an urban high school academy to be located within a
3 community district:

4 (a) An authorizing body shall not issue a contract to organize
5 and operate a new urban high school academy to be located in a
6 community district unless, before issuing the contract, the
7 governing board of the authorizing body has certified to the state
8 school reform/redesign officer that the authorizing body has been
9 accredited as an authorizing body by a nationally recognized
10 accreditation body.

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

14 (i) Either of the following:

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

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

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

10 **(12)** ~~(10)~~ An urban high school academy that is located within
11 a community district is subject to section 390.

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

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

21 (b) The first 5 contracts issued by all authorizing bodies
22 under this subsection shall be for schools of excellence that offer
23 1 or more of high school grades 9 to 12, or any combination of
24 those grades, as specified in the contract.

25 (c) A school of excellence authorized under this subsection
26 shall not be located in a school district that has a graduation
27 rate of over 75%, on average, for the most recent 3 school years

1 for which the data are available, as determined by the department.

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

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

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

19 (c) The entity applying for the school of excellence that is a
20 cyber school demonstrates experience in delivering a quality
21 education program that improves pupil academic achievement. In
22 determining whether this requirement is met, an authorizing body
23 shall refer to the standards for quality online learning
24 established by the ~~national association of charter school~~
25 ~~authorizers~~ **NATIONAL ASSOCIATION OF CHARTER SCHOOL AUTHORIZERS** or
26 other similar nationally recognized standards for quality online
27 learning.

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

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

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

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

26 (b) The public school academy shall be considered to be a
27 school of excellence for all purposes upon the issuance of a

1 contract or at another time as determined by the authorizing body,
2 but shall retain its corporate identity.

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

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

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

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

16 (i) On average over a 3-year period, at least 90% of the
17 pupils enrolled in the public school academy achieved a score of
18 proficient or better on the **MATHEMATICS AND READING PORTIONS OF THE**
19 ~~Michigan education assessment program mathematics and reading tests~~
20 **STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** or **A** successor state
21 assessment program.

22 (ii) On average over a 3-year period, at least 70% of the
23 pupils enrolled in the public school academy achieved a score of
24 proficient or better on the **MATHEMATICS AND READING PORTIONS OF THE**
25 ~~Michigan education assessment program mathematics and reading tests~~
26 **STUDENT TEST OF EDUCATIONAL PROGRESS (M-STEP)** or **A** successor state
27 assessment program and at least 50% of the pupils enrolled in the

1 public school academy met the income eligibility criteria for the
2 federal free or reduced-price lunch program, as determined under
3 the Richard B. Russell national school lunch act, 42 USC 1751 to
4 1769j, and 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~~
5 **DETERMINES** that an authorizing body is not engaging in appropriate
6 continuing oversight of 1 or more schools of excellence operating
7 under a contract issued by the authorizing body, the superintendent
8 of public instruction ~~may~~ **SHALL** suspend the power of the
9 authorizing body to issue new contracts to organize and operate
10 **PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL ACADEMIES**
11 **UNDER PART 6C, schools of excellence UNDER THIS PART, AND STRICT**
12 **DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.** A contract
13 issued by the authorizing body during ~~the suspension~~ **THE PERIOD IN**
14 **WHICH THE AUTHORIZING BODY WAS NOT ENGAGING IN APPROPRIATE**
15 **CONTINUING OVERSIGHT, AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC**
16 **INSTRUCTION,** is void. A contract issued by the authorizing body
17 before ~~the suspension~~ **THAT PERIOD** is not affected by the
18 suspension.

19 (10) **IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION SUSPENDS THE**
20 **POWER OF AN AUTHORIZING BODY TO ISSUE NEW CONTRACTS TO ORGANIZE AND**
21 **OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL**
22 **ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER THIS PART, AND**
23 **STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M, AS**
24 **PROVIDED UNDER SUBSECTION (9), THE AUTHORIZING BODY MAY PETITION**
25 **THE STATE BOARD TO REINSTATE ITS POWER TO ISSUE NEW CONTRACTS TO**
26 **ORGANIZE AND OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN**
27 **HIGH SCHOOL ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER**

1 THIS PART, AND STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO
2 1311M. IF THE STATE BOARD FINDS THAT THE SUSPENSION BY THE
3 SUPERINTENDENT OF PUBLIC INSTRUCTION IS NOT ARBITRARY OR
4 CAPRICIOUS, THE STATE BOARD SHALL ESTABLISH BENCHMARKS THAT THE
5 AUTHORIZING BODY MUST MEET, AS DETERMINED BY THE STATE BOARD, TO
6 HAVE ITS POWER REINSTATED TO ISSUE NEW CONTRACTS TO ORGANIZE AND
7 OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL
8 ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER THIS PART, AND
9 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.

10 (11) ~~(10)~~—An authorizing body shall not charge a fee, or
11 require reimbursement of expenses, for considering an application
12 for a contract, for issuing a contract, or for providing oversight
13 of a contract for a school of excellence in an amount that exceeds
14 a combined total of 3% of the total state school aid received by
15 the school of excellence in the school year in which the fees or
16 expenses are charged. **THE AUTHORIZING BODY SHALL PROVIDE TO THE**
17 **SCHOOL OF EXCELLENCE BOARD OF DIRECTORS AN ACCOUNTING OF THE FEES**
18 **AND REIMBURSEMENTS COLLECTED UNDER THIS SUBSECTION SPECIFYING HOW**
19 **THE SPECIFIC FUNDS COLLECTED FROM THAT SCHOOL OF EXCELLENCE WERE**
20 **EXPENDED, INCLUDING AN ITEMIZED LIST OF USE AND PURPOSE.** The
21 authorizing body may provide other services for a school of
22 excellence and charge a fee for those services, but shall not
23 require such an arrangement as a condition to issuing the contract
24 authorizing the school of excellence.

25 (12) **AT LEAST ANNUALLY, AN AUTHORIZING BODY SHALL COMPILE AND**
26 **SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE**
27 **BOARD A COMPLIANCE REPORT SHOWING THE STATUS OF EACH SCHOOL OF**

1 EXCELLENCE OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING
2 BODY REGARDING COMPLIANCE WITH THE STATUTORY AND CONTRACTUAL
3 REQUIREMENTS FOR OPERATING THE SCHOOL OF EXCELLENCE. IF THE
4 SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES, AFTER A REVIEW OF
5 THIS REPORT, THAT THE AUTHORIZING BODY HAS AN ACTIVE CONTRACT WITH
6 A SCHOOL OF EXCELLENCE THAT IS NOT IN COMPLIANCE WITH THESE
7 REQUIREMENTS, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ORDER
8 THE AUTHORIZING BODY TO RETURN ALL OF THE FEES COLLECTED UNDER
9 SUBSECTION (11) FROM THAT SCHOOL OF EXCELLENCE TO THE SCHOOL AID
10 FUND.

11 (13) ~~(11)~~—A school of excellence shall be presumed to be
12 legally organized if it has exercised the franchises and privileges
13 of a public school academy for at least 2 years.

14 (14) ~~(12)~~—A member of the board of directors of a school of
15 excellence is a public officer and shall, before entering upon the
16 duties of the office, take the constitutional oath of office for
17 public officers under section 1 of article XI of the state
18 constitution of 1963.

19 (15) ~~(13)~~—A school of excellence that is a cyber school may
20 make available to other public schools for purchase any of the
21 course offerings that the cyber school offers to its own pupils.

22 ~~—— (14) If the department determines that the combined total~~
23 ~~statewide final audited membership for all pupils in membership in~~
24 ~~schools of excellence that are cyber schools for the 2012-2013~~
25 ~~state fiscal year exceeds a number equal to 1% of the combined~~
26 ~~total statewide final audited membership for all pupils in~~
27 ~~membership in public schools for the 2011-2012 state fiscal year,~~

1 ~~then all of the following apply:~~

2 ~~—— (a) An authorizing body may not issue a new contract for a new~~
3 ~~school of excellence that is a cyber school to begin operations in~~
4 ~~the 2013-2014 school year.~~

5 ~~—— (b) A school of excellence that is a cyber school may not~~
6 ~~enroll any new pupils in the school of excellence that is a cyber~~
7 ~~school in the 2013-2014 school year.~~

8 **(16)** ~~(15)~~ Beginning July 1, 2013, if the department determines
9 that the combined total statewide final audited membership for all
10 pupils in membership in schools of excellence that are cyber
11 schools for a state fiscal year exceeds a number equal to 2% of the
12 combined total statewide final audited membership for all pupils in
13 membership in public schools for the 2011-2012 state fiscal year,
14 then all of the following apply:

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

19 (b) Subject to subdivision (c), a school of excellence that is
20 a cyber school may not enroll any new pupils in the school of
21 excellence that is a cyber school in a school year that begins
22 after that determination is made.

23 (c) If the department determines that the combined total
24 statewide final audited membership for all pupils in membership in
25 schools of excellence that are cyber schools for a state fiscal
26 year does not exceed a number equal to 2% of the combined total
27 statewide final audited membership for all pupils in membership in

1 public schools for the 2011-2012 state fiscal year, then
2 subdivisions (a) and (b) do not apply for a school year that begins
3 after that determination is made unless the department makes a new
4 determination that the membership limits under this subsection have
5 been exceeded.

6 **(17)** ~~(16)~~ For the purposes of ~~subsections (14) and (15),~~
7 **SUBSECTION (16)**, not later than July 1 of each year, the department
8 shall determine the percentage of the combined total statewide
9 final audited membership for all pupils in membership in public
10 schools that are pupils in membership in schools of excellence that
11 are cyber schools for the state fiscal year that includes that July
12 1.

13 **(18)** ~~(17)~~ As used in this section:

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

16 (b) "Statewide authorizing body" means the governing board of
17 a state public university or the board of a federal tribally
18 controlled community college that is recognized under the tribally
19 controlled colleges and universities assistance act of 1978, 25 USC
20 1801 to 1864, and is determined by the department to meet the
21 requirements for accreditation by a recognized regional accrediting
22 body.

23 ~~—— (18) Not later than October 1, 2012, if a district, an~~
24 ~~intermediate school district, a public school academy, or the~~
25 ~~education achievement system offers online learning, the board or~~
26 ~~board of directors of the district, intermediate school district,~~
27 ~~or public school academy, or the education achievement system,~~

1 ~~shall submit to the department a report that details the per pupil~~
2 ~~costs of operating the online learning. The report shall include,~~
3 ~~on a per-pupil basis, at least all of the following costs:~~

4 ~~—— (a) Textbooks, instructional materials, and supplies,~~
5 ~~including electronic instructional material.~~

6 ~~—— (b) Computer and other electronic equipment, including~~
7 ~~internet and telephone access.~~

8 ~~—— (c) Salaries and benefits for the online learning employees.~~

9 ~~—— (d) Purchased courses and curricula.~~

10 ~~—— (e) Fees associated with oversight and regulation.~~

11 ~~—— (f) Travel costs associated with school activities and~~
12 ~~testing.~~

13 ~~—— (g) Facilities costs.~~

14 ~~—— (h) Costs associated with special education.~~

15 ~~—— (19) Not later than December 31, 2012, the department shall~~
16 ~~issue a report to the legislature including the following:~~

17 ~~—— (a) A review of the data submitted under subsection (14).~~

18 ~~—— (b) A comparison with costs of substantially similar programs~~
19 ~~in other states and relevant national research on the costs of~~
20 ~~online learning.~~

21 ~~—— (c) Any conclusions concerning factors or characteristics of~~
22 ~~online learning programs that make a difference in the costs of~~
23 ~~operating the programs.~~

24 **(19)** ~~(20)~~The board of directors of a school of excellence
25 that is a cyber school, or the board of a school district,
26 intermediate school district, or public school academy that
27 operates an online or other distance learning program, shall submit

1 a monthly report to the department, in the form and manner
2 prescribed by the department, that reports the number of pupils
3 enrolled in the school of excellence that is a cyber school, or in
4 the online or other distance learning program, during the
5 immediately preceding month.

6 (20) ~~(21)~~—The board of directors of a school of excellence
7 that is a cyber school shall ensure that, when a pupil enrolls in
8 the school of excellence that is a cyber school, the pupil and his
9 or her parent or legal guardian are provided with a parent-student
10 orientation. If the pupil is at least age 18 or is an emancipated
11 minor, the orientation may be provided to just the pupil.

12 (21) ~~(22)~~—Both of the following apply to the issuance of a
13 contract for a school of excellence to be located within a
14 community district:

15 (a) An authorizing body shall not issue a contract to organize
16 and operate a new school of excellence to be located in a community
17 district unless, before issuing the contract, the governing board
18 of the authorizing body has certified to the state school
19 reform/redesign officer that the authorizing body has been
20 accredited as an authorizing body by a nationally recognized
21 accreditation body. For an authorizing body described in subsection
22 (6) (e), the authorizing body shall not issue a contract to organize
23 and operate a new school of excellence to be located in a community
24 district unless, before issuing the contract, the governing board
25 of each of the public agencies that is party to the interlocal
26 agreement has certified to the state school reform/redesign officer
27 that the public agency has been accredited as an authorizing body

1 by a nationally recognized accreditation body.

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

5 (i) Either of the following:

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

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

24 (ii) The proposed school of excellence would have
25 substantially the same board of directors, substantially the same
26 leadership, and substantially the same curriculum offerings as the
27 public school that previously operated at that location.

1 **(22)** ~~(23)~~—A school of excellence that is located within a
2 community district is subject to section 390.

3 Sec. 1311d. (1) A strict discipline academy shall be organized
4 and administered under the direction of a board of directors in
5 accordance with sections 1311b to ~~1311f~~**1311M** and with bylaws
6 adopted by the board of directors. A strict discipline academy
7 corporation created to operate a strict discipline academy shall be
8 organized under the nonprofit corporation act, 1982 PA 162, MCL
9 450.2101 to 450.3192, except that the strict discipline academy
10 corporation is not required to comply with sections 170 to 177 of
11 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified
12 under the state or federal constitution, a strict discipline
13 academy shall not be organized by a church or other religious
14 organization and shall not have any organizational or contractual
15 affiliation with or constitute a church or other religious
16 organization.

17 (2) Any of the following may act as an authorizing body to
18 issue a contract to organize and operate 1 or more strict
19 discipline academies under sections 1311b to ~~1311f~~**1311M**:

20 (a) The board of a school district that operates grades K to
21 12. However, the board of a school district shall not issue a
22 contract for a strict discipline academy to operate outside the
23 school district's boundaries, and a strict discipline academy
24 authorized by the board of a school district shall not operate
25 outside that school district's boundaries.

26 (b) An intermediate school board. However, the board of an
27 intermediate school district shall not issue a contract for a

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

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

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

27 (3) To obtain a contract to organize and operate 1 or more

1 strict discipline academies, 1 or more persons or an entity may
2 apply to an authorizing body described in subsection (2). The
3 application shall include at least all of the following:

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

5 (b) Subject to the resolution adopted by the authorizing body
6 under section 1311e, a list of the proposed members of the board of
7 directors of the strict discipline academy and a description of the
8 qualifications and method for appointment or election of members of
9 the board of directors.

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

12 (i) The name of the proposed strict discipline academy.

13 (ii) The purposes for the strict discipline academy
14 corporation that will operate the strict discipline academy. This
15 language shall provide that the strict discipline academy is
16 established pursuant to sections 1311b to ~~1311f~~**1311M** and that the
17 strict discipline academy corporation is a governmental entity.

18 (iii) The name of the authorizing body.

19 (iv) The proposed time when the articles of incorporation will
20 be effective.

21 (v) Other matters considered expedient to be in the articles
22 of incorporation.

23 (d) A copy of the proposed bylaws of the strict discipline
24 academy.

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

27 (i) The governance structure of the strict discipline academy.

1 (ii) A copy of the educational goals of the strict discipline
 2 academy and the curricula to be offered and methods of pupil
 3 assessment to be used by the strict discipline academy. To the
 4 extent applicable, the progress of the pupils in the strict
 5 discipline academy shall be assessed using ~~at least a Michigan~~
 6 ~~education assessment program (MEAP) test or an assessment~~
 7 ~~instrument developed under section 1279 for a state-endorsed high~~
 8 ~~school diploma.~~ **BOTH THE MATHEMATICS AND READING PORTIONS OF THE**
 9 **MICHIGAN STUDENT TEST OF EDUCATION PROGRESS (M-STEP) OR THE**
 10 **MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G, AS APPLICABLE.**

11 (iii) The admission policy and criteria to be maintained by
 12 the strict discipline academy. The admission policy and criteria
 13 shall comply with section 1311g. This part of the application also
 14 shall include a description of how the applicant will provide to
 15 the general public adequate notice that a strict discipline academy
 16 is being created and adequate information on the admission policy,
 17 criteria, and process.

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

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

20 (vi) The type of pupils to be enrolled in the strict
 21 discipline academy, as described in section 1311g(3) ~~and (4).~~ **TO**
 22 **(5).**

23 (f) Descriptions of staff responsibilities and of the strict
 24 discipline academy's governance structure.

25 (g) For an application to the board of a school district, an
 26 intermediate school board, or board of a community college,
 27 identification of the local and intermediate school districts in

1 which the strict discipline academy will be located.

2 (h) An agreement that the strict discipline academy will
3 comply with the provisions of sections 1311b to ~~1311f~~-**1311M** and,
4 subject to the provisions of these sections, with all other state
5 law applicable to public bodies and with federal law applicable to
6 public bodies or school districts.

7 (i) For a strict discipline academy authorized by a school
8 district, an assurance that employees of the strict discipline
9 academy will be covered by the collective bargaining agreements
10 that apply to other employees of the school district employed in
11 similar classifications in schools that are not strict discipline
12 academies.

13 (j) A description of and address for the proposed physical
14 plant in which the strict discipline academy will be located.

15 (4) An authorizing body shall oversee, or shall contract with
16 an intermediate school district, community college, or state public
17 university to oversee, each strict discipline academy operating
18 under a contract issued by the authorizing body. The oversight
19 shall be sufficient to ensure that the authorizing body can certify
20 that the strict discipline academy is in compliance with statute,
21 rules, and the terms of the contract.

22 (5) If the ~~state board finds~~-**SUPERINTENDENT OF PUBLIC**
23 **INSTRUCTION DETERMINES** that an authorizing body is not engaging in
24 appropriate continuing oversight of 1 or more strict discipline
25 academies operating under a contract issued by the authorizing
26 body, the ~~state board may~~-**SUPERINTENDENT OF PUBLIC INSTRUCTION**
27 **SHALL** suspend the power of the authorizing body to issue new

1 contracts to organize and operate PUBLIC SCHOOL ACADEMIES UNDER
2 PART 6A, URBAN HIGH SCHOOL ACADEMIES UNDER PART 6C, SCHOOLS OF
3 EXCELLENCE UNDER PART 6E, AND strict discipline academies UNDER
4 SECTIONS 1311B TO 1311M. A contract issued by the authorizing body
5 during the ~~suspension~~ PERIOD IN WHICH THE AUTHORIZING BODY WAS NOT
6 ENGAGING IN APPROPRIATE CONTINUING OVERSIGHT, AS DETERMINED BY THE
7 SUPERINTENDENT OF PUBLIC INSTRUCTION, is void. A contract issued by
8 the authorizing body before ~~the suspension~~ THAT PERIOD is not
9 affected by the suspension.

10 (6) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION SUSPENDS THE
11 POWER OF AN AUTHORIZING BODY TO ISSUE NEW CONTRACTS TO ORGANIZE AND
12 OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL
13 ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND
14 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M, AS
15 PROVIDED UNDER SUBSECTION (5), THE AUTHORIZING BODY MAY PETITION
16 THE STATE BOARD TO REINSTATE ITS POWER TO ISSUE NEW CONTRACTS TO
17 ORGANIZE AND OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN
18 HIGH SCHOOL ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER
19 PART 6E, AND STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO
20 1311M. IF THE STATE BOARD FINDS THAT THE SUSPENSION BY THE
21 SUPERINTENDENT OF PUBLIC INSTRUCTION IS NOT ARBITRARY OR
22 CAPRICIOUS, THE STATE BOARD SHALL ESTABLISH BENCHMARKS THAT THE
23 AUTHORIZING BODY MUST MEET, AS DETERMINED BY THE STATE BOARD, TO
24 HAVE ITS POWER REINSTATED TO ISSUE NEW CONTRACTS TO ORGANIZE AND
25 OPERATE PUBLIC SCHOOL ACADEMIES UNDER PART 6A, URBAN HIGH SCHOOL
26 ACADEMIES UNDER PART 6C, SCHOOLS OF EXCELLENCE UNDER PART 6E, AND
27 STRICT DISCIPLINE ACADEMIES UNDER SECTIONS 1311B TO 1311M.

1 (7) ~~(6)~~—An authorizing body shall not charge a fee, or require
2 reimbursement of expenses, for considering an application for a
3 contract, for issuing a contract, or for providing oversight of a
4 contract for a strict discipline academy in an amount that exceeds
5 a combined total of 3% of the total state school aid received by
6 the strict discipline academy in the school year in which the fees
7 or expenses are charged. **THE AUTHORIZING BODY SHALL PROVIDE TO THE**
8 **STRICT DISCIPLINE ACADEMY BOARD OF DIRECTORS AN ACCOUNTING OF THE**
9 **FEEES AND REIMBURSEMENTS COLLECTED UNDER THIS SUBSECTION SPECIFYING**
10 **HOW THE SPECIFIC FUNDS COLLECTED FROM THAT STRICT DISCIPLINE**
11 **ACADEMY WERE EXPENDED, INCLUDING AN ITEMIZED LIST OF USE AND**
12 **PURPOSE.** An authorizing body may provide other services for a
13 strict discipline academy and charge a fee for those services, but
14 shall not require such an arrangement as a condition to issuing the
15 contract authorizing the strict discipline academy.

16 (8) **AT LEAST ANNUALLY, AN AUTHORIZING BODY SHALL COMPILE AND**
17 **SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE STATE**
18 **BOARD A COMPLIANCE REPORT SHOWING THE STATUS OF EACH STRICT**
19 **DISCIPLINE ACADEMY OPERATING UNDER A CONTRACT ISSUED BY THE**
20 **AUTHORIZING BODY REGARDING COMPLIANCE WITH THE STATUTORY AND**
21 **CONTRACTUAL REQUIREMENTS FOR OPERATING THE STRICT DISCIPLINE**
22 **ACADEMY. IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES,**
23 **AFTER A REVIEW OF THIS REPORT, THAT THE AUTHORIZING BODY HAS AN**
24 **ACTIVE CONTRACT WITH A STRICT DISCIPLINE ACADEMY THAT IS NOT IN**
25 **COMPLIANCE WITH THESE REQUIREMENTS, THE SUPERINTENDENT OF PUBLIC**
26 **INSTRUCTION SHALL ORDER THE AUTHORIZING BODY TO RETURN ALL OF THE**
27 **FEEES COLLECTED UNDER SUBSECTION (7) FROM THAT STRICT DISCIPLINE**

1 **ACADEMY TO THE SCHOOL AID FUND.**

2 **(9)** ~~(7)~~—A strict discipline academy shall be presumed to be
3 legally organized if it has exercised the franchises and privileges
4 of a strict discipline academy for at least 2 years.

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