

# SENATE BILL No. 677

November 30, 2017, Introduced by Senator BIEDA and referred to the Committee on Education.

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 **FEES 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 ~~1311I~~**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.