

**SUBSTITUTE FOR  
HOUSE BILL NO. 5233**

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1311e (MCL 380.1311e), as amended by 2009 PA  
205.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1311e. (1) An authorizing body is not required to issue a  
2 contract to any person or entity. Contracts for strict discipline  
3 academies ~~shall~~**must** be issued on a competitive basis taking into  
4 consideration the resources available for the proposed strict  
5 discipline academy, the population to be served by the proposed  
6 strict discipline academy, and the educational goals to be achieved  
7 by the proposed strict discipline academy.

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



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

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

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

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

29 (a) The educational goals the strict discipline academy is to



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

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

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

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

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

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

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

25 (h) Requirements and procedures for financial audits. The  
26 financial audits ~~shall—~~**must** be conducted at least annually by a  
27 certified public accountant in accordance with generally accepted  
28 governmental auditing principles.

29 (i) The term of the contract and a description of the process



1 and standards for renewal of the contract at the end of the term.  
 2 The standards for renewal ~~shall~~**must** include student growth as  
 3 measured by assessments and other objective criteria as a  
 4 significant factor in the decision of whether ~~or not~~ to renew the  
 5 contract.

6 (j) For a contract that is entered into, extended, renewed, or  
 7 modified on or after the effective date of the amendatory act that  
 8 added this subdivision, a requirement that the names of the  
 9 authorizing body and the primary educational management  
 10 organization, if applicable, must appear and be verbally provided,  
 11 as applicable, on all of the following:

12 (i) Unless prohibited by a local ordinance or local zoning  
 13 authority, signage that is on the strict discipline academy's  
 14 property and is erected, repaired, or installed on or after the  
 15 effective date of the amendatory act that added this subdivision.

16 (ii) Promotional material that is created, modified, or  
 17 distributed on or after the effective date of the amendatory act  
 18 that added this subdivision.

19 (iii) The footer of the strict discipline academy's website  
 20 pages.

21 (iv) The school application that a student must submit to  
 22 enroll in the strict discipline academy.

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

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

26 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to  
 27 15.246.

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

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



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

3           (e) ~~(f)~~ Except for part 6a, all provisions of this act that  
4 explicitly apply to public school academies established under part  
5 6a.

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

15           (8) A strict discipline academy is exempt from all taxation on  
16 its earnings and property. Instruments of conveyance to or from a  
17 strict discipline academy are exempt from all taxation including  
18 taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. A strict  
19 discipline academy may not levy ad valorem property taxes or any  
20 other tax for any purpose. However, operation of 1 or more strict  
21 discipline academies by a school district or intermediate school  
22 district does not affect the ability of the school district or  
23 intermediate school district to levy ad valorem property taxes or  
24 any other tax.

25           (9) A strict discipline academy may acquire by purchase, gift,  
26 devise, lease, sublease, installment purchase agreement, land  
27 contract, option, or by any other means, hold and own in its own  
28 name buildings and other property for school purposes, and  
29 interests therein, and other real and personal property, including,



1 but not limited to, interests in property subject to mortgages,  
2 security interests, or other liens, necessary or convenient to  
3 fulfill its purposes. For the purposes of condemnation, a strict  
4 discipline academy may proceed under the uniform condemnation  
5 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding  
6 sections 6 to 9 of ~~that act,~~ **the uniform condemnation procedures**  
7 **act, 1980 PA 87,** MCL 213.56 to 213.59, or other applicable  
8 statutes, but only with the express, written permission of the  
9 authorizing body in each instance of condemnation and only after  
10 just compensation has been determined and paid.

11 (10) As used in this section:

12 (a) "Educational management organization" means an entity that  
13 enters into a management agreement with a strict discipline  
14 academy.

15 (b) "Entity" means a partnership, nonprofit or business  
16 corporation, or any other association, corporation, trust, or other  
17 legal entity.

18 (c) "Management agreement" means an agreement to provide  
19 comprehensive educational, administrative, management, or  
20 instructional services or staff to a strict discipline academy.

21 (d) "Primary educational management organization" means an  
22 educational management organization that is responsible for both of  
23 the following:

24 (i) Administrative services or staff.

25 (ii) Educational and instructional services or staff.

26 (e) "Promotional material" means any of the following:

27 (i) Billboards.

28 (ii) Internet advertisements.

29 (iii) Television advertisements.



1 (iv) Radio advertisements.

