

**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.