

**No. 106**  
**STATE OF MICHIGAN**  
**Journal of the Senate**  
**95th Legislature**  
**REGULAR SESSION OF 2009**

---

---

Senate Chamber, Lansing, Saturday, December 19, 2009.

12:10 a.m.

The Senate was called to order by the President pro tempore, Senator Randy Richardville.

The roll was called by the Secretary of the Senate, who announced that a quorum was present.

Allen—present  
Anderson—present  
Barcia—excused  
Basham—excused  
Birkholz—present  
Bishop—present  
Brater—excused  
Brown—present  
Cassis—present  
Cherry—present  
Clark-Coleman—present  
Clarke—present  
Cropsey—present

Garcia—excused  
George—present  
Gilbert—present  
Gleason—present  
Hardiman—present  
Hunter—present  
Jacobs—present  
Jansen—present  
Jelinek—excused  
Kahn—present  
Kuipers—present  
McManus—present  
Nofs—present

Olshove—present  
Pappageorge—present  
Patterson—present  
Prusi—present  
Richardville—present  
Sanborn—present  
Scott—excused  
Stamas—present  
Switalski—present  
Thomas—present  
Van Woerkom—present  
Whitmer—present

Senator Thomas M. George of the 20th District offered the following invocation:

Heavenly Father, the summer is over and gone, and the harvest has once more passed. All the wealth and warmth of the summer sun is packaged now in seed and fruit and vegetable and stored away in bins and cribs. All summer long Your natural creations work for us, storing heat and health and nourishment in the fields and woods and fruits of the land. Now, when the air is cold and the field barren, we can live on what the autumn harvest has stored for us.

In the same way that we ask for Your blessing on the harvest of the land, we ask You to aid us in our work here, so that we can complete the legislative tasks that You have placed before us. Help us prepare for the Christmas holiday by finishing our work in dutiful fashion.

Likewise, help us to store up the spiritual wealth in the summer of our lives, while we are yet able to reap the harvest. May we make good use now of our rich opportunities. Help us prepare for the winter that we will all face by reaping Your harvest now. Now is the time for us to sow and reap. Amen.

The President pro tempore, Senator Richardville, led the members of the Senate in recital of the *Pledge of Allegiance*.

### Motions and Communications

Senators Pappageorge, McManus, Kuipers, Kahn, Cassis and Sanborn entered the Senate Chamber.

Senator Cropsey moved that Senator Garcia be excused from today's session.  
The motion prevailed.

Senator Thomas moved that Senators Clark-Coleman and Hunter be temporarily excused from today's session.  
The motion prevailed.

Senators Thomas moved that Senators Barcia, Scott, Brater and Basham be excused from today's session.  
The motion prevailed.

Senator Cropsey moved that Senator Jelinek be excused from today's session.  
The motion prevailed.

The Secretary announced that the following House bill was received in the Senate and filed on Friday, December 18:  
**House Bill No. 5686**

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 12:16 a.m.

12:45 a.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

By unanimous consent the Senate returned to the order of

### Motions and Communications

Senator Cropsey moved that when the Senate adjourns today, it stand adjourned until Wednesday, December 30, at 11:30 a.m.

The motion prevailed.

### Recess

Senator Cropsey moved that the Senate recess until 10:00 a.m.

The motion prevailed, the time being 12:46 a.m.

The Senate reconvened at the expiration of the recess and was called to order by the President pro tempore, Senator Richardville.

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:02 a.m.

10:19 a.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

During the recess, Senators Prusi, Cherry and Clark-Coleman entered the Senate Chamber.

By unanimous consent the Senate proceeded to the order of

### General Orders

Senator Cropsey moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President pro tempore, Senator Richardville, designated Senator Sanborn as Chairperson.

After some time spent therein, the Committee arose; and, the President pro tempore, Senator Richardville, having resumed the Chair, the Committee reported back to the Senate, favorably and with amendment, the following bill:

#### House Bill No. 5596, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1531i. The following is the amendment recommended by the Committee of the Whole:

1. Amend page 4, following line 6, by inserting:

"Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) Senate Bill No. 926.
- (b) Senate Bill No. 981.
- (c) House Bill No. 4787.
- (d) House Bill No. 4788."

The Senate agreed to the amendment recommended by the Committee of the Whole, and the bill as amended was placed on the order of Third Reading of Bills.

### Recess

Senator Brown moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 10:24 a.m.

11:52 a.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

Senator Cropsey moved that Senator George be temporarily excused from the balance of today's session.  
The motion prevailed.

By unanimous consent the Senate returned to the order of

### Third Reading of Bills

Senator Cropsey moved that the rules be suspended and that the following bill, now on the order of Third Reading of Bills, be placed on its immediate passage at the head of the Third Reading of Bills calendar:

#### House Bill No. 5596

The motion prevailed, a majority of the members serving voting therefor.

Senator George entered the Senate Chamber.

### Recess

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 11:53 a.m.

12:03 p.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 12:11 p.m.

12:25 p.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

The following bill was read a third time:

#### House Bill No. 5596, entitled

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding section 1531i.

The question being on the passage of the bill,

The bill was passed, a majority of the members serving voting therefor, as follows:

#### Roll Call No. 747

Yeas—20

Allen	Cropsey	Kahn	Patterson
Birkholz	George	Kuipers	Richardville
Bishop	Gilbert	McManus	Sanborn
Brown	Hardiman	Nofs	Stamas
Cassis	Jansen	Pappageorge	Van Woerkom

Nays—0

Excused—7

Barcia	Brater	Hunter	Scott
Basham	Garcia	Jelinek	

Not Voting—11

Anderson	Clarke	Olshove	Thomas
Cherry	Gleason	Prusi	Whitmer
Clark-Coleman	Jacobs	Switalski	

In The Chair: Richardville

Senator Cropsey moved that the bill be given immediate effect.  
The question being on the motion to give the bill immediate effect,  
Senator Cropsey moved the further consideration of the bill be postponed temporarily.  
The motion prevailed.

Senator Whitmer moved to reconsider the vote by which the following bill was passed:

**House Bill No. 5596, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” (MCL 380.1 to 380.1852) by adding section 1531i.  
The question being on the motion to reconsider,  
Senator Whitmer moved that further consideration of the bill be postponed temporarily.  
The motion prevailed.

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 12:22 p.m.

1:18 p.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

By unanimous consent the Senate returned to consideration of the following bill:

**House Bill No. 5596, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” (MCL 380.1 to 380.1852) by adding section 1531i.  
(This bill was passed earlier today and the motion to reconsider the vote postponed; motion to give the bill immediate effect postponed. See p. 2504.)

The question being on the motion to reconsider the vote by which the bill was passed,  
The motion prevailed, a majority of the members serving voting therefor.

Senator Cropsey moved that Senator Patterson be excused from the balance of today’s session.  
The motion prevailed.

The question being on the passage of the bill,  
The bill was passed, a majority of the members serving voting therefor, as follows:

**Roll Call No. 748**

**Yeas—27**

Allen	Cropsey	Kahn	Sanborn
Anderson	George	Kuipers	Stamas
Birkholz	Gilbert	McManus	Switalski
Bishop	Gleason	Nofs	Thomas
Brown	Hardiman	Olshove	Van Woerkom
Cassis	Jacobs	Pappageorge	Whitmer
Cherry	Jansen	Richardville	

**Nays—3**

Clark-Coleman	Clarke	Prusi
---------------	--------	-------

**Excused—8**Barcia  
BashamBrater  
GarciaHunter  
JelinekPatterson  
Scott**Not Voting—0**

In The Chair: Richardville

Senator Hunter entered the Senate Chamber.

The question on the motion to give the bill immediate effect,  
Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The motion prevailed, 2/3 of the members serving voting therefor, as follows:

**Roll Call No. 749****Yeas—26**Allen  
Anderson  
Birkholz  
Bishop  
Brown  
Cassis  
CherryCropsey  
George  
Gilbert  
Hardiman  
Hunter  
Jacobs  
JansenKahn  
Kuipers  
McManus  
Nofs  
Pappageorge  
RichardvilleSanborn  
Stamas  
Switalski  
Thomas  
Van Woerkom  
Whitmer**Nays—1**

Prusi

**Excused—7**Barcia  
BashamBrater  
GarciaJelinek  
Patterson

Scott

**Not Voting—4**

Clark-Coleman

Clarke

Gleason

Olshove

In The Chair: Richardville

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and

maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts.”

The Senate agreed to the full title.

By unanimous consent the Senate returned to the order of

### Conference Reports

Senator Cropsy moved that joint rule 9 be suspended to permit immediate consideration of the conference reports relative to the following bills:

**Senate Bill No. 926**

**Senate Bill No. 981**

**House Bill No. 4787**

**House Bill No. 4788**

The motion prevailed, a majority of the members serving voting therefor.

Senator Kuipers submitted the following:

### FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

**Senate Bill No. 926, entitled**

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 3, 6, 29, 94a, and 101 (MCL 388.1603, 388.1606, 388.1629, 388.1694a, and 388.1701), as amended by 2009 PA 121, and by adding section 9.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to amend 1979 PA 94, entitled “The state school aid act of 1979,” by amending sections 6, 11, 94a, and 101 (MCL 388.1606, 388.1611, 388.1694a, and 388.1701), section 6 as amended by 2009 PA 187 and sections 11, 94a, and 101 as amended by 2009 PA 121, and by adding section 166c.

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 6. (1) “Center program” means a program operated by a district or intermediate district for special education pupils from several districts in programs for pupils with autism spectrum disorder, pupils with severe cognitive impairment, pupils with moderate cognitive impairment, pupils with severe multiple impairments, pupils with hearing impairment, pupils with visual impairment, and pupils with physical impairment or other health impairment. Programs for pupils with emotional impairment housed in buildings that do not serve regular education pupils also qualify. Unless otherwise approved by the department, a center program either shall serve all constituent districts within an intermediate district or shall serve several districts with less than 50% of the pupils residing in the operating district. In addition, special education center program pupils placed part-time in noncenter programs to comply with the least restrictive environment provisions of section 612 of part B of the individuals with disabilities education act, 20 USC 1412, may be considered center program pupils for pupil accounting purposes for the time scheduled in either a center program or a noncenter program.

(2) “District and high school graduation rate” means the annual completion and pupil dropout rate that is calculated by the center pursuant to nationally recognized standards.

(3) “District and high school graduation report” means a report of the number of pupils, excluding adult participants, in the district for the immediately preceding school year, adjusted for those pupils who have transferred into or out of the district or high school, who leave high school with a diploma or other credential of equal status.

(4) “Membership”, except as otherwise provided in this act, means for a district, public school academy, university school, or intermediate district the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year, plus the product of .25 times the final audited count from the supplemental count day for the immediately preceding school year. All pupil counts used in this subsection are as determined by the department and calculated by adding the number of pupils registered for

attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit. **FOR THE PURPOSES OF THIS SECTION AND SECTION 6A, FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL 380.553A, A PUPIL'S PARTICIPATION IN THE CYBER SCHOOL'S EDUCATIONAL PROGRAM IS CONSIDERED REGULAR DAILY ATTENDANCE.** The amount of the foundation allowance for a pupil in membership is determined under section 20. In making the calculation of membership, all of the following, as applicable, apply to determining the membership of a district, public school academy, university school, or intermediate district:

(a) Except as otherwise provided in this subsection, and pursuant to subsection (6), a pupil shall be counted in membership in the pupil's educating district or districts. An individual pupil shall not be counted for more than a total of 1.0 full-time equated membership.

(b) If a pupil is educated in a district other than the pupil's district of residence, if the pupil is not being educated as part of a cooperative education program, if the pupil's district of residence does not give the educating district its approval to count the pupil in membership in the educating district, and if the pupil is not covered by an exception specified in subsection (6) to the requirement that the educating district must have the approval of the pupil's district of residence to count the pupil in membership, the pupil shall not be counted in membership in any district.

(c) A special education pupil educated by the intermediate district shall be counted in membership in the intermediate district.

(d) A pupil placed by a court or state agency in an on-grounds program of a juvenile detention facility, a child caring institution, or a mental health institution, or a pupil funded under section 53a, shall be counted in membership in the district or intermediate district approved by the department to operate the program.

(e) A pupil enrolled in the Michigan schools for the deaf and blind shall be counted in membership in the pupil's intermediate district of residence.

(f) A pupil enrolled in a vocational education program supported by a millage levied over an area larger than a single district or in an area vocational-technical education program established pursuant to section 690 of the revised school code, MCL 380.690, shall be counted only in the pupil's district of residence.

(g) A pupil enrolled in a university school shall be counted in membership in the university school.

(h) A pupil enrolled in a public school academy shall be counted in membership in the public school academy.

(i) For a new district, university school, or public school academy beginning its operation after December 31, 1994, membership for the first 2 full or partial fiscal years of operation shall be determined as follows:

(i) If operations begin before the pupil membership count day for the fiscal year, membership is the average number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the pupil membership count day for the current school year and on the supplemental count day for the current school year, as determined by the department and calculated by adding the number of pupils registered for attendance on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by a subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(ii) If operations begin after the pupil membership count day for the fiscal year and not later than the supplemental count day for the fiscal year, membership is the final audited count of the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the supplemental count day for the current school year.

(j) If a district is the authorizing body for a public school academy, then, in the first school year in which pupils are counted in membership on the pupil membership count day in the public school academy, the determination of the district's membership shall exclude from the district's pupil count for the immediately preceding supplemental count day any pupils who are counted in the public school academy on that first pupil membership count day who were also counted in the district on the immediately preceding supplemental count day.

(k) In a district, public school academy, university school, or intermediate district operating an extended school year program approved by the superintendent, a pupil enrolled, but not scheduled to be in regular daily attendance on a pupil membership count day, shall be counted.

(l) Pupils to be counted in membership shall be not less than 5 years of age on December 1 and less than 20 years of age on September 1 of the school year except a special education pupil who is enrolled and receiving instruction in a special education program or service approved by the department and not having a high school diploma who is less than 26 years of age as of September 1 of the current school year shall be counted in membership.

(m) An individual who has obtained a high school diploma shall not be counted in membership. An individual who has obtained a general educational development (G.E.D.) certificate shall not be counted in membership. An individual participating in a job training program funded under former section 107a or a jobs program funded under former section 107b, administered by the Michigan strategic fund or the department of energy, labor, and economic growth, or participating in any successor of either of those 2 programs, shall not be counted in membership.

(n) If a pupil counted in membership in a public school academy is also educated by a district or intermediate district as part of a cooperative education program, the pupil shall be counted in membership only in the public school academy unless a



written agreement signed by all parties designates the party or parties in which the pupil shall be counted in membership, and the instructional time scheduled for the pupil in the district or intermediate district shall be included in the full-time equated membership determination under subdivision (q). However, for pupils receiving instruction in both a public school academy and in a district or intermediate district but not as a part of a cooperative education program, the following apply:

(i) If the public school academy provides instruction for at least 1/2 of the class hours specified in subdivision (q), the public school academy shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the public school academy provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the district or intermediate district providing the remainder of the hours of instruction.

(ii) If the public school academy provides instruction for less than 1/2 of the class hours specified in subdivision (q), the district or intermediate district providing the remainder of the hours of instruction shall receive as its prorated share of the full-time equated membership for each of those pupils an amount equal to 1 times the product of the hours of instruction the district or intermediate district provides divided by the number of hours specified in subdivision (q) for full-time equivalency, and the remainder of the full-time membership for each of those pupils shall be allocated to the public school academy.

(o) An individual less than 16 years of age as of September 1 of the current school year who is being educated in an alternative education program shall not be counted in membership if there are also adult education participants being educated in the same program or classroom.

(p) The department shall give a uniform interpretation of full-time and part-time memberships.

(q) The number of class hours used to calculate full-time equated memberships shall be consistent with section 101(3). In determining full-time equated memberships for pupils who are enrolled in a postsecondary institution, a pupil shall not be considered to be less than a full-time equated pupil solely because of the effect of his or her postsecondary enrollment, including necessary travel time, on the number of class hours provided by the district to the pupil.

(r) Except as otherwise provided in this subdivision, full-time equated memberships for pupils in kindergarten shall be determined by dividing the number of class hours scheduled and provided per year per kindergarten pupil by a number equal to 1/2 the number used for determining full-time equated memberships for pupils in grades 1 to 12.

(s) For a district, university school, or public school academy that has pupils enrolled in a grade level that was not offered by the district, university school, or public school academy in the immediately preceding school year, the number of pupils enrolled in that grade level to be counted in membership is the average of the number of those pupils enrolled and in regular daily attendance on the pupil membership count day and the supplemental count day of the current school year, as determined by the department. Membership shall be calculated by adding the number of pupils registered for attendance in that grade level on the pupil membership count day plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the superintendent, and as corrected by subsequent department audit, plus the final audited count from the supplemental count day for the current school year, and dividing that sum by 2.

(t) A pupil enrolled in a cooperative education program may be counted in membership in the pupil's district of residence with the written approval of all parties to the cooperative agreement.

(u) If, as a result of a disciplinary action, a district determines through the district's alternative or disciplinary education program that the best instructional placement for a pupil is in the pupil's home or otherwise apart from the general school population, if that placement is authorized in writing by the district superintendent and district alternative or disciplinary education supervisor, and if the district provides appropriate instruction as described in this subdivision to the pupil at the pupil's home or otherwise apart from the general school population, the district may count the pupil in membership on a pro rata basis, with the proration based on the number of hours of instruction the district actually provides to the pupil divided by the number of hours specified in subdivision (q) for full-time equivalency. For the purposes of this subdivision, a district shall be considered to be providing appropriate instruction if all of the following are met:

(i) The district provides at least 2 nonconsecutive hours of instruction per week to the pupil at the pupil's home or otherwise apart from the general school population under the supervision of a certificated teacher.

(ii) The district provides instructional materials, resources, and supplies, except computers, that are comparable to those otherwise provided in the district's alternative education program.

(iii) Course content is comparable to that in the district's alternative education program.

(iv) Credit earned is awarded to the pupil and placed on the pupil's transcript.

(v) A pupil enrolled in an alternative or disciplinary education program described in section 25 shall be counted in membership in the district or public school academy that is educating the pupil.

(w) If a pupil was enrolled in a public school academy on the pupil membership count day, if the public school academy's contract with its authorizing body is revoked or the public school academy otherwise ceases to operate, and if the pupil enrolls in a district within 45 days after the pupil membership count day, the department shall adjust the district's pupil count for the pupil membership count day to include the pupil in the count.

(x) For a public school academy that has been in operation for at least 2 years and that suspended operations for at least 1 semester and is resuming operations, membership is the sum of the product of .75 times the number of full-time equated pupils in grades K to 12 actually enrolled and in regular daily attendance on the first pupil membership count day or supplemental count day, whichever is first, occurring after operations resume, plus the product of .25 times the final audited count from the

most recent pupil membership count day or supplemental count day that occurred before suspending operations, as determined by the superintendent.

(y) If a district's membership for a particular fiscal year, as otherwise calculated under this subsection, would be less than 1,550 pupils and the district has 4.5 or fewer pupils per square mile, as determined by the department, and, beginning in 2007-2008, if the district does not receive funding under section 22d(2), the district's membership shall be considered to be the membership figure calculated under this subdivision. If a district educates and counts in its membership pupils in grades 9 to 12 who reside in a contiguous district that does not operate grades 9 to 12 and if 1 or both of the affected districts request the department to use the determination allowed under this sentence, the department shall include the square mileage of both districts in determining the number of pupils per square mile for each of the districts for the purposes of this subdivision. The membership figure calculated under this subdivision is the greater of the following:

(i) The average of the district's membership for the 3-fiscal-year period ending with that fiscal year, calculated by adding the district's actual membership for each of those 3 fiscal years, as otherwise calculated under this subsection, and dividing the sum of those 3 membership figures by 3.

(ii) The district's actual membership for that fiscal year as otherwise calculated under this subsection.

(z) If a public school academy that is not in its first or second year of operation closes at the end of a school year and does not reopen for the next school year, the department shall adjust the membership count of the district in which a former pupil of the public school academy enrolls and is in regular daily attendance for the next school year to ensure that the district receives the same amount of membership aid for the pupil as if the pupil were counted in the district on the supplemental count day of the preceding school year.

(aa) Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are enrolled in a classroom program under R 340.1754 of the Michigan administrative code shall be determined by dividing the number of class hours scheduled and provided per year by 450. Full-time equated memberships for preprimary-aged special education pupils who are not enrolled in kindergarten but are receiving nonclassroom services under R 340.1755 of the Michigan administrative code shall be determined by dividing the number of hours of service scheduled and provided per year per pupil by 180.

(bb) A pupil of a district that begins its school year after Labor day who is enrolled in an intermediate district program that begins before Labor day shall not be considered to be less than a full-time pupil solely due to instructional time scheduled but not attended by the pupil before Labor day.

(cc) For the first year in which a pupil is counted in membership on the pupil membership count day in a middle college program described in section 64, the membership is the average of the full-time equated membership on the pupil membership count day and on the supplemental count day for the current school year, as determined by the department. If a pupil was counted by the operating district on the immediately preceding supplemental count day, the pupil shall be excluded from the district's immediately preceding supplemental count for purposes of determining the district's membership.

(dd) A district that educates a pupil who attends a United States Olympic education center may count the pupil in membership regardless of whether or not the pupil is a resident of this state.

(ee) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148, shall be counted in the educating district.

(5) "Public school academy" means ~~a public school academy, urban high school academy, or strict discipline academy operating under THAT TERM AS DEFINED IN~~ the revised school code.

(6) "Pupil" means a person in membership in a public school. A district must have the approval of the pupil's district of residence to count the pupil in membership, except approval by the pupil's district of residence is not required for any of the following:

(a) A nonpublic part-time pupil enrolled in grades 1 to 12 in accordance with section 166b.

(b) A pupil receiving 1/2 or less of his or her instruction in a district other than the pupil's district of residence.

(c) A pupil enrolled in a public school academy or university school.

(d) A pupil enrolled in a district other than the pupil's district of residence under an intermediate district schools of choice pilot program as described in section 91a or former section 91 if the intermediate district and its constituent districts have been exempted from section 105.

(e) A pupil enrolled in a district other than the pupil's district of residence if the pupil is enrolled in accordance with section 105 or 105c.

(f) A pupil who has made an official written complaint or whose parent or legal guardian has made an official written complaint to law enforcement officials and to school officials of the pupil's district of residence that the pupil has been the victim of a criminal sexual assault or other serious assault, if the official complaint either indicates that the assault occurred at school or that the assault was committed by 1 or more other pupils enrolled in the school the pupil would otherwise attend in the district of residence or by an employee of the district of residence. A person who intentionally makes a false report of a crime to law enforcement officials for the purposes of this subdivision is subject to section 411a of the Michigan penal code, 1931 PA 328, MCL 750.411a, which provides criminal penalties for that conduct. As used in this subdivision:

(i) "At school" means in a classroom, elsewhere on school premises, on a school bus or other school-related vehicle, or at a school-sponsored activity or event whether or not it is held on school premises.

(ii) "Serious assault" means an act that constitutes a felony violation of chapter XI of the Michigan penal code, 1931 PA 328, MCL 750.81 to 750.90g, or that constitutes an assault and infliction of serious or aggravated injury under section 81a of the Michigan penal code, 1931 PA 328, MCL 750.81a.

(g) A pupil whose district of residence changed after the pupil membership count day and before the supplemental count day and who continues to be enrolled on the supplemental count day as a nonresident in the district in which he or she was enrolled as a resident on the pupil membership count day of the same school year.

(h) A pupil enrolled in an alternative education program operated by a district other than his or her district of residence who meets 1 or more of the following:

(i) The pupil has been suspended or expelled from his or her district of residence for any reason, including, but not limited to, a suspension or expulsion under section 1310, 1311, or 1311a of the revised school code, MCL 380.1310, 380.1311, and 380.1311a.

(ii) The pupil had previously dropped out of school.

(iii) The pupil is pregnant or is a parent.

(iv) The pupil has been referred to the program by a court.

(v) The pupil is enrolled in an alternative or disciplinary education program described in section 25.

(i) A pupil enrolled in the Michigan virtual high school, for the pupil's enrollment in the Michigan virtual high school.

(j) A pupil who is the child of a person who is employed by the district. As used in this subdivision, "child" includes an adopted child, stepchild, or legal ward.

(k) An expelled pupil who has been denied reinstatement by the expelling district and is reinstated by another school board under section 1311 or 1311a of the revised school code, MCL 380.1311 and 380.1311a.

(l) A pupil enrolled in a district other than the pupil's district of residence in a program described in section 64 if the pupil's district of residence and the enrolling district are both constituent districts of the same intermediate district.

(m) A pupil enrolled in a district other than the pupil's district of residence who attends a United States Olympic education center.

(n) A pupil enrolled in a district other than the pupil's district of residence pursuant to section 1148(2) of the revised school code, MCL 380.1148.

However, if a district educates pupils who reside in another district and if the primary instructional site for those pupils is established by the educating district after 2009-2010 and is located within the boundaries of that other district, the educating district must have the approval of that other district to count those pupils in membership.

(7) "Pupil membership count day" of a district or intermediate district means:

(a) Except as provided in subdivision (b), the fourth Wednesday after Labor day each school year or, for a district or building in which school is not in session on that Wednesday due to conditions not within the control of school authorities, with the approval of the superintendent, the immediately following day on which school is in session in the district or building.

(b) For a district or intermediate district maintaining school during the entire school year, the following days:

(i) Fourth Wednesday in July.

(ii) Fourth Wednesday after Labor day.

(iii) Second Wednesday in February.

(iv) Fourth Wednesday in April.

(8) "Pupils in grades K to 12 actually enrolled and in regular daily attendance" means pupils in grades K to 12 in attendance and receiving instruction in all classes for which they are enrolled on the pupil membership count day or the supplemental count day, as applicable. Except as otherwise provided in this subsection, a pupil who is absent from any of the classes in which the pupil is enrolled on the pupil membership count day or supplemental count day and who does not attend each of those classes during the 10 consecutive school days immediately following the pupil membership count day or supplemental count day, except for a pupil who has been excused by the district, shall not be counted as 1.0 full-time equated membership. A pupil who is excused from attendance on the pupil membership count day or supplemental count day and who fails to attend each of the classes in which the pupil is enrolled within 30 calendar days after the pupil membership count day or supplemental count day shall not be counted as 1.0 full-time equated membership. In addition, a pupil who was enrolled and in attendance in a district, intermediate district, or public school academy before the pupil membership count day or supplemental count day of a particular year but was expelled or suspended on the pupil membership count day or supplemental count day shall only be counted as 1.0 full-time equated membership if the pupil resumed attendance in the district, intermediate district, or public school academy within 45 days after the pupil membership count day or supplemental count day of that particular year. Pupils not counted as 1.0 full-time equated membership due to an absence from a class shall be counted as a prorated membership for the classes the pupil attended. For purposes of this subsection, "class" means a period of time in 1 day when pupils and a certificated teacher or legally qualified substitute teacher are together and instruction is taking place.

(9) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(10) "The revised school code" means 1976 PA 451, MCL 380.1 to 380.1852.

(11) "School district of the first class", "first class school district", and "district of the first class", except in subsection (6), mean a district that had at least 60,000 pupils in membership for the immediately preceding fiscal year.

(12) "School fiscal year" means a fiscal year that commences July 1 and continues through June 30.

(13) "State board" means the state board of education.

(14) "Superintendent", unless the context clearly refers to a district or intermediate district superintendent, means the superintendent of public instruction described in section 3 of article VIII of the state constitution of 1963.

(15) "Supplemental count day" means the day on which the supplemental pupil count is conducted under section 6a.

(16) "Tuition pupil" means a pupil of school age attending school in a district other than the pupil's district of residence for whom tuition may be charged. Tuition pupil does not include a pupil who is a special education pupil or a pupil described in subsection (6)(c) to (m). A pupil's district of residence shall not require a high school tuition pupil, as provided under section 111, to attend another school district after the pupil has been assigned to a school district.

(17) "State school aid fund" means the state school aid fund established in section 11 of article IX of the state constitution of 1963.

(18) "Taxable value" means the taxable value of property as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(19) "Textbook" means a book that is selected and approved by the governing board of a district and that contains a presentation of principles of a subject, or that is a literary work relevant to the study of a subject required for the use of classroom pupils, or another type of course material that forms the basis of classroom instruction.

(20) "Total state aid" or "total state school aid" means the total combined amount of all funds due to a district, intermediate district, or other entity under all of the provisions of this act.

(21) "University school" means an instructional program operated by a public university under section 23 that meets the requirements of section 23.

Sec. 11. (1) For the fiscal year ending September 30, 2010, there is appropriated for the public schools of this state and certain other state purposes relating to education the sum of \$10,793,954,100.00 from the state school aid fund established by section 11 of article IX of the state constitution of 1963 and the sum of \$31,800,000.00 from the general fund. For the fiscal year ending September 30, 2010, there is also appropriated the sum of \$450,000,000.00 from the federal funding awarded to this state under title XIV of the American recovery and reinvestment act of 2009, Public Law 111-5, to be used solely for the purpose of funding the primary funding formula calculated under section 20, in accordance with federal law. In addition, **ANY MONEY RECEIVED BY THIS STATE FROM THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, KNOWN AS THE "RACE TO THE TOP" GRANT PROGRAM, AND ALL** other available federal funds are appropriated for the fiscal year ending September 30, 2010.

(2) The appropriations under this section shall be allocated as provided in this act. Money appropriated under this section from the general fund shall be expended to fund the purposes of this act before the expenditure of money appropriated under this section from the state school aid fund. If the maximum amount appropriated under this section from the state school aid fund for a fiscal year exceeds the amount necessary to fully fund allocations under this act from the state school aid fund, that excess amount shall not be expended in that state fiscal year and shall not lapse to the general fund, but instead shall be deposited into the school aid stabilization fund created in section 11a.

(3) If the maximum amount appropriated under this section from the state school aid fund and the school aid stabilization fund for a fiscal year exceeds the amount available for expenditure from the state school aid fund for that fiscal year, payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, 53a, and 56 shall be made in full. In addition, for districts beginning operations after 1994-95 that qualify for payments under section 22b, payments under section 22b shall be made so that the qualifying districts receive the lesser of an amount equal to the 1994-95 foundation allowance of the district in which the district beginning operations after 1994-95 is located or \$5,500.00. The amount of the payment to be made under section 22b for these qualifying districts shall be as calculated under section 22a, with the balance of the payment under section 22b being subject to the proration otherwise provided under this subsection and subsection (4). If proration is necessary, state payments under each of the other sections of this act from all state funding sources shall be prorated in the manner prescribed in subsection (4) as necessary to reflect the amount available for expenditure from the state school aid fund for the affected fiscal year. However, if the department of treasury determines that proration will be required under this subsection, or if the department of treasury determines that further proration is required under this subsection after an initial proration has already been made for a fiscal year, the department of treasury shall notify the state budget director, and the state budget director shall notify the legislature at least 30 calendar days or 6 legislative session days, whichever is more, before the department reduces any payments under this act because of the proration. During the 30 calendar day or 6 legislative session day period after that notification by the state budget director, the department shall not reduce any payments under this act because of proration under this subsection. The legislature may prevent proration from occurring by, within the 30 calendar day or 6 legislative session day period after that notification by the state budget director, enacting legislation appropriating additional funds from the general fund, countercyclical budget and economic stabilization fund, state school aid fund balance, or another source to fund the amount of the projected shortfall.

(4) If proration is necessary under subsection (3), the department shall calculate the proration in district and intermediate district payments that is required under subsection (3) as follows:

(a) The department shall calculate the percentage of total state school aid allocated under this act for the affected fiscal year for each of the following:

(i) Districts.

(ii) Intermediate districts.

(iii) Entities other than districts or intermediate districts.

(b) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(i) for districts by reducing payments to districts. This reduction shall be made by calculating an equal dollar amount per pupil as necessary to recover this percentage of the proration amount and reducing each district's total state school aid from state sources, other than payments under sections 11f, 11g, 11j, 22a, 26a, 26b, 31d, 31f, 51a(2), 51a(12), 51c, and 53a, by that amount.

(c) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(ii) for intermediate districts by reducing payments to intermediate districts. This reduction shall be made by reducing the payments to each intermediate district, other than payments under sections 11f, 11g, 26a, 26b, 51a(2), 51a(12), 53a, and 56, on an equal percentage basis.

(d) The department shall recover a percentage of the proration amount required under subsection (3) that is equal to the percentage calculated under subdivision (a)(iii) for entities other than districts and intermediate districts by reducing payments to these entities. This reduction shall be made by reducing the payments to each of these entities, other than payments under sections 11j, 26a, and 26b, on an equal percentage basis.

(5) Except for the allocation under section 26a, any general fund allocations under this act that are not expended by the end of the state fiscal year are transferred to the school aid stabilization fund created under section 11a.

Sec. 94a. (1) There is created within the office of the state budget director in the department of management and budget the center for educational performance and information. The center shall do all of the following:

(a) Coordinate the collection of all data required by state and federal law from all entities receiving funds under this act.

(b) Collect data in the most efficient manner possible in order to reduce the administrative burden on reporting entities.

(c) Establish procedures to ensure the reasonable validity and reliability of the data and the collection process.

(d) Develop state and model local data collection policies, including, but not limited to, policies that ensure the privacy of individual student data. State privacy policies shall ensure that student social security numbers are not released to the public for any purpose.

(e) Provide data in a useful manner to allow state and local policymakers to make informed policy decisions.

(f) Provide reports to the citizens of this state to allow them to assess allocation of resources and the return on their investment in the education system of this state.

(g) Assist all entities receiving funds under this act in complying with audits performed according to generally accepted accounting procedures.

(h) To the extent funding is available, coordinate the electronic exchange of student records using a unique identification numbering system among entities receiving funds under this act and postsecondary institutions for students participating in public education programs from preschool through postsecondary education.

**(I) IN COOPERATION WITH THE DEPARTMENT, CREATE AND IMPLEMENT A TEACHER IDENTIFIER SYSTEM WITH THE ABILITY TO MATCH AN INDIVIDUAL TEACHER TO INDIVIDUAL PUPILS THE TEACHER HAS TAUGHT. SUBJECT TO APPLICABLE LAW REGARDING STUDENT PRIVACY, THE SYSTEM SHALL DO ALL OF THE FOLLOWING:**

**(i) MAKE ACCESSIBLE ANNUAL STATE ASSESSMENT RECORDS OF INDIVIDUAL PUPILS.**

**(ii) ENABLE INDIVIDUAL PUPIL ACADEMIC ACHIEVEMENT DATA, INCLUDING GROWTH IN ACADEMIC ACHIEVEMENT, TO BE CORRELATED TO EACH TEACHER WHO HAS TAUGHT THE PUPIL.**

**(iii) ENABLE SCHOOL BOARD MEMBERS, TEACHERS, AND SCHOOL ADMINISTRATORS TO HAVE ACCESS TO THE DATA SO THEY CAN MAKE INFORMED DECISIONS IN ORDER TO IMPROVE INSTRUCTION AND PUPIL ACHIEVEMENT.**

**(J) (i) Other functions as assigned by the state budget director.**

(2) Each state department, officer, or agency that collects information from districts or intermediate districts as required under state or federal law shall make arrangements with the center, and with the districts or intermediate districts, to have the center collect the information and to provide it to the department, officer, or agency as necessary. To the extent that it does not cause financial hardship, the center shall arrange to collect the information in a manner that allows electronic submission of the information to the center. Each affected state department, officer, or agency shall provide the center with any details necessary for the center to collect information as provided under this subsection. This subsection does not apply to information collected by the department of treasury under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; the school bond qualification, approval, and loan act, 2005 PA 92, MCL 388.1921 to 388.1939; or section 1351a of the revised school code, MCL 380.1351a.

(3) The state budget director shall appoint a CEPI advisory committee, consisting of the following members:

(a) One representative from the house fiscal agency.

(b) One representative from the senate fiscal agency.

(c) One representative from the office of the state budget director.

(d) One representative from the state education agency.

(e) One representative each from the department of energy, labor, and economic growth and the department of treasury.

(f) Three representatives from intermediate school districts.

(g) One representative from each of the following educational organizations:

(i) Michigan association of school boards.

- (ii) Michigan association of school administrators.
  - (iii) Michigan school business officials.
  - (h) One representative representing private sector firms responsible for auditing school records.
  - (i) Other representatives as the state budget director determines are necessary.
  - (4) The CEPI advisory committee appointed under subsection (3) shall provide advice to the director of the center regarding the management of the center's data collection activities, including, but not limited to:
    - (a) Determining what data is necessary to collect and maintain in order to perform the center's functions in the most efficient manner possible.
    - (b) Defining the roles of all stakeholders in the data collection system.
    - (c) Recommending timelines for the implementation and ongoing collection of data.
    - (d) Establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data.
    - (e) Establishing and maintaining a process for ensuring the reasonable accuracy of the data.
    - (f) Establishing and maintaining state and model local policies related to data collection, including, but not limited to, privacy policies related to individual student data.
    - (g) Ensuring the data is made available to state and local policymakers and citizens of this state in the most useful format possible.
    - (h) Other matters as determined by the state budget director or the director of the center.
  - (5) The center may enter into any interlocal agreements necessary to fulfill its functions.
  - (6) From the general fund appropriation in section 11, there is allocated an amount not to exceed \$3,486,100.00 for 2009-2010 to the department of management and budget to support the operations of the center and the development and implementation of a comprehensive longitudinal data collection management and reporting system that includes student-level data. The center shall cooperate with the state education agency to ensure that this state is in compliance with federal law and is maximizing opportunities for increased federal funding to improve education in this state. To the extent that funding under this section allows, the center shall collect data necessary to maximize federal funding under the American recovery and reinvestment act of 2009, Public Law 111-5, and other federal statutes, including data necessary to implement a P-20 longitudinal data system. In addition, from the federal funds appropriated in section 11 for 2009-2010, there is allocated the amount necessary, estimated at \$2,793,200.00, in order to fulfill federal reporting requirements.
  - (7) From the federal funds allocated in subsection (6), there is allocated for 2009-2010 an amount not to exceed \$750,000.00 funded from the competitive grants of DED-OESE, title II, educational technology funds for the purposes of this subsection. Not later than November 30, 2008, the department shall award a single grant to an eligible partnership that includes an intermediate district with at least 1 high-need local school district and the center.
  - (8) The center and the department shall work cooperatively to develop a cost allocation plan that pays for center expenses from the appropriate federal fund revenues.
  - (9) Funds allocated under this section that are not expended in the fiscal year in which they were allocated may be carried forward to a subsequent fiscal year.
  - (10) The center may bill departments as necessary in order to fulfill reporting requirements of state and federal law. The center may also enter into agreements to supply custom data, analysis, and reporting to other principal executive departments, state agencies, local units of government, and other individuals and organizations. The center may receive and expend funds in addition to those authorized in subsection (6) to cover the costs associated with salaries, benefits, supplies, materials, and equipment necessary to provide such data, analysis, and reporting services.
  - (11) As used in this section:
    - (a) "DED-OESE" means the United States department of education office of elementary and secondary education.
    - (b) "High-need local school district" means a local educational agency as defined in the enhancing education through technology part of the no child left behind act of 2001, Public Law 107-110.
    - (c) "State education agency" means the department.
- Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent shall submit to the center, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall submit to the center, in the form and manner prescribed by the center, the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the district shall certify the data in a form and manner prescribed by the center. If a district fails to submit and certify the attendance data, as required under this subsection, the center shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If a district does not comply with this subsection by the end of the fiscal year, the district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to submit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) ~~AN EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (11),~~ ALL of the following apply to the provision of pupil instruction:

(a) Except as otherwise provided in this section, each district shall provide at least 1,098 hours and, beginning in 2010-2011, the required minimum number of days of pupil instruction. For 2010-2011 and for 2011-2012, the required minimum number of days of pupil instruction is 165. Beginning in 2012-2013, the required minimum number of days of pupil instruction is 170. However, beginning in 2010-2011, a district shall not provide fewer days of pupil instruction than the district provided for 2009-2010. Except as otherwise provided in this act, a district failing to comply with the required minimum hours and days of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours or days the district was in noncompliance in relation to the required minimum number of hours and days under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours and, beginning in 2010-2011, days of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours and days of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6). Hours or days lost because of strikes or teachers' conferences shall not be counted as hours or days of pupil instruction. If a collective bargaining agreement that provides a complete school calendar is in effect for employees of a district as of the effective date of the 2009 amendatory act that amended this subsection, and if that school calendar is not in compliance with this subsection, then this subsection does not apply to that district until after the expiration of that collective bargaining agreement.

(b) Except as otherwise provided in subdivision (c), a district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage.

(c) Beginning in 2005-2006, at the request of a district that operates a department-approved alternative education program and that does not provide instruction for pupils in all of grades K to 12, the superintendent shall grant a waiver for a period of 3 school years from the requirements of subdivision (b) in order to conduct a pilot study. The waiver shall indicate that an eligible district is subject to the proration provisions of subdivision (b) only if the district does not have at least 50% of the district's membership in attendance on any day of pupil instruction. In order to be eligible for this waiver, a district must maintain records to substantiate its compliance with the following requirements during the pilot study:

(i) The district offers the minimum hours of pupil instruction as required under this section.

(ii) For each enrolled pupil, the district uses appropriate academic assessments to develop an individual education plan that leads to a high school diploma.

(iii) The district tests each pupil to determine academic progress at regular intervals and records the results of those tests in that pupil's individual education plan.

(d) The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 30 hours or 6 days for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours and days of pupil instruction. With the approval of the superintendent of public instruction, the department shall count as hours and days of pupil instruction for a fiscal year not more than 30 additional hours or 6 additional days for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours or days shall not be counted as hours or days of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours and days of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours and days of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours and days of pupil instruction under subsection (3) in a school year, including hours and days counted under subsection (4).

(7) In providing the minimum number of hours and days of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(i) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(ii) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) ~~THE EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (11), THE~~ department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours and days of pupil instruction requirement of subsection (3) for a department-approved alternative education program or another innovative program approved by the department. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver. If the district does not comply with the terms of the waiver, the amount of the forfeiture shall be calculated based upon a comparison of the number of hours and days of pupil instruction actually provided to the minimum number of hours and days of pupil instruction required under subsection (3).

(10) If at least 5 of the hours of professional development are provided online by the Michigan virtual university under section 98 or by another department-approved intermediate district provider of online professional development, a district may count up to 38 hours of qualifying professional development for teachers as hours of pupil instruction. However, if a collective bargaining agreement that provides more than 38 but not more than 51 hours of professional development for teachers is in effect for employees of a district as of October 1, 2006, then until the fiscal year that begins after the expiration of that collective bargaining agreement a district may count up to 51 hours of qualifying professional development for teachers, including the 5 hours of online professional development, as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

**(11) SUBSECTIONS (3) AND (8) DO NOT APPLY TO A SCHOOL OF EXCELLENCE THAT IS A CYBERSCHOOL, AS DEFINED IN SECTION 551 OF THE REVISED SCHOOL CODE, MCL 380.551, AND IS IN COMPLIANCE WITH SECTION 553A OF THE REVISED SCHOOL CODE, MCL 380.553A.**

**SEC. 166C. (1) THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT SHALL ENSURE THAT ALL TEACHERS AND PRINCIPALS WORKING IN ITS SCHOOLS AND INSTRUCTIONAL PROGRAMS HAVE**



**ADEQUATE ACCESS TO BASIC INSTRUCTIONAL SUPPLIES. FOR THE PURPOSES OF THIS SECTION, THE DEPARTMENT SHALL DEVELOP AND PUBLISH ON ITS WEBSITE A DEFINITION OF WHAT CONSTITUTES BASIC INSTRUCTIONAL SUPPLIES.**

**(2) IF A TEACHER OR PRINCIPAL DOES NOT HAVE ADEQUATE ACCESS TO BASIC INSTRUCTIONAL SUPPLIES, AS REQUIRED UNDER SUBSECTION (1), HE OR SHE MAY FILE A CLAIM WITH THE DEPARTMENT ASSERTING THE FAILURE OF THE DISTRICT OR INTERMEDIATE DISTRICT TO PROVIDE ADEQUATE ACCESS TO BASIC INSTRUCTIONAL SUPPLIES. TO FACILITATE THE FILING OF CLAIMS, THE DEPARTMENT SHALL ESTABLISH BOTH A TELEPHONE LINE AND AN ONLINE SYSTEM FOR FILING A CLAIM.**

**(3) SUBJECT TO SUBSECTION (4), IF THE DEPARTMENT RECEIVES A CLAIM UNDER THIS SUBSECTION, THE DEPARTMENT SHALL CONTACT THE DISTRICT OR INTERMEDIATE DISTRICT IN WHICH THE TEACHER OR PRINCIPAL IS EMPLOYED TO PROVIDE NOTIFICATION OF THE CLAIM. WITHIN 3 BUSINESS DAYS AFTER RECEIVING THIS NOTIFICATION, THE DISTRICT OR INTERMEDIATE DISTRICT SHALL EITHER PROVIDE TO THE TEACHER OR PRINCIPAL ADEQUATE ACCESS TO BASIC INSTRUCTIONAL SUPPLIES OR PROVIDE TO THE TEACHER OR PRINCIPAL AND THE DEPARTMENT A WRITTEN PLAN FOR APPROPRIATE CORRECTIVE ACTION. IF THE DEPARTMENT IS NOT SATISFIED WITH THE RESPONSE OF THE DISTRICT OR INTERMEDIATE DISTRICT, THE DEPARTMENT MAY ELECT TO TAKE CORRECTIVE ACTION, INCLUDING, BUT NOT LIMITED TO, 1 OR MORE OF THE FOLLOWING:**

**(A) INVESTIGATE AND REQUEST FURTHER CLARIFICATION OF THE RESPONSE FROM THE DISTRICT OR INTERMEDIATE DISTRICT.**

**(B) WITHHOLD A PORTION OF THE TOTAL FUNDS DUE TO THE DISTRICT OR INTERMEDIATE DISTRICT UNDER THIS ACT AND USE THAT MONEY TO PROCURE AND MAKE AVAILABLE AN INTERIM AMOUNT OF BASIC INSTRUCTIONAL SUPPLIES FOR USE BY THE TEACHERS OR PRINCIPALS IN THE DISTRICT OR INTERMEDIATE DISTRICT THAT FILED CLAIMS UNDER THIS SECTION AND WHOSE CLAIMS WERE NOT ADEQUATELY ADDRESSED, AS DETERMINED BY THE DEPARTMENT.**

**(4) IF THE DEPARTMENT DOES NOT HAVE SUFFICIENT RESOURCES TO ADDRESS ALL CLAIMS UNDER THIS SECTION, THE DEPARTMENT MAY PRIORITIZE CLAIMS BASED ON NEED.**

**(5) THE BOARD OF A DISTRICT OR INTERMEDIATE DISTRICT SHALL ENSURE THAT A TEACHER OR PRINCIPAL WHO FILES A CLAIM WITH THE DEPARTMENT UNDER THIS SECTION IS NOT SUBJECT TO ANY ADVERSE TREATMENT FOR FILING THE CLAIM.**

**(6) FAILURE OF A DISTRICT OR INTERMEDIATE DISTRICT TO MEET THE REQUIREMENTS OF THIS SECTION DOES NOT CREATE A CAUSE OF ACTION OR CONSTITUTE A BREACH OF ANY LEGAL DUTY IN A CIVIL ACTION.**

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) Senate Bill No. 981.
- (b) House Bill No. 4787.
- (c) House Bill No. 4788.
- (d) House Bill No. 5596.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 6, 11, 94a, and 101 (MCL 388.1606, 388.1611, 388.1694a, and 388.1701), section 6 as amended by 2009 PA 187 and sections 11, 94a, and 101 as amended by 2009 PA 121, and by adding section 166c.

Wayne Kuipers  
Gerald Van Woerkom  
Samuel Buzz Thomas III  
Conferees for the Senate

Tim Melton  
Douglas Geiss  
Phillip Pavlov  
Conferees for the House

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 750****Yeas—24**

Allen	George	Jansen	Richardville
Birkholz	Gilbert	Kahn	Sanborn
Bishop	Gleason	Kuipers	Stamas
Brown	Hardiman	McManus	Switalski
Cassis	Hunter	Nofs	Thomas
Cropsey	Jacobs	Pappageorge	Van Woerkom

**Nays—7**

Anderson	Clark-Coleman	Olshove	Whitmer
Cherry	Clarke	Prusi	

**Excused—7**

Barcia	Brater	Jelinek	Scott
Basham	Garcia	Patterson	

**Not Voting—0**

In The Chair: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect, Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The recommendation was concurred in, 2/3 of the members serving voting therefor, as follows:

**Roll Call No. 751****Yeas—26**

Allen	George	Kahn	Sanborn
Birkholz	Gilbert	Kuipers	Stamas
Bishop	Gleason	McManus	Switalski
Brown	Hardiman	Nofs	Thomas
Cassis	Hunter	Pappageorge	Van Woerkom
Cherry	Jacobs	Richardville	Whitmer
Cropsey	Jansen		

**Nays—3**

Anderson	Olshove	Prusi
----------	---------	-------

**Excused—7**

Barcia	Brater	Jelinek	Scott
Basham	Garcia	Patterson	

**Not Voting—2**

Clark-Coleman

Clarke

In The Chair: Richardville

Senator Kuipers submitted the following:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**Senate Bill No. 981, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 449, 504, 507, 1246, 1280, and 1536 (MCL 380.449, 380.504, 380.507, 380.1246, 380.1280, and 380.1536), section 449 as amended by 2004 PA 303, section 504 as amended by 2008 PA 1, section 507 as amended by 1995 PA 289, section 1246 as amended by 2004 PA 148, section 1280 as amended by 2006 PA 123, and section 1536 as added by 2006 PA 335, and by adding sections 11c, 1249, 1280c, and 1280d.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 5, 6, 502, 503, 504, 507, 522, 523, 524, 1246, 1250, 1278a, 1311e, 1536, and 1701a (MCL 380.5, 380.6, 380.502, 380.503, 380.504, 380.507, 380.522, 380.523, 380.524, 380.1246, 380.1250, 380.1278a, 380.1311e, 380.1536, and 380.1701a), section 5 as amended by 2005 PA 61, sections 6, 504, and 1701a as amended by 2008 PA 1, sections 502 and 507 as amended and section 1250 as added by 1995 PA 289, section 503 as amended by 2003 PA 299, sections 522, 523, and 524 as added by 2003 PA 179, section 1246 as amended by 2004 PA 148, section 1278a as amended by 2008 PA 316, section 1311e as added by 1999 PA 23, and section 1536 as added by 2006 PA 335, and by adding sections 502a and 1249 and part 6e.

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

Sec. 5. (1) "Local act school district" or "special act school district" means a district governed by a special or local act or chapter of a local act. "Local school district" and "local school district board" as used in article 3 include a local act school district and a local act school district board.

(2) "Membership" means the number of full-time equivalent pupils in a public school as determined by the number of pupils registered for attendance plus pupils received by transfer and minus pupils lost as defined by rules promulgated by the state board.

(3) "Michigan election law" means the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(4) "Nonpublic school" means a private, denominational, or parochial school.

(5) "Objectives" means measurable pupil academic skills and knowledge.

(6) "Public school" means a public elementary or secondary educational entity or agency that is established under this act, has as its primary mission the teaching and learning of academic and vocational-technical skills and knowledge, and is operated by a school district, local act school district, special act school district, intermediate school district, **SCHOOL OF EXCELLENCE**, public school academy corporation, strict discipline academy corporation, urban high school academy corporation, or by the department or state board. Public school also includes a laboratory school or other elementary or secondary school that is controlled and operated by a state public university described in section 4, 5, or 6 of article VIII of the state constitution of 1963.

(7) "Public school academy" means a public school academy established under part 6a and, except as used in part 6a, also includes an urban high school academy established under part 6c, **A SCHOOL OF EXCELLENCE ESTABLISHED UNDER PART 6E**, and a strict discipline academy established under sections 1311b to 1311f.

(8) "Pupil membership count day" of a school district means that term as defined in section 6 of the state school aid act of 1979, MCL 388.1606.

(9) "Regular school election" or "regular election" means the election held in a school district, local act school district, or intermediate school district to elect a school board member in the regular course of the terms of that office and held on the school district's regular election date as determined under section 642 or 642a of the Michigan election law, MCL 168.642 and 168.642a.

(10) "Reorganized intermediate school district" means an intermediate school district formed by consolidation or annexation of 2 or more intermediate school districts under sections 701 and 702.

(11) “Rule” means a rule promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Sec. 6. (1) “School district” or “local school district” means a general powers school district organized under this act, regardless of previous classification, or a school district of the first class.

(2) “School district filing official” means the school district election coordinator as defined in section 4 of the Michigan election law, MCL 168.4, or an authorized agent of the school district election coordinator.

(3) “School elector” means a person qualified as an elector under section 492 of the Michigan election law, MCL 168.492, and resident of the school district or intermediate school district on or before the thirtieth day before the next ensuing regular or special school election.

(4) “School month” means a 4-week period of 5 days each unless otherwise specified in the teacher’s contract.

**(5) “SCHOOL OF EXCELLENCE” MEANS A SCHOOL OF EXCELLENCE ESTABLISHED UNDER PART 6E.**

(6) ~~(5)~~ “Special education building and equipment” means a structure or portion of a structure or personal property accepted, leased, purchased, or otherwise acquired, prepared, or used for special education programs and services.

(7) ~~(6)~~ “Special education personnel” means persons engaged in and having professional responsibility for students with a disability in special education programs and services including, but not limited to, teachers, aides, school social workers, diagnostic personnel, physical therapists, occupational therapists, audiologists, teachers of speech and language, instructional media-curriculum specialists, mobility specialists, teacher consultants, supervisors, and directors.

(8) ~~(7)~~ “Special education programs and services” means educational and training services designed for students with a disability and operated by local school districts, local act school districts, intermediate school districts, the Michigan schools for the deaf and blind, the department of community health, the department of human services, or a combination of these, and ancillary professional services for students with a disability rendered by agencies approved by the state board. The programs shall include vocational training, but need not include academic programs of college or university level.

(9) ~~(8)~~ “Special school election” or “special election” means a school district election to fill a vacancy on the school board or submit a ballot question to the school electors that is held on a regular election date established under section 641 of the Michigan election law, MCL 168.641.

(10) ~~(9)~~ “State approved nonpublic school” means a nonpublic school that complies with 1921 PA 302, MCL 388.551 to 388.558.

(11) ~~(10)~~ “State board” means the state board of education unless clearly otherwise stated.

(12) ~~(11)~~ “Student with a disability” means that term as defined in R 340.1702 of the Michigan administrative code.

(13) ~~(12)~~ “Department” means the department of education created and operating under sections 300 to 305 of the executive organization act of 1965, 1965 PA 380, MCL 16.400 to 16.405.

(14) ~~(13)~~ “State school aid” means allotments from the general appropriating act for the purpose of aiding in the support of the public schools of the state.

(15) ~~(14)~~ “The state school aid act of 1979” means the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

Sec. 502. (1) A public school academy shall be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors. A public school academy corporation shall be organized under the nonprofit corporation act, ~~Act No. 162 of the Public Acts of 1982, being sections 450.2101 to 450.3192 of the Michigan Compiled Laws 1982 PA 162, MCL 450.2101 TO 450.3192,~~ except that a public school academy corporation is not required to comply with sections 170 to 177 of ~~Act No. 327 of the Public Acts of 1931, being sections 450.170 to 450.177 of the Michigan Compiled Laws 1931 PA 327, MCL 450.170 TO 450.177.~~ To the extent disqualified under the state or federal constitution, a public school academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization.

(2) Any of the following may act as an authorizing body to issue a contract to organize and operate 1 or more public school academies under this part:

(a) The board of a school district that operates grades K to 12. However, the board of a school district shall not issue a contract for a public school academy to operate outside the school district’s boundaries, and a public school academy authorized by the board of a school district shall not operate outside that school district’s boundaries.

(b) An intermediate school board. However, the board of an intermediate school district shall not issue a contract for a public school academy to operate outside the intermediate school district’s boundaries, and a public school academy authorized by the board of an intermediate school district shall not operate outside that intermediate school district’s boundaries.

(c) The board of a community college. However, except as otherwise provided in this subdivision, the board of a community college shall not issue a contract for a public school academy to operate in a school district organized as a school district of the first class, a public school academy authorized by the board of a community college shall not operate in a school district organized as a school district of the first class, the board of a community college shall not issue a contract for a public school academy to operate outside the boundaries of the community college district, and a public school academy authorized by the board of a community college shall not operate outside the boundaries of the community college district. The board of a community college also may issue a contract for not more than 1 public school academy to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district, or may operate a public

school academy itself on the grounds of such a federal military installation, if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years.

(d) The governing board of a state public university. However, the combined total number of contracts for public school academies issued by all state public universities shall not exceed ~~85 through 1996, and, after the initial evaluation under section 501a, shall not exceed 100 through 1997, 125 through 1998, or 150 thereafter~~ **150**. Further, the total number of contracts issued by any 1 state public university shall not exceed ~~50 through 1996, and thereafter shall not exceed 50%~~ of the maximum combined total number that may be issued under this subdivision.

(3) To obtain a contract to organize and operate 1 or more public school academies, 1 or more persons or an entity may apply to an authorizing body described in subsection (2). The application shall include at least all of the following:

(a) Identification of the applicant for the contract.

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

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

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

(ii) The purposes for the public school academy corporation. This language shall provide that the public school academy is incorporated pursuant to this part and that the public school academy corporation is a governmental entity.

(iii) The name of the authorizing body.

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

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

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

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

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

(ii) A copy of the educational goals of the public school academy and the curricula to be offered and methods of pupil assessment to be used by the public school academy. To the extent applicable, the progress of the pupils in the public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or ~~an assessment instrument developed under section 1279 for a state-endorsed high school diploma~~ **THE MICHIGAN MERIT EXAMINATION, AS APPLICABLE**.

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

(iv) The school calendar and school day schedule.

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

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

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

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

(i) For a public school academy authorized by a school district, an assurance that employees of the public school academy will be covered by the collective bargaining agreements that apply to other employees of the school district employed in similar classifications in schools that are not public school academies.

(j) A description of and address for the proposed physical plant in which the public school academy will be located.

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

(5) If the ~~state board~~ **SUPERINTENDENT OF A PUBLIC INSTRUCTION** finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more public school academies operating under a contract issued by the authorizing body, the ~~state board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION** may suspend the power of the authorizing body to issue new contracts to organize and operate public school academies. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension.

(6) An authorizing body shall not charge a fee, or require reimbursement of expenses, for considering an application for a contract, for issuing a contract, or for providing oversight of a contract for a public school academy in an amount that exceeds a combined total of 3% of the total state school aid received by the public school academy in the school year in which the fees or expenses are charged. An authorizing body may provide other services for a public school academy and charge a fee for those services, but shall not require such an arrangement as a condition to issuing the contract authorizing the public school academy.

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

**SEC. 502A. IF A PUBLIC SCHOOL ACADEMY OPERATING UNDER THIS PART MEETS THE REQUIREMENTS OF PART 6E, WITH THE APPROVAL OF ITS AUTHORIZING BODY, THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY MAY ADOPT A RESOLUTION CHOOSING TO CONVERT THE PUBLIC SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE UNDER PART 6E. IF A BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY THAT MEETS THE REQUIREMENTS OF PART 6E IS ISSUED A CONTRACT TO OPERATE AS A SCHOOL OF EXCELLENCE UNDER PART 6E, ALL OF THE FOLLOWING APPLY:**

**(A) THE PUBLIC SCHOOL ACADEMY SHALL CEASE TO OPERATE AS A PUBLIC SCHOOL ACADEMY UNDER THIS PART AND SHALL OPERATE AS A SCHOOL OF EXCELLENCE UNDER PART 6E UPON THE ISSUANCE OF THE CONTRACT UNDER PART 6E OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY.**

**(B) THE PUBLIC SCHOOL ACADEMY SHALL BE CONSIDERED TO BE A SCHOOL OF EXCELLENCE FOR ALL PURPOSES UPON THE ISSUANCE OF THE CONTRACT UNDER PART 6E OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY, BUT SHALL RETAIN ITS CORPORATE IDENTITY.**

**(C) THE CONVERSION OF A PUBLIC SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE OPERATING UNDER PART 6E SHALL NOT IMPAIR ANY AGREEMENT, MORTGAGE, LOAN, BOND, NOTE OR OTHER INSTRUMENT OF INDEBTEDNESS, OR ANY OTHER AGREEMENT ENTERED INTO BY A PUBLIC SCHOOL ACADEMY WHILE IT WAS OPERATING UNDER THIS PART.**

**(D) THE CONTRACT ISSUED TO THE PUBLIC SCHOOL ACADEMY UNDER THIS PART SHALL AUTOMATICALLY TERMINATE UPON THE ISSUANCE OF A CONTRACT UNDER PART 6E OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY.**

**(E) IF THE AUTHORIZING BODY OF THE PUBLIC SCHOOL ACADEMY IS THE GOVERNING BOARD OF A STATE UNIVERSITY, THEN ALL OF THE FOLLOWING APPLY TO ISSUANCE OF A NEW CONTRACT FOR A PUBLIC SCHOOL ACADEMY UNDER THIS PART AFTER THE CONVERSION:**

**(i) FOR A PERIOD OF 12 MONTHS AFTER THE CONTRACT IS ISSUED UNDER PART 6E, THAT AUTHORIZING BODY IS THE ONLY AUTHORIZING BODY THAT MAY ISSUE A NEW CONTRACT FOR A NEW PUBLIC SCHOOL ACADEMY TO FILL THE AVAILABILITY UNDER SECTION 502(D) THAT IS CREATED BY THE CONVERSION OF THE PUBLIC SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE.**

**(ii) IF THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY THAT IS ISSUED A CONTRACT TO FILL THE AVAILABILITY UNDER SECTION 502(D) THAT IS CREATED BY THE CONVERSION CHOOSES TO ENTER INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO MANAGE OR OPERATE THE PUBLIC SCHOOL ACADEMY, THE BOARD OF DIRECTORS MAY GIVE PREFERENCE TO AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT HAS PREVIOUSLY OPERATED A SCHOOL THAT MET THE CRITERIA DESCRIBED IN SECTION 552(4).**

**(iii) AT THE TIME THE CONTRACT IS ISSUED, THE PUBLIC SCHOOL ACADEMY SHALL NOT BE LOCATED IN A SCHOOL DISTRICT THAT HAS A GRADUATION RATE OF OVER 75.5%, ON AVERAGE, FOR THE MOST RECENT 3 SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE, AS DETERMINED BY THE DEPARTMENT.**

**Sec. 503. (1) An authorizing body is not required to issue a contract to any person or entity. Public school academy contracts shall be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy, AND THE APPLICANT'S TRACK RECORD, IF ANY, IN OPERATING PUBLIC SCHOOL ACADEMIES OR OTHER PUBLIC SCHOOLS. HOWEVER, AN AUTHORIZING BODY MAY GIVE PRIORITY TO A PUBLIC SCHOOL ACADEMY THAT IS INTENDED TO REPLACE A PUBLIC SCHOOL ACADEMY THAT HAS BEEN CLOSED PURSUANT TO SECTION 507(2), THAT WILL OPERATE ALL OF THE SAME GRADE LEVELS AS THE PUBLIC SCHOOL ACADEMY THAT HAS BEEN CLOSED, AND THAT WILL WORK TOWARD OPERATING ALL OF GRADES 9 TO 12 WITHIN 6 YEARS AFTER IT BEGINS OPERATIONS UNLESS A MATRICULATION AGREEMENT HAS BEEN ENTERED INTO WITH ANOTHER PUBLIC SCHOOL THAT PROVIDES GRADES 9 TO 12.**

**(2) If a person or entity applies to the board of a school district for a contract to organize and operate 1 or more public school academies within the boundaries of the school district and the board does not issue the contract, the person or entity may petition the board to place the question of issuing the contract on the ballot to be decided by the school electors of the school district. The petition shall contain all of the information required to be in the contract application under section 502 and shall be signed by a number of school electors of the school district equal to at least 15% of the total number of school electors of that school district. The petition shall be filed with the school district filing official. If the board receives a petition meeting the requirements of this subsection, the board shall have the question of issuing the contract placed on the ballot at its next regular school election held at least 60 days after receiving the petition. If a majority of the school electors of the school district voting on the question vote to issue the contract, the board shall issue the contract.**

(3) Within 10 days after issuing a contract for a public school academy, the authorizing body shall submit to the superintendent of public instruction a copy of the contract and of the application under section 502.

(4) An authorizing body shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each public school academy subject to its jurisdiction.

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

(a) The educational goals the public school academy is to achieve and the methods by which it will be held accountable. To the extent applicable, the pupil performance of a public school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or ~~an assessment instrument developed under section 1279~~ **THE MICHIGAN MERIT EXAMINATION, AS APPLICABLE.**

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

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

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

(e) For a public school academy authorized by a school district, an agreement that employees of the public school academy will be covered by the collective bargaining agreements that apply to employees of the school district employed in similar classifications in schools that are not public school academies.

(f) Procedures for revoking the contract and grounds for revoking the contract, including at least the grounds listed in section 507.

(g) A description of and address for the proposed physical plant in which the public school academy will be located. **AT THE TIME THE CONTRACT IS ISSUED FOR A PUBLIC SCHOOL ACADEMY UNDER SECTION 502A, THE PUBLIC SCHOOL ACADEMY SHALL NOT BE LOCATED IN A SCHOOL DISTRICT THAT HAS A GRADUATION RATE OF OVER 75.5%, ON AVERAGE, FOR THE MOST RECENT 3 SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE, AS DETERMINED BY THE DEPARTMENT.**

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

**(I) THE TERM OF THE CONTRACT AND A DESCRIPTION OF THE PROCESS AND STANDARDS FOR RENEWAL OF THE CONTRACT AT THE END OF THE TERM. THE STANDARDS FOR RENEWAL SHALL INCLUDE STUDENT GROWTH AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA AS A SIGNIFICANT FACTOR IN THE DECISION OF WHETHER OR NOT TO RENEW THE CONTRACT.**

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

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

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

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

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

(e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

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

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

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

Sec. 504. (1) A public school academy may be located in all or part of an existing public school building. A public school academy shall not operate at a site other than the single site requested for the configuration of grades that will use the site, as specified in the application required under section 502 and in the contract.

(2) A public school academy shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district **AND MAY GIVE ENROLLMENT PRIORITY AS PROVIDED IN SUBSECTION (4).**

(3) Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a resident of this state. Enrollment in the public school academy may be open to all individuals who reside in this state who meet the admission policy and shall be open to all pupils who reside within the geographic boundaries, if any, of the authorizing body as described in section 502(2)(a) to (c) who meet the admission policy, except that admission to a public school academy authorized by the board of a community college to operate, or operated by the board of a community college, on the grounds of a federal military installation, as described in section 502(2)(c), shall be open to all pupils who reside in the county in which the federal military installation is located. For a public school academy authorized by a state public university, enrollment shall be open to all pupils who reside in this state who meet the admission policy. ~~IF SUBJECT TO SUBSECTION (4), IF~~ there are more applications to enroll in the public school academy than there are spaces available, pupils shall be selected to ~~attend~~ **ENROLL** using a random selection process. ~~However, a public school academy may give enrollment priority to a sibling of a pupil enrolled in the public school academy.~~ A public school academy shall allow any pupil who was enrolled in the public school academy in the immediately preceding school year to enroll in the public school academy in the appropriate grade unless the appropriate grade is not offered at that public school academy.

**(4) A PUBLIC SCHOOL ACADEMY MAY GIVE ENROLLMENT PRIORITY TO 1 OR MORE OF THE FOLLOWING:**

**(A) A SIBLING OF A PUPIL ENROLLED IN THE PUBLIC SCHOOL ACADEMY.**

**(B) A PUPIL WHO TRANSFERS TO THE PUBLIC SCHOOL ACADEMY FROM ANOTHER PUBLIC SCHOOL ACADEMY PURSUANT TO A MATRICULATION AGREEMENT BETWEEN THE PUBLIC SCHOOL ACADEMIES THAT PROVIDES FOR THIS ENROLLMENT PRIORITY, IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:**

**(C) EACH PUBLIC SCHOOL ACADEMY THAT ENTERS INTO THE MATRICULATION AGREEMENT REMAINS A SEPARATE AND INDEPENDENT PUBLIC SCHOOL ACADEMY.**

**(D) THE PUBLIC SCHOOL ACADEMY THAT GIVES THE ENROLLMENT PRIORITY SELECTS AT LEAST 5% OF ITS PUPILS FOR ENROLLMENT USING A RANDOM SELECTION PROCESS.**

**(E) THE MATRICULATION AGREEMENT ALLOWS ANY PUPIL WHO WAS ENROLLED AT ANY TIME DURING ELEMENTARY SCHOOL IN A PUBLIC SCHOOL ACADEMY THAT IS PARTY TO THE MATRICULATION AGREEMENT AND WHO WAS NOT EXPELLED FROM THE PUBLIC SCHOOL ACADEMY TO ENROLL IN THE PUBLIC SCHOOL ACADEMY GIVING ENROLLMENT PRIORITY UNDER THE MATRICULATION AGREEMENT.**

~~(5)~~ (4) A public school academy may include any grade up to grade 12 or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract. If specified in its contract, a public school academy may also operate an adult basic education program, adult high school completion program, or general education development testing preparation program. The authorizing body may approve amendment of a contract with respect to ages of pupils or grades offered.

Sec. 507. (1) The authorizing body for a public school academy is the fiscal agent for the public school academy. A state school aid payment for a public school academy shall be paid to the authorizing body that is the fiscal agent for that public school academy, which shall then forward the payment to the public school academy. An authorizing body has the responsibility to oversee a public school academy's compliance with the contract and all applicable law. A contract issued under this part may be revoked by the authorizing body that issued the contract if the authorizing body determines that 1 or more of the following has occurred:

(a) Failure of the public school academy to abide by and meet the educational goals set forth in the contract.

(b) Failure of the public school academy to comply with all applicable law.

(c) Failure of the public school academy to meet generally accepted public sector accounting principles.

(d) The existence of 1 or more other grounds for revocation as specified in the contract.

**(2) EXCEPT FOR A PUBLIC SCHOOL ACADEMY THAT IS AN ALTERNATIVE SCHOOL SERVING A SPECIAL STUDENT POPULATION, IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES THAT A PUBLIC SCHOOL ACADEMY THAT HAS BEEN OPERATING FOR AT LEAST 4 YEARS IS AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, AS DEFINED FOR THE PURPOSES OF THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, AND IS IN YEAR 2 OF RESTRUCTURING SANCTIONS UNDER THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110, NOT TO INCLUDE THE INDIVIDUALIZED EDUCATION PLAN SUBGROUP, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL NOTIFY THE PUBLIC SCHOOL ACADEMY'S AUTHORIZING BODY. IF AN AUTHORIZING BODY RECEIVES NOTICE FROM THE SUPERINTENDENT OF PUBLIC INSTRUCTION UNDER THIS SUBSECTION, THE AUTHORIZING BODY SHALL REVOKE THE PUBLIC SCHOOL ACADEMY'S CONTRACT AND THE PUBLIC SCHOOL ACADEMY SHALL BE CLOSED, EFFECTIVE AT THE END OF THE CURRENT SCHOOL YEAR.**

~~(3)~~ (2) ~~The~~ EXCEPT FOR A CONTRACT ISSUED BY A SCHOOL DISTRICT PURSUANT TO A VOTE BY THE SCHOOL ELECTORS ON A BALLOT QUESTION UNDER SECTION 503(2), THE decision of an authorizing body to



revoke a contract under this section is solely within the discretion of the authorizing body, is final, and is not subject to review by a court or any state agency.

(4) An authorizing body that revokes a contract under this section is not liable for that action to the public school academy, public school academy corporation, a pupil of the public school academy, the parent or guardian of a pupil of the public school academy, or any other person.

Sec. 522. (1) An urban high school academy shall be organized and administered under the direction of a board of directors in accordance with this part and with bylaws adopted by the board of directors. An urban high school academy corporation shall be organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, except that an urban high school academy corporation is not required to comply with sections 170 to 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified under the state or federal constitution, an urban high school academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization.

(2) The governing board of a state public university may act as an authorizing body to issue a contract for the organization and operation of an urban high school academy under this part. Subject to section 524(1), not more than 15 contracts may be issued under this part. A contract issued under this part shall be for an urban high school academy that will be located in a school district of the first class **COUNTY WITH A POPULATION OF AT LEAST 1,000,000**. An urban high school academy authorized under this part shall not operate outside the boundaries of a school district of the first class **COUNTY WITH A POPULATION OF AT LEAST 1,000,000**.

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

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

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

(b) Subject to the resolution adopted by the authorizing body under section 528, a list of the proposed members of the board of directors of the urban high school academy and a description of the qualifications and method for appointment or election of members of the board of directors.

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

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

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

(iii) The name of the authorizing body.

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

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

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

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

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

(ii) A copy of the educational goals of the urban high school academy and the curricula to be offered and methods of pupil assessment to be used by the urban high school academy. To the extent applicable, the progress of the pupils in the urban high school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279.

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

(iv) The school calendar and school day schedule.

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

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

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

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

(6) If the state board finds that an authorizing body is not engaging in appropriate continuing oversight of 1 or more urban high school academies operating under a contract issued by the authorizing body, the state board by unanimous vote may suspend the power of the authorizing body to issue new contracts to organize and operate urban high school academies. A

contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension.

(7) An authorizing body shall not charge a fee, or require reimbursement of expenses, for considering an application for a contract, for issuing a contract, or for providing oversight of a contract for an urban high school academy in an amount that exceeds a combined total of 3% of the total state school aid received by the urban high school academy in the school year in which the fees or expenses are charged. All of the following apply to this fee:

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

(i) Considering applications and issuing or administering contracts.

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

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

(iv) Technical assistance to urban high school academies.

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

(vi) Evaluation of urban high school academy performance.

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

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

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

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

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

(a) The proposed school will operate at least all of grades 9 through 12 within 3 years after beginning operation.

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

(c) The proposed school has a stated goal of increasing high school graduation rates.

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

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

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

(a) The educational goals the urban high school academy is to achieve and the methods by which it will be held accountable. To the extent applicable, the pupil performance of an urban high school academy shall be assessed using at least a Michigan education assessment program (MEAP) test or ~~an assessment instrument developed under section 1279~~ **THE MICHIGAN MERIT EXAMINATION DEVELOPED UNDER SECTION 1279G, AS APPLICABLE**.

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) A current list of teachers working at the urban high school academy that includes their individual salaries; copies of the teaching certificates or permits of current teaching staff; and evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b for all teachers and administrators working at the urban high school academy.

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

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

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

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

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

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

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

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

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

(i) That the urban high school academy has made a reasonable effort to advertise its enrollment openings in a newspaper of general circulation in the intermediate school district in which the urban high school academy is located.

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

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

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

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

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

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

**(P) THE TERM OF THE CONTRACT AND A DESCRIPTION OF THE PROCESS AND STANDARDS FOR RENEWAL OF THE CONTRACT AT THE END OF THE TERM. THE STANDARDS FOR RENEWAL SHALL INCLUDE STUDENT GROWTH AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA AS A SIGNIFICANT FACTOR IN THE DECISION OF WHETHER OR NOT TO RENEW THE CONTRACT.**

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

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

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

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

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

(e) 1978 PA 566, MCL 15.181 to 15.185.

(f) 1968 PA 317, MCL 15.321 to 15.330.

(g) The uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

(h) The revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(i) The federal no child left behind act of 2001, Public Law 107-110, 115 Stat. 1425.

(j) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274, and 1280.

(4) An urban high school academy and its incorporators, board members, officers, employees, and volunteers have governmental immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An authorizing body and its board members, officers, and employees are immune from civil liability, both personally and professionally, for any acts or omissions in authorizing or

oversight of an urban high school academy if the authorizing body or the person acted or reasonably believed he or she acted within the authorizing body's or the person's scope of authority.

(5) An urban high school academy is exempt from all taxation on its earnings and property. Instruments of conveyance to or from an urban high school academy are exempt from all taxation, including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An urban high school academy may not levy ad valorem property taxes or any other tax for any purpose.

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

Sec. 524. (1) An urban high school academy may be located in all or part of an existing public school building. Except as otherwise provided in this subsection, an urban high school academy shall not operate at a site other than the single site requested for the configuration of grades that will use the site, as specified in the contract. However, an authorizing body may include a provision in the contract allowing an urban high school academy to operate the same configuration of grades at more than 1 site. If an urban high school academy operates the same configuration of grades at more than 1 site, each of those sites shall be considered to be operated under a separate contract, and the operation shall be equivalent to the issuance of a contract, for the purposes of the limitation in section 522(2) on the number of contracts that may be issued under this part. For the purposes of this subsection, if an urban high school academy operates classes at more than 1 location, the urban high school academy shall be considered to be operating at a single site if all of the locations are within a 1-mile radius of the urban high school academy's central administrative office and if the total number of pupils enrolled in any particular grade at all of the locations does not exceed ~~125~~ **135**.

(2) An urban high school academy shall not charge tuition. Except as otherwise provided in this section, an urban high school academy shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis that would be illegal if used by a school district. However, an urban high school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district and may give enrollment priority as provided in subsection (4).

(3) Except for a foreign exchange student who is not a United States citizen, an urban high school academy shall not enroll a pupil who is not a resident of this state. Enrollment in an urban high school academy shall be open to all pupils who reside in this state who meet the admission policy. Subject to subsection (4), if there are more applications to enroll in the urban high school academy than there are spaces available, pupils shall be selected to attend using a random selection process. An urban high school academy shall allow any pupil who was enrolled in the urban high school academy in the immediately preceding school year to enroll in the urban high school academy in the appropriate grade unless the appropriate grade is not offered at that urban high school academy.

(4) An urban high school academy may give enrollment priority to 1 or more of the following:

(a) A sibling of a pupil enrolled in the urban high school academy.

(b) A child of a person who is employed by or at the urban high school academy or who is on the board of directors of the urban high school academy. As used in this subdivision, "child" includes an adopted child or a legal ward.

(5) Subject to the terms of the contract authorizing the urban high school academy, an urban high school academy shall include at least grades 9 through 12 within 5 years after beginning operations and may include other grades or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract. If specified in its contract, an urban high school academy may also operate an adult basic education program, adult high school completion program, or general education development testing preparation program.

#### **PART 6E**

#### **SCHOOLS OF EXCELLENCE**

**SEC. 551. (1) A SCHOOL OF EXCELLENCE IS A PUBLIC SCHOOL UNDER SECTION 2 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963, IS A SCHOOL DISTRICT FOR THE PURPOSES OF SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND FOR THE PURPOSES OF SECTION 1225 AND SECTION 1351A, AND IS SUBJECT TO THE LEADERSHIP AND GENERAL SUPERVISION OF THE STATE BOARD OVER ALL PUBLIC EDUCATION UNDER SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963. A SCHOOL OF EXCELLENCE IS A BODY CORPORATE AND IS A GOVERNMENTAL AGENCY. THE POWERS GRANTED TO A SCHOOL OF EXCELLENCE UNDER THIS PART CONSTITUTE THE PERFORMANCE OF ESSENTIAL PUBLIC PURPOSES AND GOVERNMENTAL FUNCTIONS OF THIS STATE.**

**(2) AS USED IN THIS PART:**

**(A) "AUTHORIZING BODY" MEANS ANY OF THE FOLLOWING THAT ISSUES A CONTRACT AS PROVIDED IN THIS PART:**

**(i) THE BOARD OF A SCHOOL DISTRICT THAT OPERATES GRADES K TO 12.**

(ii) AN INTERMEDIATE SCHOOL BOARD.

(iii) THE BOARD OF A COMMUNITY COLLEGE.

(iv) THE GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY.

(B) "CERTIFICATED TEACHER" MEANS AN INDIVIDUAL WHO HOLDS A VALID TEACHING CERTIFICATE ISSUED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION UNDER SECTION 1531.

(C) "COMMUNITY COLLEGE" MEANS A COMMUNITY COLLEGE ORGANIZED UNDER THE COMMUNITY COLLEGE ACT OF 1966, 1966 PA 331, MCL 389.1 TO 389.195, OR A FEDERAL TRIBALLY CONTROLLED COMMUNITY COLLEGE THAT IS RECOGNIZED UNDER THE TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE ACT OF 1978, PUBLIC LAW 95-471, AND IS DETERMINED BY THE DEPARTMENT TO MEET THE REQUIREMENTS FOR ACCREDITATION BY A RECOGNIZED REGIONAL ACCREDITING BODY.

(D) "CONTRACT" MEANS THE EXECUTIVE ACT TAKEN BY AN AUTHORIZING BODY THAT EVIDENCES THE AUTHORIZATION OF A SCHOOL OF EXCELLENCE AND THAT ESTABLISHES, SUBJECT TO THE CONSTITUTIONAL POWERS OF THE STATE BOARD AND APPLICABLE LAW, THE WRITTEN INSTRUMENT EXECUTED BY AN AUTHORIZING BODY CONFERRING CERTAIN RIGHTS, FRANCHISES, PRIVILEGES, AND OBLIGATIONS ON A SCHOOL OF EXCELLENCE, AS PROVIDED BY THIS PART, AND CONFIRMING THE STATUS OF A SCHOOL OF EXCELLENCE AS A PUBLIC SCHOOL IN THIS STATE.

(E) "CYBER SCHOOL" MEANS A SCHOOL OF EXCELLENCE ESTABLISHED UNDER THIS PART THAT HAS BEEN ISSUED A CONTRACT TO BE ORGANIZED AND OPERATED AS A CYBER SCHOOL UNDER SECTION 552(2) AND THAT PROVIDES FULL-TIME INSTRUCTION TO PUPILS THROUGH ONLINE LEARNING OR OTHERWISE ON A COMPUTER OR OTHER TECHNOLOGY, WHICH INSTRUCTION AND LEARNING MAY BE REMOTE FROM A SCHOOL FACILITY.

(F) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT ENTERS INTO AN AGREEMENT WITH THE GOVERNING BOARD OF A PUBLIC SCHOOL TO PROVIDE COMPREHENSIVE EDUCATIONAL, ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO THE PUBLIC SCHOOL.

(G) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS CORPORATION, LABOR ORGANIZATION, OR ANY OTHER ASSOCIATION, CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

(H) "STATE PUBLIC UNIVERSITY" MEANS A STATE UNIVERSITY DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963.

SEC. 552. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (2) AND (3), NOT MORE THAN A COMBINED TOTAL OF 10 CONTRACTS TO ORGANIZE AND OPERATE A SCHOOL OF EXCELLENCE MAY BE ISSUED BY ALL AUTHORIZING BODIES UNDER THIS SUBSECTION. ALL OF THE FOLLOWING APPLY TO A CONTRACT ISSUED UNDER THIS SUBSECTION:

(A) THE ISSUANCE OF THE CONTRACT MUST BE APPROVED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION. THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL APPROVE ISSUANCE OF A CONTRACT IF HE OR SHE DETERMINES THAT THE PROPOSED SCHOOL OF EXCELLENCE IS MODELED AFTER A HIGH-PERFORMING SCHOOL OR PROGRAM.

(B) A CONTRACT MAY NOT BE ISSUED UNDER THIS SUBSECTION AFTER JANUARY 1, 2015.

(C) THE FIRST 5 CONTRACTS ISSUED BY ALL AUTHORIZING BODIES UNDER THIS SUBSECTION SHALL BE FOR SCHOOLS OF EXCELLENCE THAT OFFER 1 OR MORE OF HIGH SCHOOL GRADES 9 TO 12, OR ANY COMBINATION OF THOSE GRADES, AS SPECIFIED IN THE CONTRACT.

(D) A SCHOOL OF EXCELLENCE AUTHORIZED UNDER THIS SUBSECTION SHALL NOT BE LOCATED IN A SCHOOL DISTRICT THAT HAS A GRADUATION RATE OF OVER 75%, ON AVERAGE, FOR THE MOST RECENT 3 SCHOOL YEARS FOR WHICH THE DATA ARE AVAILABLE, AS DETERMINED BY THE DEPARTMENT.

(2) A COMBINED TOTAL OF 2 CONTRACTS MAY BE ISSUED BY ALL AUTHORIZING BODIES UNDER THIS SUBSECTION FOR SCHOOLS OF EXCELLENCE THAT ARE CYBER SCHOOLS AND THAT MEET ALL OF THE FOLLOWING ADDITIONAL REQUIREMENTS:

(A) ARE AVAILABLE FOR ENROLLMENT TO ALL PUPILS IN THIS STATE WHO WERE PREVIOUSLY ENROLLED IN A PUBLIC SCHOOL.

(B) OFFER ALL OF GRADES K TO 12.

(C) THE ENTITY APPLYING FOR THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL DEMONSTRATES EXPERIENCE IN SERVING URBAN AND AT-RISK STUDENT POPULATIONS THROUGH AN EDUCATIONAL MODEL INVOLVING A SIGNIFICANT CYBER COMPONENT.

(D) HAS AN INITIAL ENROLLMENT IN THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL THAT DOES NOT EXCEED 400 PUPILS.

(E) IN THE SECOND AND SUBSEQUENT YEARS OF OPERATION UNDER THE CONTRACT, A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL MAY EXPAND ENROLLMENT TO EXCEED 400 PUPILS BY ADDING 1 PUPIL FOR EACH PUPIL WHO BECOMES ENROLLED IN THE SCHOOL OF EXCELLENCE

WHO IS IDENTIFIED AS A DROPOUT IN THE MICHIGAN STUDENT DATA SYSTEM MAINTAINED BY THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION. THE SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL SHALL ANNUALLY ACCOUNT FOR THE NUMBER OF PUPILS IT ENROLLS WHO ARE IDENTIFIED AS A DROPOUT IN THE MICHIGAN STUDENT DATA SYSTEM AND REPORT THAT INFORMATION TO THE DEPARTMENT, IN A FORM AND MANNER DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION. THE SCHOOL OF EXCELLENCE SHALL MAINTAIN ITS RATIO OF PUPILS WHO ARE IDENTIFIED AS A DROPOUT. MAXIMUM ENROLLMENT AT A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL SHALL NOT EXCEED 1,000 PUPILS.

(3) FOR A PUBLIC SCHOOL ACADEMY OPERATING UNDER PART 6A THAT MEETS THE REQUIREMENTS OF SUBSECTION (4), WITH THE APPROVAL OF ITS AUTHORIZING BODY, THE BOARD OF DIRECTORS OF THE PUBLIC SCHOOL ACADEMY MAY ADOPT A RESOLUTION CHOOSING TO CONVERT THE PUBLIC SCHOOL ACADEMY TO A SCHOOL OF EXCELLENCE UNDER THIS PART. IF THE BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY THAT MEETS THE REQUIREMENTS OF SUBSECTION (4) IS ISSUED A CONTRACT AS A SCHOOL OF EXCELLENCE UNDER THIS SUBSECTION, ALL THE FOLLOWING APPLY:

(A) THE PUBLIC SCHOOL ACADEMY SHALL CEASE TO OPERATE AS A PUBLIC SCHOOL ACADEMY UNDER PART 6A AND SHALL OPERATE AS A SCHOOL OF EXCELLENCE UPON THE ISSUANCE OF A CONTRACT OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY.

(B) THE PUBLIC SCHOOL ACADEMY SHALL BE CONSIDERED TO BE A SCHOOL OF EXCELLENCE FOR ALL PURPOSES UPON THE ISSUANCE OF A CONTRACT OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY, BUT SHALL RETAIN ITS CORPORATE IDENTITY.

(C) THE CONVERSION OF A PUBLIC SCHOOL ACADEMY UNDER PART 6A TO A SCHOOL OF EXCELLENCE OPERATING UNDER THIS PART SHALL NOT IMPAIR ANY AGREEMENT, MORTGAGE, LOAN, BOND, NOTE OR OTHER INSTRUMENT OF INDEBTEDNESS, OR ANY OTHER AGREEMENT ENTERED INTO BY A PUBLIC SCHOOL ACADEMY WHILE IT WAS OPERATING UNDER PART 6A.

(D) THE CONTRACT ISSUED TO THE PUBLIC SCHOOL ACADEMY UNDER PART 6A SHALL AUTOMATICALLY TERMINATE UPON THE ISSUANCE OF A CONTRACT OR AT ANOTHER TIME AS DETERMINED BY THE AUTHORIZING BODY.

(4) SUBSECTION (3) APPLIES TO A PUBLIC SCHOOL ACADEMY THAT IS DETERMINED BY THE DEPARTMENT TO MEET ALL OF THE FOLLOWING, AS APPLICABLE:

(A) IF THE PUBLIC SCHOOL ACADEMY OPERATES ONLY SOME OR ALL OF GRADES K TO 8, MEETS AT LEAST 1 OF THE FOLLOWING:

(i) ON AVERAGE OVER A 3-YEAR PERIOD, AT LEAST 90% OF THE PUPILS ENROLLED IN THE PUBLIC SCHOOL ACADEMY ACHIEVED A SCORE OF PROFICIENT OR BETTER ON THE MICHIGAN EDUCATION ASSESSMENT PROGRAM MATHEMATICS AND READING TESTS OR SUCCESSOR STATE ASSESSMENT PROGRAM.

(ii) ON AVERAGE OVER A 3-YEAR PERIOD, AT LEAST 70% OF THE PUPILS ENROLLED IN THE PUBLIC SCHOOL ACADEMY ACHIEVED A SCORE OF PROFICIENT OR BETTER ON THE MICHIGAN EDUCATION ASSESSMENT PROGRAM MATHEMATICS AND READING TESTS OR SUCCESSOR STATE ASSESSMENT PROGRAM AND AT LEAST 50% OF THE PUPILS ENROLLED IN THE PUBLIC SCHOOL ACADEMY MET THE INCOME ELIGIBILITY CRITERIA FOR THE FEDERAL FREE OR REDUCED-PRICE LUNCH PROGRAM, AS DETERMINED UNDER THE RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT, 42 USC 1751 TO 1769I, AND REPORTED TO THE DEPARTMENT.

(B) IF THE PUBLIC SCHOOL ACADEMY OPERATES GRADES 9 TO 12, AT LEAST 80% OF THE SCHOOL'S PUPILS GRADUATE FROM HIGH SCHOOL OR ARE DETERMINED BY THE DEPARTMENT TO BE ON TRACK TO GRADUATE FROM HIGH SCHOOL, THE SCHOOL HAS AT LEAST 80% AVERAGE ATTENDANCE, AND THE SCHOOL HAS AT LEAST AN 80% POSTSECONDARY ENROLLMENT RATE.

(5) A SCHOOL OF EXCELLENCE SHALL BE ORGANIZED AND ADMINISTERED UNDER THE DIRECTION OF A BOARD OF DIRECTORS IN ACCORDANCE WITH THIS PART AND WITH BYLAWS ADOPTED BY THE BOARD OF DIRECTORS. A SCHOOL OF EXCELLENCE SHALL BE ORGANIZED UNDER THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2101 TO 450.3192, EXCEPT THAT A SCHOOL OF EXCELLENCE IS NOT REQUIRED TO COMPLY WITH SECTIONS 170 TO 177 OF 1931 PA 327, MCL 450.170 TO 450.177. TO THE EXTENT DISQUALIFIED UNDER THE STATE OR FEDERAL CONSTITUTION, A SCHOOL OF EXCELLENCE SHALL NOT BE ORGANIZED BY A CHURCH OR OTHER RELIGIOUS ORGANIZATION AND SHALL NOT HAVE ANY ORGANIZATIONAL OR CONTRACTUAL AFFILIATION WITH OR CONSTITUTE A CHURCH OR OTHER RELIGIOUS ORGANIZATION.

(6) ANY OF THE FOLLOWING MAY ACT AS AN AUTHORIZING BODY TO ISSUE A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE SCHOOLS OF EXCELLENCE UNDER THIS PART:

(A) THE BOARD OF A SCHOOL DISTRICT THAT OPERATES GRADES K TO 12. HOWEVER, THE BOARD OF A SCHOOL DISTRICT SHALL NOT ISSUE A CONTRACT FOR A SCHOOL OF EXCELLENCE TO OPERATE OUTSIDE THE SCHOOL DISTRICT'S BOUNDARIES, AND A SCHOOL OF EXCELLENCE AUTHORIZED

**BY THE BOARD OF A SCHOOL DISTRICT SHALL NOT OPERATE OUTSIDE THAT SCHOOL DISTRICT'S BOUNDARIES.**

**(B) AN INTERMEDIATE SCHOOL BOARD. HOWEVER, THE BOARD OF AN INTERMEDIATE SCHOOL DISTRICT SHALL NOT ISSUE A CONTRACT FOR A SCHOOL OF EXCELLENCE TO OPERATE OUTSIDE THE INTERMEDIATE SCHOOL DISTRICT'S BOUNDARIES, AND A SCHOOL OF EXCELLENCE AUTHORIZED BY THE BOARD OF AN INTERMEDIATE SCHOOL DISTRICT SHALL NOT OPERATE OUTSIDE THAT INTERMEDIATE SCHOOL DISTRICT'S BOUNDARIES.**

**(C) THE BOARD OF A COMMUNITY COLLEGE. THE BOARD OF A COMMUNITY COLLEGE SHALL NOT ISSUE A CONTRACT FOR A SCHOOL OF EXCELLENCE TO OPERATE OUTSIDE THE BOUNDARIES OF THE COMMUNITY COLLEGE DISTRICT, AND A SCHOOL OF EXCELLENCE AUTHORIZED BY THE BOARD OF A COMMUNITY COLLEGE SHALL NOT OPERATE OUTSIDE THE BOUNDARIES OF THE COMMUNITY COLLEGE DISTRICT. THE BOARD OF A COMMUNITY COLLEGE ALSO MAY ISSUE A CONTRACT FOR NOT MORE THAN 1 SCHOOL OF EXCELLENCE TO OPERATE ON THE GROUNDS OF AN ACTIVE OR CLOSED FEDERAL MILITARY INSTALLATION LOCATED OUTSIDE THE BOUNDARIES OF THE COMMUNITY COLLEGE DISTRICT, OR MAY OPERATE A SCHOOL OF EXCELLENCE ITSELF ON THE GROUNDS OF SUCH A FEDERAL MILITARY INSTALLATION, IF THE FEDERAL MILITARY INSTALLATION IS NOT LOCATED WITHIN THE BOUNDARIES OF ANY COMMUNITY COLLEGE DISTRICT AND THE COMMUNITY COLLEGE HAS PREVIOUSLY OFFERED COURSES ON THE GROUNDS OF THE FEDERAL MILITARY INSTALLATION FOR AT LEAST 10 YEARS.**

**(D) THE GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY.**

**(7) TO OBTAIN A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE SCHOOLS OF EXCELLENCE, 1 OR MORE PERSONS OR AN ENTITY MAY APPLY TO AN AUTHORIZING BODY DESCRIBED IN THIS SECTION. THE APPLICATION SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:**

**(A) IDENTIFICATION OF THE APPLICANT FOR THE CONTRACT.**

**(B) SUBJECT TO THE RESOLUTION ADOPTED BY THE AUTHORIZING BODY UNDER SECTION 553(4), A LIST OF THE PROPOSED MEMBERS OF THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE AND A DESCRIPTION OF THE QUALIFICATIONS AND METHOD FOR APPOINTMENT OR ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS.**

**(C) THE PROPOSED ARTICLES OF INCORPORATION, WHICH SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:**

**(i) THE NAME OF THE PROPOSED SCHOOL OF EXCELLENCE.**

**(ii) THE PURPOSES FOR THE SCHOOL OF EXCELLENCE CORPORATION. THIS LANGUAGE SHALL PROVIDE THAT THE SCHOOL OF EXCELLENCE IS INCORPORATED PURSUANT TO THIS PART AND THAT THE SCHOOL OF EXCELLENCE IS A GOVERNMENTAL ENTITY.**

**(iii) THE NAME OF THE AUTHORIZING BODY.**

**(iv) THE PROPOSED TIME WHEN THE ARTICLES OF INCORPORATION WILL BE EFFECTIVE.**

**(v) OTHER MATTERS CONSIDERED EXPEDIENT TO BE IN THE ARTICLES OF INCORPORATION.**

**(D) A COPY OF THE PROPOSED BYLAWS OF THE SCHOOL OF EXCELLENCE.**

**(E) DOCUMENTATION MEETING THE APPLICATION REQUIREMENTS OF THE AUTHORIZING BODY, INCLUDING AT LEAST ALL OF THE FOLLOWING:**

**(i) THE GOVERNANCE STRUCTURE OF THE SCHOOL OF EXCELLENCE.**

**(ii) A COPY OF THE EDUCATIONAL GOALS OF THE SCHOOL OF EXCELLENCE AND THE CURRICULA TO BE OFFERED AND METHODS OF PUPIL ASSESSMENT TO BE USED BY THE SCHOOL OF EXCELLENCE. TO THE EXTENT APPLICABLE, THE PROGRESS OF THE PUPILS IN THE SCHOOL OF EXCELLENCE SHALL BE ASSESSED USING AT LEAST A MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TEST OR THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G.**

**(iii) THE ADMISSION POLICY AND CRITERIA TO BE MAINTAINED BY THE SCHOOL OF EXCELLENCE. THE ADMISSION POLICY AND CRITERIA SHALL COMPLY WITH SECTION 556. THIS PART OF THE APPLICATION ALSO SHALL INCLUDE A DESCRIPTION OF HOW THE APPLICANT WILL PROVIDE TO THE GENERAL PUBLIC ADEQUATE NOTICE THAT A SCHOOL OF EXCELLENCE IS BEING CREATED AND ADEQUATE INFORMATION ON THE ADMISSION POLICY, CRITERIA, AND PROCESS.**

**(iv) EXCEPT FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL, THE SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE.**

**(v) THE AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED.**

**(F) DESCRIPTIONS OF STAFF RESPONSIBILITIES AND OF THE SCHOOL OF EXCELLENCE GOVERNANCE STRUCTURE.**

**(G) FOR AN APPLICATION TO THE BOARD OF A SCHOOL DISTRICT, AN INTERMEDIATE SCHOOL BOARD, OR BOARD OF A COMMUNITY COLLEGE, IDENTIFICATION OF THE SCHOOL DISTRICT AND INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL OF EXCELLENCE WILL BE LOCATED.**

**(H) AN AGREEMENT THAT THE SCHOOL OF EXCELLENCE WILL COMPLY WITH THE PROVISIONS OF THIS PART AND, SUBJECT TO THE PROVISIONS OF THIS PART, WITH ALL OTHER STATE LAW APPLICABLE TO PUBLIC BODIES AND WITH FEDERAL LAW APPLICABLE TO PUBLIC BODIES OR SCHOOL DISTRICTS.**

**(I) FOR A SCHOOL OF EXCELLENCE AUTHORIZED BY A SCHOOL DISTRICT, AN ASSURANCE THAT EMPLOYEES OF THE SCHOOL OF EXCELLENCE WILL BE COVERED BY THE COLLECTIVE BARGAINING AGREEMENTS THAT APPLY TO OTHER EMPLOYEES OF THE SCHOOL DISTRICT EMPLOYED IN SIMILAR CLASSIFICATIONS IN SCHOOLS THAT ARE NOT SCHOOLS OF EXCELLENCE.**

**(J) A DESCRIPTION OF AND ADDRESS FOR THE PROPOSED PHYSICAL PLANT IN WHICH THE SCHOOL OF EXCELLENCE WILL BE LOCATED.**

**(8) AN AUTHORIZING BODY SHALL OVERSEE, OR SHALL CONTRACT WITH AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY COLLEGE, OR STATE PUBLIC UNIVERSITY TO OVERSEE, EACH SCHOOL OF EXCELLENCE OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY. THE OVERSIGHT SHALL BE SUFFICIENT TO ENSURE THAT THE AUTHORIZING BODY CAN CERTIFY THAT THE SCHOOL OF EXCELLENCE IS IN COMPLIANCE WITH STATUTE, RULES, AND THE TERMS OF THE CONTRACT.**

**(9) IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION FINDS THAT AN AUTHORIZING BODY IS NOT ENGAGING IN APPROPRIATE CONTINUING OVERSIGHT OF 1 OR MORE SCHOOLS OF EXCELLENCE OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY, THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY SUSPEND THE POWER OF THE AUTHORIZING BODY TO ISSUE NEW CONTRACTS TO ORGANIZE AND OPERATE SCHOOLS OF EXCELLENCE. A CONTRACT ISSUED BY THE AUTHORIZING BODY DURING THE SUSPENSION IS VOID. A CONTRACT ISSUED BY THE AUTHORIZING BODY BEFORE THE SUSPENSION IS NOT AFFECTED BY THE SUSPENSION.**

**(10) AN AUTHORIZING BODY SHALL NOT CHARGE A FEE, OR REQUIRE REIMBURSEMENT OF EXPENSES, FOR CONSIDERING AN APPLICATION FOR A CONTRACT, FOR ISSUING A CONTRACT, OR FOR PROVIDING OVERSIGHT OF A CONTRACT FOR A SCHOOL OF EXCELLENCE IN AN AMOUNT THAT EXCEEDS A COMBINED TOTAL OF 3% OF THE TOTAL STATE SCHOOL AID RECEIVED BY THE SCHOOL OF EXCELLENCE IN THE SCHOOL YEAR IN WHICH THE FEES OR EXPENSES ARE CHARGED. ALL OF THE FOLLOWING APPLY TO THIS FEE:**

**(A) THE AUTHORIZING BODY MAY USE THIS FEE ONLY FOR THE FOLLOWING PURPOSES:**

**(i) CONSIDERING APPLICATIONS AND ISSUING OR ADMINISTERING CONTRACTS.**

**(ii) COMPLIANCE MONITORING AND OVERSIGHT OF SCHOOLS OF EXCELLENCE.**

**(iii) TRAINING FOR SCHOOL OF EXCELLENCE APPLICANTS, ADMINISTRATORS, AND BOARDS OF DIRECTORS.**

**(iv) TECHNICAL ASSISTANCE TO SCHOOLS OF EXCELLENCE.**

**(v) ACADEMIC SUPPORT TO SCHOOLS OF EXCELLENCE OR TO PUPILS OF SCHOOLS OF EXCELLENCE.**

**(vi) EVALUATION OF SCHOOL OF EXCELLENCE PERFORMANCE.**

**(vii) TRAINING OF TEACHERS.**

**(viii) OTHER PURPOSES THAT ASSIST THE SCHOOL OF EXCELLENCE OR TRADITIONAL PUBLIC SCHOOLS IN ACHIEVING IMPROVED ACADEMIC PERFORMANCE.**

**(B) THE AUTHORIZING BODY MAY PROVIDE OTHER SERVICES FOR A SCHOOL OF EXCELLENCE AND CHARGE A FEE FOR THOSE SERVICES, BUT SHALL NOT REQUIRE SUCH AN ARRANGEMENT AS A CONDITION TO ISSUING THE CONTRACT AUTHORIZING THE SCHOOL OF EXCELLENCE.**

**(11) A SCHOOL OF EXCELLENCE SHALL BE PRESUMED TO BE LEGALLY ORGANIZED IF IT HAS EXERCISED THE FRANCHISES AND PRIVILEGES OF A PUBLIC SCHOOL ACADEMY FOR AT LEAST 2 YEARS.**

**SEC. 553. (1) AN AUTHORIZING BODY IS NOT REQUIRED TO ISSUE A CONTRACT TO ANY PERSON OR ENTITY. SCHOOLS OF EXCELLENCE CONTRACTS SHALL BE ISSUED ON A COMPETITIVE BASIS TAKING INTO CONSIDERATION THE RESOURCES AVAILABLE FOR THE PROPOSED SCHOOL OF EXCELLENCE, THE POPULATION TO BE SERVED BY THE PROPOSED SCHOOL OF EXCELLENCE, THE EDUCATIONAL GOALS TO BE ACHIEVED BY THE PROPOSED SCHOOL OF EXCELLENCE, AND THE APPLICANT'S TRACK RECORD, IF ANY, IN OPERATING PUBLIC SCHOOL ACADEMIES OR OTHER PUBLIC SCHOOLS.**

**(2) IF A PERSON OR ENTITY APPLIES TO THE BOARD OF A SCHOOL DISTRICT FOR A CONTRACT TO ORGANIZE AND OPERATE 1 OR MORE SCHOOLS OF EXCELLENCE WITHIN THE BOUNDARIES OF THE SCHOOL DISTRICT AND THE BOARD DOES NOT ISSUE THE CONTRACT, THE PERSON OR ENTITY MAY PETITION THE BOARD TO PLACE THE QUESTION OF ISSUING THE CONTRACT ON THE BALLOT TO BE DECIDED BY THE SCHOOL ELECTORS OF THE SCHOOL DISTRICT. THE PETITION SHALL CONTAIN ALL OF THE INFORMATION REQUIRED TO BE IN THE CONTRACT APPLICATION UNDER SECTION 552 AND**



**SHALL BE SIGNED BY A NUMBER OF SCHOOL ELECTORS OF THE SCHOOL DISTRICT EQUAL TO AT LEAST 15% OF THE TOTAL NUMBER OF SCHOOL ELECTORS OF THAT SCHOOL DISTRICT. THE PETITION SHALL BE FILED WITH THE SCHOOL DISTRICT FILING OFFICIAL. IF THE BOARD RECEIVES A PETITION MEETING THE REQUIREMENTS OF THIS SUBSECTION, THE BOARD SHALL HAVE THE QUESTION OF ISSUING THE CONTRACT PLACED ON THE BALLOT AT ITS NEXT REGULAR SCHOOL ELECTION HELD AT LEAST 60 DAYS AFTER RECEIVING THE PETITION. IF A MAJORITY OF THE SCHOOL ELECTORS OF THE SCHOOL DISTRICT VOTING ON THE QUESTION VOTE TO ISSUE THE CONTRACT, THE BOARD SHALL ISSUE THE CONTRACT.**

**(3) WITHIN 10 DAYS AFTER ISSUING A CONTRACT FOR A SCHOOL OF EXCELLENCE, THE AUTHORIZING BODY SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION A COPY OF THE CONTRACT AND OF THE APPLICATION UNDER SECTION 552.**

**(4) AN AUTHORIZING BODY SHALL ADOPT A RESOLUTION ESTABLISHING THE METHOD OF SELECTION, LENGTH OF TERM, AND NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF EACH SCHOOL OF EXCELLENCE SUBJECT TO ITS JURISDICTION.**

**(5) A CONTRACT ISSUED TO ORGANIZE AND ADMINISTER A SCHOOL OF EXCELLENCE SHALL CONTAIN AT LEAST ALL OF THE FOLLOWING:**

**(A) THE EDUCATIONAL GOALS THE SCHOOL OF EXCELLENCE IS TO ACHIEVE AND THE METHODS BY WHICH IT WILL BE HELD ACCOUNTABLE. TO THE EXTENT APPLICABLE, THE PUPIL PERFORMANCE OF A SCHOOL OF EXCELLENCE SHALL BE ASSESSED USING AT LEAST A MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TEST OR THE MICHIGAN MERIT EXAMINATION UNDER SECTION 1279G.**

**(B) A DESCRIPTION OF THE METHOD TO BE USED TO MONITOR THE SCHOOL OF EXCELLENCE'S COMPLIANCE WITH APPLICABLE LAW AND ITS PERFORMANCE IN MEETING ITS TARGETED EDUCATIONAL OBJECTIVES.**

**(C) A DESCRIPTION OF THE PROCESS FOR AMENDING THE CONTRACT DURING THE TERM OF THE CONTRACT.**

**(D) ALL OF THE MATTERS SET FORTH IN THE APPLICATION FOR THE CONTRACT.**

**(E) FOR A SCHOOL OF EXCELLENCE AUTHORIZED BY A SCHOOL DISTRICT, AN AGREEMENT THAT EMPLOYEES OF THE SCHOOL OF EXCELLENCE WILL BE COVERED BY THE COLLECTIVE BARGAINING AGREEMENTS THAT APPLY TO EMPLOYEES OF THE SCHOOL DISTRICT EMPLOYED IN SIMILAR CLASSIFICATIONS IN SCHOOLS THAT ARE NOT SCHOOLS OF EXCELLENCE.**

**(F) PROCEDURES FOR REVOKING THE CONTRACT AND GROUNDS FOR REVOKING THE CONTRACT, INCLUDING AT LEAST THE GROUNDS LISTED IN SECTION 561.**

**(G) A DESCRIPTION OF AND ADDRESS FOR THE PROPOSED PHYSICAL PLANT IN WHICH THE SCHOOL OF EXCELLENCE WILL BE LOCATED.**

**(H) REQUIREMENTS AND PROCEDURES FOR FINANCIAL AUDITS. THE FINANCIAL AUDITS SHALL BE CONDUCTED AT LEAST ANNUALLY BY A CERTIFIED PUBLIC ACCOUNTANT IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING PRINCIPLES.**

**(I) A CERTIFICATION, SIGNED BY AN AUTHORIZED MEMBER OF THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS, THAT THE SCHOOL OF EXCELLENCE WILL COMPLY WITH THE CONTRACT AND ALL APPLICABLE LAW.**

**(J) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL ENSURE COMPLIANCE WITH THE REQUIREMENTS OF 1968 PA 317, MCL 15.321 TO 15.330.**

**(K) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL PROHIBIT SPECIFICALLY IDENTIFIED FAMILY RELATIONSHIPS BETWEEN MEMBERS OF THE BOARD OF DIRECTORS, INDIVIDUALS WHO HAVE AN OWNERSHIP INTEREST IN OR WHO ARE OFFICERS OR EMPLOYEES OF AN EDUCATIONAL MANAGEMENT ORGANIZATION INVOLVED IN THE OPERATION OF THE SCHOOL OF EXCELLENCE, AND EMPLOYEES OF THE SCHOOL OF EXCELLENCE. THE CONTRACT SHALL IDENTIFY THE SPECIFIC PROHIBITED RELATIONSHIPS CONSISTENT WITH APPLICABLE LAW.**

**(L) A REQUIREMENT THAT THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE SHALL MAKE INFORMATION CONCERNING ITS OPERATION AND MANAGEMENT AVAILABLE TO THE PUBLIC AND TO THE AUTHORIZING BODY IN THE SAME MANNER AS IS REQUIRED BY STATE LAW FOR SCHOOL DISTRICTS.**

**(M) A REQUIREMENT THAT THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE SHALL COLLECT, MAINTAIN, AND MAKE AVAILABLE TO THE PUBLIC AND THE AUTHORIZING BODY, IN ACCORDANCE WITH APPLICABLE LAW AND THE CONTRACT, AT LEAST ALL OF THE FOLLOWING INFORMATION CONCERNING THE OPERATION AND MANAGEMENT OF THE SCHOOL OF EXCELLENCE:**

**(i) A COPY OF THE CONTRACT ISSUED BY THE AUTHORIZING BODY FOR THE SCHOOL OF EXCELLENCE.**

(ii) A LIST OF CURRENTLY SERVING MEMBERS OF THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE, INCLUDING NAME, ADDRESS, AND TERM OF OFFICE; COPIES OF POLICIES APPROVED BY THE BOARD OF DIRECTORS; BOARD MEETING AGENDAS AND MINUTES; COPY OF THE BUDGET APPROVED BY THE BOARD OF DIRECTORS AND OF ANY AMENDMENTS TO THE BUDGET; AND COPIES OF BILLS PAID FOR AMOUNTS OF \$10,000.00 OR MORE AS THEY WERE SUBMITTED TO THE BOARD OF DIRECTORS.

(iii) QUARTERLY FINANCIAL REPORTS SUBMITTED TO THE AUTHORIZING BODY.

(iv) A CURRENT LIST OF TEACHERS AND SCHOOL ADMINISTRATORS WORKING AT THE SCHOOL OF EXCELLENCE THAT INCLUDES THEIR INDIVIDUAL SALARIES; COPIES OF THE TEACHING OR SCHOOL ADMINISTRATOR'S CERTIFICATES OR PERMITS OF CURRENT TEACHING AND ADMINISTRATIVE STAFF; AND EVIDENCE OF COMPLIANCE WITH THE CRIMINAL BACKGROUND AND RECORDS CHECKS AND UNPROFESSIONAL CONDUCT CHECK REQUIRED UNDER SECTIONS 1230, 1230A, AND 1230B FOR ALL TEACHERS AND ADMINISTRATORS WORKING AT THE SCHOOL OF EXCELLENCE.

(v) CURRICULUM DOCUMENTS AND MATERIALS GIVEN TO THE AUTHORIZING BODY.

(vi) PROOF OF INSURANCE AS REQUIRED BY THE CONTRACT.

(vii) COPIES OF FACILITY LEASES OR DEEDS, OR BOTH, AND OF ANY EQUIPMENT LEASES.

(viii) COPIES OF ANY MANAGEMENT CONTRACTS OR SERVICES CONTRACTS APPROVED BY THE BOARD OF DIRECTORS.

(ix) ALL HEALTH AND SAFETY REPORTS AND CERTIFICATES, INCLUDING THOSE RELATING TO FIRE SAFETY, ENVIRONMENTAL MATTERS, ASBESTOS INSPECTION, BOILER INSPECTION, AND FOOD SERVICE.

(x) ANY MANAGEMENT LETTERS ISSUED AS PART OF THE ANNUAL FINANCIAL AUDIT UNDER SUBDIVISION (H).

(xi) ANY OTHER INFORMATION SPECIFICALLY REQUIRED UNDER THIS ACT.

(N) A REQUIREMENT THAT THE AUTHORIZING BODY MUST REVIEW AND MAY DISAPPROVE ANY AGREEMENT BETWEEN THE BOARD OF DIRECTORS AND AN EDUCATIONAL MANAGEMENT ORGANIZATION BEFORE THE AGREEMENT IS FINAL AND VALID. AN AUTHORIZING BODY MAY DISAPPROVE AN AGREEMENT DESCRIBED IN THIS SUBDIVISION ONLY IF THE AGREEMENT IS CONTRARY TO CONTRACT OR APPLICABLE LAW.

(O) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL DEMONSTRATE ALL OF THE FOLLOWING TO THE SATISFACTION OF THE AUTHORIZING BODY WITH REGARD TO ITS PUPIL ADMISSION PROCESS:

(i) THAT THE SCHOOL OF EXCELLENCE HAS MADE A REASONABLE EFFORT TO ADVERTISE ITS ENROLLMENT OPENINGS.

(ii) THAT THE SCHOOL OF EXCELLENCE HAS MADE THE FOLLOWING ADDITIONAL EFFORTS TO RECRUIT PUPILS WHO ARE ELIGIBLE FOR SPECIAL EDUCATION PROGRAMS AND SERVICES OR ENGLISH AS A SECOND LANGUAGE SERVICES TO APPLY FOR ADMISSION:

(A) REASONABLE EFFORTS TO ADVERTISE ALL ENROLLMENT OPENINGS TO ORGANIZATIONS AND MEDIA THAT REGULARLY SERVE AND ADVOCATE FOR INDIVIDUALS WITH DISABILITIES OR CHILDREN WITH LIMITED ENGLISH-SPEAKING ABILITY WITHIN THE BOUNDARIES OF THE INTERMEDIATE SCHOOL DISTRICT IN WHICH THE SCHOOL OF EXCELLENCE IS LOCATED.

(B) INCLUSION IN ALL PUPIL RECRUITMENT MATERIALS OF A STATEMENT THAT APPROPRIATE SPECIAL EDUCATION SERVICES AND ENGLISH AS A SECOND LANGUAGE SERVICES WILL BE MADE AVAILABLE TO PUPILS ATTENDING THE SCHOOL AS REQUIRED BY LAW.

(iii) THAT THE OPEN ENROLLMENT PERIOD FOR THE SCHOOL OF EXCELLENCE IS FOR A DURATION OF AT LEAST 2 WEEKS AND THAT THE ENROLLMENT TIMES INCLUDE SOME EVENING AND WEEKEND TIMES.

(P) A REQUIREMENT THAT THE BOARD OF DIRECTORS SHALL PROHIBIT ANY INDIVIDUAL FROM BEING EMPLOYED BY THE SCHOOL OF EXCELLENCE IN MORE THAN 1 FULL-TIME POSITION AND SIMULTANEOUSLY BEING COMPENSATED AT A FULL-TIME RATE FOR EACH OF THOSE POSITIONS.

(Q) A REQUIREMENT THAT, IF REQUESTED, THE BOARD OF DIRECTORS SHALL REPORT TO THE AUTHORIZING BODY THE TOTAL COMPENSATION FOR EACH INDIVIDUAL WORKING AT THE SCHOOL OF EXCELLENCE.

(6) A SCHOOL OF EXCELLENCE SHALL COMPLY WITH ALL APPLICABLE LAW, INCLUDING ALL OF THE FOLLOWING:

(A) THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

(B) THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

(C) 1947 PA 336, MCL 423.201 TO 423.217.

(D) 1965 PA 166, MCL 408.551 TO 408.558.

(E) SECTIONS 1134, 1135, 1146, 1153, 1263(3), 1267, AND 1274.

(7) A SCHOOL OF EXCELLENCE AND ITS INCORPORATORS, BOARD MEMBERS, OFFICERS, EMPLOYEES, AND VOLUNTEERS HAVE GOVERNMENTAL IMMUNITY AS PROVIDED IN SECTION 7 OF 1964 PA 170, MCL 691.1407. AN AUTHORIZING BODY AND ITS BOARD MEMBERS, OFFICERS, AND EMPLOYEES ARE IMMUNE FROM CIVIL LIABILITY, BOTH PERSONALLY AND PROFESSIONALLY, FOR AN ACT OR OMISSION IN AUTHORIZING A SCHOOL OF EXCELLENCE IF THE AUTHORIZING BODY OR THE PERSON ACTED OR REASONABLY BELIEVED HE OR SHE ACTED WITHIN THE AUTHORIZING BODY'S OR THE PERSON'S SCOPE OF AUTHORITY.

(8) A SCHOOL OF EXCELLENCE IS EXEMPT FROM ALL TAXATION ON ITS EARNINGS AND PROPERTY. INSTRUMENTS OF CONVEYANCE TO OR FROM A SCHOOL OF EXCELLENCE ARE EXEMPT FROM ALL TAXATION INCLUDING TAXES IMPOSED BY 1966 PA 134, MCL 207.501 TO 207.513. A SCHOOL OF EXCELLENCE MAY NOT LEVY AD VALOREM PROPERTY TAXES OR ANOTHER TAX FOR ANY PURPOSE. HOWEVER, OPERATION OF 1 OR MORE SCHOOLS OF EXCELLENCE BY A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT DOES NOT AFFECT THE ABILITY OF THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO LEVY AD VALOREM PROPERTY TAXES OR ANOTHER TAX.

(9) A SCHOOL OF EXCELLENCE MAY ACQUIRE BY PURCHASE, GIFT, DEVISE, LEASE, SUBLEASE, INSTALLMENT PURCHASE AGREEMENT, LAND CONTRACT, OPTION, OR BY ANY OTHER MEANS, HOLD, AND OWN IN ITS OWN NAME BUILDINGS AND OTHER PROPERTY FOR SCHOOL PURPOSES, AND INTERESTS THEREIN, AND OTHER REAL AND PERSONAL PROPERTY, INCLUDING, BUT NOT LIMITED TO, INTERESTS IN PROPERTY SUBJECT TO MORTGAGES, SECURITY INTERESTS, OR OTHER LIENS, NECESSARY OR CONVENIENT TO FULFILL ITS PURPOSES. FOR THE PURPOSES OF CONDEMNATION, A SCHOOL OF EXCELLENCE MAY PROCEED UNDER THE UNIFORM CONDEMNATION PROCEDURES ACT, 1980 PA 87, MCL 213.51 TO 213.75, EXCLUDING SECTIONS 6 TO 9 OF THAT ACT, MCL 213.56 TO 213.59, OR OTHER APPLICABLE STATUTES, BUT ONLY WITH THE EXPRESS, WRITTEN PERMISSION OF THE AUTHORIZING BODY IN EACH INSTANCE OF CONDEMNATION AND ONLY AFTER JUST COMPENSATION HAS BEEN DETERMINED AND PAID.

SEC. 553A. (1) AN AUTHORIZING BODY MAY ISSUE A CONTRACT TO ESTABLISH A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL. A CYBER SCHOOL SHALL PROVIDE FULL-TIME INSTRUCTION TO PUPILS THROUGH ONLINE LEARNING OR OTHERWISE ON A COMPUTER OR OTHER TECHNOLOGY, AND THIS INSTRUCTION AND LEARNING MAY OCCUR REMOTE FROM A SCHOOL FACILITY.

(2) A CONTRACT FOR A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL SHALL INCLUDE ALL OF THE PROVISIONS REQUIRED UNDER SECTION 553 AND ALL OF THE FOLLOWING:

(A) A REQUIREMENT THAT A TEACHER WHO HOLDS APPROPRIATE CERTIFICATION ACCORDING TO STATE BOARD RULE WILL BE RESPONSIBLE FOR ALL OF THE FOLLOWING FOR EACH COURSE IN WHICH A PUPIL IS ENROLLED:

(i) IMPROVING LEARNING BY PLANNED INSTRUCTION.

(ii) DIAGNOSING THE PUPIL'S LEARNING NEEDS.

(iii) ASSESSING LEARNING, ASSIGNING GRADES, AND DETERMINING ADVANCEMENT.

(iv) REPORTING OUTCOMES TO ADMINISTRATORS AND PARENTS OR LEGAL GUARDIANS.

(B) A REQUIREMENT THAT THE CYBER SCHOOL WILL MAKE EDUCATIONAL SERVICES AVAILABLE TO PUPILS FOR A MINIMUM OF AT LEAST 1,098 HOURS DURING A SCHOOL YEAR AND WILL ENSURE THAT EACH PUPIL PARTICIPATES IN THE EDUCATIONAL PROGRAM FOR AT LEAST 1,098 HOURS DURING A SCHOOL YEAR.

(3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT OR ANY RULE, IF A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL IS IN COMPLIANCE WITH THE REQUIREMENTS OF SUBSECTION (2)(A) REGARDING A CERTIFICATED TEACHER, ANY OTHER ADULT ASSISTING WITH THE OVERSIGHT OF A PUPIL DURING THE PUPIL'S PARTICIPATION IN THE CYBER SCHOOL'S EDUCATION PROGRAM IS NOT REQUIRED TO BE A CERTIFICATED TEACHER OR AN EMPLOYEE OF THE SCHOOL.

(4) NOTWITHSTANDING ANY RULE TO THE CONTRARY, A CYBER SCHOOL IS NOT REQUIRED TO COMPLY WITH ANY RULE THAT WOULD REQUIRE A PUPIL'S PHYSICAL PRESENCE OR ATTENDANCE IN A CLASSROOM.

(5) AT THE END OF A CYBER SCHOOL'S SECOND FULL SCHOOL YEAR OF OPERATIONS, THE AUTHORIZING BODY OF A SCHOOL OF EXCELLENCE THAT IS A CYBER SCHOOL SHALL SUBMIT TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE LEGISLATURE, IN THE FORM AND MANNER PRESCRIBED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION, A REPORT DETAILING THE OPERATION OF THE CYBER SCHOOL, PROVIDING STATISTICS OF PUPIL PARTICIPATION AND ACADEMIC PERFORMANCE, AND MAKING RECOMMENDATIONS FOR ANY FURTHER STATUTORY OR RULE CHANGE RELATED TO CYBER SCHOOLS AND ONLINE LEARNING IN THIS STATE.

SEC. 554. IF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT APPLIES FOR AND OBTAINS A CONTRACT TO OPERATE 1 OR MORE SCHOOLS OF EXCELLENCE UNDER THIS PART, THE POWER OF THE

SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO LEVY TAXES FOR ANY PURPOSE UNDER THIS ACT IS NOT AFFECTED BY THE OPERATION OF A SCHOOL OF EXCELLENCE BY THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT. REVENUE FROM TAXES LEVIED BY A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT UNDER THIS ACT OR BONDS ISSUED BY A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT UNDER THIS ACT MAY BE USED TO SUPPORT THE OPERATION OR FACILITIES OF A SCHOOL OF EXCELLENCE OPERATED BY THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT IN THE SAME MANNER AS THAT REVENUE MAY BE USED UNDER THIS ACT BY THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO SUPPORT SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OPERATIONS AND FACILITIES. THIS SECTION DOES NOT AUTHORIZE A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO LEVY TAXES OR TO ISSUE BONDS FOR ANY PURPOSE THAT IS NOT OTHERWISE AUTHORIZED UNDER THIS ACT.

SEC. 555. (1) AN AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF INDEBTEDNESS ENTERED INTO BY A SCHOOL OF EXCELLENCE AND A THIRD PARTY DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THIS STATE OR AN AUTHORIZING BODY. THE FULL FAITH AND CREDIT OR THE TAXING POWER OF THIS STATE OR ANY AGENCY OF THIS STATE, OR THE FULL FAITH AND CREDIT OF AN AUTHORIZING BODY, MAY NOT BE PLEDGED FOR THE PAYMENT OF ANY SCHOOL OF EXCELLENCE BOND, NOTE, AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF INDEBTEDNESS.

(2) THIS PART DOES NOT IMPOSE ANY LIABILITY ON THIS STATE OR ON AN AUTHORIZING BODY FOR ANY DEBT INCURRED BY A SCHOOL OF EXCELLENCE.

SEC. 556. (1) A SCHOOL OF EXCELLENCE MAY BE LOCATED IN ALL OR PART OF AN EXISTING PUBLIC SCHOOL BUILDING. A SCHOOL OF EXCELLENCE, OTHER THAN A CYBER SCHOOL OPERATED UNDER SECTION 553A, SHALL NOT OPERATE AT A SITE OTHER THAN THE SINGLE SITE REQUESTED FOR THE CONFIGURATION OF GRADES THAT WILL USE THE SITE, AS SPECIFIED IN THE APPLICATION REQUIRED UNDER SECTION 552 AND IN THE CONTRACT.

(2) A SCHOOL OF EXCELLENCE SHALL NOT CHARGE TUITION AND SHALL NOT DISCRIMINATE IN ITS PUPIL ADMISSIONS POLICIES OR PRACTICES ON THE BASIS OF INTELLECTUAL OR ATHLETIC ABILITY, MEASURES OF ACHIEVEMENT OR APTITUDE, STATUS AS A STUDENT WITH A DISABILITY, OR ANY OTHER BASIS THAT WOULD BE ILLEGAL IF USED BY A SCHOOL DISTRICT. HOWEVER, A SCHOOL OF EXCELLENCE MAY LIMIT ADMISSION TO PUPILS WHO ARE WITHIN A PARTICULAR RANGE OF AGE OR GRADE LEVEL OR ON ANY OTHER BASIS THAT WOULD BE LEGAL IF USED BY A SCHOOL DISTRICT AND MAY GIVE ENROLLMENT PRIORITY AS PROVIDED IN SUBSECTION (4).

(3) EXCEPT FOR A FOREIGN EXCHANGE STUDENT WHO IS NOT A UNITED STATES CITIZEN, A SCHOOL OF EXCELLENCE SHALL NOT ENROLL A PUPIL WHO IS NOT A RESIDENT OF THIS STATE. ENROLLMENT IN THE SCHOOL OF EXCELLENCE MAY BE OPEN TO ALL INDIVIDUALS WHO RESIDE IN THIS STATE WHO MEET THE ADMISSION POLICY AND SHALL BE OPEN TO ALL PUPILS WHO RESIDE WITHIN THE GEOGRAPHIC BOUNDARIES, IF ANY, OF THE AUTHORIZING BODY AS DESCRIBED IN SECTION 552(6)(A) TO (C) WHO MEET THE ADMISSION POLICY, EXCEPT THAT ADMISSION TO A SCHOOL OF EXCELLENCE AUTHORIZED BY THE BOARD OF A COMMUNITY COLLEGE TO OPERATE, OR OPERATED BY THE BOARD OF A COMMUNITY COLLEGE, ON THE GROUNDS OF A FEDERAL MILITARY INSTALLATION, AS DESCRIBED IN SECTION 552(6)(C), SHALL BE OPEN TO ALL PUPILS WHO RESIDE IN THE COUNTY IN WHICH THE FEDERAL MILITARY INSTALLATION IS LOCATED. FOR A SCHOOL OF EXCELLENCE AUTHORIZED BY A STATE PUBLIC UNIVERSITY, ENROLLMENT SHALL BE OPEN TO ALL PUPILS WHO RESIDE IN THIS STATE WHO MEET THE ADMISSION POLICY. IF THERE ARE MORE APPLICATIONS TO ENROLL IN THE SCHOOL OF EXCELLENCE THAN THERE ARE SPACES AVAILABLE, PUPILS SHALL BE SELECTED TO ATTEND USING A RANDOM SELECTION PROCESS. A SCHOOL OF EXCELLENCE SHALL ALLOW ANY PUPIL WHO WAS ENROLLED IN THE SCHOOL OF EXCELLENCE IN THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ENROLL IN THE SCHOOL OF EXCELLENCE IN THE APPROPRIATE GRADE UNLESS THE APPROPRIATE GRADE IS NOT OFFERED AT THAT SCHOOL OF EXCELLENCE.

(4) A SCHOOL OF EXCELLENCE MAY GIVE ENROLLMENT PRIORITY TO 1 OR MORE OF THE FOLLOWING:

(A) A SIBLING OF A PUPIL ENROLLED IN THE PUBLIC SCHOOL.

(B) A PUPIL WHO TRANSFERS TO THE SCHOOL OF EXCELLENCE FROM ANOTHER PUBLIC SCHOOL PURSUANT TO A MATRICULATION AGREEMENT BETWEEN THE SCHOOL OF EXCELLENCE AND ANOTHER PUBLIC SCHOOL THAT PROVIDES FOR THIS ENROLLMENT PRIORITY, IF ALL OF THE FOLLOWING REQUIREMENTS ARE MET:

(A) EACH SCHOOL OF EXCELLENCE OR OTHER PUBLIC SCHOOL THAT ENTERS INTO THE MATRICULATION AGREEMENT REMAINS A SEPARATE AND INDEPENDENT PUBLIC SCHOOL.

(B) THE PUBLIC SCHOOL THAT GIVES THE ENROLLMENT PRIORITY SELECTS AT LEAST 5% OF ITS PUPILS FOR ENROLLMENT USING A RANDOM SELECTION PROCESS.

(C) THE MATRICULATION AGREEMENT ALLOWS ANY PUPIL WHO WAS ENROLLED AT ANY TIME DURING ELEMENTARY SCHOOL IN A SCHOOL OF EXCELLENCE THAT IS PARTY TO THE MATRICULATION AGREEMENT AND WHO WAS NOT EXPELLED FROM THE SCHOOL OF EXCELLENCE TO ENROLL IN THE PUBLIC SCHOOL GIVING ENROLLMENT PRIORITY UNDER THE MATRICULATION AGREEMENT.

(5) SUBJECT TO SUBSECTION (6), A SCHOOL OF EXCELLENCE MAY INCLUDE ANY GRADE UP TO GRADE 12 OR ANY CONFIGURATION OF THOSE GRADES, INCLUDING KINDERGARTEN AND EARLY CHILDHOOD EDUCATION, AS SPECIFIED IN ITS CONTRACT. IF SPECIFIED IN ITS CONTRACT, A SCHOOL OF EXCELLENCE MAY ALSO OPERATE AN ADULT BASIC EDUCATION PROGRAM, ADULT HIGH SCHOOL COMPLETION PROGRAM, OR GENERAL EDUCATION DEVELOPMENT TESTING PREPARATION PROGRAM. THE AUTHORIZING BODY MAY APPROVE AMENDMENT OF A CONTRACT WITH RESPECT TO AGES OF PUPILS OR GRADES OFFERED.

(6) IN ADDITION TO ANY OTHER GRADE LEVELS IT OPERATES, A SCHOOL OF EXCELLENCE SHALL WORK TOWARD OPERATING ALL OF GRADES 9 TO 12 WITHIN 6 YEARS AFTER IT BEGINS OPERATIONS, UNLESS A MATRICULATION AGREEMENT HAS BEEN REACHED WITH ANOTHER PUBLIC SCHOOL THAT PROVIDES GRADES 9 TO 12.

(7) IF A SCHOOL OF EXCELLENCE IS A CYBER SCHOOL AND ITS AUTHORIZING BODY IS A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT, THE SCHOOL OF EXCELLENCE SHALL GIVE ENROLLMENT PRIORITY TO PUPILS WHO RESIDE IN THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT THAT IS THE AUTHORIZING BODY.

SEC. 557. IN ADDITION TO OTHER POWERS SET FORTH IN THIS PART, A SCHOOL OF EXCELLENCE MAY TAKE ACTION TO CARRY OUT THE PURPOSES FOR WHICH IT WAS INCORPORATED UNDER THIS PART, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(A) TO SUE AND BE SUED IN ITS NAME.

(B) SUBJECT TO SECTION 555, TO ACQUIRE, HOLD, AND OWN IN ITS OWN NAME REAL AND PERSONAL PROPERTY, OR INTERESTS IN REAL OR PERSONAL PROPERTY, FOR EDUCATIONAL PURPOSES BY PURCHASE, GIFT, GRANT, DEVISE, BEQUEST, LEASE, SUBLEASE, INSTALLMENT PURCHASE AGREEMENT, LAND CONTRACT, OPTION, OR CONDEMNATION, AND SUBJECT TO MORTGAGES, SECURITY INTERESTS, OR OTHER LIENS; AND TO SELL OR CONVEY THE PROPERTY AS THE INTERESTS OF THE SCHOOL OF EXCELLENCE REQUIRE.

(C) TO RECEIVE, DISBURSE, AND PLEDGE FUNDS FOR LAWFUL PURPOSES.

(D) TO ENTER INTO BINDING LEGAL AGREEMENTS WITH PERSONS OR ENTITIES AS NECESSARY FOR THE OPERATION, MANAGEMENT, FINANCING, AND MAINTENANCE OF THE SCHOOL OF EXCELLENCE.

(E) TO INCUR TEMPORARY DEBT IN ACCORDANCE WITH SECTION 1225.

(F) TO SOLICIT AND ACCEPT ANY GRANTS OR GIFTS FOR EDUCATIONAL PURPOSES AND TO ESTABLISH OR PERMIT TO BE ESTABLISHED ON ITS BEHALF 1 OR MORE NONPROFIT CORPORATIONS THE PURPOSE OF WHICH IS TO ASSIST THE SCHOOL OF EXCELLENCE IN THE FURTHERANCE OF ITS PUBLIC PURPOSES.

(G) TO BORROW MONEY AND ISSUE BONDS IN ACCORDANCE WITH SECTION 1351A AND IN ACCORDANCE WITH PART VI OF THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2601 TO 141.2613, EXCEPT THAT THE BORROWING OF MONEY AND ISSUANCE OF BONDS BY A SCHOOL OF EXCELLENCE IS NOT SUBJECT TO SECTION 1351A(4) OR SECTION 1351(2) TO (4). BONDS ISSUED UNDER THIS SECTION SHALL BE FULL FAITH AND CREDIT OBLIGATIONS OF THE SCHOOL OF EXCELLENCE, PLEDGING THE GENERAL FUNDS OR ANY OTHER MONEY AVAILABLE FOR SUCH A PURPOSE. BONDS ISSUED UNDER THIS SECTION ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

SEC. 558. IF A SCHOOL OF EXCELLENCE IS OPERATED BY A SCHOOL DISTRICT THAT IS SUBJECT TO A COURT DESEGREGATION ORDER, PUPIL SELECTION AT THE SCHOOL OF EXCELLENCE IS SUBJECT TO THAT ORDER.

SEC. 559. (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, AND EXCEPT AS OTHERWISE PROVIDED UNDER SECTION 553A FOR A CYBER SCHOOL, A SCHOOL OF EXCELLENCE SHALL USE CERTIFICATED TEACHERS ACCORDING TO STATE BOARD RULE.

(2) A SCHOOL OF EXCELLENCE OPERATED BY A STATE PUBLIC UNIVERSITY OR COMMUNITY COLLEGE MAY USE NONCERTIFICATED INDIVIDUALS TO TEACH AS FOLLOWS:

(A) IF THE SCHOOL OF EXCELLENCE IS OPERATED BY A STATE PUBLIC UNIVERSITY, THE SCHOOL OF EXCELLENCE MAY USE AS A CLASSROOM TEACHER IN ANY GRADE A FACULTY MEMBER WHO IS EMPLOYED FULL-TIME BY THE STATE PUBLIC UNIVERSITY AND WHO HAS BEEN GRANTED INSTITUTIONAL TENURE, OR HAS BEEN DESIGNATED AS BEING ON TENURE TRACK, BY THE STATE PUBLIC UNIVERSITY.

**(B) FOR A SCHOOL OF EXCELLENCE OPERATED BY A COMMUNITY COLLEGE, THE SCHOOL OF EXCELLENCE MAY USE AS A CLASSROOM TEACHER A FULL-TIME MEMBER OF THE COMMUNITY COLLEGE FACULTY WHO HAS AT LEAST 5 YEARS' EXPERIENCE AT THAT COMMUNITY COLLEGE IN TEACHING THE SUBJECT MATTER THAT HE OR SHE IS TEACHING AT THE SCHOOL OF EXCELLENCE.**

**(C) IN ANY OTHER SITUATION IN WHICH A SCHOOL DISTRICT IS PERMITTED UNDER THIS ACT TO USE NONCERTIFICATED TEACHERS.**

**(3) A SCHOOL OF EXCELLENCE MAY DEVELOP AND IMPLEMENT NEW TEACHING TECHNIQUES OR METHODS OR SIGNIFICANT REVISIONS TO KNOWN TEACHING TECHNIQUES OR METHODS, AND SHALL REPORT THOSE TO THE AUTHORIZING BODY AND STATE BOARD TO BE MADE AVAILABLE TO THE PUBLIC. A SCHOOL OF EXCELLENCE MAY USE ANY INSTRUCTIONAL TECHNIQUE OR DELIVERY METHOD THAT MAY BE USED BY A SCHOOL DISTRICT.**

**SEC. 560. A SCHOOL OF EXCELLENCE, WITH THE APPROVAL OF THE AUTHORIZING BODY, MAY EMPLOY OR CONTRACT WITH PERSONNEL AS NECESSARY FOR THE OPERATION OF THE SCHOOL OF EXCELLENCE, PRESCRIBE THEIR DUTIES, AND FIX THEIR COMPENSATION. A SCHOOL OF EXCELLENCE MAY IMPLEMENT AND MAINTAIN A METHOD OF COMPENSATION FOR ITS EMPLOYEES THAT IS BASED ON JOB PERFORMANCE, JOB ACCOMPLISHMENTS, AND JOB ASSIGNMENT IN A SUBJECT AREA OR SCHOOL THAT IS DIFFICULT TO FIND EMPLOYEES TO STAFF.**

**SEC. 560A. IF THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE PROVIDES MEDICAL, OPTICAL, OR DENTAL BENEFITS TO EMPLOYEES AND THEIR DEPENDENTS, THE BOARD OF DIRECTORS SHALL PROVIDE THOSE BENEFITS IN ACCORDANCE WITH THE PUBLIC EMPLOYEES HEALTH BENEFIT ACT, 2007 PA 106, MCL 124.71 TO 124.85, AND SHALL COMPLY WITH THAT ACT.**

**SEC. 561. (1) IF AN AUTHORIZING BODY ISSUES A CONTRACT FOR A SCHOOL OF EXCELLENCE UNDER THIS PART, THE AUTHORIZING BODY SHALL DO ALL OF THE FOLLOWING:**

**(A) ENSURE THAT THE CONTRACT AND THE APPLICATION FOR THE CONTRACT COMPLY WITH THE REQUIREMENTS OF THIS PART.**

**(B) WITHIN 10 DAYS AFTER ISSUING THE CONTRACT, SUBMIT TO THE DEPARTMENT A COPY OF THE CONTRACT.**

**(C) ESTABLISH THE METHOD OF SELECTION, LENGTH OF TERM, AND NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF EACH SCHOOL OF EXCELLENCE THAT IT AUTHORIZES. THE AUTHORIZING BODY SHALL ENSURE THAT THE BOARD OF DIRECTORS INCLUDES REPRESENTATION FROM THE LOCAL COMMUNITY.**

**(D) OVERSEE THE OPERATIONS OF EACH SCHOOL OF EXCELLENCE OPERATING UNDER A CONTRACT ISSUED BY THE AUTHORIZING BODY. THE OVERSIGHT SHALL BE SUFFICIENT TO ENSURE THAT THE SCHOOL OF EXCELLENCE IS IN COMPLIANCE WITH THE TERMS OF THE CONTRACT AND WITH APPLICABLE LAW.**

**(E) DEVELOP AND IMPLEMENT A PROCESS FOR HOLDING A SCHOOL OF EXCELLENCE BOARD OF DIRECTORS ACCOUNTABLE FOR MEETING APPLICABLE ACADEMIC PERFORMANCE STANDARDS SET FORTH IN THE CONTRACT AND FOR IMPLEMENTING CORRECTIVE ACTION FOR A SCHOOL OF EXCELLENCE THAT DOES NOT MEET THOSE STANDARDS.**

**(F) TAKE NECESSARY MEASURES TO ENSURE THAT A SCHOOL OF EXCELLENCE BOARD OF DIRECTORS OPERATES INDEPENDENTLY OF ANY EDUCATIONAL MANAGEMENT ORGANIZATION INVOLVED IN THE OPERATIONS OF THE SCHOOL OF EXCELLENCE.**

**(G) OVERSEE AND ENSURE THAT THE PUPIL ADMISSION PROCESS USED BY THE SCHOOL OF EXCELLENCE IS OPERATED IN A FAIR AND OPEN MANNER AND IS IN COMPLIANCE WITH THE CONTRACT AND THIS PART.**

**(H) ENSURE THAT THE BOARD OF DIRECTORS OF THE SCHOOL OF EXCELLENCE MAINTAINS AND RELEASES INFORMATION AS NECESSARY TO COMPLY WITH APPLICABLE LAW.**

**(2) THE AUTHORIZING BODY MAY ENTER INTO AN AGREEMENT WITH 1 OR MORE AUTHORIZING BODIES, AS DEFINED UNDER PART 6A, TO CARRY OUT ANY FUNCTION OF THE AUTHORIZING BODY UNDER SUBSECTION (1)(A) TO (H).**

**(3) THE AUTHORIZING BODY FOR A SCHOOL OF EXCELLENCE IS THE FISCAL AGENT FOR THE SCHOOL OF EXCELLENCE. A STATE SCHOOL AID PAYMENT FOR A SCHOOL OF EXCELLENCE SHALL BE PAID TO THE AUTHORIZING BODY AS THE FISCAL AGENT FOR THAT SCHOOL OF EXCELLENCE, AND THE AUTHORIZING BODY SHALL THEN FORWARD THE PAYMENT TO THE SCHOOL OF EXCELLENCE. WITHIN 30 DAYS AFTER A CONTRACT IS SUBMITTED TO THE DEPARTMENT BY THE AUTHORIZING BODY UNDER SUBSECTION (1), THE DEPARTMENT SHALL ISSUE A DISTRICT CODE TO THE SCHOOL OF EXCELLENCE FOR WHICH THE CONTRACT WAS ISSUED. IF THE DEPARTMENT DOES NOT ISSUE A DISTRICT CODE WITHIN 30 DAYS AFTER A CONTRACT IS FILED, THE STATE TREASURER SHALL ASSIGN A TEMPORARY DISTRICT CODE IN ORDER FOR THE SCHOOL OF EXCELLENCE TO RECEIVE FUNDING UNDER THE STATE SCHOOL AID ACT OF 1979.**

**(4) A CONTRACT ISSUED UNDER THIS PART MAY BE REVOKED BY THE AUTHORIZING BODY IF THE AUTHORIZING BODY DETERMINES THAT 1 OR MORE OF THE FOLLOWING HAVE OCCURRED:**

**(A) FAILURE OF THE SCHOOL OF EXCELLENCE TO ABIDE BY AND MEET THE EDUCATIONAL GOALS SET FORTH IN THE CONTRACT.**

**(B) FAILURE OF THE SCHOOL OF EXCELLENCE TO COMPLY WITH ALL APPLICABLE LAW.**

**(C) FAILURE OF THE SCHOOL OF EXCELLENCE TO MEET GENERALLY ACCEPTED PUBLIC SECTOR ACCOUNTING PRINCIPLES.**

**(D) THE EXISTENCE OF 1 OR MORE OTHER GROUNDS FOR REVOCATION AS SPECIFIED IN THE CONTRACT.**

**(5) EXCEPT FOR A SCHOOL OF EXCELLENCE THAT IS AN ALTERNATIVE SCHOOL SERVING A SPECIAL STUDENT POPULATION, IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION DETERMINES THAT A SCHOOL OF EXCELLENCE THAT HAS BEEN OPERATING FOR AT LEAST 4 YEARS IS AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, AS DEFINED FOR THE PURPOSES OF THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, AND IS IN YEAR 2 OF RESTRUCTURING SANCTIONS UNDER THE NO CHILD LEFT BEHIND ACT OF 2001, PUBLIC LAW 107-110, NOT TO INCLUDE THE INDIVIDUALIZED EDUCATION PLAN SUBGROUP, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL NOTIFY THE SCHOOL OF EXCELLENCE'S AUTHORIZING BODY. IF AN AUTHORIZING BODY RECEIVES NOTICE FROM THE SUPERINTENDENT OF PUBLIC INSTRUCTION UNDER THIS SUBSECTION, THE AUTHORIZING BODY SHALL REVOKE THE SCHOOL OF EXCELLENCE'S CONTRACT AND THE SCHOOL OF EXCELLENCE SHALL BE CLOSED, EFFECTIVE AT THE END OF THE CURRENT SCHOOL YEAR.**

**(6) EXCEPT FOR A CONTRACT ISSUED BY A SCHOOL DISTRICT PURSUANT TO A VOTE BY THE SCHOOL ELECTORS ON A BALLOT QUESTION UNDER SECTION 553(2), THE DECISION OF THE AUTHORIZING BODY TO ISSUE, REISSUE, OR RECONSTITUTE A CONTRACT UNDER THIS PART, OR TO REVOKE A CONTRACT UNDER THIS SECTION, IS SOLELY WITHIN THE DISCRETION OF THE AUTHORIZING BODY, IS FINAL, AND IS NOT SUBJECT TO REVIEW BY A COURT OR ANY OTHER STATE AGENCY. IF THE AUTHORIZING BODY DOES NOT ISSUE, REISSUE, OR RECONSTITUTE A CONTRACT UNDER THIS PART, OR REVOKES A CONTRACT UNDER THIS SECTION, THE AUTHORIZING BODY IS NOT LIABLE FOR THAT ACTION TO THE SCHOOL OF EXCELLENCE, THE SCHOOL OF EXCELLENCE CORPORATION, A PUPIL OF THE SCHOOL OF EXCELLENCE, THE PARENT OR GUARDIAN OF A PUPIL OF THE SCHOOL OF EXCELLENCE, OR ANY OTHER PERSON.**

**(7) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5), BEFORE THE AUTHORIZING BODY REVOKES A CONTRACT, THE AUTHORIZING BODY SHALL CONSIDER AND TAKE CORRECTIVE MEASURES TO AVOID REVOCATION. THE AUTHORIZING BODY MAY RECONSTITUTE THE SCHOOL OF EXCELLENCE IN A FINAL ATTEMPT TO IMPROVE STUDENT EDUCATIONAL PERFORMANCE OR TO AVOID INTERRUPTION OF THE EDUCATIONAL PROCESS. THE AUTHORIZING BODY SHALL INCLUDE A RECONSTITUTING PROVISION IN THE CONTRACT THAT IDENTIFIES THESE CORRECTIVE MEASURES, INCLUDING, BUT NOT LIMITED TO, CANCELING A CONTRACT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION, IF ANY, WITHDRAWING APPROVAL TO CONTRACT UNDER SECTION 557, OR APPOINTING A NEW BOARD OF DIRECTORS OR A TRUSTEE TO TAKE OVER OPERATION OF THE SCHOOL OF EXCELLENCE.**

**(8) IF THE AUTHORIZING BODY REVOKES A CONTRACT, THE AUTHORIZING BODY SHALL WORK WITH A SCHOOL DISTRICT OR ANOTHER PUBLIC SCHOOL, OR WITH A COMBINATION OF THESE ENTITIES, TO ENSURE A SMOOTH TRANSITION FOR THE AFFECTED PUPILS. IF THE REVOCATION OCCURS DURING THE SCHOOL YEAR, THE AUTHORIZING BODY, AS THE FISCAL AGENT FOR THE SCHOOL OF EXCELLENCE UNDER THIS PART, SHALL RETURN ANY SCHOOL AID FUNDS RECEIVED BY THE AUTHORIZING BODY THAT ARE ATTRIBUTABLE TO THE AFFECTED PUPILS TO THE STATE TREASURER FOR DEPOSIT INTO THE STATE SCHOOL AID FUND. THE STATE TREASURER SHALL DISTRIBUTE FUNDS TO THE PUBLIC SCHOOL IN WHICH THE PUPILS ENROLL AFTER THE REVOCATION PURSUANT TO A METHODOLOGY ESTABLISHED BY THE DEPARTMENT AND THE CENTER FOR EDUCATIONAL PERFORMANCE AND INFORMATION.**

**(9) NOT MORE THAN 10 DAYS AFTER A SCHOOL OF EXCELLENCE'S CONTRACT TERMINATES OR IS REVOKED, THE AUTHORIZING BODY SHALL NOTIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION IN WRITING OF THE NAME OF THE SCHOOL OF EXCELLENCE WHOSE CONTRACT HAS TERMINATED OR BEEN REVOKED AND THE DATE OF CONTRACT TERMINATION OR REVOCATION.**

**(10) IF A SCHOOL OF EXCELLENCE'S CONTRACT TERMINATES OR IS REVOKED, TITLE TO ALL REAL AND PERSONAL PROPERTY, INTEREST IN REAL OR PERSONAL PROPERTY, AND OTHER ASSETS OWNED BY THE SCHOOL OF EXCELLENCE SHALL REVERT TO THE STATE. THIS PROPERTY SHALL BE DISTRIBUTED IN ACCORDANCE WITH THE FOLLOWING:**

**(A) WITHIN 30 DAYS FOLLOWING THE TERMINATION OR REVOCATION, THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE SHALL HOLD A PUBLIC MEETING TO ADOPT A PLAN OF DISTRIBUTION**

OF ASSETS AND TO APPROVE THE DISSOLUTION OF THE SCHOOL OF EXCELLENCE CORPORATION, ALL IN ACCORDANCE WITH CHAPTER 8 OF THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2801 TO 450.2864.

(B) THE SCHOOL OF EXCELLENCE SHALL FILE A CERTIFICATE OF DISSOLUTION WITH THE DEPARTMENT OF ENERGY, LABOR, AND ECONOMIC GROWTH WITHIN 10 BUSINESS DAYS FOLLOWING BOARD APPROVAL.

(C) SIMULTANEOUSLY WITH THE FILING OF THE CERTIFICATE OF DISSOLUTION UNDER SUBDIVISION (B), THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS SHALL PROVIDE A COPY OF THE BOARD OF DIRECTORS' PLAN OF DISTRIBUTION OF ASSETS TO THE STATE TREASURER FOR APPROVAL. WITHIN 30 DAYS, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL REVIEW AND APPROVE THE BOARD OF DIRECTORS' PLAN OF DISTRIBUTION OF ASSETS. IF THE PROPOSED PLAN OF DISTRIBUTION OF ASSETS IS NOT APPROVED WITHIN 30 DAYS, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL PROVIDE THE BOARD OF DIRECTORS WITH AN ACCEPTABLE PLAN OF DISTRIBUTION OF ASSETS.

(D) THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL MONITOR THE SCHOOL OF EXCELLENCE'S WINDING UP OF THE DISSOLVED CORPORATION IN ACCORDANCE WITH THE PLAN OF DISTRIBUTION OF ASSETS APPROVED OR PROVIDED UNDER SUBDIVISION (C).

(E) AS PART OF THE PLAN OF DISTRIBUTION OF ASSETS, THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS SHALL DESIGNATE THE DIRECTOR OF THE DEPARTMENT OF MANAGEMENT AND BUDGET, OR HIS OR HER DESIGNEE, TO DISPOSE OF ALL REAL PROPERTY OF THE SCHOOL OF EXCELLENCE CORPORATION IN ACCORDANCE WITH THE DIRECTIVES DEVELOPED FOR DISPOSITION OF SURPLUS LAND AND FACILITIES UNDER SECTION 251 OF THE MANAGEMENT AND BUDGET ACT, 1984 PA 431, MCL 18.1251.

(F) IF THE BOARD OF DIRECTORS OF A SCHOOL OF EXCELLENCE FAILS TO TAKE ANY NECESSARY ACTION UNDER THIS SECTION, THE STATE TREASURER, OR HIS OR HER DESIGNEE, MAY SUSPEND THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS AND APPOINT A TRUSTEE TO CARRY OUT THE BOARD'S PLAN OF DISTRIBUTION OF ASSETS. UPON APPOINTMENT, THE TRUSTEE SHALL HAVE ALL THE RIGHTS, POWERS, AND PRIVILEGES UNDER LAW THAT THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS HAD BEFORE BEING SUSPENDED.

(G) FOLLOWING THE SALE OF THE REAL OR PERSONAL PROPERTY OR INTERESTS IN THE REAL OR PERSONAL PROPERTY, AND AFTER PAYMENT OF ANY SCHOOL OF EXCELLENCE DEBT SECURED BY THE PROPERTY OR INTEREST IN PROPERTY, WHETHER REAL OR PERSONAL, THE SCHOOL OF EXCELLENCE BOARD OF DIRECTORS, OR A TRUSTEE APPOINTED UNDER THIS SECTION, SHALL FORWARD ANY REMAINING MONEY TO THE STATE TREASURER. FOLLOWING RECEIPT, THE STATE TREASURER, OR HIS OR HER DESIGNEE, SHALL DEPOSIT THIS REMAINING MONEY IN THE STATE SCHOOL AID FUND.

Sec. 1246. (1) A school district, public school academy, or intermediate school district shall not continue to employ a person as a superintendent, principal, assistant principal, or other person whose primary responsibility is administering instructional programs or as a chief business official unless the person MEETS 1 OR MORE OF THE FOLLOWING REQUIREMENTS, AS APPLICABLE:

(A) FOR A SUPERINTENDENT, PRINCIPAL, ASSISTANT PRINCIPAL, OR OTHER PERSON WHOSE PRIMARY RESPONSIBILITY IS ADMINISTERING INSTRUCTIONAL PROGRAMS, OR A CHIEF BUSINESS OFFICIAL, WHO WAS EMPLOYED AS A SCHOOL ADMINISTRATOR IN THIS STATE ON OR BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, has completed the continuing education requirements prescribed by rule under subsection (2).

(B) SUBJECT TO SUBSECTION (3), FOR A SUPERINTENDENT, PRINCIPAL, ASSISTANT PRINCIPAL, OR OTHER PERSON WHOSE PRIMARY RESPONSIBILITY IS ADMINISTERING INSTRUCTIONAL PROGRAMS AND WHO IS INITIALLY EMPLOYED AS A SCHOOL ADMINISTRATOR IN THIS STATE AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, POSSESSES A VALID MICHIGAN SCHOOL ADMINISTRATOR'S CERTIFICATE ISSUED UNDER SECTION 1536.

(2) The superintendent of public instruction shall promulgate rules establishing continuing education requirements as a condition for continued employment for persons employed in positions described in subsection ~~(1)~~(1)(A). The rules shall prescribe a minimum amount of continuing education that shall be completed within 5 years after initial employment and shall be completed each subsequent 5-year period to meet the requirements of subsection ~~(1)~~(1)(A) for continued employment.

(3) A SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT MAY EMPLOY AS A SUPERINTENDENT, PRINCIPAL, ASSISTANT PRINCIPAL, OR OTHER PERSON WHOSE PRIMARY RESPONSIBILITY IS ADMINISTERING INSTRUCTIONAL PROGRAMS A PERSON WHO IS ENROLLED IN A PROGRAM LEADING TO CERTIFICATION AS A SCHOOL ADMINISTRATOR UNDER SECTION 1536 NOT LATER THAN 6 MONTHS AFTER HE OR SHE BEGINS THE EMPLOYMENT. A PERSON



**EMPLOYED AS A SCHOOL ADMINISTRATOR PURSUANT TO THIS SUBSECTION HAS 3 YEARS TO MEET THE CERTIFICATION REQUIREMENTS OF SECTION 1536, OR THE SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT SHALL NOT CONTINUE TO EMPLOY THE PERSON AS A SCHOOL ADMINISTRATOR DESCRIBED IN THIS SUBSECTION.**

**SEC. 1249. WITH THE INVOLVEMENT OF TEACHERS AND SCHOOL ADMINISTRATORS, THE BOARD OF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT OR BOARD OF DIRECTORS OF A PUBLIC SCHOOL ACADEMY SHALL ADOPT AND IMPLEMENT FOR ALL TEACHERS AND SCHOOL ADMINISTRATORS A RIGOROUS, TRANSPARENT, AND FAIR PERFORMANCE EVALUATION SYSTEM THAT DOES ALL OF THE FOLLOWING:**

**(A) EVALUATES THE TEACHER'S OR SCHOOL ADMINISTRATOR'S JOB PERFORMANCE AT LEAST ANNUALLY WHILE PROVIDING TIMELY AND CONSTRUCTIVE FEEDBACK.**

**(B) ESTABLISHES CLEAR APPROACHES TO MEASURING STUDENT GROWTH AND PROVIDES TEACHERS AND SCHOOL ADMINISTRATORS WITH RELEVANT DATA ON STUDENT GROWTH.**

**(C) EVALUATES A TEACHER'S OR SCHOOL ADMINISTRATOR'S JOB PERFORMANCE, USING MULTIPLE RATING CATEGORIES THAT TAKE INTO ACCOUNT DATA ON STUDENT GROWTH AS A SIGNIFICANT FACTOR. FOR THESE PURPOSES, STUDENT GROWTH SHALL BE MEASURED BY NATIONAL, STATE, OR LOCAL ASSESSMENTS AND OTHER OBJECTIVE CRITERIA.**

**(D) USES THE EVALUATIONS, AT A MINIMUM, TO INFORM DECISIONS REGARDING ALL OF THE FOLLOWING:**

**(i) THE EFFECTIVENESS OF TEACHERS AND SCHOOL ADMINISTRATORS, ENSURING THAT THEY ARE GIVEN AMPLE OPPORTUNITIES FOR IMPROVEMENT.**

**(ii) PROMOTION, RETENTION, AND DEVELOPMENT OF TEACHERS AND SCHOOL ADMINISTRATORS, INCLUDING PROVIDING RELEVANT COACHING, INSTRUCTION SUPPORT, OR PROFESSIONAL DEVELOPMENT.**

**(iii) WHETHER TO GRANT TENURE OR FULL CERTIFICATION, OR BOTH, TO TEACHERS AND SCHOOL ADMINISTRATORS USING RIGOROUS STANDARDS AND STREAMLINED, TRANSPARENT, AND FAIR PROCEDURES.**

**(iv) REMOVING INEFFECTIVE TENURED AND UNTENURED TEACHERS AND SCHOOL ADMINISTRATORS AFTER THEY HAVE HAD AMPLE OPPORTUNITIES TO IMPROVE, AND ENSURING THAT THESE DECISIONS ARE MADE USING RIGOROUS STANDARDS AND STREAMLINED, TRANSPARENT, AND FAIR PROCEDURES.**

**Sec. 1250. (1) A school district, PUBLIC SCHOOL ACADEMY, or intermediate school district may ~~SHALL~~ implement and maintain a method of compensation for its employees ~~TEACHERS AND SCHOOL ADMINISTRATORS~~ that is based on ~~INCLUDES~~ job performance and job accomplishments AS A SIGNIFICANT FACTOR IN DETERMINING COMPENSATION AND ADDITIONAL COMPENSATION. THE ASSESSMENT OF JOB PERFORMANCE SHALL INCORPORATE A RIGOROUS, TRANSPARENT, AND FAIR EVALUATION SYSTEM THAT EVALUATES A TEACHER'S OR SCHOOL ADMINISTRATOR'S PERFORMANCE AT LEAST IN PART BASED UPON DATA ON STUDENT GROWTH AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA.**

**(2) IF A COLLECTIVE BARGAINING AGREEMENT IS IN EFFECT FOR TEACHERS OR SCHOOL ADMINISTRATORS OF A SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT AS OF THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, AND IF THAT COLLECTIVE BARGAINING AGREEMENT PREVENTS COMPLIANCE WITH SUBSECTION (1), THEN SUBSECTION (1) DOES NOT APPLY TO THAT SCHOOL DISTRICT, PUBLIC SCHOOL ACADEMY, OR INTERMEDIATE SCHOOL DISTRICT UNTIL AFTER THE EXPIRATION OF THAT COLLECTIVE BARGAINING AGREEMENT.**

**Sec. 1278a. (1) Except as otherwise provided in this section or section 1278b, beginning with pupils entering grade 8 in 2006, the board of a school district or board of directors of a public school academy shall not award a high school diploma to a pupil unless the pupil meets all of the following:**

**(a) Has successfully completed all of the following credit requirements of the Michigan merit standard before graduating from high school:**

**(i) At least 4 credits in mathematics that are aligned with subject area content expectations developed by the department and approved by the state board under section 1278b, including completion of at least algebra I, geometry, and algebra II, or an integrated sequence of this course content that consists of 3 credits, and an additional mathematics credit, such as trigonometry, statistics, precalculus, calculus, applied math, accounting, business math, a retake of algebra II, a course in financial literacy as described in section 1165. A pupil may complete algebra II over 2 years with a credit awarded for each of those years **2 CREDITS AWARDED OR OVER 1.5 YEARS WITH 1.5 CREDITS AWARDED** for the purposes of this section and section 1278b. A PUPIL ALSO MAY PARTIALLY OR FULLY FULFILL THE ALGEBRA II REQUIREMENT BY COMPLETING A DEPARTMENT-APPROVED FORMAL CAREER AND TECHNICAL EDUCATION PROGRAM OR CURRICULUM THAT HAS APPROPRIATE EMBEDDED MATHEMATICS CONTENT, SUCH AS A PROGRAM**

**OR CURRICULUM IN ELECTRONICS, MACHINING, CONSTRUCTION, WELDING, ENGINEERING, OR RENEWABLE ENERGY. NOT LATER THAN 30 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THE IMMEDIATELY PRECEDING SENTENCE, THE DEPARTMENT SHALL POST ON ITS WEBSITE AND SUBMIT TO THE SENATE AND HOUSE STANDING COMMITTEES ON EDUCATION GUIDELINES FOR IMPLEMENTATION OF THE IMMEDIATELY PRECEDING SENTENCE.** Each pupil must successfully complete at least 1 mathematics course during his or her final year of high school enrollment. This subparagraph does not require completion of mathematics courses in any particular sequence.

(ii) At least 3 credits in social science that are aligned with subject area content expectations developed by the department and approved by the state board under section 1278b, including completion of at least 1 credit in United States history and geography, 1 credit in world history and geography, 1/2 credit in economics, and the civics course described in section 1166(2).

(iii) At least 1 credit in subject matter that includes both health and physical education aligned with guidelines developed by the department and approved by the state board under section 1278b.

(iv) At least 1 credit in visual arts, performing arts, or applied arts, as defined by the department, that is aligned with guidelines developed by the department and approved by the state board under section 1278b.

(v) The credit requirements specified in section 1278b(1).

(b) Meets the online course or learning experience requirement of this subsection. A school district or public school academy shall provide the basic level of technology and internet access required by the state board to complete the online course or learning experience. For a pupil to meet this requirement, the pupil shall meet either of the following, as determined by the school district or public school academy:

(i) Has successfully completed at least 1 course or learning experience that is presented online, as defined by the department.

(ii) The pupil's school district or public school academy has integrated an online experience throughout the high school curriculum by ensuring that each teacher of each course that provides the required credits of the Michigan merit curriculum has integrated an online experience into the course.

(2) In addition to the requirements under subsection (1), beginning with pupils entering grade 3 in 2006, the board of a school district or board of directors of a public school academy shall not award a high school diploma to a pupil unless the pupil has successfully completed during grades 9 to 12 at least 2 credits, as determined by the department, in a language other than English, or the pupil has successfully completed at any time during grades K to 12 course work or other learning experiences that are substantially equivalent to 2 credits in a language other than English, based on guidelines developed by the department. For the purposes of this subsection, all of the following apply:

(a) American sign language is considered to be a language other than English.

(b) The pupil may meet all or part of this requirement with online course work.

(3) The requirements under this section and section 1278b for a high school diploma are in addition to any local requirements imposed by the board of a school district or board of directors of a public school academy. The board of a school district or board of directors of a public school academy, as a local requirement for a high school diploma, may require a pupil to complete some or all of the subject area assessments under section 1279 or the Michigan merit examination under section 1279g, as applicable to the pupil under section 1279g, or may require a pupil to participate in the MIAccess assessments if appropriate for the pupil.

(4) For the purposes of this section and section 1278b, all of the following apply:

(a) A pupil is considered to have completed a credit if the pupil successfully completes the subject area content expectations or guidelines developed by the department that apply to the credit.

(b) A school district or public school academy shall base its determination of whether a pupil has successfully completed the subject area content expectations or guidelines developed by the department that apply to a credit at least in part on the pupil's performance on the assessments developed or selected by the department under section 1278b or on 1 or more assessments developed or selected by the school district or public school academy that measure a pupil's understanding of the subject area content expectations or guidelines that apply to the credit.

(c) A school district or public school academy shall also grant a pupil a credit if the pupil earns a qualifying score, as determined by the department, on the assessments developed or selected for the subject area by the department under section 1278b or the pupil earns a qualifying score, as determined by the school district or public school academy, on 1 or more assessments developed or selected by the school district or public school academy that measure a pupil's understanding of the subject area content expectations or guidelines that apply to the credit.

(5) If a high school is designated by the superintendent of public instruction as a specialty school and the high school meets the requirements of subsection (6), then the pupils of the high school are not required to successfully complete the 4 credits in English language arts required under section 1278b(1)(a) or the 3 credits in social science required under subsection (1)(a)(ii) and the school district or public school academy is not required to ensure that each pupil is offered the curriculum necessary for meeting those English language arts or social science credit requirements. The superintendent of public instruction may designate up to 15 high schools that meet the requirements of this subsection as specialty schools. Subject to this maximum number, the superintendent of public instruction shall designate a high school as a specialty school if the superintendent of public instruction finds that the high school meets all of the following criteria:

(a) The high school incorporates a significant reading and writing component throughout its curriculum.

(b) The high school uses a specialized, innovative, and rigorous curriculum in such areas as performing arts, foreign language, extensive use of internships, or other learning innovations that conform to pioneering innovations among other leading national or international high schools.

(6) A high school that is designated by the superintendent of public instruction as a specialty school under subsection (5) is only exempt from requirements as described under subsection (5) as long as the superintendent of public instruction finds that the high school continues to meet all of the following requirements:

(a) The high school clearly states to prospective pupils and their parents that it does not meet the requirements of the Michigan merit standard under this section and section 1278b but is a designated specialty school that is exempt from some of those requirements and that a pupil who enrolls in the high school and subsequently transfers to a high school that is not a specialty school meeting the requirements of this subsection will be required to comply with the requirements of the Michigan merit standard under this section and section 1278b.

(b) For the most recent year for which the data are available, the mean scores on both the mathematics and science portions of the ACT examination for the pupils of the high school exceed by at least 10% the mean scores on the mathematics and science portions of the ACT examination for the pupils of the school district in which the greatest number of the pupils of the high school reside.

(c) For the most recent year for which the data are available, the high school had a graduation rate of at least 85%, as determined by the department.

(d) For the most recent year for which the data are available, at least 75% of the pupils who graduated from the high school the preceding year are enrolled in a postsecondary institution.

(e) All pupils of the high school are required to meet the mathematics credit requirements of subsection (1)(a)(i), with no modification of these requirements under section 1278b(5), and each pupil is offered the curriculum necessary to meet this requirement.

(f) All pupils of the high school are required to meet the science credit requirements of section 1278b(1)(b) and are also required to successfully complete at least 1 additional science credit, for a total of at least 4 science credits, with no modification of these requirements under section 1278b(5), and each pupil is offered the curriculum necessary to meet this requirement.

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

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

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

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

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

(a) The educational goals the strict discipline academy is to achieve and the methods by which it will be held accountable. To the extent applicable, the pupil performance of a strict discipline academy shall be assessed using at least a Michigan education assessment program (MEAP) test or an assessment instrument developed under section 1279 for a state-endorsed high school diploma **THE MICHIGAN MERIT EXAMINATION DEVELOPED UNDER SECTION 1279G, AS APPLICABLE.**

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

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

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

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

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

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

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

**(I) THE TERM OF THE CONTRACT AND A DESCRIPTION OF THE PROCESS AND STANDARDS FOR RENEWAL OF THE CONTRACT AT THE END OF THE TERM. THE STANDARDS FOR RENEWAL SHALL INCLUDE STUDENT GROWTH AS MEASURED BY ASSESSMENTS AND OTHER OBJECTIVE CRITERIA AS A SIGNIFICANT FACTOR IN THE DECISION OF WHETHER OR NOT TO RENEW THE CONTRACT.**

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

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

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

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

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

(e) Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and 1274.

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

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

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

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

Sec. 1536. (1) The state board shall develop a school administrator's certificate that ~~may~~ **SHALL** be issued to **ALL** school district and intermediate school district superintendents, school principals, assistant principals, and other administrators whose primary responsibility is administering instructional programs **AND WHO MEET THE REQUIREMENTS ESTABLISHED UNDER SUBSECTION (3)**. An individual **DESCRIBED IN SECTION 1246(1)(A)** is not required by this section to have a school administrator's certificate under this section or an endorsement under subsection (2) to be employed as a school administrator by a school district, public school academy, intermediate school district, or nonpublic school.

(2) The state board also ~~may~~ **SHALL** develop appropriate certificate endorsements for school administrators, by elementary, secondary, and central office level.

(3) The state board shall develop standards, and **THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DEVELOP** procedures, to implement this section. The standards and procedures shall address at least all of the following:

(a) The educational and professional experience requirements for a certificate or endorsement under this section.

(b) Continuing education requirements for periodic recertification. These requirements shall be consistent with the continuing education requirements under section 1246.

(c) Procedures for application for and issuance of certificates and endorsements under this section.

(d) Standards and procedures for suspension and revocation of a certificate. These standards and procedures shall be based on the standards and procedures for taking action against a person's teaching certificate under section 1535a.

(4) The department shall consult and work with appropriate professional organizations, primarily organizations representing superintendents and building-level administrators, in developing the standards required under this section.

(5) For the purposes of adding 1 or more enhancement or specialty endorsements for a school administrator's certificate, the department may recognize performance-based professional learning programs offered by established state professional organizations that represent school administrators described in subsection (1). These programs must be approved by the department based on alignment with state board-approved school administrator program preparation standards.

**(6) A SCHOOL ADMINISTRATOR'S CERTIFICATE ISSUED UNDER THIS SECTION IS VALID FOR 5 YEARS AND SHALL BE RENEWED UPON COMPLETION OF RENEWAL UNITS AS DETERMINED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.**

**(7) THE DEPARTMENT SHALL RECOGNIZE ALTERNATIVE PATHWAYS TO EARNING THE BASIC SCHOOL ADMINISTRATOR'S CERTIFICATE BASED ON EXPERIENCE OR ALTERNATIVE PREPARATION, OR BOTH, IF THE ALTERNATIVE CERTIFICATION PROGRAM IS SUBMITTED BY AN ESTABLISHED STATE PROFESSIONAL ORGANIZATION AND MEETS CRITERIA SET FORTH BY STATE BOARD APPROVED SCHOOL ADMINISTRATOR PROGRAM PREPARATION STANDARDS.**

(8) ~~(6)~~ As used in this section, “established state professional organization” means an association that has served members on a statewide basis for at least 10 years.

Sec. 1701a. For the purposes of ensuring that a student with a disability enrolled in a public school academy ~~created under part 6a or 6b~~ is provided with special education programs and services, the public school academy is considered to be a local school district under this article.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) Senate Bill No. 926.
- (b) House Bill No. 4787.
- (c) House Bill No. 4788.
- (d) House Bill No. 5596.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 5, 6, 502, 503, 504, 507, 522, 523, 1246, 1250, 1278a, 1311e, 1536, and 1701a (MCL 380.5, 380.6, 380.502, 380.503, 380.504, 380.507, 380.522, 380.523, 380.1246, 380.1250, 380.1278a, 380.1311e, 380.1536, and 380.1701a), section 5 as amended by 2005 PA 61, sections 6, 504, and 1701a as amended by 2008 PA 1, sections 502 and 507 as amended and section 1250 as added by 1995 PA 289, section 503 as amended by 2003 PA 299, sections 522 and 523 as added by 2003 PA 179, section 1246 as amended by 2004 PA 148, section 1278a as amended by 2008 PA 316, section 1311e as added by 1999 PA 23, and section 1536 as added by 2006 PA 335, and by adding sections 502a and 1249 and part 6e.

Wayne Kuipers  
Gerald Van Woerkom  
Samuel Buzz Thomas III  
Conferees for the Senate

Tim Melton  
Douglas Geiss  
Phillip Pavlov  
Conferees for the House

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 752**

**Yeas—23**

Allen	George	Kahn	Sanborn
Birkholz	Gilbert	Kuipers	Stamas
Bishop	Hardiman	McManus	Switalski
Brown	Hunter	Nofs	Thomas
Cassis	Jacobs	Pappageorge	Van Woerkom
Cropsey	Jansen	Richardville	

**Nays—8**

Anderson	Clark-Coleman	Gleason	Prusi
Cherry	Clarke	Olshove	Whitmer

**Excused—7**Barcia  
BashamBrater  
GarciaJelinek  
Patterson

Scott

**Not Voting—0**

In The Chair: Richardville

The question being on concurring in the committee recommendation to give the bill immediate effect, Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The recommendation was not concurred in, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 753****Yeas—24**Allen  
Birkholz  
Bishop  
Brown  
Cassis  
CherryCropsey  
George  
Gilbert  
Hardiman  
Hunter  
JacobsJansen  
Kahn  
Kuipers  
McManus  
Nofs  
PappageorgeRichardville  
Sanborn  
Stamas  
Switalski  
Thomas  
Van Woerkom**Nays—4**

Anderson

Gleason

Olshove

Prusi

**Excused—7**Barcia  
BashamBrater  
GarciaJelinek  
Patterson

Scott

**Not Voting—3**

Clark-Coleman

Clarke

Whitmer

In The Chair: Richardville

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.  
The motion prevailed, the time being 1:35 p.m.

1:48 p.m.

The Senate was called to order by the President, pro tempore, Senator Richardville.

**House Bill No. 4788, entitled**

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act," by amending section 15 (MCL 423.215), as amended by 1994 PA 112.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

## FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 4788, entitled**

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act," by amending section 15 (MCL 423.215), as amended by 1994 PA 112.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 1947 PA 336, entitled "An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act," by amending section 15 (MCL 423.215), as amended by 1994 PA 112.

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

Sec. 15. (1) A public employer shall bargain collectively with the representatives of its employees as ~~defined~~ **DESCRIBED** in section 11 and ~~is authorized to~~ **MAY** make and enter into collective bargaining agreements with ~~such~~ **THOSE** representatives. Except as otherwise provided in this section, for the purposes of this section, to bargain collectively is the performance of the mutual obligation of the employer and the representative of the employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising under the agreement, and the execution of a written contract, ordinance, or resolution incorporating any agreement reached if requested by either party, but this obligation does not compel either party to agree to a proposal or require the making of a concession.

(2) A public school employer has the responsibility, authority, and right to manage and direct on behalf of the public the operations and activities of the public schools under its control.

(3) Collective bargaining between a public school employer and a bargaining representative of its employees shall not include any of the following subjects:

(a) Who is or will be the policyholder of an employee group insurance benefit. This subdivision does not affect the duty to bargain with respect to types and levels of benefits and coverages for employee group insurance. A change or proposed change in a type or to a level of benefit, policy specification, or coverage for employee group insurance shall be bargained by the public school employer and the bargaining representative before the change may take effect.

(b) Establishment of the starting day for the school year and of the amount of pupil contact time required to receive full state school aid under section 1284 of the school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1284 of the Michigan Compiled Laws ~~REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1284~~, and under section 101 of the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being section 388.1701 of the Michigan Compiled Laws ~~1979 PA 94, MCL 388.1701~~.

(c) ~~Composition of site-based decision-making bodies established pursuant to section 1202a of Act No. 451 of the Public Acts of 1976, being section 380.1202a of the Michigan Compiled Laws, or~~ **THE COMPOSITION** of school improvement committees established under section 1277 of Act No. 451 of the Public Acts of 1976, being section 380.1277 of the Michigan Compiled Laws ~~THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1277~~.

(d) The decision of whether or not to provide or allow interdistrict or intradistrict open enrollment opportunity in a school district or of which grade levels or schools in which to allow such an open enrollment opportunity.

(e) The decision of whether or not to act as an authorizing body to grant a contract to organize and operate 1 or more public school academies under ~~part 6a of Act No. 451 of the Public Acts of 1976, being sections 380.501 to 380.507 of the Michigan Compiled Laws, or the granting of a leave of absence to an employee of a school district to participate in a public school academy~~ **THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1 TO 380.1852**.

(f) The decision of whether or not to contract with a third party for 1 or more noninstructional support services; or the procedures for obtaining the contract **FOR NONINSTRUCTIONAL SUPPORT SERVICES OTHER THAN BIDDING DESCRIBED IN THIS SUBDIVISION**; or the identity of the third party; or the impact of the

contract **FOR NONINSTRUCTIONAL SUPPORT SERVICES** on individual employees or the bargaining unit. **HOWEVER, THIS SUBDIVISION APPLIES ONLY IF THE BARGAINING UNIT THAT IS PROVIDING THE NONINSTRUCTIONAL SUPPORT SERVICES IS GIVEN AN OPPORTUNITY TO BID ON THE CONTRACT FOR THE NONINSTRUCTIONAL SUPPORT SERVICES ON AN EQUAL BASIS AS OTHER BIDDERS.**

(g) The use of volunteers in providing services at its schools.

(h) Decisions concerning use of experimental or pilot programs and staffing of experimental or pilot programs and decisions concerning use of technology to deliver educational programs and services and staffing to provide the technology, or the impact of these decisions on individual employees or the bargaining unit.

(i) Any compensation or additional work assignment intended to reimburse an employee for or allow an employee to recover any monetary penalty imposed under this act.

(4) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3)(F), THE** matters described in subsection (3) are prohibited subjects of bargaining between a public school employer and a bargaining representative of its employees, and, for the purposes of this act, are within the sole authority of the public school employer to decide.

**(5) IF A PUBLIC SCHOOL IS PLACED IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT OR IS PLACED UNDER A CHIEF EXECUTIVE OFFICER UNDER SECTION 1280C OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1280C, THEN, FOR THE PURPOSES OF COLLECTIVE BARGAINING UNDER THIS ACT, THE STATE SCHOOL REFORM/REDESIGN OFFICER OR THE CHIEF EXECUTIVE OFFICER, AS APPLICABLE, IS THE PUBLIC SCHOOL EMPLOYER OF THE PUBLIC SCHOOL EMPLOYEES OF THAT PUBLIC SCHOOL FOR AS LONG AS THE PUBLIC SCHOOL IS PART OF THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT OR OPERATED BY THE CHIEF EXECUTIVE OFFICER.**

**(6) A PUBLIC SCHOOL EMPLOYER’S COLLECTIVE BARGAINING DUTY UNDER THIS ACT AND A COLLECTIVE BARGAINING AGREEMENT ENTERED INTO BY A PUBLIC SCHOOL EMPLOYER UNDER THIS ACT ARE SUBJECT TO ALL OF THE FOLLOWING:**

**(A) ANY EFFECT ON COLLECTIVE BARGAINING AND ANY MODIFICATION OF A COLLECTIVE BARGAINING AGREEMENT OCCURRING UNDER SECTION 1280C OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1280C.**

**(B) FOR A PUBLIC SCHOOL IN WHICH THE SUPERINTENDENT OF PUBLIC INSTRUCTION IMPLEMENTS 1 OF THE 4 SCHOOL INTERVENTION MODELS DESCRIBED IN SECTION 1280C OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1280C, IF THE SCHOOL INTERVENTION MODEL THAT IS IMPLEMENTED AFFECTS COLLECTIVE BARGAINING OR REQUIRES MODIFICATION OF A COLLECTIVE BARGAINING AGREEMENT, ANY EFFECT ON COLLECTIVE BARGAINING AND ANY MODIFICATION OF A COLLECTIVE BARGAINING AGREEMENT UNDER THAT SCHOOL INTERVENTION MODEL.**

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

- (a) Senate Bill No. 926.
- (b) Senate Bill No. 981.
- (c) House Bill No. 4787.
- (d) House Bill No. 5596.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1947 PA 336, entitled “An act to prohibit strikes by certain public employees; to provide review from disciplinary action with respect thereto; to provide for the mediation of grievances and the holding of elections; to declare and protect the rights and privileges of public employees; and to prescribe means of enforcement and penalties for the violation of the provisions of this act,” by amending section 15 (MCL 423.215), as amended by 1994 PA 112.

Tim Melton  
Douglas Geiss  
Phillip Pavlov  
Conferees for the House

Wayne Kuipers  
Gerald Van Woerkom  
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 754**

**Yeas—26**

Allen  
Anderson

George  
Gilbert

Kahn  
Kuipers

Sanborn  
Stamas



Birkholz	Gleason	McManus	Switalski
Bishop	Hardiman	Nofs	Thomas
Brown	Hunter	Pappageorge	Van Woerkom
Cassis	Jacobs	Richardville	Whitmer
Cropsey	Jansen		

**Nays—5**

Cherry	Clarke	Olshove	Prusi
Clark-Coleman			

**Excused—7**

Barcia	Brater	Jelinek	Scott
Basham	Garcia	Patterson	

**Not Voting—0**

In The Chair: Richardville

Senator Cropsey moved that the bill be given immediate effect.  
The motion prevailed, 2/3 of the members serving voting therefor.

**House Bill No. 4787, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending sections 5, 507, and 1701a (MCL 380.5, 380.507, and 380.1701a), section 5 as amended by 2005 PA 61, section 507 as amended by 1995 PA 289, and section 1701a as amended by 2008 PA 1, and by adding sections 1280c and 1320 and part 6d.

The House of Representatives has adopted the report of the Committee of Conference.

The Conference Report was read as follows:

**FIRST CONFERENCE REPORT**

The Committee of Conference on the matters of difference between the two Houses concerning

**House Bill No. 4787, entitled**

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending sections 5, 507, and 1701a (MCL 380.5, 380.507, and 380.1701a), section 5 as amended by 2005 PA 61, section 507 as amended by 1995 PA 289, and section 1701a as amended by 2008 PA 1, and by adding sections 1280c and 1320 and part 6d.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

A bill to amend 1976 PA 451, entitled “The revised school code,” by amending sections 1278b, 1561, and 1596 (MCL 380.1278b, 380.1561, and 380.1596), section 1278b as amended by 2007 PA 141 and section 1561 as amended by 1996 PA 339, and by adding section 1280c.

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

Sec. 1278b. (1) Except as otherwise provided in this section or section 1278a, beginning with pupils entering grade 8 in 2006, as part of the requirements under section 1278a the board of a school district or board of directors of a public school academy shall not award a high school diploma to a pupil unless the pupil has successfully completed all of the following credit requirements of the Michigan merit standard before graduating from high school:

(a) At least 4 credits in English language arts that are aligned with subject area content expectations developed by the department and approved by the state board under this section.

(b) At least 3 credits in science that are aligned with subject area content expectations developed by the department and approved by the state board under this section, including completion of at least biology and either chemistry or physics. The legislature strongly encourages pupils to complete a fourth credit in science, such as forensics, astronomy, Earth science, agricultural science, environmental science, geology, physics or chemistry, physiology, or microbiology.

(c) The credit requirements specified in section 1278a(1)(a)(i) to (iv).

(2) If a pupil successfully completes 1 or more of the high school credits required under subsection (1) or under section 1278a(1) before entering high school, the pupil shall be given high school credit for that credit.

(3) For the purposes of this section and section 1278a, the department shall do all of the following:

(a) Develop subject area content expectations that apply to the credit requirements of the Michigan merit standard that are required under subsection (1)(a) and (b) and section 1278a(1)(a)(i) and (ii) and develop guidelines for the remaining credit requirements of the Michigan merit standard that are required under this section and section 1278a(1)(a), for the online course or learning experience required under section 1278a(1)(b), and for the requirements for a language other than English under section 1278a(2). All of the following apply to these subject area content expectations and guidelines:

(i) All subject area content expectations shall be consistent with the state board recommended model core academic curriculum content standards under section 1278. Subject area content expectations or guidelines shall not include attitudes, beliefs, or value systems that are not essential in the legal, economic, and social structure of our society and to the personal and social responsibility of citizens of our society. The subject area content expectations shall require pupils to demonstrate critical thinking skills.

(ii) The subject area content expectations and the guidelines must be approved by the state board under subsection (4).

(iii) The subject area content expectations shall state in clear and measurable terms what pupils are expected to know upon completion of each credit.

(iv) The department shall complete the development of the subject area content expectations that apply to algebra I and the guidelines for the online course or learning experience under section 1278a(1)(b) not later than August 1, 2006.

(v) The department shall complete development of the subject area content expectations or guidelines that apply to each of the other credits required in the Michigan merit standard under subsection (1) and section 1278a(1)(a) not later than 1 year before the beginning of the school year in which a pupil entering high school in 2007 would normally be expected to complete the credit.

(vi) If the department has not completed development of the subject area content expectations that apply to a particular credit required in the Michigan merit standard under subsection (1) or section 1278a(1)(a) by the date required under this subdivision, a school district or public school academy may align the content of the credit with locally adopted standards.

(vii) Until all of the subject area content expectations and guidelines have been developed by the department and approved by the state board, the department shall submit a report at least every 6 months to the senate and house standing committees responsible for education legislation on the status of the development of the subject area content expectations and guidelines. The report shall detail any failure by the department to meet a deadline established under subparagraph (iv) or (v) and the reasons for that failure.

(b) Develop and implement a process for developing the subject area content expectations and guidelines required under this section. This process shall provide for all of the following:

(i) Soliciting input from all of the following groups:

(A) Recognized experts in the relevant subject areas.

(B) Representatives from 4-year colleges or universities, community colleges, and other postsecondary institutions.

(C) Teachers, administrators, and school personnel who have specialized knowledge of the subject area.

(D) Representatives from the business community.

(E) Representatives from vocational and career and technical education providers.

(F) Government officials, including officials from the legislature.

(G) Parents of public school pupils.

(ii) A review of the subject area content expectations or guidelines by national experts.

(iii) An opportunity for the public to review and provide input on the proposed subject area content expectations or guidelines before they are submitted to the state board for approval. The time period allowed for this review and input shall be at least 15 business days.

(c) Determine the basic level of technology and internet access required for pupils to complete the online course or learning experience requirement of section 1278a(1)(b), and submit that determination to the state board for approval.

(d) Develop and make available material to assist school districts and public school academies in implementing the requirements of this section and section 1278a. This shall include developing guidelines for alternative instructional delivery methods as described in subsection (7).

(4) The state board shall approve subject area content expectations and guidelines developed by the department under subsection (3) before those subject area content expectations and guidelines may take effect. The state board also shall approve the basic level of technology and internet access required for pupils to complete the online course or learning experience requirement of section 1278a(1)(b).

(5) The parent or legal guardian of a pupil **WHO HAS COMPLETED GRADE 9, A TEACHER WHO IS CURRENTLY TEACHING THE PUPIL, WHO CURRENTLY TEACHES IN OR WHOSE EXPERTISE IS IN A SUBJECT AREA PROPOSED TO BE MODIFIED BY THE PERSONAL CURRICULUM, OR WHO IS DETERMINED BY THE PRINCIPAL TO HAVE QUALIFICATIONS OTHERWISE RELEVANT TO DEVELOPING A PERSONAL CURRICULUM, OR A SCHOOL COUNSELOR OR SCHOOL EMPLOYEE QUALIFIED TO ACT IN A COUNSELING ROLE UNDER SECTION 1233 OR 1233A** may request a personal curriculum under this subsection for the pupil that modifies certain of the Michigan merit standard requirements under subsection (1) or section 1278a(1)(a). **A TEACHER, SCHOOL COUNSELOR, OR SCHOOL EMPLOYEE QUALIFIED TO ACT IN A COUNSELING ROLE UNDER SECTION 1233 OR 1233A MAY CONTACT A PUPIL'S PARENT OR LEGAL GUARDIAN TO DISCUSS THE POSSIBILITY AND POTENTIAL BENEFITS OF A PERSONAL CURRICULUM UNDER THIS SUBSECTION FOR THE PUPIL.** If all of the requirements under this subsection for a personal curriculum are met, then the board of a school district or board of directors of a public school academy may award a high school diploma to a pupil who successfully completes his or her personal curriculum even if it does not meet the requirements of the Michigan merit standard required under subsection (1) and section 1278a(1)(a). All of the following apply to a personal curriculum:

(a) The personal curriculum shall be developed by a group that includes at least the pupil, at least 1 of the pupil's parents or the pupil's legal guardian, **A TEACHER DESCRIBED IN THIS SUBDIVISION**, and the pupil's high school counselor or another designee qualified to act in a counseling role under section 1233 or 1233a selected by the high school principal. In addition, for a pupil who receives special education services, a school psychologist should also be included in this group. **THE TEACHER INCLUDED IN THE GROUP DEVELOPING THE PERSONAL CURRICULUM SHALL BE A TEACHER WHO IS CURRENTLY TEACHING THE PUPIL, WHO CURRENTLY TEACHES IN OR WHOSE EXPERTISE IS IN A SUBJECT AREA BEING MODIFIED BY THE PERSONAL CURRICULUM, OR WHO IS DETERMINED BY THE PRINCIPAL TO HAVE QUALIFICATIONS OTHERWISE RELEVANT TO THE GROUP.**

(b) The personal curriculum shall incorporate as much of the subject area content expectations of the Michigan merit standard required under subsection (1) and section 1278a(1)(a) as is practicable for the pupil; shall establish measurable goals that the pupil must achieve while enrolled in high school and shall provide a method to evaluate whether the pupil achieved these goals; and shall be aligned with the pupil's educational development plan developed under subsection (11).

(c) Before it takes effect, the personal curriculum must be agreed to by the pupil's parent or legal guardian and by the superintendent of the school district or chief executive of the public school academy or his or her designee.

(d) The pupil's parent or legal guardian shall be in communication with each of the pupil's teachers at least once each calendar quarter to monitor the pupil's progress toward the goals contained in the pupil's personal curriculum.

(e) Revisions may be made in the personal curriculum if the revisions are developed and agreed to in the same manner as the original personal curriculum.

(f) The English language arts credit requirements of subsection (1)(a) and the science credit requirements of subsection (1)(b) are not subject to modification as part of a personal curriculum under this subsection.

(g) Except as otherwise provided in this subdivision, the mathematics credit requirements of section 1278a(1)(a)(i) may be modified as part of a personal curriculum only after the pupil has ~~successfully completed~~, **WITHOUT NECESSARILY HAVING ATTAINED A PASSING GRADE IN**, at least ~~2+1/2-1-1/2~~ credits of the mathematics credits required under that section and only if the pupil successfully completes at least 3-1/2 total credits of the mathematics credits required under that section before completing high school. The requirement under ~~that section 1278A(1)~~ that a pupil must successfully complete at least 1 mathematics course during his or her final year of high school enrollment is not subject to modification as part of a personal curriculum under this subsection. The algebra II credit required under that section may be modified as part of a personal curriculum under this subsection only if the pupil ~~has successfully completed at least 2 credits of the mathematics credits required under section 1278a(1)(a)(i) and~~ meets 1 or more of the following:

(i) Has successfully completed the same content as 1 semester of algebra II, as determined by the department.

(ii) Elects to complete the same content as algebra II over 2 years, with a credit awarded for each of those 2 years, and successfully completes that content.

(iii) Enrolls in a formal career and technical education program or curriculum and in that program or curriculum successfully completes the same content as 1 semester of algebra II, as determined by the department.

(h) The social science credit requirements of section 1278a(1)(a)(ii) may be modified as part of a personal curriculum only if all of the following are met:

(i) The pupil has successfully completed 2 credits of the social science credits required under section 1278a(1), including the civics course described in section 1166(2).

(ii) The modification requires the pupil to complete 1 additional credit in English language arts, mathematics, or science or 1 additional credit in a language other than English. This additional credit must be in addition to the number of those credits otherwise required under subsection (1) and section 1278a(1) or under section 1278a(2).

(i) The health and physical education credit requirement under section 1278a(1)(a)(iii) may be modified as part of a personal curriculum only if the modification requires the pupil to complete 1 additional credit in English language arts, mathematics, or science or 1 additional credit in a language other than English. This additional credit must be in addition to the number of those credits otherwise required under subsection (1) and section 1278a(1) or under section 1278a(2).

(j) The visual arts, performing arts, or applied arts credit requirement under section 1278a(1)(a)(iv) may be modified as part of a personal curriculum only if the modification requires the pupil to complete 1 additional credit in English language arts, mathematics, or science or 1 additional credit in a language other than English. This additional credit must be in addition to the number of those credits otherwise required under subsection (1) and section 1278a(1) or under section 1278a(2).

(k) If the parent or legal guardian of a pupil requests as part of the pupil's personal curriculum a modification of the Michigan merit standard requirements that would not otherwise be allowed under this section and demonstrates that the modification is necessary because the pupil is a child with a disability, the school district or public school academy may allow that additional modification to the extent necessary because of the pupil's disability if the group under subdivision (a) determines that the modification is consistent with both the pupil's educational development plan under subsection (11) and the pupil's individualized education program. If the superintendent of public instruction has reason to believe that a school district or a public school academy is allowing modifications inconsistent with the requirements of this subdivision, the superintendent of public instruction shall monitor the school district or public school academy to ensure that the school district's or public school academy's policies, procedures, and practices are in compliance with the requirements for additional modifications under this subdivision. As used in this subdivision, "child with a disability" means that term as defined in 20 USC 1401.

(l) If a pupil transfers to a school district or public school academy from out of state or from a nonpublic school, the pupil's parent or legal guardian may request, as part of the pupil's personal curriculum, a modification of the Michigan merit standard requirements that would not otherwise be allowed under this section. The school district or public school academy may allow this additional modification for a transfer pupil if all of the following are met:

(i) The transfer pupil has successfully completed at least the equivalent of 2 years of high school credit out of state or at a nonpublic school. The school district or public school academy may use appropriate assessment examinations to determine what credits, if any, the pupil has earned out of state or at a nonpublic school that may be used to satisfy the curricular requirements of the Michigan merit standard and this subdivision.

(ii) The transfer pupil's personal curriculum incorporates as much of the subject area content expectations of the Michigan merit standard as is practicable for the pupil.

(iii) The transfer pupil's personal curriculum requires the pupil to successfully complete at least 1 mathematics course during his or her final year of high school enrollment. In addition, if the transfer pupil is enrolled in the school district or public school academy for at least 1 full school year, both of the following apply:

(A) The transfer pupil's personal curriculum shall require that this mathematics course is at least algebra I.

(B) If the transfer pupil demonstrates that he or she has mastered the content of algebra I, the transfer pupil's personal curriculum shall require that this mathematics course is a course normally taken after completing algebra I.

(iv) The transfer pupil's personal curriculum includes the civics course described in section 1166(2).

(m) If a pupil is at least age 18 or is an emancipated minor, the pupil may act on his or her own behalf under this subsection.

(n) This subsection does not apply to a pupil enrolled in a high school that is designated as a specialty school under section 1278a(5) and that is exempt under that section from the English language arts requirement under subsection (1)(a) and the social science credit requirement under section 1278a(1)(a)(ii).

(6) If a pupil receives special education services, the pupil's individualized education program, in accordance with the individuals with disabilities education act, title VI of Public Law 91-230, shall identify the appropriate course or courses of study and identify the supports, accommodations, and modifications necessary to allow the pupil to progress in the curricular requirements of this section and section 1278a, or in a personal curriculum as provided under subsection (5), and meet the requirements for a high school diploma.

(7) The board of a school district or board of directors of a public school academy that operates a high school shall ensure that each pupil is offered the curriculum necessary for the pupil to meet the curricular requirements of this section and section 1278a. The board or board of directors may provide this curriculum by providing the credits specified in this section and section 1278a, by using alternative instructional delivery methods such as alternative course work, humanities course sequences, career and technical education, industrial technology courses, or vocational education, or by a combination of these. School districts and public school academies that operate career and technical education programs are encouraged to integrate the credit requirements of this section and section 1278a into those programs.

(8) If the board of a school district or board of directors of a public school academy wants its high school to be accredited under section 1280, the board or board of directors shall ensure that all elements of the curriculum required under this section and section 1278a are made available to all affected pupils. If a school district or public school academy does not offer all of the required credits, the board of the school district or board of directors of the public school academy shall ensure that the pupil has access to the required credits by another means, such as enrollment in a postsecondary course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524; enrollment in an online course; a cooperative arrangement with a neighboring school district or with a public school academy; or granting approval under section 6(6) of the state school aid act of 1979, MCL 388.1606, for the pupil to be counted in membership in another school district.

(9) If a pupil is not successfully completing a credit required for graduation under this section and section 1278a, or is identified as being at risk of withdrawing from high school, then the pupil's school district or public school academy shall notify the pupil's parent or legal guardian or, if the pupil is at least age 18 or is an emancipated minor, the pupil, of the availability of

tutoring or other supplemental educational support and counseling services that may be available to the pupil under existing state or federal programs, such as those programs or services available under section 31a of the state school aid act of 1979, MCL 388.1631a, or under the no child left behind act of 2001, Public Law 107-110.

(10) To the extent required by the no child left behind act of 2001, Public Law 107-110, the board of a school district or public school academy shall ensure that all components of the curricular requirements under this section and section 1278a are taught by highly qualified teachers. If a school district or public school academy demonstrates to the department that the school district or public school academy is unable to meet the requirements of this section because the school district or public school academy is unable to hire enough highly qualified teachers, the department shall work with the school district or public school academy to develop a plan to allow the school district or public school academy to hire enough highly qualified teachers to meet the requirements of this section.

(11) The board of a school district or board of directors of a public school academy shall ensure that each pupil in grade 7 is provided with the opportunity to develop an educational development plan, and that each pupil has developed an educational development plan before he or she begins high school. An educational development plan shall be developed by the pupil under the supervision of the pupil's school counselor or another designee qualified to act in a counseling role under section 1233 or 1233a selected by the high school principal and shall be based on a career pathways program or similar career exploration program. In addition, if the pupil receives special education services, a school psychologist should also participate in developing the pupil's educational development plan.

(12) Except as otherwise provided in this subsection, if a school district or public school academy is unable to implement all of the curricular requirements of this section and section 1278a for pupils entering grade 9 in 2007 or is unable to implement another requirement of this section or section 1278a, the school district or public school academy may apply to the department for permission to phase in 1 or more of the requirements of this section or section 1278a. To apply, the school district or public school academy shall submit a proposed phase-in plan to the department. The department shall approve a phase-in plan if the department determines that the plan will result in the school district or public school academy making satisfactory progress toward full implementation of the requirements of this section and section 1278a. If the department disapproves a proposed phase-in plan, the department shall work with the school district or public school academy to develop a satisfactory plan that may be approved. However, if legislation is enacted that adds section 1290 to allow school districts and public school academies to apply for a contract that waives certain state or federal requirements, then this subsection does not apply but a school district or public school academy may take action as described in subsection (13). This subsection does not apply to a high school that is designated as a specialty school under section 1278a(5) and that is exempt under that section from the English language arts requirement under subsection (1)(a) and the social science credit requirement under section 1278a(1)(a)(ii).

(13) If a school district or public school academy does not offer all of the required credits or provide options to have access to the required credits as provided under subsection (8) and if legislation is enacted that adds section 1290 to allow school districts and public school academies to apply for a contract that waives certain state or federal requirements, then the school district or public school academy is encouraged to apply for a contract under section 1290. The purpose of a contract described in this subsection is to improve pupil performance.

(14) This section and section 1278a do not prohibit a pupil from satisfying or exceeding the credit requirements of the Michigan merit standard under this section and section 1278a through advanced studies such as accelerated course placement, advanced placement, dual enrollment in a postsecondary institution, or participation in the international baccalaureate program or an early college/middle college program.

(15) Not later than April 1 of each year, the department shall submit an annual report to the legislature that evaluates the overall success of the curriculum required under this section and section 1278a, the rigor and relevance of the course work required by the curriculum, the ability of public schools to implement the curriculum and the required course work, and the impact of the curriculum on pupil success, and that details any activities the department has undertaken to implement this section and section 1278a or to assist public schools in implementing the requirements of this section and section 1278a.

**SEC. 1280C. (1) BEGINNING IN 2010, NOT LATER THAN SEPTEMBER 1 OF EACH YEAR, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL PUBLISH A LIST IDENTIFYING THE PUBLIC SCHOOLS IN THIS STATE THAT THE DEPARTMENT HAS DETERMINED TO BE AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE, AS DEFINED FOR THE PURPOSES OF THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5.**

**(2) THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ISSUE AN ORDER PLACING EACH PUBLIC SCHOOL THAT IS INCLUDED ON THE LIST UNDER SUBSECTION (1) UNDER THE SUPERVISION OF THE STATE SCHOOL REFORM/REDESIGN OFFICER DESCRIBED IN SUBSECTION (9). WITHIN 90 DAYS AFTER A PUBLIC SCHOOL IS PLACED UNDER THE SUPERVISION OF THE STATE SCHOOL REFORM/REDESIGN OFFICER UNDER THIS SECTION, THE SCHOOL BOARD OR BOARD OF DIRECTORS OPERATING THE PUBLIC SCHOOL SHALL SUBMIT A REDESIGN PLAN TO THE STATE SCHOOL REFORM/REDESIGN OFFICER. FOR A PUBLIC SCHOOL OPERATED BY A SCHOOL BOARD, THE REDESIGN PLAN SHALL BE DEVELOPED WITH INPUT FROM THE LOCAL TEACHER BARGAINING UNIT AND THE LOCAL SUPERINTENDENT OR, IF AN EMERGENCY FINANCIAL MANAGER IS IN PLACE UNDER THE LOCAL**

GOVERNMENT FISCAL RESPONSIBILITY ACT, 1990 PA 72, MCL 141.1201 TO 141.1291, THE EMERGENCY FINANCIAL MANAGER. THE REDESIGN PLAN SHALL REQUIRE IMPLEMENTATION OF 1 OF THE 4 SCHOOL INTERVENTION MODELS THAT ARE PROVIDED FOR THE LOWEST ACHIEVING SCHOOLS UNDER THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, KNOWN AS THE "RACE TO THE TOP" GRANT PROGRAM. THESE MODELS ARE THE TURNAROUND MODEL, RESTART MODEL, SCHOOL CLOSURE, AND TRANSFORMATION MODEL. THE REDESIGN PLAN SHALL INCLUDE AN EXECUTED ADDENDUM TO EACH APPLICABLE COLLECTIVE BARGAINING AGREEMENT IN EFFECT FOR THE PUBLIC SCHOOL THAT MEETS THE REQUIREMENTS OF SUBSECTION (8).

(3) WITHIN 30 DAYS AFTER RECEIPT OF A REDESIGN PLAN FOR A PUBLIC SCHOOL UNDER SUBSECTION (2), THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL ISSUE AN ORDER APPROVING, DISAPPROVING, OR MAKING CHANGES TO THE REDESIGN PLAN. IF THE ORDER MAKES CHANGES TO THE REDESIGN PLAN, THE SCHOOL BOARD OR BOARD OF DIRECTORS HAS 30 DAYS AFTER THE ORDER TO CHANGE THE REDESIGN PLAN TO INCORPORATE THOSE CHANGES INTO THE REDESIGN PLAN AND RESUBMIT IT TO THE STATE SCHOOL REFORM/REDESIGN OFFICER FOR APPROVAL OR DISAPPROVAL.

(4) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL NOT DISAPPROVE A REDESIGN PLAN THAT INCLUDES ALL OF THE ELEMENTS REQUIRED UNDER FEDERAL LAW FOR THE SCHOOL INTERVENTION MODEL INCLUDED IN THE REDESIGN PLAN. A SCHOOL BOARD OR BOARD OF DIRECTORS MAY APPEAL DISAPPROVAL OF A REDESIGN PLAN ON THIS BASIS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION. THE DECISION OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION ON THE APPEAL IS FINAL.

(5) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER APPROVES A REDESIGN PLAN UNDER THIS SECTION, THE SCHOOL BOARD OR BOARD OF DIRECTORS SHALL IMPLEMENT THE REDESIGN PLAN FOR THE PUBLIC SCHOOL BEGINNING WITH THE BEGINNING OF THE NEXT SCHOOL YEAR THAT BEGINS AFTER THE APPROVAL. THE SCHOOL BOARD OR BOARD OF DIRECTORS SHALL REGULARLY SUBMIT MONITORING REPORTS TO THE STATE SCHOOL REFORM/REDESIGN OFFICER ON THE IMPLEMENTATION AND RESULTS OF THE PLAN IN THE FORM AND MANNER, AND ACCORDING TO A SCHEDULE, AS DETERMINED BY THE STATE SCHOOL REFORM/REDESIGN OFFICER.

(6) THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS CREATED. THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS A SCHOOL DISTRICT FOR THE PURPOSES OF SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 AND FOR RECEIVING STATE SCHOOL AID UNDER THE STATE SCHOOL AID ACT OF 1979 AND IS SUBJECT TO THE LEADERSHIP AND GENERAL SUPERVISION OF THE STATE BOARD OVER ALL PUBLIC EDUCATION UNDER SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963. THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT IS A BODY CORPORATE AND IS A GOVERNMENTAL AGENCY. EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7), IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DOES NOT APPROVE THE REDESIGN PLAN, OR IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DETERMINES THAT THE REDESIGN PLAN IS NOT ACHIEVING SATISFACTORY RESULTS, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL ISSUE AN ORDER PLACING THE PUBLIC SCHOOL IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT, IMPOSING FOR THE PUBLIC SCHOOL IMPLEMENTATION OF 1 OF THE 4 SCHOOL INTERVENTION MODELS DESCRIBED IN SUBSECTION (2) BEGINNING WITH THE BEGINNING OF THE NEXT SCHOOL YEAR, AND IMPOSING AN ADDENDUM TO EACH APPLICABLE COLLECTIVE BARGAINING AGREEMENT IN EFFECT FOR THE PUBLIC SCHOOL AS NECESSARY TO IMPLEMENT THE SCHOOL INTERVENTION MODEL AND THAT MEETS THE REQUIREMENTS OF SUBSECTION (8). ALL OF THE FOLLOWING APPLY TO THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT:

(A) THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT SHALL CONSIST OF SCHOOLS THAT ARE PLACED IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT.

(B) THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL ACT AS THE SUPERINTENDENT OF THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT. WITH RESPECT TO SCHOOLS PLACED IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT, THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS ALL OF THE POWERS AND DUTIES DESCRIBED IN THIS SECTION; ALL OF THE PROVISIONS OF THIS ACT THAT WOULD OTHERWISE APPLY TO THE SCHOOL BOARD THAT PREVIOUSLY OPERATED A SCHOOL PLACED IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT APPLY TO THE STATE SCHOOL REFORM/REDESIGN OFFICER WITH RESPECT TO THAT SCHOOL, EXCEPT THOSE RELATING TO TAXATION OR BORROWING; EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY EXERCISE ALL THE POWERS AND DUTIES OTHERWISE VESTED BY LAW IN THE SCHOOL BOARD THAT PREVIOUSLY OPERATED A SCHOOL PLACED IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT AND IN ITS OFFICERS, EXCEPT

THOSE RELATING TO TAXATION OR BORROWING, AND MAY EXERCISE ALL ADDITIONAL POWERS AND DUTIES PROVIDED UNDER THIS SECTION; AND, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE STATE SCHOOL REFORM/REDESIGN OFFICER ACCEDES TO ALL THE RIGHTS, DUTIES, AND OBLIGATIONS OF THE SCHOOL BOARD WITH RESPECT TO THAT SCHOOL. THESE POWERS, RIGHTS, DUTIES, AND OBLIGATIONS INCLUDE, BUT ARE NOT LIMITED TO, ALL OF THE FOLLOWING:

(i) AUTHORITY OVER THE EXPENDITURE OF ALL FUNDS ATTRIBUTABLE TO PUPILS AT THAT SCHOOL, INCLUDING THAT PORTION OF PROCEEDS FROM BONDED INDEBTEDNESS AND OTHER FUNDS DEDICATED TO CAPITAL PROJECTS THAT WOULD OTHERWISE BE APPORTIONED TO THAT SCHOOL BY THE SCHOOL BOARD THAT PREVIOUSLY OPERATED THE SCHOOL ACCORDING TO THE TERMS OF THE BOND ISSUE OR FINANCING DOCUMENTS.

(ii) SUBJECT TO SUBSECTION (8), RIGHTS AND OBLIGATIONS UNDER COLLECTIVE BARGAINING AGREEMENTS AND EMPLOYMENT CONTRACTS ENTERED INTO BY THE SCHOOL BOARD FOR EMPLOYEES AT THE SCHOOL.

(iii) RIGHTS TO PROSECUTE AND DEFEND LITIGATION.

(iv) RIGHTS AND OBLIGATIONS UNDER STATUTE, RULE, AND COMMON LAW.

(v) AUTHORITY TO DELEGATE ANY OF THE STATE SCHOOL REFORM/REDESIGN OFFICER'S POWERS AND DUTIES TO 1 OR MORE DESIGNEES, WITH PROPER SUPERVISION BY THE STATE SCHOOL REFORM/REDESIGN OFFICER.

(vi) POWER TO TERMINATE ANY CONTRACT OR PORTION OF A CONTRACT ENTERED INTO BY THE SCHOOL BOARD THAT APPLIES TO THAT SCHOOL. HOWEVER, THIS SUBSECTION DOES NOT ALLOW ANY TERMINATION OR DIMINISHMENT OF OBLIGATIONS TO PAY DEBT SERVICE ON LEGALLY AUTHORIZED BONDS AND DOES NOT ALLOW A COLLECTIVE BARGAINING AGREEMENT TO BE AFFECTED EXCEPT AS PROVIDED UNDER SUBSECTION (8). A CONTRACT TERMINATED BY THE STATE SCHOOL REFORM/REDESIGN OFFICER UNDER THIS SUBSECTION IS VOID.

(7) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DETERMINES THAT BETTER EDUCATIONAL RESULTS ARE LIKELY TO BE ACHIEVED BY APPOINTING A CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF MULTIPLE PUBLIC SCHOOLS, THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY MAKE A RECOMMENDATION TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION FOR APPOINTMENT OF A CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OVER THOSE MULTIPLE SCHOOLS. IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION APPOINTS A CHIEF EXECUTIVE OFFICER TO TAKE CONTROL OF MULTIPLE PUBLIC SCHOOLS UNDER THIS SUBSECTION, THE CHIEF EXECUTIVE OFFICER SHALL IMPOSE FOR THOSE PUBLIC SCHOOLS IMPLEMENTATION OF 1 OF THE 4 SCHOOL INTERVENTION MODELS DESCRIBED IN SUBSECTION (2) AND IMPOSE AN ADDENDUM TO EACH APPLICABLE COLLECTIVE BARGAINING AGREEMENT IN EFFECT FOR THOSE PUBLIC SCHOOLS AS NECESSARY TO IMPLEMENT THE SCHOOL INTERVENTION MODEL AND THAT MEETS THE REQUIREMENTS OF SUBSECTION (8). WITH RESPECT TO THOSE PUBLIC SCHOOLS, THE CHIEF EXECUTIVE OFFICER HAS ALL OF THE SAME POWERS AND DUTIES THAT THE STATE SCHOOL REFORM/REDESIGN OFFICER HAS FOR PUBLIC SCHOOLS PLACED IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT UNDER SUBSECTION (6). THE CHIEF EXECUTIVE OFFICER SHALL REGULARLY SUBMIT MONITORING REPORTS TO THE STATE SCHOOL REFORM/REDESIGN OFFICER ON THE IMPLEMENTATION AND RESULTS OF THE INTERVENTION MODEL IN THE FORM AND MANNER, AND ACCORDING TO A SCHEDULE, AS DETERMINED BY THE STATE SCHOOL REFORM/REDESIGN OFFICER. THE CHIEF EXECUTIVE OFFICER SHALL EXERCISE ANY OTHER POWERS OR DUTIES OVER THE PUBLIC SCHOOLS AS MAY BE DIRECTED BY THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

(8) AN ADDENDUM TO A COLLECTIVE BARGAINING AGREEMENT UNDER THIS SECTION SHALL PROVIDE FOR ANY OF THE FOLLOWING THAT ARE NECESSARY FOR THE APPLICABLE SCHOOL INTERVENTION MODEL TO BE IMPLEMENTED AT EACH AFFECTED PUBLIC SCHOOL:

(A) THAT ANY CONTRACTUAL OR OTHER SENIORITY SYSTEM THAT WOULD OTHERWISE BE APPLICABLE SHALL NOT APPLY AT THE PUBLIC SCHOOL. THIS SUBDIVISION DOES NOT ALLOW UNILATERAL CHANGES IN PAY SCALES OR BENEFITS.

(B) THAT ANY CONTRACTUAL OR OTHER WORK RULES THAT ARE IMPEDIMENTS TO IMPLEMENTING THE REDESIGN PLAN SHALL NOT APPLY AT THE PUBLIC SCHOOL. THIS SUBDIVISION DOES NOT ALLOW UNILATERAL CHANGES IN PAY SCALES OR BENEFITS.

(C) THAT THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL DIRECT THE EXPENDITURE OF ALL FUNDS ATTRIBUTABLE TO PUPILS AT THE PUBLIC SCHOOL AND THE PRINCIPAL OR OTHER SCHOOL LEADER DESIGNATED BY THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL HAVE FULL AUTONOMY AND CONTROL OVER CURRICULUM AND DISCRETIONARY SPENDING AT THE PUBLIC SCHOOL.

(9) THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL HIRE A STATE SCHOOL REFORM/REDESIGN OFFICER TO CARRY OUT THE FUNCTIONS UNDER THIS SECTION AND AS OTHERWISE PRESCRIBED BY LAW. THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL BE CHOSEN SOLELY ON THE BASIS OF HIS OR HER COMPETENCE AND EXPERIENCE IN EDUCATIONAL REFORM AND REDESIGN. THE STATE SCHOOL REFORM/REDESIGN OFFICER IS EXEMPT FROM CIVIL SERVICE. THE STATE SCHOOL REFORM/REDESIGN OFFICER IS RESPONSIBLE DIRECTLY TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO ENSURE THAT THE PURPOSES OF THIS SECTION ARE CARRIED OUT, AND ACCORDINGLY THE POSITION OF STATE SCHOOL REFORM/REDESIGN OFFICER SHOULD BE A POSITION WITHIN THE DEPARTMENT THAT IS EXEMPT FROM THE CLASSIFIED STATE CIVIL SERVICE. THE DEPARTMENT SHALL REQUEST THAT THE CIVIL SERVICE COMMISSION ESTABLISH THE POSITION OF STATE SCHOOL REFORM/REDESIGN OFFICER AS A POSITION THAT IS EXEMPT FROM THE CLASSIFIED STATE CIVIL SERVICE.

(10) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER IMPOSES THE RESTART MODEL FOR A PUBLIC SCHOOL IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT, OR A CHIEF EXECUTIVE OFFICER UNDER SUBSECTION (7) IMPOSES THE RESTART MODEL FOR MULTIPLE PUBLIC SCHOOLS UNDER THAT SUBSECTION, ALL OF THE FOLLOWING APPLY:

(A) THE STATE SCHOOL REFORM/REDESIGN OFFICER OR CHIEF EXECUTIVE OFFICER SHALL ENTER INTO AN AGREEMENT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION TO MANAGE AND OPERATE THE PUBLIC SCHOOL OR SCHOOLS. THE STATE SCHOOL REFORM/REDESIGN OFFICER OR CHIEF EXECUTIVE OFFICER SHALL PROVIDE SUFFICIENT OVERSIGHT TO ENSURE THAT THE PUBLIC SCHOOL OR SCHOOLS WILL BE OPERATED ACCORDING TO ALL OF THE REQUIREMENTS FOR A RESTART MODEL.

(B) THERE SHALL BE CONSIDERED TO BE NO COLLECTIVE BARGAINING AGREEMENT IN EFFECT THAT APPLIES TO EMPLOYEES WORKING AT THE PUBLIC SCHOOL OR SCHOOLS UNDER THIS MODEL AT THE TIME OF IMPOSITION OF THE MODEL.

(11) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER IMPOSES THE TURNAROUND MODEL FOR A PUBLIC SCHOOL IN THE STATE SCHOOL REFORM/REDESIGN SCHOOL DISTRICT, OR A CHIEF EXECUTIVE OFFICER UNDER SUBSECTION (7) IMPOSES THE TURNAROUND MODEL FOR MULTIPLE PUBLIC SCHOOLS UNDER THAT SUBSECTION, ALL OF THE FOLLOWING APPLY:

(A) A COLLECTIVE BARGAINING AGREEMENT THAT APPLIES TO EMPLOYEES WORKING AT THE PUBLIC SCHOOL OR SCHOOLS UNDER THIS MODEL AT THE TIME OF IMPOSITION OF THE MODEL, AND ANY SUCCESSOR COLLECTIVE BARGAINING AGREEMENT, CONTINUES TO APPLY WITH RESPECT TO PAY SCALES AND BENEFITS.

(B) SUBJECT TO ANY ADDENDUM TO THE COLLECTIVE BARGAINING AGREEMENT THAT APPLIES TO THE PUBLIC SCHOOL OR SCHOOLS, AN EMPLOYEE WHO IS WORKING AT THE PUBLIC SCHOOL OR SCHOOLS AND WHO WAS PREVIOUSLY EMPLOYED IN THE SAME SCHOOL DISTRICT THAT PREVIOUSLY OPERATED THAT SCHOOL SHALL CONTINUE TO RETAIN AND ACCRUE SENIORITY RIGHTS IN THAT SCHOOL DISTRICT ACCORDING TO THE COLLECTIVE BARGAINING AGREEMENT THAT APPLIES TO EMPLOYEES OF THAT SCHOOL DISTRICT.

(12) IF MORE THAN 9 PUBLIC SCHOOLS OPERATED BY A SCHOOL DISTRICT ARE ON THE LIST UNDER SUBSECTION (1), THE TRANSFORMATION MODEL MAY NOT BE IMPLEMENTED FOR MORE THAN 50% OF THOSE SCHOOLS.

(13) IF THE STATE SCHOOL REFORM/REDESIGN OFFICER DETERMINES THAT A PUBLIC SCHOOL THAT IS SUBJECT TO THE MEASURES UNDER SUBSECTION (6) OR (7) HAS MADE SIGNIFICANT IMPROVEMENT IN PUPIL ACHIEVEMENT AND SHOULD BE RELEASED FROM THE MEASURES THAT HAVE BEEN IMPOSED UNDER SUBSECTION (6) OR (7), THE STATE SCHOOL REFORM/REDESIGN OFFICER MAY RECOMMEND THIS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION. IF THE SUPERINTENDENT OF PUBLIC INSTRUCTION AGREES WITH THE DETERMINATION AND RECOMMENDATION, THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY RELEASE THE PUBLIC SCHOOL FROM THE MEASURES THAT HAVE BEEN IMPOSED UNDER SUBSECTION (6) OR (7).

(14) AT LEAST ANNUALLY, THE STATE SCHOOL REFORM/REDESIGN OFFICER SHALL SUBMIT A REPORT TO THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES HAVING JURISDICTION OVER EDUCATION LEGISLATION ON THE PROGRESS BEING MADE IN IMPROVING PUPIL PROFICIENCY DUE TO THE MEASURES UNDER THIS SECTION.

(15) AS SOON AS PRACTICABLE AFTER THE FEDERAL DEPARTMENT OF EDUCATION HAS ADOPTED THE FINAL WORK RULES AND FORMULA FOR IDENTIFYING THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE FOR THE PURPOSES OF THE FEDERAL INCENTIVE GRANT PROGRAM CREATED UNDER SECTIONS 14005 AND 14006 OF TITLE XIV OF THE AMERICAN RECOVERY



**AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5, KNOWN AS THE “RACE TO THE TOP” GRANT PROGRAM, THE DEPARTMENT SHALL POST ALL OF THE FOLLOWING ON ITS WEBSITE:**

**(A) THE FEDERAL WORK RULES AND FORMULA.**

**(B) A LIST OF THE PUBLIC SCHOOLS IN THIS STATE THAT HAVE BEEN IDENTIFIED FOR THESE PURPOSES AS BEING AMONG THE LOWEST ACHIEVING 5% OF ALL PUBLIC SCHOOLS IN THIS STATE. THE DEPARTMENT SHALL UPDATE THIS LIST AS IT CONSIDERS APPROPRIATE.**

Sec. 1561. (1) Except as otherwise provided in this section, ~~every~~ **FOR A CHILD WHO TURNED AGE 11 BEFORE DECEMBER 1, 2009 OR WHO ENTERED GRADE 6 BEFORE 2009, THE CHILD’S** parent, guardian, or other person in this state having control and charge of ~~a~~ **THE** child from the age of 6 to the child’s sixteenth birthday shall send that child to a public school during the entire school year **FROM THE AGE OF 6 TO THE CHILD’S SIXTEENTH BIRTHDAY. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, FOR A CHILD WHO TURNS AGE 11 ON OR AFTER DECEMBER 1, 2009 OR A CHILD WHO WAS AGE 11 BEFORE THAT DATE AND ENTERS GRADE 6 IN 2009 OR LATER, THE CHILD’S PARENT, GUARDIAN, OR OTHER PERSON IN THIS STATE HAVING CONTROL AND CHARGE OF THE CHILD SHALL SEND THE CHILD TO A PUBLIC SCHOOL DURING THE ENTIRE SCHOOL YEAR FROM THE AGE OF 6 TO THE CHILD’S EIGHTEENTH BIRTHDAY.** The child’s attendance shall be continuous and consecutive for the school year fixed by the school district in which the child is enrolled. In a school district that maintains school during the entire calendar year and in which the school year is divided into quarters, a child is not required to attend the public school more than 3 quarters in 1 calendar year, but a child shall not be absent for 2 or more consecutive quarters.

(2) A child becoming 6 years of age before December 1 shall be enrolled on the first school day of the school year in which the child’s sixth birthday occurs, ~~–A~~ **AND** a child becoming 6 years of age on or after December 1 shall be enrolled on the first school day of the school year following the school year in which the child’s sixth birthday occurs.

(3) A child is not required to attend a public school in any of the following cases:

(a) The child is attending regularly and is being taught in a state approved nonpublic school, which teaches subjects comparable to those taught in the public schools to children of corresponding age and grade, as determined by the course of study for the public schools of the district within which the nonpublic school is located.

(b) The child is less than 9 years of age and does not reside within 2-1/2 miles by the nearest traveled road of a public school. If transportation is furnished for pupils in the school district of the child’s residence, this subdivision does not apply.

(c) The child is age 12 or 13 and is in attendance at confirmation classes conducted for a period of 5 months or less.

(d) The child is regularly enrolled in a public school while in attendance at religious instruction classes for not more than 2 class hours per week, off public school property during public school hours, upon written request of the parent, guardian, or person in loco parentis under rules promulgated by the state board.

(e) The child has graduated from high school or has fulfilled all requirements for high school graduation.

(f) The child is being educated at the child’s home by his or her parent or legal guardian in an organized educational program in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English grammar.

(4) For a child being educated at the child’s home by his or her parent or legal guardian, exemption from the requirement to attend public school may exist under either subsection (3)(a) or (3)(f), or both.

**(5) FOR A CHILD WHO TURNS AGE 11 ON OR AFTER DECEMBER 1, 2009 OR WHO WAS AGE 11 BEFORE THAT DATE AND ENTERS GRADE 6 IN 2009 OR LATER, THIS SECTION DOES NOT APPLY TO THE CHILD IF THE CHILD IS AT LEAST AGE 16 AND THE CHILD’S PARENT OR LEGAL GUARDIAN HAS PROVIDED TO SCHOOL OFFICIALS OF THE SCHOOL DISTRICT IN WHICH THE CHILD RESIDES A WRITTEN NOTICE THAT THE CHILD HAS THE PERMISSION OF THE PARENT OR LEGAL GUARDIAN TO STOP ATTENDING SCHOOL.**

Sec. 1596. (1) The board of a school district other than a primary school district may establish 1 or more ungraded schools for the instruction of certain pupils classified in subsection (2). The board may require the pupils to attend an ungraded school or a department of the school as the board directs.

(2) ~~The following cases of persons; A CHILD~~ aged 7 to ~~the~~ **HIS OR HER** sixteenth birthday, ~~residing~~ **OR HIS OR HER EIGHTEENTH BIRTHDAY IF THE CHILD TURNS AGE 11 ON OR AFTER DECEMBER 1, 2009 OR IS AGE 11 BEFORE THAT DATE AND ENTERS GRADE 6 IN 2009 OR LATER, WHO RESIDES** in the school district ~~shall be deemed~~ **AND WHO MEETS 1 OR MORE OF THE FOLLOWING IS CONSIDERED** A juvenile disorderly persons **PERSON** and in the judgment of the proper school authorities may be assigned to the ungraded school or department:

(a) ~~Class 1, habitual truants~~ **EXCEPT FOR A CHILD DESCRIBED IN SECTION 1561(5), A CHILD WHO IS HABITUALLY TRUANT** from the school in which ~~they are~~ **HE OR SHE IS** enrolled as ~~pupils~~ **A PUPIL.**

(b) ~~Class 2, children~~ **A CHILD** who, while attending school, ~~are~~ **IS** incorrigibly turbulent, disobedient, and insubordinate, or who ~~are~~ **IS** immoral in conduct.

(c) ~~Class 3, children~~ **A CHILD** who ~~are~~ **IS** not attending school and who habitually frequent **FREQUENTS** streets and other public places, having no lawful business, employment, or occupation.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 95th Legislature are enacted into law:

(a) Senate Bill No. 926.

- (b) Senate Bill No. 981.
- (c) House Bill No. 4788.
- (d) House Bill No. 5596.

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," by amending sections 1278b, 1561, and 1596 (MCL 380.1278b, 380.1561, and 380.1596), section 1278b as amended by 2007 PA 141 and section 1561 as amended by 1996 PA 339, and by adding section 1280c.

Tim Melton  
Douglas Geiss  
Phillip Pavlov  
Conferees for the House

Wayne Kuipers  
Gerald Van Woerkom  
Conferees for the Senate

The question being on the adoption of the conference report,

The first conference report was adopted, a majority of the members serving voting therefor, as follows:

**Roll Call No. 755**

**Yeas—23**

Allen	George	Kahn	Sanborn
Birkholz	Gilbert	Kuipers	Stamas
Bishop	Hardiman	McManus	Switalski
Brown	Hunter	Nofs	Thomas
Cassis	Jacobs	Pappageorge	Van Woerkom
Cropsey	Jansen	Richardville	

**Nays—8**

Anderson	Clark-Coleman	Gleason	Prusi
Cherry	Clarke	Olshove	Whitmer

**Excused—7**

Barcia	Brater	Jelinek	Scott
Basham	Garcia	Patterson	

**Not Voting—0**

In The Chair: Richardville

Senator Cropsey moved that the bill be given immediate effect.

The motion did not prevail, 2/3 of the members serving not voting therefor.

Senator Cropsey requested the yeas and nays.

The yeas and nays were ordered, 1/5 of the members present voting therefor.

The motion did not prevail, 2/3 of the members serving not voting therefor, as follows:

**Roll Call No. 756****Yeas—25**

Allen	Cropsey	Jansen	Richardville
Anderson	George	Kahn	Sanborn
Birkholz	Gilbert	Kuipers	Stamas
Bishop	Hardiman	McManus	Switalski
Brown	Hunter	Nofs	Thomas
Cassis	Jacobs	Pappageorge	Van Woerkom
Cherry			

**Nays—1**

Prusi

**Excused—7**

Barcia	Brater	Jelinek	Scott
Basham	Garcia	Patterson	

**Not Voting—5**

Clark-Coleman	Gleason	Olshove	Whitmer
Clarke			

In The Chair: Richardville

Senator Cropsey moved that the bill be given immediate effect.

The question being on the motion to give the bill immediate effect,

Senator Cropsey moved the further consideration of the bill be postponed temporarily.

The motion prevailed.

**Protests**

Senators Prusi and Gleason, under their constitutional right of protest (Art. 4, Sec. 18), protested against the passage of House Bill No. 5596 and the adoption of the first conference reports on Senate Bill Nos. 981 and 926 and House Bill Nos. 4787 and 4788.

Senator Prusi's statement, in which Senator Gleason concurred, is as follows:

I know there is going to be a lot said and done about this education reform package that we have worked on here, and much will be made in the media about the fact that the Senate Minority Leader and a number of his caucus members voted "no" on this. The rhetoric will come out that we stood in the way of reforming Michigan's education system and that we put at risk the potential for \$400 million to \$600 million of federal money, but nothing could be further from the truth. There were a number of reasons why I voted "no" and why my members also voted "no."

Chief among them is we want to see reform on the education system here, but I believe and members of my caucus believe that there was a lot of stuff thrown into this mix that has nothing to do with Race to the Top and has nothing to do with actually reforming our education system. It is simply a philosophical position that the majority caucus has taken over the years and was never able to accomplish until we ginned up a crisis in education, and we ginned up a sense of urgency over federal money. We still had a lot of time to work on these reforms. We still had weeks and weeks until the applications were due.

This was rushed through in a sense of urgency that I don't believe merited us stumbling around here for three days when we could have been working over the past few weeks to get this done. We could have done it in a normal time frame. We would not have had to be here on the Saturday before Christmas rushing through this most sweeping reform in 20 years. I saw no need for us to do it in the fashion that we did.

So part of my objections to these bills was the philosophical differences between the caucuses on it and the misunderstanding that these were necessary to achieve success in our application process for the hoped-for, not guaranteed, \$400 million of federal money.

The second reason, why I voted "no" has to do with the process. Throughout the years and as long as I have been here—and that is over 13 years now—and in talking to people who have been here a whole lot longer than I was and have been here a lot longer in history, the protocol and the custom is when there are items of difference on bills between the caucuses and between the chambers, the Minority Leaders are allowed to name conferees, or at a minimum, are consulted on conferees. That was totally ignored in this process.

Today, after stumbling around for three days and waiting and waiting and waiting for these critical pieces of legislation to arrive, we were given 15 minutes in our caucus room to discuss with staff the intricacies and the complexities of the most sweeping reforms that are being done in 20 years.

Within 15 minutes, the majority was out here voting on another piece of legislation. That shows an ultimate disrespect for the deliberative nature of this body. We want to work with people to make the changes necessary in this state, but we will not be forced. We will not be pushed. We will not be ramrodded or steamrolled by a majority who has the votes and says let's just start casting votes. That is disrespectful. It ignores custom, and it ignores protocol. This is a deliberative body. I said this when we were doing the budget; yet, we ignore the deliberations, and we treat this like it is your way or no way at all. You have 85 percent of what you wanted in this package of bills, and you treat us like the red-headed stepchild and shoved in the corner. That is going to change, my friends. That is going to change. There are going to be some things done in the year ahead. We have one year left. I have one year left in this body, and I will not be treated disrespectfully in the year ahead.

Senator Cropsey moved that the following bill be given immediate effect:

**Senate Bill No. 981**

The motion prevailed, 2/3 of the members serving voting therefor.

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair.

The motion prevailed, the time being 2:03 p.m.

2:22 p.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

By unanimous consent the Senate returned to the order of

**Motions and Communications**

Senator Cropsey moved that, pursuant to rule 1.114(b), upon receipt of Senate bills returned from the House of Representatives, the Secretary of the Senate be directed to proceed with the enrollment printing and presentation of the bills to the Governor.

The motion prevailed.

By unanimous consent the Senate proceeded to the order of

**Introduction and Referral of Bills**

**House Bill No. 5018, entitled**

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," (MCL 125.2001 to 125.2094) by adding chapter 3A.

The House of Representatives has passed the bill and ordered that it be given immediate effect. The bill was read a first and second time by title and referred to the Committee on Finance.

**House Bill No. 5088, entitled**

A bill to amend 1937 PA 94, entitled "Use tax act," by amending section 21 (MCL 205.111), as amended by 1994 PA 34.

The House of Representatives has passed the bill and ordered that it be given immediate effect. The bill was read a first and second time by title and referred to the Committee on Finance.

**House Bill No. 5089, entitled**

A bill to amend 1933 PA 167, entitled "General sales tax act," by amending section 25 (MCL 205.75), as amended by 2008 PA 361.

The House of Representatives has passed the bill and ordered that it be given immediate effect. The bill was read a first and second time by title and referred to the Committee on Finance.

**House Bill No. 5686, entitled**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 205 (MCL 257.205), as amended by 1980 PA 398.

The House of Representatives has passed the bill and ordered that it be given immediate effect. The bill was read a first and second time by title and referred to the Committee on Local, Urban and State Affairs.

By unanimous consent the Senate returned to the order of

**Messages from the House**

**Senate Bill No. 926, entitled**

A bill to amend 1979 PA 94, entitled "The state school aid act of 1979," by amending sections 3, 6, 29, 94a, and 101 (MCL 388.1603, 388.1606, 388.1629, 388.1694a, and 388.1701), as amended by 2009 PA 121, and by adding section 9.

(For Conference Report, see p. 2507.)

The House of Representatives has adopted the report of the Committee of Conference.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Recess**

Senator Cropsey moved that the Senate recess subject to the call of the Chair. The motion prevailed, the time being 2:23 p.m.

2:30 p.m.

The Senate was called to order by the President pro tempore, Senator Richardville.

**Senate Bill No. 981, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 449, 507, and 1280 (MCL 380.449, 380.507, and 380.1280), section 449 as amended by 2004 PA 303, section 507 as amended by 1995 PA 289, and section 1280 as amended by 2006 PA 123, and by adding sections 11c, 1249, 1280c, and 1280d.

(For Conference Report, see p. 2519.)

The House of Representatives has adopted the report of the Committee of Conference.

The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate proceeded to the order of

**Resolutions**

Senator Cropsey moved that consideration of the following resolutions be postponed for today:

**Senate Resolution No. 41**

**Senate Resolution No. 75**

**Senate Resolution No. 88****Senate Concurrent Resolution No. 24**

The motion prevailed.

**House Concurrent Resolution No. 37.**

A concurrent resolution prescribing the legislative schedule.

Resolved by the House of Representatives (the Senate concurring), That when the Legislature adjourns on Saturday, December 19, 2009, it stands adjourned until Wednesday, December 30, 2009, at 11:30 a.m.; and be it further

Resolved, That when the Legislature adjourns on Wednesday, December 30, 2009, it stands adjourned without day.

The House of Representatives has adopted the concurrent resolution.

Pending the order that, under rule 3.204, the concurrent resolution be referred to the Committee on Government Operations and Reform,

Senator Cropsey moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The concurrent resolution was adopted.

By unanimous consent the Senate returned to the order of

**Conference Reports**

By unanimous consent the Senate returned to consideration of the following bill:

**House Bill No. 4787, entitled**

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 5, 6, 449, 504, 507, 1246, 1280, 1311, and 1536 (MCL 380.5, 380.6, 380.449, 380.504, 380.507, 380.1246, 380.1280, 380.1311, and 380.1536), section 5 as amended by 2005 PA 61, sections 6, 504, and 1311 as amended by 2008 PA 1, section 449 as amended by 2004 PA 303, section 507 as amended by 1995 PA 289, section 1246 as amended by 2004 PA 148, section 1280 as amended by 2006 PA 123, and section 1536 as added by 2006 PA 335, and by adding sections 11c, 1249, 1280c, and 1280d and part 6e.

The conference report was adopted earlier today and the motion for immediate effect postponed. See p. 2549.)

The question being on the motion to give the bill immediate effect,

The motion prevailed, 2/3 of the members serving voting therefor.

By unanimous consent the Senate proceeded to the order of

**Statements**

Senators Cassis and Bishop asked and were granted unanimous consent to make statements and moved that the statements be printed in the Journal.

The motion prevailed.

Senator Cassis' statement is as follows:

First and foremost, I want to wish all my colleagues a very merry Christmas and the best of New Year's. Drive carefully to wherever you are going as we leave session this afternoon. I reluctantly supported House Bill No. 4787, extending Michigan's drop-out age from 16 to 18, with the provision and understanding of sponsoring and having a hearing on a bill that I will offer to amend this legislation immediately.

Just simply extending the age requirement is no reform at all without the foundation and framework to make it work. My bill will build the necessary infrastructure needed for successful implementation. Specifically, the bricks and mortar will state that the Department of Education will create a model early drop-out prevention program consistent with the federal Department of Education, and school districts will either create their own or adopt the Department of Education model for an early drop-out prevention program.

Senator Bishop's statement is as follows:

I want to take a brief moment—after several days of grueling negotiations and ongoing debate regarding some very important issues faced in the state—to say merry Christmas to all and happy holidays to all and just to reflect a little bit about what we have done in the past year and the past couple of weeks especially. We have much to be thankful for, and we have many blessings. I have not slept since Thursday morning, and I know many others in this chamber have been in the same position—staff, sergeants, and members who have been participating in this process. I want to thank all of you for all that you have done and your dedication to the state and the future for our kids.

What we did today was monumental. I am very proud of each and every one of you for doing what you did. I know through this process, we oftentimes go at each other's throats because we all believe very passionately about issues. I know that I have had short conversations with members here whom I have the utmost respect for—because we are short-tempered right now, and it has been a very trying time for all of us.

I hope that we can reflect on this as a time period—a snapshot—in our careers and that we put this animosity behind us and that we start looking at the horizon for the sake of Michigan and the people we represent. We have great opportunity in the future. We have proven we can work in a bipartisan way, and today was a great example. Leadership from both sides stepped up and said enough is enough. We joined the Obama Administration, the Secretary of Education, Superintendent Mike Flanagan, and Robert Bobb in Detroit. They said, “You know what? The status quo is not satisfactory anymore. It is time for us to step up and make some changes.” In a bipartisan way, we did that. You all are to be congratulated for that. You can walk away from this to your holiday with your families with pride for what you did.

I ask that you go forward safely. My best regards to you and your families for a great holiday. I look forward to working with you in the coming year for other great things for Michigan.

### Committee Reports

The Committee on Appropriations reported

**Senate Bill No. 927, entitled**

A bill to amend 2001 PA 34, entitled “Revised municipal finance act,” by amending section 103 (MCL 141.2103) and by adding section 518.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Ron Jelinek  
Chairperson

To Report Out:

Yeas: Senators Jelinek, Pappageorge, Hardiman, Kahn, Cropsey, George, Jansen, Brown, McManus, Stamas, Barcia and Cherry

Nays: Senators Switalski, Anderson, Brater, Clark-Coleman and Scott

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

The Committee on Appropriations reported

**House Bill No. 4073, entitled**

A bill to authorize and create irrevocable trusts for the purpose of holding, investing, and distributing assets to be used for certain postemployment health care benefits; to set forth certain rights that public employees have in retirement health care benefits under certain circumstances; to provide for the establishment and amendment of certain irrevocable trust agreements; and to prescribe certain powers and duties of certain retirement systems, state departments, public officials, and public employees.

With the recommendation that the substitute (S-2) be adopted and that the bill then pass.

The committee further recommends that the bill be given immediate effect.

Ron Jelinek  
Chairperson

To Report Out:

Yeas: Senators Jelinek, Pappageorge, Hardiman, Kahn, Cropsey, George, Jansen, Brown, McManus and Stamas

Nays: Senators Switalski, Anderson, Barcia, Brater, Cherry, Clark-Coleman and Scott

The bill and the substitute recommended by the committee were referred to the Committee of the Whole.

### COMMITTEE ATTENDANCE REPORT

The Committee on Appropriations submitted the following:

Meeting held on Thursday, December 17, 2009, at 9:30 a.m., Senate Appropriations Room, 3rd Floor, Capitol Building

Present: Senators Jelinek (C), Pappageorge, Hardiman, Kahn, Cropsey, George, Jansen, Brown, McManus, Stamas, Switalski, Anderson, Barcia, Brater, Cherry, Clark-Coleman and Scott

Excused: Senator Garcia

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Schools of Excellence Funding (SB 926) submitted the following:  
Meeting held on Saturday, December 19, 2009, at 9:00 a.m., Room 426, Capitol Building  
Present: Senators Kuipers (C), Van Woerkom and Thomas

## COMMITTEE ATTENDANCE REPORT

The Conference Committee on Reorganization of Failing Schools (SB 981) submitted the following:  
Meeting held on Saturday, December 19, 2009, at 9:00 a.m., Room 426, Capitol Building  
Present: Senators Kuipers (C), Van Woerkom and Thomas

Senator Cropsey moved that the Senate adjourn.  
The motion prevailed, the time being 2:46 p.m.

Pursuant to House Concurrent Resolution No. 37, the President pro tempore, Senator Richardville, declared the Senate adjourned until Wednesday, December 30, 2009, at 11:30 a.m.

CAROL MOREY VIVENTI  
Secretary of the Senate