

SENATE BILL No. 1

January 20, 2015, Introduced by Senators MEEKHOF, STAMAS, KNOLLENBERG, SCHUITMAKER, BRANDENBURG, MACGREGOR, COLBECK, HILDENBRAND, ROBERTSON, SHIRKEY, BOOHER, PAVLOV, PROOS, JONES and MARLEAU and referred to the Committee on Michigan Competitiveness.

A bill to amend 1976 PA 451, entitled "The revised school code," by amending sections 503, 523, 553, and 1311e (MCL 380.503, 380.523, 380.553, and 380.1311e), sections 503, 523, and 553 as amended by 2011 PA 277 and section 1311e as amended by 2009 PA 205.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 503. (1) An authorizing body is not required to issue a
2 contract to any person or entity. Subject to subsection (2), public
3 school academy contracts shall be issued on a competitive basis. In
4 deciding whether to issue a contract for a proposed public school
5 academy, an authorizing body shall consider all of the following:

6 (a) The resources available for the proposed public school
7 academy.

8 (b) The population to be served by the proposed public school

1 academy.

2 (c) The educational goals to be achieved by the proposed
3 public school academy.

4 (d) The applicant's track record, if any, in organizing public
5 school academies or other public schools.

6 (e) The graduation rate of a school district in which the
7 proposed public school academy is proposed to be located.

8 (f) The population of a county in which the proposed public
9 school academy is proposed to be located.

10 (g) The number of schools in the proximity of a proposed
11 location of the proposed public school academy that are on the list
12 under section 1280c(1) of the public schools in this state that the
13 department has determined to be among the lowest achieving 5% of
14 all public schools in this state.

15 (h) The number of pupils on waiting lists of public school
16 academies in the proximity of a proposed location of the proposed
17 public school academy.

18 (2) An authorizing body may give priority to a proposed public
19 school academy that is intended to replace a public school academy
20 that has been closed pursuant to section 507(5), that will operate
21 all of the same grade levels as the public school academy that has
22 been closed, and that will work toward operating all of grades 9 to
23 12 within 6 years after it begins operations unless a matriculation
24 agreement has been entered into with another public school that
25 provides grades 9 to 12.

26 (3) If a person or entity applies to the board of a school
27 district for a contract to organize and operate 1 or more public

1 school academies within the boundaries of the school district and
2 the board does not issue the contract, the person or entity may
3 petition the board to place the question of issuing the contract on
4 the ballot to be decided by the school electors of the school
5 district. The petition shall contain all of the information
6 required to be in the contract application under section 502 and
7 shall be signed by a number of school electors of the school
8 district equal to at least 5% of the total number of school
9 electors of that school district. The petition shall be filed with
10 the school district filing official. If the board receives a
11 petition meeting the requirements of this subsection, the board
12 shall have the question of issuing the contract placed on the
13 ballot at its next regular school election held at least 60 days
14 after receiving the petition. If a majority of the school electors
15 of the school district voting on the question vote to issue the
16 contract, the board shall issue the contract.

17 (4) Within 10 days after issuing a contract for a public
18 school academy, the authorizing body shall submit to the
19 superintendent of public instruction a copy of the contract.

20 (5) An authorizing body shall adopt a resolution establishing
21 the method of selection, length of term, and number of members of
22 the board of directors of each public school academy subject to its
23 jurisdiction. The resolution shall be written or amended as
24 necessary to include a requirement that each member of the board of
25 directors must be a citizen of the United States.

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

1 (a) The educational goals the public school academy is to
2 achieve and the methods by which it will be held accountable. The
3 educational goals shall include demonstrated improved pupil
4 academic achievement for all groups of pupils. To the extent
5 applicable, the pupil performance of a public school academy shall
6 be assessed using at least a Michigan education assessment program
7 (MEAP) test or the Michigan merit examination under section 1279g,
8 as applicable.

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

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

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

16 (e) Procedures for revoking the contract and grounds for
17 revoking the contract, including at least the grounds listed in
18 section 507.

19 (f) A description of and address for the proposed physical
20 plant in which the public school academy will be located. An
21 authorizing body may include a provision in the contract allowing
22 the board of directors of the public school academy to operate the
23 same configuration of age or grade levels at more than 1 site if
24 each configuration of age or grade levels and each site identified
25 in the contract are under the direction and control of the board of
26 directors.

27 (g) Requirements and procedures for financial audits. The

1 financial audits shall be conducted at least annually by a
2 certified public accountant in accordance with generally accepted
3 governmental auditing principles.

4 (h) The term of the contract and a description of the process
5 and standards for renewal of the contract at the end of the term.
6 The standards for renewal shall include increases in academic
7 achievement for all groups of pupils as measured by assessments and
8 other objective criteria as the most important factor in the
9 decision of whether or not to renew the contract.

10 (i) A certification, signed by an authorized member of the
11 board of directors of the public school academy, that the public
12 school academy will comply with the contract and all applicable
13 law.

14 (j) A requirement that the board of directors of the public
15 school academy shall ensure compliance with the requirements of
16 1968 PA 317, MCL 15.321 to 15.330.

17 (k) A requirement that the board of directors of the public
18 school academy shall prohibit specifically identified family
19 relationships between members of the board of directors,
20 individuals who have an ownership interest in or who are officers
21 or employees of an educational management organization involved in
22 the operation of the public school academy, and employees of the
23 public school academy. The contract shall identify the specific
24 prohibited relationships consistent with applicable law.

25 (l) A requirement that the board of directors of the public
26 school academy shall make information concerning its operation and
27 management available to the public and to the authorizing body in

1 the same manner as is required by state law for school districts.

2 (m) A requirement that the board of directors of the public
3 school academy shall collect, maintain, and make available to the
4 public and the authorizing body, in accordance with applicable law
5 and the contract, at least all of the following information
6 concerning the operation and management of the public school
7 academy:

8 (i) A copy of the contract issued by the authorizing body for
9 the public school academy.

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

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

19 (iv) A current list of teachers and school administrators
20 working at the public school academy that includes their individual
21 salaries as submitted to the registry of educational personnel;
22 copies of the teaching or school administrator's certificates or
23 permits of current teaching and administrative staff; and evidence
24 of compliance with the criminal background and records checks and
25 unprofessional conduct check required under sections 1230, 1230a,
26 and 1230b for all teachers and administrators working at the public
27 school academy.

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

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

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

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

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

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

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

15 (n) A requirement that the authorizing body must review and
16 may disapprove any agreement between the board of directors of the
17 public school academy and an educational management organization
18 before the agreement is final and valid. An authorizing body may
19 disapprove an agreement described in this subdivision only if the
20 agreement is contrary to the contract or applicable law.

21 (o) A requirement that the board of directors of the public
22 school academy shall demonstrate all of the following to the
23 satisfaction of the authorizing body with regard to its pupil
24 admission process:

25 (i) That the public school academy has made a reasonable effort
26 to advertise its enrollment openings.

27 (ii) That the open enrollment period for the public school

1 academy is for a duration of at least 2 weeks and that the
2 enrollment times include some evening and weekend times.

3 (p) A requirement that the board of directors of the public
4 school academy shall prohibit any individual from being employed by
5 the public school academy in more than 1 full-time position and
6 simultaneously being compensated at a full-time rate for each of
7 those positions.

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

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

11 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
12 15.246.

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

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

15 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
16 1274.

17 (E) ~~(f)~~ Laws concerning participation in state assessments,
18 data collection systems, state level student growth models, state
19 accountability and accreditation systems, and other public
20 comparative data collection required for public schools.

21 (8) A public school academy and its incorporators, board
22 members, officers, employees, and volunteers have governmental
23 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
24 authorizing body and its board members, officers, and employees are
25 immune from civil liability, both personally and professionally,
26 for an act or omission in authorizing a public school academy if
27 the authorizing body or the person acted or reasonably believed he

1 or she acted within the authorizing body's or the person's scope of
2 authority.

3 (9) A public school academy is exempt from all taxation on its
4 earnings and property. Instruments of conveyance to or from a
5 public school academy are exempt from all taxation including taxes
6 imposed by 1966 PA 134, MCL 207.501 to 207.513. Unless the property
7 is already fully exempt from real and personal property taxes under
8 the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,
9 property occupied by a public school academy and used exclusively
10 for educational purposes is exempt from real and personal property
11 taxes levied for school operating purposes under section 1211, to
12 the extent exempted under that section, and from real and personal
13 property taxes levied under the state education tax act, 1993 PA
14 331, MCL 211.901 to 211.906. A public school academy may not levy
15 ad valorem property taxes or another tax for any purpose. However,
16 operation of 1 or more public school academies by a school district
17 or intermediate school district does not affect the ability of the
18 school district or intermediate school district to levy ad valorem
19 property taxes or another tax.

20 (10) A public school academy may acquire by purchase, gift,
21 devise, lease, sublease, installment purchase agreement, land
22 contract, option, or by any other means, hold and own in its own
23 name buildings and other property for school purposes, and
24 interests therein, and other real and personal property, including,
25 but not limited to, interests in property subject to mortgages,
26 security interests, or other liens, necessary or convenient to
27 fulfill its purposes. For the purposes of condemnation, a public

1 school academy may proceed under the uniform condemnation
2 procedures act, 1980 PA 87, MCL 213.51 to 213.75, excluding
3 sections 6 to 9 of that act, MCL 213.56 to 213.59, or other
4 applicable statutes, but only with the express, written permission
5 of the authorizing body in each instance of condemnation and only
6 after just compensation has been determined and paid.

7 (11) A member of the board of directors of a public school
8 academy is a public officer and shall, before entering upon the
9 duties of the office, take the constitutional oath of office for
10 public officers under section 1 of article XI of the state
11 constitution of 1963.

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

24 (a) The proposed school will operate at least all of grades 9
25 through 12 within 5 years after beginning operation.

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

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

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

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

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

9 (a) The educational goals the urban high school academy is to
10 achieve and the methods by which it will be held accountable. The
11 educational goals shall include demonstrated improved pupil
12 academic achievement for all groups of pupils. To the extent
13 applicable, the pupil performance of an urban high school academy
14 shall be assessed using at least a Michigan education assessment
15 program (MEAP) test or the Michigan merit examination developed
16 under section 1279g, as applicable.

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

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

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

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

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

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

9 (h) A requirement that the board of directors shall ensure
10 compliance with ~~the requirements of~~ 1968 PA 317, MCL 15.321 to
11 15.330.

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

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

25 (k) A requirement that the board of directors of the urban
26 high school academy shall collect, maintain, and make available to
27 the public and the authorizing body, in accordance with applicable

1 law and the contract, at least all of the following information
2 concerning the operation and management of the urban high school
3 academy:

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

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

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

15 (iv) A current list of teachers working at the urban high
16 school academy that includes their individual salaries as submitted
17 to the registry of educational personnel; copies of the teaching
18 certificates or permits of current teaching staff; and evidence of
19 compliance with the criminal background and records checks and
20 unprofessional conduct check required under sections 1230, 1230a,
21 and 1230b for all teachers and administrators working at the urban
22 high school academy.

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

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

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

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

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

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

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

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

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

19 (i) That the urban high school academy has made a reasonable
20 effort to advertise its enrollment openings.

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

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

1 is located.

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

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

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

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

15 (p) The term of the contract and a description of the process
16 and standards for renewal of the contract at the end of the term.
17 The standards for renewal shall include increases in academic
18 achievement for all groups of pupils as measured by assessments and
19 other objective criteria as the most important factor in the
20 decision of whether or not to renew the contract.

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

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

24 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
25 15.246.

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

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

1 (D) ~~(e)~~—1978 PA 566, MCL 15.181 to 15.185.

2 (E) ~~(f)~~—1968 PA 317, MCL 15.321 to 15.330.

3 (F) ~~(g)~~—The uniform budgeting and accounting act, 1968 PA 2,
4 MCL 141.421 to 141.440a.

5 (G) ~~(h)~~—The revised municipal finance act, 2001 PA 34, MCL
6 141.2101 to 141.2821.

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

9 (I) ~~(j)~~—Sections 1134, 1135, 1146, 1153, 1263(3), 1267, 1274,
10 and 1280.

11 (J) ~~(k)~~—Laws concerning participation in state assessments,
12 data collection systems, state level student growth models, state
13 accountability and accreditation systems, and other public
14 comparative data collection required for public schools.

15 (4) An urban high school academy and its incorporators, board
16 members, officers, employees, and volunteers have governmental
17 immunity as provided in section 7 of 1964 PA 170, MCL 691.1407. An
18 authorizing body and its board members, officers, and employees are
19 immune from civil liability, both personally and professionally,
20 for any acts or omissions in authorizing or oversight of an urban
21 high school academy if the authorizing body or the person acted or
22 reasonably believed he or she acted within the authorizing body's
23 or the person's scope of authority.

24 (5) An urban high school academy is exempt from all taxation
25 on its earnings and property. Unless the property is already fully
26 exempt from real and personal property taxes under the general
27 property tax act, 1893 PA 206, MCL 211.1 to 211.155, property

1 occupied by an urban high school academy and used exclusively for
2 educational purposes is exempt from real and personal property
3 taxes levied for school operating purposes under section 1211, to
4 the extent exempted under that section, and from real and personal
5 property taxes levied under the state education tax act, 1993 PA
6 331, MCL 211.901 to 211.906. Instruments of conveyance to or from
7 an urban high school academy are exempt from all taxation,
8 including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An
9 urban high school academy may not levy ad valorem property taxes or
10 any other tax for any purpose.

11 (6) An urban high school academy may acquire by purchase,
12 gift, devise, lease, sublease, installment purchase agreement, land
13 contract, option, or any other means, hold, and own in its own name
14 buildings and other property for school purposes, and interests
15 therein, and other real and personal property, including, but not
16 limited to, interests in property subject to mortgages, security
17 interests, or other liens, necessary or convenient to fulfill its
18 purposes. For the purposes of condemnation, an urban high school
19 academy may proceed under the uniform condemnation procedures act,
20 1980 PA 87, MCL 213.51 to 213.75, excluding sections 6 to 9 of that
21 act, MCL 213.56 to 213.59, or other applicable statutes, but only
22 with the express, written permission of the authorizing body in
23 each instance of condemnation and only after just compensation has
24 been determined and paid.

25 Sec. 553. (1) An authorizing body is not required to issue a
26 contract to any person or entity. Schools of excellence contracts
27 shall be issued on a competitive basis taking into consideration

1 the resources available for the proposed school of excellence, the
2 population to be served by the proposed school of excellence, the
3 educational goals to be achieved by the proposed school of
4 excellence, and the applicant's track record, if any, in operating
5 public school academies or other public schools.

6 (2) If a person or entity applies to the board of a school
7 district for a contract to organize and operate 1 or more schools
8 of excellence within the boundaries of the school district and the
9 board does not issue the contract, the person or entity may
10 petition the board to place the question of issuing the contract on
11 the ballot to be decided by the school electors of the school
12 district. The petition shall contain all of the information
13 required to be in the contract application under section 552 and
14 shall be signed by a number of school electors of the school
15 district equal to at least 5% of the total number of school
16 electors of that school district. The petition shall be filed with
17 the school district filing official. If the board receives a
18 petition meeting the requirements of this subsection, the board
19 shall have the question of issuing the contract placed on the
20 ballot at its next regular school election held at least 60 days
21 after receiving the petition. If a majority of the school electors
22 of the school district voting on the question vote to issue the
23 contract, the board shall issue the contract.

24 (3) Within 10 days after issuing a contract for a school of
25 excellence, the authorizing body shall submit to the superintendent
26 of public instruction a copy of the contract.

27 (4) An authorizing body shall adopt a resolution establishing

1 the method of selection, length of term, and number of members of
2 the board of directors of each school of excellence subject to its
3 jurisdiction. The resolution shall be written or amended as
4 necessary to include a requirement that each member of the board of
5 directors must be a citizen of the United States.

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

8 (a) The educational goals the school of excellence is to
9 achieve and the methods by which it will be held accountable. The
10 educational goals shall include demonstrated improved pupil
11 academic achievement for all groups of pupils. To the extent
12 applicable, the pupil performance of a school of excellence shall
13 be assessed using at least a Michigan education assessment program
14 (MEAP) test or the Michigan merit examination under section 1279g,
15 as applicable.

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

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

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

23 (e) Procedures for revoking the contract and grounds for
24 revoking the contract, including at least the grounds listed in
25 section 561.

26 (f) A description of and address for the proposed physical
27 plant in which the school of excellence will be located. An

1 authorizing body may include a provision in the contract allowing
2 the board of directors of the school of excellence to operate the
3 same configuration of age or grade levels at more than 1 site if
4 each configuration of age or grade levels and each site identified
5 in the contract are under the direction and control of the board of
6 directors.

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

11 (h) A certification, signed by an authorized member of the
12 school of excellence board of directors, that the school of
13 excellence will comply with the contract and all applicable law.

14 (i) A requirement that the board of directors shall ensure
15 compliance with ~~the requirements of~~ 1968 PA 317, MCL 15.321 to
16 15.330.

17 (j) A requirement that the board of directors shall prohibit
18 specifically identified family relationships between members of the
19 board of directors, individuals who have an ownership interest in
20 or who are officers or employees of an educational management
21 organization involved in the operation of the school of excellence,
22 and employees of the school of excellence. The contract shall
23 identify the specific prohibited relationships consistent with
24 applicable law.

25 (k) A requirement that the board of directors of the school of
26 excellence shall make information concerning its operation and
27 management available to the public and to the authorizing body in

1 the same manner as is required by state law for school districts.

2 (l) A requirement that the board of directors of the school of
3 excellence shall collect, maintain, and make available to the
4 public and the authorizing body, in accordance with applicable law
5 and the contract, at least all of the following information
6 concerning the operation and management of the school of
7 excellence:

8 (i) A copy of the contract issued by the authorizing body for
9 the school of excellence.

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

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

19 (iv) A current list of teachers and school administrators
20 working at the school of excellence that includes their individual
21 salaries as submitted to the registry of educational personnel;
22 copies of the teaching or school administrator's certificates or
23 permits of current teaching and administrative staff; and evidence
24 of compliance with the criminal background and records checks and
25 unprofessional conduct check required under sections 1230, 1230a,
26 and 1230b for all teachers and administrators working at the school
27 of excellence.

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

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

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

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

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

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

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

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

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

24 (i) That the school of excellence has made a reasonable effort
25 to advertise its enrollment openings.

26 (ii) That the school of excellence has made the following
27 additional efforts to recruit pupils who are eligible for special

1 education programs and services or English as a second language
2 services to apply for admission:

3 (A) Reasonable efforts to advertise all enrollment openings to
4 organizations and media that regularly serve and advocate for
5 individuals with disabilities or children with limited English-
6 speaking ability within the boundaries of the intermediate school
7 district in which the school of excellence is located.

8 (B) Inclusion in all pupil recruitment materials of a
9 statement that appropriate special education services and English
10 as a second language services will be made available to pupils
11 attending the school as required by law.

12 (iii) That the open enrollment period for the school of
13 excellence is for a duration of at least 2 weeks and that the
14 enrollment times include some evening and weekend times.

15 (o) A requirement that the board of directors shall prohibit
16 any individual from being employed by the school of excellence in
17 more than 1 full-time position and simultaneously being compensated
18 at a full-time rate for each of those positions.

19 (p) A requirement that, if requested, the board of directors
20 shall report to the authorizing body the total compensation for
21 each individual working at the school of excellence.

22 (6) A school of excellence shall comply with all applicable
23 law, including all of the following:

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

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

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

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

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

4 (E) ~~(f)~~ Laws concerning participation in state assessments,
5 data collection systems, state level student growth models, state
6 accountability and accreditation systems, and other public
7 comparative data collection required for public schools.

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

17 (8) A school of excellence is exempt from all taxation on its
18 earnings and property. Unless the property is already fully exempt
19 from real and personal property taxes under the general property
20 tax act, 1893 PA 206, MCL 211.1 to 211.155, property occupied by a
21 school of excellence and used exclusively for educational purposes
22 is exempt from real and personal property taxes levied for school
23 operating purposes under section 1211, to the extent exempted under
24 that section, and from real and personal property taxes levied
25 under the state education tax act, 1993 PA 331, MCL 211.901 to
26 211.906. Instruments of conveyance to or from a school of
27 excellence are exempt from all taxation including taxes imposed by

1 1966 PA 134, MCL 207.501 to 207.513. A school of excellence may not
2 levy ad valorem property taxes or another tax for any purpose.
3 However, operation of 1 or more schools of excellence by a school
4 district or intermediate school district does not affect the
5 ability of the school district or intermediate school district to
6 levy ad valorem property taxes or another tax.

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

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

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

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

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

27 (5) A contract issued to organize and administer a strict

1 discipline academy shall contain at least all of the following:

2 (a) The educational goals the strict discipline academy is to
3 achieve and the methods by which it will be held accountable. To
4 the extent applicable, the pupil performance of a strict discipline
5 academy shall be assessed using at least a Michigan education
6 assessment program (MEAP) test or the Michigan merit examination
7 developed under section 1279g, as applicable.

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

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

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

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

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

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

26 (h) Requirements and procedures for financial audits. The
27 financial audits shall be conducted at least annually by a

1 certified public accountant in accordance with generally accepted
2 governmental auditing principles.

3 (i) The term of the contract and a description of the process
4 and standards for renewal of the contract at the end of the term.
5 The standards for renewal shall include student growth as measured
6 by assessments and other objective criteria as a significant factor
7 in the decision of whether or not to renew the contract.

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

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

11 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
12 15.246.

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

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

15 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
16 1274.

17 (E) ~~(f)~~ Except for part 6a, all provisions of this act that
18 explicitly apply to public school academies established under part
19 6a.

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

1 person's scope of authority.

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

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

26 Enacting section 1. This amendatory act does not take effect
27 unless Senate Bill No. 3

1 of the 98th Legislature is enacted into law.