

**SUBSTITUTE FOR
SENATE BILL NO. 946**

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending sections 507, 528, and 561 (MCL 380.507, 380.528, and
380.561), as amended by 2023 PA 34.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 507. (1) An authorizing body that issues a contract for a
2 public school academy under this part shall do all of the
3 following:

4 (a) Ensure that the contract and the application for the
5 contract comply with the requirements of this part.

6 (b) Within 10 days after issuing the contract, submit to the
7 department a copy of the contract.

8 (c) Establish the method of selection, length of term, and



1 number of members of the board of directors of each public school
2 academy that it authorizes. The authorizing body shall ensure that
3 the board of directors includes representation from the local
4 community.

5 (d) Oversee each public school academy operating under a
6 contract issued by the authorizing body. The oversight must be
7 sufficient to ensure that the board of directors is in compliance
8 with the terms of the contract and with applicable law.

9 (e) Develop and implement a process for holding a public
10 school academy accountable for meeting applicable academic
11 performance standards set forth in the contract and for
12 implementing corrective action for a public school academy that
13 does not meet those standards.

14 (f) Take necessary measures to ensure that the board of
15 directors of a public school academy operates independently of any
16 educational management company involved in the operations of the
17 public school academy.

18 (g) Oversee and ensure that the pupil admission process used
19 by the public school academy is operated in a fair and open manner
20 and is in compliance with the contract and this part.

21 (h) Ensure that the board of directors of the public school
22 academy maintains and releases information as necessary to comply
23 with applicable law.

24 **(i) Ensure that a representative of the authorizing body**
25 **attends each meeting of the board of directors of the public school**
26 **academy.**

27 **(j) Not less than 2 times per year, prepare a report detailing**
28 **the authorizing body's efforts to provide oversight of the public**
29 **school academy as required under subdivision (d) and section**



1 502(4) .

2 (k) Present the report prepared under subdivision (j) at not
3 less than 2 meetings of the board of directors of the public school
4 academy each year.

5 (l) Ensure that bylaws adopted by the board of directors of a
6 public school academy include a requirement that any act of the
7 board of directors be approved by a majority of the members serving
8 on the board.

9 (m) Oversee all contracts entered into by a public school
10 academy to ensure that all terms and conditions of the contract are
11 fulfilled.

12 (n) Ensure that the board of directors of the public school
13 academy holds meetings at least once per month.

14 (2) An authorizing body may enter into an agreement with 1 or
15 more other authorizing bodies to carry out any function of an
16 authorizing body under this act.

17 (3) The authorizing body for a public school academy is the
18 fiscal agent for the public school academy. A state school aid
19 payment for a public school academy must be paid to the authorizing
20 body that is the fiscal agent for that public school academy, and
21 the authorizing body shall then forward the payment to the public
22 school academy. Within 30 days after a contract is submitted to the
23 department by an authorizing body under subsection (1), the
24 department shall issue a district code to the public school academy
25 for which the contract was issued. If the department does not issue
26 a district code within 30 days after a contract is filed, the state
27 treasurer shall assign a temporary district code in order for the
28 public school academy to receive funding under the state school aid
29 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 public school academy to demonstrate improved pupil academic achievement for all groups of pupils or 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 and demonstrate sound fiscal stewardship.

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

(5) Except for a public school academy that is an alternative school serving a special student population, if the department determines that a public school academy site that has been operating for at least 4 years is among the lowest achieving 5% of public schools in this state for the immediately preceding 3 school years, as determined under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, not to include any individualized education plan subgroup, the department shall notify the public school academy's authorizing body. Subject to subsection (6), if an authorizing body receives notice from the department under this subsection, the authorizing body shall notify the public school academy and amend the public school academy's contract to eliminate the public school academy's authority to operate the existing age and grade levels at the site and the public school academy shall cease operating the existing age and grade levels at the site, effective at the end of the



1 current school year. Subject to subsection (6), if the public
2 school academy operates at only 1 site, and the authorizing body
3 receives notice from the department under this subsection, the
4 authorizing body shall notify the public school academy and revoke
5 the public school academy's contract, effective at the end of the
6 current school year.

7 (6) For a public school academy or site that is subject to a
8 notice to its authorizing body under subsection (5), the department
9 shall consider other public school options available to pupils in
10 the grade levels offered by the public school academy or site who
11 reside in the geographic area served by the public school academy
12 or site. If the department determines that closure of the public
13 school academy or site would result in an unreasonable hardship to
14 these pupils because there are insufficient other public school
15 options reasonably available for these pupils, the department may
16 rescind the notice. If the department rescinds a notice subjecting
17 a public school academy or site to closure, the department shall do
18 so before the end of the school year. If the department rescinds a
19 notice subjecting a public school academy or site to closure, the
20 department shall require the public school academy or site to
21 implement a school improvement plan that includes measures to
22 increase pupil growth and improve pupil proficiency, with growth
23 and proficiency measured by performance on state assessments.

24 (7) Except as otherwise provided in section 502 or 503, the
25 decision of an authorizing body to issue, not issue, or
26 reconstitute a contract under this part, or to terminate or revoke
27 a contract under this section, is solely within the discretion of
28 the authorizing body, is final, and is not subject to review by a
29 court or any state agency. An authorizing body that issues, does



1 not issue, or reconstitutes a contract under this part, or that
2 terminates or revokes a contract under this section, is not liable
3 for that action to the public school academy, the public school
4 academy corporation, a pupil of the public school academy, the
5 parent or guardian of a pupil of the public school academy, or any
6 other person.

7 (8) Except as otherwise provided in this section, before an
8 authorizing body revokes a contract, the authorizing body may
9 consider and take corrective measures to avoid revocation. An
10 authorizing body may reconstitute the public school academy in a
11 final attempt to improve student educational performance or to
12 avoid interruption of the educational process. An authorizing body
13 shall include a reconstituting provision in the contract that
14 identifies these corrective measures, including, but not limited
15 to, canceling a contract with an educational management
16 organization, if any, withdrawing approval of a contract under
17 section 506, or appointing a new board of directors or a trustee to
18 take over operation of the public school academy.

19 (9) If an authorizing body revokes a contract, the authorizing
20 body shall work with a school district or another public school, or
21 with a combination of these entities, to ensure a smooth transition
22 for the affected pupils. If the revocation occurs during the school
23 year, the authorizing body, as the fiscal agent for the public
24 school academy under this part, shall return any school aid funds
25 held by the authorizing body that are attributable to the affected
26 pupils to the state treasurer for deposit into the state school aid
27 fund. The state treasurer shall distribute funds to the public
28 school in which the pupils enroll after the revocation pursuant to
29 a methodology established by the department and the center for



educational performance and information created under section 94a of the state school aid act of 1979, MCL 388.1694a.

(10) ~~Not more~~ **By not later** than 10 days after a public school academy's contract terminates or is revoked, the authorizing body shall notify the superintendent of public instruction in writing of the name of the public school academy whose contract has terminated or been revoked and the date of contract termination or revocation.

Sec. 528. (1) An authorizing body that issues a contract for an urban high school academy under this part 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) Adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each urban high school academy that it authorizes. The resolution must be written or amended as necessary to include a requirement that each member of the board of directors must be a citizen of the United States.

(d) Oversee the operations of each urban high school academy operating under a contract issued by the authorizing body. The oversight must be sufficient to ensure that the urban high school academy is in compliance with the terms of the contract and with applicable law. An authorizing body may enter into an agreement with 1 or more other authorizing bodies to oversee an urban high school academy operating under a contract issued by the authorizing body.

(e) Develop and implement a process for holding an urban high



1 school academy board of directors accountable for meeting
2 applicable academic performance standards set forth in the contract
3 and for implementing corrective action for an urban high school
4 academy that does not meet those standards.

5 (f) Take necessary measures to ensure that an urban high
6 school academy board of directors operates independently of any
7 educational management company involved in the operations of the
8 urban high school academy.

9 (g) Oversee and ensure that the pupil admission process used
10 by the urban high school academy is operated in a fair and open
11 manner and is in compliance with the contract and this part.

12 (h) Ensure that the board of directors of the urban high
13 school academy maintains and releases information as necessary to
14 comply with applicable law.

15 (i) **Ensure that a representative of the authorizing body**
16 **attends each meeting of the board of directors of the urban high**
17 **school academy.**

18 (j) **Not less than 2 times per year, prepare a report detailing**
19 **the authorizing body's efforts to provide oversight of the urban**
20 **high school academy as required under subdivision (d).**

21 (k) **Present the report prepared under subdivision (j) at not**
22 **less than 2 meetings of the board of directors of the urban high**
23 **school academy each year.**

24 (l) **Ensure that the bylaws adopted by the board of directors of**
25 **an urban high school academy include a requirement that any act of**
26 **the board of directors be approved by a majority of the members**
27 **serving on the board.**

28 (m) **Oversee all contracts entered into by the urban high**
29 **school academy to ensure that all terms and conditions of the**



1 contract are fulfilled.

2 (n) Ensure that the board of directors of the urban high
3 school academy holds meetings at least once per month.

4 (2) An authorizing body may enter into an agreement with 1 or
5 more other authorizing bodies to carry out any function of an
6 authorizing body under this act.

7 (3) The authorizing body for an urban high school academy is
8 the fiscal agent for the urban high school academy. A state school
9 aid payment for an urban high school academy must be paid to the
10 authorizing body that is the fiscal agent for that urban high
11 school academy that must then forward the payment to the urban high
12 school academy. Within 30 days after a contract is submitted to the
13 department by an authorizing body under subsection (1), the
14 department shall issue a district code to the urban high school
15 academy for which the contract was issued. If the department does
16 not issue a district code within 30 days after a contract is filed,
17 the state treasurer shall assign a temporary district code in order
18 for the urban high school academy to receive funding under the
19 state school aid act of 1979.

20 (4) A contract issued under this part may be revoked by the
21 authorizing body that issued the contract if the authorizing body
22 determines that 1 or more of the following have occurred:

23 (a) Failure of the urban high school academy to demonstrate
24 improved pupil academic achievement for all groups of pupils or
25 meet the educational goals set forth in the contract.

26 (b) Failure of the urban high school academy to comply with
27 all applicable law.

28 (c) Failure of the urban high school academy to meet generally
29 accepted public sector accounting principles and demonstrate sound



1 fiscal stewardship.

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

4 (5) Except for an urban high school academy that is an
5 alternative school serving a special student population, if the
6 department determines that an urban high school academy site that
7 has been operating for at least 4 years is among the lowest
8 achieving 5% of public schools in this state for the immediately
9 preceding 3 school years, as determined under federal
10 accountability requirements as provided under the every student
11 succeeds act, Public Law 114-95, not to include any individualized
12 education plan subgroup, the department shall notify the urban high
13 school academy's authorizing body. Subject to subsection (6), if an
14 authorizing body receives notice from the department under this
15 subsection, the authorizing body shall notify the urban high school
16 academy and amend the urban high school academy's contract to
17 eliminate the urban high school academy's authority to operate the
18 existing age and grade levels at the site and the urban high school
19 academy shall cease operating the existing age and grade levels at
20 the site, effective at the end of the current school year. Subject
21 to subsection (6), if the urban high school academy operates at
22 only 1 site, and the authorizing body receives notice from the
23 department under this subsection, the authorizing body shall notify
24 the urban high school academy and revoke the urban high school
25 academy's contract, effective at the end of the current school
26 year.

27 (6) For an urban high school academy or site that is subject
28 to a notice to its authorizing body under subsection (5), the
29 department shall consider other public school options available to



1 pupils in the grade levels offered by the urban high school academy
2 or site who reside in the geographic area served by the urban high
3 school academy or site. If the department determines that closure
4 of the urban high school academy or site would result in an
5 unreasonable hardship to these pupils because there are
6 insufficient other public school options reasonably available for
7 these pupils, the department may rescind the notice. If the
8 department rescinds a notice subjecting an urban high school
9 academy or site to closure, the department shall do so before the
10 end of the school year. If the department rescinds a notice
11 subjecting an urban high school academy or site to closure, the
12 department shall require the urban high school academy or site to
13 implement a school improvement plan that includes measures to
14 increase pupil growth and improve pupil proficiency, with growth
15 and proficiency measured by performance on state assessments.

16 (7) Except as otherwise provided in section 522, the decision
17 of an authorizing body to issue, not issue, or reconstitute a
18 contract under this part, or to terminate or revoke a contract
19 under this section, is solely within the discretion of the
20 authorizing body, is final, and is not subject to review by a court
21 or any state agency. An authorizing body that issues, does not
22 issue, or reconstitutes a contract under this part, or that
23 terminates or revokes a contract under this section, is not liable
24 for that action to the urban high school academy, the urban high
25 school academy corporation, a pupil of the urban high school
26 academy, the parent or guardian of a pupil of the urban high school
27 academy, or any other person.

28 (8) Except as otherwise provided in this section, before an
29 authorizing body revokes a contract, the authorizing body may



1 consider and take corrective measures to avoid revocation. An
2 authorizing body may reconstitute the urban high school academy in
3 a final attempt to improve student educational performance or to
4 avoid interruption of the educational process. An authorizing body
5 shall include a reconstituting provision in the contract that
6 identifies these corrective measures, including, but not limited
7 to, removing 1 or more members of the board of directors,
8 withdrawing approval to contract under section 527, or appointing a
9 new board of directors or a trustee to take over operation of the
10 urban high school academy.

11 (9) If an authorizing body revokes a contract, the authorizing
12 body shall work with a school district or another public school, or
13 with a combination of these entities, to ensure a smooth transition
14 for the affected pupils. If the revocation occurs during the school
15 year, the authorizing body, as the fiscal agent for the urban high
16 school academy under this part, shall return any school aid funds
17 held by the authorizing body that are attributable to the affected
18 pupils to the state treasurer for deposit into the state school aid
19 fund. The state treasurer shall distribute funds to the public
20 school in which the pupils enroll after the revocation pursuant to
21 a methodology established by the department and the center for
22 educational performance and information.

23 (10) ~~Not more~~ **By not later** than 10 days after an urban high
24 school academy's contract terminates or is revoked, the authorizing
25 body shall notify the superintendent of public instruction in
26 writing of the name of the urban high school academy whose contract
27 has terminated or been revoked and the date of contract termination
28 or revocation.

29 (11) If an urban high school academy's contract terminates or



1 is revoked, title to all real and personal property, interest in
2 real or personal property, and other assets owned by the urban high
3 school academy ~~shall revert~~ **reverts** to the state. This property
4 must be distributed in accordance with the following:

5 (a) Within 30 days following the termination or revocation,
6 the board of directors of an urban high school academy shall hold a
7 public meeting to adopt a plan of distribution of assets and to
8 approve the dissolution of the urban high school academy
9 corporation, all in accordance with chapter 8 of the nonprofit
10 corporation act, 1982 PA 162, MCL 450.2801 to 450.2864.

11 (b) The urban high school academy shall file a certificate of
12 dissolution with the department of licensing and regulatory affairs
13 within 10 business days following board approval.

14 (c) Simultaneously with the filing of the certificate of
15 dissolution under subdivision (b), the urban high school academy
16 board of directors shall provide a copy of the board of directors'
17 plan of distribution of assets to the state treasurer for approval.
18 Within 30 days, the state treasurer, or the state treasurer's
19 designee, shall review and approve the board of directors' plan of
20 distribution of assets. If the proposed plan of distribution of
21 assets is not approved within 30 days, the state treasurer, or the
22 state treasurer's designee, shall provide the board of directors
23 with an acceptable plan of distribution of assets.

24 (d) The state treasurer, or the state treasurer's designee,
25 shall monitor the urban high school academy's winding up of the
26 dissolved corporation in accordance with the plan of distribution
27 of assets approved or provided under subdivision (c).

28 (e) As part of the plan of distribution of assets, the urban
29 high school academy board of directors shall designate the director



1 of the department of technology, management, and budget, or the
2 director's designee, to dispose of all real property of the urban
3 high school academy corporation in accordance with the directives
4 developed for disposition of surplus land and facilities under
5 section 251 of the management and budget act, 1984 PA 431, MCL
6 18.1251.

7 (f) If the board of directors of an urban high school academy
8 fails to take any necessary action under this section, the state
9 treasurer, or the state treasurer's designee, may suspend the urban
10 high school academy board of directors and appoint a trustee to
11 carry out the board's plan of distribution of assets. Upon
12 appointment, the trustee has all the rights, powers, and privileges
13 under law that the urban high school academy board of directors had
14 before being suspended.

15 (g) Following the sale of the real or personal property or
16 interests in the real or personal property, and after payment of
17 any urban high school academy debt secured by the property or
18 interest in property, whether real or personal, the urban high
19 school academy board of directors, or a trustee appointed under
20 this section, shall forward any remaining money to the state
21 treasurer. Following receipt, the state treasurer, or the state
22 treasurer's designee, shall deposit this remaining money in the
23 state school aid fund.

24 Sec. 561. (1) If an authorizing body issues a contract for a
25 school of excellence under this part, the authorizing body shall do
26 all of the following:

27 (a) Ensure that the contract and the application for the
28 contract comply with the requirements of this part.

29 (b) Within 10 days after issuing the contract, submit to the



1 department a copy of the contract.

2 (c) Establish the method of selection, length of term, and
3 number of members of the board of directors of each school of
4 excellence that it authorizes. The authorizing body shall ensure
5 that the board of directors includes representation from the local
6 community.

7 (d) Oversee the operations of each school of excellence
8 operating under a contract issued by the authorizing body. The
9 oversight ~~shall~~**must** be sufficient to ensure that the school of
10 excellence is in compliance with the terms of the contract and with
11 applicable law. This subdivision does not relieve any other
12 governmental entity of its enforcement or supervisory
13 responsibility.

14 (e) Develop and implement a process for holding a school of
15 excellence board of directors accountable for meeting applicable
16 academic performance standards set forth in the contract and for
17 implementing corrective action for a school of excellence that does
18 not meet those standards.

19 (f) Take necessary measures to ensure that a school of
20 excellence board of directors operates independently of any
21 educational management organization involved in the operations of
22 the school of excellence.

23 (g) Oversee and ensure that the pupil admission process used
24 by the school of excellence is operated in a fair and open manner
25 and is in compliance with the contract and this part.

26 (h) Ensure that the board of directors of the school of
27 excellence maintains and releases information as necessary to
28 comply with applicable law.

29 **(i) Ensure that a representative of the authorizing body**



1 attends each meeting of the board of directors of the school of
2 excellence.

3 (j) Not less than 2 times per year, prepare a report detailing
4 the authorizing body's efforts to provide oversight of the school
5 of excellence as required under subdivision (d) and section 552(8).

6 (k) Present the report prepared under subdivision (j) at not
7 less than 2 meetings of the board of directors of the school of
8 excellence each year.

9 (l) Ensure that the bylaws adopted by the board of directors of
10 a school of excellence include a requirement that any act of the
11 board of directors be approved by a majority of the members serving
12 on the board.

13 (m) Oversee all contracts entered into by a school of
14 excellence to ensure that all terms and conditions of the contract
15 are fulfilled.

16 (n) Ensure that the board of directors of the school of
17 excellence holds meetings at least once per month.

18 (2) The authorizing body may enter into an agreement with 1 or
19 more authorizing bodies, as defined under part 6a, to carry out any
20 function of the authorizing body under subsection (1)(a) to

21 ~~(h)~~ (n) .

22 (3) The authorizing body for a school of excellence is the
23 fiscal agent for the school of excellence. A state school aid
24 payment for a school of excellence must be paid to the authorizing
25 body as the fiscal agent for that school of excellence, and the
26 authorizing body shall then forward the payment to the school of
27 excellence. Within 30 days after a contract is submitted to the
28 department by the authorizing body under subsection (1), the
29 department shall issue a district code to the school of excellence



1 for which the contract was issued. If the department does not issue
2 a district code within 30 days after a contract is filed, the state
3 treasurer shall assign a temporary district code in order for the
4 school of excellence to receive funding under the state school aid
5 act of 1979.

6 (4) A contract issued under this part may be revoked by the
7 authorizing body if the authorizing body determines that 1 or more
8 of the following have occurred:

9 (a) Failure of the school of excellence to demonstrate
10 improved pupil academic achievement for all groups of pupils or
11 meet the educational goals set forth in the contract.

12 (b) Failure of the school of excellence to comply with all
13 applicable law.

14 (c) Failure of the school of excellence to meet generally
15 accepted public sector accounting principles and demonstrate sound
16 fiscal stewardship.

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

19 (5) Except for a school of excellence that is an alternative
20 school serving a special student population, if the department
21 determines that a school of excellence site that has been operating
22 for at least 4 years is among the lowest achieving 5% of public
23 schools in this state for the immediately preceding 3 school years,
24 as determined under federal accountability requirements as provided
25 under the every student succeeds act, Public Law 114-95, not to
26 include any individualized education plan subgroup, the department
27 shall notify the school of excellence's authorizing body. Subject
28 to subsection (6), if an authorizing body receives notice from the
29 department under this subsection, the authorizing body shall notify



1 the school of excellence and amend the school of excellence's
2 contract to eliminate the school of excellence's authority to
3 operate the existing age and grade levels at the site and the
4 school of excellence shall cease operating the existing age and
5 grade levels at the site, effective at the end of the current
6 school year. Subject to subsection (6), if the school of excellence
7 operates at only 1 site or is a cyber school, and the authorizing
8 body receives notice from the department under this subsection, the
9 authorizing body shall notify the school of excellence and revoke
10 the school of excellence's contract, effective at the end of the
11 current school year.

12 (6) For a school of excellence or site that is subject to a
13 notice to its authorizing body under subsection (5), the department
14 shall consider other public school options available to pupils in
15 the grade levels offered by the school of excellence or site who
16 reside in the geographic area served by the school of excellence or
17 site. If the department determines that closure of the school of
18 excellence or site would result in an unreasonable hardship to
19 these pupils because there are insufficient other public school
20 options reasonably available for these pupils, the department may
21 rescind the notice. If the department rescinds a notice subjecting
22 a school of excellence or site to closure, the department shall do
23 so before the end of the school year. If the department rescinds a
24 notice subjecting a school of excellence or site to closure, the
25 department shall require the school of excellence or site to
26 implement a school improvement plan that includes measures to
27 increase pupil growth and improve pupil proficiency, with growth
28 and proficiency measured by performance on state assessments.

29 (7) Except for a contract issued by a school district pursuant



1 to a vote by the school electors on a ballot question under section
2 553(2), and except as otherwise provided in section 552, the
3 decision of the authorizing body to issue, not issue, or
4 reconstitute a contract under this part, or to terminate or revoke
5 a contract under this section, is solely within the discretion of
6 the authorizing body, is final, and is not subject to review by a
7 court or any other state agency. If the authorizing body issues,
8 does not issue, or reconstitutes a contract under this part, or
9 terminates or revokes a contract under this section, the
10 authorizing body is not liable for that action to the school of
11 excellence, the school of excellence corporation, a pupil of the
12 school of excellence, the parent or guardian of a pupil of the
13 school of excellence, or any other person.

14 (8) Except as otherwise provided in this section, before the
15 authorizing body revokes a contract, the authorizing body may
16 consider and take corrective measures to avoid revocation. The
17 authorizing body may reconstitute the school of excellence in a
18 final attempt to improve student educational performance or to
19 avoid interruption of the educational process. The authorizing body
20 shall include a reconstituting provision in the contract that
21 identifies these corrective measures, including, but not limited
22 to, canceling a contract with an educational management
23 organization, if any, withdrawing approval to contract under
24 section 560, or appointing a new board of directors or a trustee to
25 take over operation of the school of excellence.

26 (9) If the authorizing body revokes a contract, the
27 authorizing body shall work with a school district or another
28 public school, or with a combination of these entities, to ensure a
29 smooth transition for the affected pupils. If the revocation occurs



1 during the school year, the authorizing body, as the fiscal agent
2 for the school of excellence under this part, shall return any
3 school aid funds held by the authorizing body that are attributable
4 to the affected pupils to the state treasurer for deposit into the
5 state school aid fund. The state treasurer shall distribute funds
6 to the public school in which the pupils enroll after the
7 revocation pursuant to a methodology established by the department
8 and the center for educational performance and information.

9 (10) ~~Not more~~ **By not later** than 10 days after a school of
10 excellence's contract terminates or is revoked, the authorizing
11 body shall notify the superintendent of public instruction in
12 writing of the name of the school of excellence whose contract has
13 terminated or been revoked and the date of contract termination or
14 revocation.

15 (11) If a school of excellence's contract terminates or is
16 revoked, title to all real and personal property, interest in real
17 or personal property, and other assets owned by the school of
18 excellence reverts to the state. This property must be distributed
19 in accordance with the following:

20 (a) Within 30 days following the termination or revocation,
21 the board of directors of a school of excellence shall hold a
22 public meeting to adopt a plan of distribution of assets and to
23 approve the dissolution of the school of excellence corporation,
24 all in accordance with chapter 8 of the nonprofit corporation act,
25 1982 PA 162, MCL 450.2801 to 450.2864.

26 (b) The school of excellence shall file a certificate of
27 dissolution with the department of licensing and regulatory affairs
28 within 10 business days following board approval.

29 (c) Simultaneously with the filing of the certificate of



1 dissolution under subdivision (b), the school of excellence board
2 of directors shall provide a copy of the board of directors' plan
3 of distribution of assets to the state treasurer for approval.
4 Within 30 days, the state treasurer, or the state treasurer's
5 designee, shall review and approve the board of directors' plan of
6 distribution of assets. If the proposed plan of distribution of
7 assets is not approved within 30 days, the state treasurer, or the
8 state treasurer's designee, shall provide the board of directors
9 with an acceptable plan of distribution of assets.

10 (d) The state treasurer, or the state treasurer's designee,
11 shall monitor the school of excellence's winding up of the
12 dissolved corporation in accordance with the plan of distribution
13 of assets approved or provided under subdivision (c).

14 (e) As part of the plan of distribution of assets, the school
15 of excellence board of directors shall designate the director of
16 the department of technology, management, and budget, or the
17 director's designee, to dispose of all real property of the school
18 of excellence corporation in accordance with the directives
19 developed for disposition of surplus land and facilities under
20 section 251 of the management and budget act, 1984 PA 431, MCL
21 18.1251.

22 (f) If the board of directors of a school of excellence fails
23 to take any necessary action under this section, the state
24 treasurer, or the state treasurer's designee, may suspend the
25 school of excellence board of directors and appoint a trustee to
26 carry out the board's plan of distribution of assets. Upon
27 appointment, the trustee shall have all the rights, powers, and
28 privileges under law that the school of excellence board of
29 directors had before being suspended.



1 (g) Following the sale of the real or personal property or
2 interests in the real or personal property, and after payment of
3 any school of excellence debt secured by the property or interest
4 in property, whether real or personal, the school of excellence
5 board of directors, or a trustee appointed under this section,
6 shall forward any remaining money to the state treasurer. Following
7 receipt, the state treasurer, or the state treasurer's designee,
8 shall deposit this remaining money in the state school aid fund.

