

# HOUSE BILL No. 4226

February 10, 2011, Introduced by Reps. Jacobsen, Price, MacGregor, Tyler, Horn, Shirkey, Cotter, McMillin, Johnson, Knollenberg, Franz, Somerville, Lyons, Agema, Olson, Shaughnessy, Haveman and Lund and referred to the Committee on Oversight, Reform, and Ethics.

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 1311e as amended and section 553 as added 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. Public school academy contracts  
3 shall be issued on a competitive basis taking into consideration  
4 the resources available for the proposed public school academy, the  
5 population to be served by the proposed public school academy, the  
6 educational goals to be achieved by the proposed public school  
7 academy, and the applicant's track record, if any, in operating  
8 public school academies or other public schools. However, an

1 authorizing body may give priority to a public school academy that  
2 is intended to replace a public school academy that has been closed  
3 pursuant to section 507(2), that will operate all of the same grade  
4 levels as the public school academy that has been closed, and that  
5 will work toward operating all of grades 9 to 12 within 6 years  
6 after it begins operations unless a matriculation agreement has  
7 been entered into with another public school that provides grades 9  
8 to 12.

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

27 (3) Within 10 days after issuing a contract for a public

1 school academy, the authorizing body shall submit to the  
2 superintendent of public instruction a copy of the contract and of  
3 the application under section 502.

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

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

10 (a) The educational goals the public school academy is to  
11 achieve and the methods by which it will be held accountable. To  
12 the extent applicable, the pupil performance of a public school  
13 academy shall be assessed using at least a Michigan education  
14 assessment program (MEAP) test or the Michigan merit examination,  
15 as applicable.

16 (b) A description of the method to be used to monitor the  
17 public school academy'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) For a public school academy authorized by a school  
24 district, an agreement that employees of the public school academy  
25 will be covered by the collective bargaining agreements that apply  
26 to employees of the school district employed in similar  
27 classifications in schools that are not public school academies.

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

4 (g) A description of and address for the proposed physical  
5 plant in which the public school academy will be located. At the  
6 time the contract is issued for a public school academy under  
7 section 502a, the public school academy shall not be located in a  
8 school district that has a graduation rate of over 75.5%, on  
9 average, for the most recent 3 school years for which the data are  
10 available, as determined by the department.

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

15 (i) 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 student growth as measured  
18 by assessments and other objective criteria as a significant factor  
19 in the decision of whether or not to renew the contract.

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

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

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

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

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

27 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and

1 1274.

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

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

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

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

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

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

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

27       (e) The entity that submits the application for a contract has

1 net assets of at least \$50,000,000.00.

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

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

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

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

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

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

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

25 (g) Requirements and procedures for financial audits. The  
26 financial audits shall be conducted at least annually by an  
27 independent certified public accountant in accordance with

1 generally accepted governmental auditing principles.

2 (h) A requirement that the board of directors shall ensure  
3 compliance with the requirements of 1968 PA 317, MCL 15.321 to  
4 15.330.

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

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

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

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

26 (ii) A list of currently serving members of the board of  
27 directors of the urban high school academy, including name,



1 address, and term of office; copies of policies approved by the  
2 board of directors; board meeting agendas and minutes; copy of the  
3 budget approved by the board of directors and of any amendments to  
4 the budget; and copies of bills paid for amounts of \$10,000.00 or  
5 more as they were submitted to the board of directors.

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

8 (iv) A current list of teachers working at the urban high  
9 school academy that includes their individual salaries; copies of  
10 the teaching certificates or permits of current teaching staff; and  
11 evidence of compliance with the criminal background and records  
12 checks and unprofessional conduct check required under sections  
13 1230, 1230a, and 1230b for all teachers and administrators working  
14 at the urban high school academy.

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

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

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

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

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

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

27 (xi) Any other information specifically required under this

1 act.

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

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

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

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

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

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

26 (iii) That the open enrollment period for the urban high school  
27 academy is for a duration of at least 2 weeks and that the

1 enrollment times include some evening and weekend times.

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

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

9 (p) The term of the contract and a description of the process  
10 and standards for renewal of the contract at the end of the term.  
11 The standards for renewal shall include student growth as measured  
12 by assessments and other objective criteria as a significant factor  
13 in the decision of whether or not to renew the contract.

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

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

17 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to  
18 15.246.

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

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

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

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

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

25 (G) ~~(h)~~ The revised municipal finance act, 2001 PA 34, MCL  
26 141.2101 to 141.2821.

27 (H) ~~(i)~~ The federal no child left behind act of 2001, Public

1 Law 107-110, 115 Stat. 1425.

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

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

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

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

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

6 Sec. 553. (1) An authorizing body is not required to issue a  
7 contract to any person or entity. Schools of excellence contracts  
8 shall be issued on a competitive basis taking into consideration  
9 the resources available for the proposed school of excellence, the  
10 population to be served by the proposed school of excellence, the  
11 educational goals to be achieved by the proposed school of  
12 excellence, and the applicant's track record, if any, in operating  
13 public school academies or other public schools.

14 (2) If a person or entity applies to the board of a school  
15 district for a contract to organize and operate 1 or more schools  
16 of excellence within the boundaries of the school district and the  
17 board does not issue the contract, the person or entity may  
18 petition the board to place the question of issuing the contract on  
19 the ballot to be decided by the school electors of the school  
20 district. The petition shall contain all of the information  
21 required to be in the contract application under section 552 and  
22 shall be signed by a number of school electors of the school  
23 district equal to at least 15% of the total number of school  
24 electors of that school district. The petition shall be filed with  
25 the school district filing official. If the board receives a  
26 petition meeting the requirements of this subsection, the board  
27 shall have the question of issuing the contract placed on the

1 ballot at its next regular school election held at least 60 days  
2 after receiving the petition. If a majority of the school electors  
3 of the school district voting on the question vote to issue the  
4 contract, the board shall issue the contract.

5 (3) Within 10 days after issuing a contract for a school of  
6 excellence, the authorizing body shall submit to the superintendent  
7 of public instruction a copy of the contract and of the application  
8 under section 552.

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

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

15 (a) The educational goals the school of excellence is to  
16 achieve and the methods by which it will be held accountable. To  
17 the extent applicable, the pupil performance of a school of  
18 excellence shall be assessed using at least a Michigan education  
19 assessment program (MEAP) test or the Michigan merit examination  
20 under section 1279g.

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

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

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

1 (e) For a school of excellence authorized by a school  
2 district, an agreement that employees of the school of excellence  
3 will be covered by the collective bargaining agreements that apply  
4 to employees of the school district employed in similar  
5 classifications in schools that are not schools of excellence.

6 (f) Procedures for revoking the contract and grounds for  
7 revoking the contract, including at least the grounds listed in  
8 section 561.

9 (g) A description of and address for the proposed physical  
10 plant in which the school of excellence will be located.

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

15 (i) A certification, signed by an authorized member of the  
16 school of excellence board of directors, that the school of  
17 excellence will comply with the contract and all applicable law.

18 (j) A requirement that the board of directors shall ensure  
19 compliance with the requirements of 1968 PA 317, MCL 15.321 to  
20 15.330.

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

1 applicable law.

2 (l) A requirement that the board of directors of the school of  
3 excellence shall make information concerning its operation and  
4 management available to the public and to the authorizing body in  
5 the same manner as is required by state law for school districts.

6 (m) A requirement that the board of directors of the school of  
7 excellence shall collect, maintain, and make available to the  
8 public and the authorizing body, in accordance with applicable law  
9 and the contract, at least all of the following information  
10 concerning the operation and management of the school of  
11 excellence:

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

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

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

23 (iv) A current list of teachers and school administrators  
24 working at the school of excellence that includes their individual  
25 salaries; copies of the teaching or school administrator's  
26 certificates or permits of current teaching and administrative  
27 staff; and evidence of compliance with the criminal background and



1 records checks and unprofessional conduct check required under  
2 sections 1230, 1230a, and 1230b for all teachers and administrators  
3 working at the school of excellence.

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

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

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

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

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

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

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

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

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

27 (i) That the school of excellence has made a reasonable effort

1 to advertise its enrollment openings.

2 (ii) That the school of excellence has made the following  
3 additional efforts to recruit pupils who are eligible for special  
4 education programs and services or English as a second language  
5 services to apply for admission:

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

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

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

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

22 (q) A requirement that, if requested, the board of directors  
23 shall report to the authorizing body the total compensation for  
24 each individual working at the school of excellence.

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

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

1 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to  
2 15.246.

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

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

5 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and  
6 1274.

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

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

25 (9) A school of excellence may acquire by purchase, gift,  
26 devise, lease, sublease, installment purchase agreement, land  
27 contract, option, or by any other means, hold, and own in its own

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

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

19       (2) If a person or entity applies to the board of a school  
20 district for a contract to organize and operate 1 or more strict  
21 discipline academies within the boundaries of the school district  
22 and the board does not issue the contract, the person or entity may  
23 petition the board to place the question of issuing the contract on  
24 the ballot to be decided by the school electors of the school  
25 district. The petition shall contain all of the information  
26 required to be in the contract application under section 1311d and  
27 shall be signed by a number of school electors of the school

1 district equal to at least 15% of the total number of school  
2 electors of that school district. The petition shall be filed with  
3 the secretary of the board. If the board receives a petition  
4 meeting the requirements of this subsection, the board shall place  
5 the question of issuing the contract on the ballot at its next  
6 annual school election held at least 60 days after receiving the  
7 petition. If a majority of the school electors of the school  
8 district voting on the question vote to issue the contract, the  
9 board shall issue the contract.

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

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

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

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

26 (b) A description of the method to be used to monitor the  
27 strict discipline academy's compliance with applicable law and its

1 performance in meeting its targeted educational objectives.

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

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

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

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

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

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

21 (i) The term of the contract and a description of the process  
22 and standards for renewal of the contract at the end of the term.  
23 The standards for renewal shall include student growth as measured  
24 by assessments and other objective criteria as a significant factor  
25 in the decision of whether or not to renew the contract.

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

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

2 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to  
3 15.246.

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

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

6 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and  
7 1274.

8 (E) ~~(f)~~ Except for part 6a, all provisions of this act that  
9 explicitly apply to public school academies established under part  
10 6a.

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

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

1 intermediate school district to levy ad valorem property taxes or  
2 any other tax.

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

17 Enacting section 1. This amendatory act does not take effect  
18 unless Senate Bill No.\_\_\_\_ or House Bill No. 4224(request no.  
19 00506'11) of the 96th Legislature is enacted into law.