

SENATE BILL No. 97

February 1, 2011, Introduced by Senators MEEKHOF, BRANDENBURG, HILDENBRAND, COLBECK, JANSEN, MARLEAU, WALKER, ROBERTSON, SCHUITMAKER and PAVLOV and referred to the Committee on Economic Development.

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. 95

19 of the 96th Legislature is enacted into law.