

HOUSE BILL No. 4174

February 5, 2013, Introduced by Reps. Jacobsen, MacMaster, Haveman, Price, Pscholka, Bumstead, McMillin, Shirkey, Victory and Lund and referred to the Committee on Commerce.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

1 (b) The population to be served by the proposed public school
2 academy.

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

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

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

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

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

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

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

27 (3) If a person or entity applies to the board of a school

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

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

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

27 (6) A contract issued to organize and administer a public

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

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

10 (b) A description of the method to be used to monitor the
11 public 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.

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

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

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

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

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

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

15 (j) A requirement that the board of directors of the public
16 school academy shall ensure compliance with the requirements of
17 1968 PA 317, MCL 15.321 to 15.330.

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

26 (l) A requirement that the board of directors of the public
27 school academy shall make information concerning its operation and

1 management available to the public and to the authorizing body in
2 the same manner as is required by state law for school districts.

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

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

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

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

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

1 school academy.

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

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

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

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

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

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

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

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

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

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

1 (ii) That the open enrollment period for the public school
2 academy is for a duration of at least 2 weeks and that the
3 enrollment times include some evening and weekend times.

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

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

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

12 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
13 15.246.

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

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

16 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
17 1274.

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

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

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

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

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

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

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

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

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

27 (b) The proposed school will occupy a building or buildings

1 that are newly constructed or renovated after January 1, 2003.

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

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

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

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

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

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

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

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

1 law.

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

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

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

10 (h) A requirement that the board of directors shall ensure
11 compliance with the requirements of 1968 PA 317, MCL 15.321 to
12 15.330.

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

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

26 (k) A requirement that the board of directors of the urban
27 high school academy shall collect, maintain, and make available to

1 the public and the authorizing body, in accordance with applicable
2 law and the contract, at least all of the following information
3 concerning the operation and management of the urban high school
4 academy:

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

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

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

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

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

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

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

1 equipment leases.

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

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

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

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

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

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

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

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

25 (A) Reasonable efforts to advertise all enrollment openings to
26 organizations and media that regularly serve and advocate for
27 individuals with disabilities within the boundaries of the

1 intermediate school district in which the urban high school academy
2 is located.

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

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

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

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

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

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

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

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

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

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

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

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

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

6 (G) ~~(h)~~ The revised municipal finance act, 2001 PA 34, MCL
7 141.2101 to 141.2821.

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

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

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

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

25 (5) An urban high school academy is exempt from all taxation
26 on its earnings and property. Unless the property is already fully
27 exempt from real and personal property taxes under the general

1 property tax act, 1893 PA 206, MCL 211.1 to 211.155, property
2 occupied by an urban high school academy and used exclusively for
3 educational purposes is exempt from real and personal property
4 taxes levied for school operating purposes under section 1211, to
5 the extent exempted under that section, and from real and personal
6 property taxes levied under the state education tax act, 1993 PA
7 331, MCL 211.901 to 211.906. Instruments of conveyance to or from
8 an urban high school academy are exempt from all taxation,
9 including taxes imposed by 1966 PA 134, MCL 207.501 to 207.513. An
10 urban high school academy may not levy ad valorem property taxes or
11 any other tax for any purpose.

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

26 Sec. 553. (1) An authorizing body is not required to issue a
27 contract to any person or entity. Schools of excellence contracts

1 shall be issued on a competitive basis taking into consideration
2 the resources available for the proposed school of excellence, the
3 population to be served by the proposed school of excellence, the
4 educational goals to be achieved by the proposed school of
5 excellence, and the applicant's track record, if any, in operating
6 public school academies or other public schools.

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

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

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

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

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

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

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

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

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

27 (f) A description of and address for the proposed physical

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

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

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

15 (i) A requirement that the board of directors shall ensure
16 compliance with the requirements of 1968 PA 317, MCL 15.321 to
17 15.330.

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

26 (k) A requirement that the board of directors of the school of
27 excellence shall make information concerning its operation and

1 management available to the public and to the authorizing body in
2 the same manner as is required by state law for school districts.

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

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

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

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

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

1 of excellence.

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

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

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

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

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

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

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

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

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

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

27 (ii) That the school of excellence has made the following

1 additional efforts to recruit pupils who are eligible for special
2 education programs and services or English as a second language
3 services to apply for admission:

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

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

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

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

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

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

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

26 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
27 15.246.

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

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

3 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
4 1274.

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

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

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

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

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

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

1 by the proposed strict discipline academy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (b) The freedom of information act, 1976 PA 442, MCL 15.231 to
13 15.246.

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

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

16 (D) ~~(e)~~ Sections 1134, 1135, 1146, 1153, 1263(3), 1267, and
17 1274.

18 (E) ~~(f)~~ Except for part 6a, all provisions of this act that
19 explicitly apply to public school academies established under part
20 6a.

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

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

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

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

27 Enacting section 1. This amendatory act does not take effect

1 unless Senate Bill No. ____ or House Bill No. 4172 (request no.
2 00063'13) of the 97th Legislature is enacted into law.