

# SENATE BILL NO. 250

April 09, 2019, Introduced by Senator ALEXANDER and referred to the Committee on Education and Career Readiness.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 502, 522, 552, and 1311d (MCL 380.502,  
380.522, 380.552, and 380.1311d), sections 502, 522, and 552 as  
amended by 2018 PA 601 and section 1311d as added by 1999 PA 23.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1**       Sec. 502. (1) A public school academy shall be organized and  
**2** administered under the direction of a board of directors in  
**3** accordance with this part and with bylaws adopted by the board of  
**4** directors. A public school academy corporation shall be organized

1 under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to  
2 450.3192, except that a public school academy corporation is not  
3 required to comply with sections 170 to 177 of 1931 PA 327, MCL  
4 450.170 to 450.177. To the extent disqualified under the state or  
5 federal constitution, a public school academy shall not be  
6 organized by a church or other religious organization and shall not  
7 have any organizational or contractual affiliation with or  
8 constitute a church or other religious organization.

9 (2) Subject to subsection (9), any of the following may act as  
10 an authorizing body to issue a contract to organize and operate 1  
11 or more public school academies under this part:

12 (a) The board of a school district. However, the board of a  
13 school district shall not issue a contract for a public school  
14 academy to operate outside the school district's boundaries, and a  
15 public school academy authorized by the board of a school district  
16 shall not operate outside that school district's boundaries.

17 (b) An intermediate school board. However, the board of an  
18 intermediate school district shall not issue a contract for a  
19 public school academy to operate outside the intermediate school  
20 district's boundaries, and a public school academy authorized by  
21 the board of an intermediate school district shall not operate  
22 outside that intermediate school district's boundaries.

23 (c) The board of a community college, **if the board is**  
24 **popularly elected under the Michigan election law.** However, except  
25 as otherwise provided in this subdivision, the board of a community  
26 college shall not issue a contract for a public school academy to  
27 operate in a school district organized as a school district of the  
28 first class, a public school academy authorized by the board of a  
29 community college shall not operate in a school district organized

1 as a school district of the first class, the board of a community  
2 college shall not issue a contract for a public school academy to  
3 operate outside the boundaries of the community college district,  
4 and a public school academy authorized by the board of a community  
5 college shall not operate outside the boundaries of the community  
6 college district. The board of a community college also may issue a  
7 contract for not more than 1 public school academy to operate on  
8 the grounds of an active or closed federal military installation  
9 located outside the boundaries of the community college district,  
10 or may operate a public school academy itself on the grounds of  
11 such a federal military installation, if the federal military  
12 installation is not located within the boundaries of any community  
13 college district and the community college has previously offered  
14 courses on the grounds of the federal military installation for at  
15 least 10 years.

16 (d) The governing board of a state public university, **if the**  
17 **board is popularly elected under the Michigan election law.**  
18 However, the combined total number of contracts for public school  
19 academies issued by all state public universities ~~shall~~**must** not  
20 exceed 300 through December 31, 2012 and ~~shall~~**must** not exceed 500  
21 through December 31, 2014. After December 31, 2014, there is no  
22 limit on the combined total number of contracts for public school  
23 academies that may be issued by all state public universities.

24 (e) Two or more of the public agencies described in  
25 subdivisions (a) to (d) exercising power, privilege, or authority  
26 jointly pursuant to an interlocal agreement under the urban  
27 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to  
28 124.512.

29 (3) To obtain a contract to organize and operate 1 or more

1 public school academies, 1 or more persons or an entity may apply  
2 to an authorizing body described in subsection (2). The application  
3 ~~shall~~**must** include at least all of the following:

4 (a) Identification of the applicant for the contract.

5 (b) Subject to the resolution adopted by the authorizing body  
6 under section 503(5), a list of the proposed members of the board  
7 of directors of the public school academy and a description of the  
8 qualifications and method for appointment or election of members of  
9 the board of directors.

10 (c) The proposed articles of incorporation, which ~~shall~~**must**  
11 include at least all of the following:

12 (i) The name of the proposed public school academy.

13 (ii) The purposes for the public school academy corporation.

14 This language ~~shall~~**must** provide that the public school academy is  
15 incorporated pursuant to this part and that the public school  
16 academy corporation is a governmental entity.

17 (iii) The name of the authorizing body.

18 (iv) The proposed time when the articles of incorporation will  
19 be effective.

20 (v) Other matters considered expedient to be in the articles  
21 of incorporation.

22 (d) A copy of the proposed bylaws of the public school  
23 academy.

24 (e) Documentation meeting the application requirements of the  
25 authorizing body, including at least all of the following:

26 (i) The governance structure of the public school academy.

27 (ii) A copy of the educational goals of the public school  
28 academy and the curricula to be offered and methods of pupil  
29 assessment to be used by the public school academy. The educational

1 goals ~~shall~~**must** include demonstrated improved pupil academic  
2 achievement for all groups of pupils. To the extent applicable, the  
3 progress of the pupils in the public school academy ~~shall~~**must** be  
4 assessed using both the mathematics and reading portions of the  
5 Michigan student test of educational progress (M-STEP) or the  
6 Michigan merit examination under section 1279g, as applicable.

7 (iii) The admission policy and criteria to be maintained by the  
8 public school academy. The admission policy and criteria ~~shall~~**must**  
9 comply with section 504. This part of the application also ~~shall~~  
10 **must** include a description of how the applicant will provide to the  
11 general public adequate notice that a public school academy is  
12 being created and adequate information on the admission policy,  
13 criteria, and process.

14 (iv) The school calendar and school day schedule.

15 (v) The age or grade range of pupils to be enrolled.

16 (f) Descriptions of staff responsibilities and of the public  
17 school academy's governance structure.

18 (g) For an application to the board of a school district, an  
19 intermediate school board, or board of a community college,  
20 identification of the local and intermediate school districts in  
21 which the public school academy will be located.

22 (h) An agreement that the public school academy will comply  
23 with the provisions of this part and, subject to the provisions of  
24 this part, with all other state law applicable to public bodies and  
25 with federal law applicable to public bodies or school districts.

26 (i) A description of and address for the proposed physical  
27 plant in which the public school academy will be located. An  
28 applicant may request the authorizing body to issue a contract  
29 allowing the public school academy board of directors to operate

1 the same configuration of age or grade levels at more than 1 site.

2 (4) An authorizing body shall oversee, or shall contract with  
3 an intermediate school district, community college, or state public  
4 university to oversee, each public school academy operating under a  
5 contract issued by the authorizing body. The authorizing body is  
6 responsible for overseeing compliance by the board of directors  
7 with the contract and all applicable law. This subsection does not  
8 relieve any other government entity of its enforcement or  
9 supervisory responsibility.

10 (5) If the superintendent of public instruction finds that an  
11 authorizing body is not engaging in appropriate continuing  
12 oversight of 1 or more public school academies operating under a  
13 contract issued by the authorizing body, the superintendent of  
14 public instruction may suspend the power of the authorizing body to  
15 issue new contracts to organize and operate public school  
16 academies. A contract issued by the authorizing body during the  
17 suspension is void. A contract issued by the authorizing body  
18 before the suspension is not affected by the suspension.

19 (6) An authorizing body shall not charge a fee, or require  
20 reimbursement of expenses, for considering an application for a  
21 contract, for issuing a contract, or for providing oversight of a  
22 contract for a public school academy in an amount that exceeds a  
23 combined total of 3% of the total state school aid received by the  
24 public school academy in the school year in which the fees or  
25 expenses are charged. An authorizing body may provide other  
26 services for a public school academy and charge a fee for those  
27 services, but shall not require such an arrangement as a condition  
28 to issuing the contract authorizing the public school academy.

29 (7) A public school academy shall be presumed to be legally

1 organized if it has exercised the franchises and privileges of a  
2 public school academy for at least 2 years.

3 (8) An authorizing body may enter into an intergovernmental  
4 agreement with another authorizing body to issue public school  
5 academy contracts. At a minimum, the agreement ~~shall~~**must** further  
6 the purposes set forth in section 501, describe which authorizing  
7 body shall issue the contract, and set forth which authorizing body  
8 will be responsible for monitoring compliance by the board of  
9 directors of the public school academy with the contract and all  
10 applicable law.

11 (9) Both of the following apply to the issuance of a contract  
12 for a public school academy to be located within a community  
13 district:

14 (a) An authorizing body shall not issue a contract to organize  
15 and operate a new public school academy to be located in a  
16 community district unless, before issuing the contract, the  
17 governing board of the authorizing body has certified to the  
18 department that the authorizing body has been accredited as an  
19 authorizing body by a nationally recognized accreditation body. For  
20 an authorizing body described in subsection (2)(e), the authorizing  
21 body shall not issue a contract to organize and operate a new  
22 public school academy to be located in a community district unless,  
23 before issuing the contract, the governing board of each of the  
24 public agencies that is party to the interlocal agreement has  
25 certified to the department that the public agency has been  
26 accredited as an authorizing body by a nationally recognized  
27 accreditation body.

28 (b) An authorizing body shall not issue a contract for a new  
29 public school academy to be located in a community district if both

1 of the following circumstances exist:

2 (i) Either of the following:

3 (A) The proposed public school academy would operate at the  
 4 same location as a public school that currently is on the list  
 5 under **former** section 1280c(1) or **section** 1280g(3), as applicable,  
 6 of the public schools in this state determined to be among the  
 7 lowest achieving public schools in this state or has been on the  
 8 list under section 1280c(1) or 1280g(3), as applicable, during the  
 9 immediately preceding 3-year period.

10 (B) The proposed public school academy would operate at the  
 11 same location as a public school academy, urban high school  
 12 academy, school of excellence, or strict discipline academy that  
 13 has had its contract revoked or terminated by an authorizing body  
 14 under the applicable part or section.

15 (ii) The proposed public school academy would have  
 16 substantially the same board of directors, substantially the same  
 17 leadership, and substantially the same curriculum offerings as the  
 18 public school that previously operated at that location.

19 Sec. 522. (1) An urban high school academy shall be organized  
 20 and administered under the direction of a board of directors in  
 21 accordance with this part and with bylaws adopted by the board of  
 22 directors. An urban high school academy corporation shall be  
 23 organized under the nonprofit corporation act, 1982 PA 162, MCL  
 24 450.2101 to 450.3192, except that an urban high school academy  
 25 corporation is not required to comply with sections 170 to 177 of  
 26 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified  
 27 under the state or federal constitution, an urban high school  
 28 academy shall not be organized by a church or other religious  
 29 organization and shall not have any organizational or contractual



1 affiliation with or constitute a church or other religious  
2 organization.

3 (2) Subject to subsection (9), the governing board of a state  
4 public university, **if the board is popularly elected under the**  
5 **Michigan election law**, may act as an authorizing body to issue a  
6 contract for the organization and operation of an urban high school  
7 academy under this part.

8 (3) A contract issued under this part ~~shall~~**must** be issued for  
9 an initial term of 10 years. If the urban high school academy meets  
10 the educational goals set forth in the contract and operates in  
11 substantial compliance with this part, the authorizing body shall  
12 automatically renew the contract for a subsequent 10-year term.

13 (4) To obtain a contract to organize and operate 1 or more  
14 urban high school academies, an entity may apply to an authorizing  
15 body described in subsection (2). The contract ~~shall~~**must** be issued  
16 to an urban high school academy corporation designated by the  
17 entity applying for the contract. The application ~~shall~~**must**  
18 include at least all of the following:

19 (a) Name of the entity applying for the contract.

20 (b) Subject to the resolution adopted by the authorizing body  
21 under section 528, a list of the proposed members of the board of  
22 directors of the urban high school academy and a description of the  
23 qualifications and method for appointment or election of members of  
24 the board of directors.

25 (c) The proposed articles of incorporation, which ~~shall~~**must**  
26 include at least all of the following:

27 (i) The name of the proposed urban high school academy to which  
28 the contract will be issued.

29 (ii) The purposes for the urban high school academy

1 corporation. This language ~~shall~~**must** provide that the urban high  
 2 school academy is incorporated pursuant to this part and that the  
 3 urban high school academy corporation is a governmental entity and  
 4 political subdivision of this state.

5 (iii) The name of the authorizing body.

6 (iv) The proposed time when the articles of incorporation will  
 7 be effective.

8 (v) Other matters considered expedient to be in the articles  
 9 of incorporation.

10 (d) A copy of the proposed bylaws of the urban high school  
 11 academy.

12 (e) Documentation meeting the application requirements of the  
 13 authorizing body, including at least all of the following:

14 (i) The governance structure of the urban high school academy.

15 (ii) A copy of the educational goals of the urban high school  
 16 academy and the curricula to be offered and methods of pupil  
 17 assessment to be used by the urban high school academy. The  
 18 educational goals ~~shall~~**must** include demonstrated improved pupil  
 19 academic achievement for all groups of pupils. To the extent  
 20 applicable, the progress of the pupils in the urban high school  
 21 academy ~~shall~~**must** be assessed using both the mathematics and  
 22 reading portions of the Michigan student test of educational  
 23 progress (M-STEP) or the Michigan merit examination under section  
 24 1279g, as applicable.

25 (iii) The admission policy and criteria to be maintained by the  
 26 urban high school academy. The admission policy and criteria ~~shall~~  
 27 **must** comply with section 524. This part of the application also  
 28 ~~shall~~**must** include a description of how the applicant will provide  
 29 to the general public adequate notice that an urban high school

1 academy is being created and adequate information on the admission  
2 policy, criteria, and process.

3 (iv) The school calendar and school day schedule.

4 (v) The age or grade range of pupils to be enrolled.

5 (f) Descriptions of staff responsibilities and of the urban  
6 high school academy's governance structure.

7 (g) A description of and address for the proposed building or  
8 buildings in which the urban high school academy will be located,  
9 and a financial commitment by the entity applying for the contract  
10 to construct or renovate the building or buildings that will be  
11 occupied by the urban high school academy that is issued the  
12 contract.

13 (5) If a particular state public university issues a contract  
14 that allows an urban high school academy to operate the same  
15 configuration of grades at more than 1 site, as provided in section  
16 524(1), each of those sites shall be under the direction of the  
17 board of directors that is a party to the contract.

18 (6) If the superintendent of public instruction finds that an  
19 authorizing body is not engaging in appropriate continuing  
20 oversight of 1 or more urban high school academies operating under  
21 a contract issued by the authorizing body, the superintendent of  
22 public instruction may suspend the power of the authorizing body to  
23 issue new contracts to organize and operate urban high school  
24 academies. A contract issued by the authorizing body during the  
25 suspension is void. A contract issued by the authorizing body  
26 before the suspension is not affected by the suspension.

27 (7) An authorizing body shall not charge a fee, or require  
28 reimbursement of expenses, for considering an application for a  
29 contract, for issuing a contract, or for providing oversight of a

1 contract for an urban high school academy in an amount that exceeds  
2 a combined total of 3% of the total state school aid received by  
3 the urban high school academy in the school year in which the fees  
4 or expenses are charged. All of the following apply to this fee:

5 (a) An authorizing body may use this fee only for the  
6 following purposes:

7 (i) Considering applications and issuing or administering  
8 contracts.

9 (ii) Compliance monitoring and oversight of urban high school  
10 academies.

11 (iii) Training for urban high school academy applicants,  
12 administrators, and boards of directors.

13 (iv) Technical assistance to urban high school academies.

14 (v) Academic support to urban high school academies or to  
15 pupils or graduates of urban high school academies.

16 (vi) Evaluation of urban high school academy performance.

17 (vii) Training of teachers, including supervision of teacher  
18 interns.

19 (viii) Other purposes that assist the urban high school  
20 academies or traditional public schools in achieving improved  
21 academic performance.

22 (b) An authorizing body may provide other services for an  
23 urban high school academy and charge a fee for those services, but  
24 shall not require such an arrangement as a condition to issuing the  
25 contract authorizing the urban high school academy.

26 (8) An urban high school academy shall be presumed to be  
27 legally organized if it has exercised the franchises and privileges  
28 of an urban high school academy for at least 2 years.

29 (9) Both of the following apply to the issuance of a contract

1 for an urban high school academy to be located within a community  
2 district:

3 (a) An authorizing body shall not issue a contract to organize  
4 and operate a new urban high school academy to be located in a  
5 community district unless, before issuing the contract, the  
6 governing board of the authorizing body has certified to the  
7 department that the authorizing body has been accredited as an  
8 authorizing body by a nationally recognized accreditation body.

9 (b) An authorizing body shall not issue a contract for a new  
10 urban high school academy to be located in a community district if  
11 both of the following circumstances exist:

12 (i) Either of the following:

13 (A) The proposed urban high school academy would operate at  
14 the same location as a public school that currently is on the list  
15 under **former** section 1280c(1) or **section** 1280g(3), as applicable,  
16 of the public schools in this state determined to be among the  
17 lowest achieving public schools in this state or has been on that  
18 list during the immediately preceding 3-year period.

19 (B) The proposed urban high school academy would operate at  
20 the same location as a public school academy, urban high school  
21 academy, school of excellence, or strict discipline academy that  
22 has had its contract revoked or terminated by an authorizing body  
23 under the applicable part or section.

24 (ii) The proposed urban high school academy would have  
25 substantially the same board of directors, substantially the same  
26 leadership, and substantially the same curriculum offerings as the  
27 public school that previously operated at that location.

28 Sec. 552. (1) An authorizing body may issue contracts under  
29 this subsection to organize and operate a school of excellence. All

1 of the following apply to the issuance of a contract by an  
2 authorizing body under this subsection:

3 (a) The issuance of the contract must be approved by the  
4 superintendent of public instruction. The superintendent of public  
5 instruction shall approve issuance of a contract if he or she  
6 determines that the proposed school of excellence is modeled after  
7 a high-performing school or program.

8 (b) The first 5 contracts issued by all authorizing bodies  
9 under this subsection ~~shall~~**must** be for schools of excellence that  
10 offer 1 or more of high school grades 9 to 12, or any combination  
11 of those grades, as specified in the contract.

12 (c) A school of excellence authorized under this subsection  
13 shall not be located in a school district that has a graduation  
14 rate of over 75%, on average, for the most recent 3 school years  
15 for which the data are available, as determined by the department.

16 (2) Subject to the limitations in this subsection and  
17 subsections (14) and (15), an authorizing body may issue contracts  
18 under this subsection for 1 or more schools of excellence that are  
19 cyber schools. The combined total number of contracts issued by all  
20 statewide authorizing bodies under this subsection for schools of  
21 excellence that are cyber schools ~~shall~~**must** not exceed 15. The  
22 board of a school district, an intermediate school board, the board  
23 of a community college that is not a statewide authorizing body, or  
24 2 or more public agencies acting jointly as described in subsection  
25 (6) (e) may not act as the authorizing body for more than 1 school  
26 of excellence that is a cyber school. An authorizing body shall not  
27 issue a contract for a school of excellence that is a cyber school  
28 unless the school of excellence that is a cyber school meets all of  
29 the following requirements:

1 (a) Is available for enrollment to all pupils in this state.

2 (b) Offers some configuration of or all of grades K to 12.

3 (c) The entity applying for the school of excellence that is a  
4 cyber school demonstrates experience in delivering a quality  
5 education program that improves pupil academic achievement. In  
6 determining whether this requirement is met, an authorizing body  
7 shall refer to the standards for quality online learning  
8 established by the national association of charter school  
9 authorizers or other similar nationally recognized standards for  
10 quality online learning.

11 (d) The enrollment in the school of excellence that is a cyber  
12 school is limited to not more than 2,500 pupils in membership for  
13 the first school year of operation of the school of excellence that  
14 is a cyber school, not more than 5,000 pupils in membership for the  
15 second school year of operation of the school of excellence that is  
16 a cyber school, and not more than 10,000 pupils in membership for  
17 the third and subsequent school years of operation of the school of  
18 excellence that is a cyber school. As used in this subdivision,  
19 "membership" means that term as defined in section 6 of the state  
20 school aid act of 1979, MCL 388.1606.

21 (e) The school of excellence that is a cyber school offers  
22 each pupil's family a computer and subsidizes the cost of internet  
23 access.

24 (3) For a public school academy operating under part 6a that  
25 meets the requirements of subsection (4), with the approval of its  
26 authorizing body, the board of directors of the public school  
27 academy may adopt a resolution choosing to convert the public  
28 school academy to a school of excellence under this part. If the  
29 board of directors of a public school academy that meets the

1 requirements of subsection (4) is issued a contract as a school of  
2 excellence under this subsection, all the following apply:

3 (a) The public school academy shall cease to operate as a  
4 public school academy under part 6a and shall operate as a school  
5 of excellence upon the issuance of a contract or at another time as  
6 determined by the authorizing body.

7 (b) The public school academy shall be considered to be a  
8 school of excellence for all purposes upon the issuance of a  
9 contract or at another time as determined by the authorizing body,  
10 but shall retain its corporate identity.

11 (c) The conversion of a public school academy under part 6a to  
12 a school of excellence operating under this part ~~shall~~**must** not  
13 impair any agreement, mortgage, loan, bond, note or other  
14 instrument of indebtedness, or any other agreement entered into by  
15 a public school academy while it was operating under part 6a.

16 (d) The contract issued to the public school academy under  
17 part 6a ~~shall~~**must** automatically terminate upon the issuance of a  
18 contract or at another time as determined by the authorizing body.

19 (4) Subsection (3) applies to a public school academy that is  
20 determined by the department to meet all of the following, as  
21 applicable:

22 (a) If the public school academy operates only some or all of  
23 grades K to 8, meets at least 1 of the following:

24 (i) On average over a 3-year period, at least 90% of the pupils  
25 enrolled in the public school academy achieved a score of  
26 proficient or better on the Michigan education assessment program  
27 mathematics and reading tests or successor state assessment  
28 program.

29 (ii) On average over a 3-year period, at least 70% of the



1 pupils enrolled in the public school academy achieved a score of  
2 proficient or better on the Michigan education assessment program  
3 mathematics and reading tests or successor state assessment program  
4 and at least 50% of the pupils enrolled in the public school  
5 academy met the income eligibility criteria for the federal free or  
6 reduced-price lunch program, as determined under the Richard B.  
7 Russell national school lunch act, 42 USC 1751 to 1769j, and  
8 reported to the department.

9 (b) If the public school academy operates grades 9 to 12, at  
10 least 80% of the school's pupils graduate from high school or are  
11 determined by the department to be on track to graduate from high  
12 school, the school has at least 80% average attendance, and the  
13 school has at least an 80% postsecondary enrollment rate.

14 (5) A school of excellence shall be organized and administered  
15 under the direction of a board of directors in accordance with this  
16 part and with bylaws adopted by the board of directors. A school of  
17 excellence shall be organized under the nonprofit corporation act,  
18 1982 PA 162, MCL 450.2101 to 450.3192, except that a school of  
19 excellence is not required to comply with sections 170 to 177 of  
20 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified  
21 under the state or federal constitution, a school of excellence  
22 shall not be organized by a church or other religious organization  
23 and shall not have any organizational or contractual affiliation  
24 with or constitute a church or other religious organization.

25 (6) Any of the following may act as an authorizing body to  
26 issue a contract to organize and operate 1 or more schools of  
27 excellence under this part:

28 (a) The board of a school district. However, except as  
29 otherwise provided in this subdivision, the board of a school

1 district shall not issue a contract for a school of excellence to  
2 operate outside the school district's boundaries, and a school of  
3 excellence authorized by the board of a school district shall not  
4 operate outside that school district's boundaries. If the board of  
5 a school district issues a contract for a school of excellence that  
6 is a cyber school, the contract may authorize the school of  
7 excellence that is a cyber school to operate outside that school  
8 district's boundaries.

9 (b) An intermediate school board. However, except as otherwise  
10 provided in this subdivision, the board of an intermediate school  
11 district shall not issue a contract for a school of excellence to  
12 operate outside the intermediate school district's boundaries, and  
13 a school of excellence authorized by the board of an intermediate  
14 school district shall not operate outside that intermediate school  
15 district's boundaries. If the board of an intermediate school  
16 district issues a contract for a school of excellence that is a  
17 cyber school, the contract may authorize the school of excellence  
18 that is a cyber school to operate outside that intermediate school  
19 district's boundaries.

20 (c) The board of a community college, **if the board is**  
21 **popularly elected under the Michigan election law.** Except as  
22 otherwise provided in this subdivision, the board of a community  
23 college shall not issue a contract for a school of excellence to  
24 operate outside the boundaries of the community college district,  
25 and a school of excellence authorized by the board of a community  
26 college shall not operate outside the boundaries of the community  
27 college district. If the board of a community college issues a  
28 contract for a school of excellence that is a cyber school, the  
29 contract may authorize the school of excellence that is a cyber

1 school to operate outside the boundaries of the community college  
2 district. The board of a community college also may issue a  
3 contract for not more than 1 school of excellence to operate on the  
4 grounds of an active or closed federal military installation  
5 located outside the boundaries of the community college district,  
6 or may operate a school of excellence itself on the grounds of such  
7 a federal military installation, if the federal military  
8 installation is not located within the boundaries of any community  
9 college district and the community college has previously offered  
10 courses on the grounds of the federal military installation for at  
11 least 10 years.

12 (d) The governing board of a state public university, **if the**  
13 **board is popularly elected under the Michigan election law.**

14 (e) Two or more of the public agencies described in  
15 subdivisions (a) to (d) exercising power, privilege, or authority  
16 jointly pursuant to an interlocal agreement under the urban  
17 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to  
18 124.512.

19 (7) To obtain a contract to organize and operate 1 or more  
20 schools of excellence, 1 or more persons or an entity may apply to  
21 an authorizing body described in this section. The application  
22 ~~shall~~**must** include at least all of the following:

23 (a) Identification of the applicant for the contract.

24 (b) Subject to the resolution adopted by the authorizing body  
25 under section 553(4), a list of the proposed members of the board  
26 of directors of the school of excellence and a description of the  
27 qualifications and method for appointment or election of members of  
28 the board of directors.

29 (c) The proposed articles of incorporation, which ~~shall~~**must**

1 include at least all of the following:

2 (i) The name of the proposed school of excellence.

3 (ii) The purposes for the school of excellence corporation.

4 This language ~~shall~~**must** provide that the school of excellence is  
5 incorporated pursuant to this part and that the school of  
6 excellence is a governmental entity.

7 (iii) The name of the authorizing body.

8 (iv) The proposed time when the articles of incorporation will  
9 be effective.

10 (v) Other matters considered expedient to be in the articles  
11 of incorporation.

12 (d) A copy of the proposed bylaws of the school of excellence.

13 (e) Documentation meeting the application requirements of the  
14 authorizing body, including at least all of the following:

15 (i) The governance structure of the school of excellence.

16 (ii) A copy of the educational goals of the school of  
17 excellence and the curricula to be offered and methods of pupil  
18 assessment to be used by the school of excellence. The educational  
19 goals ~~shall~~**must** include demonstrated improved pupil academic  
20 achievement for all groups of pupils. To the extent applicable, the  
21 progress of the pupils in the school of excellence ~~shall~~**must** be  
22 assessed using both the mathematics and reading portions of the  
23 Michigan student test of educational progress (M-STEP) or the  
24 Michigan merit examination under section 1279g, as applicable.

25 (iii) The admission policy and criteria to be maintained by the  
26 school of excellence. The admission policy and criteria ~~shall~~**must**  
27 comply with section 556. This part of the application also ~~shall~~  
28 **must** include a description of how the applicant will provide to the  
29 general public adequate notice that a school of excellence is being

1 created and adequate information on the admission policy, criteria,  
2 and process.

3 (iv) Except for a school of excellence that is a cyber school,  
4 the school calendar and school day schedule.

5 (v) The age or grade range of pupils to be enrolled.

6 (f) Descriptions of staff responsibilities and of the school  
7 of excellence governance structure.

8 (g) For an application to the board of a school district, an  
9 intermediate school board, or board of a community college,  
10 identification of the school district and intermediate school  
11 district in which the school of excellence will be located.

12 (h) An agreement that the school of excellence will comply  
13 with the provisions of this part and, subject to the provisions of  
14 this part, with all other state law applicable to public bodies and  
15 with federal law applicable to public bodies or school districts.

16 (i) A description of and address for the proposed physical  
17 plant in which the school of excellence will be located. An  
18 applicant may request the authorizing body to issue a contract  
19 allowing the board of directors of the school of excellence to  
20 operate the same configuration of age or grade levels at more than  
21 1 site.

22 (8) An authorizing body shall oversee, or shall contract with  
23 an intermediate school district, community college, or state public  
24 university to oversee, each school of excellence operating under a  
25 contract issued by the authorizing body. The authorizing body is  
26 responsible for overseeing compliance by the board of directors  
27 with the contract and all applicable law. This subsection does not  
28 relieve any other government entity of its enforcement or  
29 supervisory responsibility.

1           (9) If the superintendent of public instruction finds that an  
2 authorizing body is not engaging in appropriate continuing  
3 oversight of 1 or more schools of excellence operating under a  
4 contract issued by the authorizing body, the superintendent of  
5 public instruction may suspend the power of the authorizing body to  
6 issue new contracts to organize and operate schools of excellence.  
7 A contract issued by the authorizing body during the suspension is  
8 void. A contract issued by the authorizing body before the  
9 suspension is not affected by the suspension.

10           (10) An authorizing body shall not charge a fee, or require  
11 reimbursement of expenses, for considering an application for a  
12 contract, for issuing a contract, or for providing oversight of a  
13 contract for a school of excellence in an amount that exceeds a  
14 combined total of 3% of the total state school aid received by the  
15 school of excellence in the school year in which the fees or  
16 expenses are charged. The authorizing body may provide other  
17 services for a school of excellence and charge a fee for those  
18 services, but shall not require such an arrangement as a condition  
19 to issuing the contract authorizing the school of excellence.

20           (11) A school of excellence shall be presumed to be legally  
21 organized if it has exercised the franchises and privileges of a  
22 public school academy for at least 2 years.

23           (12) A member of the board of directors of a school of  
24 excellence is a public officer and ~~shall,~~ **must,** before entering  
25 upon the duties of the office, take the constitutional oath of  
26 office for public officers under section 1 of article XI of the  
27 state constitution of 1963.

28           (13) A school of excellence that is a cyber school may make  
29 available to other public schools for purchase any of the course

1 offerings that the cyber school offers to its own pupils.

2 (14) If the department determines that the combined total  
3 statewide final audited membership for all pupils in membership in  
4 schools of excellence that are cyber schools for the 2012-2013  
5 state fiscal year exceeds a number equal to 1% of the combined  
6 total statewide final audited membership for all pupils in  
7 membership in public schools for the 2011-2012 state fiscal year,  
8 then all of the following apply:

9 (a) An authorizing body may not issue a new contract for a new  
10 school of excellence that is a cyber school to begin operations in  
11 the 2013-2014 school year.

12 (b) A school of excellence that is a cyber school may not  
13 enroll any new pupils in the school of excellence that is a cyber  
14 school in the 2013-2014 school year.

15 (15) Beginning July 1, 2013, if the department determines that  
16 the combined total statewide final audited membership for all  
17 pupils in membership in schools of excellence that are cyber  
18 schools for a state fiscal year exceeds a number equal to 2% of the  
19 combined total statewide final audited membership for all pupils in  
20 membership in public schools for the 2011-2012 state fiscal year,  
21 then all of the following apply:

22 (a) Subject to subdivision (c), an authorizing body may not  
23 issue a new contract for a new school of excellence that is a cyber  
24 school to begin operations in a school year that begins after that  
25 determination is made.

26 (b) Subject to subdivision (c), a school of excellence that is  
27 a cyber school may not enroll any new pupils in the school of  
28 excellence that is a cyber school in a school year that begins  
29 after that determination is made.

1 (c) If the department determines that the combined total  
2 statewide final audited membership for all pupils in membership in  
3 schools of excellence that are cyber schools for a state fiscal  
4 year does not exceed a number equal to 2% of the combined total  
5 statewide final audited membership for all pupils in membership in  
6 public schools for the 2011-2012 state fiscal year, then  
7 subdivisions (a) and (b) do not apply for a school year that begins  
8 after that determination is made unless the department makes a new  
9 determination that the membership limits under this subsection have  
10 been exceeded.

11 (16) For the purposes of subsections (14) and (15), not later  
12 than July 1 of each year, the department shall determine the  
13 percentage of the combined total statewide final audited membership  
14 for all pupils in membership in public schools that are pupils in  
15 membership in schools of excellence that are cyber schools for the  
16 state fiscal year that includes that July 1.

17 (17) As used in this section:

18 (a) "Membership" means that term as defined in section 6 of  
19 the state school aid act of 1979, MCL 388.1606.

20 (b) "Statewide authorizing body" means the governing board of  
21 a state public university or the board of a federal tribally  
22 controlled community college that is recognized under the tribally  
23 controlled colleges and universities assistance act of 1978, 25 USC  
24 1801 to 1864, **if the board is popularly elected under the Michigan**  
25 **election law**, and is determined by the department to meet the  
26 requirements for accreditation by a recognized regional accrediting  
27 body.

28 (18) Not later than October 1, 2012, if a district, an  
29 intermediate school district, a public school academy, or the



1 education achievement system offers online learning, the board or  
2 board of directors of the district, intermediate school district,  
3 or public school academy, or the education achievement system,  
4 shall submit to the department a report that details the per-pupil  
5 costs of operating the online learning. The report ~~shall~~**must**  
6 include, on a per-pupil basis, at least all of the following costs:

7 (a) Textbooks, instructional materials, and supplies,  
8 including electronic instructional material.

9 (b) Computer and other electronic equipment, including  
10 internet and telephone access.

11 (c) Salaries and benefits for the online learning employees.

12 (d) Purchased courses and curricula.

13 (e) Fees associated with oversight and regulation.

14 (f) Travel costs associated with school activities and  
15 testing.

16 (g) Facilities costs.

17 (h) Costs associated with special education.

18 (19) Not later than December 31, 2012, the department shall  
19 issue a report to the legislature including the following:

20 (a) A review of the data submitted under subsection (14).

21 (b) A comparison with costs of substantially similar programs  
22 in other states and relevant national research on the costs of  
23 online learning.

24 (c) Any conclusions concerning factors or characteristics of  
25 online learning programs that make a difference in the costs of  
26 operating the programs.

27 (20) The board of directors of a school of excellence that is  
28 a cyber school, or the board of a school district, intermediate  
29 school district, or public school academy that operates an online

1 or other distance learning program, shall submit a monthly report  
2 to the department, in the form and manner prescribed by the  
3 department, that reports the number of pupils enrolled in the  
4 school of excellence that is a cyber school, or in the online or  
5 other distance learning program, during the immediately preceding  
6 month.

7 (21) The board of directors of a school of excellence that is  
8 a cyber school shall ensure that, when a pupil enrolls in the  
9 school of excellence that is a cyber school, the pupil and his or  
10 her parent or legal guardian are provided with a parent-student  
11 orientation. If the pupil is at least age 18 or is an emancipated  
12 minor, the orientation may be provided to just the pupil.

13 (22) Both of the following apply to the issuance of a contract  
14 for a school of excellence to be located within a community  
15 district:

16 (a) An authorizing body shall not issue a contract to organize  
17 and operate a new school of excellence to be located in a community  
18 district unless, before issuing the contract, the governing board  
19 of the authorizing body has certified to the department that the  
20 authorizing body has been accredited as an authorizing body by a  
21 nationally recognized accreditation body. For an authorizing body  
22 described in subsection (6) (e), the authorizing body shall not  
23 issue a contract to organize and operate a new school of excellence  
24 to be located in a community district unless, before issuing the  
25 contract, the governing board of each of the public agencies that  
26 is party to the interlocal agreement has certified to the  
27 department that the public agency has been accredited as an  
28 authorizing body by a nationally recognized accreditation body.

29 (b) An authorizing body shall not issue a contract for a new

1 school of excellence to be located in a community district if both  
2 of the following circumstances exist:

3 (i) Either of the following:

4 (A) The proposed school of excellence would operate at the  
5 same location as a public school that currently is on the list  
6 under **former** section 1280c(1) or **section** 1280g(3), as applicable,  
7 of the public schools in this state determined to be among the  
8 lowest achieving public schools in this state or has been on that  
9 list during the immediately preceding 3-year period.

10 (B) The proposed school of excellence would operate at the  
11 same location as a public school academy, urban high school  
12 academy, school of excellence, or strict discipline academy that  
13 has had its contract revoked or terminated by an authorizing body  
14 under the applicable part or section.

15 (ii) The proposed school of excellence would have substantially  
16 the same board of directors, substantially the same leadership, and  
17 substantially the same curriculum offerings as the public school  
18 that previously operated at that location.

19 Sec. 1311d. (1) A strict discipline academy shall be organized  
20 and administered under the direction of a board of directors in  
21 accordance with sections 1311b to ~~1311l~~-**1311m** and with bylaws  
22 adopted by the board of directors. A strict discipline academy  
23 corporation created to operate a strict discipline academy shall be  
24 organized under the nonprofit corporation act, 1982 PA 162, MCL  
25 450.2101 to 450.3192, except that the strict discipline academy  
26 corporation is not required to comply with sections 170 to 177 of  
27 1931 PA 327, MCL 450.170 to 450.177. To the extent disqualified  
28 under the state or federal constitution, a strict discipline  
29 academy shall not be organized by a church or other religious

1 organization and shall not have any organizational or contractual  
 2 affiliation with or constitute a church or other religious  
 3 organization.

4 (2) Any of the following may act as an authorizing body to  
 5 issue a contract to organize and operate 1 or more strict  
 6 discipline academies under sections 1311b to ~~1311f~~:**1311m**:

7 (a) The board of a school district that operates grades K to  
 8 12. However, the board of a school district shall not issue a  
 9 contract for a strict discipline academy to operate outside the  
 10 school district's boundaries, and a strict discipline academy  
 11 authorized by the board of a school district shall not operate  
 12 outside that school district's boundaries.

13 (b) An intermediate school board. However, the board of an  
 14 intermediate school district shall not issue a contract for a  
 15 strict discipline academy to operate outside the intermediate  
 16 school district's boundaries, and a strict discipline academy  
 17 authorized by the board of an intermediate school district shall  
 18 not operate outside that intermediate school district's boundaries.

19 (c) The board of a community college, **if the board is**  
 20 **popularly elected under the Michigan election law.** However, except  
 21 as otherwise provided in this subdivision, the board of a community  
 22 college shall not issue a contract for a strict discipline academy  
 23 to operate in a school district organized as a school district of  
 24 the first class, a strict discipline academy authorized by the  
 25 board of a community college shall not operate in a school district  
 26 organized as a school district of the first class, the board of a  
 27 community college shall not issue a contract for a strict  
 28 discipline academy to operate outside the boundaries of the  
 29 community college district, and a strict discipline academy

1 authorized by the board of a community college shall not operate  
 2 outside the boundaries of the community college district. The board  
 3 of a community college also may issue a contract for not more than  
 4 1 strict discipline academy to operate on the grounds of an active  
 5 or closed federal military installation located outside the  
 6 boundaries of the community college district, or may operate a  
 7 strict discipline academy itself on the grounds of such a federal  
 8 military installation, if the federal military installation is not  
 9 located within the boundaries of any community college district and  
 10 the community college has previously offered courses on the grounds  
 11 of the federal military installation for at least 10 years.

12 (d) The governing board of a state public university, **if the**  
 13 **board is popularly elected under the Michigan election law.**

14 (3) To obtain a contract to organize and operate 1 or more  
 15 strict discipline academies, 1 or more persons or an entity may  
 16 apply to an authorizing body described in subsection (2). The  
 17 application ~~shall~~**must** include at least all of the following:

18 (a) Identification of the applicant for the contract.

19 (b) Subject to the resolution adopted by the authorizing body  
 20 under section 1311e, a list of the proposed members of the board of  
 21 directors of the strict discipline academy and a description of the  
 22 qualifications and method for appointment or election of members of  
 23 the board of directors.

24 (c) The proposed articles of incorporation, which ~~shall~~**must**  
 25 include at least all of the following:

26 (i) The name of the proposed strict discipline academy.

27 (ii) The purposes for the strict discipline academy corporation  
 28 that will operate the strict discipline academy. This language  
 29 ~~shall~~**must** provide that the strict discipline academy is

1 established pursuant to sections 1311b to ~~1311f~~**1311m** and that the  
2 strict discipline academy corporation is a governmental entity.

3 (iii) The name of the authorizing body.

4 (iv) The proposed time when the articles of incorporation will  
5 be effective.

6 (v) Other matters considered expedient to be in the articles  
7 of incorporation.

8 (d) A copy of the proposed bylaws of the strict discipline  
9 academy.

10 (e) Documentation meeting the application requirements of the  
11 authorizing body, including at least all of the following:

12 (i) The governance structure of the strict discipline academy.

13 (ii) A copy of the educational goals of the strict discipline  
14 academy and the curricula to be offered and methods of pupil  
15 assessment to be used by the strict discipline academy. To the  
16 extent applicable, the progress of the pupils in the strict  
17 discipline academy ~~shall~~**must** be assessed using at least ~~a the~~  
18 ~~Michigan education assessment program (MEAP) test or an assessment~~  
19 ~~instrument developed under section 1279 for a state-endorsed high~~  
20 ~~school diploma.~~**student test of educational progress (M-STEP) or the**  
21 **Michigan merit examination under section 1279g, as applicable.**

22 (iii) The admission policy and criteria to be maintained by the  
23 strict discipline academy. The admission policy and criteria ~~shall~~  
24 **must** comply with section 1311g. This part of the application also  
25 ~~shall~~**must** include a description of how the applicant will provide  
26 to the general public adequate notice that a strict discipline  
27 academy is being created and adequate information on the admission  
28 policy, criteria, and process.

29 (iv) The school calendar and school day schedule.

1 (v) The age or grade range of pupils to be enrolled.

2 (vi) The type of pupils to be enrolled in the strict discipline  
3 academy, as described in section 1311g(3) and (4).

4 (f) Descriptions of staff responsibilities and of the strict  
5 discipline academy's governance structure.

6 (g) For an application to the board of a school district, an  
7 intermediate school board, or board of a community college,  
8 identification of the local and intermediate school districts in  
9 which the strict discipline academy will be located.

10 (h) An agreement that the strict discipline academy will  
11 comply with the provisions of sections 1311b to ~~1311l~~ **1311m** and,  
12 subject to the provisions of these sections, with all other state  
13 law applicable to public bodies and with federal law applicable to  
14 public bodies or school districts.

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

21 (j) A description of and address for the proposed physical  
22 plant in which the strict discipline academy will be located.

23 (4) An authorizing body shall oversee, or shall contract with  
24 an intermediate school district, community college, or state public  
25 university to oversee, each strict discipline academy operating  
26 under a contract issued by the authorizing body. The oversight  
27 shall be sufficient to ensure that the authorizing body can certify  
28 that the strict discipline academy is in compliance with statute,  
29 rules, and the terms of the contract.

1           (5) If the state board finds that an authorizing body is not  
2 engaging in appropriate continuing oversight of 1 or more strict  
3 discipline academies operating under a contract issued by the  
4 authorizing body, the state board may suspend the power of the  
5 authorizing body to issue new contracts to organize and operate  
6 strict discipline academies. A contract issued by the authorizing  
7 body during the suspension is void. A contract issued by the  
8 authorizing body before the suspension is not affected by the  
9 suspension.

10           (6) An authorizing body shall not charge a fee, or require  
11 reimbursement of expenses, for considering an application for a  
12 contract, for issuing a contract, or for providing oversight of a  
13 contract for a strict discipline academy in an amount that exceeds  
14 a combined total of 3% of the total state school aid received by  
15 the strict discipline academy in the school year in which the fees  
16 or expenses are charged. An authorizing body may provide other  
17 services for a strict discipline academy and charge a fee for those  
18 services, but shall not require such an arrangement as a condition  
19 to issuing the contract authorizing the strict discipline academy.

20           (7) A strict discipline academy shall be presumed to be  
21 legally organized if it has exercised the franchises and privileges  
22 of a strict discipline academy for at least 2 years.