

HOUSE BILL NO. 5850

February 24, 2022, Introduced by Reps. Koleszar, Kuppa, Weiss, Sowerby, Stone, Steckloff, Cavanagh, Cherry, Steenland, Neeley, Brabec, Breen, Garza, Liberati, O'Neal, Clemente, Pohutsky, Cynthia Johnson, Rabhi, Tyrone Carter, Bolden, Rogers, Brenda Carter, Aiyash, Young, Haadsma, Scott, Thanedar, Ellison, Peterson, Hood, Puri, Hertel, Jones, Anthony, Camilleri and Whitsett and referred to the Committee on Education.

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~~**must** be organized
2 and administered under the direction of a board of directors in
3 accordance with this part and with bylaws adopted by the board of

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

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

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

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

25 (c) The board of a community college. However, except as
26 otherwise provided in this subdivision, the board of a community
27 college shall not issue a contract for a public school academy to
28 operate in a school district organized as a school district of the
29 first class, a public school academy authorized by the board of a

community college shall not operate in a school district organized as a school district of the first class, the board of a community college shall not issue a contract for a public school academy to operate outside the boundaries of the community college district, and a public school academy authorized by the board of a community college shall not operate outside the boundaries of the community college district. The board of a community college also may issue a contract for not more than 1 public school academy to operate on the grounds of an active or closed federal military installation located outside the boundaries of the community college district, or may operate a public school academy itself on the grounds of such a federal military installation, if the federal military installation is not located within the boundaries of any community college district and the community college has previously offered courses on the grounds of the federal military installation for at least 10 years.

(d) The governing board of a state public university. ~~However, the combined total number of contracts for public school academies issued by all state public universities shall not exceed 300 through December 31, 2012 and shall not exceed 500 through December 31, 2014. After December 31, 2014, there is no limit on the combined total number of contracts for public school academies that may be issued by all state public universities.~~

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

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

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

(a) Identification of the applicant for the contract.

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

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

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

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

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

(iii) The name of the authorizing body.

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

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

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

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

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

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

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

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

(iv) The school calendar and school day schedule.

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

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

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

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

(i) A description of and address for the proposed physical plant in which the public school academy will be located. An applicant may request the authorizing body to issue a contract 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~~
11 **determines** that an authorizing body is not engaging in appropriate
12 continuing oversight of 1 or more public school academies operating
13 under a contract issued by the authorizing body, the superintendent
14 of public instruction ~~may~~**shall** suspend the power of the
15 authorizing body to issue new contracts to organize and operate
16 public school academies **under this part, urban high school**
17 **academies under part 6c, schools of excellence under part 6e, and**
18 **strict discipline academies under sections 1311b to 1311m.** A
19 contract issued by the authorizing body during the ~~suspension~~
20 **period in which the authorizing body was not engaging in**
21 **appropriate continuing oversight, as determined by the**
22 **superintendent of public instruction,** is void. A contract issued by
23 the authorizing body before ~~the suspension~~**that period** is not
24 affected by the suspension.

25 (6) An authorizing body shall not charge a fee, or require
26 reimbursement of expenses, for considering an application for a
27 contract, for issuing a contract, or for providing oversight of a
28 contract for a public school academy in an amount that exceeds a
29 combined total of 3% of the total state school aid received by the

1 public school academy in the school year in which the fees or
2 expenses are charged. The authorizing body shall provide to the
3 public school academy board of directors an accounting of the fees
4 and reimbursements collected under this subsection specifying how
5 the specific funds collected from that public school academy were
6 expended, including an itemized list of use and purpose. An
7 authorizing body may provide other services for a public school
8 academy and charge a fee for those services, but shall not require
9 such an arrangement as a condition to issuing the contract
10 authorizing the public school academy.

11 (7) At least annually, an authorizing body shall compile and
12 submit to the superintendent of public instruction and the state
13 board a compliance report showing the status of each public school
14 academy operating under a contract issued by the authorizing body
15 regarding compliance with the statutory and contractual
16 requirements for operating the public school academy. If the
17 superintendent of public instruction determines, after a review of
18 this report, that the authorizing body has an active contract with
19 a public school academy that is not in compliance with these
20 requirements, the superintendent of public instruction shall order
21 the authorizing body to return all of the fees collected under
22 subsection (6) from that public school academy to the state school
23 aid fund.

24 (8) If the superintendent of public instruction suspends the
25 power of an authorizing body to issue new contracts to organize and
26 operate public school academies under this part, urban high school
27 academies under part 6c, schools of excellence under part 6e, and
28 strict discipline academies under sections 1311b to 1311m, as
29 provided under subsection (5), the authorizing body may petition

1 the state board to reinstate its power to issue new contracts to
 2 organize and operate public school academies under this part, urban
 3 high school academies under part 6c, schools of excellence under
 4 part 6e, and strict discipline academies under sections 1311b to
 5 1311m. If the state board finds that the suspension by the
 6 superintendent of public instruction is not arbitrary or
 7 capricious, the state board shall establish benchmarks that the
 8 authorizing body must meet, as determined by the state board, to
 9 have its power reinstated to issue new contracts to organize and
 10 operate public school academies under this part, urban high school
 11 academies under part 6c, schools of excellence under part 6e, and
 12 strict discipline academies under sections 1311b to 1311m.

13 (9) ~~(7)~~—A public school academy shall be presumed to be
 14 legally organized if it has exercised the franchises and privileges
 15 of a public school academy for at least 2 years.

16 (10) ~~(8)~~—An authorizing body may enter into an
 17 intergovernmental agreement with another authorizing body to issue
 18 public school academy contracts. At a minimum, the agreement ~~shall~~
 19 **must** further the purposes set forth in section 501, describe which
 20 authorizing body shall issue the contract, and set forth which
 21 authorizing body will be responsible for monitoring compliance by
 22 the board of directors of the public school academy with the
 23 contract and all applicable law.

24 (11) ~~(9)~~—Both of the following apply to the issuance of a
 25 contract for a public school academy to be located within a
 26 community district:

27 (a) An authorizing body shall not issue a contract to organize
 28 and operate a new public school academy to be located in a
 29 community district unless, before issuing the contract, the

governing board of the authorizing body has certified to the department that the authorizing body has been accredited as an authorizing body by a nationally recognized accreditation body. For an authorizing body described in subsection (2)(e), the authorizing body shall not issue a contract to organize and operate a new public school academy to be located in a community district unless, before issuing the contract, the governing board of each of the public agencies that is party to the interlocal agreement has certified to the department that the public agency has been accredited as an authorizing body by a nationally recognized accreditation body.

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

(i) Either of the following:

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

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

(ii) The proposed public school academy would have substantially the same board of directors, substantially the same

1 leadership, and substantially the same curriculum offerings as the
2 public school that previously operated at that location.

3 Sec. 522. (1) An urban high school academy ~~shall~~**must** be
4 organized and administered under the direction of a board of
5 directors in accordance with this part and with bylaws adopted by
6 the board of directors. An urban high school academy corporation
7 ~~shall~~**must** be organized under the nonprofit corporation act, 1982
8 PA 162, MCL 450.2101 to 450.3192, except that an urban high school
9 academy corporation is not required to comply with sections 170 to
10 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent
11 disqualified under the state or federal constitution, an urban high
12 school academy ~~shall~~**must** not be organized by a church or other
13 religious organization and shall not have any organizational or
14 contractual affiliation with or constitute a church or other
15 religious organization.

16 (2) Subject to subsection ~~(9)~~, **(11)**, the governing board of a
17 state public university may act as an authorizing body to issue a
18 contract for the organization and operation of an urban high school
19 academy under this part.

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

25 (4) To obtain a contract to organize and operate 1 or more
26 urban high school academies, an entity may apply to an authorizing
27 body described in subsection (2). The contract ~~shall~~**must** be issued
28 to an urban high school academy corporation designated by the
29 entity applying for the contract. The application ~~shall~~**must**

1 include at least all of the following:

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

3 (b) Subject to the resolution adopted by the authorizing body
4 under section 528, a list of the proposed members of the board of
5 directors of the urban high school academy and a description of the
6 qualifications and method for appointment or election of members of
7 the board of directors.

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

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

12 (ii) The purposes for the urban high school academy
13 corporation. This language ~~shall~~**must** provide that the urban high
14 school academy is incorporated pursuant to this part and that the
15 urban high school academy corporation is a governmental entity and
16 political subdivision of this state.

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 urban high 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 urban high school academy.

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

1 educational goals ~~shall~~**must** include demonstrated improved pupil
2 academic achievement for all groups of pupils. To the extent
3 applicable, the progress of the pupils in the urban high school
4 academy ~~shall~~**must** be assessed using both the mathematics and
5 reading portions of the Michigan student test of educational
6 progress (M-STEP) or the Michigan merit examination under section
7 1279g, as applicable.

8 (iii) The admission policy and criteria to be maintained by the
9 urban high school academy. The admission policy and criteria ~~shall~~
10 **must** comply with section 524. This part of the application also
11 ~~shall~~**must** include a description of how the applicant will provide
12 to the general public adequate notice that an urban high school
13 academy is being created and adequate information on the admission
14 policy, criteria, and process.

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

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

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

19 (g) A description of and address for the proposed building or
20 buildings in which the urban high school academy will be located,
21 and a financial commitment by the entity applying for the contract
22 to construct or renovate the building or buildings that will be
23 occupied by the urban high school academy that is issued the
24 contract.

25 (5) If a particular state public university issues a contract
26 that allows an urban high school academy to operate the same
27 configuration of grades at more than 1 site, as provided in section
28 524(1), each of those sites ~~shall~~**must** be under the direction of
29 the board of directors that is a party to the contract.

1 (6) If the superintendent of public instruction ~~finds~~
2 **determines** that an authorizing body is not engaging in appropriate
3 continuing oversight of 1 or more urban high school academies
4 operating under a contract issued by the authorizing body, the
5 superintendent of public instruction ~~may~~**shall** suspend the power of
6 the authorizing body to issue new contracts to organize and operate
7 **public school academies under part 6a, urban high school academies**
8 **under this part, schools of excellence under part 6e, and strict**
9 **discipline academies under sections 1311b to 1311m.** A contract
10 issued by the authorizing body during the ~~suspension~~**period in**
11 **which the authorizing body was not engaging in appropriate**
12 **continuing oversight, as determined by the superintendent of public**
13 **instruction, is void.** A contract issued by the authorizing body
14 before the ~~suspension~~**that period** is not affected by the
15 suspension.

16 (7) At least annually, an authorizing body shall compile and
17 submit to the superintendent of public instruction and the state
18 board a compliance report showing the status of each urban high
19 school academy operating under a contract issued by the authorizing
20 body regarding compliance with the statutory and contractual
21 requirements for operating the urban high school academy. If the
22 superintendent of public instruction determines, after a review of
23 this report, that the authorizing body has an active contract with
24 an urban high school academy that is not in compliance with these
25 requirements, the superintendent of public instruction shall order
26 the authorizing body to return all of the fees collected under
27 subsection (9) from that urban high school academy to the state
28 school aid fund.

29 (8) If the superintendent of public instruction suspends the

1 power of an authorizing body to issue new contracts to organize and
2 operate public school academies under part 6a, urban high school
3 academies under this part, schools of excellence under part 6e, and
4 strict discipline academies under sections 1311b to 1311m, as
5 provided under subsection (6), the authorizing body may petition
6 the state board to reinstate its power to issue new contracts to
7 organize and operate public school academies under part 6a, urban
8 high school academies under this part, schools of excellence under
9 part 6e, and strict discipline academies under sections 1311b to
10 1311m. If the state board finds that the suspension by the
11 superintendent of public instruction is not arbitrary or
12 capricious, the state board shall establish benchmarks that the
13 authorizing body must meet, as determined by the state board, to
14 have its power reinstated to issue new contracts to organize and
15 operate public school academies under part 6a, urban high school
16 academies under this part, schools of excellence under part 6e, and
17 strict discipline academies under sections 1311b to 1311m.

18 (9) ~~(7)~~—An authorizing body shall not charge a fee, or require
19 reimbursement of expenses, for considering an application for a
20 contract, for issuing a contract, or for providing oversight of a
21 contract for an urban high school academy in an amount that exceeds
22 a combined total of 3% of the total state school aid received by
23 the urban high school academy in the school year in which the fees
24 or expenses are charged. All of the following apply to this fee:

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

27 (i) Considering applications and issuing or administering
28 contracts.

29 (ii) Compliance monitoring and oversight of urban high school

1 academies.

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

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

5 (v) Academic support to urban high school academies or to
6 pupils or graduates of urban high school academies.

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

8 (vii) Training of teachers, including supervision of teacher
9 interns.

10 (viii) Other purposes that assist the urban high school
11 academies or traditional public schools in achieving improved
12 academic performance.

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

17 (10) ~~(8)~~ An urban high school academy ~~shall be~~ **is** presumed to
18 be legally organized if it has exercised the franchises and
19 privileges of an urban high school academy for at least 2 years.

20 (11) ~~(9)~~ Both of the following apply to the issuance of a
21 contract for an urban high school academy to be located within a
22 community district:

23 (a) An authorizing body shall not issue a contract to organize
24 and operate a new urban high school academy to be located in a
25 community district unless, before issuing the contract, the
26 governing board of the authorizing body has certified to the
27 department that the authorizing body 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 urban high school academy to be located in a community district if
2 both of the following circumstances exist:

3 (i) Either of the following:

4 (A) The proposed urban high school academy would operate at
5 the 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 urban high school academy would operate at
11 the 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 urban high 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. 552. (1) An authorizing body may issue contracts under
20 this subsection to organize and operate a school of excellence. All
21 of the following apply to the issuance of a contract by an
22 authorizing body under this subsection:

23 (a) The issuance of the contract must be approved by the
24 superintendent of public instruction. The superintendent of public
25 instruction shall approve issuance of a contract if he or she
26 determines that the proposed school of excellence is modeled after
27 a high-performing school or program.

28 (b) The first 5 contracts issued by all authorizing bodies
29 under this subsection ~~shall~~**must** be for schools of excellence that

1 offer 1 or more of high school grades 9 to 12, or any combination
2 of those grades, as specified in the contract.

3 (c) A school of excellence authorized under this subsection
4 ~~shall~~**must** not be located in a school district that has a
5 graduation rate of over 75%, on average, for the most recent 3
6 school years for which the data are available, as determined by the
7 department.

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

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

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

25 (c) The entity applying for the school of excellence that is a
26 cyber school demonstrates experience in delivering a quality
27 education program that improves pupil academic achievement. In
28 determining whether this requirement is met, an authorizing body
29 shall refer to the standards for quality online learning

1 established by the ~~national association of charter school~~
2 ~~authorizers~~ **National Association of Charter School Authorizers** or
3 other similar nationally recognized standards for quality online
4 learning.

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

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

18 (3) For a public school academy operating under part 6a that
19 meets the requirements of subsection (4), with the approval of its
20 authorizing body, the board of directors of the public school
21 academy may adopt a resolution choosing to convert the public
22 school academy to a school of excellence under this part. If the
23 board of directors of a public school academy that meets the
24 requirements of subsection (4) is issued a contract as a school of
25 excellence under this subsection, all the following apply:

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

1 (b) The public school academy ~~shall be~~ **is** considered to be a
2 school of excellence for all purposes upon the issuance of a
3 contract or at another time as determined by the authorizing body,
4 but ~~shall retain~~ **retains** its corporate identity.

5 (c) The conversion of a public school academy under part 6a to
6 a school of excellence operating under this part shall not impair
7 any agreement, mortgage, loan, bond, note or other instrument of
8 indebtedness, or any other agreement entered into by a public
9 school academy while it was operating under part 6a.

10 (d) The contract issued to the public school academy under
11 part 6a ~~shall automatically terminate~~ **terminates** upon the issuance
12 of a contract or at another time as determined by the authorizing
13 body.

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

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

19 (i) On average over a 3-year period, at least 90% of the pupils
20 enrolled in the public school academy achieved a score of
21 proficient or better on the **mathematics and reading portions of the**
22 ~~Michigan education assessment program mathematics and reading tests~~
23 **student test of educational progress (M-STEP)** or a successor state
24 assessment program.

25 (ii) On average over a 3-year period, at least 70% of the
26 pupils enrolled in the public school academy achieved a score of
27 proficient or better on the **mathematics and reading portions of the**
28 ~~Michigan education assessment program mathematics and reading tests~~
29 **student test of educational progress (M-STEP)** or successor state

1 assessment program and at least 50% of the pupils enrolled in the
2 public school academy met the income eligibility criteria for the
3 federal free or reduced-price lunch program, as determined under
4 the Richard B. Russell national school lunch act, 42 USC 1751 to
5 1769j, and reported to the department.

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

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

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

26 (a) The board of a school district. However, except as
27 otherwise provided in this subdivision, the board of a school
28 district shall not issue a contract for a school of excellence to
29 operate outside the school district's boundaries, and a school of

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

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

18 (c) The board of a community college. Except as otherwise
19 provided in this subdivision, the board of a community college
20 shall not issue a contract for a school of excellence to operate
21 outside the boundaries of the community college district, and a
22 school of excellence authorized by the board of a community college
23 shall not operate outside the boundaries of the community college
24 district. If the board of a community college issues a contract for
25 a school of excellence that is a cyber school, the contract may
26 authorize the school of excellence that is a cyber school to
27 operate outside the boundaries of the community college district.
28 The board of a community college also may issue a contract for not
29 more than 1 school of excellence to operate on the grounds of an

1 active or closed federal military installation located outside the
 2 boundaries of the community college district, or may operate a
 3 school of excellence itself on the grounds of such a federal
 4 military installation, if the federal military installation is not
 5 located within the boundaries of any community college district and
 6 the community college has previously offered courses on the grounds
 7 of the federal military installation for at least 10 years.

8 (d) The governing board of a state public university.

9 (e) Two or more of the public agencies described in
 10 subdivisions (a) to (d) exercising power, privilege, or authority
 11 jointly pursuant to an interlocal agreement under the urban
 12 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
 13 124.512.

14 (7) To obtain a contract to organize and operate 1 or more
 15 schools of excellence, 1 or more persons or an entity may apply to
 16 an authorizing body described in this section. The application
 17 ~~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 553(4), a list of the proposed members of the board
 21 of directors of the school of excellence 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 school of excellence.

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

28 This language ~~shall~~**must** provide that the school of excellence is
 29 incorporated pursuant to this part and that the school of

1 excellence is a governmental entity.

2 (iii) The name of the authorizing body.

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

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

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

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

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

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

20 (iii) The admission policy and criteria to be maintained by the
21 school of excellence. The admission policy and criteria ~~shall~~**must**
22 comply with section 556. This part of the application also ~~shall~~
23 **must** include a description of how the applicant will provide to the
24 general public adequate notice that a school of excellence is being
25 created and adequate information on the admission policy, criteria,
26 and process.

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

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

1 (f) Descriptions of staff responsibilities and of the school
2 of excellence governance structure.

3 (g) For an application to the board of a school district, an
4 intermediate school board, or board of a community college,
5 identification of the school district and intermediate school
6 district in which the school of excellence will be located.

7 (h) An agreement that the school of excellence will comply
8 with the provisions of this part and, subject to the provisions of
9 this part, with all other state law applicable to public bodies and
10 with federal law applicable to public bodies or school districts.

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

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

25 (9) If the superintendent of public instruction ~~finds~~
26 **determines** that an authorizing body is not engaging in appropriate
27 continuing oversight of 1 or more schools of excellence operating
28 under a contract issued by the authorizing body, the superintendent
29 of public instruction ~~may~~**shall** suspend the power of the

1 authorizing body to issue new contracts to organize and operate
2 public school academies under part 6a, urban high school academies
3 under part 6c, schools of excellence under this part, and strict
4 discipline academies under sections 1311b to 1311m. A contract
5 issued by the authorizing body during ~~the suspension~~ the period in
6 which the authorizing body was not engaging in appropriate
7 continuing oversight, as determined by the superintendent of public
8 instruction, is void. A contract issued by the authorizing body
9 before ~~the suspension~~ that period is not affected by the
10 suspension.

11 (10) If the superintendent of public instruction suspends the
12 power of an authorizing body to issue new contracts to organize and
13 operate public school academies under part 6a, urban high school
14 academies under part 6c, schools of excellence under this part, and
15 strict discipline academies under sections 1311b to 1311m, as
16 provided under subsection (9), the authorizing body may petition
17 the state board to reinstate its power to issue new contracts to
18 organize and operate public school academies under part 6a, urban
19 high school academies under part 6c, schools of excellence under
20 this part, and strict discipline academies under sections 1311b to
21 1311m. If the state board finds that the suspension by the
22 superintendent of public instruction is not arbitrary or
23 capricious, the state board shall establish benchmarks that the
24 authorizing body must meet, as determined by the state board, to
25 have its power reinstated to issue new contracts to organize and
26 operate public school academies under part 6a, urban high school
27 academies under part 6c, schools of excellence under this part, and
28 strict discipline academies under sections 1311b to 1311m.

29 (11) ~~(10)~~ An authorizing body shall not charge a fee, or

1 require reimbursement of expenses, for considering an application
2 for a contract, for issuing a contract, or for providing oversight
3 of a contract for a school of excellence in an amount that exceeds
4 a combined total of 3% of the total state school aid received by
5 the school of excellence in the school year in which the fees or
6 expenses are charged. The authorizing body may provide other
7 services for a school of excellence and charge a fee for those
8 services, but shall not require such an arrangement as a condition
9 to issuing the contract authorizing the school of excellence.

10 **(12) At least annually, an authorizing body shall compile and**
11 **submit to the superintendent of public instruction and the state**
12 **board a compliance report showing the status of each school of**
13 **excellence operating under a contract issued by the authorizing**
14 **body regarding compliance with the statutory and contractual**
15 **requirements for operating the school of excellence. If the**
16 **superintendent of public instruction determines, after a review of**
17 **this report, that the authorizing body has an active contract with**
18 **a school of excellence that is not in compliance with these**
19 **requirements, the superintendent of public instruction shall order**
20 **the authorizing body to return all of the fees collected under**
21 **subsection (11) from that school of excellence to the state school**
22 **aid fund.**

23 **(13) ~~(11)~~**A school of excellence ~~shall be~~ **is** presumed to be
24 legally organized if it has exercised the franchises and privileges
25 of a public school academy for at least 2 years.

26 **(14) ~~(12)~~**A member of the board of directors of a school of
27 excellence is a public officer and shall, before entering upon the
28 duties of the office, take the constitutional oath of office for
29 public officers under section 1 of article XI of the state

1 constitution of 1963.

2 **(15)** ~~(13)~~ A school of excellence that is a cyber school may
3 make available to other public schools for purchase any of the
4 course offerings that the cyber school offers to its own pupils.

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

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

15 ~~(b) A school of excellence that is a cyber school may not~~
16 ~~enroll any new pupils in the school of excellence that is a cyber~~
17 ~~school in the 2013-2014 school year.~~

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

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

29 (b) Subject to subdivision (c), a school of excellence that is

1 a cyber school may not enroll any new pupils in the school of
2 excellence that is a cyber school in a school year that begins
3 after that determination is made.

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

14 **(17)** ~~(16)~~ For the purposes of ~~subsections (14) and (15)~~,
15 **subsection (16)**, not later than July 1 of each year, the department
16 shall determine the percentage of the combined total statewide
17 final audited membership for all pupils in membership in public
18 schools that are pupils in membership in schools of excellence that
19 are cyber schools for the state fiscal year that includes that July
20 1.

21 **(18)** ~~(17)~~ As used in this section:

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

24 (b) "Statewide authorizing body" means the governing board of
25 a state public university or the board of a federal tribally
26 controlled community college that is recognized under the tribally
27 controlled colleges and universities assistance act of 1978, 25 USC
28 1801 to 1864, and is determined by the department to meet the
29 requirements for accreditation by a recognized regional accrediting

1 body.

2 ~~(18) Not later than October 1, 2012, if a district, an~~
3 ~~intermediate school district, a public school academy, or the~~
4 ~~education achievement system offers online learning, the board or~~
5 ~~board of directors of the district, intermediate school district,~~
6 ~~or public school academy, or the education achievement system,~~
7 ~~shall submit to the department a report that details the per-pupil~~
8 ~~costs of operating the online learning. The report shall include,~~
9 ~~on a per-pupil basis, at least all of the following costs:~~

10 ~~(a) Textbooks, instructional materials, and supplies,~~
11 ~~including electronic instructional material.~~

12 ~~(b) Computer and other electronic equipment, including~~
13 ~~internet and telephone access.~~

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

15 ~~(d) Purchased courses and curricula.~~

16 ~~(e) Fees associated with oversight and regulation.~~

17 ~~(f) Travel costs associated with school activities and~~
18 ~~testing.~~

19 ~~(g) Facilities costs.~~

20 ~~(h) Costs associated with special education.~~

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

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

24 ~~(b) A comparison with costs of substantially similar programs~~
25 ~~in other states and relevant national research on the costs of~~
26 ~~online learning.~~

27 ~~(c) Any conclusions concerning factors or characteristics of~~
28 ~~online learning programs that make a difference in the costs of~~
29 ~~operating the programs.~~

1 **(19)** ~~(20)~~—The board of directors of a school of excellence
 2 that is a cyber school, or the board of a school district,
 3 intermediate school district, or public school academy that
 4 operates an online or other distance learning program, shall submit
 5 a monthly report to the department, in the form and manner
 6 prescribed by the department, that reports the number of pupils
 7 enrolled in the school of excellence that is a cyber school, or in
 8 the online or other distance learning program, during the
 9 immediately preceding month.

10 **(20)** ~~(21)~~—The board of directors of a school of excellence
 11 that is a cyber school shall ensure that, when a pupil enrolls in
 12 the school of excellence that is a cyber school, the pupil and his
 13 or her parent or legal guardian are provided with a parent-student
 14 orientation. If the pupil is at least age 18 or is an emancipated
 15 minor, the orientation may be provided to just the pupil.

16 **(21)** ~~(22)~~—Both of the following apply to the issuance of a
 17 contract for a school of excellence to be located within a
 18 community district:

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

department that the public agency has been accredited as an authorizing body by a nationally recognized accreditation body.

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

(i) Either of the following:

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

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

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

Sec. 1311d. (1) A strict discipline academy ~~shall~~**must** be organized and administered under the direction of a board of directors in accordance with sections 1311b to ~~1311f~~**1311m** and with bylaws adopted by the board of directors. A strict discipline academy corporation created to operate a strict discipline academy ~~shall~~**must** be organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, except that the strict discipline academy corporation is not required to comply with sections 170 to

1 177 of 1931 PA 327, MCL 450.170 to 450.177. To the extent
2 disqualified under the state or federal constitution, a strict
3 discipline academy ~~shall~~**must** not be organized by a church or other
4 religious organization and ~~shall~~**must** not have any organizational
5 or contractual affiliation with or constitute a church or other
6 religious organization.

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

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

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

22 (c) The board of a community college. However, except as
23 otherwise provided in this subdivision, the board of a community
24 college shall not issue a contract for a strict discipline academy
25 to operate in a school district organized as a school district of
26 the first class, a strict discipline academy authorized by the
27 board of a community college shall not operate in a school district
28 organized as a school district of the first class, the board of a
29 community college shall not issue a contract for a strict

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

14 (d) The governing board of a state public university.

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

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

20 (b) Subject to the resolution adopted by the authorizing body
21 under section 1311e, a list of the proposed members of the board of
22 directors of the strict discipline 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 strict discipline academy.

28 (ii) The purposes for the strict discipline academy corporation
29 that will operate the strict discipline academy. This language

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

(iii) The name of the authorizing body.

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

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

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

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

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

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

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

1 policy, criteria, and process.

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

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

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

6 (f) Descriptions of staff responsibilities and of the strict
7 discipline academy's 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 local and intermediate school districts in
11 which the strict discipline academy will be located.

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

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

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

25 (4) An authorizing body shall oversee, or shall contract with
26 an intermediate school district, community college, or state public
27 university to oversee, each strict discipline academy operating
28 under a contract issued by the authorizing body. The oversight
29 ~~shall~~ **must** be sufficient to ensure that the authorizing body can

1 certify that the strict discipline academy is in compliance with
2 statute, rules, and the terms of the contract.

3 (5) If the ~~state board finds~~ **superintendent of public**
4 **instruction determines** that an authorizing body is not engaging in
5 appropriate continuing oversight of 1 or more strict discipline
6 academies operating under a contract issued by the authorizing
7 body, the ~~state board may~~ **superintendent of public instruction**
8 **shall** suspend the power of the authorizing body to issue new
9 contracts to organize and operate **public school academies under**
10 **part 6a, urban high school academies under part 6c, schools of**
11 **excellence under part 6e, and strict discipline academies under**
12 **sections 1311b to 1311m.** A contract issued by the authorizing body
13 during the ~~suspension~~ **period in which the authorizing body was not**
14 **engaging in appropriate continuing oversight, as determined by the**
15 **superintendent of public instruction,** is void. A contract issued by
16 the authorizing body before ~~the suspension~~ **that period** is not
17 affected by the suspension.

18 (6) If the superintendent of public instruction suspends the
19 power of an authorizing body to issue new contracts to organize and
20 operate public school academies under part 6a, urban high school
21 academies under part 6c, schools of excellence under part 6e, and
22 strict discipline academies under sections 1311b to 1311m, as
23 provided under subsection (5), the authorizing body may petition
24 the state board to reinstate its power to issue new contracts to
25 organize and operate public school academies under part 6a, urban
26 high school academies under part 6c, schools of excellence under
27 part 6e, and strict discipline academies under sections 1311b to
28 1311m. If the state board finds that the suspension by the
29 superintendent of public instruction is not arbitrary or

1 capricious, the state board shall establish benchmarks that the
 2 authorizing body must meet, as determined by the state board, to
 3 have its power reinstated to issue new contracts to organize and
 4 operate public school academies under part 6a, urban high school
 5 academies under part 6c, schools of excellence under part 6e, and
 6 strict discipline academies under sections 1311b to 1311m.

7 (7) ~~(6)~~—An authorizing body shall not charge a fee, or require
 8 reimbursement of expenses, for considering an application for a
 9 contract, for issuing a contract, or for providing oversight of a
 10 contract for a strict discipline academy in an amount that exceeds
 11 a combined total of 3% of the total state school aid received by
 12 the strict discipline academy in the school year in which the fees
 13 or expenses are charged. **The authorizing body shall provide to the**
 14 **strict discipline academy board of directors an accounting of the**
 15 **fees and reimbursements collected under this subsection specifying**
 16 **how the specific funds collected from that strict discipline**
 17 **academy were expended, including an itemized list of use and**
 18 **purpose.** An authorizing body may provide other services for a
 19 strict discipline academy and charge a fee for those services, but
 20 shall not require such an arrangement as a condition to issuing the
 21 contract authorizing the strict discipline academy.

22 (8) **At least annually, an authorizing body shall compile and**
 23 **submit to the superintendent of public instruction and the state**
 24 **board a compliance report showing the status of each strict**
 25 **discipline academy operating under a contract issued by the**
 26 **authorizing body regarding compliance with the statutory and**
 27 **contractual requirements for operating the strict discipline**
 28 **academy. If the superintendent of public instruction determines,**
 29 **after a review of this report, that the authorizing body has an**

1 active contract with a strict discipline academy that is not in
2 compliance with these requirements, the superintendent of public
3 instruction shall order the authorizing body to return all of the
4 fees collected under subsection (7) from that strict discipline
5 academy to the state school aid fund.

6 (9) ~~(7)~~—A strict discipline academy ~~shall be~~ **is** presumed to be
7 legally organized if it has exercised the franchises and privileges
8 of a strict discipline academy for at least 2 years.

9 Enacting section 1. This amendatory act takes effect 90 days
10 after the date it is enacted into law.