

# SENATE BILL No. 848

April 2, 1992, Introduced by Senator DE GROW and  
referred to the Committee on Education.

A bill to amend Act No. 451 of the Public Acts of 1976,  
entitled as amended

"The school code of 1976,"

as amended, being sections 380.1 to 380.1852 of the Michigan  
Compiled Laws, by adding part 6a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 451 of the Public Acts of 1976, as  
2 amended, being sections 380.1 to 380.1852 of the Michigan  
3 Compiled Laws, is amended by adding part 6a to read as follows:

4 PART 6A

5 CHARTER SCHOOLS

6 SEC. 501. (1) A CHARTER SCHOOL IS GOVERNED BY THIS PART AND  
7 IS NOT SUBJECT TO THE OTHER PROVISIONS OF THIS ACT EXCEPT AS  
8 PROVIDED IN THIS PART. A CHARTER SCHOOL IS A PUBLIC SCHOOL UNDER  
9 SECTION 2 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963.

1 (2) AS USED IN THIS PART:

2 (A) "CERTIFICATED TEACHER" MEANS AN INDIVIDUAL WHO HOLDS A  
3 VALID TEACHING CERTIFICATE ISSUED BY THE STATE BOARD UNDER  
4 SECTION 1531.

5 (B) "CONVERSION CHARTER SCHOOL" MEANS A CHARTER SCHOOL THAT  
6 HAS BEEN ISSUED A CHARTER BY THE STATE BOARD TO BE A CONVERSION  
7 CHARTER SCHOOL UNDER SECTION 504.

8 SEC. 502. (1) A CHARTER SCHOOL SHALL BE ORGANIZED AND OPER-  
9 ATED BY A PERSON OR ENTITY DESCRIBED IN SUBSECTION (2) UNDER THE  
10 DIRECTION OF A BOARD OF DIRECTORS IN ACCORDANCE WITH THIS PART  
11 AND BYLAWS ADOPTED BY THE BOARD OF DIRECTORS.

12 (2) ANY OF THE FOLLOWING PERSONS OR ENTITIES MAY APPLY FOR A  
13 CHARTER TO ORGANIZE AND OPERATE A CHARTER SCHOOL UNDER THIS  
14 PART:

15 (A) FOR A CONVERSION CHARTER SCHOOL, 1 OR MORE CERTIFICATED  
16 TEACHERS DESCRIBED IN SECTION 504.

17 (B) FOR A CHARTER SCHOOL THAT IS NOT A CONVERSION CHARTER  
18 SCHOOL, ANY OF THE FOLLOWING:

19 (i) ANY 1 OR MORE CERTIFICATED TEACHERS.

20 (ii) A CITY, VILLAGE, OR TOWNSHIP.

21 (iii) AN INTERMEDIATE SCHOOL DISTRICT.

22 (iv) A COMMUNITY COLLEGE.

23 (v) A STATE PUBLIC UNIVERSITY.

24 (vi) A CHARTER SCHOOL CORPORATION MEETING THE REQUIREMENTS  
25 OF SUBSECTION (3).

26 (3) A CHARTER SCHOOL CORPORATION SHALL BE ORGANIZED UNDER  
27 THE NONPROFIT CORPORATION ACT, ACT NO. 162 OF THE PUBLIC ACTS OF

1 1982, BEING SECTIONS 450.2101 TO 450.3192 OF THE MICHIGAN  
2 COMPILED LAWS. A CHARTER SCHOOL CORPORATION SHALL NOT BE AFFILI-  
3 ATED WITH A RELIGIOUS ORGANIZATION.

4 (4) A PERSON OR ENTITY DESCRIBED IN SUBSECTION (2) SHALL  
5 APPLY TO THE STATE BOARD FOR A CHARTER TO ORGANIZE AND OPERATE A  
6 CHARTER SCHOOL UNDER THIS PART WITHIN THE BOUNDARIES OF A SCHOOL  
7 DISTRICT.

8 (5) THE APPLICATION FOR A CHARTER SHALL INCLUDE AT LEAST ALL  
9 OF THE FOLLOWING:

10 (A) IDENTIFICATION OF THE PERSON OR ENTITY APPLYING FOR THE  
11 CHARTER AND OF WHETHER THE APPLICATION IS FOR A CONVERSION  
12 CHARTER SCHOOL.

13 (B) A LIST OF THE PROPOSED MEMBERS OF THE BOARD OF DIRECTORS  
14 OF THE CHARTER SCHOOL OR A DESCRIPTION OF THE QUALIFICATIONS AND  
15 METHOD FOR APPOINTMENT OR ELECTION OF MEMBERS OF THE BOARD OF  
16 DIRECTORS.

17 (C) A COPY OF THE PROPOSED BYLAWS OF THE CHARTER SCHOOL,  
18 WHICH SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

19 (i) THE GOVERNANCE STRUCTURE OF THE CHARTER SCHOOL.

20 (ii) A COPY OF THE EDUCATIONAL GOALS OF THE CHARTER SCHOOL  
21 AND THE CURRICULUM TO BE OFFERED AND METHODS OF PUPIL ASSESSMENT  
22 TO BE USED BY THE CHARTER SCHOOL. THE CURRICULUM SHALL BE  
23 OUTCOMES-BASED.

24 (iii) THE ADMISSION POLICY AND CRITERIA TO BE MAINTAINED BY  
25 THE CHARTER SCHOOL. THE ADMISSION POLICY AND CRITERIA SHALL  
26 COMPLY WITH SECTION 505.

1 (iv) THE SCHOOL CALENDAR AND SCHOOL SCHEDULE.

2 (v) THE AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED.

3 (D) DESCRIPTIONS OF STAFF RESPONSIBILITIES, OF THE ROLE AND  
4 METHOD OF ENSURING INVOLVEMENT OF PARENTS AND LEGAL GUARDIANS,  
5 AND OF HOW THE CHARTER SCHOOL'S GOVERNANCE STRUCTURE WILL ENSURE  
6 SHARED DECISION-MAKING NECESSARY TO ATTAIN THE PROJECTED EDUCA-  
7 TIONAL GOALS.

8 (E) A DESCRIPTION OF THE ANTICIPATED RELATIONSHIP BETWEEN  
9 THE CHARTER SCHOOL AND THE LOCAL AND INTERMEDIATE SCHOOL DIS-  
10 TRICTS IN WHICH IT IS TO BE LOCATED.

11 (F) A DESCRIPTION OF HOW THE CHARTER SCHOOL WILL MEET THE  
12 REQUIREMENTS OF SECTIONS 1204A, 1277, 1278, AND 1280, COMMONLY  
13 REFERRED TO AS "PUBLIC ACT 25 OF 1990", AND OF SECTIONS 1233 AND  
14 1246.

15 (G) AN ASSURANCE THAT THE CURRICULUM WILL NOT INCLUDE RELI-  
16 GIOUS INSTRUCTION.

17 (H) IF THE APPLICATION IS FOR A CONVERSION CHARTER SCHOOL,  
18 EVIDENCE SATISFACTORY TO THE STATE BOARD THAT THE REQUIREMENTS OF  
19 SECTION 504 ARE MET.

20 SEC. 503. (1) THE STATE BOARD MAY GRANT A CHARTER TO A  
21 PERSON OR ENTITY TO ORGANIZE AND OPERATE A CHARTER SCHOOL IN ANY  
22 SCHOOL DISTRICT IN THE STATE IF THE STATE BOARD FINDS THAT THE  
23 PERSON OR ENTITY MEETS AND THAT THE PROPOSED CHARTER SCHOOL WILL  
24 MEET THE REQUIREMENTS OF THIS PART. CHARTERS SHALL BE GRANTED ON  
25 A COMPETITIVE BASIS TAKING INTO CONSIDERATION THE RESOURCES  
26 AVAILABLE FOR CHARTER SCHOOLS GENERALLY AND FOR THE PROPOSED  
27 CHARTER SCHOOL SPECIFICALLY, THE POPULATION TO BE SERVED BY THE

1 PROPOSED CHARTER SCHOOL, AND THE EDUCATIONAL OUTCOMES TO BE  
2 ACHIEVED BY THE PROPOSED CHARTER SCHOOL. THE TOTAL NUMBER OF  
3 CHARTERS GRANTED BY THE STATE BOARD AND IN EFFECT IN A STATE  
4 FISCAL YEAR SHALL NOT EXCEED 1 IN EACH SCHOOL DISTRICT.

5 (2) A CHARTER GRANTED TO A PERSON OR ENTITY TO ORGANIZE AND  
6 OPERATE A CHARTER SCHOOL IS A CONTRACT BETWEEN THE CHARTER SCHOOL  
7 CORPORATION AND THE STATE BOARD AND SHALL CONTAIN AT LEAST ALL OF  
8 THE FOLLOWING:

9 (A) A COMMITMENT BY THE CHARTER SCHOOL TO COMPLY WITH THIS  
10 PART AND RULES PROMULGATED UNDER THIS PART.

11 (B) THE EDUCATIONAL OUTCOMES THE CHARTER SCHOOL IS TO  
12 ACHIEVE AND THE STANDARDS TO WHICH IT WILL BE HELD ACCOUNTABLE,  
13 INCLUDING AT LEAST ALL OF THE OUTCOMES INCLUDED IN THE CORE CUR-  
14 RICULUM OF THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL IS  
15 LOCATED THAT ARE ALSO INCLUDED IN THE STATE BOARD MODEL CORE  
16 CURRICULUM.

17 (C) A DESCRIPTION OF THE METHOD TO BE USED TO MONITOR THE  
18 CHARTER SCHOOL'S COMPLIANCE WITH THIS PART AND ITS PERFORMANCE IN  
19 MEETING ITS TARGETED EDUCATIONAL OUTCOMES.

20 (D) A DESCRIPTION OF THE PROCESS FOR AMENDING THE CHARTER.

21 (E) SPECIFIC OPERATING REQUIREMENTS FOR THE CHARTER SCHOOL,  
22 WHICH SHALL INCLUDE AT LEAST ALL OF THE MATTERS SPECIFIED IN SEC-  
23 TION 502(5)(B), (C), (D), (E), AND (F).

24 (F) IF THE CHARTER IS FOR A CONVERSION CHARTER SCHOOL, IDEN-  
25 TIFICATION OF THE FACILITY TO BE USED IN WHOLE OR PART BY THE  
26 CONVERSION CHARTER SCHOOL.

1           (3) A CHARTER ISSUED UNDER THIS SECTION IS VALID FOR 5 YEARS  
2 AND SHALL BE RENEWED FOR THE SAME NUMBER OF YEARS BY THE STATE  
3 BOARD IF THE STATE BOARD DETERMINES THAT THE CHARTER SCHOOL HAS  
4 ACHIEVED THE EDUCATIONAL OUTCOMES REQUIRED IN THE CHARTER AND HAS  
5 COMPLIED WITH THE OTHER REQUIREMENTS SPECIFIED IN THIS PART AND  
6 THE CHARTER. THE CHARTER SCHOOL AND THE STATE BOARD MAY AGREE TO  
7 MODIFICATIONS IN THE CHARTER AT THE TIME OF RENEWAL.

8           SEC. 504. (1) THE STATE BOARD SHALL ISSUE A CHARTER TO  
9 ESTABLISH A CONVERSION CHARTER SCHOOL AND THE SCHOOL DISTRICT IN  
10 WHICH IT IS TO BE LOCATED SHALL ALLOW THE CONVERSION CHARTER  
11 SCHOOL TO CONVERT ALL OR PART OF AN EXISTING SCHOOL IN THE SCHOOL  
12 DISTRICT TO THE CONVERSION CHARTER SCHOOL, AS SPECIFIED IN THE  
13 CHARTER, IF ALL OF THE FOLLOWING ARE MET:

14           (A) THE CHARTER APPLICATION TO THE STATE BOARD IS SUBMITTED  
15 BY 1 OR MORE CERTIFICATED TEACHERS EMPLOYED BY THE SCHOOL DIS-  
16 TRICT AT THE SCHOOL TO BE CONVERTED.

17           (B) THE CHARTER APPLICATION TO THE STATE BOARD IS SUPPORTED  
18 BY THE AFFIRMATIVE VOTE OF AT LEAST A MAJORITY OF THE CERTIFI-  
19 CATED TEACHERS EMPLOYED AT THE SCHOOL TO BE CONVERTED AT THE TIME  
20 THE APPLICATION IS SUBMITTED.

21           (C) THE CHARTER APPLICATION TO THE STATE BOARD IS SUPPORTED  
22 BY THE AFFIRMATIVE VOTE OF AT LEAST A MAJORITY OF THE PARENTS OR  
23 LEGAL GUARDIANS OF THE PUPILS ENROLLED IN THE SCHOOL TO BE CON-  
24 VERTED WHO ARE PRESENT AND VOTE ON THE QUESTION AT A PUBLIC MEET-  
25 ING ON THE ISSUE OF CONVERTING ALL OR A PART OF THE SCHOOL TO A  
26 CONVERSION CHARTER SCHOOL. PUBLIC NOTICE SHALL BE GIVEN FOR THE

1 MEETING IN THE SAME MANNER AS NOTICE OF A MEETING OF A SCHOOL  
2 BOARD UNDER SECTION 1201.

3 (2) IF A CONVERSION CHARTER SCHOOL OCCUPIES SCHOOL FACILI-  
4 TIES OWNED BY A SCHOOL DISTRICT, THE SCHOOL DISTRICT AND CONVER-  
5 SION CHARTER SCHOOL SHALL ENTER INTO A LEASE AGREEMENT CHARGING A  
6 REASONABLE RENT FOR THE FACILITIES. THE LEASE AGREEMENT SHALL  
7 SPECIFY THE PARTY THAT HAS FINANCIAL LIABILITY FOR ALL UTILITIES,  
8 MAINTENANCE, IMPROVEMENTS, AND OTHER COSTS FOR THE FACILITIES  
9 OCCUPIED BY THE CHARTER SCHOOL.

10 SEC. 505. (1) A CHARTER SCHOOL SHALL NOT CHARGE TUITION AND  
11 SHALL NOT DISCRIMINATE IN ITS PUPIL ADMISSIONS POLICIES OR PRAC-  
12 TICES ON THE BASIS OF INTELLECTUAL OR ATHLETIC ABILITY, MEASURES  
13 OF ACHIEVEMENT OR APTITUDE, OR ANY OTHER BASIS THAT WOULD BE  
14 ILLEGAL IF USED BY A SCHOOL DISTRICT. HOWEVER, A CHARTER SCHOOL  
15 MAY LIMIT ADMISSION TO PUPILS WHO ARE WITHIN A PARTICULAR RANGE  
16 OF AGE OR GRADE LEVEL OR ON ANY OTHER BASIS NOT SPECIFICALLY PRO-  
17 HIBITED UNDER THIS PART THAT WOULD BE LEGAL IF USED BY A SCHOOL  
18 DISTRICT.

19 (2) A CHARTER SCHOOL SHALL NOT ENROLL A PUPIL WHO IS NOT A  
20 RESIDENT OF THIS STATE. ENROLLMENT SHALL BE OPEN TO ALL PUPILS  
21 WHO RESIDE IN THIS STATE WHO MEET THE ADMISSION POLICY. IF THERE  
22 ARE MORE APPLICATIONS TO ENROLL IN THE CHARTER SCHOOL THAN THERE  
23 ARE SPACES AVAILABLE, PUPILS SHALL BE SELECTED TO ATTEND USING A  
24 RANDOM SELECTION PROCESS. HOWEVER, ENROLLMENT PRIORITY MAY BE  
25 GIVEN TO A SIBLING OF A PUPIL ALREADY ENROLLED IN THE CHARTER  
26 SCHOOL.

1       (3) A CHARTER SCHOOL MAY INCLUDE GRADES K TO 12 OR ANY  
2 COMBINATION OF THOSE GRADES, AS SPECIFIED IN ITS CHARTER. THE  
3 STATE BOARD MAY APPROVE AMENDMENT OF A CHARTER WITH RESPECT TO  
4 AGES OF PUPILS OR GRADES OFFERED WITH OR WITHOUT EXTENDING THE  
5 EXPIRATION DATE OF THE CHARTER.

6       SEC. 506. (1) A CHARTER SCHOOL IS SUBJECT TO THE REQUIRE-  
7 MENTS OF SECTIONS 1204A, 1277, 1278, AND 1280, COMMONLY REFERRED  
8 TO AS "PUBLIC ACT 25 OF 1990"; TO THE REQUIREMENTS OF SECTIONS  
9 1233 AND 1246; AND TO ALL HEALTH AND SAFETY LAWS THAT ARE GENER-  
10 ALLY APPLICABLE TO SCHOOLS AND SCHOOL BUILDINGS.

11       (2) A CHARTER SCHOOL SHALL MEET GENERALLY ACCEPTED STANDARDS  
12 OF FINANCIAL MANAGEMENT.

13       SEC. 507. (1) A CHARTER SCHOOL MAY EMPLOY OR CONTRACT WITH  
14 PERSONNEL AS NECESSARY FOR THE OPERATION OF THE SCHOOL, PRESCRIBE  
15 THEIR DUTIES, AND FIX THEIR COMPENSATION.

16       (2) UPON WRITTEN REQUEST BY THE EMPLOYEE, THE BOARD OF A  
17 SCHOOL DISTRICT MAY GRANT A LEAVE OF ABSENCE TO AN EMPLOYEE OF  
18 THE SCHOOL DISTRICT TO TEACH IN A CHARTER SCHOOL.

19       SEC. 508. (1) A CHARTER SCHOOL OPERATING UNDER THIS PART  
20 SHALL RECEIVE STATE SCHOOL AID PER PUPIL IN MEMBERSHIP AT THE  
21 CHARTER SCHOOL IN AN AMOUNT EQUAL TO THE PER PUPIL OPERATING  
22 EXPENDITURE OF THE SCHOOL DISTRICT IN WHICH THE CHARTER SCHOOL IS  
23 LOCATED OR THE STATE AVERAGE PER PUPIL OPERATING EXPENDITURE,  
24 WHICHEVER IS MORE. AS USED IN THIS SUBSECTION, "PER PUPIL OPER-  
25 ATING EXPENDITURE" MEANS THE AMOUNT OF STATE AID PAID PER PUPIL  
26 UNDER SECTION 21(1) OF THE STATE SCHOOL AID ACT OF 1979, BEING



1 SECTION 388.1621 OF THE MICHIGAN COMPILED LAWS, PLUS LOCAL SCHOOL  
2 OPERATING TAX REVENUE PER PUPIL.

3 (2) A PUPIL ENROLLED IN A CHARTER SCHOOL SHALL NOT BE  
4 COUNTED IN MEMBERSHIP IN A SCHOOL DISTRICT.

5 (3) IN ADDITION TO THE FUNDING UNDER SUBSECTION (1), A  
6 CHARTER SCHOOL SHALL BE CONSIDERED A DISTRICT FOR FUNDING UNDER  
7 SECTIONS OF THE STATE SCHOOL AID ACT OF 1979 OTHER THAN  
8 SECTION 21(1) OF THAT ACT, MAY APPLY FOR FUNDING UNDER FEDERAL  
9 LAW, AND MAY ACCEPT DONATIONS FROM OTHER PUBLIC OR PRIVATE  
10 SOURCES.

11 SEC. 509. THE STATE BOARD SHALL PROMULGATE RULES NECESSARY  
12 TO IMPLEMENT THIS PART, INCLUDING AT LEAST RULES SPECIFYING THE  
13 PROCEDURES FOR APPLYING FOR A CHARTER TO ORGANIZE AND OPERATE A  
14 CHARTER SCHOOL, CRITERIA FOR APPROVAL OF AN APPLICATION, PROCE-  
15 DURES FOR ENSURING THAT A CHARTER SCHOOL CONTINUES TO MEET THE  
16 REQUIREMENTS OF THIS PART, AND PROCEDURES AND GROUNDS FOR REVOCA-  
17 TION OF A CHARTER. THE RULES SHALL INCLUDE AS GROUNDS FOR REVO-  
18 CATION OF A CHARTER AT LEAST EACH OF THE FOLLOWING: FAILURE TO  
19 ABIDE BY AND SUBSTANTIALLY MEET THE GOALS AND OUTCOMES SET FORTH  
20 IN THE CHARTER, FAILURE TO MAINTAIN APPLICABLE HEALTH AND SAFETY  
21 STANDARDS, AND FAILURE TO MEET GENERALLY ACCEPTED STANDARDS OF  
22 FINANCIAL MANAGEMENT.