

The Committee on Education offered the following substitute:

March 4, 1997

**SUBSTITUTE FOR  
SENATE BILL NO. 146**

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 502, 504, 512, and 514 (MCL 380.502,  
380.504, 380.512, and 380.514), sections 502 and 512 as amended  
by 1995 PA 289 and section 504 as amended and section 514 as  
added by 1994 PA 416; and to repeal acts and parts of acts.

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

1       Sec. 502. (1) A public school academy shall 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  
4 directors. A public school academy corporation shall be orga-  
5 nized under the nonprofit corporation act, ~~Act No. 162 of the~~  
6 ~~Public Acts of 1982, being sections 450.2101 to 450.3192 of the~~  
7 ~~Michigan Compiled Laws~~ 1982 PA 162, MCL 450.2101 TO 450.3192,  
8 except that a public school academy corporation is not required

1 to comply with sections 170 to 177 of ~~Act No. 327 of the Public~~  
2 ~~Acts of 1931, being sections 450.170 to 450.177 of the Michigan~~  
3 ~~Compiled Laws~~ 1931 PA 327, MCL 450.170 TO 450.177. To the  
4 extent disqualified under the state or federal constitution, a  
5 public school academy shall not be organized by a church or other  
6 religious organization and shall not have any organizational or  
7 contractual affiliation with or constitute a church or other  
8 religious organization.

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

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

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

24 (c) The board of a community college. However, except as  
25 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

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

18 (d) The governing board of a state public university.  
19 However, the combined total number of contracts ~~for public~~  
20 ~~school academies~~ issued by all state public universities FOR  
21 PUBLIC SCHOOL ACADEMIES OTHER THAN PUBLIC SCHOOL ACADEMIES LOCATED  
22 IN A SCHOOL DISTRICT THAT, AS OF THE TIME THE CONTRACT IS ISSUED,  
HAS AT LEAST 2,000 PUPILS OR 50% OF ITS MEMBERSHIP ELIGIBLE FOR THE  
FEDERAL FREE OR REDUCED PRICE LUNCH PROGRAM shall not exceed 85  
through 1996, and,  
23 after the initial evaluation under section 501a, shall not exceed  
24 100 through 1997, 125 through 1998, or 150 thereafter. Further,  
25 the total number of contracts issued by any 1 state public uni-  
26 versity FOR PUBLIC SCHOOL ACADEMIES OTHER THAN PUBLIC SCHOOL  
27 ACADEMIES LOCATED IN A SCHOOL DISTRICT THAT, AS OF THE TIME THE  
CONTRACT IS ISSUED, HAS AT LEAST 2,000 PUPILS OR 50% OF ITS  
MEMBERSHIP ELIGIBLE FOR THE FEDERAL FREE OR REDUCED PRICE LUNCH  
PROGRAM shall not exceed 50 through 1996, and

1 thereafter shall not exceed 50% of the maximum combined total  
2 number that may be issued under this subdivision. [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 (3) To obtain a contract to organize and operate 1 or more  
14 public school academies, 1 or more persons or an entity may apply  
15 to an authorizing body described in subsection (2). The applica-  
16 tion shall include at least all of the following:

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

18 (b) Subject to the resolution adopted by the authorizing  
19 body under section 503(4), a list of the proposed members of the  
20 board of directors of the public school academy and a description  
21 of the qualifications and method for appointment or election of  
22 members of the board of directors.

23 (c) The proposed articles of incorporation, which shall  
24 include at least all of the following:

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

26 (ii) The purposes for the public school academy  
27 corporation. This language shall provide that the public school

1 academy is incorporated pursuant to this part and that the public  
2 school academy corporation is a governmental entity.

3 (iii) The name of the authorizing body.

4 (iv) The proposed time when the articles of incorporation  
5 will 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 public school  
9 academy.

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

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

13 (ii) A copy of the educational goals of the public school  
14 academy and the curricula to be offered and methods of pupil  
15 assessment to be used by the public school academy. To the  
16 extent applicable, the progress of the pupils in the public  
17 school academy shall be assessed using at least a Michigan educa-  
18 tion assessment program (MEAP) test or an assessment instrument  
19 developed under section 1279 for a state-endorsed high school  
20 diploma.

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

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

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

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

5 (g) For an application to the board of a school district, an  
6 intermediate school board, or board of a community college, iden-  
7 tification of the local and intermediate school districts in  
8 which the public school academy will be located.

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

14 (i) For a public school academy authorized by a school dis-  
15 trict, an assurance that employees of the public school academy  
16 will be covered by the collective bargaining agreements that  
17 apply to other employees of the school district employed in simi-  
18 lar classifications in schools that are not public school  
19 academies.

20 (j) A description of and address for the proposed physical  
21 plant in which the public school academy will be located.

22 (4) An authorizing body shall oversee, or shall contract  
23 with an intermediate school district, community college, or state  
24 public university to oversee, each public school academy operat-  
25 ing under a contract issued by the authorizing body. The over-  
26 sight shall be sufficient to ensure that the authorizing body can

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

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

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

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

26 Sec. 504. (1) A public school academy may be located in all  
27 or part of an existing public school building. A public school

1 academy shall not operate at a site other than the single site  
2 requested for the configuration of grades that will use the site,  
3 as specified in the application required under section 502 and in  
4 the contract.

5 (2) A public school academy shall not charge tuition. ~~and~~  
6 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), A PUBLIC SCHOOL  
7 ACADEMY shall not discriminate in its pupil admissions policies  
8 or practices on the basis of intellectual or athletic ability,  
9 measures of achievement or aptitude, status as a handicapped  
10 person, or any other basis that would be illegal if used by a  
11 school district. However, a public school academy may limit  
12 admission to pupils who are within a particular range of age or  
13 grade level or on any other basis that would be legal if used by  
14 a school district.

15 (3) IF IT IS STATED IN THE CONTRACT AUTHORIZING A PUBLIC  
16 SCHOOL ACADEMY THAT THE PUBLIC SCHOOL ACADEMY IS ESTABLISHED SPE-  
17 CIFICALLY FOR ENROLLING 1 OF THE FOLLOWING TYPES OF PUPILS, THE  
18 PUBLIC SCHOOL ACADEMY MAY LIMIT ENROLLMENT ONLY TO THOSE PUPILS:

19 (A) PUPILS WHOSE PRIMARY DISABILITY HAS BEEN DETERMINED TO  
20 BE A SPECIFIC LEARNING DISABILITY OR ANOTHER PARTICULAR CHARAC-  
21 TERISTIC OR SET OF CHARACTERISTICS RECOGNIZED UNDER SPECIAL EDU-  
22 CATION RULES OF THE STATE BOARD.

23 (B) PUPILS PLACED IN THE PUBLIC SCHOOL ACADEMY BY A COURT.

24 (4) ~~(3)~~ Except for a foreign exchange student who is not a  
25 United States citizen, a public school academy shall not enroll a  
26 pupil who is not a resident of this state. Enrollment in the  
27 public school academy may be open to all individuals who reside

1 in this state who meet the admission policy and shall be open to  
2 all pupils who reside within the geographic boundaries, if any,  
3 of the authorizing body as described in section 502(2)(a) to (c)  
4 who meet the admission policy, except that admission to a public  
5 school academy authorized by the board of a community college to  
6 operate, or operated by the board of a community college, on the  
7 grounds of a federal military installation, as described in sec-  
8 tion 502(2)(c), shall be open to all pupils who reside in the  
9 county in which the federal military installation is located.  
10 For a public school academy authorized by a state public univer-  
11 sity, enrollment shall be open to all pupils who reside in this  
12 state who meet the admission policy. If there are more applica-  
13 tions to enroll in the public school academy than there are  
14 spaces available, pupils shall be selected to attend using a  
15 random selection process. However, a public school academy may  
16 give enrollment priority to a sibling of a pupil enrolled in the  
17 public school academy. A public school academy shall allow any  
18 pupil who was enrolled in the public school academy in the imme-  
19 diately preceding school year to enroll in the public school  
20 academy in the appropriate grade unless the appropriate grade is  
21 not offered at that public school academy.

22 (5) ~~(4)~~ A public school academy may include any grade up  
23 to grade 12 or any configuration of those grades, including kin-  
24 dergarten and early childhood education, as specified in its  
25 contract. If specified in its contract, a public school academy  
26 may also operate an adult basic education program, adult high  
27 school completion program, or general education development

1 testing preparation program. The authorizing body may approve  
2 amendment of a contract with respect to ages of pupils or grades  
3 offered.

4       Sec. 512. (1) Subject to the leadership and general super-  
5 vision of the state board over all public education, a public  
6 school academy shall be organized and administered under the  
7 direction of a board of directors in accordance with this part  
8 and with bylaws adopted by the board of directors. A public  
9 school academy corporation shall be organized as provided under  
10 section 512a. To the extent disqualified under the state or fed-  
11 eral constitution, a public school academy shall not be organized  
12 by a church or other religious organization and shall not have  
13 any organizational or contractual affiliation with or constitute  
14 a church or other religious organization.

15       (2) Any of the following may act as an authorizing body to  
16 issue a contract to organize and operate 1 or more public school  
17 academies under this part:

18       (a) The board of a school district that operates grades K to  
19 12. However, the board of a school district shall not issue a  
20 contract for a public school academy to operate outside the  
21 school district's boundaries, and a public school academy autho-  
22 rized by the board of a school district shall not operate outside  
23 that school district's boundaries.

24       (b) An intermediate school board. However, the board of an  
25 intermediate school district shall not issue a contract for a  
26 public school academy to operate outside the intermediate school  
27 district's boundaries, and a public school academy authorized by

1 the board of an intermediate school district shall not operate  
2 outside that intermediate school district's boundaries.

3 (c) The board of a community college. However, except as  
4 otherwise provided in this subdivision, the board of a community  
5 college shall not issue a contract for a public school academy to  
6 operate in a school district organized as a school district of  
7 the first class, a public school academy authorized by the board  
8 of a community college shall not operate in a school district  
9 organized as a school district of the first class, the board of a  
10 community college shall not issue a contract for a public school  
11 academy to operate outside the boundaries of the community col-  
12 lege district, and a public school academy authorized by the  
13 board of a community college shall not operate outside the bound-  
14 aries of the community college district. The board of a commu-  
15 nity college also may issue a contract for not more than 1 public  
16 school academy to operate on the grounds of an active or closed  
17 federal military installation located outside the boundaries of  
18 the community college district, or may operate a public school  
19 academy itself on the grounds of such a federal military instal-  
20 lation, if the federal military installation is not located  
21 within the boundaries of any community college district and the  
22 community college has previously offered courses on the grounds  
23 of the federal military installation for at least 10 years.

24 (d) The governing board of a state public university.  
25 However, the combined total number of contracts ~~for public~~  
26 ~~school academies~~ issued by all state public universities FOR  
27 PUBLIC SCHOOL ACADEMIES OTHER THAN PUBLIC SCHOOL ACADEMIES

1 LOCATED IN A SCHOOL DISTRICT THAT, AS OF THE TIME THE CONTRACT IS  
 ISSUED, HAS AT LEAST 2,000 PUPILS OR 50% OF ITS MEMBERSHIP ELIGIBLE  
 FOR THE FEDERAL FREE OR REDUCED PRICE LUNCH PROGRAM shall not exceed  
 85 through 1996, and,  
 2 after the initial evaluation under section 511a, 100 through  
 3 1997, 125 through 1998, or 150 thereafter. Further, the total  
 4 number of contracts issued by any 1 state public university FOR  
 5 PUBLIC SCHOOL ACADEMIES OTHER THAN PUBLIC SCHOOL ACADEMIES LOCATED  
 6 IN A SCHOOL DISTRICT THAT, AS OF THE TIME THE CONTRACT IS ISSUED,  
 HAS AT LEAST 2,000 PUPILS OR 50% OF ITS MEMBERSHIP ELIGIBLE FOR THE  
 FEDERAL FREE OR REDUCED PRICE LUNCH PROGRAM shall not exceed 50  
 through 1996, and  
 7 thereafter shall not exceed 50% of the maximum combined total  
 8 number that may be issued under this subdivision.

9 [REDACTED]  
 10 [REDACTED]  
 11 [REDACTED]  
 12 [REDACTED]  
 13 [REDACTED]  
 14 [REDACTED]  
 15 [REDACTED]  
 16 [REDACTED]  
 17 [REDACTED]  
 18 [REDACTED]

19 (3) To obtain a contract to organize and operate 1 or more  
 20 public school academies, 1 or more persons or an entity may apply  
 21 to an authorizing body described in subsection (2). The applica-  
 22 tion shall 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  
 25 body under section 513(5), a list of the proposed members of the  
 26 board of directors of the public school academy and a description

1 of the qualifications and method for appointment or election of  
2 members of the board of directors.

3 (c) The proposed articles of incorporation, which shall meet  
4 the requirements of section 512a.

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

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

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

10 (ii) A copy of the educational goals and programs of the  
11 public school academy and the curricula to be offered and methods  
12 of pupil assessment to be used by the public school academy. The  
13 educational goals and programs and the curricula to be offered  
14 shall fulfill at least 1 of the purposes described in section  
15 511(1). To the extent applicable, the progress of the pupils in  
16 the public school academy shall be assessed using at least a  
17 Michigan education assessment program (MEAP) test or an assess-  
18 ment instrument developed under section 1279 for a state-endorsed  
19 high school diploma.

20 (iii) The admission policy and criteria to be maintained by  
21 the public school academy. The admission policy and criteria  
22 shall comply with section 514. This part of the application also  
23 shall include a description of how the applicant will provide to  
24 the general public adequate notice that a public school academy  
25 is being created and adequate information on the admission  
26 policy, criteria, and process.

- 1 (iv) The school calendar and school day schedule.
- 2 (v) The age or grade range of pupils to be enrolled.
- 3 (vi) Any other documentation required by the authorizing  
4 body or by state board rule.
- 5 (f) Descriptions of staff responsibilities and of the public  
6 school academy's governance structure.
- 7 (g) For an application to the board of a school district, an  
8 intermediate school board, or board of a community college, iden-  
9 tification of the local and intermediate school districts in  
10 which the public school academy will be located.
- 11 (h) An agreement that the public school academy will comply  
12 with the provisions of this part and, subject to the provisions  
13 of this part, with all other state law applicable to public  
14 bodies and with federal law applicable to public bodies or school  
15 districts.
- 16 (i) For a public school academy authorized by a school dis-  
17 trict, an assurance that employees of the public school academy  
18 will be covered by the collective bargaining agreements that  
19 apply to other employees of the school district employed in simi-  
20 lar classifications in schools that are not public school  
21 academies.
- 22 (j) A description of and address for the proposed physical  
23 plant in which the public school academy will be located.
- 24 (4) An authorizing body shall oversee, or shall contract  
25 with an intermediate school district, community college, or state  
26 public university to oversee, each public school academy  
27 operating under a contract issued by the authorizing body. The

1 oversight shall be sufficient to ensure that the authorizing body  
2 can certify that the public school academy is in compliance with  
3 statute, rules, and the terms of the contract.

4 (5) If the state board finds that an authorizing body is not  
5 engaging in appropriate continuing oversight of 1 or more public  
6 school academies operating under a contract issued by the autho-  
7 rizing body, the state board may suspend the power of the autho-  
8 rizing body to issue new contracts to organize and operate public  
9 school academies. A contract issued by the authorizing body  
10 during the suspension is void. A contract issued by the autho-  
11 rizing body before the suspension is not affected by the suspen-  
12 sion, and may be renewed by the authorizing body during the  
13 suspension.

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

25 Sec. 514. (1) A public school academy may be located in all  
26 or part of an existing public school building. A public school  
27 academy shall not operate at a site other than the single site

1 requested for the configuration of grades that will use the site,  
2 as specified in the application required under section 512 and in  
3 the contract.

4 (2) A public school academy shall not charge tuition. ~~and~~  
5 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), A PUBLIC SCHOOL  
6 ACADEMY shall not discriminate in its pupil admissions policies  
7 or practices on the basis of intellectual or athletic ability,  
8 measures of achievement or aptitude, status as a handicapped  
9 person, or any other basis that would be illegal if used by a  
10 school district. However, a public school academy may limit  
11 admission to pupils who are within a particular range of age or  
12 grade level or on any other basis that would be legal if used by  
13 a school district.

14 (3) IF IT IS STATED IN THE CONTRACT AUTHORIZING A PUBLIC  
15 SCHOOL ACADEMY THAT THE PUBLIC SCHOOL ACADEMY IS ESTABLISHED SPE-  
16 CIFICALLY FOR ENROLLING 1 OF THE FOLLOWING TYPES OF PUPILS, THE  
17 PUBLIC SCHOOL ACADEMY MAY LIMIT ENROLLMENT ONLY TO THOSE PUPILS:

18 (A) PUPILS WHOSE PRIMARY DISABILITY HAS BEEN DETERMINED TO  
19 BE A SPECIFIC LEARNING DISABILITY OR ANOTHER PARTICULAR CHARAC-  
20 TERISTIC OR SET OF CHARACTERISTICS RECOGNIZED UNDER SPECIAL EDU-  
21 CATION RULES OF THE STATE BOARD.

22 (B) PUPILS PLACED IN THE PUBLIC SCHOOL ACADEMY BY A COURT.

23 (4) ~~(3)~~ Except for a foreign exchange student who is not a  
24 United States citizen, a public school academy shall not enroll a  
25 pupil who is not a resident of this state. Enrollment in the  
26 public school academy may be open to all individuals who reside  
27 in this state who meet the admission policy and shall be open to

1 all pupils who reside within the geographic boundaries, if any,  
2 of the authorizing body as described in section 512(2)(a) to (c)  
3 who meet the admission policy, except that admission to a public  
4 school academy authorized by the board of a community college to  
5 operate, or operated by the board of a community college, on the  
6 grounds of a federal military installation, as described in sec-  
7 tion 512(2)(c), shall be open to all pupils who reside in the  
8 county in which the federal military installation is located.

9 For a public school academy authorized by a state public univer-  
10 sity, enrollment shall be open to all pupils who reside in this  
11 state who meet the admission policy. If there are more applica-  
12 tions to enroll in the public school academy than there are  
13 spaces available, pupils shall be selected to attend using a  
14 random selection process. However, a public school academy may  
15 give enrollment priority to a sibling of a pupil enrolled in the  
16 public school academy. A public school academy shall allow any  
17 pupil who was enrolled in the public school academy in the imme-  
18 diately preceding school year to enroll in the public school  
19 academy in the appropriate grade unless the appropriate grade is  
20 not offered at that public school academy.

21 (5) ~~(4)~~ A public school academy shall comply with all  
22 state and federal law applicable to public schools concerning  
23 church-state issues.

24 (6) ~~(5)~~ A public school academy may include any grade up  
25 to grade 12 or any configuration of those grades, including kin-  
26 dergarten and early childhood education, as specified in its  
27 contract. If specified in its contract, a public school academy

1 may also operate an adult basic education program, adult high  
2 school completion program, or general education development test-  
3 ing preparation program. The authorizing body may approve amend-  
4 ment of a contract with respect to ages of pupils or grades  
5 offered.

6 (7) ~~-(6)-~~ The educational goals and programs of, and curric-  
7 ula offered by, a public school academy shall be designed to ful-  
8 fill at least 1 of the purposes of section 511(1).

9 Enacting section 1. Section 518 of the revised school code,  
10 1976 PA 451, MCL 380.518, is repealed.

11 [REDACTED]  
12 [REDACTED]  
13 [REDACTED]  
14 [REDACTED]  
15 [REDACTED]