

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4693

A bill to amend 1976 PA 451, entitled
"The revised school code,"
(MCL 380.1 to 380.1852) by adding section 1294.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1294. (1) A school district may apply to the
2 superintendent of public instruction for an educational
3 flexibility and empowerment contract under this section for the
4 school district or for 1 or more schools operated by the school
5 district. An ed-flex contract allows the superintendent of
6 public instruction to waive a provision of this act or of the
7 state school aid act of 1979, or of a rule promulgated under this
8 act or the state school aid act of 1979, designated as part of a
9 performance-based contract with clearly defined and measurable
10 performance goals. A school district also may apply to the
11 superintendent of public instruction for waiver of certain

1 federal requirements, in accordance with federal law allowing
2 federal education waivers to be issued by this state.

3 (2) If the board of a school district intends to apply for an
4 ed-flex contract, the board shall establish an ed-flex planning
5 committee to work with the board to develop the resolution under
6 subsection (3) and the application under subsection (4). This
7 committee shall include a representative of each of the school
8 district's collective bargaining units that will be affected by
9 the ed-flex contract.

10 (3) Before applying for an ed-flex contract, the board of a
11 school district must adopt a resolution indicating the board's
12 intent to apply for the educational flexibility and empowerment
13 contract. If the contract is not intended to cover the entire
14 school district, the resolution shall specify the schools to be
15 covered. Before adopting the resolution, the board shall hold at
16 least 2 public hearings at which the types of waivers sought and
17 the need for the waivers are explained and public comment is
18 allowed.

19 (4) A school district shall submit an application for an
20 ed-flex contract to the superintendent of public instruction in
21 the form and manner prescribed by the department. The
22 application shall contain at least all of the following:

23 (a) A specific listing of the statutes and rules proposed to
24 be waived. If the application is intended to also serve as an
25 application for federal waivers under federal law, the
26 application also shall include a specific listing of the federal
27 statutes and regulations proposed to be waived.

1 (b) A statement specifying the need for waiver for each
2 statute or rule proposed to be waived, including the purpose and
3 intended results for each waiver.

4 (c) A description, for each school year and for the overall
5 term of the contract, of the specific measurable goals for
6 improved pupil performance in the school district or school.
7 These goals shall include, but are not limited to, goals for
8 improving MEAP scores.

9 (d) A description, for each school year and for the overall
10 term of the contract, of the measurements to be used to determine
11 whether the pupil performance goals under subdivision (c) have
12 been met.

13 (e) An explanation of how the contract and the waivers will
14 assist the school district or school in achieving its specified
15 performance goals.

16 (f) A fiscal impact statement that estimates how the waiver
17 or waivers may increase or reduce program costs.

18 (g) If the contract is not intended to cover the entire
19 school district, the specific schools to be covered.

20 (h) A copy of the board resolution required under subsection
21 (3). If the application is intended to also serve as an
22 application for federal waivers under federal law, the
23 application also shall include an explanation of how the public
24 notice requirements of federal law have been met.

25 (5) Within 60 days after receiving an application under
26 subsection (4), the superintendent of public instruction shall
27 approve or disapprove the application and notify the school

1 district of the decision. If the superintendent of public
2 instruction approves the application, the superintendent of
3 public instruction shall promptly enter into an ed-flex contract
4 with the school district. If the superintendent of public
5 instruction disapproves the application, the notification to the
6 school district shall include notice of the specific reasons for
7 the disapproval, and the school district may submit a revised
8 application. If the superintendent of public instruction does
9 not act on an application and notify the school district of his
10 or her decision within the time limits required under this
11 subsection, the application is considered approved and the
12 superintendent of public instruction shall promptly enter into
13 the proposed ed-flex contract with the school district.

14 (6) The superintendent of public instruction shall not
15 approve an application submitted under subsection (4) unless he
16 or she finds all of the following:

17 (a) That the performance goals contained in the application
18 are sufficiently specific and will, if met, constitute improved
19 pupil achievement.

20 (b) That the contract will allow the school district to
21 enhance learning and to operate in a more effective, efficient,
22 or economical manner.

23 (c) That the district has exhibited financial responsibility
24 during the preceding 3 fiscal years, as determined by the
25 superintendent of public instruction. This does not preclude the
26 approval of an educational flexibility and empowerment contract
27 for a school district in current financial hardship, so long as

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1 the hardship is not due to financial irresponsibility as

2 determined by the superintendent of public instruction.

<<(d) That the contract will not result in the diminution of wages,
hours, or other terms and conditions of employment for employees or
collective bargaining units of the school district.>>

3 (7) In approving applications submitted under subsection (4),
4 the superintendent of public instruction shall give priority to
5 applications that are focused on reducing pupil achievement gaps
6 based on race, gender, and socioeconomic status.

7 (8) The department shall prescribe the form of an ed-flex
8 contract. The contract shall include at least all of the
9 following:

10 (a) All matters addressed in the application.

11 (b) Assurance that the school district will report its annual
12 progress toward its performance goals.

13 (c) An agreement that, in order for the contract to be
14 renewed, the MEAP scores for the school district or school must
15 demonstrate adequate annual progress toward meeting the
16 performance goals and must attain a specific measurable benchmark
17 by the end of the contract.

18 (d) An agreement on the contents of the empowerment report to
19 be filed by the school district at the end of the contract term.
20 The empowerment report shall summarize the performance goals
21 achieved during the term of the contract and the programs,
22 curriculum, or other innovative approaches used to achieve these
23 goals.

24 (e) The term of the contract, which shall not exceed 5
25 years.

26 (9) The superintendent of public instruction may terminate an
27 ed-flex contract for a school before the end of its term if the

1 superintendent of public instruction determines that the school
2 has experienced 2 consecutive years of declining pupil
3 performance, based on the performance goals and measurements set
4 in the contract, or that the school has failed for 2 consecutive
5 years to meet the adequate yearly progress standards of the no
6 child left behind act of 2001, Public Law 107-110, in both
7 mathematics and English language arts at all applicable grade
8 levels for all applicable subgroups. The superintendent of
9 public instruction is not required to terminate an ed-flex
10 contract if he or she determines that the decline or failure is
11 due to exceptional or uncontrollable circumstances.

12 (10) At the conclusion of the term of an ed-flex contract,
13 the school district shall submit its empowerment report
14 describing how the school district or school met or did not meet
15 the performance goals set forth in the contract. The
16 superintendent of public instruction may renew the ed-flex
17 contract if the performance goals have been met.

18 (11) The superintendent of public instruction may not waive
19 any of the following as part of an ed-flex contract:

20 (a) Health and safety requirements.

21 (b) Statutory teacher certification requirements.

22 (c) A requirement under part 6a, except waiver of section
23 503(6) to the extent necessary to allow waiver of another
24 requirement that meets both of the following:

25 (i) Is imposed under a part of this act other than part 6a.

26 (ii) Is a requirement that may be waived under this section
27 for a school district that is not a public school academy.

1 (12) The superintendent of public instruction shall submit an
2 annual report to the legislature on the status of the educational
3 flexibility and empowerment program under this section, including
4 a report on ed-flex contracts issued during the year, and on
5 progress made toward attainment of performance goals.

6 (13) As the initial educational flexibility and empowerment
7 contracts issued under this section expire, the department shall
8 post information on its website on the educational innovations
9 and best practices used to achieve pupil performance goals under
10 the contracts.

11 (14) Except as otherwise provided in subsection (11), any
12 provision of this act or the state school aid act of 1979, or of
13 any rule promulgated under this act or the state school aid act
14 of 1979, is subject to waiver under an ed-flex contract.

15 (15) As used in this section:

16 (a) "Ed-flex contract" means an educational flexibility and
17 empowerment contract issued to a school district under this
18 section for the school district or for 1 or more schools operated
19 by the school district.

20 (b) "Empowerment report" means the final evaluation report
21 required to be filed at the end of the term of an ed-flex
22 contract under subsection (10).

23 (c) "MEAP scores" means the scores achieved by the pupils of
24 a school district or school, as applicable, on all Michigan
25 educational assessment program tests administered to pupils of
26 the school district or school.

27 (d) "School district" means either a school district or a

1 public school academy, and "board" means either a school board or
2 the board of directors of a public school academy.

3 (16) This section shall be known and may be cited as the
4 "educational flexibility and empowerment law".