

# HOUSE BILL No. 5238

August 11, 2009, Introduced by Rep. Pavlov and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 3, 5, and 1701a (MCL 380.3, 380.5, and  
380.1701a), section 3 as amended by 2007 PA 45, section 5 as  
amended by 2005 PA 61, and section 1701a as amended by 2008 PA 1,  
and by adding part 6d.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3. (1) "Area" as used in the phrase "area vocational-  
2       technical education program" or "area career and technical  
3       education program" means the geographical territory, within the  
4       boundaries of a K to 12 school district, an intermediate school  
5       district, or a community college district, that is designated by  
6       the department as the service area for the operation of an area

1 vocational-technical education program.

2 (2) "Area vocational-technical education program", "area  
3 career and technical education program", or "career and technical  
4 education program" means a program of organized, systematic  
5 instruction designed to prepare the following persons for useful  
6 employment in recognized occupations:

7 (a) Persons participating in career and technical education  
8 readiness activities that lead to enrollment in a career and  
9 technical education program in high school.

10 (b) Persons enrolled in high school in a school district,  
11 intermediate school district, public school academy, or nonpublic  
12 school.

13 (c) Persons who have completed or left high school and who are  
14 available for full-time study in preparation for entering the labor  
15 market.

16 (d) Persons who have entered the labor market and who need  
17 training or retraining to achieve stability or advancement in  
18 employment.

19 (3) "Board" or "school board" means the governing body of a  
20 local school district unless clearly otherwise stated.

21 (4) "Boarding school" means a place accepting for board, care,  
22 and instruction 5 or more children under 16 years of age.

23 (5) "Constituent district" means a local school district the  
24 territory of which is entirely within and is an integral part of an  
25 intermediate school district.

26 (6) **"CONVERSION SCHOOL" MEANS A CONVERSION SCHOOL ESTABLISHED**  
27 **UNDER PART 6D.**

1       Sec. 5. (1) "Local act school district" or "special act school  
2 district" means a district governed by a special or local act or  
3 chapter of a local act. "Local school district" and "local school  
4 district board" as used in article 3 include a local act school  
5 district and a local act school district board.

6       (2) "Membership" means the number of full-time equivalent  
7 pupils in a public school as determined by the number of pupils  
8 registered for attendance plus pupils received by transfer and  
9 minus pupils lost as defined by rules promulgated by the state  
10 board.

11       (3) "Michigan election law" means the Michigan election law,  
12 1954 PA 116, MCL 168.1 to 168.992.

13       (4) "Nonpublic school" means a private, denominational, or  
14 parochial school.

15       (5) "Objectives" means measurable pupil academic skills and  
16 knowledge.

17       (6) "Public school" means a public elementary or secondary  
18 educational entity or agency that is established under this act,  
19 has as its primary mission the teaching and learning of academic  
20 and vocational-technical skills and knowledge, and is operated by a  
21 school district, local act school district, special act school  
22 district, intermediate school district, public school academy  
23 corporation, strict discipline academy corporation, urban high  
24 school academy corporation, **CONVERSION SCHOOL CORPORATION**, or by  
25 the department or state board. Public school also includes a  
26 laboratory school or other elementary or secondary school that is  
27 controlled and operated by a state public university described in

1 section 4, 5, or 6 of article VIII of the state constitution of  
2 1963.

3 (7) "Public school academy" means a public school academy  
4 established under part 6a and, except as used in part 6a, also  
5 includes an urban high school academy established under part 6c, **A**  
6 **CONVERSION SCHOOL ESTABLISHED UNDER PART 6D**, and a strict  
7 discipline academy established under sections 1311b to 1311l.

8 (8) "Pupil membership count day" of a school district means  
9 that term as defined in section 6 of the state school aid act of  
10 1979, MCL 388.1606.

11 (9) "Regular school election" or "regular election" means the  
12 election held in a school district, local act school district, or  
13 intermediate school district to elect a school board member in the  
14 regular course of the terms of that office and held on the school  
15 district's regular election date as determined under section 642 or  
16 642a of the Michigan election law, MCL 168.642 and 168.642a.

17 (10) "Reorganized intermediate school district" means an  
18 intermediate school district formed by consolidation or annexation  
19 of 2 or more intermediate school districts under sections 701 and  
20 702.

21 (11) "Rule" means a rule promulgated under the administrative  
22 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

## 23 **PART 6D**

### 24 **CONVERSION SCHOOLS**

25 **SEC. 531. (1) A CONVERSION SCHOOL IS A PUBLIC SCHOOL UNDER**  
26 **SECTION 2 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963, IS A**  
27 **SCHOOL DISTRICT FOR THE PURPOSES OF SECTION 11 OF ARTICLE IX OF THE**

1 STATE CONSTITUTION OF 1963 AND FOR THE PURPOSES OF SECTION 1225 AND  
2 SECTION 1351A, AND IS SUBJECT TO THE LEADERSHIP AND GENERAL  
3 SUPERVISION OF THE STATE BOARD OVER ALL PUBLIC EDUCATION UNDER  
4 SECTION 3 OF ARTICLE VIII OF THE STATE CONSTITUTION OF 1963. A  
5 CONVERSION SCHOOL IS A BODY CORPORATE AND IS A GOVERNMENTAL AGENCY.  
6 THE POWERS GRANTED TO A CONVERSION SCHOOL UNDER THIS PART  
7 CONSTITUTE THE PERFORMANCE OF ESSENTIAL PUBLIC PURPOSES AND  
8 GOVERNMENTAL FUNCTIONS OF THIS STATE.

9 (2) AS USED IN THIS PART:

10 (A) "AUTHORIZING BODY" MEANS ANY OF THE FOLLOWING THAT ISSUES  
11 A CONTRACT AS PROVIDED IN THIS PART:

12 (i) THE BOARD OF A SCHOOL DISTRICT.

13 (ii) AN INTERMEDIATE SCHOOL BOARD.

14 (iii) THE BOARD OF A COMMUNITY COLLEGE.

15 (iv) THE GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY.

16 (B) "COMMUNITY COLLEGE" MEANS A COMMUNITY COLLEGE ORGANIZED  
17 UNDER THE COMMUNITY COLLEGE ACT OF 1966, 1966 PA 331, MCL 389.1 TO  
18 389.195, OR A FEDERAL TRIBALLY CONTROLLED COMMUNITY COLLEGE THAT IS  
19 RECOGNIZED UNDER THE TRIBALLY CONTROLLED COMMUNITY COLLEGE  
20 ASSISTANCE ACT OF 1978, PUBLIC LAW 95-471, 92 STAT. 1325, AND IS  
21 DETERMINED BY THE DEPARTMENT TO MEET THE REQUIREMENTS FOR  
22 ACCREDITATION BY A RECOGNIZED REGIONAL ACCREDITING BODY.

23 (C) "CONTRACT" MEANS THE EXECUTIVE ACT TAKEN BY AN AUTHORIZING  
24 BODY THAT EVIDENCES THE AUTHORIZATION OF A CONVERSION SCHOOL AND  
25 THAT ESTABLISHES, SUBJECT TO THE CONSTITUTIONAL POWERS OF THE STATE  
26 BOARD AND APPLICABLE LAW, THE WRITTEN INSTRUMENT EXECUTED BY AN  
27 AUTHORIZING BODY CONFERRING CERTAIN RIGHTS, FRANCHISES, PRIVILEGES,

1 AND OBLIGATIONS ON A CONVERSION SCHOOL, AS PROVIDED BY THIS PART,  
2 AND CONFIRMING THE STATUS OF A CONVERSION SCHOOL AS A PUBLIC SCHOOL  
3 IN THIS STATE.

4 (D) "CONVERSION SCHOOL" MEANS A PUBLIC SCHOOL PREVIOUSLY  
5 OPERATED BY A SCHOOL DISTRICT THAT IS CONVERTED TO A CONVERSION  
6 SCHOOL ESTABLISHED AND OPERATED UNDER THIS PART.

7 (E) "EDUCATIONAL MANAGEMENT ORGANIZATION" MEANS AN ENTITY THAT  
8 ENTERS INTO AN AGREEMENT WITH THE BOARD OF DIRECTORS OF A  
9 CONVERSION SCHOOL TO PROVIDE COMPREHENSIVE EDUCATIONAL,  
10 ADMINISTRATIVE, MANAGEMENT, OR INSTRUCTIONAL SERVICES OR STAFF TO  
11 THE CONVERSION SCHOOL.

12 (F) "ENTITY" MEANS A PARTNERSHIP, NONPROFIT OR BUSINESS  
13 CORPORATION, LABOR ORGANIZATION, OR ANY OTHER ASSOCIATION,  
14 CORPORATION, TRUST, OR OTHER LEGAL ENTITY.

15 (G) "STATE PUBLIC UNIVERSITY" MEANS A STATE UNIVERSITY  
16 DESCRIBED IN SECTION 4, 5, OR 6 OF ARTICLE VIII OF THE STATE  
17 CONSTITUTION OF 1963.

18 (H) "TENURED TEACHER" MEANS A TEACHER ON CONTINUING TENURE  
19 UNDER 1937 (EX SESS) PA 4, MCL 38.71 TO 38.191.

20 SEC. 533. (1) A CONVERSION SCHOOL SHALL BE ORGANIZED AND  
21 ADMINISTERED UNDER THE DIRECTION OF A BOARD OF DIRECTORS IN  
22 ACCORDANCE WITH THIS PART AND WITH BYLAWS ADOPTED BY THE BOARD OF  
23 DIRECTORS. A CONVERSION SCHOOL CORPORATION SHALL BE ORGANIZED UNDER  
24 THE NONPROFIT CORPORATION ACT, 1982 PA 162, MCL 450.2101 TO  
25 450.3192, EXCEPT THAT A CONVERSION SCHOOL CORPORATION IS NOT  
26 REQUIRED TO COMPLY WITH SECTIONS 170 TO 177 OF 1931 PA 327, MCL  
27 450.170 TO 450.177. TO THE EXTENT DISQUALIFIED UNDER THE STATE OR

1 FEDERAL CONSTITUTION, A CONVERSION SCHOOL SHALL NOT BE ORGANIZED BY  
2 A CHURCH OR OTHER RELIGIOUS ORGANIZATION AND SHALL NOT HAVE ANY  
3 ORGANIZATIONAL OR CONTRACTUAL AFFILIATION WITH OR CONSTITUTE A  
4 CHURCH OR OTHER RELIGIOUS ORGANIZATION.

5 (2) SUBJECT TO SUBSECTION (3), ANY OF THE FOLLOWING MAY ACT AS  
6 AN AUTHORIZING BODY TO ISSUE A CONTRACT TO ORGANIZE AND OPERATE A  
7 CONVERSION SCHOOL UNDER THIS PART:

8 (A) THE BOARD OF A SCHOOL DISTRICT.

9 (B) AN INTERMEDIATE SCHOOL BOARD.

10 (C) THE BOARD OF A COMMUNITY COLLEGE.

11 (D) THE GOVERNING BOARD OF A STATE PUBLIC UNIVERSITY.

12 (3) TO OBTAIN A CONTRACT TO CONVERT A PUBLIC SCHOOL OPERATED  
13 BY A SCHOOL DISTRICT TO A CONVERSION SCHOOL THAT IS ORGANIZED AND  
14 OPERATED UNDER THIS PART, 1 OR MORE PERSONS OR AN ENTITY SHALL  
15 APPLY TO THE SCHOOL DISTRICT OF THE SCHOOL TO BE CONVERTED FOR A  
16 CONTRACT TO ORGANIZE AND OPERATE THE SCHOOL AS A CONVERSION SCHOOL.  
17 THE APPLICANT SHALL SUBMIT ALL OF THE FOLLOWING TO THE BOARD OF THE  
18 SCHOOL DISTRICT OF THE SCHOOL TO BE CONVERTED:

19 (A) A PETITION REQUESTING THAT THE SCHOOL BE CONVERTED TO A  
20 CONVERSION SCHOOL SIGNED BY EITHER OR BOTH OF THE FOLLOWING:

21 (i) AT LEAST 51% OF THE TENURED TEACHERS EMPLOYED BY THE SCHOOL  
22 DISTRICT AT THE SCHOOL TO BE CONVERTED.

23 (ii) AT LEAST 51% OF THE PARENTS OR LEGAL GUARDIANS OF THE  
24 PUPILS ENROLLED IN THE SCHOOL TO BE CONVERTED.

25 (B) AN APPLICATION FOR A CONTRACT THAT MEETS THE REQUIREMENTS  
26 FOR AN APPLICATION UNDER THIS SECTION.

27 (4) IF THE BOARD OF A SCHOOL DISTRICT RECEIVES A PETITION

1 UNDER SUBSECTION (3), THE BOARD SHALL CONSIDER THE PETITION AND ACT  
2 TO APPROVE OR DENY THE PETITION WITHIN 60 DAYS AFTER RECEIVING THE  
3 PETITION. IF THE BOARD ACTS TO DENY THE PETITION, THE BOARD SHALL  
4 ISSUE A LETTER OF DENIAL TO THE APPLICANT.

5 (5) IF THE BOARD OF THE SCHOOL DISTRICT DOES NOT APPROVE THE  
6 APPLICATION FOR THE CONTRACT SUBMITTED UNDER SUBSECTION (3) WITHIN  
7 60 DAYS AFTER THE APPLICATION AND THE SUPPORTING PETITION HAVE BEEN  
8 SUBMITTED TO THE BOARD, THE APPLICANT MAY SUBMIT AN APPLICATION TO  
9 ANOTHER AUTHORIZING BODY. ANOTHER AUTHORIZING BODY MAY ISSUE A  
10 CONTRACT TO ORGANIZE AND OPERATE A CONVERSION SCHOOL IF ALL OF THE  
11 FOLLOWING ARE SUBMITTED TO THAT AUTHORIZING BODY:

12 (A) AN APPLICATION FOR A CONTRACT THAT MEETS THE REQUIREMENTS  
13 FOR AN APPLICATION UNDER THIS SECTION.

14 (B) A COPY OF THE PETITION SUBMITTED TO THE BOARD OF THE  
15 SCHOOL DISTRICT UNDER SUBSECTION (3).

16 (C) A COPY OF THE LETTER OF DENIAL UNDER SUBSECTION (4) OR  
17 OTHER INFORMATION SATISFACTORY TO THE AUTHORIZING BODY EVIDENCING  
18 THAT THE APPLICANT APPLIED TO THE BOARD OF THE SCHOOL DISTRICT FOR  
19 A CONTRACT TO ORGANIZE AND OPERATE THE SCHOOL AS A CONVERSION  
20 SCHOOL AS REQUIRED UNDER SUBDIVISION (B) AND THAT THE BOARD OF THE  
21 SCHOOL DISTRICT DECLINED TO GRANT THE PETITION TO ISSUE THE  
22 CONTRACT WITHIN 60 DAYS AFTER THE APPLICATION AND THE SUPPORTING  
23 PETITION HAVE BEEN SUBMITTED TO THE BOARD.

24 (6) THE APPLICATION FOR A CONTRACT TO ORGANIZE AND OPERATE A  
25 CONVERSION SCHOOL SHALL INCLUDE AT LEAST ALL OF THE FOLLOWING:

26 (A) IDENTIFICATION OF THE APPLICANT FOR THE CONTRACT.

27 (B) SUBJECT TO THE RESOLUTION ADOPTED BY THE AUTHORIZING BODY



1 UNDER SECTION 535(3), IF ANY, A LIST OF THE PROPOSED MEMBERS OF THE  
2 BOARD OF DIRECTORS OF THE CONVERSION SCHOOL AND A DESCRIPTION OF  
3 THE QUALIFICATIONS AND METHOD FOR APPOINTMENT OR ELECTION OF  
4 MEMBERS OF THE BOARD OF DIRECTORS.

5 (C) THE PROPOSED ARTICLES OF INCORPORATION, WHICH SHALL  
6 INCLUDE AT LEAST ALL OF THE FOLLOWING:

7 (i) THE NAME OF THE PROPOSED CONVERSION SCHOOL.

8 (ii) THE PURPOSES FOR THE CONVERSION SCHOOL CORPORATION. THIS  
9 LANGUAGE SHALL PROVIDE THAT THE CONVERSION SCHOOL IS INCORPORATED  
10 PURSUANT TO THIS PART AND THAT THE CONVERSION SCHOOL CORPORATION IS  
11 A GOVERNMENTAL ENTITY.

12 (iii) THE NAME OF THE AUTHORIZING BODY.

13 (iv) THE PROPOSED TIME WHEN THE ARTICLES OF INCORPORATION WILL  
14 BE EFFECTIVE.

15 (v) OTHER MATTERS CONSIDERED EXPEDIENT TO BE IN THE ARTICLES  
16 OF INCORPORATION.

17 (D) A COPY OF THE PROPOSED BYLAWS OF THE CONVERSION SCHOOL.

18 (E) DOCUMENTATION MEETING THE APPLICATION REQUIREMENTS OF THE  
19 AUTHORIZING BODY, IF ANY, INCLUDING AT LEAST ALL OF THE FOLLOWING:

20 (i) THE GOVERNANCE STRUCTURE OF THE CONVERSION SCHOOL.

21 (ii) A COPY OF THE EDUCATIONAL GOALS OF THE CONVERSION SCHOOL  
22 AND THE CURRICULA TO BE OFFERED AND METHODS OF PUPIL ASSESSMENT TO  
23 BE USED BY THE CONVERSION SCHOOL. TO THE EXTENT APPLICABLE, THE  
24 PROGRESS OF THE PUPILS IN THE CONVERSION SCHOOL SHALL BE ASSESSED  
25 USING AT LEAST A MICHIGAN EDUCATION ASSESSMENT PROGRAM (MEAP) TEST  
26 OR THE MICHIGAN MERIT EXAMINATION DEVELOPED UNDER SECTION 1279G.

27 (iii) THE ADMISSION POLICY AND CRITERIA TO BE MAINTAINED BY THE

1 CONVERSION SCHOOL. THE ADMISSION POLICY AND CRITERIA SHALL COMPLY  
2 WITH SECTION 504. THIS PART OF THE APPLICATION ALSO SHALL INCLUDE A  
3 DESCRIPTION OF HOW THE APPLICANT WILL PROVIDE TO THE GENERAL PUBLIC  
4 ADEQUATE NOTICE THAT A CONVERSION SCHOOL IS BEING CREATED AND  
5 ADEQUATE INFORMATION ON THE ADMISSION POLICY, CRITERIA, AND  
6 PROCESS.

7 (iv) THE SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE.

8 (v) THE AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED. A  
9 CONVERSION SCHOOL SHALL INCLUDE AT LEAST ALL OF THE GRADES THAT  
10 WERE PREVIOUSLY OPERATED BY THE SCHOOL THAT WAS CONVERTED.

11 (F) DESCRIPTIONS OF STAFF RESPONSIBILITIES AND OF THE  
12 CONVERSION SCHOOL'S GOVERNANCE STRUCTURE.

13 (G) THE DOCUMENTATION REQUIRED UNDER SUBSECTION (3) OR (5), AS  
14 APPLICABLE.

15 (H) AN AGREEMENT THAT THE CONVERSION SCHOOL WILL COMPLY WITH  
16 THE PROVISIONS OF THIS PART AND, SUBJECT TO THE PROVISIONS OF THIS  
17 PART, WITH ALL OTHER STATE LAW APPLICABLE TO PUBLIC BODIES AND WITH  
18 FEDERAL LAW APPLICABLE TO PUBLIC BODIES OR SCHOOL DISTRICTS.

19 (I) FOR A CONVERSION SCHOOL AUTHORIZED BY A SCHOOL DISTRICT,  
20 AN ASSURANCE THAT EMPLOYEES OF THE CONVERSION SCHOOL WILL BE  
21 COVERED BY THE COLLECTIVE BARGAINING AGREEMENTS THAT APPLY TO  
22 EMPLOYEES OF THE SCHOOL DISTRICT EMPLOYED IN SIMILAR  
23 CLASSIFICATIONS IN SCHOOLS THAT ARE NOT A CONVERSION SCHOOL.

24 (7) AN AUTHORIZING BODY SHALL OVERSEE, OR SHALL CONTRACT WITH  
25 AN INTERMEDIATE SCHOOL DISTRICT, COMMUNITY COLLEGE, OR STATE PUBLIC  
26 UNIVERSITY TO OVERSEE, EACH CONVERSION SCHOOL OPERATING UNDER A  
27 CONTRACT ISSUED BY THE AUTHORIZING BODY. THE OVERSIGHT SHALL BE

1 SUFFICIENT TO ENSURE THAT THE AUTHORIZING BODY CAN CERTIFY THAT THE  
2 CONVERSION SCHOOL IS IN COMPLIANCE WITH STATUTE, RULES, AND THE  
3 TERMS OF THE CONTRACT.

4 (8) IF THE STATE BOARD FINDS THAT AN AUTHORIZING BODY OTHER  
5 THAN THE SCHOOL DISTRICT THAT PREVIOUSLY OPERATED THE CONVERSION  
6 SCHOOL IS NOT ENGAGING IN APPROPRIATE CONTINUING OVERSIGHT OF 1 OR  
7 MORE CONVERSION SCHOOLS OPERATING UNDER A CONTRACT ISSUED BY THE  
8 AUTHORIZING BODY, THE STATE BOARD MAY SUSPEND THE POWER OF THE  
9 AUTHORIZING BODY TO ISSUE NEW CONTRACTS TO ORGANIZE AND OPERATE  
10 CONVERSION SCHOOLS. A CONTRACT ISSUED BY THE AUTHORIZING BODY  
11 DURING THE SUSPENSION IS VOID. A CONTRACT ISSUED BY THE AUTHORIZING  
12 BODY BEFORE THE SUSPENSION IS NOT AFFECTED BY THE SUSPENSION.

13 (9) AN AUTHORIZING BODY SHALL NOT CHARGE A FEE, OR REQUIRE  
14 REIMBURSEMENT OF EXPENSES, FOR CONSIDERING AN APPLICATION FOR A  
15 CONTRACT, FOR ISSUING A CONTRACT, OR FOR PROVIDING OVERSIGHT OF A  
16 CONTRACT FOR A CONVERSION SCHOOL IN AN AMOUNT THAT EXCEEDS A  
17 COMBINED TOTAL OF 3% OF THE TOTAL STATE SCHOOL AID RECEIVED BY THE  
18 CONVERSION SCHOOL IN THE SCHOOL YEAR IN WHICH THE FEES OR EXPENSES  
19 ARE CHARGED. AN AUTHORIZING BODY MAY PROVIDE OTHER SERVICES FOR A  
20 CONVERSION SCHOOL AND CHARGE A FEE FOR THOSE SERVICES, BUT SHALL  
21 NOT REQUIRE SUCH AN ARRANGEMENT AS A CONDITION TO ISSUING THE  
22 CONTRACT AUTHORIZING THE CONVERSION SCHOOL.

23 (10) A CONVERSION SCHOOL SHALL BE PRESUMED TO BE LEGALLY  
24 ORGANIZED IF IT HAS EXERCISED THE FRANCHISES AND PRIVILEGES OF A  
25 CONVERSION SCHOOL FOR AT LEAST 2 YEARS.

26 SEC. 535. (1) AN AUTHORIZING BODY IS NOT REQUIRED TO ISSUE A  
27 CONTRACT TO ANY PERSON OR ENTITY. CONVERSION SCHOOL CONTRACTS SHALL

1 BE ISSUED ON A COMPETITIVE BASIS TAKING INTO CONSIDERATION THE  
2 RESOURCES AVAILABLE FOR THE PROPOSED CONVERSION SCHOOL, THE  
3 POPULATION TO BE SERVED BY THE PROPOSED CONVERSION SCHOOL, AND THE  
4 EDUCATIONAL GOALS TO BE ACHIEVED BY THE PROPOSED CONVERSION SCHOOL.

5 (2) WITHIN 10 DAYS AFTER ISSUING A CONTRACT FOR A CONVERSION  
6 SCHOOL, THE AUTHORIZING BODY SHALL SUBMIT TO THE SUPERINTENDENT OF  
7 PUBLIC INSTRUCTION A COPY OF THE CONTRACT AND OF THE APPLICATION  
8 UNDER SECTION 533.

9 (3) AN AUTHORIZING BODY SHALL ADOPT A RESOLUTION ESTABLISHING  
10 THE METHOD OF SELECTION, LENGTH OF TERM, AND NUMBER OF MEMBERS OF  
11 THE BOARD OF DIRECTORS OF EACH CONVERSION SCHOOL SUBJECT TO ITS  
12 JURISDICTION.

13 (4) A CONTRACT ISSUED TO ORGANIZE AND ADMINISTER A CONVERSION  
14 SCHOOL SHALL CONTAIN AT LEAST ALL OF THE FOLLOWING:

15 (A) THE EDUCATIONAL GOALS THE CONVERSION SCHOOL IS TO ACHIEVE  
16 AND THE METHODS BY WHICH IT WILL BE HELD ACCOUNTABLE. THESE GOALS  
17 SHALL INCLUDE SPECIFIC GOALS FOR IMPROVEMENT IN PUPIL PERFORMANCE  
18 THAT MUST BE MET BY THE CONVERSION SCHOOL AND A PROVISION THAT, IF  
19 THESE PERFORMANCE IMPROVEMENT GOALS ARE NOT MET, THE CONTRACT WILL  
20 BE REVOKED AND MANAGEMENT OF THE SCHOOL WILL BE RETURNED TO THE  
21 SCHOOL DISTRICT. THESE GOALS SHALL INCLUDE THAT, BY THE LAST YEAR  
22 OF THE CONTRACT, AT LEAST 80% OF THE CONVERSION SCHOOL'S PUPILS  
23 WILL GRADUATE FROM HIGH SCHOOL OR BE DETERMINED BY THE DEPARTMENT  
24 TO BE ON TRACK TO GRADUATE FROM HIGH SCHOOL, THE CONVERSION SCHOOL  
25 WILL HAVE AT LEAST 80% AVERAGE ATTENDANCE AS DETERMINED BY THE  
26 DEPARTMENT, AND AT LEAST 50% OF ALL PUPILS ENROLLED IN THE  
27 CONVERSION SCHOOL WILL SCORE AT LEAST "PROFICIENT" ON THE MICHIGAN

1 EDUCATION ASSESSMENT PROGRAM ASSESSMENTS OR MICHIGAN MERIT  
2 EXAMINATION, AS APPLICABLE, IN BOTH MATHEMATICS AND ENGLISH  
3 LANGUAGE ARTS. TO THE EXTENT APPLICABLE, THE PUPIL PERFORMANCE OF A  
4 CONVERSION SCHOOL SHALL BE ASSESSED USING AT LEAST A MICHIGAN  
5 EDUCATION ASSESSMENT PROGRAM (MEAP) TEST OR THE MICHIGAN MERIT  
6 EXAMINATION DEVELOPED UNDER SECTION 1279G.

7 (B) A DESCRIPTION OF THE METHOD TO BE USED TO MONITOR THE  
8 CONVERSION SCHOOL'S COMPLIANCE WITH APPLICABLE LAW AND ITS  
9 PERFORMANCE IN MEETING ITS TARGETED EDUCATIONAL OBJECTIVES.

10 (C) A DESCRIPTION OF THE PROCESS FOR AMENDING THE CONTRACT  
11 DURING THE TERM OF THE CONTRACT.

12 (D) ALL OF THE MATTERS SET FORTH IN THE APPLICATION FOR THE  
13 CONTRACT.

14 (E) FOR A CONVERSION SCHOOL AUTHORIZED BY A SCHOOL DISTRICT,  
15 AN AGREEMENT THAT EMPLOYEES OF THE CONVERSION SCHOOL WILL BE  
16 COVERED BY THE COLLECTIVE BARGAINING AGREEMENTS THAT APPLY TO  
17 EMPLOYEES OF THE SCHOOL DISTRICT EMPLOYED IN SIMILAR  
18 CLASSIFICATIONS IN SCHOOLS THAT ARE NOT A CONVERSION SCHOOL.

19 (F) PROCEDURES FOR REVOKING THE CONTRACT AND GROUNDS FOR  
20 REVOKING THE CONTRACT, INCLUDING AT LEAST THE GROUNDS LISTED IN  
21 SECTION 543.

22 (G) THE ADDRESS FOR THE SCHOOL THAT WILL BE CONVERTED TO THE  
23 CONVERSION SCHOOL.

24 (H) REQUIREMENTS AND PROCEDURES FOR FINANCIAL AUDITS. THE  
25 FINANCIAL AUDITS SHALL BE CONDUCTED AT LEAST ANNUALLY BY A  
26 CERTIFIED PUBLIC ACCOUNTANT IN ACCORDANCE WITH GENERALLY ACCEPTED  
27 GOVERNMENTAL AUDITING PRINCIPLES.

1 (5) A CONVERSION SCHOOL SHALL COMPLY WITH ALL APPLICABLE LAW,  
2 INCLUDING ALL OF THE FOLLOWING:

3 (A) THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO 15.275.

4 (B) THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO  
5 15.246.

6 (C) 1947 PA 336, MCL 423.201 TO 423.217.

7 (D) 1965 PA 166, MCL 408.551 TO 408.558.

8 (E) SECTIONS 1134, 1135, 1146, 1153, 1263(3), 1267, AND 1274.

9 (6) A CONVERSION SCHOOL AND ITS INCORPORATORS, BOARD MEMBERS,  
10 OFFICERS, EMPLOYEES, AND VOLUNTEERS HAVE GOVERNMENTAL IMMUNITY AS  
11 PROVIDED IN SECTION 7 OF 1964 PA 170, MCL 691.1407. AN AUTHORIZING  
12 BODY AND ITS BOARD MEMBERS, OFFICERS, AND EMPLOYEES ARE IMMUNE FROM  
13 CIVIL LIABILITY, BOTH PERSONALLY AND PROFESSIONALLY, FOR AN ACT OR  
14 OMISSION IN AUTHORIZING A CONVERSION SCHOOL IF THE AUTHORIZING BODY  
15 OR THE PERSON ACTED OR REASONABLY BELIEVED HE OR SHE ACTED WITHIN  
16 THE AUTHORIZING BODY'S OR THE PERSON'S SCOPE OF AUTHORITY.

17 (7) A CONVERSION SCHOOL IS EXEMPT FROM ALL TAXATION ON ITS  
18 EARNINGS AND PROPERTY. INSTRUMENTS OF CONVEYANCE TO OR FROM A  
19 CONVERSION SCHOOL ARE EXEMPT FROM ALL TAXATION INCLUDING TAXES  
20 IMPOSED BY 1966 PA 134, MCL 207.501 TO 207.513. A CONVERSION SCHOOL  
21 MAY NOT LEVY AD VALOREM PROPERTY TAXES OR ANOTHER TAX FOR ANY  
22 PURPOSE. HOWEVER, OPERATION OF 1 OR MORE CONVERSION SCHOOLS BY A  
23 SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT DOES NOT AFFECT THE  
24 ABILITY OF THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT TO  
25 LEVY AD VALOREM PROPERTY TAXES OR ANOTHER TAX.

26 (8) IF A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT  
27 APPLIES FOR AND OBTAINS A CONTRACT TO OPERATE 1 OR MORE CONVERSION

1 SCHOOLS UNDER THIS PART, THE POWER OF THE SCHOOL DISTRICT OR  
2 INTERMEDIATE SCHOOL DISTRICT TO LEVY TAXES FOR ANY PURPOSE UNDER  
3 THIS ACT IS NOT AFFECTED BY THE OPERATION OF A CONVERSION SCHOOL BY  
4 THE SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT. REVENUE FROM  
5 TAXES LEVIED BY A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL DISTRICT  
6 UNDER THIS ACT OR BONDS ISSUED BY A SCHOOL DISTRICT OR INTERMEDIATE  
7 SCHOOL DISTRICT UNDER THIS ACT MAY BE USED TO SUPPORT THE OPERATION  
8 OR FACILITIES OF A CONVERSION SCHOOL OPERATED BY THE SCHOOL  
9 DISTRICT OR INTERMEDIATE SCHOOL DISTRICT IN THE SAME MANNER AS THAT  
10 REVENUE MAY BE USED UNDER THIS ACT BY THE SCHOOL DISTRICT OR  
11 INTERMEDIATE SCHOOL DISTRICT TO SUPPORT SCHOOL DISTRICT OR  
12 INTERMEDIATE SCHOOL DISTRICT OPERATIONS AND FACILITIES. THIS  
13 SECTION DOES NOT AUTHORIZE A SCHOOL DISTRICT OR INTERMEDIATE SCHOOL  
14 DISTRICT TO LEVY TAXES OR TO ISSUE BONDS FOR ANY PURPOSE THAT IS  
15 NOT OTHERWISE AUTHORIZED UNDER THIS ACT.

16 (9) AN AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF  
17 INDEBTEDNESS ENTERED INTO BY A CONVERSION SCHOOL AND A THIRD PARTY  
18 DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR  
19 MORAL, OF THIS STATE OR AN AUTHORIZING BODY. THE FULL FAITH AND  
20 CREDIT OR THE TAXING POWER OF THIS STATE OR ANY AGENCY OF THIS  
21 STATE, OR THE FULL FAITH AND CREDIT OF AN AUTHORIZING BODY, MAY NOT  
22 BE PLEDGED FOR THE PAYMENT OF ANY CONVERSION SCHOOL BOND, NOTE,  
23 AGREEMENT, MORTGAGE, LOAN, OR OTHER INSTRUMENT OF INDEBTEDNESS.

24 (10) THIS PART DOES NOT IMPOSE ANY LIABILITY ON THIS STATE OR  
25 ON AN AUTHORIZING BODY FOR ANY DEBT INCURRED BY A CONVERSION  
26 SCHOOL.

27 SEC. 537. (1) IF THE CONVERSION SCHOOL IS AUTHORIZED BY THE

1 BOARD OF THE SCHOOL DISTRICT, THE CONVERSION SCHOOL SHALL BE  
2 LOCATED AT THE SCHOOL THAT WAS CONVERTED; THE BOARD OF THE SCHOOL  
3 DISTRICT SHALL CONTINUE TO OWN THE SCHOOL BUILDING BUT SHALL ALLOW  
4 THE EDUCATIONAL MANAGEMENT ORGANIZATION THAT IS OPERATING THE  
5 SCHOOL TO CONTROL THE SCHOOL BUILDING. THE SCHOOL DISTRICT SHALL  
6 NOT CHARGE THE CONVERSION SCHOOL RENT FOR THE FACILITIES. HOWEVER,  
7 A CONVERSION SCHOOL SHALL ASSUME THE FINANCIAL LIABILITY FOR ALL  
8 UTILITIES, MAINTENANCE, SECURITY, IMPROVEMENTS, AND OTHER COSTS  
9 NECESSARY TO MAINTAIN THE FACILITIES IN AT LEAST THE SAME CONDITION  
10 IN WHICH THE CONVERSION SCHOOL ORIGINALLY ACQUIRED THE FACILITIES.  
11 IF THE CONVERSION SCHOOL IS AUTHORIZED BY ANOTHER AUTHORIZING BODY,  
12 THE CONVERSION SCHOOL SHALL BE LOCATED WITHIN THE SCHOOL DISTRICT  
13 THAT OPERATED THE SCHOOL THAT WAS CONVERTED, AND MAY BE LOCATED AT  
14 THE SCHOOL THAT WAS CONVERTED PURSUANT TO AN AGREEMENT WITH THE  
15 SCHOOL DISTRICT. A CONVERSION SCHOOL AND A SCHOOL DISTRICT MAY  
16 ENTER INTO A CONTRACT OR COOPERATIVE ARRANGEMENT CONCERNING GENERAL  
17 LIABILITY INSURANCE FOR THE CONVERSION SCHOOL.

18 (2) A CONVERSION SCHOOL SHALL NOT CHARGE TUITION AND SHALL NOT  
19 DISCRIMINATE IN ITS PUPIL ADMISSIONS POLICIES OR PRACTICES ON THE  
20 BASIS OF INTELLECTUAL OR ATHLETIC ABILITY, MEASURES OF ACHIEVEMENT  
21 OR APTITUDE, STATUS AS A STUDENT WITH A DISABILITY, OR ANY OTHER  
22 BASIS THAT WOULD BE ILLEGAL IF USED BY A SCHOOL DISTRICT. HOWEVER,  
23 A CONVERSION SCHOOL MAY LIMIT ADMISSION TO PUPILS WHO ARE WITHIN A  
24 PARTICULAR RANGE OF AGE OR GRADE LEVEL OR ON ANY OTHER BASIS THAT  
25 WOULD BE LEGAL IF USED BY A SCHOOL DISTRICT.

26 (3) EXCEPT FOR A FOREIGN EXCHANGE STUDENT WHO IS NOT A UNITED  
27 STATES CITIZEN, A CONVERSION SCHOOL SHALL NOT ENROLL A PUPIL WHO IS



1 NOT A RESIDENT OF THIS STATE. ENROLLMENT IN THE CONVERSION SCHOOL  
2 MAY BE OPEN TO ALL INDIVIDUALS WHO RESIDE IN THIS STATE WHO MEET  
3 THE ADMISSION POLICY AND SHALL BE OPEN TO ALL PUPILS WHO RESIDE  
4 WITHIN THE GEOGRAPHIC BOUNDARIES, IF ANY, OF THE AUTHORIZING BODY  
5 AS DESCRIBED IN SECTION 533(2)(A) TO (C) WHO MEET THE ADMISSION  
6 POLICY. FOR A CONVERSION SCHOOL AUTHORIZED BY A STATE PUBLIC  
7 UNIVERSITY, ENROLLMENT SHALL BE OPEN TO ALL PUPILS WHO RESIDE IN  
8 THIS STATE WHO MEET THE ADMISSION POLICY. SUBJECT TO SUBSECTION  
9 (4), IF THERE ARE MORE APPLICATIONS TO ENROLL IN THE CONVERSION  
10 SCHOOL THAN THERE ARE SPACES AVAILABLE, PUPILS SHALL BE SELECTED TO  
11 ATTEND USING A RANDOM SELECTION PROCESS.

12 (4) A CONVERSION SCHOOL SHALL GIVE ENROLLMENT PRIORITY TO A  
13 PUPIL WHO WAS PREVIOUSLY ENROLLED IN THE SCHOOL THAT WAS CONVERTED  
14 OR WHO RESIDES IN THE ATTENDANCE AREA FOR THAT SCHOOL AS  
15 ESTABLISHED BY THE SCHOOL DISTRICT. ALSO, A CONVERSION SCHOOL MAY  
16 GIVE ENROLLMENT PRIORITY TO A SIBLING OF A PUPIL ENROLLED IN THE  
17 CONVERSION SCHOOL. A CONVERSION SCHOOL SHALL ALLOW ANY PUPIL WHO  
18 WAS ENROLLED IN THE CONVERSION SCHOOL IN THE IMMEDIATELY PRECEDING  
19 SCHOOL YEAR TO ENROLL IN THE CONVERSION SCHOOL IN THE APPROPRIATE  
20 GRADE UNLESS THE APPROPRIATE GRADE IS NOT OFFERED AT THAT  
21 CONVERSION SCHOOL.

22 (5) A CONVERSION SCHOOL MAY INCLUDE ANY GRADE UP TO GRADE 12  
23 OR ANY CONFIGURATION OF THOSE GRADES, INCLUDING KINDERGARTEN AND  
24 EARLY CHILDHOOD EDUCATION, AS SPECIFIED IN ITS CONTRACT. A  
25 CONVERSION SCHOOL SHALL INCLUDE ALL OF THE GRADES THAT WERE  
26 PREVIOUSLY OPERATED BY THE SCHOOL THAT WAS CONVERTED. IF SPECIFIED  
27 IN ITS CONTRACT, A CONVERSION SCHOOL MAY ALSO OPERATE AN ADULT

1 BASIC EDUCATION PROGRAM, ADULT HIGH SCHOOL COMPLETION PROGRAM, OR  
2 GENERAL EDUCATION DEVELOPMENT TESTING PREPARATION PROGRAM. THE  
3 AUTHORIZING BODY MAY APPROVE AMENDMENT OF A CONTRACT WITH RESPECT  
4 TO AGES OF PUPILS OR GRADES OFFERED.

5 SEC. 539. IN ADDITION TO OTHER POWERS SET FORTH IN THIS PART,  
6 A CONVERSION SCHOOL MAY TAKE ACTION TO CARRY OUT THE PURPOSES FOR  
7 WHICH IT WAS INCORPORATED UNDER THIS PART, INCLUDING, BUT NOT  
8 LIMITED TO, ALL OF THE FOLLOWING:

9 (A) TO SUE AND BE SUED IN ITS NAME.

10 (B) SUBJECT TO SECTION 535, TO ACQUIRE, HOLD, AND OWN IN ITS  
11 OWN NAME REAL AND PERSONAL PROPERTY, OR INTERESTS IN REAL OR  
12 PERSONAL PROPERTY, FOR EDUCATIONAL PURPOSES BY PURCHASE, GIFT,  
13 GRANT, DEVISE, BEQUEST, LEASE, SUBLEASE, INSTALLMENT PURCHASE  
14 AGREEMENT, LAND CONTRACT, OPTION, OR CONDEMNATION, AND SUBJECT TO  
15 MORTGAGES, SECURITY INTERESTS, OR OTHER LIENS; AND TO SELL OR  
16 CONVEY THE PROPERTY AS THE INTERESTS OF THE CONVERSION SCHOOL  
17 REQUIRE.

18 (C) TO RECEIVE, DISBURSE, AND PLEDGE FUNDS FOR LAWFUL  
19 PURPOSES.

20 (D) TO ENTER INTO BINDING LEGAL AGREEMENTS WITH PERSONS OR  
21 ENTITIES AS NECESSARY FOR THE OPERATION, MANAGEMENT, FINANCING, AND  
22 MAINTENANCE OF THE CONVERSION SCHOOL.

23 (E) TO INCUR TEMPORARY DEBT IN ACCORDANCE WITH SECTION 1225.

24 (F) TO SOLICIT AND ACCEPT ANY GRANTS OR GIFTS FOR EDUCATIONAL  
25 PURPOSES AND TO ESTABLISH OR PERMIT TO BE ESTABLISHED ON ITS BEHALF  
26 1 OR MORE NONPROFIT CORPORATIONS THE PURPOSE OF WHICH IS TO ASSIST  
27 THE CONVERSION SCHOOL IN THE FURTHERANCE OF ITS PUBLIC PURPOSES.

1 (G) TO BORROW MONEY AND ISSUE BONDS IN ACCORDANCE WITH SECTION  
2 1351A AND IN ACCORDANCE WITH PART VI OF THE REVISED MUNICIPAL  
3 FINANCE ACT, 2001 PA 34, MCL 141.2601 TO 141.2613, EXCEPT THAT THE  
4 BORROWING OF MONEY AND ISSUANCE OF BONDS BY A CONVERSION SCHOOL IS  
5 NOT SUBJECT TO SECTION 1351A(4) OR SECTION 1351(2) TO (4). BONDS  
6 ISSUED UNDER THIS SECTION SHALL BE FULL FAITH AND CREDIT  
7 OBLIGATIONS OF THE CONVERSION SCHOOL, PLEDGING THE GENERAL FUNDS OR  
8 ANY OTHER MONEY AVAILABLE FOR SUCH A PURPOSE. BONDS ISSUED UNDER  
9 THIS SECTION ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001  
10 PA 34, MCL 141.2101 TO 141.2821.

11 SEC. 541. (1) IF A CONVERSION SCHOOL IS AUTHORIZED BY THE  
12 BOARD OF THE SCHOOL DISTRICT THAT OPERATED THE SCHOOL THAT WAS  
13 CONVERTED, THE SCHOOL DISTRICT IS THE EMPLOYER OF THE EMPLOYEES  
14 REGULARLY WORKING AT THE CONVERSION SCHOOL AND THE CONVERSION  
15 SCHOOL AND EMPLOYEES OF THE CONVERSION SCHOOL ARE SUBJECT TO  
16 COLLECTIVE BARGAINING AGREEMENTS THAT APPLY TO EMPLOYEES OF THE  
17 SCHOOL DISTRICT EMPLOYED IN SIMILAR CLASSIFICATIONS IN SCHOOLS THAT  
18 ARE NOT A CONVERSION SCHOOL. IF THE CONVERSION SCHOOL IS AUTHORIZED  
19 BY AN AUTHORIZING BODY OTHER THAN THE BOARD OF THE SCHOOL DISTRICT  
20 THAT OPERATED THE SCHOOL THAT WAS CONVERTED, THEN THE SCHOOL  
21 DISTRICT IS NOT THE EMPLOYER OF EMPLOYEES REGULARLY WORKING AT THAT  
22 CONVERSION SCHOOL AND THE SCHOOL AND THOSE EMPLOYEES ARE NOT  
23 SUBJECT TO A COLLECTIVE BARGAINING AGREEMENT WITH THE SCHOOL  
24 DISTRICT.

25 (2) THE BOARD OF DIRECTORS OF THE CONVERSION SCHOOL SHALL  
26 CONTRACT WITH AN EDUCATIONAL MANAGEMENT ORGANIZATION APPROVED BY  
27 THE SUPERINTENDENT OF PUBLIC INSTRUCTION TO MANAGE OR OPERATE THE

1 CONVERSION SCHOOL. FOR THE PURPOSES OF THIS SUBDIVISION, THE  
2 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL DEVELOP AND MAINTAIN A  
3 LIST OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT ARE APPROVED TO  
4 MANAGE OR OPERATE A CONVERSION SCHOOL. THE SUPERINTENDENT OF PUBLIC  
5 INSTRUCTION SHALL PROMULGATE RULES TO DEVELOP STANDARDS AND  
6 CRITERIA FOR APPROVAL OF EDUCATIONAL MANAGEMENT ORGANIZATIONS THAT  
7 ARE DESIGNED TO ENSURE THAT AN APPROVED EDUCATIONAL MANAGEMENT  
8 ORGANIZATION IS WELL QUALIFIED TO MANAGE OR OPERATE A CONVERSION  
9 SCHOOL.

10 (3) EXCEPT AS OTHERWISE PROVIDED BY LAW, A CONVERSION SCHOOL  
11 SHALL USE CERTIFICATED TEACHERS ACCORDING TO STATE BOARD RULE.

12 (4) A CONVERSION SCHOOL OPERATED BY A STATE PUBLIC UNIVERSITY  
13 OR COMMUNITY COLLEGE MAY USE NONCERTIFICATED INDIVIDUALS TO TEACH  
14 AS FOLLOWS:

15 (A) IF THE CONVERSION SCHOOL IS OPERATED BY A STATE PUBLIC  
16 UNIVERSITY, THE CONVERSION SCHOOL MAY USE AS A CLASSROOM TEACHER IN  
17 ANY GRADE A FACULTY MEMBER WHO IS EMPLOYED FULL-TIME BY THE STATE  
18 PUBLIC UNIVERSITY AND WHO HAS BEEN GRANTED INSTITUTIONAL TENURE, OR  
19 HAS BEEN DESIGNATED AS BEING ON TENURE TRACK, BY THE STATE PUBLIC  
20 UNIVERSITY.

21 (B) FOR A CONVERSION SCHOOL OPERATED BY A COMMUNITY COLLEGE,  
22 THE CONVERSION SCHOOL MAY USE AS A CLASSROOM TEACHER A FULL-TIME  
23 MEMBER OF THE COMMUNITY COLLEGE FACULTY WHO HAS AT LEAST 5 YEARS'  
24 EXPERIENCE AT THAT COMMUNITY COLLEGE IN TEACHING THE SUBJECT MATTER  
25 THAT HE OR SHE IS TEACHING AT THE CONVERSION SCHOOL.

26 (C) IN ANY OTHER SITUATION IN WHICH A SCHOOL DISTRICT IS  
27 PERMITTED UNDER THIS ACT TO USE NONCERTIFICATED TEACHERS.

1           (5) A CONVERSION SCHOOL MAY DEVELOP AND IMPLEMENT NEW TEACHING  
2     TECHNIQUES OR METHODS OR SIGNIFICANT REVISIONS TO KNOWN TEACHING  
3     TECHNIQUES OR METHODS, AND SHALL REPORT THOSE TO THE AUTHORIZING  
4     BODY AND STATE BOARD TO BE MADE AVAILABLE TO THE PUBLIC. A  
5     CONVERSION SCHOOL MAY USE ANY INSTRUCTIONAL TECHNIQUE OR DELIVERY  
6     METHOD THAT MAY BE USED BY A SCHOOL DISTRICT.

7           (6) A CONVERSION SCHOOL, WITH THE APPROVAL OF THE AUTHORIZING  
8     BODY, MAY EMPLOY OR CONTRACT WITH PERSONNEL AS NECESSARY FOR THE  
9     OPERATION OF THE CONVERSION SCHOOL, PRESCRIBE THEIR DUTIES, AND FIX  
10    THEIR COMPENSATION.

11          (7) IF THE BOARD OF DIRECTORS OF A CONVERSION SCHOOL PROVIDES  
12    MEDICAL, OPTICAL, OR DENTAL BENEFITS TO EMPLOYEES AND THEIR  
13    DEPENDENTS, THE BOARD OF DIRECTORS SHALL PROVIDE THOSE BENEFITS IN  
14    ACCORDANCE WITH THE PUBLIC EMPLOYEES HEALTH BENEFIT ACT AND SHALL  
15    COMPLY WITH THAT ACT.

16          SEC. 543. (1) THE AUTHORIZING BODY FOR A CONVERSION SCHOOL IS  
17    THE FISCAL AGENT FOR THE CONVERSION SCHOOL. A STATE SCHOOL AID  
18    PAYMENT FOR A CONVERSION SCHOOL SHALL BE PAID TO THE AUTHORIZING  
19    BODY THAT IS THE FISCAL AGENT FOR THAT CONVERSION SCHOOL, WHICH  
20    SHALL THEN FORWARD THE PAYMENT TO THE CONVERSION SCHOOL. AN  
21    AUTHORIZING BODY HAS THE RESPONSIBILITY TO OVERSEE A CONVERSION  
22    SCHOOL'S COMPLIANCE WITH THE CONTRACT AND ALL APPLICABLE LAW. A  
23    CONTRACT ISSUED UNDER THIS PART MAY BE REVOKED BY THE AUTHORIZING  
24    BODY THAT ISSUED THE CONTRACT IF THE AUTHORIZING BODY DETERMINES  
25    THAT 1 OR MORE OF THE FOLLOWING HAS OCCURRED:

26          (A) FAILURE OF THE CONVERSION SCHOOL TO ABIDE BY AND MEET THE  
27    EDUCATIONAL GOALS SET FORTH IN THE CONTRACT.

1 (B) FAILURE OF THE CONVERSION SCHOOL TO COMPLY WITH ALL  
2 APPLICABLE LAW.

3 (C) FAILURE OF THE CONVERSION SCHOOL TO MEET GENERALLY  
4 ACCEPTED PUBLIC SECTOR ACCOUNTING PRINCIPLES.

5 (D) THE EXISTENCE OF 1 OR MORE OTHER GROUNDS FOR REVOCATION AS  
6 SPECIFIED IN THE CONTRACT.

7 (2) THE DECISION OF AN AUTHORIZING BODY TO REVOKE A CONTRACT  
8 UNDER THIS SECTION IS SOLELY WITHIN THE DISCRETION OF THE  
9 AUTHORIZING BODY, IS FINAL, AND IS NOT SUBJECT TO REVIEW BY A COURT  
10 OR ANY STATE AGENCY. AN AUTHORIZING BODY THAT REVOKES A CONTRACT  
11 UNDER THIS SECTION IS NOT LIABLE FOR THAT ACTION TO THE CONVERSION  
12 SCHOOL, CONVERSION SCHOOL CORPORATION, A PUPIL OF THE CONVERSION  
13 SCHOOL, THE PARENT OR GUARDIAN OF A PUPIL OF THE CONVERSION SCHOOL,  
14 OR ANY OTHER PERSON.

15 (3) IF THE CONTRACT FOR A CONVERSION SCHOOL IS REVOKED, THE  
16 MANAGEMENT OF THE SCHOOL SHALL BE RETURNED TO THE SCHOOL DISTRICT.

17 SEC. 545. THE CONVERSION SCHOOL MONITORING BOARD IS CREATED IN  
18 THE DEPARTMENT. THE CONVERSION SCHOOL MONITORING BOARD SHALL  
19 CONSIST OF 2 MEMBERS APPOINTED BY THE GOVERNOR, 1 MEMBER APPOINTED  
20 BY THE SENATE MAJORITY LEADER, 1 MEMBER APPOINTED BY THE SPEAKER OF  
21 THE HOUSE OF REPRESENTATIVES, AND 1 MEMBER DESIGNATED BY THE  
22 SUPERINTENDENT OF PUBLIC INSTRUCTION. EACH MEMBER SERVES AT THE  
23 PLEASURE OF THE OFFICER THAT APPOINTED OR DESIGNATED THE MEMBER.  
24 THE CONVERSION SCHOOL MONITORING BOARD SHALL OVERSEE RELATIONS AND  
25 MEDIATE DISPUTES AMONG CONVERSION SCHOOLS, EDUCATIONAL MANAGEMENT  
26 ORGANIZATIONS THAT MANAGE OR OPERATE A CONVERSION SCHOOL, AND  
27 SCHOOL DISTRICTS THAT AUTHORIZE A CONVERSION SCHOOL. A CONVERSION

1 SCHOOL, AN EDUCATIONAL MANAGEMENT ORGANIZATION THAT MANAGES OR  
2 OPERATES A CONVERSION SCHOOL, OR A SCHOOL DISTRICT THAT AUTHORIZES  
3 A CONVERSION SCHOOL MAY SUBMIT A DISPUTE WITH ANOTHER PARTY TO THE  
4 CONVERSION SCHOOL MONITORING BOARD FOR MEDIATION.

5 Sec. 1701a. For the purposes of ensuring that a student with a  
6 disability enrolled in a public school academy ~~created under part~~  
7 ~~6a or 6b~~ is provided with special education programs and services,  
8 the public school academy is considered to be a local school  
9 district under this article.

10 Enacting section 1. This amendatory act does not take effect  
11 unless Senate Bill No. \_\_\_\_ or House Bill No. 5237(request no.  
12 03257'09 a) of the 95th Legislature is enacted into law.