

# SENATE BILL NO. 933

March 01, 2022, Introduced by Senators BAYER, POLEHANKI, WOJNO, ALEXANDER, MOSS, IRWIN, CHANG, BULLOCK, GEISS and MCCANN and referred to the Committee on Education and Career Readiness.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending sections 507, 528, and 561 (MCL 380.507, 380.528, and 380.561), as amended by 2018 PA 601.

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

- 1       Sec. 507. (1) An authorizing body that issues a contract for a
- 2       public school academy under this part shall do all of the
- 3       following:
- 4       (a) Ensure that the contract and the application for the

1 contract comply with the requirements of this part.

2 (b) Within 10 days after issuing the contract, submit to the  
3 department a copy of the contract.

4 (c) Establish the method of selection, length of term, and  
5 number of members of the board of directors of each public school  
6 academy that it authorizes. The authorizing body shall ensure that  
7 the board of directors includes representation from the local  
8 community.

9 (d) Oversee each public school academy operating under a  
10 contract issued by the authorizing body. The oversight ~~shall~~**must**  
11 be sufficient to ensure that the board of directors is in  
12 compliance with the terms of the contract and with applicable law.

13 (e) Develop and implement a process for holding a public  
14 school academy accountable for meeting applicable academic  
15 performance standards set forth in the contract and for  
16 implementing corrective action for a public school academy that  
17 does not meet those standards.

18 (f) Take necessary measures to ensure that the board of  
19 directors of a public school academy operates independently of any  
20 educational management company involved in the operations of the  
21 public school academy.

22 (g) Oversee and ensure that the pupil admission process used  
23 by the public school academy is operated in a fair and open manner  
24 and is in compliance with the contract and this part.

25 (h) Ensure that the board of directors of the public school  
26 academy maintains and releases information as necessary to comply  
27 with applicable law.

28 **(i) Ensure that a representative of the authorizing body**  
29 **attends each meeting of the board of directors of the public school**

1 academy.

2 (j) For each meeting of the board of directors of the public  
3 school academy, prepare a report detailing the authorizing body's  
4 efforts to provide oversight of the public school academy as  
5 required under subdivision (d) and section 502(4).

6 (k) Present the most recent report prepared under subdivision  
7 (j) at each meeting of the board of directors of the public school  
8 academy.

9 (l) Ensure that the bylaws adopted by the board of directors of  
10 a public school academy include a requirement that any act of the  
11 board of directors be approved by a majority of the members serving  
12 on the board.

13 (m) Oversee all contracts entered into by a public school  
14 academy to ensure that all terms and conditions of the contract are  
15 fulfilled.

16 (2) An authorizing body may enter into an agreement with 1 or  
17 more other authorizing bodies to carry out any function of an  
18 authorizing body under this act.

19 (3) The authorizing body for a public school academy is the  
20 fiscal agent for the public school academy. A state school aid  
21 payment for a public school academy ~~shall~~**must** be paid to the  
22 authorizing body that is the fiscal agent for that public school  
23 academy, and the authorizing body shall then forward the payment to  
24 the public school academy. Within 30 days after a contract is  
25 submitted to the department by an authorizing body under subsection  
26 (1), the department shall issue a district code to the public  
27 school academy for which the contract was issued. If the department  
28 does not issue a district code within 30 days after a contract is  
29 filed, the state treasurer shall assign a temporary district code

1 in order for the public school academy to receive funding under the  
2 state school aid act of 1979.

3 (4) A contract issued under this part may be revoked by the  
4 authorizing body if the authorizing body determines that 1 or more  
5 of the following have occurred:

6 (a) Failure of the public school academy to demonstrate  
7 improved pupil academic achievement for all groups of pupils or  
8 meet the educational goals set forth in the contract.

9 (b) Failure of the public school academy to comply with all  
10 applicable law.

11 (c) Failure of the public school academy to meet generally  
12 accepted public sector accounting principles and demonstrate sound  
13 fiscal stewardship.

14 (d) The existence of 1 or more other grounds for revocation as  
15 specified in the contract.

16 (5) Except for a public school academy that is an alternative  
17 school serving a special student population, if the department  
18 determines that a public school academy site that has been  
19 operating for at least 4 years is among the lowest achieving public  
20 schools in this state for the immediately preceding 3 school years,  
21 as determined under **former** section 1280c or **section** 1280g, as  
22 applicable, not to include any individualized education plan  
23 subgroup, the department shall notify the public school academy's  
24 authorizing body. Subject to subsection (6), if an authorizing body  
25 receives notice from the department under this subsection, the  
26 authorizing body shall notify the public school academy and amend  
27 the public school academy's contract to eliminate the public school  
28 academy's authority to operate the existing age and grade levels at  
29 the site and the public school academy shall cease operating the

1 existing age and grade levels at the site, effective at the end of  
2 the current school year. Subject to subsection (6), if the public  
3 school academy operates at only 1 site, and the authorizing body  
4 receives notice from the department under this subsection, the  
5 authorizing body shall notify the public school academy and revoke  
6 the public school academy's contract, effective at the end of the  
7 current school year.

8 (6) For a public school academy or site that is subject to a  
9 notice to its authorizing body under subsection (5), the department  
10 shall consider other public school options available to pupils in  
11 the grade levels offered by the public school academy or site who  
12 reside in the geographic area served by the public school academy  
13 or site. If the department determines that closure of the public  
14 school academy or site would result in an unreasonable hardship to  
15 these pupils because there are insufficient other public school  
16 options reasonably available for these pupils, the department may  
17 rescind the notice. If the department rescinds a notice subjecting  
18 a public school academy or site to closure, the department shall do  
19 so before the end of the school year. If the department rescinds a  
20 notice subjecting a public school academy or site to closure, the  
21 department shall require the public school academy or site to  
22 implement a school improvement plan that includes measures to  
23 increase pupil growth and improve pupil proficiency, with growth  
24 and proficiency measured by performance on state assessments.

25 (7) Except as otherwise provided in section 502 or 503, the  
26 decision of an authorizing body to issue, not issue, or  
27 reconstitute a contract under this part, or to terminate or revoke  
28 a contract under this section, is solely within the discretion of  
29 the authorizing body, is final, and is not subject to review by a

1 court or any state agency. An authorizing body that issues, does  
2 not issue, or reconstitutes a contract under this part, or that  
3 terminates or revokes a contract under this section, is not liable  
4 for that action to the public school academy, the public school  
5 academy corporation, a pupil of the public school academy, the  
6 parent or guardian of a pupil of the public school academy, or any  
7 other person.

8 (8) Except as otherwise provided in this section, before an  
9 authorizing body revokes a contract, the authorizing body may  
10 consider and take corrective measures to avoid revocation. An  
11 authorizing body may reconstitute the public school academy in a  
12 final attempt to improve student educational performance or to  
13 avoid interruption of the educational process. An authorizing body  
14 shall include a reconstituting provision in the contract that  
15 identifies these corrective measures, including, but not limited  
16 to, canceling a contract with an educational management  
17 organization, if any, withdrawing approval of a contract under  
18 section 506, or appointing a new board of directors or a trustee to  
19 take over operation of the public school academy.

20 (9) If an authorizing body revokes a contract, the authorizing  
21 body shall work with a school district or another public school, or  
22 with a combination of these entities, to ensure a smooth transition  
23 for the affected pupils. If the revocation occurs during the school  
24 year, the authorizing body, as the fiscal agent for the public  
25 school academy under this part, shall return any school aid funds  
26 held by the authorizing body that are attributable to the affected  
27 pupils to the state treasurer for deposit into the state school aid  
28 fund. The state treasurer shall distribute funds to the public  
29 school in which the pupils enroll after the revocation pursuant to

1 a methodology established by the department and the center for  
2 educational performance and information.

3 (10) Not ~~more~~**later** than 10 days after a public school  
4 academy's contract terminates or is revoked, the authorizing body  
5 shall notify the superintendent of public instruction in writing of  
6 the name of the public school academy whose contract has terminated  
7 or been revoked and the date of contract termination or revocation.

8 Sec. 528. (1) An authorizing body that issues a contract for  
9 an urban high school academy under this part shall do all of the  
10 following:

11 (a) Ensure that the contract and the application for the  
12 contract comply with the requirements of this part.

13 (b) Within 10 days after issuing the contract, submit to the  
14 department a copy of the contract.

15 (c) Adopt a resolution establishing the method of selection,  
16 length of term, and number of members of the board of directors of  
17 each urban high school academy that it authorizes. The resolution  
18 ~~shall~~**must** be written or amended as necessary to include a  
19 requirement that each member of the board of directors must be a  
20 citizen of the United States.

21 (d) Oversee the operations of each urban high school academy  
22 operating under a contract issued by the authorizing body. The  
23 oversight ~~shall~~**must** be sufficient to ensure that the urban high  
24 school academy is in compliance with the terms of the contract and  
25 with applicable law. An authorizing body may enter into an  
26 agreement with 1 or more other authorizing bodies to oversee an  
27 urban high school academy operating under a contract issued by the  
28 authorizing body.

29 (e) Develop and implement a process for holding an urban high

1 school academy board of directors accountable for meeting  
2 applicable academic performance standards set forth in the contract  
3 and for implementing corrective action for an urban high school  
4 academy that does not meet those standards.

5 (f) Take necessary measures to ensure that an urban high  
6 school academy board of directors operates independently of any  
7 educational management company involved in the operations of the  
8 urban high school academy.

9 (g) Oversee and ensure that the pupil admission process used  
10 by the urban high school academy is operated in a fair and open  
11 manner and is in compliance with the contract and this part.

12 (h) Ensure that the board of directors of the urban high  
13 school academy maintains and releases information as necessary to  
14 comply with applicable law.

15 (i) **Ensure that a representative of the authorizing body**  
16 **attends each meeting of the board of directors of the urban high**  
17 **school academy.**

18 (j) **For each meeting of the board of directors of the urban**  
19 **high school academy, prepare a report detailing the authorizing**  
20 **body's efforts to provide oversight of the urban high school**  
21 **academy as required under subdivision (d).**

22 (k) **Present the most recent report prepared under subdivision**  
23 **(j) at each meeting of the board of directors of the urban high**  
24 **school academy.**

25 (l) **Ensure that the bylaws adopted by the board of directors of**  
26 **an urban high school academy include a requirement that any act of**  
27 **the board of directors be approved by a majority of the members**  
28 **serving on the board.**

29 (m) **Oversee all contracts entered into by an urban high school**



1 academy to ensure that all terms and conditions of the contract are  
2 fulfilled.

3 (2) An authorizing body may enter into an agreement with 1 or  
4 more other authorizing bodies to carry out any function of an  
5 authorizing body under this act.

6 (3) The authorizing body for an urban high school academy is  
7 the fiscal agent for the urban high school academy. A state school  
8 aid payment for an urban high school academy ~~shall~~**must** be paid to  
9 the authorizing body that is the fiscal agent for that urban high  
10 school academy, which shall then forward the payment to the urban  
11 high school academy. Within 30 days after a contract is submitted  
12 to the department by an authorizing body under subsection (1), the  
13 department shall issue a district code to the urban high school  
14 academy for which the contract was issued. If the department does  
15 not issue a district code within 30 days after a contract is filed,  
16 the state treasurer shall assign a temporary district code in order  
17 for the urban high school academy to receive funding under the  
18 state school aid act of 1979.

19 (4) A contract issued under this part may be revoked by the  
20 authorizing body that issued the contract if the authorizing body  
21 determines that 1 or more of the following have occurred:

22 (a) Failure of the urban high school academy to demonstrate  
23 improved pupil academic achievement for all groups of pupils or  
24 meet the educational goals set forth in the contract.

25 (b) Failure of the urban high school academy to comply with  
26 all applicable law.

27 (c) Failure of the urban high school academy to meet generally  
28 accepted public sector accounting principles and demonstrate sound  
29 fiscal stewardship.

1 (d) The existence of 1 or more other grounds for revocation as  
2 specified in the contract.

3 (5) Except for an urban high school academy that is an  
4 alternative school serving a special student population, if the  
5 department determines that an urban high school academy site that  
6 has been operating for at least 4 years is among the lowest  
7 achieving public schools in this state for the immediately  
8 preceding 3 school years, as determined under **former** section 1280c  
9 or **section** 1280g, as applicable, not to include any individualized  
10 education plan subgroup, the department shall notify the urban high  
11 school academy's authorizing body. Subject to subsection (6), if an  
12 authorizing body receives notice from the department under this  
13 subsection, the authorizing body shall notify the urban high school  
14 academy and amend the urban high school academy's contract to  
15 eliminate the urban high school academy's authority to operate the  
16 existing age and grade levels at the site and the urban high school  
17 academy shall cease operating the existing age and grade levels at  
18 the site, effective at the end of the current school year. Subject  
19 to subsection (6), if the urban high school academy operates at  
20 only 1 site, and the authorizing body receives notice from the  
21 department under this subsection, the authorizing body shall notify  
22 the urban high school academy and revoke the urban high school  
23 academy's contract, effective at the end of the current school  
24 year.

25 (6) For an urban high school academy or site that is subject  
26 to a notice to its authorizing body under subsection (5), the  
27 department shall consider other public school options available to  
28 pupils in the grade levels offered by the urban high school academy  
29 or site who reside in the geographic area served by the urban high

1 school academy or site. If the department determines that closure  
2 of the urban high school academy or site would result in an  
3 unreasonable hardship to these pupils because there are  
4 insufficient other public school options reasonably available for  
5 these pupils, the department may rescind the notice. If the  
6 department rescinds a notice subjecting an urban high school  
7 academy or site to closure, the department shall do so before the  
8 end of the school year. If the department rescinds a notice  
9 subjecting an urban high school academy or site to closure, the  
10 department shall require the urban high school academy or site to  
11 implement a school improvement plan that includes measures to  
12 increase pupil growth and improve pupil proficiency, with growth  
13 and proficiency measured by performance on state assessments.

14 (7) Except as otherwise provided in section 522, the decision  
15 of an authorizing body to issue, not issue, or reconstitute a  
16 contract under this part, or to terminate or revoke a contract  
17 under this section, is solely within the discretion of the  
18 authorizing body, is final, and is not subject to review by a court  
19 or any state agency. An authorizing body that issues, does not  
20 issue, or reconstitutes a contract under this part, or that  
21 terminates or revokes a contract under this section, is not liable  
22 for that action to the urban high school academy, the urban high  
23 school academy corporation, a pupil of the urban high school  
24 academy, the parent or guardian of a pupil of the urban high school  
25 academy, or any other person.

26 (8) Except as otherwise provided in this section, before an  
27 authorizing body revokes a contract, the authorizing body may  
28 consider and take corrective measures to avoid revocation. An  
29 authorizing body may reconstitute the urban high school academy in

1 a final attempt to improve student educational performance or to  
2 avoid interruption of the educational process. An authorizing body  
3 shall include a reconstituting provision in the contract that  
4 identifies these corrective measures, including, but not limited  
5 to, removing 1 or more members of the board of directors,  
6 withdrawing approval to contract under section 527, or appointing a  
7 new board of directors or a trustee to take over operation of the  
8 urban high school academy.

9 (9) If an authorizing body revokes a contract, the authorizing  
10 body shall work with a school district or another public school, or  
11 with a combination of these entities, to ensure a smooth transition  
12 for the affected pupils. If the revocation occurs during the school  
13 year, the authorizing body, as the fiscal agent for the urban high  
14 school academy under this part, shall return any school aid funds  
15 held by the authorizing body that are attributable to the affected  
16 pupils to the state treasurer for deposit into the state school aid  
17 fund. The state treasurer shall distribute funds to the public  
18 school in which the pupils enroll after the revocation pursuant to  
19 a methodology established by the department and the center for  
20 educational performance and information.

21 (10) Not ~~more~~**later** than 10 days after an urban high school  
22 academy's contract terminates or is revoked, the authorizing body  
23 shall notify the superintendent of public instruction in writing of  
24 the name of the urban high school academy whose contract has  
25 terminated or been revoked and the date of contract termination or  
26 revocation.

27 (11) If an urban high school academy's contract terminates or  
28 is revoked, title to all real and personal property, interest in  
29 real or personal property, and other assets owned by the urban high

1 school academy ~~shall revert~~ **reverts** to ~~the~~ **this** state. This  
2 property ~~shall~~ **must** be distributed in accordance with the  
3 following:

4 (a) Within 30 days following the termination or revocation,  
5 the board of directors of an urban high school academy shall hold a  
6 public meeting to adopt a plan of distribution of assets and to  
7 approve the dissolution of the urban high school academy  
8 corporation, all in accordance with chapter 8 of the nonprofit  
9 corporation act, 1982 PA 162, MCL 450.2801 to 450.2864.

10 (b) The urban high school academy shall file a certificate of  
11 dissolution with the department of licensing and regulatory affairs  
12 within 10 business days following board approval.

13 (c) Simultaneously with the filing of the certificate of  
14 dissolution under subdivision (b), the urban high school academy  
15 board of directors shall provide a copy of the board of directors'  
16 plan of distribution of assets to the state treasurer for approval.  
17 Within 30 days, the state treasurer, or his or her designee, shall  
18 review and approve the board of directors' plan of distribution of  
19 assets. If the proposed plan of distribution of assets is not  
20 approved within 30 days, the state treasurer, or his or her  
21 designee, shall provide the board of directors with an acceptable  
22 plan of distribution of assets.

23 (d) The state treasurer, or his or her designee, shall monitor  
24 the urban high school academy's winding up of the dissolved  
25 corporation in accordance with the plan of distribution of assets  
26 approved or provided under subdivision (c).

27 (e) As part of the plan of distribution of assets, the urban  
28 high school academy board of directors shall designate the director  
29 of the department of technology, management, and budget, or his or

1 her designee, to dispose of all real property of the urban high  
2 school academy corporation in accordance with the directives  
3 developed for disposition of surplus land and facilities under  
4 section 251 of the management and budget act, 1984 PA 431, MCL  
5 18.1251.

6 (f) If the board of directors of an urban high school academy  
7 fails to take any necessary action under this section, the state  
8 treasurer, or his or her designee, may suspend the urban high  
9 school academy board of directors and appoint a trustee to carry  
10 out the board's plan of distribution of assets. Upon appointment,  
11 the trustee shall have all the rights, powers, and privileges under  
12 law that the urban high school academy board of directors had  
13 before being suspended.

14 (g) Following the sale of the real or personal property or  
15 interests in the real or personal property, and after payment of  
16 any urban high school academy debt secured by the property or  
17 interest in property, whether real or personal, the urban high  
18 school academy board of directors, or a trustee appointed under  
19 this section, shall forward any remaining money to the state  
20 treasurer. Following receipt, the state treasurer, or his or her  
21 designee, shall deposit this remaining money in the state school  
22 aid fund.

23 Sec. 561. (1) If an authorizing body issues a contract for a  
24 school of excellence under this part, the authorizing body shall do  
25 all of the following:

26 (a) Ensure that the contract and the application for the  
27 contract comply with the requirements of this part.

28 (b) Within 10 days after issuing the contract, submit to the  
29 department a copy of the contract.

1 (c) Establish the method of selection, length of term, and  
2 number of members of the board of directors of each school of  
3 excellence that it authorizes. The authorizing body shall ensure  
4 that the board of directors includes representation from the local  
5 community.

6 (d) Oversee the operations of each school of excellence  
7 operating under a contract issued by the authorizing body. The  
8 oversight ~~shall~~**must** be sufficient to ensure that the school of  
9 excellence is in compliance with the terms of the contract and with  
10 applicable law. This subdivision does not relieve any other  
11 governmental entity of its enforcement or supervisory  
12 responsibility.

13 (e) Develop and implement a process for holding a school of  
14 excellence board of directors accountable for meeting applicable  
15 academic performance standards set forth in the contract and for  
16 implementing corrective action for a school of excellence that does  
17 not meet those standards.

18 (f) Take necessary measures to ensure that a school of  
19 excellence board of directors operates independently of any  
20 educational management organization involved in the operations of  
21 the school of excellence.

22 (g) Oversee and ensure that the pupil admission process used  
23 by the school of excellence is operated in a fair and open manner  
24 and is in compliance with the contract and this part.

25 (h) Ensure that the board of directors of the school of  
26 excellence maintains and releases information as necessary to  
27 comply with applicable law.

28 **(i) Ensure that a representative of the authorizing body**  
29 **attends each meeting of the board of directors of the school of**

1 excellence.

2 (j) For each meeting of the board of directors of the school  
3 of excellence, prepare a report detailing the authorizing body's  
4 efforts to provide oversight of the school of excellence as  
5 required under subdivision (d) and section 552(8).

6 (k) Present the most recent report prepared under subdivision  
7 (j) at each meeting of the board of directors of the school of  
8 excellence.

9 (l) Ensure that the bylaws adopted by the board of directors of  
10 a school of excellence include a requirement that any act of the  
11 board of directors be approved by a majority of the members serving  
12 on the board.

13 (m) Oversee all contracts entered into by a school of  
14 excellence to ensure that all terms and conditions of the contract  
15 are fulfilled.

16 (2) The authorizing body may enter into an agreement with 1 or  
17 more authorizing bodies, as defined under part 6a, to carry out any  
18 function of the authorizing body under subsection (1)(a) to  
19 ~~(h)~~. (m) .

20 (3) The authorizing body for a school of excellence is the  
21 fiscal agent for the school of excellence. A state school aid  
22 payment for a school of excellence ~~shall~~**must** be paid to the  
23 authorizing body as the fiscal agent for that school of excellence,  
24 and the authorizing body shall then forward the payment to the  
25 school of excellence. Within 30 days after a contract is submitted  
26 to the department by the authorizing body under subsection (1), the  
27 department shall issue a district code to the school of excellence  
28 for which the contract was issued. If the department does not issue  
29 a district code within 30 days after a contract is filed, the state



1 treasurer shall assign a temporary district code in order for the  
2 school of excellence to receive funding under the state school aid  
3 act of 1979.

4 (4) A contract issued under this part may be revoked by the  
5 authorizing body if the authorizing body determines that 1 or more  
6 of the following have occurred:

7 (a) Failure of the school of excellence to demonstrate  
8 improved pupil academic achievement for all groups of pupils or  
9 meet the educational goals set forth in the contract.

10 (b) Failure of the school of excellence to comply with all  
11 applicable law.

12 (c) Failure of the school of excellence to meet generally  
13 accepted public sector accounting principles and demonstrate sound  
14 fiscal stewardship.

15 (d) The existence of 1 or more other grounds for revocation as  
16 specified in the contract.

17 (5) Except for a school of excellence that is an alternative  
18 school serving a special student population, if the department  
19 determines that a school of excellence site that has been operating  
20 for at least 4 years is among the lowest achieving public schools  
21 in this state for the immediately preceding 3 school years, as  
22 determined under **former** section 1280c or **section** 1280g, as  
23 applicable, not to include any individualized education plan  
24 subgroup, the department shall notify the school of excellence's  
25 authorizing body. Subject to subsection (6), if an authorizing body  
26 receives notice from the department under this subsection, the  
27 authorizing body shall notify the school of excellence and amend  
28 the school of excellence's contract to eliminate the school of  
29 excellence's authority to operate the existing age and grade levels

1 at the site and the school of excellence shall cease operating the  
2 existing age and grade levels at the site, effective at the end of  
3 the current school year. Subject to subsection (6), if the school  
4 of excellence operates at only 1 site or is a cyber school, and the  
5 authorizing body receives notice from the department under this  
6 subsection, the authorizing body shall notify the school of  
7 excellence and revoke the school of excellence's contract,  
8 effective at the end of the current school year.

9 (6) For a school of excellence or site that is subject to a  
10 notice to its authorizing body under subsection (5), the department  
11 shall consider other public school options available to pupils in  
12 the grade levels offered by the school of excellence or site who  
13 reside in the geographic area served by the school of excellence or  
14 site. If the department determines that closure of the school of  
15 excellence or site would result in an unreasonable hardship to  
16 these pupils because there are insufficient other public school  
17 options reasonably available for these pupils, the department may  
18 rescind the notice. If the department rescinds a notice subjecting  
19 a school of excellence or site to closure, the department shall do  
20 so before the end of the school year. If the department rescinds a  
21 notice subjecting a school of excellence or site to closure, the  
22 department shall require the school of excellence or site to  
23 implement a school improvement plan that includes measures to  
24 increase pupil growth and improve pupil proficiency, with growth  
25 and proficiency measured by performance on state assessments.

26 (7) Except for a contract issued by a school district pursuant  
27 to a vote by the school electors on a ballot question under section  
28 553(2), and except as otherwise provided in section 552, the  
29 decision of the authorizing body to issue, not issue, or

1 reconstitute a contract under this part, or to terminate or revoke  
2 a contract under this section, is solely within the discretion of  
3 the authorizing body, is final, and is not subject to review by a  
4 court or any other state agency. If the authorizing body issues,  
5 does not issue, or reconstitutes a contract under this part, or  
6 terminates or revokes a contract under this section, the  
7 authorizing body is not liable for that action to the school of  
8 excellence, the school of excellence corporation, a pupil of the  
9 school of excellence, the parent or guardian of a pupil of the  
10 school of excellence, or any other person.

11 (8) Except as otherwise provided in this section, before the  
12 authorizing body revokes a contract, the authorizing body may  
13 consider and take corrective measures to avoid revocation. The  
14 authorizing body may reconstitute the school of excellence in a  
15 final attempt to improve student educational performance or to  
16 avoid interruption of the educational process. The authorizing body  
17 shall include a reconstituting provision in the contract that  
18 identifies these corrective measures, including, but not limited  
19 to, canceling a contract with an educational management  
20 organization, if any, withdrawing approval to contract under  
21 section 560, or appointing a new board of directors or a trustee to  
22 take over operation of the school of excellence.

23 (9) If the authorizing body revokes a contract, the  
24 authorizing body shall work with a school district or another  
25 public school, or with a combination of these entities, to ensure a  
26 smooth transition for the affected pupils. If the revocation occurs  
27 during the school year, the authorizing body, as the fiscal agent  
28 for the school of excellence under this part, shall return any  
29 school aid funds held by the authorizing body that are attributable

1 to the affected pupils to the state treasurer for deposit into the  
2 state school aid fund. The state treasurer shall distribute funds  
3 to the public school in which the pupils enroll after the  
4 revocation pursuant to a methodology established by the department  
5 and the center for educational performance and information.

6 (10) Not ~~more~~**later** than 10 days after a school of  
7 excellence's contract terminates or is revoked, the authorizing  
8 body shall notify the superintendent of public instruction in  
9 writing of the name of the school of excellence whose contract has  
10 terminated or been revoked and the date of contract termination or  
11 revocation.

12 (11) If a school of excellence's contract terminates or is  
13 revoked, title to all real and personal property, interest in real  
14 or personal property, and other assets owned by the school of  
15 excellence ~~shall revert~~**reverts** to ~~the~~**this** state. This property  
16 ~~shall~~**must** be distributed in accordance with the following:

17 (a) Within 30 days following the termination or revocation,  
18 the board of directors of a school of excellence shall hold a  
19 public meeting to adopt a plan of distribution of assets and to  
20 approve the dissolution of the school of excellence corporation,  
21 all in accordance with chapter 8 of the nonprofit corporation act,  
22 1982 PA 162, MCL 450.2801 to 450.2864.

23 (b) The school of excellence shall file a certificate of  
24 dissolution with the department of licensing and regulatory affairs  
25 within 10 business days following board approval.

26 (c) Simultaneously with the filing of the certificate of  
27 dissolution under subdivision (b), the school of excellence board  
28 of directors shall provide a copy of the board of directors' plan  
29 of distribution of assets to the state treasurer for approval.

1 Within 30 days, the state treasurer, or his or her designee, shall  
2 review and approve the board of directors' plan of distribution of  
3 assets. If the proposed plan of distribution of assets is not  
4 approved within 30 days, the state treasurer, or his or her  
5 designee, shall provide the board of directors with an acceptable  
6 plan of distribution of assets.

7 (d) The state treasurer, or his or her designee, shall monitor  
8 the school of excellence's winding up of the dissolved corporation  
9 in accordance with the plan of distribution of assets approved or  
10 provided under subdivision (c).

11 (e) As part of the plan of distribution of assets, the school  
12 of excellence board of directors shall designate the director of  
13 the department of technology, management, and budget, or his or her  
14 designee, to dispose of all real property of the school of  
15 excellence corporation in accordance with the directives developed  
16 for disposition of surplus land and facilities under section 251 of  
17 the management and budget act, 1984 PA 431, MCL 18.1251.

18 (f) If the board of directors of a school of excellence fails  
19 to take any necessary action under this section, the state  
20 treasurer, or his or her designee, may suspend the school of  
21 excellence board of directors and appoint a trustee to carry out  
22 the board's plan of distribution of assets. Upon appointment, the  
23 trustee shall have all the rights, powers, and privileges under law  
24 that the school of excellence board of directors had before being  
25 suspended.

26 (g) Following the sale of the real or personal property or  
27 interests in the real or personal property, and after payment of  
28 any school of excellence debt secured by the property or interest  
29 in property, whether real or personal, the school of excellence

1 board of directors, or a trustee appointed under this section,  
2 shall forward any remaining money to the state treasurer. Following  
3 receipt, the state treasurer, or his or her designee, shall deposit  
4 this remaining money in the state school aid fund.

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