

# SENATE BILL NO. 946

June 26, 2024, Introduced by Senators CAMILLERI, BAYER, GEISS, MCMORROW, CAVANAGH, CHANG, IRWIN, MOSS and SHINK and referred to the Committee on Education.

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 2023 PA 34.

**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 must be  
11 sufficient to ensure that the board of directors is in compliance  
12 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) Not less than 2 times per year, prepare a report detailing  
3 the authorizing body's efforts to provide oversight of the public  
4 school academy as required under subdivision (d) and section  
5 502(4).

6 (k) Present the report prepared under subdivision (j) at not  
7 less than 2 meetings of the board of directors of the public school  
8 academy each year.

9 (l) Ensure that bylaws adopted by the board of directors of a  
10 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 must be paid to the authorizing  
22 body that is the fiscal agent for that public school academy, and  
23 the authorizing body shall then forward the payment to the public  
24 school academy. Within 30 days after a contract is submitted to the  
25 department by an authorizing body under subsection (1), the  
26 department shall issue a district code to the public school academy  
27 for which the contract was issued. If the department does not issue  
28 a district code within 30 days after a contract is filed, the state  
29 treasurer shall assign a temporary district code in order for the

1 public school academy to receive funding under the state school aid  
2 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 5% of  
20 public schools in this state for the immediately preceding 3 school  
21 years, as determined under federal accountability requirements as  
22 provided under the every student succeeds act, Public Law 114-95,  
23 not to include any individualized education plan subgroup, the  
24 department shall notify the public school academy's authorizing  
25 body. Subject to subsection (6), if an authorizing body receives  
26 notice from the department under this subsection, the authorizing  
27 body shall notify the public school academy and amend the public  
28 school academy's contract to eliminate the public school academy's  
29 authority to operate the existing age and grade levels at the site

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

9 (6) For a public school academy 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 public school academy or site who  
13 reside in the geographic area served by the public school academy  
14 or site. If the department determines that closure of the public  
15 school academy 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 public school academy 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 public school academy or site to closure, the  
22 department shall require the public school academy 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 as otherwise provided in section 502 or 503, the  
27 decision of an authorizing body to issue, not issue, or  
28 reconstitute a contract under this part, or to terminate or revoke  
29 a contract under this section, is solely within the discretion of

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

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

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

1 school in which the pupils enroll after the revocation pursuant to  
2 a methodology established by the department and the center for  
3 educational performance and information created under section 94a  
4 of the state school aid act of 1979, MCL 388.1694a.

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

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

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

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

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

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

1 body.

2 (e) Develop and implement a process for holding an urban high  
3 school academy board of directors accountable for meeting  
4 applicable academic performance standards set forth in the contract  
5 and for implementing corrective action for an urban high school  
6 academy that does not meet those standards.

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

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

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

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

20 **(j) Not less than 2 times per year, prepare a report detailing**  
21 **the authorizing body's efforts to provide oversight of the urban**  
22 **high school academy as required under subdivision (d).**

23 **(k) Present the report prepared under subdivision (j) at not**  
24 **less than 2 meetings of the board of directors of the urban high**  
25 **school academy each year.**

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



1           **(m) Oversee all contracts entered into by the urban high**  
2 **school academy to ensure that all terms and conditions of the**  
3 **contract are fulfilled.**

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

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

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

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

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

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

1 fiscal stewardship.

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

4 (5) Except for an urban high school academy that is an  
5 alternative school serving a special student population, if the  
6 department determines that an urban high school academy site that  
7 has been operating for at least 4 years is among the lowest  
8 achieving 5% of public schools in this state for the immediately  
9 preceding 3 school years, as determined under federal  
10 accountability requirements as provided under the every student  
11 succeeds act, Public Law 114-95, not to include any individualized  
12 education plan subgroup, the department shall notify the urban high  
13 school academy's authorizing body. Subject to subsection (6), if an  
14 authorizing body receives notice from the department under this  
15 subsection, the authorizing body shall notify the urban high school  
16 academy and amend the urban high school academy's contract to  
17 eliminate the urban high school academy's authority to operate the  
18 existing age and grade levels at the site and the urban high school  
19 academy shall cease operating the existing age and grade levels at  
20 the site, effective at the end of the current school year. Subject  
21 to subsection (6), if the urban high school academy operates at  
22 only 1 site, and the authorizing body receives notice from the  
23 department under this subsection, the authorizing body shall notify  
24 the urban high school academy and revoke the urban high school  
25 academy's contract, effective at the end of the current school  
26 year.

27 (6) For an urban high school academy or site that is subject  
28 to a notice to its authorizing body under subsection (5), the  
29 department shall consider other public school options available to

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

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

28 (8) Except as otherwise provided in this section, before an  
29 authorizing body revokes a contract, the authorizing body may

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

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

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

29 (11) If an urban high school academy's contract terminates or

1 is revoked, title to all real and personal property, interest in  
2 real or personal property, and other assets owned by the urban high  
3 school academy ~~shall revert~~ **reverts** to the state. This property  
4 must be distributed in accordance with the following:

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

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

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

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

28 (e) As part of the plan of distribution of assets, the urban  
29 high school academy board of directors shall designate the director

1 of the department of technology, management, and budget, or the  
2 director's designee, to dispose of all real property of the urban  
3 high school academy corporation in accordance with the directives  
4 developed for disposition of surplus land and facilities under  
5 section 251 of the management and budget act, 1984 PA 431, MCL  
6 18.1251.

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

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

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

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

29 (b) Within 10 days after issuing the contract, submit to the

1 department a copy of the contract.

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

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

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

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

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

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

29 **(i) Ensure that a representative of the authorizing body**

1 attends each meeting of the board of directors of the school of  
2 excellence.

3 (j) Not less than 2 times per year, prepare a report detailing  
4 the authorizing body's efforts to provide oversight of the school  
5 of excellence as required under subdivision (d) and section 552(8).

6 (k) Present the report prepared under subdivision (j) at not  
7 less than 2 meetings of the board of directors of the school of  
8 excellence each year.

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 must be paid to the authorizing  
23 body as the fiscal agent for that school of excellence, and the  
24 authorizing body shall then forward the payment to the school of  
25 excellence. Within 30 days after a contract is submitted to the  
26 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 5% of public  
21 schools in this state for the immediately preceding 3 school years,  
22 as determined under federal accountability requirements as provided  
23 under the every student succeeds act, Public Law 114-95, not to  
24 include any individualized education plan subgroup, the department  
25 shall notify the school of excellence's authorizing body. Subject  
26 to subsection (6), if an authorizing body receives notice from the  
27 department under this subsection, the authorizing body shall notify  
28 the school of excellence and amend the school of excellence's  
29 contract to eliminate the school of excellence's authority to

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

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

27 (7) Except for a contract issued by a school district pursuant  
28 to a vote by the school electors on a ballot question under section  
29 553(2), and except as otherwise provided in section 552, the

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

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

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

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

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

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

18 (a) Within 30 days following the termination or revocation,  
19 the board of directors of a school of excellence shall hold a  
20 public meeting to adopt a plan of distribution of assets and to  
21 approve the dissolution of the school of excellence corporation,  
22 all in accordance with chapter 8 of the nonprofit corporation act,  
23 1982 PA 162, MCL 450.2801 to 450.2864.

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

27 (c) Simultaneously with the filing of the certificate of  
28 dissolution under subdivision (b), the school of excellence board  
29 of directors shall provide a copy of the board of directors' plan

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

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

12 (e) As part of the plan of distribution of assets, the school  
13 of excellence board of directors shall designate the director of  
14 the department of technology, management, and budget, or the  
15 director's designee, to dispose of all real property of the school  
16 of excellence corporation in accordance with the directives  
17 developed for disposition of surplus land and facilities under  
18 section 251 of the management and budget act, 1984 PA 431, MCL  
19 18.1251.

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

28 (g) Following the sale of the real or personal property or  
29 interests in the real or personal property, and after payment of

1 any school of excellence debt secured by the property or interest  
2 in property, whether real or personal, the school of excellence  
3 board of directors, or a trustee appointed under this section,  
4 shall forward any remaining money to the state treasurer. Following  
5 receipt, the state treasurer, or the state treasurer's designee,  
6 shall deposit this remaining money in the state school aid fund.