Requires the state board of education to adopt: (1) A comprehensive set of objective improvement standards that schools and school districts must meet annually that are in addition to the standards established by the federal no child left behind act of 2001;

- (2) An objective, systematic set of criteria to identify consistently high performing schools that show exemplary progress with respect to meeting state and federal academic standards and a system of monetary and nonmonetary rewards for such schools; and
- (3) A program of progressive interventions for schools or school districts that fail to meet the annual improvement standards adopted by the board pursuant to this act.

Provides that, by December 1, 2007, the board shall report to the K-12 education committees of the house of representatives and the senate regarding the objective improvement standards, criteria for consistently high performing schools, monetary and nonmonetary rewards, and program of progressive interventions the board has adopted as required by this act.

Requires that, if approved by the legislature, the board shall implement the objective improvement standards, criteria for consistently high performing schools, rewards, and program of progressive interventions no later than September 1st following the legislature's approval.