

# House Education Committee

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James N. Goenner, President & CEO  
National Charter Schools Institute

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## *A Nation at Risk: The Imperative for Educational Reform*

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“The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and as a people.”

- April 26, 1983

## How Did We Respond?

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1. Some condemned the report and its findings. Some embraced it and initiated reform efforts. Others ignored it.
2. Reform efforts included:
  - Demonstration projects to spread best practices,
  - Restructuring and retooling,
  - Mandates and increased regulation,
  - Threats and exhortation, and
  - More money,
  - None of which have really accomplished the mission.

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## What Did We Learn?

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1. The pace of change in education is very slow.
2. The educational imperative that our children and our country face is not enough to cause dramatic improvements.
3. Having a vision for educational excellence is not enough.
4. Don't put all your reform efforts into one basket.
5. If student performance is going to significantly improve, the educational system has to be redesigned.

# Who Has the Authority to Redesign the Educational System?

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## The Governor and the Legislature

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## Michigan's Constitution Makes Public Education a Legislative Priority

*"Religion, morality  
and knowledge being  
necessary to good  
government and the  
happiness of  
mankind, schools and  
the means of  
education shall  
forever be  
encouraged."*

- Article 8, Section 1

*"The legislature shall  
maintain and support  
a system of free public  
elementary and  
secondary schools as  
defined by law."*

- Article 8, Section 2

## Legislature Has Plenary Authority Over Education

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- For example, the Legislature has the authority to create or abolish local school districts.<sup>1</sup>
- There also is no constitutional requirement that:
  - Schools be under the control of the voters of a school district;<sup>2</sup>
  - Members of a school district board be elected by the local voters;<sup>3</sup>

1. Source: Citizen Research Council, Report 359, January 2010, page 4

2-3. Source: Michigan Supreme Court, Council of Organizations v. Governor, July 30, 1997, page 15, 17

## Ways the Legislature Can Use Its Authority to Improve the Educational System

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1. Challenge the “givens” of the educational system.
2. Create the conditions that attract and reward human creativity and entrepreneurship.
3. Eliminate unnecessary rules and regulations that distract schools from their core mission.
4. Establish clear performance expectations and ensure they are enforced.
5. Empower and involve parents by ensuring they have a diverse array of quality educational options from which they can choose.
6. Recognize and reward excellence!

# What Was the Thinking Behind the Improvement Strategy Called Chartering?

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1. States should withdraw the exclusive geographic franchises given to school districts.
2. States should create a way to establish new public schools that create competition for existing schools and provide parents with choice.
3. These new public schools should be authorized by an entity that oversees and holds them accountable, but unlike a school district does not own or operate the school.
4. These new public schools should be freed from unnecessary rules and regulations, in exchange for producing results.
5. These new public schools should be dually accountable: to the marketplace of parental choice and to the standards of the public interest.

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## Overview of Michigan's Charter Law

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1. Establishes four types of authorizing bodies. The governing boards of the following:
  - State universities
  - Community colleges
  - Intermediate school districts
  - Local school districts
2. Allows authorizers to charter schools only within their geographic borders.
3. Limits or “caps” the number of schools that can be collectively authorized by state universities at 150.

## Overview of Michigan's Charter Law

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4. Requires authorizers to function as state agents responsible for quality control.
5. Requires authorizers to issue charters on a competitive basis.
6. Requires a detailed application to be submitted to the authorizing body.
7. The authorizing body must give consideration to the following:
  - The resources the applicant has to start a school
  - The student population to be served
  - The educational goals to be achieved
  - The applicants track record

## Overview of Michigan's Charter Law

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8. An authorizing body is not required to issue a charter to anyone.
9. If an authorizing body issues a charter, they must file the application and contract with the Michigan Department of Education.
10. Requires a charter contract to include at least the following:
  - a. Educational goals to be achieved and the methods by which the school will be held accountable.
  - b. Method to monitor schools compliance with applicable law and its performance in meeting educational goals.

## Overview of Michigan's Charter Law

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10. Requires a charter contract to include at least the following:
- c. Process for amending the charter contract.
  - d. All matters set forth in charter application.
    - Identification of the applicant.
    - List of proposed board members, qualifications and method of appointment.
    - Proposed articles of incorporation.
    - Proposed bylaws and governance structure.
    - Educational goals, curricula and methods of pupil assessment, including the MEAP/MME.

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## Overview of Michigan's Charter Law

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10. Requires a charter contract to include at least the following:
- d. All matters set forth in charter application (continued).
    - Process for notifying the public that the schools is being created and information regarding students admissions policy.
    - School calendar and day schedule.
    - Age or grade range of students to be served.
    - Description of staff responsibilities and governance structure.
    - Identification of local and intermediate school district where school will be located.

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## Overview of Michigan's Charter Law

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10. Requires a charter contract to include at least the following:
  - d. All matters set forth in charter application (continued).
    - An agreement to comply with all applicable state and federal law.
  - f. Description of physical plant where school will be located.
  - g. Requirements for annual financial audit.
11. Requires an authorizing body to conduct sufficient oversight so as to be able to certify that the school is in compliance with statute, rules and the terms of the charter contract.

## Overview of Michigan's Charter Law

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12. Allows state superintendent to suspend the power of an authorizing body that is found not to be conducting appropriate oversight.
13. Prohibits authorizing body from charging a fee for considering charter applications or issuing charter contracts.
14. Allows authorizing body to collect up to 3% of the schools state aid in order to conduct its authorizing, oversight, accountability and limited fiscal agent duties.

## Overview of Michigan's Charter Law

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15. Requires a charter school to comply with the OMA and the FOIA.
16. As governmental entities, charter schools are tax exempt.
17. Prohibits charter schools from levying taxes.
18. Allows charter schools to own or lease their facilities.
19. Prohibits charter schools from charging tuition or discriminating in their student admissions practices.
20. Requires charter schools authorized by universities or community colleges to be open to all students who reside in the state.

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## Overview of Michigan's Charter Law

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21. Requires charter schools to use a random selection drawing if more students apply than there are spaces available.
22. With the approval of the authorizing body, a charter school may serve any grade(s) ranging from K – 12.
23. Requires charter schools to use certified teachers.
24. Allows authorizing body to revoke a charter contract for:
  - Failure to meet educational goals.
  - Failure to comply with all applicable law.
  - Failure to meet public sector accounting principles.
  - Other grounds as specified in charter contract.

## Overview of Michigan's Charter Law

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25. Provides for mandatory closure of a charter school that has operated for at least four years, is among the lowest achieving 5% of all public schools in the state, and is in year 2 of restructuring sanctions under NCLB.

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## New Oversight & Accountability Requirements in Senate Bill 618

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1. Requires educational goals to include demonstrated improved pupil academic achievement for all groups of pupils.
2. Clarifies that charter schools are also subject to the oversight and enforcement responsibilities of other governmental agencies.
3. Requires the following items to be included in a charter contract:
  - a. The term of the contract and the standards for renewal which shall include increases in academic achievement for all groups of pupils as the most important factor in the decision of whether or not to renew the charter contract.

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## New Oversight & Accountability Requirements in Senate Bill 618

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3. Requires the following items to be included in a charter contract (continued):
  - b. A certification signed by a member of the charter school board agreeing to comply with the contract and applicable law.
  - c. Prohibitions against specifically prohibited relationships between board members, family members, management and staff.
  - d. Public disclosure of the following information:
    - The charter contract.

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## New Oversight & Accountability Requirements in Senate Bill 618

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3. Requires the following items to be included in a charter contract (continued):
  - d. Public disclosure of the following information (continued):
    - List of school board members, including address and term of office.
    - Policies approved by school board.
    - School board agendas and meeting minutes.
    - Budget and budget amendments.
    - Copies of bills for more than \$10,000.
    - Quarterly financial reports.

## New Oversight & Accountability Requirements in Senate Bill 618

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3. Requires the following items to be included in a charter contract (continued):
  - d. Public disclosure of the following information (continued):
    - List of teachers and administrators, including individual salaries.
    - Copies of teaching certificates, evidence of compliance with criminal background and unprofessional disclosure checks.
    - Curriculum documents and materials.
    - Proof of insurance.

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## New Oversight & Accountability Requirements in Senate Bill 618

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3. Requires the following items to be included in a charter contract (continued):
  - d. Public disclosure of the following information (continued):
    - Facility leases and deeds; and any equipment leases.
    - Management or service contracts.
    - Health and safety reports and certificates, including fire, environmental, asbestos, boiler and food service.
    - Financial management letter issued with audit.

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## New Oversight & Accountability Requirements in Senate Bill 618

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4. Requires authorizing body to review any agreement between a charter school board and an educational management organization before the agreement is final and valid.
5. Requires charter school to have an open enrollment period for at least 2 weeks and includes evening and weekend times.
6. Prohibits charter school board from compensating a person for more than one full-time position.
7. Requires charter school board members to take the constitutional oath of office.

## New Oversight & Accountability Requirements in Senate Bill 618

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8. Requires an authorizing body to do the following:
  - a. Ensure the charter application and contract comply with law.
  - b. File charter contract with MDE within 10 days.
  - c. Establish method of selection, terms and local representation of charter school boards.
  - d. Oversee the schools compliance with the charter contract and all applicable law.

## New Oversight & Accountability Requirements in Senate Bill 618

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8. Requires an authorizing body to do the following (continued):
  - e. Hold schools accountable for meeting applicable academic performance standards and implement corrective action for those that don't meet performance standards.
  - f. If a charter school board contracts with an educational management company, ensure it operates independently.
  - g. Ensure the pupils admissions process is fair and open.
  - h. Ensure the charter application and contract comply with law.

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## New Oversight & Accountability Requirements in Senate Bill 618

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8. Requires an authorizing body to do the following (continued):
  - i. Ensure the charter school maintains and releases public information as required by law.
  - j. Serve as the fiscal agent for state school aid payments.
  - k. Consider revocation for a charter school that fails to:
    - Demonstrate improved academic achievement for all groups of pupils.
    - Comply with all applicable law.
    - Meet public sector accounting principles and demonstrate sound fiscal stewardship.
    - Fulfill other obligations as specified in its charter.

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## New Oversight & Accountability Requirements in Senate Bill 618

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8. Requires an authorizing body to do the following (continued):
  - I. Consider taking corrective action to avoid revocation to avoid interruption of the educational process.
9. If an authorizing body revokes a charter contract, they must work to ensure a smooth transition for affected students, return any state aid to the state treasurer and notify the state superintendent in writing.

## What Has 15 Years of Chartering Taught Us?

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1. Parents like choice – approximately 115,000 Michigan students are in a charter school today.
2. Charter schools never received the regulatory freedom they were promised.
3. Charter schools operate in rural, suburban and urban communities. However, the majority are located in urban areas.
4. Charter schools have been able to operate with significantly less money than their district counterparts.
5. The status quo is a force to be reckoned with.

## More Lessons From the Past 15 Years

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6. Establishing, measuring, and enforcing performance standards is easier said than done. The MEAP has been inadequate for measuring student growth and achievement.
7. Closing schools that don't perform is difficult, but doable.
8. The demand for high performing schools is greater than the supply.
9. Providing access to existing facilities would accelerate reform and benefit taxpayers.
10. America is the real experiment.

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## Questions & Discussion

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THANK YOU!