



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
STATE SUPERINTENDENT

June 10, 2013

MEMORANDUM

TO: State Board of Education

FROM: Casandra Ulbrich, Chair
State Board of Education Legislative Committee

SUBJECT: Approval of State Board of Education Statement on
Charter School Oversight

The State Board of Education Legislative Committee met on June 10, 2013. Based on discussion at that meeting, the full Board is being asked to approve the State Board of Education Statement on Charter School Oversight (Attachment A).

It is recommended that the State Board of Education approve the Statement on Charter School Oversight, as attached to the memorandum from Casandra Ulbrich, Chair, State Board of Education Legislative Committee, dated June 10, 2013.

STATE BOARD OF EDUCATION

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State Board of Education Statement
Charter School Oversight

June 10, 2013

The State Board of Education recognizes that the Michigan Department of Education does not have the statutory ability to ensure that public school academy (PSA) contracts are complete and compliant. While the Department has worked intently to make sure that state and federal laws are complied with by conducting reviews on every new PSA contract, it lacks the ability to require contracts to be complete and compliant with state and/or federal law. Even though authorizers have been informed as to what a contract must contain, incomplete and statutorily non-compliant contracts have been submitted to the Department on several occasions. In order to prevent such contracts from continuing to be submitted, the State Board of Education respectfully requests that the following statutory language changes be considered to the Revised School Code (380.507):

380.507.amended Authorizing bodies; duties; powers; fiscal agent; revocation of contract; notice of certain conditions; decision to issue, not issue, or reconstitute contract, or terminate or revoke contract; discretion; corrective measures; ensuring smooth transition for affected pupils upon revocation of contract; notice to superintendent of public instruction.

Sec. 507. (1) An authorizing body that issues a contract for a public school academy under this part shall do all of the following:

- (a) Ensure that the contract and the application for the contract comply with the requirements of this part.
 - (b) Within 10 days after issuing the contract, submit to the department a copy of the **COMPLETE** contract **THAT COMPLIES WITH ALL STATE AND FEDERAL REQUIREMENTS.**
 - (c) Establish the method of selection, length of term, and number of members of the board of directors of each public school academy that it authorizes. The authorizing body shall ensure that the board of directors includes representation from the local community.
 - (d) Oversee each public school academy operating under a contract issued by the authorizing body. The oversight shall be sufficient to ensure that the board of directors is in compliance with the terms of the contract and with applicable law.
 - (e) Develop and implement a process for holding a public school academy accountable for meeting applicable academic performance standards set forth in the contract and for implementing corrective action for a public school academy that does not meet those standards.
 - (f) Take necessary measures to ensure that the board of directors of a public school academy operates independently of any educational management company involved in the operations of the public school academy.
 - (g) Oversee and ensure that the pupil admission process used by the public school academy is operated in a fair and open manner and is in compliance with the contract and this part.
 - (h) Ensure that the board of directors of the public school academy maintains and releases information as necessary to comply with applicable law.
- (2) An authorizing body may enter into an agreement with 1 or more other authorizing bodies to carry out any function of an authorizing body under this act.
- (3) The authorizing body for a public school academy is the fiscal agent for the public school academy. A state school aid payment for a public school academy shall be paid to the authorizing body that is the fiscal agent for that public school academy, and the authorizing body shall then forward the payment to the public school academy. ~~Within 30 days after a contract is submitted to the department by an authorizing body under subsection (1), the department shall issue a district code to the public school academy for which the contract was issued.~~ **UPON RECEIPT OF A COPY OF A CONTRACT, THE DEPARTMENT WILL INITIATE A TECHNICAL COMPLIANCE REVIEW THAT SERVES TO ENSURE THE CONTRACT INCLUDES ALL REQUIRED COMPONENTS AS SET FORTH WITHIN THIS ACT. ONCE ALL COMPLIANCE ISSUES ARE ADDRESSED, THE DEPARTMENT HAS 30 DAYS WITH WHICH TO ISSUE A DISTRICT CODE.** If the department does not issue a district code within 30 days after a **COMPLETE AND COMPLIANT** contract is filed, the state treasurer shall assign a temporary district code in order for the public school academy to receive funding under the state school aid act of 1979.