

Proposed Framework for  
Authorizer Review:  
A Discussion with Stakeholders

*Michigan Department of Education*

*July 30, 2014*

# Welcome & Overview

# Objectives for this Meeting

- Provide stakeholders in Michigan with an overview of considerations for suspension of authorizing of PSAs
- Receive written and verbal feedback from stakeholders in Michigan about authorizer oversight considerations

# Authority

MCL 380.502 Excerpt:

(5) If the superintendent of public instruction finds that an authorizing body is not engaging in ***appropriate continuing oversight*** of 1 or more public school academies operating under a contract issued by the authorizing body, the superintendent of public instruction may suspend the power of the authorizing body to issue new contracts to organize and operate public school academies.

# Immediate Goals of this Framework

- In order to make decisions regarding suspension of authorizing, MDE needs:
  - Standards/metric that are currently used and widely known (many of these are in law or our current accountability system)
  - “Minimum acceptable threshold” rules
  - Established practices for schools and authorizers based on best practices and collective input

# Future Goals

- 1) In each of the areas, identify further considerations for accountability—for both traditional districts and PSAs
- 2) Engage in a discussion about what authorizing oversight can/should look like to foster sustainable, high-quality education for all students

# Process for Today

- Presentation of proposed areas of accountability
  - Please hold questions until the end of each section of the presentation if possible
- Discussion and feedback:
  - Questions on each area (if applicable)
  - Individual thoughts/considerations about immediate and future opportunities to improve accountability
  - Small group discussion about these improvements
  - General concerns/questions

# Framework Review



# Authorizer Performance

Name	Contracts	Transparency	Portfolio Performance	A&V	Fiscal

**Contracts.** In accordance with w/Revised School Code & State Aid Act (Complete & Compliant per Contract Checklist)

**Transparency.** Transparency Mitten (Website) & 2014-2015 Approved Annual Budget

**Portfolio Performance.** Top to Bottom List, Priority/Focus/Reward (Composite Ranking & P/F/R Count) & Improvement Index

**Assurance & Verification.** Refined Checklist & Public Disclosure (A&V Program)

**Fiscal.** Late Audits, Findings & Deficit (Audits)

# Overview of (PSA) Contracts

- Authorizers develop a charter contract with individual PSAs and their Boards
  - MDE maintains (annually) a Contract Checklist, based on best practices as identified by the Michigan Council of Charter School Authorizers.
  - Contracts address a broad range of considerations, including operations, financial and academic practices, and expected outcomes
- Contract consideration can extend to other contracted services for ALL schools (not just PSAs)

# PSA Contracts

- Initial Focus on Adherence to the Revised School Code, Especially Section 380.503(6).
  - Shall contain all items listed within the body of the most recent iteration of the MDE Contract Checklist.
  - Will permit limited time to address missing items or necessary modifications.
- Areas for future focus may include:
  - Oversight to ensure that PSAs properly execute the approved charter contract.
  - Evaluating contract quality.
  - Others?

# Comments and Discussion

Based upon information shared today regarding PSA contracts, what:

- Should be considered in reviewing current authorizer/school oversight and support?
- Should be considered for future legislative action to strengthen authorizer oversight?
- (following discussion) Need further clarification or insight?

# PSA/District Transparency

- General considerations for transparency
  - Access to appropriate information to make decisions
  - Transparency and judgment are separate issues
- How is this implemented?
  - Schools and LEAs provide data to the state in several areas, as required by legislation
  - Considerable data is made publicly available
  - Schools are required to post a “Transparency Mitten” on their public website



# PSA/District Transparency

- Initial Focus for Review of Authorizers:
  - Presence of Transparency Mitten
  - PSA's Approved 2014-2015 Annual Budget
- Future Focus:
  - Applied to both LEAs and PSAs
  - Implications if not meeting requirements
  - Improved quality of reporting (both in data quality and verification, and definition of data required for transparency)

# Comments and Discussion

Based upon information shared today regarding transparency, what...

- Should be considered in reviewing current authorizer/school oversight and support?
- Should be considered for future legislative action to strengthen authorizer oversight?
- (following discussion) Need further clarification or insight?

# Portfolio Performance

- PSA Authorizers maintain a “portfolio” of charter schools that they oversee
  - Focus is on providing a quality education
  - Metrics focus on proficiency, growth, and achievement gaps in all subjects
  - Schools have existing accountability considerations in place; our goal to improve authorizer oversight is to extend accountability to the authorizer as based within the contract and on performance measures



# Portfolio Performance

- Initial Focus for Review:
  - “Top to Bottom”-based mechanisms
  - Authorizer portfolio composite performance
  - Priority, Focus & Reward Status over time
  - Improvement index
- Future Focus:
  - Other measures?
  - Scorecard-based measure?

# Comments and Discussion

Based upon information shared today, what considerations for academic performance of schools in an authorizer portfolio...

- Should be considered in reviewing current authorizer/school oversight and support?
- Should be considered for future legislative action to strengthen authorizer oversight?
- (following discussion) Need further clarification or insight?

# Assurance & Verification Program

- MDE has provided this program as an optional technical assistance process to support PSAs
  - Site visits conducted every three years; six month return for those needing added support
  - Feedback is provided to support operations and improve educational quality
  - Process was developed collaboratively with various organizations focused on charter school quality and best practice operations

# Assurance & Verification Program

- Would not be used for immediate decisions, as process was optional and for the purpose of TA, not high-stakes decisions
- Future Focus on the A&V Program may involve:
  - Codification in law
  - Making the results public
  - Make process more rigorous
  - Collaborative effort Between MDE & the Council of Authorizers
  - Utilize the National Association of Charter School Authorizers' Three Core Principles of Authorizing

# Comments and Discussion

Based upon information shared today, what enhancements to the assurance and verification program...

- Should be considered in reviewing current authorizer/school oversight and support?
- Should be considered for future legislative action to strengthen authorizer oversight?
- (following discussion) Need further clarification or insight?

# Fiscal Considerations

- All PSAs and LEAs have fiscal responsibilities and reporting obligations:
  - Governed through state and federal law with respect to state aid, pupil accounting, and Title program funding
  - Audit reports and program monitoring provide valuable information regarding potential fiscal problems or mismanagement
  - Audit findings and deficits are the most common issues for all

# Fiscal Review Considerations

- Initial Focus for Authorizers:
  - Financial information more readily available
  - Late audits, audit findings and deficits
- Future Focus:
  - Financial Independence Team (FIT) Results
  - Fund Balance/Fund Equity (sustainability)
  - Fair market value of lease and management agreements
  - Travel and Credit Cards
  - Others?

# Comments and Discussion

Based upon information shared today regarding fiscal information and practices, what...

- Should be considered in reviewing current authorizer/school oversight and support?
- Should be considered for future legislative action to strengthen authorizer oversight?
- (following discussion) Need further clarification or insight?



# Next Steps

- Stakeholder feedback
- Establish weighting of each element of the framework
- Develop rigorous Assurance and Verification checklist
- Clearly define reporting expectations and timelines for future areas of focus
- Legislative outreach on both near-term and long-term legislative changes

# Closing Discussion