



HANDBOOK FOR DISTRICT AUTHORIZERS

Overview	Page 1
Important Considerations	Page 5
Self-Assessment Tools	Page 13
Resource Directory	Page 16

Public School Academies,
Office of Education Improvement & Innovation
608 West Allegan Street
P.O. Box 30008
Lansing, Michigan 48909
Phone: 517-373-4631
www.michigan.gov/charters

Overview

A growing number of Michigan school districts are expressing interest in becoming authorizers of charter public schools (or public school academies, as they are identified in state law). As district leaders explore the nature of this work, they are beginning to encounter a series of common opportunities, challenges, and concerns.

In response to the questions raised by would-be district authorizers, the Public School Academies (PSA) unit within the Michigan Department of Education (MDE) has undertaken a comprehensive review of literature pertaining to school district authorizing experiences. This handbook builds upon that research to suggest a sound framework for future district-level decision-making and to identify resources that can support new authorizers as they adapt to this additional set of responsibilities.

Statutory Basics

The roles and responsibilities associated with becoming a charter school authorizer are clearly laid out and defined. It is essential for district leaders to understand the duties they will assume.

Michigan law states that a charter school must be organized and administered under the direction of a nonprofit board of directors. That board of directors is not the same school board that governs the local public school district. It is a separate legal entity and is governed by an independent group of community leaders who have the capacity needed to lead a public school.

The new nonprofit, charter school board of directors may receive a charter contract from the local school district board. Because the school district board will hold the charter school board accountable for a certain set of academic and operational performance results, it is important to ensure an appropriate arms-length relationship between the two public bodies. There can be no board members in common, and any related staffing and service agreements must be clearly defined to ensure that conflicts of interest are carefully avoided.

It is also important to note that the new charter school is free and open to all students by parent selection, pursuant to Michigan law. If the number of students seeking admission exceeds the number of available seats, the charter school must utilize a random selection process to determine which pupils will be enrolled. Discrimination is prohibited. Thus, the authorizing school district is not able to decide which students will be served by the charter school and cannot compel the new charter school to provide specific enrollment priorities for any individual student or groups of students.

Charter schools in Michigan are subject to essentially the same legal requirements as all other public schools. They must comply with state and federal requirements related to health and safety, staffing, management and accountability, and transparency just like any other public school. Language contained in Act 277 of 2011 increases the amount of information charter schools and management companies must provide to the public, especially as it relates to financial reporting and the disclosure of operating expenses.

Recent changes in the law has removed the requirement that authorizing contracts issued by school districts that requires all charter school employees to be included in the school district's bargaining units. Thus, regardless of the employment relationships for the charter school staff, they are no longer required to be subject to existing union contracts.

Any Michigan school district that currently serves grades K-12 can choose to act as an authorizer. They may charter an unlimited number of schools within its geographic boundaries. Additionally, recent legislation has also permitted two or more types of authorizers to enter into interlocal governmental agreements for the purposes of chartering schools. Depending on the types of authorizers participating in the agreement, the geographic boundaries may be expanded significantly.

As an authorizer, the K-12 school district is responsible for all of the following minimal activities under Michigan law:

- Reviewing applications and awarding charters to qualified applicants,
- Establishing the method of selection and appointment for board members,
- Issuing charter contracts that include clear expectations for performance,
- Acting as a fiscal agent for state school aid funds,
- Ensures the charter school follows applicable state and federal law,
- Gathering and evaluating data related to school compliance and performance, and ultimately,
- Taking action based on a school's performance relative to the expectations set forth in the charter contract, and
- Uses academic achievement as the most important factor in determining whether a charter school contract should be renewed.

No formal MDE filing or approval is required for a K-12 school district to become an authorizer. Pursuant to Michigan Codified Law (MCL) 502(3), the school district must notify MDE of its actions and provide a single copy of the charter contract to the Superintendent of Public Instruction within ten (10) days of approval.

State law permits an authorizer to retain up to 3% of the total state school aid received by the charter school. The authorizer may provide other services to a charter school it authorizes for a fee, but shall not require such an arrangement as a condition to issuing the charter contract. Pursuant to MCL 502(6), no fee or reimbursement can be charged for considering an application, for issuing a contract, or for providing oversight of a contract for a charter school in an amount that exceeds a combined total of 3% of the total state aid received by the charter school in the year in which the fees or expenses are charged.

?

Can I “convert” an existing public school in my district into a charter under Michigan law?

State statute does not provide a process for immediate “conversion” of a traditional district school. However, a school district can certainly close one of its buildings and issue a charter contract to a nonprofit, charter school corporation to operate in that location or neighborhood. This has happened on a relatively limited basis in the past even though it remains one of the four options for restructuring pursuant to No Child Left Behind school reform models.

?

If my district wishes to start a charter school, why must we act as the authorizer? Why don't we just run the school and get a contract from a public university or other existing authorizer?

While there is no specific prohibition against this approach, starting a PSA does not normally make good practical or economic sense unless a separate governance structure is helpful or needed. School districts can open new schools and reallocate resources at any time without a charter. Any school district wishing to pursue this approach should closely examine the potential litigation that may be forthcoming as the new charter school can be seen as a related entity for labor purposes.

?

Can my school district provide management, instructional or support services to the new charter school? Can district teachers work at the new charter school?

Michigan law permits district staff to provide fee-based services to a charter school it authorizes as long as conflicts of interest are carefully managed and the service arrangement is not made a condition of receiving a charter. Schools are advised to consult legal counsel to ensure such service agreements are properly structured and completed. An incomplete charter may delay access to state aid.

?

Our school district does not offer Schools of Choice. Would the new charter school be able to accept students from outside the district?

Yes. Pursuant to MCL 504(3), charter schools have a statewide geographic boundary. A charter school must be open to all pupils whose parent or guardian resides within the geographic boundaries of the state. A charter school may not be selective or screen out students based on disability, race, religion, gender, test scores, etc.

As mentioned previously, if the number of students seeking admission exceeds the number of available seats, the charter school must utilize a random selection process to determine which pupils will be enrolled. If a student is enrolled in a charter school during a particular school year, the student may automatically be granted enrollment privileges for succeeding school years. Siblings of admitted students and dependents of charter school founders may also be granted enrollment priority.

?

What elements are required to be included in the charter application and charter contract?

According to MCL 380.502(3), a charter application and contract must include a significant number of components. Prospective authorizers are encouraged to engage the services of charter school-familiar legal services for the construction of a complete and comprehensive application and charter contract. While the use of an old example or template may be convenient, they may not reflect the changes created from recent legislation.

The PSA website (www.michigan.gov/charters) may provide some assistance as the charter contract checklist is updated and made available on a recurring basis. The Michigan Council of Charter School Authorizers' (MCCSA) website (www.mccsa.us) also contains a sample Phase I charter school application.

?

How will the new charter school be funded? Does a charter school qualify for federal and state grant funds in the same manner as a local school district?

A charter school receives funding through the per-pupil base foundation allowance as defined through the State School Aid Act (1979 PA 94, as amended). By law, this amount may not exceed the per-pupil base foundation received by the local school district where the charter school is geographically located.

A charter school is treated as a Local Education Agency (LEA) and, as such, may access state and federal grants in the same manner as local school districts.

?

Are their additional funds that may be available to support the PSA chartering process?

Yes, the federal Charter School Planning Grant funds may be available through MDE's online application which can be accessed through the Michigan Electronic Grants + (MEGS+) process. Instructions and an application checklist are available at the PSA website (www.michigan.gov/charters).

?

Who can apply for a charter school contract? Who can be issued a charter contract?

With very few exceptions, anybody can make application for a charter. Non-profit groups and education management companies are the entities that are most frequent applicants. When evaluating an application, potential authorizers should not only consider the potential student academic achievement impacts, but should also consider the potential conflicts of interest that may exist between the applicant and the potential authorizer.

?

What does a local school district have to do to before they can become an authorizer?

All K-12, local school districts are eligible to be charter authorizers but that doesn't mean they are fully prepared to do so. A local district looking to become an authorizer should:

- Establish a process for accepting applications to include the actual design and approval of an actual Phase I application,
- Create a review process and rubric for reviewing Phase I applications,
- Create a Phase II interview process designed to vet the applicant,
- Create a Phase II charter development process along with a delegation of responsibilities and distribution of labor between the applicant and the potential authorizer,
- Recognize that the development of a new charter school is a difficult and time consuming process with the creation of a timeline and deadlines for the submission of information from the applicant to the authorizer, and
- Establish a process to vet and select the new charter school board directors.

Important Considerations

The Advantages of Chartering

Traditional K-12 school districts appear to have several objectives in mind when they begin to discuss the idea of chartering a school. It is important for district officials to identify their objectives clearly and objectively in order to ensure the correct strategic approach.

□ Ability to Restructure Low Performing Schools

No Child Left Behind provides school buildings that have failed to make Adequate Yearly Progress over a period of years with an opportunity to close and re-open as charter public schools. This approach offers districts that meet specific requirements an ability to “start fresh” in certain instances, shuttering poorly performing buildings and re-opening them with new leadership, new programs, and a set of concrete performance targets for the future.

As a way to provide options for children in failing schools, chartering offers new opportunities to districts. First, districts can avoid forcing potentially overcrowded existing schools to enroll additional students. Second, district leaders can authorize charters targeted to the needs of a particular neighborhood or student group. Third, districts can encourage high-capacity institutions such as foundations, colleges, museums, and social service providers to run or contribute to the program mix in new schools.

In the past, districts have had few options for turning around chronically low-performing schools other than to reconstitute a school by closing it and opening jobs up to all current members of the district teaching force. This approach left the possibility of re-creating a new school very much like the one that it was supposed to replace. The chartering option opens up a new possibility: creating an entirely new school staffed with new people (including some not previously employed in the district) and organized around a new plan. (Ziebarth and Wohlstetter, 2005).

While this option has not been widely utilized to date, it offers promise for districts that need innovative solutions to resolve individual school performance problems.

□ Greater Autonomy for Neighborhood Schools

One of the appeals charter schools hold for students and families is the ease of access to key decision makers. Smaller schools with site-based management are sometimes more appropriate to the needs and concerns of various constituencies.

District leaders – particularly in large urban areas – who wish to exercise control over the performance outcomes of individual buildings while lightening the load of their internal administrative structures, are beginning to regard charter schools in a new light. By issuing a charter to a neighborhood school, a sense of local school “ownership” and immediacy of access are restored to the community. Meanwhile, the authorizing district monitors and oversees a series of highly accountable operations without dealing with the daily management issues they currently face.

□ Retention of Quality Control Mechanisms

By developing a sound performance contract with specific measures of success, district authorizers retain a measure of control on the quality and outcomes of each school they authorize. Schools that fail to attain appropriate achievement levels can be closed if necessary to ensure the caliber of educational opportunity available within a particular geographic area remains strong.

It is a little recognized paradox that school system authorizers can achieve greater control over public education outcomes by delegating operational control to charter schools. When an authorizer approves a school and develops a performance agreement, it can foster and guide development of any program that it believes will meet the needs of students in the system. Even the state and federal regulations that inevitably constrain this discretion usually give greater flexibility and decision-making authority to the agency as authorizer than to the same agency acting as traditional school district or department of education. The school system authorizer can foster and guide development of a particular program and of a governance structure that makes successful implementation of the program more likely. It can also foster development of a management environment in which decision-making—including employment decision-making—is based, first and foremost, on meeting the terms of the charter. At all times the authorizer retains authority to intervene, as appropriate, based on fulfillment of the charter’s terms—including removing the school’s right to continue operating, if necessary. Nowhere else in public education is there such decisive authority regarding individual schools. (Tucker & Haft, 2003).

□ New Opportunities for Community Engagement

The effective development of a new charter school requires a significant amount of community dialogue and outreach. The opportunity to rekindle the interest of all or a portion of a school district’s population is often one that can be beneficial to a school district if handled well. Town hall meetings, media outreach, and board “listening” sessions provide dynamic opportunities for meaningful engagement with parents, opinion leaders, and others.

Although a discussion of adding new local charter schools often draws opposition, as noted later in this handbook, school districts do have clear opportunities to handle this issue well and drive meaningful local change through careful, decisive community engagement.

In addition, the development of one or more new charter models can draw in other community organizations – government, non-profits, foundations, arts organizations and social service providers all can be brought to the table to carve out innovative models of collaboration that can strengthen the community as a whole.

To engage the community, we have...observed new charter schools partnering with community-based organizations. ...Partnering with well-established and respected organizations, such as the Boys and Girls Clubs of America or the Urban League, can enhance the charter school’s legitimacy and credibility within the community. (Ziebarth & Wohlstetter, 2004).

□ Support to Financial Restructuring

With the financial difficulties being encountered by local school districts, chartering options are being explored on a more frequent basis. Local school districts wishing to investigate the chartering option as a means to address financial problems should consider the wider implications of academic achievement first.

However, if the opening of a new charter school is not likely to be an overwhelmingly negative enrollment factor, there are a plethora of opportunities to mitigate financial challenges being encountered in local districts. Unlike local school districts, charter schools can contract for instructional services, are not currently bound by local district collective bargaining agreements, and may not be required to participate in the Michigan Public School Employees Retirement System.

Additionally, local school districts may find the development of a charter school to be a potential vendor of excess capacity or potential leasees for vacant buildings. Stated another way, a vacant building leased by the district to the new charter school may turn that building from a liability to an asset. The same could be said for excess and unused capacity in programs like special education, transportation, food service, technology, and financial management.

Cautionary Note

Another frequently-cited factor for school districts that are considering chartering was summed up in a 2007 article from *Education Next*:

...under the guise of restructuring, district officials ... take their worst-performing schools and slap a charter label on them. Think about it: You're a superintendent with some pretty good schools and a dozen lousy ones. Invoke NCLB, charter them out, and in one fell swoop you have moved the bottom feeders from the district column to the charter column. Your district scores skyrocket, and all those that failed to make Adequate Yearly Progress (AYP) - Oh... well, you know, they're charter schools. (Smith, 2007)

Districts that have this objective in mind are cautioned that Michigan authorizers are charged with the responsibility of holding their charter schools accountable for performance. An authorizing school district cannot evade responsibility for the achievement of the schools it oversees; in fact, stepping out into the world of chartering may result in greater scrutiny.

Authorizing Challenges

Authorizers across Michigan and the U.S. report common pitfalls and areas of concern when it comes to establishing effective charter school oversight and support operations. New district authorizers must anticipate and plan for these issues well in advance.

□ Ensuring Organizational "Fit"

Not all organizations are well suited to authorize charter schools. According to the Michigan Council of Charter School Authorizers, this work "requires strong administrative, financial and philosophical commitments on the part of the chartering institution to maintain a clear focus on the work at hand and not to be swayed by critics and detractors." (Van Koevering, et al, 2008)

Experienced authorizers suggest that new authorizers carefully evaluate their reasons for entering the practice. They caution against quick decisions, and advise the creation of exploratory or advisory committees to thoroughly examine how well the creation of an authorizing arm will align with the mission, philosophies, and practices of the organization as a whole. The governing board of the would-be authorizer must also be thoughtfully and clearly engaged, given that the act of authorizing will require their involvement and support, and could ultimately be tested in the media, the courts, or the ballot box. (Van Koevering, et al, 2008).

Even if all possible care is taken, would-be authorizers should be aware of changes in leadership and governance that could threaten the stability of the authorizing operation. Constant internal communication is needed to ensure that the organization remains committed to providing quality oversight and support for the schools it oversees.

The promise of “increased accountability” can be realized only if an authorizer is willing to act decisively to end charter contracts that do not succeed in attaining their objectives. Holding firm to that intention is work every bit as unpopular as closing a school, and unless potential authorizers are willing and able to exercise this authority, they may not be a good “fit” for the oversight role.

Engaging Constructively with Critics

An important consideration relative to organizational “fit” is political, rather than practical. In many instances, new authorizers face some level of public opposition when they begin to contemplate establishing their operations. Since their inception, charter public schools have been controversial and those who engage in this type of work need to prepare for some degree of resistance.

Unions, school boards, and communities may react negatively to restructuring efforts merely because they are accompanied by the term *charter*. Schools that are most successful at conversion are able to withstand opposition when necessary, but also engage and educate parents and community leaders to help them embrace necessary changes. No matter the political environment in the district, community engagement is a critical component of the charter conversion process. (Arkin & Kowal, 2005).

In many instances, it is this type of political backlash that stops would-be charter authorizers in their tracks. Indeed, it may be prudent to engage in some degree of public opinion sampling may be appropriate to ensure sound decision-making. This type of advance polling and/or focus group testing may even turn the tide of public opinion through innovative community engagement strategies. This type of work was used very effectively in San Diego, where charter conversions have proven quite successful.

At the same time that [San Diego School Superintendent Alan] Bersin was looking for outside help with restructuring his troubled schools, he and his staff established “workgroups” of teachers, administrators, parents, union representatives, and community leaders at each of the schools out of a strong belief that reforms would take at the schools only if representatives of each school community were invested in change. Bersin also believed that board members and teacher-union leaders, important powerbrokers in public school systems, would not support such dramatic change unless they were presented with clear evidence of such bottom-up support from parents and others. (Williams & Toch, 2006).

Other superintendents and school leaders have spent time going door to door, working with community members on a one-on-one basis to dispel rumors and promote their efforts to build lasting educational change. (Paulson, 2005).

□ Building Operational Capacity

The development of a quality authorizer operation requires a great deal of an organization. New systems and strategies must be formulated to ensure equity, consistency and performance across the board.

Authorizers build their most important organizational capacity by creating processes that promote coherence and quality while reducing static. Even the small charter authorizer should develop a “policies and procedures” manual that codifies both its organizational routines and its relationship to schools. Application guidelines should be supported by decision rubrics, so that the bases for approval and denial are as clear to subsequent agency staff as they are to current applicants. Accountability policies and renewal protocols should be supported by consistent methods of generating and reviewing evidence. (Smith & Herdman, 2004).

Adequate staffing and resources are needed to ensure this work happens on the front end. This, too, can be challenging given the budget pressures facing many school districts. Careful financial planning is required to ensure that an authorizer’s operations are sufficient to develop effective oversight and support operations. This challenge may be partially addressed by entering into an interlocal agreement with a current charter authorizer with demonstrated capacity.

This work can be intriguing for an innovative school district leader who is interested in advancing new ideas about school leadership and practice.

Charter school authorizers generally have a fair amount of latitude in designing accountability policies. Legislation establishes boundaries and constraints on authorizers’ powers - particularly in the level of funding, if any, allocated to authorizing staff, minimum standards or required assessments - but laws generally do not spell out the specifics of how the agencies are supposed to hold charter schools accountable for results. Therefore, authorizers generally have some flexibility about how to craft their charter school accountability policies. This discretion is both a burden and an opportunity. It poses a burden if authorizers are saddled with authorizing responsibilities but few additional resources; however, it is an opportunity because it provides authorizers a chance to redefine how public schools are held accountable. (Hassel & Herdman, 2000).

□ Special Concerns for Districts

For district authorizers, a significant shift in thought and practice is also required. Overseeing a school is very different from actually operating a school, in that it is focused on performance outcomes and deliverables rather than direct management issues and program inputs. District leaders often are tempted to involve themselves in the day-to-day management decisions of the schools they authorize and thus defeat the purpose of creating a separate charter. However, when a new, independent board of directors is created to operate a charter – one that has its own statutory powers and autonomy – and the district authorizer must be prepared to let that board do its job.

This challenge is particularly great if the school district authorizer is closing one of its buildings and reopening it as a charter under NCLB.

...the reopen option under NCLB is not without pitfalls. Because many districts are hesitant to give up their influence over a school's operations, districts might opt to charter a school in name only—that is, although the school becomes a charter school, it maintains the same staff and the same approach to teaching that existed in its previous struggling form. (Ziebarth & Wohlstetter, 2005).

Thus, it is even more critical that school district authorizers establish well-defined tools, structures and policies to help clarify their roles and responsibilities on the front end of this process.

□ Finding a Trusted Partner

As mentioned above, the school district authorizer will oversee an independent board of directors that is charged with operating the new charter school program. As the district board and the PSA board embark together on this new venture, it is critical that there be a high degree of mutual support and trust on both sides of the charter contract.

Good authorizers nurture "social capital" – the intangible ties of trust and reliability that facilitate cooperation...Despite the presence of a contract that spells out mutual obligations, relations between schools and authorizers can be friendly or confrontational, cooperative or compliance-driven, and building social capital between authorizer and schools is a good way to prevent a charter school initiative from becoming rule-bound. As historian Francis Fukuyama points out, "[n]o contract can possibly specify every contingency that may arise between the parties; most presuppose a certain amount of goodwill that prevents the parties from taking advantage of unforeseen loopholes." (Smith & Herdman, 2004)

District authorizers can help maximize opportunities for success by selecting a PSA partner that demonstrates both strong capacity and a school program that meshes well with the authorizer's objectives. Some authorizers may wish to go so far as to "seed" new programs within the community by recruiting development partners and offering support for desired approaches.

Through the charter application, states and districts should specify the types of problems that need to be tackled at any school identified for restructuring, as well as the types of knowledge, resources, and skills that the state or district feels are necessary to address these problems. The selected operators must not only be familiar with the challenges within chronically low-performing schools, but also must have a track record of success in meeting such challenges...To increase the odds of success, states and districts should choose charter school petitions that emphasize proven practices, whether it is a community-run school using a successful curriculum or a national management organization replicating an effective school. Although the charter school movement is also an opportunity for innovation, restructuring a clearly floundering school is not the place for experimentation. (Ziebarth & Wohlstetter, 2005).

?

Setting up a successful authorizer operation looks like it takes some time, and so does the development of an effective charter school. How long should we allow for these processes?

The amount of time to be allotted varies depending on the needs and capacity of the authorizer and the school. Most authorizers try to allow 12-18 months for the initial work to be completed, but it can be done in significantly less or significantly greater amounts of time depending on local circumstances.

?

Is there any funding available to help my district become an authorizer, or to help a charter school that's just getting started?

At this time, there is no dedicated funding stream for new authorizers. Some private or local dollars may be available to authorizers who choose to pursue them.

There is a federal grant program that can help new charter school founders plan and implement their work. The program is administered by MDE. Application instructions and additional information can be accessed at www.michigan.gov/charters.

?

Where can I get help and assistance in developing an authorizer operation?

Please refer to the resource listing in the back of this handbook for technical assistance and support. The PSA unit at MDE also is available to provide more detailed technical assistance and to answer specific questions. Visit www.michigan.gov/charters, or call (517) 373-4631.

Districts should also consult with charter school-familiar legal counsel at all steps of the process to develop sound applications and contracts, to help the school district avoid conflicts of interest, and to ensure full compliance with applicable state and federal laws.

?

If our school district authorizes a new charter school, does it become affiliated with the district somehow? What sorts of financial liabilities might our district assume?

Charter schools are separate legal entities with operations that are separate and distinct from the legal structure of their authorizers. Many charter school contracts contain provisions stating that there is no contractual or organizational affiliation between the two organizations.

In addition, MCL 380.503b states that:

(1) An agreement, mortgage, loan, or other instrument of indebtedness entered into by a public school academy and a third party does not constitute an obligation, either general, special, or moral, of this state or an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, may not be pledged for the payment of any public school academy bond, note, agreement, mortgage, loan, or other instrument of indebtedness.

(2) This part does not impose any liability on this state or on an authorizing body for any debt incurred by a public school academy.

?

Our school district already knows what it wants to do and who we want to charter. Do we have to do a competitive application process, or can we just move forward?

MCL 380.503(1) requires that:

Public school academy contracts shall be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy. (emphasis ours)

PSA authorizers are encouraged to develop application rubrics that reflect their unique priorities and needs, and to communicate those rubrics publicly in advance of evaluating applications.

?

Our school district has a person on staff that is developing the new charter school we want to establish. Can we keep that person and just make him/her into our authorizing staff person or charter school liaison later on?

School district authorizers should be mindful of the need for a competitive application process, as described above, and the need for conflict-free, arm's-length contracts and agreements. As the new charter school authorizer, school district staff will be holding a school accountable for achieving the performance results and outcomes set forth in the charter agreement. It is essential to ensure that the same staff that will be holding the school accountable are not also making leadership and management decisions for the charter school, or are actually doing the work for the charter school.

Make prudent use of your school district legal counsel in evaluating the appropriateness of all staff and board relationships between the school district authorizer and the new charter school. MDE closely scrutinizes these relationships and will notify you of identified problems.

?

Our school district wants to investigate chartering options. What should we do?

The school district leadership should review the MDE PSA website at www.michigan.gov/charters as well as the webinars that are linked at that website. Then, the district leadership should contact their trusted peers who may have already gone through the research process and gain any benefit they can from their experience. And then, if they still want to pursue the chartering options they should contact the MDE PSA unit ((517) 373-4631) to schedule a meeting appointment. The PSA unit staff will do whatever is necessary to answer the remaining questions, and to assist the district with the process.

As has been described earlier in this document, it is important that the district leadership be open and frank with the district stakeholders specifically regarding the potential chartering option, especially the school board, the labor organizations, and the existing staff.

? Our school district is thinking about closing one of our school buildings. Since making the announcement we have been approached by an entity that is interested in acquiring the facility. What should we do?

The school district needs to determine if selling or leasing the school building is in its best interest. If the school district currently owns the building being closed it should consider how the building will be utilized and what expenses the district will have to incur to maintain the facility. A school district may lease, rent, or sell school property if it chooses to do so. Current law (380.1260) prohibits a school district from refusing to sell or lease property to a charter school “solely” because they are a charter school.

? Our school district has some unused space in one of our school buildings. Can we lease that space to a charter school?

Yes. The current law provides school districts with the full authority to leasing or rent school property. Lease or rental agreements must be configured to meet the legal requirements for shared property. Since charter schools are public entities, they are required to abide by the same health, safety and occupancy requirements as traditional districts. It is common for lease agreements in these types of situations to address shared spaces, utilities, snow removal, etc.

? Our school district has already issued a charter to one school. Can we charter another one?

That depends. The school district authorizer must maintain a K-12 presence. Larger districts with multiple elementary, middle and high schools generally do not have to worry about this issue. A small school district with one high school, one middle school and one elementary school can charter as many schools as they desire. However, many small school districts lack the capacity to comprehensively oversee more than one or two charter schools. A small school district wishing to charter multiple schools might want to consider entering into an agreement with another authorizer possessing the demonstrated capacity to oversee multiple charter schools.

? Our intermediate school district is thinking about chartering a Strict Discipline Academy that serves all of the schools within the ISD. Can they limit enrollment to just the ISD geographic boundaries?

Yes. The Strict Discipline Academy authorized by an ISD may limit its enrollment to students from within the geographic boundaries of that same intermediate school district if it chooses to do so.

? Our school district is thinking about closing some schools and then reopening them as charter schools. Can we limit enrollment to just the neighborhood catchment area of the closed school?

No. The current law provides that a charter school with a school district authorizer can limit enrollment to the geographic boundaries of the authorizer, but to a specific neighborhood. For example, if Tipacano School District authorizes a charter school, that charter school can limit enrollment to the geographic boundaries of the Tipacano School District, but it can't limit enrollment to just a portion of that same district.

Self-Assessment Tools

The following questions are designed to help guide would-be school district authorizers in their thinking about their readiness and ability to authorize a new charter school in Michigan. They are best answered by a working group consisting of stakeholders from across the district as part of the initial exploration and planning process, and can provide an excellent framework for guided discussion.

Chartering Objectives

- Why do we want to authorize a new charter school? What will the school district gain from it?
- What unmet local needs will the charter school meet that our school district cannot meet directly?
- Where are the students who will attend the charter school going to school now? If the school district decides not to authorize the charter school, where will they go?
- Do we have a school that will be closed down or restructured as part of this process, and are we comfortable that this is the best solution for that particular school?

Practical/Legal Considerations

- Do we have a good understanding of what our responsibilities as an authorizer would be under Michigan law?
- Have we identified a technical resource or mentoring partner to aid us in this work?
- Is our legal counsel confident that we can do this job correctly?
- Can we do this work without entering into relationships that are not arms-length or conflict-free? Are we confident that we have no unclear staff or board relationships?

Organizational Issues

- How would charter school authorizing fit with and complement our organizational mission, vision, and philosophy?
- Is our board prepared to accept, defend, and promote the school district's decision to authorize a new charter school?
- How will we manage staff to ensure best organizational "fit"?
- How involved will the superintendent and other school administrative leaders be in this endeavor? Are they prepared to accept, defend, and promote the decision with the public?

Community Engagement and Response

- How will the community respond to news that we are thinking of authorizing a charter school?
- Are there "safe" groups with which we can test this idea before we announce it publicly? Can we find a way to test our messages?
- Where are the pockets of strongest support likely to be?
- Where are the pockets of opposition likely to be?
- Do we have any available resources to help us manage our work with the community? What should our action plan look like?
- Do we have any local partners that can strengthen our ideas or help us develop a more compelling program?

Financial and Administrative Considerations

- Have we done the math? Can we afford to lose some school district pupils to the new charter school in exchange for a 3% oversight fee? Are staffing or service agreements possible?
- Are we prepared to commit other organizational resources to this effort over and above the 3% oversight fee, if necessary?
- Are there community members or private funders that have an interest in financially supporting a portion of this project?
- How will we ensure the new charter school does not enter into any financial or lease agreements that would limit their operational flexibility?
- Who will staff the new charter school operation? How will we ensure that they have adequate resources and tools to get the job done right? Can we or should we contract for all or some of that work?
- What is our timeline for making decisions and completing the contract development and approval work?

Finding a Trusted Partner

- What will our application rubric look like?
- Are we working to recruit qualified local candidates?
- Might we issue more than one charter? How will we recruit and evaluate multiple developers?

Oversight Considerations

- Are we comfortable relinquishing control over the daily management of a school? Can we play the oversight role in a manner that is true to its underlying design?
- Are there areas where we are unwilling to relinquish control or provide autonomy to the charter school? Can we accommodate these areas in a way that meets the requirements of the law?
- Do we have the institutional will and ability to close this charter school if it fails to meet the terms of its charter agreement? Can we be tough if we need to be?
- Conversely, do we have the institutional will and ability to provide appropriate levels and types of support to the charter school if necessary to allow effective services to students and families? Can we be fair and flexible, and not knee-jerk to closure when problems arise?
- Which performance measures do we feel are most important to include in a charter contract?
- Can we do this by ourselves or should we work with another authorizer?

Special Restructuring Considerations

- What barriers to performance exist at the struggling school? How will converting the school to a charter address those barriers?
- What kinds of improvement activities have been tried in the past? Why have they failed, and how will restructuring as a charter be different?
- What will happen to the teachers at the closing school? How or when will the union(s) become involved? Are the processes in place within the current evaluation mechanisms to retain the best and brightest teachers?
- How will we develop and maintain a positive, cooperative, working environment with the new charter school?

Most of the questions posed above represent a small list that new school developers and local LEA authorizers may address individually and/or collectively. Some of the questions are derived from a legal compliance framework and others come from an understanding of the multi-faceted, multi-dimensional issues that may arise as new schools are created.

The items listed on the next seven pages are taken directly from the MDE's Authorizer Assurance & Verification checklist which is used by the Public School Academies unit when it visits authorizing agencies. While these visits are normally scheduled once every three years, all authorizers should strive to maintain the systems and processes from the point when that authorizing body decides to engage in the chartering process.

Overseeing Application, Authorization and Contracting.

- Every authorizer must have a process in place for issuing charters, including an open solicitation, evaluating multiple applicants and the consistent application of criteria including statutory requirements.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation of the most recent solicitation for applications, the number of applications received in response, criteria for selection and decisions made to issue charters
 - ✓ Documentation of the decision-making process and outcome
 - ✓ Charter application forms and technical assistance materials
 - ✓ Correspondence
 - ✓ Copies of contract amendment supporting documents
- Every authorizer must have a process in place for ensuring that PSAs obtain and properly maintain Michigan non-profit incorporation status.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Online check of the Department of Licensing and Regulatory Affairs (LARA) website
 - ✓ Copies of corporation updates
 - ✓ Correspondence
 - ✓ Compliance process to ensure submission of annual reports to LARA
- Every authorizer must have a process in place for ensuring that required documents (including contracts, amendments and reauthorizations) submitted to MDE are complete, accurate, timely and updated.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Submission dates of reauthorization files to MDE
 - ✓ Submission dates of authorization files to MDE
 - ✓ Charter amendment records
 - ✓ Compliance documents submitted to MDE are timely

- Every authorizer must have a process in place for determining and communicating reauthorizations, revocations and non-renewals of charters.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Revocation files
 - ✓ Formal notifications
 - ✓ Correspondence
 - ✓ Due process procedures and documentation
 - ✓ Specific contract language related to the renewal/non-renewal process
 - ✓ Reauthorization documents and rubric/scoring guide
 - ✓ Documentation that reflects student achievement/growth as the most important factor for reauthorization.
- Every authorizer must have a process in place for conducting oversight or supervisory visits to the PSAs it authorizes.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation of oversight visits and related feedback
 - ✓ Letters and correspondence pertaining to visits
 - ✓ Authorizer site visit form(s)
 - ✓ Documentation of authorizer staff who visit each PSA

Overseeing PSA Governance

- Every authorizer must have a Board Appointment Process in place for ensuring that PSA Board vacancies are filled in a timely manner and member files are accurate and available.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation of process for board member appointments including applications, interview records, background checks, etc.
 - ✓ Copies of constitutional Oaths of Office and conflicts of interest statements
 - ✓ Board members files
 - ✓ Documentation to validate U.S. citizenship for all board members
- Every authorizer must have a process in place for ensuring that PSAs comply with all applicable law, and for following up on allegations to the contrary.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation of authorizer processes to ensure legal compliance with:
 - Management of potential conflicts of interest
 - Open Meetings Act compliance
 - Enrollment requirements involving random selection processes
 - ✓ Documentation of follow-up and disposition of allegations of legal non-compliance by a PSA from other MDE offices or stakeholders
- Every authorizer must have a process in place for ensuring that PSA boards establish reasonable governing policies, properly record and publish minutes, and ensure policies and minutes are readily available.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation of board governance policies
 - ✓ Copies of board agendas and minutes
 - ✓ Copies of board policies and evidence that policies are readily

- available to the public.
 - ✓ Compliance documents
 - ✓ Correspondence
 - ✓ Copies of student and staff handbooks
- Every authorizer must have a process in place for ensuring that PSAs operate an open application/enrollment process, properly noticed, which employs random selection, if necessary, when the allocation of limited slots exists.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation of an open application/enrollment process
 - ✓ Documentation that the enrollment process is properly noticed
 - ✓ Documentation that explains the random selection process when it becomes necessary to do so.
 - ✓ Copies of open application/enrollment notices from media sources
 - ✓ Correspondence
- Every authorizer must have a process in place for ensuring that PSAs who engage ESPs perform due diligence, employ independent legal counsel and negotiate “arms-length” agreements that are available for public review.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Evidence of authorizer ESP contract review processes
 - ✓ Correspondence
 - ✓ Copies of ESP contracts and locations for public review
 - ✓ Documentation of PSA board legal counsel arrangements
 - ✓ Charter contract language allowing authorizer to deny ESP contracts
 - ✓ Evidence authorizer mandates ESP to share all required information with PSA in a timely manner & assist in the transparency process

Overseeing Facilities.

- Every authorizer must have a process in place for ensuring that all required occupancy and facility approvals have been issued, and that local health and safety citations are documented and followed up on as they are identified.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation that a process is in place and has been implemented
 - ✓ Correspondence
 - ✓ Certificates of occupancy
 - ✓ Department of Agriculture licenses
 - ✓ Public health inspection reports
 - ✓ Documentation of forms and processes for PSA facility safety visits

Overseeing Quality of Learning.

- Every authorizer must have a process in place for ensuring that PSAs have established goals aligned to state, federal, and authorizer requirements, have identified methods of assessment (including MEAP/MME) that are rigorous and measurable, and have in place a process that monitors a PSA's student progress (growth) in achieving those goals.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures for PSAs to modify instruction based on assessment data
 - ✓ Documentation that a process is in place for compliance
 - ✓ Correspondence
 - ✓ Copies of AYP reports and all required self-assessment reports
 - ✓ Academic performance booklets, documents, etc.
 - ✓ Standardized test results
 - ✓ Copies of PSA school improvement plans
- Every authorizer must have a process in place for ensuring that PSAs employ teachers (or that the contracted ESP employs teachers) who are certificated and highly qualified according to state board rule or who qualify under Section 505(2) of the revised school code, and have undergone criminal background and unprofessional conduct checks.

- Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation that a process is in place and has been implemented, including reports and findings
 - ✓ Correspondence
 - ✓ Registry of Education Personnel (REP) data submission process including who submits the data and how the data is reviewed for accuracy and completeness
 - ✓ Copies of teacher certifications and background check documents
 - ✓ Process to ensure teachers are actually teaching subjects they are certified to teach

Overseeing Financial Accountability.

- Every authorizer must have a process in place for ensuring that PSAs obtain an annual financial audit and submit it to ISD/MDE, and for monitoring all PSA responses to any audit exceptions, including identified related-party transactions or other issues identified in management letters.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation that a process is in place for completing the Financial Infrastructure Database (FID)
 - ✓ Correspondence
 - ✓ Disposition of audit exceptions cited in management letters
 - ✓ Management letter responses
 - ✓ Contract language that requires an independent audit
 - ✓ Copies of actual PSA audits
- Every authorizer must have a process and standards in place to determine financial stability.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation that a process is in place and has been implemented
 - ✓ Copies of quarterly financial statements

- ✓ Correspondence
- ✓ Copies of insurance certifications and verification documents
- ✓ Copies of board-approved annual PSA budgets
- ✓ Evidence that long-term financial stability is a reauthorization factor
- Every authorizer must have a process in place to assist PSAs in avoiding or resolving any potential conflict of interest, related-party transactions, and/or in determining fair-market value when it cannot be established by ordinary means.
 - Evidence of compliance with these requirements includes:
 - ✓ Related policies and procedures
 - ✓ Documentation that a process is in place for the review and resolution of an identified potential conflict of interest and its management by a PSA
 - ✓ Documentation of an authorizer process for assisting a PSA in determining fair-market value of a transaction when a related-party transaction has been identified or disclosed
 - ✓ Correspondence
 - ✓ Documentation of a process to assist PSAs when making a major purchase

Resource Directory

Michigan Department of Education

Public School Academies
Office of Education Improvement &
Innovation
608 West Allegan Street
P.O. Box 30008
Lansing, Michigan 48909
517-373-4631
www.michigan.gov/charters

MI Council of Charter School Authorizers

201 Townsend, Suite 900
Lansing, MI 48933
(517) 487-4848
www.mccsa.us

Michigan Association of Public School Academies

105 W. Allegan
Suite 300
Lansing, MI 48933
(517) 374-9167
www.charterschools.org

Michigan Association of Charter School Boards

2284 Fieldstone Drive
Okemos, MI 48864
(517) 819-4777
www.macsb.org

The Education Policy Center at Michigan State University

201 Erickson Hall
East Lansing, MI 48824
www.epc.msu.edu

National Charter Schools Institute

2520 S. University Park Drive
Mt. Pleasant, MI 48858
(989) 774-2999
www.nationalcharterschools.org

U.S. Department of Education

400 Maryland Avenue, SW
Washington, D.C. 20202
(800) USA-LEARN
www.ed.gov

Recommended Reading:

- Michigan's Revised School Code, Part 6A (MCL 380.501 et seq)
- The Michigan State School Aid Act (MCL 388.1601 et seq)
- "The Authorizer Experience," "Balanced Leadership for Lasting Change," and other publications of the Michigan Council of Charter School Authorizers
- "Starting Fresh in Low-Performing Schools: A New Option for School District Leaders Under NCLB" and other publications of the National Association of Charter School Authorizers
- "Reopening as a Charter School," published by The Center for Comprehensive School Reform and Improvement

Bibliography

Arkin, M. and Kowal, J., (2005). "Reopening as a Charter School." Washington, DC: The Center for Comprehensive School Reform and Improvement.

Carpenter, B. (2005). "Adding Value to the Equation: Strategic Planning Considerations for Charter School Authorizers." Presented at the National Association of Charter School Authorizers Annual Conference, Denver, CO.

Hassel, B. and Herdman, P., (2000). "Charter School Accountability: A Guide to Issues and Options for Charter Authorizers." Charlotte, NC: Public Impact.

Hassel, B., (2003). "A New Kind of School District: How Local Leaders Can Create Charter Districts." Denver, CO: Education Commission of the States.

National Association of Charter School Authorizers, (2006). "Starting Fresh in Low-Performing Schools: A New Option for School District Leaders Under NCLB." Chicago, IL: NACSA.

Paulson, A., (2005). "A Forced Conversion to Charter School." Boston, MA: Christian Science Monitor.

Smith, N. and Herdman, P., (2004). "Built for Quality: The Capacity Needed to Oversee Charter Schools." Alexandria, VA: National Association of Charter School Authorizers.

Smith, N., (2007). "Education Next Forum: Charters as a Solution?" Stanford, CA: Hoover Institution, Stanford University.

Tucker, O. and Haft, W., (2003). "Seizing the Charter Moment." Alexandria, VA: National Association of State Boards of Education.

Van Koevering, S., Taylor, E., and Simpson, J. (2008). "The Authorizer Experience: Building Effective Charter School Oversight and Support Systems in Michigan." Lansing, MI: The Michigan Council of Charter School Authorizers.

Williams, J. and Toch, T., (2006). "Extreme Makeover: Two Failing San Diego Schools Get New Start as Charters." Washington, DC: Education Sector.

Ziebarth, T., (2004). "Closing Low-performing Schools and Reopening Them as Charter Schools: The Role of the State." Washington, DC: Education Commission of the States.

Ziebarth, T. and Wohlstetter, P. (2005). "Charters as a 'School Turnaround' Strategy." Published in Hopes, Fears and Reality. Seattle, WA: National Charter Schools Research Project.