



CHARTER CONTRACT

Recognized Best Practices

Regulatory Framework

The Revised School Code ([MCL 380.502](#)) states “An authorizing body shall oversee ... each public school academy operating under a contract issued by the authorizing body. The authorizing body is responsible for overseeing compliance by the board of directors with the contract and all applicable law.”

It requires that a charter contract contains certain items including, but not limited to:

- educational goals and the methods used to measure success;
- description of the method used to monitor compliance with applicable law;
- the items required to be in the application;
- revocation procedures;
- physical address;
- financial audit requirements;
- description of the process and standards for renewal of the contract;
- requirements regarding the board of directors and their responsibilities; and
- the ability to hold and own buildings and other property for school purposes.

See [MCL 380.503](#) for additional details and requirements.

MCCSA Guiding Principles and Standards

MCCSA has adopted Principles and Standards (Standards) that guide authorizers as they develop strong authorizing practices. Focusing on performance and accountability ensures that student success remains paramount to authorizing decisions. MCCSA Standards state that “Authorizers should develop charter contracts that are performance-based and emphasize student achievement, while ensuring compliance with Michigan law and holding schools accountable for results. It should include, but not be limited to:

- Clear academic performance expectations that: (a) ensure students are prepared for success in college, work and life, and (b) require academic improvement for all groups of students.
- Clear operational performance expectations.
- The rights and responsibilities of the authorizer, the board, and the school.
- All legally required information.”

What is a Charter Contract?

A charter contract is a performance contract between the charter public school board and its authorizer. It provides the legal framework and authority for the board to operate a charter public school. It stipulates the terms and conditions by which the school will operate and clearly defines the rights and responsibilities of each party.

A charter contract makes “school-based autonomy and accountability real, and thus are critical for making the charter school concept work. Charter contracts protect school autonomy and safeguard schools from inappropriate intervention while at the same time establishing the performance standards that enable authorizers to hold schools accountable for results. They make clear the school’s obligation to uphold the public trust and protect students’ rights.” (NACSA, [The Essential Practices: Why They Matter](#))

The charter contract is a robust, living document and should be updated as necessary through a charter contract amendment process. It should be a fixed-term agreement and be subject to an authorizer’s reauthorization process. To ensure transparency, authorizers should include the charter contract on the authorizer’s website.

While charter contracts may differ by authorizer, as a best practice, a charter contract should include the following:

Terms and Conditions

Establishes the rights and obligations of the contracting parties. It defines important terms and includes the length-of-term as well as the amendment, revocation, and reauthorization processes.

Schedule 1: Articles of Incorporation

Establishes the existence of a corporation within the State of Michigan.

Schedule 2: Organizational Bylaws

Describes how the board of directors is structured to conduct the business of the school. It includes information on the formation of the board, board meetings and individual board roles and responsibilities.

Schedule 3: Fiscal Agent Agreement

Outlines legal requirements set forth by the State of Michigan and financial duties of the fiscal agent, the authorizer.

Schedule 4: Oversight, Compliance and Reporting Agreement

Identifies the compliance and reporting responsibilities of the board and administration, and the oversight responsibilities of the authorizer. This includes the Master Calendar of Reporting Requirements.

Schedule 5: Description of Staff Responsibilities

Describes the staffing structure of the school that will be used to fulfill its mission and meet the educational goals. It includes position descriptions and the educational service provider agreement, if applicable.

Schedule 6: Physical Plant Description

Provides information on the school building(s) including its site and floor plans, facility agreement, and Certificates of Use and Occupancy.

Schedule 7: Required Information for a Charter Public School

Contains mission-driven components that describe how your charter public school will operate and structure its educational program. Specifically, it includes the governance structure, educational goals, educational program, curriculum, methods of pupil assessment, enrollment, school calendar and age or grade range of pupils.

Schedule 8: Information Available to the Public and the Authorizer

Provides a list of information the board shall collect, maintain, and make available to the public and to the authorizer as required by state law for school districts.

It is a recognized best practice for a charter public school authorizer to provide a 5-year term for the initial contract. After the initial term and based upon a reauthorization review, the term for subsequent charter contracts may be shortened or lengthened based upon the school's performance.

Reflective Questions

Why is it important to review the charter contract and understand what is in it?

What are some of the expectations included in the charter contract for the authorizer? For the board? For the administration?

Resources

[Charter Contract – Example 1](#)

[Charter Contract – Example 2](#)

[Charter Contract – Example 3](#)

[Charter Contract – Example 4](#)