



MCCSA
Michigan Council of Charter School Authorizers

RECOGNIZED BEST PRACTICES

for Authorizing



TABLE OF CONTENTS

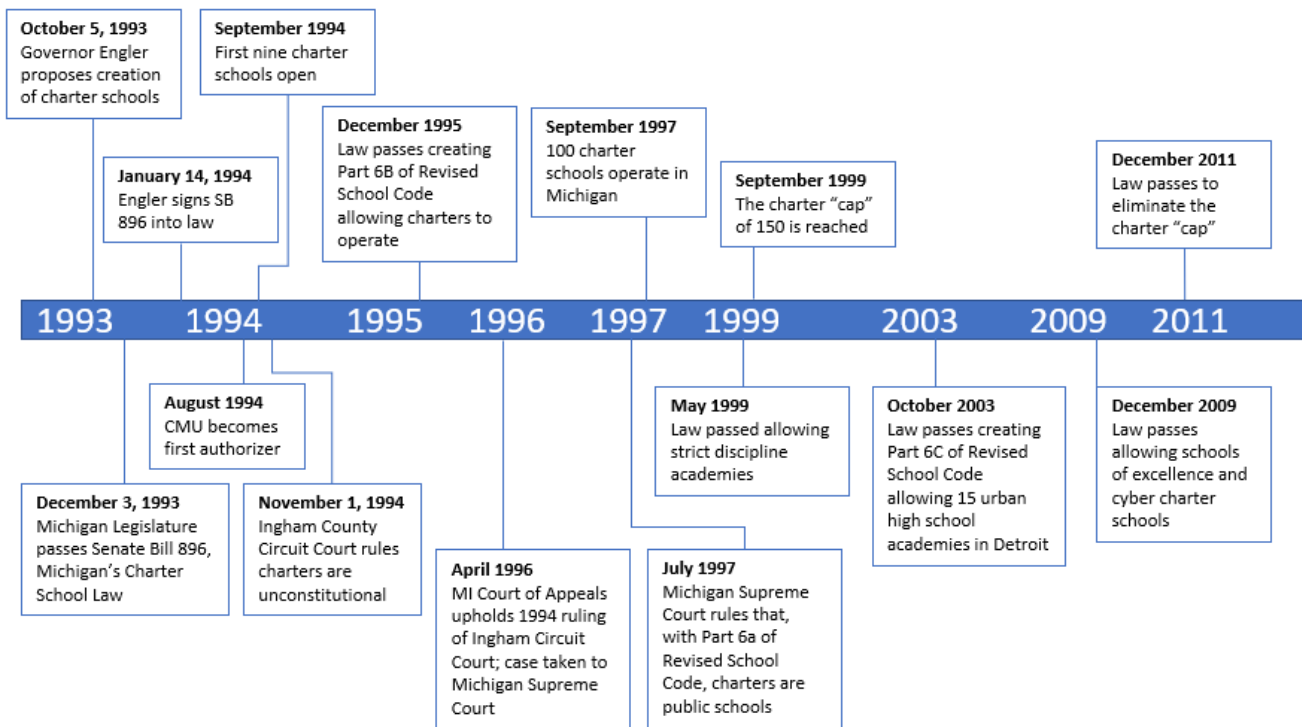
TABLE OF CONTENTS	1
CHARTER LAW SUMMARY	2
GUIDING PRINCIPLES, STANDARDS AND ASSURANCES	6
AUTHORIZER COMMITMENT AND CAPACITY	8
MCCSA STANDARD: OVERSEEING AND EVALUATING A CHARTER PUBLIC SCHOOL.....	11
ACADEMIC MONITORING	14
AUDITED FINANCIAL STATEMENTS	18
BOARD GOVERNANCE	21
BOARD GOVERNANCE – PUBLIC OFFICIALS AND APPOINTMENT PROCESS.....	24
BUDGETING.....	28
CHARTER APPLICATION	31
CHARTER CONTRACT	33
CYBER SCHOOLS.....	36
EDUCATIONAL PROGRAM AND CURRICULUM.....	39
EDUCATION SERVICE PROVIDERS POLICIES	42
FINANCIAL OVERSIGHT.....	45
OVERSIGHT PRACTICES.....	49
REAUTHORIZATION	52
SCHOOL CLOSURE	54
SPECIAL POPULATIONS.....	64
STUDENT RECORDS AND FILES.....	67
TRANSPARENCY REPORTING	69
MDE ASSURANCE AND VERIFICATION VISITS	72

CHARTER LAW SUMMARY

A Summary

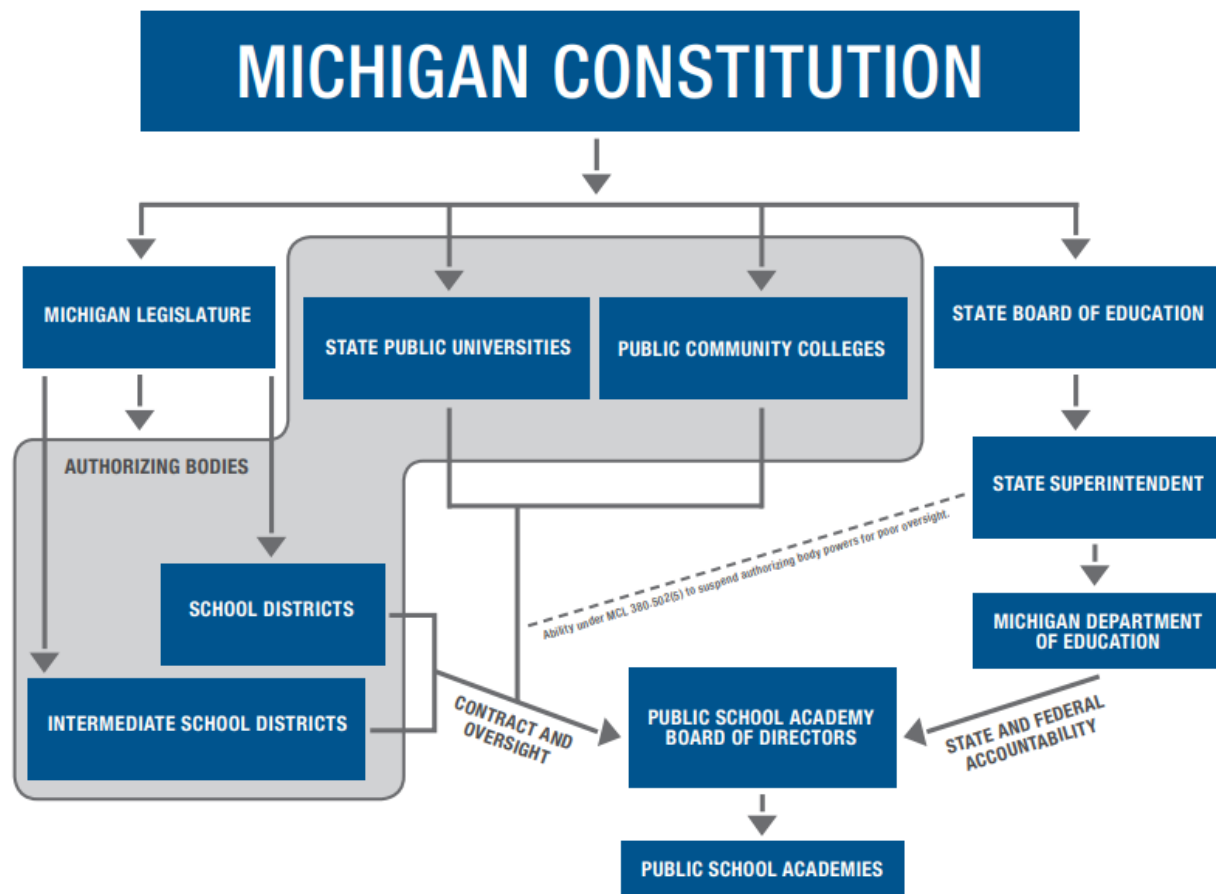
Origins

Charter public schools began in Michigan after Governor John Engler called for “real change” in education in 1993. He specifically cited charter public schools as new and innovative schools that would provide an option for students and families. He suggested they would be free from regulation and would have clarity of mission within their charter. The Michigan legislature responded with Senate Bill 896, which created the state’s first charter school law. The timeline below shows the legislative history of how this charter law has evolved.



Michigan’s First Charter School Law

PA 362 of 1994 created part 6A of the Revised School Code, which established the creation of charter public schools. It provided the authority to four entities to serve as charter school authorizers: the board of a local school district, the board of an intermediate school district, the board of a community college, and the board of a state public university. The graphic below displays Michigan’s legal and regulatory framework.



Charter public schools are organized and administered under a board of directors. An application is filed with an authorizer and the law designates a minimum set of requirements for this application. These requirements include the board's articles of incorporation and bylaws as well as the school's grade range, admission policy, calendar, and a copy of the educational goals and curriculum to be used within the charter public school. The law also gives charter public schools operated by state public universities or community colleges the ability to use non-certificated teachers and to contract with personnel as necessary to operate.

With Public Act 362 in place, nine charter public schools opened in the Fall of 1994. The first state university authorizer was Central Michigan University.

The Challenge of Michigan's Charter School Law

The first charter law, with its permission to open schools that would compete with the existing public school system and the ability to contract for educational staff (that possibly would not be certified), created a firestorm with education traditionalists. They challenged the law in 1994 before the Ingham County Circuit Court, who found that public charter schools were unconstitutional because they were not public schools. This decision was appealed and ultimately made it to the Michigan Supreme Court.

During this time, additional legislation was passed to create a Part 6B of the Revised School Code to ensure that charter public schools were public schools. This happened with the passage of Public Act 416 of 1994.

In July 1994, the Michigan Supreme Court ruled that Part 6A was, in fact, constitutional. This action then repealed the law created by PA 416. At this time, 100 charter public schools already were operating in Michigan.

Michigan's Charter "Cap"

In order to make the charter public school law more palatable, a charter "cap" became part of the legislation. The law stated that the governing boards of state public universities could not collectively have a combined total number of charter public school contracts beyond 150. With few traditional public school districts or intermediate school districts selecting to charter schools, this effectively capped the total number of charter public schools that could open in the state. By September 1999, this cap was reached with 150 schools chartered by state public universities in operation.

In October 2003, legislation was passed to allow 15 "urban high school academies" in the City of Detroit. Public Act 179 of 2003 created a new Part 6C of the Revised School Code. Part 6C permitted state public universities to issue up to 15 contracts for "urban high school academies" in the City of Detroit School District.

In December 2009, the cap was stretched again through the passage of Public Act 205 of 2009, which created "schools of excellence" as a new type of charter public school. This legislation, part of the "Race to the Top" education reform package, created Part 6E of the Revised School Code and allowed for up to 10 new charter public schools in Michigan. If existing charter public schools could demonstrate they met certain criteria, they could convert to schools of excellence with approval from the authorizer. Once a school shifted to this status, an authorizer was permitted to replace the converted school with a new charter public school.

To become a school of excellence, the law used an 80-80-80 rule: schools had to demonstrate that at least 80 percent of K-8 students were proficient on the MEAP test; high schools needed to demonstrate that at least 80 percent of students were graduating or on track to graduate; and the high school needed to have an 80 percent or better attendance rate. In addition, high school students needed to meet a minimum score on the Michigan Merit Exam. Also included in this legislation was the creation of two K-12 cyber schools in an effort to provide full time instruction to urban and at-risk students across the state.

In December 2011, the Michigan legislature passed Public Act 227 of 2011, which increased the amount of charter public schools permitted to operate to 500 through December 2014, and lifted any restriction beyond that.

In 2016, the Michigan legislature passed Public Act 192 of 2016, which required any new charter public school within the Detroit Public Schools Community District to be authorized by a nationally accredited authorizer.

Since 2011, the charter school law has not been amended. In the 2020-2021 school year, 293 charter public schools operated in Michigan.

Reflective Questions:

How are charter public schools meant to be freed from regulation as intended by Governor Engler in 1993?

How was the passage of the charter public school law in 1993 and subsequent laws in following years a “real change” for Michigan’s students and families?

Resources:

[Michigan Revised School Code](#)

[Michigan State School Aid Act](#)

GUIDING PRINCIPLES, STANDARDS AND ASSURANCES

Recognized Best Practices

Regulatory Framework

[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.”

MCCSA has adopted Principles and Standards (Standards) that guide authorizers as they develop strong authorizing practices. See [Advancing Excellence: Michigan’s Model for Authorizer Accountability](#) on the MCCSA’s website for more detail. Focusing on performance and accountability ensures that student success remains paramount to authorizing decisions.

MCCSA Guiding Principles

Believing in the transformative power of education, the members of MCCSA aspire to ensure all families have access to quality educational options for their children. In order to continue to strengthen and improve Michigan’s constitutional and legislative system of free public schools and advance quality practices for the establishment, oversight and support of charter public schools, the following principles and priorities were adopted.

Principle 1: Focus on Performance & Accountability

Strengthening public education requires collaboration and alignment between multiple agencies such as authorizers, intermediate school districts, and the Michigan Department of Education. Working together, these organizations can share data and insights and use multi-dimensional analyses of performance to measure and evaluate quality.

Principle 2: Ensure Equitable Access & Funding

As part of Michigan’s constitutional system of public education, charter public schools and the students they serve deserve a fair and stable operating environment, access to local, state and federal programs and supports, and equitable funding.

Principle 3: Encourage Innovation & Excellence

The ability to explore new approaches is the hallmark of chartering. Fostering a culture of innovation and excellence through a robust system of multiple authorizers is a more effective way to advance student growth and achievement than prescriptive rules and regulations.

Principle 4: Provide Options for Families, Educators & Communities

One size does not fit all. Parents have the fundamental right and are in the best position to choose their children’s school. Educators also deserve options. And communities should no longer be restricted to only one provider of public education.

MCCSA Standards

Michigan's charter public schools require nothing less than high-quality, efficient, and effective authorization and oversight. To support these essential goals, MCCSA has adopted the following standards. While the standards are universal and align with MCCSA's guiding principles, individual authorizers have the responsibility to implement their own systems in a manner that is supported by the standards.

Authorizing Commitment & Capacity

Excellence in authorizing means ensuring commitment and capacity by developing practices and organizational structures to conduct authorizing duties effectively and efficiently.

Authorizing a Charter Public School

Excellence in authorizing means understanding the importance of a comprehensive, fair application process, coupled with a strong charter performance contract. Authorizers grant charters only to applicants that demonstrate a strong capacity to establish and operate a quality charter public school. See the Charter Application for Charter Public Schools best practice guide for additional information.

Overseeing & Evaluating a Charter Public School

Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer's oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden. See the Overseeing and Evaluating Charter Public Schools best practices guide for additional information.

Reauthorizing a Charter Public School

Excellence in authorizing means establishing and implementing a consistent and comprehensive charter reauthorization process, guided by the following core questions:

- Is the charter public school achieving its academic goals as stated in the charter contract?
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

See the Reauthorization of Charter Public Schools best practice guide for additional information.

Reflective Questions

How is your organization living up to MCCSA's Principles and Standards?

What might your organization do to ensure you are developing strong authorizing practices?

AUTHORIZER COMMITMENT AND CAPACITY

Recognized Best Practices

Regulatory Framework

[MCL 380.502\(4\)](#) 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.”

MCCSA Guiding Principles and Standards

Excellence in authorizing means ensuring commitment and capacity by developing practices and organizational structures to conduct authorizing duties effectively and efficiently. Authorizers have a responsibility to the public to ensure that the charter public school is providing an education that meets the needs of students and families while complying to the terms and expectations set forth in the charter contract and all applicable law. This responsibility includes overseeing the academic, financial and legal compliance of the school. In addition to this responsibly, the authorizer may see their responsibilities expanded further beyond oversight, and find it valuable to support charter public schools with resources and as advocates. The MCCSA standards and NACSA Principles and Standards (Standards) both identify authorizer commitment and capacity as essential quality standards. NACSA’s Principles and Standards state, “A quality authorizer fosters excellent charter schools that need identified community needs. They prioritize a commitment to excellence in education and in authorizing practices, and create organizational structures, including human and financial resources, to conduct their authorizing duties effectively and efficiently.”

In addition to the MCCSA and NACSA standards, Michigan authorizers partnered with Cognia to provide a continuous improvement evaluation for authorizers. This evaluation consists of three aligned domains further outlining what it means for a charter public school authorizer to demonstrate capacity. Those domains are: leadership capacity, learning capacity, and resource capacity.

What is authorizer commitment and capacity?

Charter public schools are a dynamic part of the education landscape and it is the responsibility of the authorizer to ensure that charter public schools are meeting expectations and following all applicable law. The families and public are relying on the authorizer to ensure that charter public schools are effectively providing a quality education, are strong fiscal stewards, and provide a safe environment for students. From opening new schools, conducting annual oversight functions, to renewing a charter public school, the authorizer needs to ensure that it has the commitment and capacity to fulfill its responsibilities.

Human Resources

To ensure that the authorizer has the capacity to fulfill their responsibilities, the authorizer should ensure that the expertise needed is in place. There are many areas of expertise that an authorizer

needs to have including educational leadership, academic, financial, compliance, special populations, facilities, governance, and legal. This expertise can come directly from the team at the charter public school authorizer office or through contractual relationships and from other resources throughout the authorizer's organization.

To ensure internal capacity, the authorizer should employ a competent leader and have the appropriate staffing level that is sufficient for fulfilling the responsibilities of the authorizer according to the MCSAA and national standards. The staffing level at the charter public school office should reflect the size of the portfolio. The authorizer staff should be committed to high quality charter school authorizing and maintain high standards of practice.

Financial Resources

A quality authorizer should maintain the financial resources needed to fulfill its responsibilities according to MCCSA and national standards and best practices. The authorizer must be responsible stewards of public funds and commit funding to the charter school authorizing function. The authorizer budget should reflect this commitment and be allocated in a way that demonstrates the commitment to quality authorizing standards. The authorizer budget should also reflect the scale of the authorizer's portfolio.

In Michigan, an authorizer is funded by a 3% administrative fee. This administrative fee is made up of public funds and designated for the authorizer oversight functions. The authorizer also may use other funding to ensure that it has the capacity to oversee charter schools. Not only should this fee and other funding be used for the authorizer oversight functions, but all budgeted funding and spending should be free of conflict of interest, incentives, or disincentives that may compromise the charter authorizer's judgment.

Structures and Processes

A quality authorizer should have structures and processes in place to ensure its duties are fulfilled effectively and efficiently. The authorizer should have structures and processes that ensure effective practices are used for new school applications, ongoing annual oversight, and renewal. A detailed structure for all areas including staffing, expertise, written processes, and communication is key to ensuring effective practice. The authorizer is most effective when these structures are transparent and communicated with schools so that they know what to expect and can meet the expectations of the authorizer.

To help fulfill these responsibilities, many authorizers use technology to streamline and create efficiencies for both their staff and the school. Technology also helps to ensure that all documents that show evidence of compliance and data that demonstrates meeting expectations are submitted, reviewed and stored. Many authorizers in Michigan utilize Epicenter, a nationally recognized tool, to ensure that they are meeting their duties as an authorizer.

An authorizer should also provide annual reports for schools so that performance is communicated to the school and to the public. These reports should include performance expectations and outcomes, and communicate how the school is doing according to the expectations in the charter school contract.

Support and Advocacy

A strong educational ecosystem includes parental choice and charter school authorizers can play a role in supporting and advocating for charter public schools and families. Strong authorizers are committed to the students and families that are impacted by charter public schools. Committed authorizers not only oversee charter public schools, but they also support schools. This support can be demonstrated in

several ways including, providing resources, convening leaders, providing professional development and governance training, conducting support school visits, and answering any questions a charter public school may have.

In addition to support, a charter public school authorizer can serve as an advocate ensuring organizational commitment, advocating for families at the local and state level, and ensuring state regulatory efforts are reasonable.

Why is authorizer commitment and capacity important?

Families, communities, and the general public expect that authorizers are fulfilling their responsibilities. Students deserve to be in a quality educational environment that meets their needs. The public taxpayers trust that authorizers are ensuring that charter public schools are meeting federal and state regulations as well as the authorizer expectations. This responsibility requires that the authorizer has the people and resources in place to answer the critical questions:

- Is the charter public school achieving its academic goals as stated in the charter contract? All groups of pupils should be considered.
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

Reflective Questions:

Does your organization have the staffing and/or external expertise needed in all areas of charter public school oversight?

How is your authorizing budget reflective of your authorizing responsibilities? Does it reflect the size of your portfolio?

What structures and processes does your organization have in place to fulfill a high level of charter public school authorizing? How are processes documented and made transparent to schools?

How do you demonstrate your commitment to charter public schools through support and advocacy?

Resources:

[NACSA Standards](#)

MCCSA STANDARD: OVERSEEING AND EVALUATING A CHARTER PUBLIC SCHOOL

Recognized Best Practices

Regulatory Framework

[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.”

MCCSA Guiding Principles and Standards

A comprehensive oversight system is essential to the education ecosystem. MCCSA has adopted Principles and Standards (Standards) that guide authorizers as they develop strong authorizing practices. MCCSA Standards include Overseeing and Evaluating a Charter Public School which states, “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden.”

What is a Comprehensive Oversight System?

Charter public schools can be a catalyst for change and can provide great educational options for families and students. Charter public schools are granted greater autonomy in exchange for high standards of accountability in the areas of academic performance, financial management and organizational stability. Authorizers are responsible for deciding who can open new schools, setting clear expectations, overseeing charter public school performance, and taking action if a charter public school is not meeting expectations. This responsibility requires clear and consistent oversight practices, evaluation, and transparency with the charter public schools the authorizer oversees. Therefore, it is imperative that authorizers ensure their commitment and capacity by developing practices and organizational structures to fulfill authorizing responsibilities effectively and efficiently.

Oversight and evaluation responsibilities are described in the charter contract and are the responsibility of the authorizer throughout the charter life cycle, from ensuring that new school applicants are ready to open on day one to ongoing operations at the charter public school. A comprehensive oversight system will include, but is not limited to, monitoring and evaluating the following areas:

Academic Performance

The primary objective of monitoring academic performance is to ensure that students are receiving a quality education and to assure families and community members that public dollars are supporting student learning. In between high stakes charter public school reviews, such as renewals, monitoring of student performance allows the authorizer, school and community to know whether a charter public school is making adequate progress to meet its charter goals and provides the school with the assurance that it is on track or allows time to improve if not. School academic performance should be publicly displayed in a way that families can use the information to make informed choices. The absence of strong academic monitoring could result in a charter public school failing to appropriately serve students for years.

Specifically, authorizers should set clear expectations through the development of educational goals in the charter contract. The authorizer's oversight system should include monitoring on an ongoing and annual basis to determine if the charter public school is on track to meet its student academic expectations outlined in the charter contract. Strong academic monitoring is valuable in informing authorizing decisions and ensures that the charter public school board and leadership are clear regarding how they are doing according to the authorizer's expectations. See the Academic Monitoring for Charter Public Schools best practice guide for more information.

Financial Health and Operations

Financial health and operational stability are important for any school. As stewards of public funds, charter public schools must ensure that all funds are used in the best interest of the school and the students they serve. The authorizer should have clear expectations outlined for charter public schools that reflect financial and operational health and stability. Not only is it important to have clear expectations and metrics to measure this, but the systems and processes must be in place to safeguard against improprieties, misuse, or conflicts of interest. In addition, the authorizer must identify and clearly communicate operational stability expectations across several spectrums of school operations such as student enrollment, special education, teacher certification and facility and health safety. The financial and operational health and stability of each charter public school should be reported through the annual oversight process and made available to the school and public on an annual basis. See the Fiscal Oversight, Budgeting for Charter Public Schools and the Audited Financial Statements of Charter Public Schools best practice guides for more information.

Educational Service Provider Accountability

Authorizers have the legal obligation to carefully review any agreement that the board of a charter public school they authorize plans to enter into with an Educational Service Provider (ESP). Specifically, Michigan law requires authorizers to review and approve or disapprove any agreement between the charter public school board and an ESP before the agreement is finalized and executed. Authorizers may only disapprove an ESP agreement if the agreement violates some portion of the charter contract or Michigan law. Authorizers should establish ESP policies designed to outline requirements that must be satisfied before charter public school boards and ESPs enter into a final agreement. Specifically, policies should address the roles and responsibilities of the ESP and the charter public school board. See the Educational Service Provider Policies for Charter Public Schools best practice guide for more information.

Charter Boards

Each charter public school is governed by an independent team of local leaders who are appointed by the school's authorizer. Charter public school board members are public officials in the state of Michigan and take a statewide constitutional oath of office when appointed. Authorizers have the responsibility to ensure that board members are well vetted and qualified to serve as board members and continue to serve in the best interest of students. Authorizers must establish a clear policy

detailing the selection and appointment process for charter public school board members and ensure that board member vacancies are filled in a timely manner. Authorizers are responsible for ensuring that charter public school board members govern by board policy.

Authorizers should provide charter public school board members with professional development opportunities that cover the following topics: academic results, effective governance and leadership, legal compliance, board and charter public school leadership relationships, finance and budgeting. Finally, authorizers should ensure that boards are well informed of the school's performance according to the charter agreement and they are strong stewards of public funds. See the Board Governance for Charter Public Schools best practice guides for additional information.

The monitoring and evaluation should occur on a regular basis, and the authorizer should provide performance reports that are reflective of the academic, financial, and operational expectations of the charter contract to the school and the public.

Why is a Comprehensive Oversight System important?

A comprehensive oversight system will allow the authorizer to monitor and evaluate a charter public school's performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer's oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden. Ultimately, a comprehensive oversight system will allow the authorizer to answer the following questions during reauthorization:

- Is the charter public school achieving its academic goals as stated in the charter contract? All groups of pupils should be considered.
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

The authorizer shall base reauthorization decisions on the data and information gathered through the oversight and evaluation system as defined by the charter contract. If a charter public school is not making adequate progress toward meeting its performance goals, as defined in the charter contract, the authorizer may decide not to renew the charter contract.

Reflective Questions

Does your organization have strong policies and practices that reflect the oversight and evaluation responsibilities necessary for strong authorizing?

How are the charter public schools made aware of authorizer oversight expectations?

In what way are you providing performance reports to schools and the public that are reflective of the expectations outlined in the charter contract?

ACADEMIC MONITORING

Recognized Best Practices

Regulatory Framework

The Revised School Code ([MCL 380.507\(1\)\(e\)](#)) identifies the oversight role of the authorizer as it relates to academic performance of charter public schools. Authorizers are required to “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.” It also states that the contract may be revoked by the authorizer if the authorizing body determines that the charter public school has failed to demonstrate “improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in the contract” ([380.507\(4\)\(a\)](#)).

In addition to the oversight of the authorizer, Michigan Department of Education (MDE) provides an academic framework for all public schools: Michigan School Index System and the Michigan Parent Dashboard for School Transparency, as established by [MCL 380.1280g](#) of the Revised School Code and the federal Every Student Succeeds Act of 2015 (ESSA). The Michigan School Index System assigns a letter grade for a series of indicators (student proficiency, student growth, graduation rate, English learner progress, state assessment participation, and school quality/success). Schools in need of support are identified as Comprehensive Support and Improvement (CSI) schools, Targeted Support and Improvement (TSI) schools or Additional Targeted Support (ATS) schools.

All public schools report their student academic data to MDE. MDE makes the information and the school accountability designation publicly available on the MI School Data website. Charter schools also report their academic data to the authorizer for academic monitoring and accountability.

While the academic goals in the charter contract are the main source of accountability for charter public schools, it is imperative that the authorizer, charter public school board, and school leadership understand MDE’s academic accountability framework and the actions that the MDE may require if a school is identified as a CSI, TSI or ATS school.

MCCSA Guiding Principles and Standards

MCCSA has adopted Principles and Standards that guide authorizers as they develop strong authorizing practices. To balance charter public school autonomy and student academic outcomes, the first principle of MCCSA’s guiding principles is for authorizers to focus on Performance & Accountability. The responsibility of continuous monitoring lies with multiple agencies including the charter public school’s authorizer and the MDE. Part of effective monitoring requires clear, continuous, and direct communication among the oversight entities and with the charter public school so that there is minimum duplication of effort and unnecessary burden.

As described in MCCSA’s *Authorizing Excellence: Michigan’s Model for Authorizer Accountability*, monitoring for academics is multi-faceted. Waiting to report school performance until the contract term ends is not a best practice, rather regular oversight and reporting is necessary to ensure that students are receiving the best education available. Specifically, it is stated in the section *Overseeing &*

Evaluating a Charter Public School that “authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden.”

Furthermore, “if, during the course of the charter contract term, the authorizer determines that a public charter school is not making adequate progress, the authorizer shall give notice to the school and allow reasonable time and opportunity for the school to make necessary changes. However, if after the changes, the school is still not making adequate progress, the authorizer shall send notice to a school regarding their lack of progress and provide intervention support strategies that work to improve student outcomes and operations while maintaining program autonomy and accountability.”

What is academic monitoring?

Academic monitoring is the process conducted by an authorizer on an ongoing and annual basis to determine if the charter public school is on track to meet its student academic expectations outlined in the charter contract. Strong academic monitoring is valuable in informing authorizing decisions and ensures that the charter school board and leadership are clear regarding how they are doing according to the authorizer’s expectations. In addition, school academic performance should be publicly displayed in a way that families can use the information to make informed choices. Academic monitoring includes, but is not limited to, school performance on the state rating system, charter goals that measure student academic outcomes, and authorizer frameworks or scorecards. It may also include mission-specific goals, school site visits where teachers are observed (as opposed to a document review) and engagement with families, staff, and students regarding school academic learning and social-emotional development.

Specific key performance indicators to consider as part of academic monitoring include but are not limited to:

- Academic proficiency
- Academic growth
- Subgroup performance
- Student motivation and engagement
- College and career readiness
- School culture, climate and stakeholder engagement
- Mission-specific goals

Why is academic monitoring important?

The primary objective of academic monitoring is to ensure that students are receiving a quality education and to assure families and community members that public dollars are supporting student learning. In between high stakes charter public school reviews, such as renewals, monitoring of student performance allows the authorizer, school, and community to know whether a charter public school is making adequate progress to meet its charter goals, providing the school with the assurance that it is on track or allows time to improve if not. The absence of strong academic monitoring could result in a charter public school failing to appropriately serve students for years.

What is the difference between academic monitoring and compliance monitoring?

Simply stated, academic monitoring measures outputs and compliance monitoring measures inputs. Academic monitoring evaluates measurable outcomes reflecting student performance. Compliance monitoring that falls under the realm of academics includes compliance with teacher qualification requirements, compliance with special education laws such as IDEA and ADA, compliance with laws governing English learner education, compliance with certificate of occupancy, and other areas that, when followed, should result in better student outcomes.

Academic Monitoring Best Practices

Transparency and Clear Communications

A transparent academic monitoring and reporting process will result in greater outcomes and ensure that all stakeholders have a clear understanding of expectations and the performance of the charter public school. It is best practice to publish all rubrics, guidance, and documents and provide them to school leadership well in advance of a site visit or monitoring review. To enhance the academic monitoring system and ensure there are no surprises, it is important to inform schools, families, and community members of what will be monitored and when.

Multiple Measures

Measuring school quality is most effective and valid when multiple measures are used that go beyond state assessments and frameworks. Key performance indicators beyond standardized test results can provide a more holistic view of school quality. Consider utilizing the key performance indicators listed earlier. Other measures to consider could include student portfolios, school-based assessments, as well as gradebooks, attendance, and transcripts. It is essential that authorizers do not focus on inputs such as choice of curriculum, school schedule, or other inputs not outlined in the charter contract or accountability framework.

Site Visits

Site visits are an effective tool in providing strong academic monitoring oversight. Site visits provide the authorizer and charter public school leadership with qualitative evidence to inform decisions and can provide valuable feedback to the charter school board and school leadership. Formal and informal site visits should be utilized strategically to gain a full picture of school quality. Formal site visits should always be conducted with a rubric, so there is a clear standard of excellence without bias for school mission or programming. Informal or unannounced visits, when used appropriately, can help to provide an authentic view of a school in action.

Know your schools

It is important that the authorizer builds a relationship with the charter public school board and school leaders to help strengthen communications. In addition, authorizers can gain a more complete understanding of the school by not only communicating with the charter school board and school leaders but also communicating with students and families who choose the school. Authorizers can utilize site visits as an opportunity to interview leadership, staff, students, and families to accomplish this. The use of climate and culture surveys can also be a valuable tool.

Take appropriate actions

To have a strong academic monitoring system, it is essential to include clear indicators and authorizer processes to take the appropriate actions when necessary. High performing schools should be recognized and celebrated. While underperforming schools should be identified and interventions

should be implemented to improve the school's performance. Interventions might include increased monitoring, submission and implementation of a corrective action plan, and eventually closure if the charter public school fails to demonstrate adequate progress.

Reflective Questions:

Does your academic monitoring utilize multiple measures to reflect quality?

How are you using site visits effectively to further understand quality education at the charter public school?

Are you providing performance reports to schools and the public that reflect academic expectations outlined in the charter contract?

Does your academic monitoring process clearly articulate the actions the authorizer will take if the charter public school is not making adequate progress?

Resources:

[Michigan School Index System](#)

[Michigan Parent Dashboard for School Transparency](#)

[Curriculum Review](#)

[Educational Program Review](#)

[Performance Report - Example 1](#)

[Performance Report – Example 2](#)

AUDITED FINANCIAL STATEMENTS

Recognized Best Practices

Regulatory Framework

The State School Aid Act ([MCL 388.1618](#)) requires a charter public school to have an annual financial statement audit. The Revised School Code ([MCL 380.503](#)) requires that all charter contracts include requirements and procedures for authorized schools to complete a financial audit that shall be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles.

If a school expends more than \$750,000 in federal funds, the school is required to undergo a Single Audit.

MCCSA Guiding Principles and Standards and Authorizer Assurances

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 include Overseeing and Evaluating a Charter Public School which states “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school...” The Standards explain that a comprehensive oversight system includes monitoring and evaluating fiscal performance.

Specifically, MCCSA believes it is critical to include a review of a charter public school’s compliance with legal requirements and certain best practices. Consequently, MCCSA has approved Authorizer Assurances (Assurances) that require “all charter contracts include requirements and procedures for schools to complete a financial audit which shall be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles.” The Assurances also require that an “authorizer requires an independent CPA responsible for completing the school’s annual financial audit.”

What is an audit and why is it important?

The benefit of an audit is that it provides assurance that management has presented a “true and fair” view of a charter public school’s financial performance. Management is responsible for preparing the financial statements in accordance with the generally accepted accounting principles. The independent auditor opines as to whether the financial statements are fairly presented. This provides the board and other stakeholders, such as authorizers, the confidence that they can rely on their financial statements to make decisions. When it comes to fraud, auditors may not detect material fraud, but they are responsible for obtaining reasonable assurance that the financial statements are not materially misstated as a result of fraud. The State School Aid Act requires state aid to be withheld by the State if an audit is not submitted as required.

Auditor Engagement

The auditor should be an independent, objective, qualified individual that is hired by the board. Management can help with the identification of the auditor, but the board must make the final decision.

The auditor should be experienced with Michigan school accounting requirements. The audit engagement letter should include the audit objective, audit procedures, management responsibilities, fees, and engagement administration including timeline for completion and auditor presentation of the audit at a board meeting.

Audited Financial Statements and Audit Findings

The audited financial statements of a charter public school will include the independent auditor's report, management's discussion and analysis, the basic financial statements, a report on internal control over financial reporting, compliance and other matters, a management letter, as well as required supplemental information. A separate communication from the auditor to the board, the AU 260 letter (The Auditor's Communication with Those Charged with Governance), will also be included in the audit package.

A Single Audit is required if the Academy expends \$750,000 or more in federal awards. If required, this audit will be issued under separate cover and will include additional statements and schedules.

The auditor's report will include an opinion as to whether the financial statements are presented fairly. A clean opinion is called an unmodified opinion. A modified opinion is issued if the auditor disagrees with management and does not believe the financial statements are presented fairly.

The auditor will also provide a letter with additional information that includes significant audit findings, if any. Audit findings vary in seriousness. They include:

- Material weakness - a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the school's financial statements will not be prevented or detected on a timely basis.
- Significant deficiency - a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the school's financial reporting.
- Comments and recommendations – comments or recommendations are less severe than a significant deficiency and/or something the auditor wants to point out.

Best Practices for Using Audited Financial Statements

Audited financial statements with an unmodified opinion provide the board and other stakeholders, such as authorizers, the confidence that they can rely on their financial statements to make decisions. Authorizers and board members should consider the following when monitoring and evaluating financial performance:

- Ensure board members have a proper understanding of the board's role and responsibilities regarding the financial performance of the school.
- Require the charter public school to engage an independent auditor to conduct an annual audit of the financial statements.
- Read the audit report and financial statements for a general understanding.

- Review the audit report to ensure the opinion is not modified and there is no ongoing concern footnote that expresses the auditor's concern about the future of the charter public school.
- Review the audit letter that includes the additional information to determine if there are any material weaknesses. If material weaknesses exist, determine if the board has addressed the issues. The board should determine if there are any findings, not just material weaknesses, and address each appropriately.
- Review the financial statements to ensure the charter public school does not end the year in a deficit.
- Consider evaluating the fiscal performance of the charter public school through analyzing standard key performance indicators including, but not limited to:
 - Current Ratio: Can the school pay their short-term obligations?
 - Change in Fund Balance: Is the school living within its means?
 - Cash Days on Hand: Does the school have the cash available to pay bills?
 - Enrollment Stability: Is the school's main revenue source stable?

Reflective Questions

How can the audited financial statements be used to evaluate and monitor the charter public school's financial performance?

Does our organization have the proper systems and processes in place to effectively monitor the financial health of the schools it oversees?

When should an authorizer and/or board be concerned about a charter public school's financial performance?

Resources

[Audited Financial Statements Review Process](#)

[Audited Financial Statement Review Template](#)

BOARD GOVERNANCE

Recognized Best Practices

Regulatory Framework

The Revised School Code ([MCL 380.502](#)) requires charter public schools to be organized and governed by a board of directors. The board of directors is also responsible for adopting bylaws by which they will oversee the charter public school.

The primary responsibility of authorizers is to hold charter public school boards accountable to meet the terms of the charter contract and to ensure they are in compliance with all applicable law as required by the Revised School Code ([MCL 380.507](#)). Under Michigan law, authorizers are responsible for establishing the method of selection, length of term and number of board members for each charter public school they authorize. In addition, authorizers are responsible for ensuring that the board operates independently of any educational management company providing services to the school and maintains and releases information necessary to comply with applicable law.

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 include Overseeing and Evaluating a Charter Public School which states, “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden.” The standards state that one of the components of an authorizer’s comprehensive oversight system should include charter public school board membership and governance.

How is a charter public school board established?

Under Michigan law, authorizers are responsible for establishing the method of selection, length of term and number of board members for each charter public school they authorize. The authorizer must also ensure that the board members selected are representative of the local community.

A charter public school board may identify and recommend qualified candidates to the authorizer for consideration. This is an important part of the process as current board members can identify strong candidates who are members of the community, parents, and individuals with skill sets that would provide the expertise and perspective that is necessary for effective governance. Once board candidates have been recommended, the authorizers will perform due diligence that includes background checks, review of qualifications, and an interview. Upon completion of due diligence, the authorizer will determine if the candidate moves forward. As board members enter into the last year of their term of service, the authorizer will conduct a reappointment process prior to a new term. See Board Governance – Public Officials and Appointment Process Recognized Best Practices Guide for more detail.

Charter Public School Board Roles and Responsibilities

Healthy board governance is critical to ensuring a charter public school's success. Boards are charged with the task of making sure the charter public school is achieving its mission and vision and producing excellent educational results for students. Boards also have an important fiduciary responsibility to ensure public funds are being appropriately stewarded and are being spent in a way that will ensure improved academic achievement for students. Further, it is the responsibility of the board to ensure the terms of the charter contract are being met and that the charter public school is in compliance with applicable law. In addition to its contractual and fiduciary responsibilities, the board also serves as a public voice for the great things the charter public school is achieving for its community.

To effectively fulfill their roles and responsibilities, board members should always have the three primary duties of nonprofit governing boards as their guide: the duty of care, the duty of loyalty, and the duty of obedience. The duty of care involves the obligation to oversee and hold accountable the people who run the charter public school. The duty of loyalty means putting the charter public school first and being sure that decision-making is in the best interest of the charter public school - by putting the kids first. The duty of obedience means that as a board member you are ensuring the charter public school is acting in good faith to follow its charter contract and all applicable laws. Effectively fulfilling the board's duties and responsibilities will provide board members with a peace of mind, reduce risk to the school, and lower the risk of organizational and personal liability.

What are the authorizer's responsibilities in holding charter public school boards accountable?

The authorizer is responsible for holding charter public school boards accountable for the academic, fiscal and organizational results of the school. The authorizer through their comprehensive oversight system must ensure that the charter public school board governs the school in a manner that ensures the educational goals of the charter contract are met and that the school is a viable organization both financially and operationally. The authorizer is also responsible for ensuring the charter public school board is in compliance with the charter contract requirements and all applicable law, including but not limited to ensuring that all necessary state and federal reports are completed and submitted in a timely manner.

Another important responsibility of the authorizer is to take necessary measures to ensure that the charter public school board operates independently of any Educational Service Provider (ESP) that provides services to the school. One way an authorizer does this is by reviewing and possibly disapproving any agreement that a charter public school board enters into with an ESP. See the Educational Service Provider Policies for Charter Public Schools best practices guide for more detail.

Best Practices for Board Governance – Roles and Responsibilities

The ability of a charter public school board to govern well stems from its clear understanding of its roles and responsibilities. The authorizer plays an important role in helping charter public school boards understand their roles and responsibilities. Board training and development can be an excellent vehicle for helping board members more clearly understand their governing duties. Board training and development can take many forms such as helping boards develop a new board member orientation program, providing a board training manual, offering in person or online board professional development opportunities, creating informational pieces on topics that are important to board members, and informing boards about any federal, state, or authorizers updates of which they need to

be aware. It is important that the training charter public school board members receive includes a large variety of critical governing topics, such as:

- Board governance expectations and bylaws;
- Adopting legally sound governing policies and keeping them current;
- Implementing the goals of the charter contract;
- Running effective and efficient board meetings;
- Strategic planning and goal setting;
- Evaluating academic performance; and
- Financial oversight and risk management.

The more knowledgeable the charter public school board is on critical governance topics, the easier it will be for the board to make wise decisions that will positively impact students and ensure financial resources are wisely stewarded.

Authorizers can also ensure that charter public school boards understand their roles and responsibilities by creating policies and systems that hold boards accountable. Examples of effective policies and systems include: an annual calendar of reporting requirements, model board bylaws, policies and procedures for reviewing ESP agreements, model financial policies and procedures, and a contract reauthorization process.

Reflective Questions

Who is responsible for ensuring a fully seated board?

Who is responsible for the academic, fiscal, and organizational results of a charter public school?

Does your team provide effective professional development that will increase the knowledge and abilities of the charter public school board to fulfill their responsibilities?

Resources

[Board Bylaws](#)

[Board Training Example 1](#)

[Board Training Example 2](#)

[New Board Member Training](#)

[Board Resolution Samples](#)

[Board Self-Evaluation](#)

[Open Meetings Act](#)

BOARD GOVERNANCE – PUBLIC OFFICIALS AND APPOINTMENT PROCESS

Recognized Best Practices

Regulatory Framework

The Revised School Code ([MCL 380.502](#)) requires charter public schools to be organized and governed by a board of directors. The board of directors is also responsible for adopting bylaws by which they will oversee the charter public school.

The primary responsibility of authorizers is to hold charter public school boards accountable to meet the terms of the charter contract and to ensure they are in compliance with all applicable law as required by the Revised School Code ([MCL 380.507](#)). Under Michigan law, authorizers are responsible for establishing the method of selection, length of term and number of board members for each charter public school they authorize ([MCL 380.503](#)). In addition, authorizers are responsible for ensuring that the board operates independently of any educational management company providing services to the school and maintains and releases information necessary to comply with applicable law.

MCCSA Guiding Principles and Standards

MCCSA has adopted Principles and 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 include Overseeing and Evaluating a Charter Public School which states, “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden.” The standards state that one of the components of an authorizer’s comprehensive oversight system should include charter public school board membership and governance.

Are charter public school board members public officials?

Charter public school board members are public officials. The board is the entity of record for the state, so board members play a critical role as public officials. It is important to remember that being appointed as a charter public school board member means you have the same authority and responsibility as board members elected to serve traditional public schools. Board members are required to be United States citizens and residents of the State of Michigan. Board members must

take an oath of public office that affirms the support of the Constitution of the United States before the start of their term.

How are board members appointed?

Under Michigan law, authorizers are responsible for establishing the method of selection, length of term and number of board members for each charter public school they authorize. The authorizer must also ensure that the board members that are selected are representative of the local community.

A charter public school board may identify and recommend qualified candidates to the authorizer for consideration. This is an important part of the process as current board members can identify strong candidates who are members of the community, parents, and individuals with skill sets that would provide the expertise and perspective that is necessary for effective governance. Once board candidates have been recommended, the authorizers will perform due diligence that includes background checks, review of qualifications, and an interview. Upon completion of due diligence, the authorizer will determine if the candidate moves forward. As board members enter into the last year of their term of service, the authorizer will conduct a reappointment process similar to the appointment process prior to a new term.

Due Diligence

The authorizer may search for qualified board member candidates or the charter public school board may recommend a candidate. To ensure that quality board members are in place to effectively govern the charter public school, the authorizer should have a due diligence process in place. An effective process includes an application (including resume and letters of recommendation), back ground check, conflict of interest disclosure, and an interview. Through this process, not only should the authorizer determine if they meet technical criteria and have the necessary expertise and experience needed, the authorizer should also ensure that the candidate's desire to serve as a board member are aligned with the school's purpose and mission.

The authorizer staff should thoroughly evaluate each board member's qualifications, readiness, and fitness to serve as a board member. If the board member represents the qualities needed and fitness throughout the due diligence process, the authorizer may choose to appoint the individual to the board. If the individual does not represent the qualities needed or fitness, that individual should not be moved forward for appointment.

Conflict of Interest

Ensuring no conflict of interest exists is part of the due diligence process, but an extremely important responsibility of the authorizer. The authorizer has the duty to ensure and certify charter public school board member conflicts to not exist. This means that all board members are governing independently and making decisions in the best interest of students and families. Board members should be free from conflict in all matters involving the school including staffing, facilities, contracting, and the Educational Service Provider (ESP).

Authorizers can fulfill this duty by requiring that board members complete an annual conflict of interest disclosure form. Authorizers may also collect resumes and conduct online searches and interviews to further understand if a conflict may exist. Any disclosures or findings should be followed up on and resolved as having no conflict. If a conflict exist that calls into question the ability for the individual to make independent decisions solely in the best interest of students, the individual should not be appointed as a board member. If a new conflict arises or is discovered during the term or service or at

the time of reappointment, the authorizer should take appropriate action to not allow the individual to serve as a board member.

Appointment

After the authorizing office has identified a board member candidate, has completed due diligence, and has determined that the candidate would be an effective and committed board member at the charter public school, the authorizing board will vote and appoint the board member to the charter public school board for a specific length of term. This process also should include a new board member orientation and ongoing professional development offerings.

Reappointment Process

Each board member shall have a specified term length for their service on the charter public school. Before the end of the term of service, the authorizer should conduct a reappointment process. This process may include a reappointment application, interview, background check, and conflict of interest disclosure. The authorizer may also choose to speak with the board chair to understand the demonstrated effectiveness and the commitment of the board member.

Quality Board

Authorizers in Michigan have the responsibility to appoint quality board members to ensure that each charter public school has effective governance. Part of this process is to ensure that the expertise and experience needed is in place. Each board should have members that represent the critical areas of governing a charter public school: education, finance, and community. Depending on the school's focus, other areas of expertise and experience should also be taken into account. Legal, special education, parent voice, leadership, and business expertise can also be valuable to have represented on a board. The needs of a charter public school may change and any changes should be taken into account.

During the new school, renewal and reappointment processes, the authorizer could utilize a skills matrix to ensure that all critical areas of expertise and experience are represented on the board. Authorizers may choose to work with the design team if it is a new school, the board of an existing charter public school, or community groups, such as the area chamber of commerce, to identify effective and committed board members. All of these groups can be extremely valuable in identifying a quality board member.

Reflective Questions

How does your team communicate regularly?

What does it mean for a board member to be a public official?

How does your organization provide training for board members to ensure that they are fulfilling their duty as a public official and effectively serving as a charter public school board member?

What is the process in place to ensure that no conflict of interest is present at the charter school board level?

What is the process in place for appointing and reappointing board members, appointments, and reappointments?

How has your organization built relationships with other community organizations to help identify committed and quality board member candidates?

Resources

[Board Member Appointment and Reappointment Process with Related Resources– Example 1](#)

[Board Member Appointment and Reappointment Process with Related Resources– Example 2](#)

[Board Member Appointment and Reappointment Process with Related Resources– Example 3](#)

[Board Member Appointment and Reappointment Process](#)

[Board Member Application](#)

[Board Member Conflict of Interest Annual Disclosure](#)

[Board Member Applicant Interview](#)

[Board Member Oath of Office](#)

BUDGETING

Recognized Best Practices

Regulatory Framework

Michigan legislators enacted the Uniform Budgeting and Accounting Act (UBAA), which was amended by Public Act 493 in 2000, making specific sections, specifically the budget-related sections, applicable to charter public schools. A summary of those requirements is as follows:

- The board is required to designate, by resolution, a Chief Administrative Officer (CAO), who assumes final responsibility for the preparation and presentation of the recommended budget and controls the budget throughout the year.
- The board is required to approve a budget timeline.
- The CAO is required to prepare a budget for the school's General Fund and any Special Revenue Fund (i.e., Food Service Fund).
- The original budget for the General Fund and any Special Revenue Fund must be presented in a 3-column format (last year, current year projection, and proposed budget).
- The school is required to publish a public hearing notice in a general circulation newspaper.
- The school is required to present the original budget for the General Fund and any Special Revenue Fund at a properly noticed public hearing before it is approved by the board.
- The board is required to approve, by resolution, the original budget for the General Fund and any Special Revenue Fund prior to July 1.
- All budget amendments are required to be approved by resolution by the board as soon as it becomes apparent that the revenues are going to be less than the original estimate or expenditures are going to be greater than those used to formulate the budget.
- Any violations of the Uniform Budgeting and Accounting Act, as disclosed in the audited financial statements (in the absence of reasonable procedures to detect the violation), shall be filed with the State Superintendent of Public Instruction and reported to the Attorney General.

The UBAA and the State School Aid (MCL 380.1220) requires that a school cannot pass a budget with cumulative negative fund balance. See [MCL 380.1220](#) for requirements should a school operate under a deficit budget.

MCCSA Guiding Principles and Standards

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What is a budget and why is it important?

Being strategic when budgeting maximizes the charter public school's ability to achieve future success through the accomplishment of its mission. A budget is a tool that helps create a roadmap for implementing strategies. By creating the roadmap, the board is defining strategic expectations and what they want to achieve. Setting these clear expectations allows for a strong accountability system to ensure the roadmap is followed and goals are achieved.

Budgets also serve as an integral part of the school's system of internal control. Having a budget helps the board remain disciplined in organizing the school's finances, which is the first step to knowing the school's overall financial health. A budget forces the school and the board to strategically plan and focus on financial resources and obligations.

Budgeting Process Best Practices

Budgeting is the process of making financial goals for a school and creating a plan to achieve those goals. The budgeting process starts with the identification of needs by reviewing organizational documents such as the mission, strategic plan, educational program, assessment results, and school improvement plans.

Working collaboratively to identify needs and establish budget priorities provides the best opportunity for success of student achievement. To ensure this occurs, the school should create a budget team representing multiple stakeholders including the school board, school administration, teachers and staff. The budget team will provide the necessary insight to align budget priorities appropriately. The budget team should establish a budget process timeline that provides ample time for collecting the necessary information, building of the budget, review by the board, and necessary revisions.

Once the budget is complete, the school should develop a communication plan for internal and external stakeholders. It is important for internal stakeholders to understand the budget as they will be integral in helping ensure the expectations of the budget are met. It is important for external stakeholders to have transparent insight into the budget so that they understand the identified priorities and have realistic expectations.

The budget process should also include a monitoring process throughout the year for the charter public school board to review the budget and make necessary adjustments should revenue or expenditures not materialize as expected.

Budget Monitoring and Evaluation Best Practices

Budgets provide the board and other stakeholders, such as authorizers, the confidence that the charter public school has allocated resources appropriately to fulfill the mission of the school and is fiscally responsible. Authorizers should review the original budget and amended budgets to ensure the projected revenue and expenditures are realistic based upon the previous year's numbers and that the school is not projecting a deficit. If an authorizer has concerns about a school's financial status, the authorizer may review the budget in more detail.

All board members, even with a CAO and a finance committee, should be held accountable to know and understand the budget and spending plan of the charter public school. Specifically, a board should:

- Ensure compliance with the UBAA as described above.
- Participate in the budget team (treasurer and one additional board member).

- Review the original budget to ensure alignment with the school's priorities.
- Review the budget on a regular basis, comparing the budgeted revenues and expenditures to the actual revenues and expenditures, per the interim financial statements, to ensure the budget is being followed and expectations are being met.
- Approve an amendment as soon as it becomes apparent that the revenues are going to be less than the original estimate or expenditures are going to be greater than those used to formulate the budget.
- Compare the final budget to the results of the audited financial statements to understand the accuracy of the budgeting process.

Reflective Questions

Has your organization developed a system to oversee and monitor the charter public school's budget?

How do you determine if a charter public school is fiscally responsible and living within its means?

Resources

[Original Budget Review](#)

[Amended Budget Review](#)

[Budget Assumptions Worksheet](#)

[Budget Requirements](#)

Budget Transparency Guidance - MDE

CHARTER APPLICATION

Recognized Best Practices

Regulatory Framework

An application must be submitted to an authorizing body to obtain a contract to organize and operate a charter public school. Pursuant to the Revised School Code ([MCL 380.502](#)), the application shall include the following:

- Identification of the applicant for the contract.
- A list of the proposed members of the board of directors of the charter public school and a description of the qualifications and method for appointment or election of members of the board of directors.
- The proposed articles of incorporation.
- Documentation meeting the application requirements of the authorizing body, including the following:
 - the governance structure of the school.
 - the educational goals, curricula and methods of pupil assessment.
 - the admission policy.
 - the school calendar and school day schedule.
 - the age or grade range of pupils to be enrolled.
 - descriptions of staff responsibilities and of the public charter school's governance structure.
 - for an application to the board of a school district, an intermediate school board, or board of a community college, identification of the local and intermediate school districts in which the school will be located.
 - an agreement that the school will comply with state and federal law.
 - a description of and address of the proposed physical plant in which the school will be located.

See MCL 580.502(3) for details and additional requirements.

MCCSA Guiding Principles and Standards

MCCSA has adopted Principles and 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 suggest that the application process should:

- Provide for first-time applicants as well as experienced operators.
- Encourage expansion and replication of charter public schools demonstrating success.
- Allow for autonomy while encouraging innovation.
- Be rigorous and transparent, ensuring authorizer expectations are clearly stated and legal requirements are met.

The MCCSA Standards also suggest that the application review should consider:

- The charter public school's performance goals.
- A compelling and realistic vision.

- A sound and sustainable business and financial plan.
- The will and capacity to effectively implement the plan.

Application Process Best Practices

The authorizer should establish an application process that is objective, transparent, shares the authorizer's goals and expectations and clearly explains the process, steps and timeline. It should result in the authorizer completing a thorough review to gain confidence that the applicant has a promising vision and the ability to implement. The process should ensure that only schools likely to improve educational outcomes for students are granted a charter.

A best practice application process will include the following steps:

- Proposal or letter of intent, if applicable – Some authorizers require a short proposal or letter of intent to be submitted prior to being allowed to submit an application.
- Application– The applicant submits the application for review.
- Initial Review (Phase I) – The application is reviewed by an expert panel who assesses whether the proposed school is in the best interest of the students and the community. The review should be rigorous and focused on academic, operational, and financial plans. Often authorizers will use internal and external reviewers to ensure the integrity of the process.
- Due Diligence – The authorizer should perform due diligence on the applicant to gain an understanding of their previous experience operating a school and their track record of success.
- Applicant Meeting Review (Phase II) – The applicant(s) are interviewed by the authorizer review panel to gain a deeper understanding of the applicant's ability to execute their vision and to gather additional information that was not included in the written application.
- Final Review and Recommendation – The review team completes any necessary additional reviews and determines if the applicant will be recommended for authorization.
- Approval - The authorizing body considers the recommendation for approval.
- Preoperational Phase – The approved applicant and the authorizer work together to complete and execute the charter contract and ensure a successful launch of the school.

Reflective Questions:

What makes a strong and compelling application?

Why should an authorizer use an expert panel with external members to review an application?

Resources

[New School Application and Review Process](#)

[New School Application Rubric](#)

[New School Application Cycle](#)

[New School Application Process](#)

[New School Application](#)

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](#)

CYBER SCHOOLS

Recognized Best Practice

Regulatory Framework

An authorizing body may issue a contract for a school of excellence that is a cyber school. A cyber school provides full-time instruction through online learning or otherwise on a computer or other technology, and this instruction and learning may occur remote from a school facility (MCL 380.553a). A cyber school must follow all applicable law prescribed to a school of excellence as found in MCL 380.551-380.561 of the Revised School Code.

Guiding Principles and Standards

MCCSA's Guiding Principles and Standards (Standards) apply to all schools including cyber schools. NACSA and the National Charter School Resource Center have provided additional guidance related to cyber schools through their Principles and Standards as well as guides that outline specific areas of authorizer oversight.

It is essential for the authorizer to have the performance expectations for cyber schools outlined in the charter agreement and to ensure the staff has the capacity to fully evaluate and oversee the additional nuances of cyber schools.

In addition to MCCSA standards and NACSA guidance, The Auror Institute has provided National Standards for Quality Online Teaching. The standards can be utilized by the authorizer to develop review protocols and inform oversight practices.

Cyber Schools and Authorizer Responsibilities

Cyber schools offer virtual learning to students. With the growing number of cyber schools in Michigan, authorizers have the responsibility to ensure that students and families served in these schools are receiving a quality education. Charter agreements for cyber schools should include high standard performance expectations just as any charter public school contract would.

In addition to annual oversight and renewal practices, authorizers accepting applications for new cyber schools should have a specific application or additional questions in their existing application. The application for a new cyber school should be designed to address the key differences in the program model.

Performance Standards

Cyber school charter contracts, like all charter public school contracts, must include performance standards focused on academic, financial, and compliance expectations. Authorizers should specifically outline additional standards for cyber schools in the charter contract. Any additional standards should be developed to ensure that the monitoring of the cyber school is aligned with national best practice and accommodate for the difference between a traditional brick and mortar school and a cyber school. While the oversight practices provided in other MCCSA Best Practice Guides apply to cyber schools, an authorizer should provide oversight on testing and adjust qualitative reviews and surveys accordingly.

Testing Formats and Timing

Authorizers should have a full understanding and monitor testing for cyber schools to ensure they are meeting the state and authorizer expectations. The authorizer should examine the annual testing plans for all students to ensure they are in compliance. The authorizer also may choose to monitor virtual and on-site testing throughout the year.

Qualitative Reviews and Surveys

Authorizers should perform a qualitative review of all schools it oversees including cyber schools. The authorizer should have a protocol in place that addresses the differences of the model. A protocol should include classroom observations, document reviews, and interviews of staff, students, and families.

Classroom observations should be completed by a qualified individual using a classroom observation protocol. This protocol should be used consistently and observe the quality of instruction including student engagement. The charter application and charter contract should outline what engagement will look like between the teachers and the student as well as with families. The authorizer should look for evidence of class participation, student assignments, teacher-student contact, participation in webinars, and support sessions. Documentation such as lesson plans, assignments, and supports should be examined to ensure all students including students with special needs are being served.

The authorizer should be able to see evidence of engagement with parents, including conferences and learning and progress reports. These reports should clearly communicate how the student is doing and the progress toward completion of a course or grade level.

In addition to classroom observations and document reviews, authorizers should review surveys of students and families, and conduct interviews with staff, students and families to gain a more complete understanding of the educational quality of the school. Another form of document review could consist of surveys completed by students and families supplied by the school. Interviews should focus on the quality of the educational program, engagement, and overall satisfaction of the school. These interviews, when conducted effectively, can provide important information beyond data that reflects the quality of the school.

What if a cyber school is underperforming?

If a cyber school is underperforming, an authorizer might consider additional oversight as explained below:

Attendance and Instructional Time

While attendance monitoring is the responsibility of the local ISD and pupil auditor, the authorizer may consider monitoring attendance according to the state requirements especially if there have been issues in the past. The cyber school should have clear and concise documentation of their method for tracking and reporting attendance.

Given the attendance and instructional time are the focus of the pupil auditor, and authorizer should minimize any duplication in this area, however, the authorizer should be involved when an issue arises and set expectations for remaining informed.

Graduation Rates and Cohorts

Authorizers may closely monitor graduation rates according to the population being served. The authorizer should understand the population of the cyber school. If a cyber school has a population that is under credited, the authorizer and school can examine the data together and set expectations that align with the population and monitor accordingly. Examining cohorts of students across years will

allow the authorizer to determine whether the school is on-track to meeting or has met the graduation requirements.

Educational Development Plans

The authorizer may also ensure that the cyber school has Educational Development Plans in compliance with MDE Requirements. These plans will help guide the student's academic courses and career experiences during high school that will prepare them for the career that they have identified.

Student Retention and Attrition

The authorizer should work with the cyber school to understand student retention and attrition. The authorizer should set expectations that the cyber school carefully track student retention and attrition and implements strategies to maximize retention and minimize attrition, leading to improved rates over time.

Summary

With a growing number of students enrolling in cyber schools, the authorizer of a cyber charter public school has the obligation to ensure that all students are receiving a quality education. Cyber school charter contracts, like all charter public school contracts, must include performance standards focused on academic, financial, and compliance expectations. Taking a deeper look into the quantitative data and qualitative nature of the cyber school can provide insight into the quality of the school.

Ensuring that the new school application, annual oversight, and renewal processes differ from traditional in-person model of teaching and learning.

Reflective Questions:

Does your new school application include additional questions that are unique for applicants proposing to open a cyber school?

How do your annual oversight and renewal processes consider nuances of cyber charter public schools?

Does your team have the knowledge and protocols in place to monitor quantitative and qualitative quality of cyber charter public schools?

Resources

[NACSA Virtual Charter School Accountability – What We Can Do Now](#)
[MDE EDP Requirements](#)

EDUCATIONAL PROGRAM AND CURRICULUM

Recognized Best Practices

Regulatory Framework

Charter public schools are required to state within their contract with an authorizer their educational goals and the curricula to be offered as well as methods of pupil assessment ([MCL 380.502](#)). The educational goals shall include demonstrated improved pupil academic achievement for all groups of pupils. This aligns with the sections of law within the Revised School Code for all public schools to adopt a model core curriculum and provide student assessments as found in sections [1278](#), [1278a](#), [1278b](#), [1278c](#), [1278d](#), and [1279g](#).

MCCSA Guiding Principles and Standards

MCCSA has adopted Principles and Standards (Standards) that guide authorizers as they develop strong authorizing practices. To balance charter school autonomy and student academic outcomes, the first principle of MCCSA's guiding principles is for authorizers to focus on Performance & Accountability. Since the educational program and curriculum are part of the charter contract, the authorizer must develop a monitoring process.

The National Association of Charter School Authorizers (NACSA) Principles and Standards also outline the importance of the authorizer's monitoring of the educational program and curriculum. NACSA recognizes the importance of oversight at the new school application level, ongoing oversight, and renewal.

Educational Program

All charter public schools must submit an application to their authorizer to receive a charter contract that includes a description of the educational program. The educational program should be included in the charter agreement and describes the educational philosophy and approach to enhance student achievement. The model of the school should be fully described in the educational program and any unique aspects of the school should be highlighted. The educational program should describe the teaching philosophy and methods that will reach every student including high-quality services for special populations, such as English language learners and students with disabilities. The educational program is a narrative description of what will happen in the school and classrooms to ensure that the vision and mission are met.

The educational program should outline the following:

- Mission, vision, guiding principles
- Educational model description
- Research based methodologies
- Support of students with special needs
- Alignment with state standards and curriculum requirements

- State and local assessments and how they will be utilized
- Evaluation methods for evaluating effectiveness of educational program

The authorizer has the responsibility to ensure that the charter public school is implementing the educational program as described in the application and charter contract. Authorizers may choose to evaluate the school's implementation through quantitative and qualitative methods.

In addition to quantitative evaluation, the authorizer may evaluate the educational program through document review and site visits. Site visits can be valuable to ensure that the school is implementing the educational program and to identify potential support needed, and feedback the school can use for continuous improvement. It is common for authorizers to conduct an on-site educational program review during the first two years of operations and at the time of renewal. Authorizers may choose to evaluate the implementation of the educational program more frequently, especially for schools that may not be meeting standards or have a significant change in the educational program.

Curriculum

Michigan law (MCL 380.1278) requires all charter public school boards to adopt a model core curriculum. This can include instructional approaches, explanation of materials, and how students will be assessed on their learning.

The authorizer should ensure that the curriculum that is in the charter application and becomes part of the charter contract not only aligns with state requirements, but was evaluated and chosen using a comprehensive tool and/or framework that demonstrates it is effective and research based. The authorizer should also ensure that the instructional components are relevant to the school's population. The curriculum should be thoroughly descriptive, including resources for teachers and the methods of adaptation that will be used for the student population and ensure that all students can meet state academic standards.

The authorizer should have a clear understanding of how the school will utilize assessments to inform not only effectiveness of the curriculum, but also how the school will use state and local assessments to inform instructional practice, student supports needed, and continuous professional development for teachers.

Why is monitoring the educational program and curriculum important?

Monitoring of the educational program and curriculum by an authorizer on an ongoing and annual basis is necessary to determine if the school is on track to meet the academic expectations outlined in the charter contract. The primary objective of academic monitoring is to ensure that students are receiving a quality education and to assure families and community members that public dollars are supporting student learning.

State and local assessments provide insight as to the effectiveness of the educational program, but additional qualitative reviews will provide a holistic view of implementation and feedback. By monitoring academic goals, conducting school site visits where teachers are observed (as opposed to a document review) and engagement with families, staff, and students regarding learning and social-emotional development, a holistic approach can provide insight into the fidelity of implementation and ensuring that the school is delivering on their promises to students and families.

Reflective Questions:

How does your academic monitoring process review a school's educational program and curriculum?

How are you using site visits to understand whether the educational program and curriculum are implemented with fidelity?

What supports might you want to consider providing regarding educational program and curriculum?

Resources:

[NACSA Standards](#)

[Curriculum Review](#)

[Educational Program Review](#)

[School Quality Reviews in California](#)

EDUCATION SERVICE PROVIDERS POLICIES

Recognized Best Practices

Regulatory Framework

Authorizers have a legal obligation to carefully review any agreement that the board of a charter public school they authorize plans to enter into with an educational service provider (ESP). Specifically, the Revised School Code (MCL [380.503](#), [380.523](#), [380.1311b](#) and [380.1311e](#)) requires authorizers to review or disapprove any agreement between the charter public school board and an ESP before the agreement is finalized and executed. Authorizers may only disapprove an ESP agreement if the agreement violates some portion of the charter contract or law.

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 include Overseeing and Evaluating a Charter Public School which states, “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden.” The standards state that one of the components of an authorizer’s comprehensive oversight system should include ESP accountability.

What is an Educational Service Provider?

ESPs, sometimes also referred to as charter management organizations (CMO) or educational management organizations (EMO), are organizations that receive public funds to help manage and operate a charter public school. ESPs can be for-profit or nonprofit organizations. They contract with charter public school boards to provide services such as accounting, payroll and benefits, transportation, financial and legal advice, marketing, facility management, personnel management, developing curriculum, and/or special education services for a fee.

The majority of charter public schools in Michigan are operated by ESPs. The contract is often referred to as the ESP agreement or charter management agreement. There is great diversity in how charter public school boards engage ESPs. Some boards only contract with an ESP for one or two services, such as payroll and personnel management, while other boards contract with an ESP to provide all educational services. Some ESPs only work with a single school while others work with multiple schools.

What are Educational Service Provider Policies and why are they important?

ESP agreements are critical to a school's success or failure as they represent the school's ability to contract for critical organizational and educational services. In order to be successful, a charter public school board must ensure that the ESP they contract with is able to deliver high quality services that will meet the unique needs of their school. They must also ensure that the ESP is willing to provide services in a cost-effective manner that will allow the school to remain financially solvent.

While the management agreement establishes the relationship between the charter public school board and the ESP, the law requires that authorizers review or disapprove any agreement that a charter public school board enters into with an ESP. Therefore, it is imperative that authorizers develop policies that outline requirements that must be satisfied before charter public school boards and ESPs enter into a final agreement. The policies will guide the authorizer's review of ESP agreements.

ESP policies play an important role in safeguarding boards from entering into service agreements that could be detrimental to the school's health. They provide a checklist of items that a charter public school board should carefully consider when entering into an ESP agreement. Some of these important issues include ensuring that the ESP agreement is in the best interest of the school, the board will maintain its independence from the ESP, and conflict of interest and duty of loyalty laws are not violated.

ESP policies should also provide a process by which charter public school boards perform due diligence before they enter into a contract with an ESP. Performing due diligence includes ensuring the ESP has appropriate educational and managerial expertise and is financially solvent. It is also important for the charter public school board to make sure that they can meet the financial obligations of the agreement and that the agreement has undergone a thorough legal review by the board's independent attorney.

In general, ESP policies provide another layer of accountability for charter public school boards and help reduce the likelihood that a board will enter into an ESP agreement that could be detrimental to the success of the school.

Best Practices in Developing Educational Service Provider Policies

ESP policies should include requirements that must be met before a final agreement is reached and they should establish a process for how ESP agreements will be reviewed. Developing ESP policies allows Michigan authorizers to fulfill their statutory obligation to review ESP agreements in a uniform and consistent manner.

ESP policies should ensure that the charter public school board has conducted due diligence as it has developed the ESP agreement. The policy should include a list of due diligence steps that the charter public school board should have completed and a list of critical information that should be collected and reviewed. For example, ESP policies should require the charter public school board to obtain and review the following:

- List of ESP Owners and Officers
- Type or form of entity (for-profit corporation, non-profit corporation, limited liability company, etc.)
- Name of ESP's primary banking institution
- Legal counsel for the ESP including contact information

- Accounting or auditing firm for the ESP including contact information
- A written statement regarding the ESP's experience in providing services and the types of service(s) to be provided for the charter public school

ESP policies should also articulate the charter public school board's responsibilities, such as their administrative and fiduciary responsibilities and their responsibility to ensure that the charter public school is in compliance with all applicable state and federal laws. The language of the policies should clearly outline for the board that they must remain an independent, self-governing public body that provides proper oversight, including ensuring the terms of the ESP agreement are being met. ESP policies should be designed so that they serve as a reminder to boards of the critical elements that must be included in an ESP agreement. ESP policies help to protect boards from entering into agreements with service providers that are not in the best interest of the school.

ESP policies should also describe the process the authorizer will use to review the ESP agreement. Included in the process should be a description of the review timeline. The charter public school board should clearly understand the timeline for the agreement to be submitted to the authorizer for review prior to execution, and the timeline that they can expect for receiving a response. The ESP policy should also include a description of the process that will be used if revisions need to be made to the ESP agreement before it can be executed.

Reflective Questions

How can ESP policies help a charter public school board?

Why is it important for an authorizer to review the ESP agreement before it is finalized?

Resources

[ESP Policies](#)

[ESP Agreement Due Diligence Questionnaire](#)

FINANCIAL OVERSIGHT

Recognized Best Practices

Regulatory Framework

[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.”

The State School Aid Act ([MCL 388.1618](#)) requires a charter public school to have an annual financial statement audit. The Revised School Code ([MCL 380.503](#)) requires that all charter contracts include requirements and procedures for authorized schools to complete a financial audit that shall be conducted at least annually by a certified public accountant in accordance with generally accepted governmental auditing principles. See the Audited Financial Statements of Charter Public Schools best practice guide for more information.

Michigan legislators enacted the [Uniform Budgeting and Accounting Act \(UBAA\)](#), which was amended by [Public Act 493 in 2000](#), making specific sections, specifically the budget-related sections, applicable to charter public schools. See the Budgeting for Charter Public Schools best practice guide for more information.

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 include Overseeing and Evaluating a Charter Public School which states “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school...” The Standards explain that a comprehensive oversight system includes monitoring and evaluating fiscal performance.

What is the role of the authorizer with financial oversight?

As stewards of public funds, it is the responsibility of the charter public school governing board to ensure that all funds are used in the best interest of the school and the students they serve. The lack of financial health can impact a school quicker than any other deficiency. Charter public schools have the autonomy to manage their finances consistent with state and federal law, but authorizers must be able to determine if a charter public school is financially healthy or at risk of becoming financially unhealthy. The authorizer should have clear expectations outlined in the charter contract and/or a financial framework for charter public schools that reflect financial health. They must also have the processes and procedures along with the expertise to assess the charter public school’s financial health throughout the year. The financial health of each charter public school should be reported through the annual oversight process and made available to the school and public on an annual basis.

What is a financial framework and why is it important?

A financial framework is a tool that is designed to measure financial viability through assessing performance indicators and the ability to manage and oversee the charter public school's finances at a point in time based upon the audited financial statements. The financial indicators included in a financial framework allow the authorizer to identify potential concerns. A financial framework is intended as a starting point for authorizers to evaluate a charter public school's financial viability. An authorizer should review the charter public school's financial information to understand why the indicator was not met before making any high stakes decisions. A financial framework can be used to tier or bucket schools to help the authorizer differentiate oversight and efficiently use resources where they are needed most.

A financial framework is not designed to evaluate a charter public school's spending decisions and therefore does not include measures of how a school spends its money. Such measures would infringe on school autonomy. However, if a charter public school is financially healthy but not delivering a program consistent with its mission and key design elements or if the school is achieving poor outcomes for students, then the authorizer should ask appropriate questions about how the school invests its resources through the evaluation of the organizational and/or academic framework.

The National Association of Charter School Authorizers (NACSA) has developed a model financial framework, which can be found below. As NACSA points out, "given financial frameworks are not a one-size fits all, the authorizer should consider its context and environment when settling on which indicators to use for its framework." However, they do recommend that the financial framework have a combination of near-term and long-term indicators.

Based upon research completed by the National Charter Schools Institute, commonly used indicators include:

Key Performance Indicators	Purpose
Current Ratio	measures whether a school can pay their short-term obligations
Change in Total Margin Ratio	measures whether a school is operating within its means (i.e., not spending more than revenue coming in)
Days Cash on Hand	measures the number of days a school can operate without an influx of additional cash
Enrollment Stability	measures whether enrollment (i.e., main revenue source) for the school is stable over time
Current Year Enrollment Variance	measures whether a school's current year enrollment (i.e., main revenue source) is stable
Debt to Asset Ratio	measures whether a school owns more assets than it owes in liabilities
Debt Service Coverage Ratio	measures whether a school can cover its debt obligations
Debt Default	determines if a school has defaulted on loan covenants or is delinquent with debt payments

Financial Controls	Determines if the school's financial audit demonstrates that the school meets basic expectations of financial oversight
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Is having a financial framework enough?

A financial framework is only one part of a comprehensive financial oversight system. Because a financial framework is analyzed based upon one point in time (end of the fiscal year), an authorizer should develop standard oversight procedures that occur throughout the school year to help ensure an authorizer is informed about the current state of a charter public school's financial health.

Examples of standard oversight procedures that help the authorizer understand the current financial health of the charter public schools they authorize might include, but not be limited to, the following:

	Warning Indicator	Question to be answered?
Quarterly Financial Statements	Quality of Quarterly Financial Statements	Are the quarterly financial statements complete?
Original Budget	Unrestricted State Aid Revenue Stability	Is the current year budgeted state aid revenue stable compared to last year's?
Original Budget	Projected General Fund Fund Balance Ratio	Is the school operating within its means?
Original and Amended Budgets	Deficit – budget	Is the school ending the year in a deficit?
4 th Quarter Financial Statements	Current Ratio; Total Change in Fund Balance Ratio; Days Cash on Hand; Enrollment Stability; Current Year Enrollment Stability	Is the school meeting the key performance indicators?
4 th Quarter Financial Statements	Deficit – 4 th QFS	Is the school projected to end the year with a deficit?
4 th Quarter Financial Statements/ Board meeting minutes	ESP and/or lease forgiveness	Can the school pay its large contracts?
Original Budget	State Aid Revenue Variance	Is budgeted state aid revenue overstated (based on enrollment) compared to actual enrollment?
Board Meeting Minutes	Financial Related Discussions	Are there any financial related items included in the board meeting minutes that need to be considered?

Best Practices for Financial Oversight

Given the technical nature of financial measures, an authorizer must have the capacity to understand the measures, gather the necessary information, accurately make calculations, and analyze performance results. Most importantly, authorizers will need the capacity to complete follow-up analysis of charter public schools that do not meet standards to determine whether a charter public school is truly at financial risk. If an authorizer does not have the staff necessary to perform these duties, the authorizer may need to hire a consultant.

Reflective Questions

How does your organization set out financial health expectations in the charter contract?

How has your organization established a financial oversight system that provides an assessment of financial health annually but also includes standard oversight procedures throughout the year?

How does your organization fulfill your authorizing responsibility to determine a charter public school's financial health and know how to support a charter public school that is deemed financially unhealthy?

Resources

[NACSA Financial Framework](#)

[Financial Best Practice Handbook](#)

[Fiscal Oversight Narrative – Example 1](#)

[Fiscal Oversight Narrative – Example 2](#)

[Fiscal Oversight Model](#)

[Solvency Report](#)

[Quarterly Financial Statement Review](#)

OVERSIGHT PRACTICES

Recognized Best Practices

Regulatory Framework

[MCL 380.502\(4\)](#) 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.”

MCCSA Guiding Principles and Standards

A comprehensive oversight system is essential to the education ecosystem. MCCSA has adopted Principles and Standards (Standards) that guide authorizers as they develop strong authorizing practices. MCCSA Standards include *Overseeing and Evaluating a Charter Public School* which states, “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden.”

What is a comprehensive oversight system and why is it important?

A comprehensive oversight system will allow the authorizer to monitor and evaluate a charter public school’s performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school. An authorizer’s oversight system should preserve and protect the autonomy of the school while minimizing its compliance burden. Ultimately, a comprehensive oversight system will allow the authorizer to answer the following questions during reauthorization:

- Is the charter public school achieving its academic goals as stated in the charter contract? All groups of pupils should be considered.
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

Oversight and evaluation responsibilities are described in the charter contract and are the responsibility of the authorizer throughout the charter life cycle, from ensuring that new school applicants are ready to open on day one to ongoing operations at the school. A comprehensive oversight system will include, but is not limited to, monitoring and evaluating academic performance, financial health and operations, educational service provider accountability and charter public school boards

See the MCCSA Standard: *Overseeing and Evaluating a Charter Public School* for additional detail.

Oversight Best Practices

While authorizers are required by law to create a comprehensive oversight system, and the law requires certain oversight practices to occur, there is no one size fits all for authorizing oversight systems. Authorizers have the autonomy to establish their oversight systems. The following oversight practices, while not a comprehensive list, are common among MCCSA members based upon the law or experience.

Master Calendar of Reporting Requirements

To ensure clear expectations of reporting requirements for charter public schools, authorizers create and publish a master calendar of reporting requirements (MCRR). The MCRR is a list of each item that must be submitted along with the date it is required to be submitted.

Application and Enrollment

Section 504 of the Code provides that charter public schools shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a Michigan school district. However, charter public schools may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a Michigan school district and may give enrollment priority as described in law.

An authorizer reviews the charter public school's application and enrollment policies and procedures to ensure compliance with the law. If a lottery is needed, an authorizer will attend to ensure the lottery is conducted in a fair manner.

Staff Reviews

An authorizer conducts reviews of the charter public school's/educational service provider's personnel records to ensure compliance with applicable law. The scope of the review will include teacher and administrator certification, compliance with federal law, state, and federal criminal history record information, as well as unprofessional conduct disclosure information. Some authorizers contract with specialists to complete this review.

Site and Facility Reviews

While all charter public schools must undergo local and state health and safety inspections, authorizers ensure the charter public schools has received occupancy approval from the State of Michigan and require additional reviews to make certain that all settings are conducive to learning. A charter public school's learning environment includes both the interior and exterior of its facility. Authorizers will also ensure that concerns about church/state are addressed. Some authorizers contract with specialists to complete these reviews.

Annual Nonprofit Corporation Information Update

The State of Michigan requires all nonprofit corporations (i.e., charter public schools) to file an annual report. Authorizers verify that their charter public schools have filed the necessary report to ensure they remain a legal non-profit corporation.

Emergency Operations Plans

To ensure the safety of students and staff, Public Act 436 of 2018 (MCL 380.1308b) requires a charter public school to develop an emergency operations plan (EOP) for each school building operated by the school that includes a biennial review of the EOP to be completed in partnership with at least one law enforcement agency. An authorizer should ensure their charter public schools have an EOP for each school building that is reviewed biennial in

partnership with at least one law enforcement agency. Some authorizers contract with specialists to complete these reviews.

Board Meetings and Open Meetings Act

The Open Meetings Act is an effective means by which to keep Michigan citizens informed. All meetings of a charter public school board shall be in compliance with the Open Meetings Act. Authorizers will often attend board meetings and read board meeting minutes to ensure compliance with the Open Meetings Act.

See the following Best Practice Guides for additional oversight best practices:

Academic Monitoring
Audited Financial Statements
Board Governance
Budgeting
Charter Application
Educational Service Provider Policies
Fiscal Oversight
Reauthorization

Reflective Questions

Is your oversight system comprehensive? How does it allow you to monitor and evaluate a charter public school's performance and compliance?

Does your oversight system allow you to answer the following questions:

- Is the charter public school achieving its academic goals as stated in the charter contract? All groups of pupils should be considered.
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

Resources

[Application and Enrollment Process](#)

[Application and Enrollment Form](#)

[Board Meeting Reviews](#)

[Master Calendar of Reporting Requirements – Example 1](#)

[Master Calendar of Reporting Requirements – Example 2](#)

[Open Meetings Act](#)

[Site and Facilities Reviews](#)

REAUTHORIZATION

Recognized Best Practices

Regulatory Framework

Pursuant to the Revised School Code, the authorizer is not required to issue a contract to a charter public school as the decision “is solely within the discretion of the authorizing body.” Consequently, reauthorization of a charter contract is not required.

[MCL 380.503\(6\)](#) states, “A contract issued to organize and administer a public school academy shall contain at least all of the following: ...(h) The term of the contract and a description of the process and standards for renewal of the contract at the end of the term. The standards for renewal shall include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria as the most important factor in the decision of whether or not to renew the contract...”

MCCSA Guiding Principles and Standards

MCCSA has adopted Principles and Standards (Standards) that guide members as they develop strong authorizing practices. Focusing on performance and accountability ensures that student success remains paramount to authorizing decisions. MCCSA Standards include Reauthorizing a Charter Public School and states “Excellence in authorizing means establishing and implementing a consistent and comprehensive charter reauthorization process, guided by the following core questions:

- Is the charter public school achieving its academic goals as stated in the charter contract?
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

The authorizer shall base reauthorization decisions on the data and information gathered public school is not making adequate progress towards meeting its performance goals, as defined in the charter contract, the authorizer may decide not to renew the charter contract.”

What is Reauthorization?

The reauthorization of the charter public school is a significant milestone in the life cycle of a charter public school. Reauthorization is the process that provides an opportunity for an authorizer to evaluate the performance of the charter public school against expectations required by applicable law and the charter contract and determine if a new charter contract will be offered. The evaluation of a charter public school focuses on answering the following questions:

- Is the charter public school achieving its academic goals as stated in the charter contract? All groups of pupils should be considered?
- Is the charter public school organizationally, educationally, and financially viable?
- Is the charter public school demonstrating good faith compliance in following the terms of its charter contract and applicable law?

The reauthorization process will likely involve site visits, data and information verification and review related to the performance of the charter public school. Once the decision to reauthorize a charter public school is made, the authorizer will work with the charter public school to create and execute a new charter contract. The authorizer will then submit the charter contract to the Michigan Department of Education.

Why is Reauthorization important?

Reauthorization is important because it provides accountability. It is also the mechanism for the authorizer to comply with the renewal requirements in the law and allows the authorizer and charter public school to reflect upon the progress the charter public school is making. It provides the authorizer the opportunity to make an assessment as to whether a new contract will be provided.

Practically speaking, the charter contract is a fixed term contract with an ending date, therefore, a new contract must be issued for the charter public school to continue.

What is the difference between Reauthorization and Contract Extension?

Reauthorization is the process that is legally required as explained above to assess the performance of a school and offer a new contract. A contract extension is an amendment to the term of the *existing contract*. A contract extension (change in length of term) may be used to provide an opportunity for the authorizer to collect additional data and information. The number of years of the term extension should be realistic (maximum 3 years) and only used once. After the extension, the authorizer would invoke the reauthorization process and determine if a new contract will be offered.

Reauthorization Process Best Practices

Reauthorization is a process that starts the day a contract is signed. The authorizer will use data and information gathered through their oversight procedures to build evidence to support a charter public school contract reauthorization. The evidence may include but not be limited to:

- Review of Academic Performance Data
- Review of Board Governance Commitment and Compliance
- Review of Financial Viability
- Review of Operational Systems
- Site visits – Academic and Operational (Site and Facilities, Teacher and Staff Certification)
- Reauthorization Application submitted by the charter public school
- Assessment of Relationship with the Authorizer

Reflective Questions

What is the objective of reauthorization?

When does a charter public school go through reauthorization and when does a charter contract amendment occur?

Resources

[Reauthorization Process - Example 1](#)

[Reauthorization Process – Example 2](#)

[Reauthorization Timeline](#)

SCHOOL CLOSURE

Recognized Best Practices

Regulatory Framework

In Michigan, charter public schools are first created as a Michigan non-profit corporation and then become a charter public school when they are authorized, board members are appointed (and have taken their public oath of office) and have a fully executed charter contract (contract) that is filed with and accepted by the Michigan Department of Education (MDE). In creating the Michigan non-profit corporation, various corporate documents are filed with the State, specifically the Department of Licensing and Regulatory Affairs (LARA), including Articles of Incorporation.

The contract term expiration is the date by which the formal, contractual relationship with the authorizer ends. That date, however, is only one component of the wind-up and dissolution process affecting a charter public school. The Michigan non-profit entity is responsible for ensuring various steps and procedures have been taken and the State's Department of Treasury has approved the corporation's dissolution.

MCCSA Guiding Principles and Standards

[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."

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 include Overseeing and Evaluating a Charter Public School which states "Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school..."

If during the contract term, the authorizer determines that a charter public school is not making adequate progress, the authorizer shall give notice to the school and allow reasonable time and opportunity for the school to make necessary changes. However, if after the changes, the school is still not making adequate progress, the authorizer shall send notice to a school regarding their lack of progress and provide intervention support strategies that work to improve student outcomes and operations while maintaining program autonomy and accountability. If the school continues to not make progress, the authorizer should impose consequences, up to and including the non-renewal of the contract or closure.

Types of Closures

Charter public schools close for various reasons ranging from voluntary decisions by a school board to involuntary authorizer-invoked closures (i.e., contract non-renewal and contract termination). The information contained within this resource largely centers around the authorizer's decision to not renew a contract coinciding with its term expiration. The specific reason/action for the closure will undoubtedly steer the tone of the communication, however, it is important to remember that many of the elements transcend the "why" and must simply be completed as a component of the dissolution of the corporate entity.

What is the role of the authorizer?

Fiscal Agent Responsibilities. After a contract expiration, the authorizer, by virtue of its role and responsibility as a limited fiscal agent, may have ongoing obligations relating to the transfer of state school aid. For example, if the contract expires on June 30, state aid continues to flow in July and August for the school year that ended on June 30. The authorizer should take sufficient action to ensure it can transfer those funds to the school board's bank account, as established through the board-approved [state aid designation resolution](#) [example of resolution is linked here for reference]. Please be aware that if a court-appointed receiver has been put in place, a new depository account may have been established and the authorizer's information may need to be updated to reflect the new account information.

Stay Informed. The authorizer should continue to maintain an open line of communication with a representative of the school as well as a member of the Michigan Department of Education –Public School Academies (MDE-PSA) team. The authorizer should anticipate receiving phone calls or emails from various continuants (parents, students, staff members, media) with questions on who to contact for various items (school records, transcripts, verification of employment). The authorizer should designate one or two team members as the point people for these questions/communications. Reducing the number of point people helps ensure consistent messaging is shared.

What is the role of the school board?

The school board is responsible for ensuring the corporate entity is formally dissolved pursuant to applicable law. This can be burdensome and overwhelming as it is a time commitment that could extend for months (or longer) depending on the complexity of the school's assets and liabilities. To assist with this process, some school boards act at a public meeting, prior to contract termination, by approving a resolution that allows the school to seek a court-appointed receiver (see Resources section below for a sample template as well as additional information regarding the use of a Receiver in the "Other Stakeholders" section). It is important to understand that although the State's Department of Treasury by law is the entity responsible for overseeing the wind-up and dissolution of corporations, MDE-PSA unit also has a vested interest in ensuring charter public schools successfully complete this process (see Resources section below for additional resources from the MDE-PSA website).

As the school prepares for closure, please keep in mind the following:

Records Retention Responsibilities. All schools in Michigan must comply with the General Retention Schedule (see Resource section for additional information). As the entity prepares for closure and dissolution, these items must be addressed.

Website/Social Media Account(s): Ensure all publicly available platforms like websites and social media accounts have accurate and timely information regarding the status of the school. For example: Be mindful of where enrollment information is posted for the next school year.

Financial Reporting, including State/Federal Grants. Final reporting, including state and federal grant close-outs, is a critical step for the school to demonstrate that it has satisfied its fiduciary reporting responsibilities.

What is the role of state agencies?

Michigan Department of Treasury. Treasury is responsible for overseeing the dissolution of Michigan corporations (including both for-profit and non-profit corporations). Therefore, this includes the process of overseeing the wind-up and dissolution of the Michigan non-profit corporation that remains following the expiration of the contract.

MDE-PSA Unit. Historically, the MDE-PSA unit has taken an active role in monitoring the wind-up and dissolution of charter public schools on behalf of Treasury. In the event the ISD/RESA refuses to assist

with legacy student records, MDE-PSA has worked with schools to receive digital copies of those records so that they can make them available, as needed, upon future requests.

Intermediate School District/Regional Educational Service Agency. Some ISD/RESA agencies take an active role and aid schools that are closing by taking remaining legacy student records or (at a minimum) the active records of students who were enrolled during the most recent fiscal year but who have not yet requested a transfer to another educational entity.

What is the role of a management organization?

Authorizers should consider having Educational Service Provider (ESP) Policy provision(s) that address ESP-required actions in the event of a school closure. For example:

Upon termination or expiration of the ESP Agreement, or the ESP Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, the ESP shall, without additional charge: (i) close the financial records on the then-current school fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting within required timelines established by the appropriate local, state or federal authority; (ii) organize and prepare student records for transition to the new ESP, self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (iii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by the ESP to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; and (v) provide for the orderly transition to the new ESP, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, fixtures, equipment and real estate. This includes any keys, log-in information and passwords related to any Academy asset.

Other Potential Stakeholders

Appointment of a Receiver. A receiver is a neutral third party that is appointed by a court to take possession of property or to take control of a business. Under Michigan law, the purpose of appointing a receiver is to preserve property and to dispose of it under the order of the court. The [Receivership Act - Act 16 of 2018](#) further defines a "Receiver" as a person appointed by the court as the court's agent, and subject to the court's direction, to take possession of, manage, and, if authorized by this act or court order, transfer, sell, lease, license, exchange, collect, or otherwise dispose of receivership property. Although the school board may suggest an individual for consideration for the receivership appointment, the law states that the court shall select the receiver. It goes on to say that the "receiver selected by the court must have sufficient competence, qualifications, and experience to administer the receivership estate."

Benefits to seeking a Receiver. Upon appointment of a Receiver, terms for the school board members end. Board members no longer have the authority to act. The work of the Receiver essentially acts in place of the school board. If a Receiver is not utilized, then the Bylaws of the school board prevail after the contract term expiration. This means the posting, quorum and manner of acting provisions remain in effect. This can create hardships and burdens if board members resign resulting in board membership below quorum. Additionally, board members should be aware that when the contract term ends, they no longer have protection as a public official.

Dissolution Account

Some authorizers, within the contract terms and conditions, have a “Dissolution Account” provision. Sample language for such a provision is as follows:

Dissolution Account. If the <authorizer> terminates, revokes or fails to issue a new Contract to the Academy, the <authorizer> shall notify the Academy that, beginning thirty (30) days after notification of the <authorizer>’s decision, the <authorizer> may direct up to \$10,000 from each subsequent State School Aid Fund payment, not to exceed a combined total of \$30,000, to a separate Academy account (“Academy Dissolution Account”) to be used exclusively to pay the costs associated with the wind-up and dissolution responsibilities of the Academy. Within five (5) business days of the <authorizer>’s notice, the Academy Board Treasurer shall provide the <authorizer>, in a form and manner determined by the <authorizer>, with account detail information and authorization to direct such funds to the Academy Dissolution Account. The Academy Dissolution Account shall be under the sole care, custody and control of the Academy Board, and such funds shall not be used by the Academy to pay any other Academy debt or obligation until such time as all the wind-up and dissolution expenses have been satisfied. An intercept agreement entered into by the Academy and a third-party lender or trustee shall include language that the third-party lender or trustee acknowledges and consents to the funding of the Academy’s dissolution account in accordance with this Contract. Any unspent funds remaining in the Academy’s dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

Transition Services

Some authorizers offer the school that is closing an opportunity to receive various transition services through a contracted entity. An authorizer may opt to pay for all or some of those services. A sample listing of items that are likely to be handled in a transition services contract include, but are not limited to:

Tasks For Consideration:

- Develop a plan that supports the transition of students and staff (including roles and tasks to be accomplished by each stakeholder).
- Coordinate with school/ESP to ensure there is an open line of communication with families.
- Establish a tiered support plan that identifies which families and staff members have the highest level of one-on-one case management.
- Collect information that helps direct re-enrollment and transition strategies.
- Ensure accurate and actionable information is made available to families and staff.
- Develop an enrollment tracker that can be shared with stakeholders detailing progress and noting any barriers.

Reporting: The Transition Services team should provide ongoing and timely reports to the authorizer and school board regarding placement information, concerns, and trends. A final, summative report should be completed approximately 30 days following fall count day – including assurances that residual student records have been transmitted to MDE for long-term handling.

Insurance: Extended Reporting Period (a/k/a Tail Policy Coverage)

After the contract term ends, and the Michigan non-profit is in its dissolution phase, it is important for board members to understand the importance of having/maintaining Directors & Officers (D&O) Liability insurance as it helps cover the defense costs, settlements and judgments arising out of lawsuits and wrongful act allegation brought against the dissolving entity. Often, board members do not realize that they may be held personally liable for the actions of the organization.

An Extended Reporting Period (also known as a “Tail Policy”) can be purchased to extend the time in which a claim can be reported. This means that if a claim based on a wrongful act (actual or alleged) occurred within the policy period but was reported afterward, the school board would still be covered.

Authorizers should ensure this item is noted on any wind-up/dissolution checklist and bring it to the forefront of discussions with board members so they can discuss their options with their insurance representatives.

Communicating to Stakeholders

While your role as an authorizer leads to critical elements of communications related to the closure of a school, the school also has many things to consider when developing its outreach plan. While this section addresses the authorizer’s role, please reference the addendum to this Guide that outlines communication considerations for the school.

The most important things to consider across all communication decisions and messages:

- **Determine a strategy for the timely release of information.** Consider who needs information, the order of the messages, and the timing. As an authorizer, you have several critical partners that you need to share information with about your decision. It is also important to be sensitive where possible to the best-case scenario that families and staff members get information directly from school leadership before they receive it from other sources.
- **Determine a media strategy.** A single point of contact for inquiries from the media is critical to ensure consistency of information and messaging.
- **Accurate terminology is important.** As noted above, there are several paths that can lead to a school closure (revocation, non-renewal, etc.). When interacting with the media and other stakeholders, it is important to correct and accurately restate any use of incorrect terminology for the school’s specific situation.

Audience	Items for Consideration
School – Governing Board, School Leadership, Educational Service Provider, if applicable	Consider the stakeholder groups that encompass your critical partners at the school. Be mindful of the order in which you communicate to the groups while always ensuring your focus remains on your direct contractual relationship with the governing board. Consider what information would be important to you if you were in this situation as the audience role that is receiving that specific message. Focus all decisions and messages to prioritize transparency, timeliness, understanding, and support. Clearly outline what the school can expect of you moving forward, including the supports you will provide to the school during the time of transition.
Authorizer Internal Partners	Consider what internal partners need to be consulted and updated depending on your governance/reporting structure. Once the decision is made and communicated to the schools’ governing board, the timeliness of updates to your internal partners remains important as the transition continues.

State Education Agency (MDE-PSA)	It is important to remain in close communication with the MDE-PSA unit as closure/non-renewal decisions are finalized. The authorizer should commit to facilitating a discussion between members of the school board and the MDE-PSA unit.
External Stakeholders	<p>Consider if/when it is appropriate to communicate with external stakeholders such as the Michigan Association of Public School Academies (MAPSA), legislators and media that may need to be aware of the authorizer’s decision.</p> <p>Be mindful of any financing covenants that require the authorizer to notify lenders and what the timelines are, if stated, by which that communication must be made (i.e., within 30-60-90 days of notification to the school board).</p>

Best Practices for School Closures

1. **Develop a business process.** Ideally, authorizers are not regularly and routinely closing schools. Because of this, however, it can be difficult to remember all the steps. For that reason, it is helpful to have a well-developed business process that will ensure timing and consistency in the details.
2. **Have a communications plan.** It’s best when one person is responsible for addressing questions or communications on the closure. This includes media requests, parent/staffing concerns, etc.
3. **Prioritize the students.** Regardless of whether the authorizer funds the transition services activities mentioned in this document, the work of ensuring the existing students/families find a new educational option is important. As an authorizer, maintain open communications with stakeholders so that you remain informed in this area. Keeping everyone focused on the students can also help diminish the blame-game distractions that often come with closure. This is not the time to point fingers and say “if only you would have” or “because they didn’t” ... once the closure decision has been made and communicated, it should be all hands on deck focused on helping students/families find their new educational options.
4. **Obtain an Excel copy of the final student information file.** The dissolution process of a school can be messy, and it is not uncommon for the various stakeholders to have a difference in priority. To ensure the focus remains on the students, and to provide another layer of transparency to the process, it is advisable for the authorizer to request and receive a copy of the final student information file.

Note: Since this electronic file will contain student-identifiable information, it is essential that appropriate protections are taken to ensure FERPA and other safeguarding of that data.

Reflective Questions

1. Have you created school closure procedures?
2. How are you supporting students and staff through a school closure transition?
3. Do you have a communications plan?

Resources

MDE Resources

- [MDE Authorizer Resources – Wind-up and Dissolution](#)
- [MDE Transcript Information](#)
- [MDE General School Retention Schedule \(updated April 2023\)](#)

NACSA Resources

A NACSA AuthoRISE account is required to access the documents. Visit the [NACSA website](#) to create an account, if needed. All resources below should be adapted to fit the Michigan authorizing model.

- [Closure Action Plan Guide](#) and [Closure Communications Workplan](#)
- [Sample Parent Closure Letter](#) - From authorizer, if the school did not communicate the decision directly to parents.
- [Sample Staff Closure Letter](#) - From authorizer, if the school did not communicate the decision directly to staff.
- [Sample Closure Press Release](#) – From authorizer, if needed to communicate with media and community stakeholders.

Additional Resources

- [Authorizer Business Process](#)
- [Sample School Board Resolution Seeking Court-Appointed Receiver](#)
- Authorizer Non-Renewal Letter Template (see Addendum below)

Addendum – School Communications to Stakeholders

The most important things to consider across all communication decisions and messages:

- **Determine a strategy for the timely release of information.** Consider who needs information, the order of the messages, and the timing. It will be important that families and staff members get information directly from school leadership before they receive it from other sources.
- **Be thoughtful and empathetic.** Consider what information would be important to you if you were in this situation as the audience role that is receiving that specific message. Focus all decisions and messages to prioritize transparency, timeliness, understanding, and support.
- **Distribute messages on effective platforms.** Decide the most effective and appropriate platform to deliver each message (letter, email, texting/phone system, etc.) and what platforms could supplement to store the information for reference (website, social media, etc.).
- **Determine clear points of contact for questions.** Consider the benefits of having one single point of contact for information and questions. This provides a clear and simple process for questions and ensures that consistent information is being communicated. Depending on the size of the school and the context of the closure, it may be necessary to broaden out the contacts to:
 - Contact for each entity – Board, school leadership, employer of record, etc.
 - Contact for each area of focus – Student records and transition services, staff human resources, facility logistics, etc.
- **Determine a media strategy.** A single point of contact for inquiries from the media is also critical. School boards should review their existing board policy regarding media relations to ensure the school is following protocol.

Audience	Items for Consideration
Parents and guardians	<p>Clear outline of the information that is available at the time of the initial communication.</p> <ul style="list-style-type: none"> • If information on student records and transition services is not available at the time of the initial communication, consider the importance of sharing when that information will be available. <p>Timeliness of updates as new information becomes available. This could include:</p> <ul style="list-style-type: none"> • Transition support services for identifying new school options. • Process for student records transfers.
Teachers and staff	<p>Consider what messages should come from the school board, school leadership, or the employer of record.</p> <p>Clear outline of the information that is available at the time of the initial communication.</p> <p>Timeliness of updates as new information becomes available. This could include:</p> <ul style="list-style-type: none"> • Important dates. • Human resources logistics (payroll/benefits, unemployment options, etc.) • End-of-year process (grades, records, classroom access, etc.). • Transition support services for identifying new employment.
Community Stakeholders and External Partners	<p>Secondary to the critical communications for students and staff, consideration should be given to any stakeholders within the community that may need to have information. The need for a communication could be based on the impact the school closure may have on the entity/individual or if the school has a relationship with the entity/individual and wants to provide a proactive message directly to the entity/individual on the situation.</p> <p>Possible examples could be:</p> <ul style="list-style-type: none"> • Organizations or businesses that partner with the school for services or programs. • Units of government that are critical partners to the school such as police department/school resource officer. • Local media contacts

Addendum – Authorizer Non-Renewal Letter Template

Dear School Board:

The relationship between [Authorizer Name] and [School Name] began in [Year] when the [Authorizer] issued the school a [Term Length] Charter Contract (“Contract”) to organize and operate a Michigan public school academy that would provide families with a quality educational option for their children. The Contract represents the legal agreement between the school and the [Authorizer] and sets forth the performance goals and terms for the school. Reauthorization is the [Authorizer’s] holistic assessment of the school’s progress towards meeting the educational goals contained within the Contract. Contract length of terms are guided by:

[Foundational/core concepts the authorization/oversight is based on.]

[Paragraphs presenting complete background of observations, concerns, relevant data, and the authorizer oversight actions related to the items. It is helpful to begin a new paragraph for each item of concern to ensure the message is clear and organized.]

During the [authorizer’s] relationship with the school, the [authorizer] has made significant efforts to assist the school. Staff representatives have made over [###] site visits to the school since [year]. These interactions included meetings with school board members and management to clarify roles and responsibilities and to help the school understand its contractual and academic obligations. [Authorizer] has also provided curriculum development and implementation support, academic assessment and student performance analysis as well as special education monitoring and support. [Authorizer] has consistently provided the school board with annual performance reports that included: data describing the school’s progress toward the educational goal in the Contract, a comprehensive overview of the school’s operational and financial outcomes as it related to the Contract and the school’s ability to support a quality educational program. In addition, [authorizer] has provided opportunities for orientation and training programs for board members and supported the school board with its policy development efforts.

The [authorizer] remains committed to ensuring that the schools it authorizes are preparing students academically for success in college, work and life. Unfortunately, and despite the efforts of all involved, it is evident that the school is not demonstrating that it can provide a quality educational program and therefore is no longer fulfilling the Terms and Conditions of its Contract. [Authorizer] has concluded that it would be in the best interest of the students and the public if the [authorizer] does not enter into a new Contract with the school to operate as a public school academy. This means the Contract issued by the [authorizer] to the school will end when the school’s Contract expires on June 30, [year]. While not reauthorizing a Contract is never an easy decision, the [authorizer] is committed to holding the schools it authorizes accountable and cannot justify authorizing a school that is unable to meet its educational goals to prepare students for success.

The school now faces the challenge of completing this school year in the best manner possible and maintaining an orderly school environment where teaching and learning can occur. Please know that the [authorizer] is equally committed to helping ensure as smooth a transition as possible for all involved and meet the needs of school students through the duration of this academic year. To assist with the transition, [authorizer] is offering to contract with an entity that can provide transition information to both staff and students. If the school board chooses to utilize these transition services, the cost will be funded by [authorizer]. [Intermediate School District name] has been included in the distribution of this correspondence in an effort to inform them of the [authorizer’s] decision so that application and enrollment information can be gathered and provided to families as they select a new school for their children. [Staff member name] will continue to serve as the [authorizer’s] liaison to the school and will

be available to assist you as necessary. At the appropriate time, [authorizer] will schedule a meeting with representatives of the school board and the MDE to discuss the wind-up and dissolution process. Copies of the MDE's Checklist (see Attachment 1) and Procedures for Voluntary Dissolution of a Public School Academy (see Attachment 2) are enclosed for your review.

While it saddens me to deliver this message, I anticipate it is even more difficult for you and the school to receive. Although things have not progressed the way we all envisioned, the [authorizer] is appreciative of the time everyone gave to improve the educational opportunities for the students at [school].

SPECIAL POPULATIONS

Recognized Best Practices

Regulatory Framework

Like all public schools, charter public schools must provide special education programs and services designed to meet the individual needs of each student with a disability (MCL 280.1751). The school may provide these programs or services directly or contract for services with its ISD or another ISD or school district. The local ISD must be a party to contracted services whether or not they participate in delivery of services. In addition, a charter public school must adhere to all provisions of the Individuals with Disabilities Education Act (IDEA) and the Michigan Revised Administrative Rules for Special Education.

All public schools must ensure that English learners can equally and meaningfully participate in educational programs and services, according to the Civil Rights Act of 1964 and the Equal Educational Opportunities Act of 1974. The Every Student Succeeds Act (ESSA) amendment to Title I and Title III provide funding and guidance for programs for English learners. Additional information and support can be found [here](#).

Under Michigan's Revised School Code, charter public school authorizers are responsible for overseeing the schools they authorize and ensuring that each of them complies with its authorizing contract and all applicable law.

MCCSA Guiding Principles and Standards

The first principle of MCCSA's guiding principles is for authorizers to focus on Performance and Accountability. In addition, principle two outlines that the authorizer has the responsibility to ensure equitable access and funding stating that "students deserve fair and stable operating environment, access to local, state, and federal programs and supports, and equitable funding." The responsibility of continuous monitoring lies with multiple agencies including the schools' authorizer and the MDE. In the case of special populations, federal agencies also closely monitor for compliance. Part of monitoring performance and accountability is to ensure that the school is effectively providing quality education for all students and complying with all state and federal regulations. The authorizer must ensure that all sub groups are monitored for performance and that state and federal law and regulations are adhered to. In addition to the MCCSA guiding principles, special populations are identified throughout the NACSA Principles and Standards focusing on performance and accountability of special populations, student rights, and reporting.

What is an authorizer's responsibility as it relates to special populations?

The authorizer has a responsibility to ensure that special population students have a free education that meets their individual needs. The education of special populations is highly regulated both at the state and federal levels.

The authorizer must ensure that schools have the structures and staffing in place to serve all special population students effectively and according to the state and federal laws and regulations. An examination of documentation, staffing, and educational programming fidelity are essential.

If the authorizing body is an intermediate school district, then it has additional direct responsibility under the IDEA for providing special education and related services to children with disabilities. If the authorizing body is a traditional K-12 school district, then it must maintain an appropriate arms-length relationship with the charter public school relative to the provision of special education services. If, however, the authorizing body is the board of a community college or state public university, then its responsibility with respect to special education is to oversee, monitor and support each charter public school to ensure that it is carrying out its legal responsibilities and meeting the requirements under their respective charter contracts.¹

How can an authorizer ensure that all students are educated and have access to educational opportunities that best meet their needs?

Special Education

Authorizers have the responsibility to ensure that all students are educated and have access to educational opportunities that best meet their needs. Authorizers can ensure special populations are served through a review of data and qualitative reviews. A review of data should be for all populations at the school including special education student data. Subgroup data can provide an insight into whether students with special needs are receiving a quality education. In addition to the quantitative data review, an authorizer should also conduct qualitative reviews. This review consists of visiting the school, speaking with the special education staff, and observing classrooms. This review should demonstrate that the school has data review cycles in place to monitor and document the progress of students according to the IEP.

An authorizer should also ensure that Individualized Education Plans (IEP) and 504 Plans are in place and adhered to. This consists of performing an IEP and 504 Plan review that ensures all documents are up to date, are in compliance with the law, and the students' progress is being monitored throughout the year. The authorizer should also ensure that as part of the school's IEP process, continuous communication mechanisms are in place for parents to understand progress. This review should also include staffing reviews to ensure all personnel are in place to fulfill the IEP.

English Language Learners

Authorizers should understand the population of the school and ensure that the services for students are in place. Specifically, the authorizer should examine and understand the population as well as the state and federal standards related to English Language Learners to ensure that the school is in compliance. The authorizer may ensure the correct assessments, entry and exit protocols, home surveys, collection of data, and the appropriate program supports and staffing are in place. The authorizer may also ensure that professional development is in place as well as school and community supports for families.

¹ Special Education Services in Charter Schools, What Authorizers and School Leaders Should Know, MCCSA, Dykema.

Staffing

Authorizers may ensure that charter public schools have the staff and teachers in place to provide educational services to students. This includes the head of special education, teachers, school psychologist, specialist, paraprofessionals, and support staff. These positions should be included in staff reviews to ensure proper credentialing.

Why is oversight of special populations important?

All students have a right to an education that meets their needs. Special populations have greater needs and the authorizer should ensure that those needs are being met by developing oversight processes that ensure a charter public school complies with its authorizing contract and all applicable law.

Reflective Questions:

Does your organization have a process and system in place to review special population data and conduct qualitative reviews? If not, what might your organization put in place?

How does your organization conduct reviews to help ensure that special education and ELL students are receiving the proper education?

Is there a process in place to review staffing for special populations and does that process look at credentials, needs of the special population and adherence to IEPs?

Resources

[Michigan Revised Administrative Rules for Special Education](#)

[English Language Resource](#)

[Special Education Services in Charter Schools, What Authorizers and School Leaders Should Know](#)

[Special Education Site Visit Process](#)

[Special Education Site Visit Form](#)

STUDENT RECORDS AND FILES

Recognized Best Practices

Regulatory Framework

The Michigan Freedom of Information Act ([MCL 15.231 – 15.246](#)) defines public records as recorded information “prepared, owned, used, in the possession of, or retained by a public body in the performance of an official function, from the time it is created.”

[MCL 399.809-812](#) allows the Archives of Michigan to collect and permanently preserve historical records created by Michigan government agencies. It requires that all Michigan government records must be listed on an approved Retention and Disposal Schedule, and that records cannot be destroyed without the authorization of an approved schedule.

[MCL 750.491](#) declares that official Michigan government records are public property. It establishes misdemeanor penalties for destroying a record without the authorization of an approved Retention and Disposal Schedule.

The State of Michigan Records Management Services has established the Records Retention and Disposal Schedule for Michigan Public Schools approved December 7, 2010, that can be found below.

What is a CA-60?

A CA-60 is a file for student academic records. These files are maintained on each student and follow the student from enrollment through graduation, transfer, or withdrawal. It may include personal information as well as the following items among other things:

- Photo for each school year
- Complete Transcripts
- List of credits earned and evidence of graduation, if applicable
- Approved personal curriculums
- Withdrawal documents
- GED test result
- Drop/Withdrawal/Transfer Information

The CA-60 must be kept 60 years after the student graduates. According to the State of Michigan Records Management Services Records Retention and Disposal Schedule for Michigan Public Schools, special education student files may be included in the CA-60 or they may be kept separately.

What should a school do with student records for students who have transferred in or out?

According to [MCL 380.1135](#), within 14 days after enrolling a transfer student, the school shall request in writing directly from the student’s previous school a copy of his or her school record. Any school that receives a request to forward a copy of a transferring student record to the new school shall

comply within 30 days after receipt of the request unless the record has been tagged under [MCL 380.1134](#), for a missing student.

What does a school do with student records when they are changing educational service providers?

Maintaining student records is the responsibility of the charter public school. If a charter public school board decides to replace an educational service provider, the board must take steps to ensure the student records are maintained and available at the school.

What does a school do with student records when it is closing?

Maintaining student records is the responsibility of the charter public school. When a charter public school is scheduled to close, the board must take steps to ensure the CA-60s for students are transferred to the student's new school. Any files remaining after closing should be housed in the local school district or intermediate school district. If no local agencies are willing to take these records, the records should be provided to the Michigan Department of Education Public School Academy Unit (MDE PSA Unit). For additional guidance, contact the [MDE PSA Unit](#).

Reflective Questions

How can you support your charter public schools to help ensure compliance? Do your schools have a record retention schedule?

What do you do to help protect students records for a closing charter public school?

Resources

[Records Retention and Disposal Schedule for Michigan Public Schools](#)

TRANSPARENCY REPORTING

Recognized Best Practices

Regulatory Framework

[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.”

The Revised School Code, [MCL 380.503\(6\)\(l\)](#), requires that the Academy Board “shall make information concerning its operation and management available to the public and to the authorizing body in the same manner as is required by state law for school districts.”

The State School Aid Act includes several requirements regarding transparency. See [MCL 388.1618](#), subsections 2, 3 and 11 for details.

MCL 388.1618 also includes language that imposes a penalty on those schools not in compliance with the Budget Transparency requirements. To avoid a state aid penalty, schools must ensure their transparency page is updated continuously throughout the year in accordance with the Michigan Department of Education’s (MDE) guidance.

MDE created the [Transparency Reporting Requirements Guidance](#) and [the Budget and Salary Compensation Transparency Reporting webpage](#) to help schools understand the transparency 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 include Overseeing and Evaluating a Charter Public School which states “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school...”

What is transparency and why is it important?

Transparency is operating in such a manner that it is easy to see what actions are performed. Transparency implies openness, communication, and accountability. It is important because it is the foundation of trust. While the law requires charter public schools to be transparent for certain things, authorizers should value transparency in all operations.

To ensure compliance with the law, an authorizer may include transparency reporting requirements in the charter contract and create a Transparency Reporting Certification Form that a board would complete certifying that the school is in compliance with the law. The form would require the charter

public school board to certify that the following information, which is required by law and subject to change, is available to the public:

1. A copy of the school's charter contract.
2. A list of currently serving members of the charter public school board, including name, address, and term of office.
3. Copies of policies approved by the charter public school board.
4. The board meeting agendas and minutes.
5. The budget approved by the board and of any amendments to the budget.
6. Copies of bills paid for amounts of \$10,000 or more, as submitted to the charter public school board.
7. Quarterly financial reports.
8. A current list of teachers and administrators working at the charter public school that includes individual salaries as submitted to the Registry of Educational Personnel.
9. Copies of the teaching or administrator's certificates or permits of current teaching and administrative staff.
10. Evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b of the Revised School Code for all teachers and administrators working at the charter public school board.
11. Curriculum documents and materials.
12. Proof of insurance.
13. Copies of facility leases or deeds, or both.
14. Copies of any equipment leases.
15. Copies of any management contracts or services contracts approved by the charter public school board.
16. All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
17. Annual financial audits and any management letters issued as part of the school's annual financial audit.
18. Any other information specifically required under the Revised School Code.

What should a board member do to ensure transparency?

The charter public school board should conduct its business in a transparent manner thus establishing a culture that is founded on transparency. The charter public school board should also ensure management makes the required information available to the public and its authorizer.

What should a board expect management to do with transparency?

The charter public school board should expect management to be transparent and create a culture of transparency for the charter public school. Management should ensure all transparency requirements are fulfilled and report such to the charter public school board.

Reflective Questions

How do your practices ensure compliance with the Transparency requirements?

How can you support your charter public school(s) to help ensure compliance?

Resources

[MDE Transparency Guidance](#)

[MDE Budget Transparency Guidance](#)

[Transparency Reporting Certification Form](#)

MDE ASSURANCE AND VERIFICATION VISITS

Recognized Best Practices

Regulatory Framework

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.”

Further, this law states that “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. A contract issued by the authorizing body during the suspension is void. A contract issued by the authorizing body before the suspension is not affected by the suspension.”

The Michigan Department of Education (MDE) created and implemented the MDE Assurance and Verification Visit process whereby they assess whether an authorizer is consistently implementing certain authorizing practices. This assessment is not required in the Revised School Code (section 6a) and MDE has consistently recognized that the Assurance and Verification process is a voluntary one designed to support and strengthen authorizing across the state.

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 include Overseeing and Evaluating a Charter Public School which states “Excellence in authorizing means understanding the responsibility of establishing a comprehensive system that monitors and evaluates school performance and compliance. This system should provide the necessary information to oversee, evaluate and periodically report the performance of the charter public school...”

What is the MDE Assurance and Verification Visit?

The MDE Assurance and Verification Visit is a voluntary process whereby MDE assesses whether an authorizer is consistently implementing certain authorizing practices and shares best practices and offers technical assistance. The authorizing practices relate to the following domains:

- Overseeing Application, Authorization and Contracting
- Overseeing PSA Governance
- Overseeing Facilities
- Overseeing Quality of Learning and
- Overseeing Financial Accountability

To begin the process, the authorizer must rate themselves on each practice as to how well they have implemented the authorizing practices. The ratings include under development, complete, clear, consistent, or improved. The authorizer then submits the ratings along with evidence to support the ratings to MDE. MDE completes a review of the ratings and evidence then visits (virtually or in-person) the authorizer to discuss the authorizer rating and whether MDE believes it is an appropriate rating based upon the evidence provided. They also discuss and share authorizing best practices, when appropriate. After the review is complete, MDE provides a written report that includes summary comments on the authorizer's implementation of the practices as well as individual MDE ratings and comments for each authorizing practice.

To ensure review of oversight practices that support quality authorizing, MDE aligned the MDE Assurance and Verification Visit requirements to the MCCSA Assurances and Cognia Accreditation requirements. This also allowed MDE to ensure an effective review while streamlining the authorizer efforts for a successful review.

How often is an MDE Assurance and Verification Visit performed?

MDE performs this review on all authorizers. These reviews occur approximately every three years for authorizers that are not Cognia accredited. For those authorizers that have received Cognia accreditation, MDE seeks to align the visits with the accreditation schedule - every five years. The frequency of review can be adjusted based upon certain indicators and associated risk. For example, if the authorizer is new or has had several recommendations previously, the authorizer is more likely to be reviewed every three years.

Preparing for a Successful MDE Assurance and Verification Visit

To assist authorizers in preparing for the MDE Assurance and Verification Visit, the MDE provides an introductory letter explaining the process and resource documents. As stated, the process is not an attempt to employ consequences but to document good practices and share resources.

To be successful, the authorizer should:

- review the forms that accompany the MDE introductory letter to ensure an understanding of the oversight responsibilities MDE will be reviewing. If the information is unclear, the authorizer should ask MDE clarifying questions.
- use this opportunity to review all written procedures and processes to ensure they demonstrate best practice oversight.
- gather evidence to support consistent implementation of oversight practices that includes written process, procedures, and examples.
- organize the evidence within the forms provided and through an electronic means, such as Google Docs, to allow the reviewers to easily understand how the documents support the practices under review.

Reflective Questions

How has your organization consistently implemented authorizing practices that create a comprehensive oversight system?

How does your organization prepare to successfully complete an MDE Assurance and Verification Visit?

If you have previously completed an MDE Assurance and Verification Visit, how have you implemented and recommended improvements?



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