



STATE OF MICHIGAN  
STATE BOARD OF EDUCATION  
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## State Board of Education Statement on Charter School Reform

The State Board of Education is constitutionally charged with general oversight and supervision of public education in Michigan. Charter schools are taxpayer-funded public schools proposed to provide a new, innovative alternative to traditional public schools. The recent series of articles in the *Detroit Free Press* reveal many shortcomings in Michigan's charter school law. In Michigan, the original charter school vision has been compromised by a lack of transparency, inadequate oversight, profiteering and self-dealing among some for-profit management companies and individuals, and too-often poor or indifferent educational performance.

In addition to enhanced scrutiny and accountability for charters being developed by the State Superintendent of Public Instruction under existing law, the State Board of Education calls upon the Legislature to develop comprehensive charter school reform legislation that mends, with clarity, the major flaws in the current charter law, or better enforces existing laws where clarity exists, having to do with: 1) transparency, 2) accountability and 3) educational quality.

**Educational Quality Expectations:** The State Board of Education calls upon the Legislature to adopt quality control provisions such as:

- Reinstating a "smart cap" allowing high performing charter schools and operators to replicate or expand; while precluding poor academically performing charters from replicating or expanding
- Holding authorizers clearly accountable for the academic performance of their portfolio of charter schools, and preclude poorly performing authorizers from chartering more schools
- Setting a clear standard for new charter schools to open that should include a) a track record of good academic performance by the charter operator with existing schools, and/or b) a strong educational team, plan, financial and institutional support that demonstrates a strong likelihood of success, and not preclude good new innovative schools to be opened by new organizations or entrants.
- Develop a charter school "certificate of need" whereby criteria and a process is established to demonstrate the need for a new charter school within a community in order to provide a new alternative, innovative, or more effective educational program.

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**Transparency:** The State Board of Education recommends legislation that ensures charters are as transparent in the use of taxpayer money as traditional public schools. The legislation should provide that:

- Charter School management companies (EMOs) shall be required to electronically post and provide upon request the same information regarding transparency as traditional schools, regardless of whether they are managed by a for-profit company. This includes information related to salaries, benefits, and contracts.
- Outlaw the practice of an EMO serving as both the operator of a school with control over the school's budget and as the landlord for the property in which the school leases space. Further, lease agreements should reflect market conditions and be subject to negotiation by a charter school board.
- Require an open bid process for contacted services. In addition, bidders must identify and post relationships with the charter school owners, board members and/or employees.

**Accountability:** The State Board of Education calls for legislation that clearly outlines the responsibilities for oversight, investigation and potential sanctions for charter schools and authorizers who engage in self-dealing, direct conflicts of interest, theft, fraud, and/or unethical behavior, through provisions that:

- Clarify the powers and the requirements for the State Board of Education and/or the Superintendent of Public Instruction to oversee operations and if necessary suspend authorizing ability, charter agreements, and/or school codes and payments upon violations of law.
- Clarify powers and requirements for charter authorizers, charter school boards, and operators regarding unethical conduct, conflicts of interest, and other standards.
- Prohibit authorizers from unilaterally removing charter board members, and colluding with charter operators to reverse charter board decisions
- Protect school personnel, parents, students, and board members from retaliation for reporting violations of legal or ethical standards.

Finally, the State Board of Education calls upon the Legislature to ensure that education laws apply to both traditional and charter schools. Currently some laws apply to charter schools and not traditional schools; other laws apply to traditional schools and not charter schools.

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