



**House
Legislative
Analysis
Section**

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CHARTER SCHOOLS

House Bill 5124

Sponsor: Rep. William R. Bryant, Jr.

House Bill 5125

Sponsor: Rep. Jack Horton

Committee: Education

Complete to 10-21-93

A SUMMARY OF HOUSE BILLS 5124 AND 5125 AS INTRODUCED 10-13-93

The bills would provide for the establishment of charter public schools. House Bill 5124 would add a new Part 6a to the School Code (MCL 380.1 et al.) to provide the structure for and process of establishing charter schools. House Bill 5125 would amend the teacher tenure act (MCL 38.71 et al.) to exempt charter schools from the provisions of the act. Charter schools could be established by individuals and public agencies, could include any grades from early childhood education up to grade 12 or any combination of grades, would have to meet certain educational requirements but would be exempted from many of the requirements of the School Code, and could receive state school aid for their operations.

Establishing a charter public school. Under House Bill 5124, local units of government, school districts, community colleges or state universities, state agencies, or groups of teachers or any other individuals or entities that formed a nonprofit charter school corporation under the Nonprofit Corporation Act could apply for a charter to operate a charter public school. Applications for charters could be made to either the state board of education, local or intermediate school boards, community college or university governing boards, the newly created state charter public school authority (see below), or any other public body. If these chartering bodies themselves (other than the state board or the state authority) wanted to operate a charter school, they in turn would apply for a charter to the state board or to the state authority. A group of teachers could apply to convert their school to a charter school (see below).

An application for a charter would have to contain, among other information, the proposed bylaws of the school, including:

- Provisions specifying the governance structure of the school.
- The school's educational goals.
- The curriculum to be offered (which would have to be "outcomes-based").
- Methods of pupil assessment to be used (which would have to be at least a Michigan educational assessment program (MEAP) test or a test for a state-endorsed diploma, and one or more nationally normed tests [California achievement test, Stanford achievement test, or Iowa test of basic skills]).
- The admission policy of the school.
- The school calendar and school day schedule.

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--The age or grade of students to be enrolled.

In addition, the application would include descriptions of staff responsibilities and the role of parents, the anticipated relationship between the charter school and the local and intermediate school district in which it would be located, how the charter school would meet the requirements of certain parts of the School Code (see below), an assurance that the curriculum would not include religious instruction, and certain other requirements for conversion charter schools.

Granting a charter; charter language. A chartering body could grant a charter to an applicant if the applicant and the proposed charter school met the requirements of the bill, and if it determined that issuance of a charter would further the educational goals of the state. Chartering bodies would not be required to grant charters; charters would be granted on a competitive basis, taking into consideration the resources available for the proposed charter school, the population to be served, and the educational outcomes to be achieved.

A charter granted to organize and operate a charter public school would be a contract between the school and the chartering body, and would have to include such matters as the educational outcomes and standards for which the school would be accountable, the methods of assessing student achievement, the method of monitoring the school's compliance with the requirements of the bill and its performance in meeting its educational goals, a process for amending the charter, the bylaws and other documentation required in the application, and procedures and grounds for revoking a charter. A charter would be valid for seven years, and would be renewable if the chartering body determined that the school had been successful in meeting its educational goals and complying with the requirements for charter schools.

Revocation of a charter. A charter could be revoked by the chartering body for failure to abide by and substantially meet the educational goals set forth in the charter, or for failure to maintain health and safety standards or to meet generally accepted accounting principles, or for any other grounds for revocation that were specified in the charter.

Conversion charter schools. An existing public school building could be converted to a charter public school. One certified teacher or a group of teachers employed by a school could form a nonprofit charter school corporation and apply for a charter. The application would have to be approved by a majority vote of the certified teachers working in the school within the 60 day-period before the application was submitted. In addition, the application would have to be supported by a majority vote of affected parents who were present at a public meeting on the issue. The meeting would be subject to the public notice requirements in effect for school board meetings, and the meeting would have to be held within the 60 day-period before the application was submitted.

If an existing public school was converted to a charter public school, the school district would be required to allow the charter public school corporation to convert the school building for use as a charter school. The district and the charter school would enter into a lease agreement charging a reasonable rent for use of the facilities, and specifying

which party had financial liability for utilities, maintenance, improvements, and other costs. The district and the charter school could obtain general liability insurance cooperatively.

DSS, WSU charter schools. The bill would require the state board, upon receiving proper application, to grant charters to Wayne State University, which operated a pilot charter school in 1993-94; and to the Department of Social Services, to educate youth who had been committed to the care and custody of the DSS (state wards), youth under age 20 who had dropped out or been expelled from school (or who were at risk of being expelled), and for people who had not completed high school and were either pregnant or the parent of a child eligible for state-funded preschool or early childhood education.

Admission policy. A charter public school could not discriminate in its pupil admissions policy on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapper, or any other basis that would be illegal if used by a school district. However, a charter school could limit enrollment to particular age or grade levels, or on any other basis that would be legal if used by a school district.

Enrollment in charter schools would be open to all Michigan students who met the admissions policy, and would be closed to nonresidents of the state. If there were more applicants than a school could accept, admission would be by random selection. A charter school could give priority to a sibling of a student already enrolled, and conversion charter schools could give priority to students residing in the local school district in which the charter school was located.

Funding. Charter schools could not charge tuition, but would be eligible to receive state school aid. Under House Bill 5123, which would implement the governor's proposal for state school aid funding for 1994-95, charter schools would receive either \$5,500 per pupil or the membership allocation for the local school district in which the charter school was located, whichever was less. (Local school districts would receive a foundation grant of \$4,500 per pupil, and in some cases would also receive supplemental payments and be allowed to levy school operating taxes, depending on their per pupil revenue level for 1993-94). In addition, a charter public school would be eligible for categorical aid under the school aid act, and could apply for federal funding and accept donations. Students enrolled in charter schools could not be counted in membership (for purposes of receiving state school aid) by the local school district.

Employees. A charter school could employ or contract with personnel as necessary for the operation of the school, and set their duties and compensation. A charter school could also contract with another entity, such as a for-profit corporation, workers cooperative, or employee-owned corporation, to provide instructional services. A school district would be required to grant a leave of absence to a district employee who wanted to teach in a charter school.

Legal requirements, exemptions. Charter public schools would be subject to:

-- The requirements of Public Act 25 of 1990 (contained in the School Code), including the preparation of an annual educational report, the adoption and implementation

of 3- to 5-year school improvement plans, the use of a core curriculum, and meeting state board-approved standards for school accreditation.

-- The requirement in the School Code to obtain criminal history checks on applicants for teaching and administrative positions.

-- The requirement to employ only certified teachers (except that, as proposed in House Bill 5121, all schools would be allowed to hire non-certified teachers to teach any subject at the high school level, if they met certain educational and experience requirements. This would be an expansion of the exceptions currently allowed under the School Code, in which non-certified teachers are allowed to teach only in specific high school subject areas, only when a certified teacher cannot be obtained for the position, and if the non-certified teacher is enrolled in a teacher preparation program.)

-- The requirement in the School Code to employ only certified school administrators (people who administer instructional programs must also hold teaching certificates).

-- A requirement to perform the same functions and duties as a school district in providing special education services to handicapped students.

-- Health and safety laws generally applicable to public buildings.

-- Generally accepted accounting principles.

-- A prohibition from providing religious instruction.

Charter public schools would be exempt from all other provisions of the School Code not specifically included in the bill. Among the many provisions that would not apply to charter schools are those concerning elected school boards, open meetings and public notice requirements, budgeting and financial reporting, teacher contracts, use and care of school property, student breakfast and lunch programs, adult education programs, athletics, auxiliary services provided for nonpublic school students, student transportation, textbook selection, libraries, health and physical education, driver education, and bilingual instruction. In addition, under House Bill 5125, charter schools would be exempt from the requirements of the teacher tenure act. Teachers on continuing tenure with a school district who took a leave of absence to teach in a charter school would not have tenure with the charter school but would retain tenure rights with the local school district during the time of employment with the charter school. House Bill 5125 is tie-barred to House Bill 5124.

State charter public school authority. The bill would create a state charter public school authority within the Department of Education. It would have seven members appointed by the governor with the advice and consent of the Senate. Members would serve without compensation but could be reimbursed for expenses. The authority would be subject to the Open Meetings Act and the Freedom of Information Act.

The state charter public school authority could grant a charter for a charter school. However, the state board would have the option of rejecting a charter granted by the authority, which would void the charter.

The authority would be charged with periodically reviewing and evaluating the progress of implementing charter public schools under the provisions of House Bill 5124, reporting annually to the governor and the legislature on the status of charter schools, and providing technical assistance to people establishing charter schools.