Michigan Charter School Law Overview

Michigan’s initial “public school academy” (a.k.a. charter school) law was enacted in 1993 and has since undergone significant revisions due both to legislative initiative and court challenges. Current law allows any of the following to be an authorizer: local school system boards, intermediate school district boards, community college boards, and public university boards.

In 1996, a cap was placed on the total number of charters that could be issued by state universities, starting at 85 and rising to 150 by 1999 and thereafter. The number of charters issued by university boards has been at or near that limit for the last several years. Repeated efforts to raise the cap have not succeeded, although the legislature is again considering the matter. No caps exist for other categories of authorizers, but little chartering activity occurs there.

Schools chartered by any sponsor other than a local board are fiscally and legally autonomous. Those approved by local boards may be, too, but that depends on the terms of their charter. However, Michigan’s charter schools are subject to all state laws and regulations that apply to traditional school districts. Teachers in schools authorized by local boards remain covered by the district’s collective bargaining agreement; teachers in other charters may negotiate as a separate unit with the governing body of that school or may work independently.

A significant number—about two-thirds—of Michigan’s charter school boards have contracted with educational management organizations (EMOs) to manage the schools in whole or in part.

As of Fall 2002, there were 188 operating schools, involving 27 different authorizers: nine university boards (chartering 148 schools); three community college boards (chartering 4 schools); 10 intermediate school district boards (chartering 24 schools); and five local district boards (chartering 12 schools). One community college is based on a Native American Reservation and, unlike the state’s other community colleges, has no geographic restrictions as to where it can charter its schools. It is anticipated that this college will charter a number of schools in the future (especially if the cap on university charters remains in place).

State Policy Environment

Support for Charter Schools: Michigan received a D+ for charter school support. To a large degree, local
districts and traditional education organizations remain strongly opposed. Since all existing laws, regulations, and collective bargaining agreements remain in place for schools chartered by local districts, such entities see little reason to engage in chartering. Intermediate school boards and community college boards are very dependent upon funding approved by local voters and most have been wary of chartering given the influence of traditional education organizations on election outcomes. Boards of state public universities, therefore, have become the primary chartering authorities, often in response to nudging from former Governor John Engler (since the Governor appoints most of their trustees).

Thanks in part to initial support from private donations, Michigan has a fairly well-established charter school association and networking structure. The Michigan Association of Public School Academies (MAPSA) has several staffers and engages in lobbying as well as providing some technical assistance. In addition, several universities engaged in chartering have established significant charter school offices that provide technical assistance in addition to monitoring activities.

Support and External Accountability for Authorizers: Michigan earned a B– for this category. State law allows authorizers to charge fees of up to 3% and, as a result, most Michigan authorizers felt they had sufficient funding to carry out their duties. In reference to authorizer accountability, there appears to be significant public scrutiny of their work by the legislature, the state auditor general, and certainly the media. In 2001, the legislature established a special commission to review the charter situation in Michigan (after yet another failed legislative effort to raise the cap). Although this commission dealt with a number of issues, a primary concern was the belief that some authorizers were not being thorough in their oversight functions. Some “evidence” to this effect was offered to the commission (although survey data from this study does not support that impression), and one key recommendation was that the State Superintendent of Public Instruction should have more formal oversight over authorizers. This and other commission recommendations, including one to increase the cap, were debated but not approved by the legislature last year.

Authorizer Practices

Application Processes: Michigan earned a B– here, due in part to low ratings for authorizer efforts to distribute application materials broadly and seek applicants to meet market gaps. Several authorizers noted that they had striven to improve these activities over the years but, since the cap on university-authorized charter schools has been reached, little opportunity has existed for new applicants. Some authorizers have sought out charter applications to meet identified needs. One, for example, is working closely with a group of K–8 charters in the Detroit area to form a consortium charter high school. Others are working with the juvenile courts to create more “alternative” charter schools.

Approval Processes: Michigan’s aggregate approval processes received a B–. The most significant shortcoming is that some denied applicants do not receive a written explanation of their major weaknesses. There appears to be variations across Michigan’s many authorizers in how comprehensive the application processes are, but survey respondents overall felt that, on the whole, things were fair and non-political.

Performance Contracts: The state’s A– in this category reflects high marks for all aspects of the performance contracts. The lowest rating raises the question of whether the overall quality of the contracts is sufficient to really hold schools accountable.

Oversight: Responsible oversight has been a challenge for Michigan’s authorizers since many charter boards have contracted with EMOs to manage their schools, and lines of authority and responsibility are not always clear. Charter schools have no automatic freedom from any laws or regulations, thus much paperwork and reporting is needed. In addition, traditional education organizations (and many newspapers) are watchful for any infraction, no matter how small.

As a result of such scrutiny, as well as the other challenges that they face, authors have formed an informal networking system and meet regularly to
share materials and procedures. Some peer pressure has been applied on those authorizers against whom complaints have been made.

As a whole, school operators responding to this survey noted that their authorizers were attempting to shield them from red tape and excessive procedural compliance, and to create systems that hold them accountable without micromanagement. Comments (and complaints) indicate that charter schools are being held to a higher standard than other public schools.

Significant portions of authorizer funds are spent on attorney fees and compliance monitoring. Many have a representative who not only visits each charter school on a regular basis, but also attends the school’s board meetings. Many attempt to streamline and systematize the state paperwork and reporting by creating calendars of required reports and deadlines. As a whole, survey respondents report that Michigan authorizers are doing well in their oversight and monitoring efforts (grade of B+).

**Renewal and Revocation Processes:** Michigan received a B here. The charter schools themselves report that most authorizers have provided clearly written criteria for formal review, and they understand what is expected of them in order to be renewed. As part of this process, many authorizers have required their schools to collect and report student achievement data on all students (whereas Michigan’s current state testing program only tests students in certain grades). Some authorizers have been independently analyzing such student data as part of their review process. The largest authorizer in the state, Central Michigan University, engaged Standard and Poor’s to compile a detailed analysis of its schools. As of Fall 2002, nine charters have been revoked or non-renewed.

**Transparency and Internal Accountability:** Michigan’s score for this category is B–. Concerns were voiced that not all key authorizer policies and decisions, including proposals or summaries of approved applicants, were readily available to the public.

**Overall Grade**

Based on scores for 56 criteria, Michigan earned a C for its policy environment and a B for authorizer practices, resulting in an overall grade of B–. When observer and school operator survey respondents were asked to provide a single “holistic” grade, the average grade given was also a B–.

The foremost concern for policymakers within Michigan should be the D+ regarding policy support for charter schools. This is driven to a large degree by the cap on university-sponsored charters. Authorizing practices as a whole received a B, which is quite good considering how many authorizers are involved. Indeed, nearly all of Michigan university-based authorizers received higher marks for their authorizing practices, far exceeding grades offered for the other authorizer groups. Interested parties are advised to carefully review the detailed scores for Michigan, found in Appendix A, and on the web at [http://www.edexcellence.net/tbinstitute/authorizers.html](http://www.edexcellence.net/tbinstitute/authorizers.html).

Note: The grades for Michigan are based upon survey data received from 11 authorizer respondents (representing 10 different authorizers—including eight major authorizers—overseeing 69% of operating schools); nine observer respondents; and 41 charter operator respondents (of 188 total operating charter schools, or 22%).