

Issue: Michigan Education

Charter School Accountability and Transparency

One responsibility of all parents is to choose the best schools for their children. Michigan Democrats want to make that easier. Parents need to have easy-to-find information in order to make the most informed decisions.

The School Freedom, Accountability, Choice and Transparency Act, or School FACT Act, puts forth rules for openness and accountability for charter schools that employ non-profit or for-profit education management organizations (EMOs). This act attempts to put all schools on an even basis when it comes to providing information to the public.

EMOs and charter school authorizers have been operating with a high degree of autonomy. Some have posted such summarized financial information that it is impossible to understand how taxpayer dollars are being spent. Laws dictate that all schools must make contracts available for review by anyone who asks. However, when numerous requests were made to various charter schools for this contract information, only one complied. Using taxpayer dollars, some charter schools and EMOs entered into real estate transactions where the valuations were priced over-market. There are many other examples of decisions made in an environment ripe with conflicts of interest.

The FACT Act proposes the following:

- Disclosures, which are to be posted on each organization's public website
 - EMOs must post audited financials
 - Authorizers must publish any fees earned for overseeing charter schools
 - Charter schools must publish EMO contracts and EMO financial statements
 - Charter schools must publish amounts paid for any student recruiting
- Accountability
 - State superintendents must suspend authorizers when they do not provide adequate oversight to a charter school
 - The act provides for an appeals process and a potential rehabilitation process for suspended authorizers
 - Authorizers must report status of financially failing EMOs to other charter schools they authorize who use the same EMO
- Reforms
 - Prevents those charter schools in the bottom 5 percent from expanding or from switching to a new authorizer
 - Disallows EMOs' real estate transactions at over-market prices using taxpayer dollars
 - Forbids conflicts of interest between EMOs, authorizers and developers by making business or personal affiliations off-limits
 - Requires authorizers to attend charter school board meetings and to file reports on their role as overseers

Each of these proposed rules, while seemingly common-sense in nature, have come about due to actual events that have put your children's educations and your taxpayer dollars at risk.



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Each of these bills (House bills 5286-5294 and Senate Bills 674-682) have been introduced by your Democratic representatives and the legislation has been referred over to the corresponding Education Reform Committee where it has been waiting—since November 2017—for some action on the part of the Republican-controlled majority.

There are many needs to be addressed to make Michigan schools first rate. Openness and accountability is one important step forward. Your Democratic representatives are busy working for you and your students with many initiatives to move Michigan education forward.

Sources:

Dietzer, Erin, December 2, 2017 “Michigan Democrats want more transparency in charter school management”

<https://www.hollandsentinel.com/news/20171202/michigan-democrats-want-more-transparency-in-charter-school-management>

November 30, 2017, “School FACT Act Brings Accountability to Michigan Schools, Legislative package holds charters, districts to same accountability standards”

<https://housedems.com/article/school-fact-act-brings-accountability-michigan-schools-0>

Published by Michigan House Democrats, November 30, 2017 “School FACT Act Brings Accountability to Michigan Schools”

<https://www.youtube.com/watch?v=0wubcZcpslQ>