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To: Council About Parochiaid  
From: Cara Marie Dobie  
Date: December 5, 2014  
Re: Legislative Update

### **Legislation Introduced to Create Charter School Transparency Standards**

In October, Representatives Sarah Roberts (D-St. Clair Shores), Ellen Cogen Lipton (D-Huntington Woods), Jeff Irwin (D-Ann Arbor), David Nathan (D-Detroit) and Charles Brunner (D-Bay City) announced legislation that would create transparency and accountability standards for charter schools, charter school authorizers and for-profit educational management organizations that contract to run many charter schools.

The standards are called for in **HB 5852**, sponsored by Rep. Sarah Roberts. This bill provides for restrictions on issuing contracts for any new charter schools or approving any new charter school campuses. HB 5852 would enact a moratorium on opening any new charter schools until legislation is passed to ensure that they are transparent, accountable and have strong governance standards in order to best educate all students.

The transparency standards, introduced on November 6, 2014, include House Bills 5915-5918.

**HB 5915**, sponsored by Rep. Lipton, expands disclosure of operating budgets to include financial statements by an educational maintenance organization.

**HB 5916**, sponsored by Rep. Roberts, revises requirements for management agreement with educational management organizations.

**HB 5917**, sponsored by Rep. Irwin, revises requirements for issues of contract, provisions concerning oversight and requirements for management contracts.

**HB 5918**, sponsored by Rep. Nathan, revises requirements and duties of public school academy authorizing bodies.

The introduction of this charter school transparency legislation comes after the Detroit Free Press investigative series on charter schools that ran in June. This series outlined troubling findings, including a lack of financial transparency and accountability, authorizers allowing poor performing charters to stay open and unaddressed conflicts of interest.

“All public schools have to post their finances and spending online. For-profit education management organizations and those who authorize charter schools must fully disclose how they spend education dollars. Parents and taxpayers have a right to know how their money is being spent to educate

children,” said Rep. Lipton. “This package of bills will create necessary standards for transparency and accountability.”

Finally, it should be noted that out of the 40 charter school authorizers in Michigan, 11 are at risk of being suspended because they have not done a good enough job of holding charter schools responsible. This legislation would prohibit authorizers from issuing new charter school contracts if authorizers are not providing proper oversight to its current charter schools.

The bills have all been referred to the Committee on Education.

### **Michigan Ranks Low for Charter School Law**

The National Association of Charter School Authorizers (NACSA) released a new report Thursday measuring state laws and their accountability for charter schools' academic performance. This is the first ever analysis of its kind. NACSA is a Chicago-based advocacy organization focused on accountability laws for charter schools.

Michigan scored only three out of a possible 27 points in the report. The standards Michigan was measured against were NACSA's own best practices. Specifically, the report states that Michigan's standards for charter renewal are too low. Michigan law does not require charter authorizers to report annually on academic performance, it doesn't include minimum quality standards, and doesn't provide for automatic closure if failing academically.

Advocates of charters criticized the report for being too narrow in scope. Although the report stated that Michigan "lacks nearly all of" NACSA's recommendations, some individual charter authorizers were following recommended best practices.

### **Lame Duck Issues for Education**

With only six session days left before the end of the 2013-2014 session, time is running out for a number of education issues that have been discussed in the Michigan Legislature this year. Bills that would determine the future of Detroit's Education Achievement Authority, and other legislation that would prevent third graders from advancing to fourth grade if they fail to pass the reading portion of the MEAP test, are all awaiting action in the House and Senate.

The House and Senate have passed different versions of legislation concerning the EAA and have been at an impasse for much of 2014. We expect there to be another push to reach an agreement before the end of the year. However, the EAA's poor performance has made legislation to continue or expand that particular model much more difficult to pass.

Representatives Lisa Lyons (R-Alto) and Thomas Stallworth (D-Detroit) have introduced a pair of bills that would require any third grader who failed to achieve proficiency in the reading portion of the MEAP test to be held back from entering fourth grade until they were able to achieve proficiency. **HB 5111** would bar non-proficient students from advancing to fourth grade, while **HB 5144** would require the Michigan Department of Education to create and recommend reading programs that would help more students reach proficiency by third grade.

## **Republicans Keep Control of State Government – Expand Majorities in Legislature**

It was a big night for the Republican Party as they rode another wave to victory up and down the ticket. Despite the fact that Democrats were largely successful in statewide races (Gary Peters was elected to the U.S. Senate, Richard Bernstein to the Michigan Supreme Court, and Democrats won all but one of the statewide education seats), Republicans won nearly every other competitive race. Governor Snyder was re-elected by a safe margin, as was Attorney General Bill Schuette and Secretary of State Ruth Johnson. Republican Justices Brian Zahra and David Viviano were also re-elected to the Michigan Supreme Court.

Things didn't go any better for the Democrats in the State House and Senate races. Republicans gained seats in the House to create a 63-47 majority and nearly every competitive race went to the Republicans, with the only exceptions being incumbents Henry Yanez and Winnie Brinks holding on to narrow wins. Two Democratic incumbents were defeated – Collene Lamonte and Theresa Abed – and the Republicans managed to protect all of their vulnerable incumbents, including Ray Franz, Ben Glardon and Kevin Cotter. The Democrats were able to hang onto one open seat that was vacated by Diane Slavens with Kristy Pagan eking out a victory. Elsewhere the Republicans swept.

In the Senate, where most observers felt a few months ago there was no way for the Democrats to have a net loss of seats, the Republicans performed even better than the House. Vulnerable incumbents Patrick Colbeck and Geoff Hansen were victorious, and the GOP was successful in winning every competitive open seat. They sealed their night with a squeaker as Margaret O'Brien defeated Sean McCann by less than 100 votes. Assuming that withstands a possible recount, the Republicans will have a 27-11 majority for the next four years.

### **Other Bills of Interest to CAP**

**SJR R For-Profit Public Schools**-Sen. Rebekah Warren (D-Ann Arbor) would prohibit operation of public school on for-profit basis in state constitution. Introduced on 4/10/13 and referred to the Committee on Education.

**HB 4032 Cyber Schools**-Rep. Doug Geiss (D-Taylor) requires cyber schools post materials on website and submit to Department of Education. Introduced on 1/22/13 and referred to the Committee on Education.

**HB 4369 Education Achievement Authority**-Rep. Lisa Lyons (R-Alto) establishes the Education Achievement Authority as part of public education system and provides for its powers and duties. Concurred in Senate Substitute/Amendment on 3/20/14; 56-54, Substitute H-3 adopted and amended.

**HB 4625 School Districts**-Rep. Pete Lund (R-Shelby Township) modifies criteria for establishment of compensation levels or adjustments. Reported in the House on 5/22/13; Substitute H-1 adopted.

**HB 4725 Education**-Rep. John Olumba (I-Detroit) allows public school academies to operate residential boarding schools for at-risk youth. Reported in House on 06/04/14 by Education.

**HB 4797 Financially Insolvent Schools**-Rep. David Rutledge (D-Ypsilanti) provides for criteria and procedures for providing education to residents of a financially insolvent school district. Introduced on 5/30/13 and referred to the Committee on Education.

**HB 4798 Financially Insolvent Schools**-Rep. Bill Rogers (R-Brighton) considers pupils residing in district that is not financially able to provide education to residents of educating district for school aid purposes. Introduced on 5/30/13 and referred to the Committee on Education.

**HB 4813 Education**-Rep. Bill Rogers (R-Brighton) revises criteria and procedures for dissolution of a school district. Signed by the Governor on 07/2/13.

**HB 4986 Education**-Rep. Tom Hooker (R-Byron Center) provides for certain protections regarding student rights to religious expression in public schools. Introduced on 9/17/13 and referred to the Committee on Education.

**HB 5112 Grades for Public Schools**-Rep. Lisa Lyons (R-Alto) establishes system for calculating and publishing letter grades for public schools. Reported in House (12/4/13; with substitute H-7; By Education).

**HB 5223 Teacher Evaluation**-Rep. Margaret O'Brien (R-Portage) revises performance evaluation for school teachers. Committee Hearing in the Senate on 06/04/14.

**HB 5224 Administrator Evaluations**-Rep. Adam Zemke (D-Ann Arbor) revises the performance evaluation for school administrators. Committee Hearing in the Senate on 06/04/14.

**HB 5314 (PA 196) Omnibus Education Budget**-Rep. Bill Rogers (R-Brighton) Provides appropriations for School Aid, higher education and community colleges in fiscal year 2014-15. Signed by the Governor on 06/24/14 and effective on 06/24/14.

**HB 5852 Charter Moratorium**-Rep. Sarah Roberts (D-St. Clair Shores) provides for restrictions on issuing contracts for any new charter schools or approving any new charter school campuses. Introduced on 9/23/14 and referred to the Committee on Education.

**SB 66 Michigan Merit Curriculum**-Sen. John Proos (R-St. Joseph) revises the Michigan Merit Curriculum. Presented to the Governor on 9/26/14 and signed by the Governor on 9/30/14. Effective: 90 days after sine die adjournment.

**SB 83 Conversion Schools**-Sen. Dave Robertson (R-Grand Blanc) provides for conversion schools for public school academies. Introduced on 1/29/13 and referred to the Committee on Education.

**SB 120 American Heritage Instruction**-Sen. Patrick Colbeck (R-Canton Township) allow and prohibit censorship of certain American heritage instruction in curriculums. Reported in House on 03/19/14 by Education and referred to second reading.

**SB 121 Freedom Week**-Sen. Patrick Colbeck (R-Canton Township) require observation of celebrate freedom week in all public school curriculum. Reported in House on 03/19/14 by Education and referred to second reading.

**SB 423 School Instruction**-Sen. Patrick Colbeck (R-Canton Township) requires instruction in certain United States historical information. Reported in House with recommendation with Substitute H-1 on 03/19/14 by Education and referred to second reading.

**SB 644 Strict Discipline Academies**-Sen. Dave Hildenbrand (R-Lowell) allow strict discipline academies to enroll individuals placed in certain facilities operated by a private agency. Signed by the Governor on 06/28/14 and effective on 06/30/14.

**SB 681 Lease Agreements**-Sen. Hoon-Yung Hopgood (D-Taylor) prohibits lease agreements between public school academies and certain entities. Introduced on 11/13/13 and referred to the Committee on Education.

**SB 682 Public School Academies**-Sen. Hoon-Yung Hopgood (D-Taylor) provides for general amendments to public school academies to achieve greater accountability. Introduced on 11/13/13 and referred to the Committee on Education.

**SB 716 Religion in Education**-Sen. Mark Jansen (R-Gaines Township) require school district policy and practices regarding student rights to religious liberty in public schools and state public universities. Introduced on 12/10/13 and referred to the Committee on Education.

**SB 817 Teacher Evaluations**-Sen. John Pappageorge (R-Troy) Modify implementation dates for performance evaluation requirements for teachers and school administrators. Signed by the Governor on 06/28/14 and effective on 06/30/14.

**SB 951 Deficit Elimination Plans**-Sen. Howard Walker (R-Traverse City) update reference to deficit elimination plan compliance in school aid act, include enhanced deficit elimination plans and revise other reporting requirements. Received in the House on 12/3/14 and referred to the Committee on Financial Liability Reform.

**SB 952 Deficit Elimination Plans**-Sen. Howard Walker (R-Traverse City) provide or enhancement for deficit elimination plan. Received in House on 12/3/14 and passed in the Senate on 12/3/14 24-14; earlier advanced to Third Reading and adopted committee substitute S-2.

**SB 953 School Emergency Managers**-Sen. Howard Walker (R-Traverse City) provide for school district placement into control of an emergency manager for failure to comply with enhanced deficit elimination plan. Received in the House on 12/3/14 and passed in the Senate 12/3/14 23-15; earlier advanced to Third Reading and adopted amendment.

**SB 954 Deficit Elimination Plan**-Sen. Howard Walker (R-Traverse City) revise deficit elimination plan requirement. Received in House 12/3/14 and passed in the Senate on 12/3/14 24-14; earlier advanced to Third Reading.

**SB 957 Preplanned Financial Reporting**-Sen. Roger Kahn (R-Saginaw) require preplanned financial reporting for school districts as part of early warning system. Received in House on 12/3/14 and passed in the Senate on 12/3/14 22-16; earlier advanced to Third Reading and adopted S-6 substitute.