

Charter Authorization – Questions and Answers

1. As authorizer, would Oxford share funds with a cyber charter academy?

Only the State School Aid would be funneled through Oxford Schools. A charter may receive federal grant funds directly from the MDE by following the same procedures as a traditional school district. A charter would have its own district and school code and would perform its own pupil accounting procedures (including CEPI reporting). Charters are required to have an independent audit of their financial accounting records conducted annually by a CPA. A charter would be considered a constituent district in our local intermediate school district and students could access programs and services funded through career and technical education millage dollars on the same proportional basis used for other constituent districts. The ISD plan for special education programs and services—including IDEA funds—must include charter schools. The MDE continues to develop its procedures with regard to cyber charters and relative funding.

2. What other types of State and Federal funding are available to charter schools?

A charter may access state and federal grants in the same manner as local school districts. A charter school is considered to be a local school district to be included in the intermediate school district plan for special education programs and services. Charters have the same right to participate in state school aid and intermediate school district special education funding as any other constituent school district.

3. Could a charter school authorized by Oxford purchase other services from our district?

Yes – Oxford can choose to offer a charter services at an agreed upon rate/fee. The authorizer may provide other services to a charter school it authorizes for a fee, but shall not require such an arrangement as a condition to issuing the charter contract.

4. What are the specific responsibilities of an authorizer of a cyber charter school?

Charter contract issuance

- Must adopt a Charter School Policy, including a rubric or other criteria for selection
- Publicize a charter application window and make subsequent decisions on applications
- Develop a description of the process for amending the contract during the term of the contract

Fiscal agency

- Receive state school aid and forward payment to charter (own district/school code)
- Retain authorizer fee (2-3% of total state school aid)

Compliance oversight

- Submit contract to MDE within 10 days of signature
- Establish method of selection, length of term, and number of board of directors
- Ensure that the board of directors included local representation
- Develop and implement a process re: performance standards and accountability
- Oversee pupil admissions process
- Determine if all fire, safety, and health codes are met

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5. **How would a potential marketing plan look for a cyber charter and where would it be targeted?**

At this point, any potential charter would operate as a completely separate entity from a marketing perspective. It is our preference to work alongside them to ensure the overlap is minimal. Charter enrollment specialists would refer all in-district student inquiries to Oxford Virtual Academy with the understanding that parents ultimately make enrollment decisions and the charter cannot deny qualified applicants. The charter organization would not have access to our art nor would we dual-brand. However, authorizing a charter school whose reach is statewide would be a value to our district.

6. **What is the typical enrollment for a statewide cyber charter academy?**

Students across the state currently have multiple options for enrollment in charter schools. A new charter school would provide an authorized Oxford option. According to 2016-2017 enrollment data, 9% or 146,000 Michigan K-12 students were enrolled in charter schools. The maximum enrollment in any single cyber school is 10,000 pupils.

Other LEA-authorized statewide cyber charters in Michigan:

Eaton Rapids Public Schools – LifeTech Academy = 205 pupils

Genesee School District – The Paris Academy = 365 pupils

Redford Union Schools District 1 – Regents Academy = 303 pupils

Vestaburg Community Schools – Success Virtual Learning Centers = N/A

Ovid Elsie Area School District – Michigan International Prep School = N/A

Manistee Area Public Schools – Michigan Great Lakes Virtual Academy = 2,629 pupils

Whitmore Lake Public Schools – Livingston Classical Cyber Academy = 139 pupils

Mesick Consolidated Schools – Highpoint Virtual Academy of Michigan = 235 pupils

Gobles Public Schools – Michigan Online School = N/A

7. **Who is responsible for reporting: the charter academy or the authorizer?**

Charter schools must submit an annual comprehensive financial report into the Financial Information Database (FID) maintained by CEPI using the chart of accounts prescribed in the Michigan School Accounting Manual. The report is submitted electronically and filed with the MDE by November 15 each year. The penalty for noncompliance is the withholding of state school aid payments. We ultimately authorize their reports and assess school performance.

8. Who can teach at a cyber charter and how are employees of a charter paid for services?

Certification requirements for charter school teachers are identical to those of local school district teachers. The charter may choose to contract with outside companies for instructional services. In December 2011, Public Act 277 removed the requirement that school districts authorizing a charter must cover staff under that district's current collective bargaining agreements. The charter would budget for and pay all staff; or, if the charter board decided to contract with an educational service provider, the vendor would pay the staff.

"Michigan law provides that participation in the state retirement system is dependent on employee status. If an employee is employed by a charter school board of directors, he or she must participate in the state retirement system. If an employee is not employed by a charter school board of directors, they are prohibited from participating in state retirement system. Thus, charter schools have access to the ability to opt out by virtue of how they hire their employees." – Charter School Participation in State Teacher Pension Plans, March 2017

9. The authorizer administrative fee may be up to 3% of total State Aid – would we charge 3%?

Oxford would pursue the maximum authorizer fee permitted by law.

10. Would Oxford have any liabilities for charter non-compliance?

Non-compliance can lead to withholding of state school aid payments. A contract may be revoked by the authorizer if compliance is not met by the charter. Charter schools are separate legal entities with operations that are separate and distinct from the legal structure of their authorizers. Many charter school contracts contain provisions stating that there is no contractual or organizational affiliation between the two organizations.

Also, MCL 380.503b states that: (1) An agreement, mortgage, loan, or other instrument of indebtedness entered into by a public school academy and a third party does not constitute an obligation, either general, special, or moral, of this state or an authorizing body. The full faith and credit or the taxing power of this state or any agency of this state, or the full faith and credit of an authorizing body, may not be pledged for the payment of any public school academy bond, note, agreement, mortgage, loan, or other instrument of indebtedness. (2) This part does not impose any liability on this state or on an authorizing body for any debt incurred by a public school academy.

11. Would an Oxford-authorized charter academy have the same standards as all local educational agencies?

It is the authorizer's duty to set the academic standards and to ensure that they are maintained at the charter. We must thoroughly review the potential charter's educational plan and see that it addresses student needs, curriculum goals, teaching methods, and student assessment.

12. If we authorize a cyber charter, would we be the only public school in Michigan to do so?

No. Of the 15 cyber charters in the state of Michigan, 9 are authorized by public school districts, including: Mesick, Ovid Elsie, Eaton Rapids, Redford Union, Genessee, Whitmore Lake, Vestaburg, Gobles, and Manistee. (See pupil counts above)

13. Would charter school graduates receive an Oxford diploma?

No. Charter academy students would receive a diploma issued by the charter school entity that meets the Michigan Merit Curriculum requirements for high school graduation. The diploma would likely state that the academy is authorized by Oxford Schools; but, it would not be an Oxford diploma.

14. Could charter students participate in our Oxford athletics or intramural clubs?

No. We would ensure that our board policy reflects that charter school students are not allowed to participate. Oxford HS already exceeds (by a significant margin) the minimum number of enrollments for Class A athletics, which is the large school classification by the Michigan High School Athletics Association. However, since charter students will not be eligible to participate in Oxford athletics, in accordance with MHSAA regulations, they will not be counted in Oxford HS's count.

Charter students may be able to participate in other resident district extracurricular activities (not Oxford), in accordance with their local district and MHSAA rules.

Resources (many directly quoted above)

- Michigan Department of Education – “Michigan Charter Schools - Questions and Answers”
 - https://www.michigan.gov/documents/PSAQA_54517_7.pdf
- Michigan Department of Education – “Handbook for District Authorizers”
 - http://www.msbo.org/sites/default/files/psa_handbook.pdf
- Michigan Department of Education – “Public School Academies by Authorizer”
 - [https://www.michigan.gov/documents/mde/Schools by Authorizer_396738_7.pdf](https://www.michigan.gov/documents/mde/Schools_by_Authorizer_396738_7.pdf)
- Michigan Department of Education – “School of Excellence that is a Cyber School - FAQ”
 - https://www.michigan.gov/documents/mde/Cyber_School_FAQ_12032013_441513_7.pdf
- MLive – “Where Michigan children attended school in 2016-2017—public and private”
 - http://www.mlive.com/news/index.ssf/2017/09/where_michigan_children_attend.html
- National Alliance for Public Charter Schools – “Access to Relevant Employee Retirement Systems”
 - <https://www.publiccharters.org/our-work/charter-law-database/components/20>