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PUBLIC INSTRUCTION

February 29, 2012

MEMORANDUM

TO: Public School Academy School Boards

FROM: Mark S. Eitrem 
Supervisor, Public School Academies,
Office of Education Improvement and Innovation

SUBJECT: Transparency Requirements

Recent developments including the passage of Public Act 277 ("the Act"), which takes effect on March 28, 2012, have made a number of charter school stakeholders concerned about transparency compliance. In an attempt to provide stakeholders with as much compliance data and information as possible, the Public School Academies unit within the Michigan Department of Education (MDE) has reviewed the Act along with some of the other current legislation involving transparency reporting. The following information is provided as our RECOMMENDATION to you and IS NOT intended to usurp or otherwise supersede instructions from your authorizer.

The impetus for this message is a steady flow of inquiries from the field directly to MDE regarding what schools have to do to meet requirements. So, in response to those inquiries we are providing some technical assistance to those individuals directly responsible for compliance with the law.

According to what we've been told, the Registry of Education Personnel (REP) will be publishing new guidelines in the very near future. These new guidelines are designed to mimic the language contained in the new statute for the purposes of eliminating any confusion as to what should or should not be reported. Simply put, the intent of the legislation is for Public School Academies to report all personnel working at the school, regardless of their employment status. That means everybody who works at the school on a regular basis including teachers, administrators, and support staff must be reported in the REP, regardless of whether or not they are employees, employees of a third party, or independent contractors. The list of people required to receive criminal background checks is the same list the school should report in the REP, and vice versa.

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Aside from the REP, the new law requires that PSA Boards collect, maintain, and make available a wide range of information related to the operation and maintenance of the school. Some of this information is required to be included in charter contracts, some is required to be posted on the school's website, and some other information is required to be collected, maintained and made available in the event somebody asks for it. The first thing to consider with these requirements is the availability of a school website. Every school should have its own website. While some management companies have created websites that include school information, the content that is actually posted on those management company sites is at the discretion of the management company, not individual school boards. If you want to manage the information posted for your school, you may have to have your own website. School websites are very useful as nearly every piece or collection of information that is required to be maintained can be made available through access to the school's website. Please keep in mind that the ultimate responsibility to adhere to state law is the Board's, not the management company's, so placing blame on your management company for a failure to comply with the law does not release you from that responsibility.

Another key piece to this discussion is the development of Board policies that govern what should be included on your website. The Board should make the conscious and collective determination as to what should be included, not any single individual or a management company. If you have a website that your management company maintains for you, a Board policy that describes the type of content to be posted, and the process for approval of those postings should be approved by the Board, and then posted for all to see. Most management company contracts include language that requires individuals working at the school (including management company employees) to adhere to Board policies. If you don't have your own Board policies that direct behavior or outline procedures at your specific school, then you should develop some.

The language for the required transparency reporting, commonly referred to as the "transparency mitten," has not changed although the expectations have. With the passage of PA 277, the expectation is that personnel expenses will be reported *within the "mitten" on the school's website home page in a manner consistent with the REP report*. It is expected that "purchased services" will no longer be used for reporting compensation to teachers, administrators, and support staff working at a school. It is also expected that all personnel whose salary exceeds \$100,000 will be reported, regardless of whether they are employees, employed by a third party, or contractors. The specific MDE guidance to all public schools is contained at http://www.michigan.gov/documents/mde/Budget_Transparency_Reporting_32791_2_7.pdf. This guidance should be referenced if there is some question as to what should be reported. We expect the language within this guidance to change in the very near future as changes to the REP and PA 277 are fully implemented.

And furthermore, there is an expectation that budgets and amendments will be posted in a timely manner. We also expect that quarterly financial reports will be received and posted promptly. We know that most management companies do a great job of keeping their Boards informed. However, we also understand that some management companies have intentionally delayed the distribution of financial reports so as to make them irrelevant, or they provide reports with scant details that make them unusable. Your Board policies and your management or service contracts should stipulate the types (including specific detail) and frequency of reports you need to do your job, and they should also require that they be made available when you need them. See the attached list as a starting point for identifying content to be posted on your website.

We encourage you to work with your authorizer, intermediate school district, employees and vendors to meet these expectations before the end of this school year. If the current staff (or vendor) you employ or contract with will not or cannot support this initiative, you should consider seeking alternative resolutions immediately. The PSA unit expects to begin reviewing, tracking, and reporting compliance for the 2012-2013 school year not later than August 1, 2012. If you have questions regarding this activity, please feel free to contact us at (517) 373-4631, and we will do our best to help you. Thank you.

cc: PSA Authorizers

Attachment: Transparency

Transparency

With the passage of Public Act 277 of 2011, several questions have arisen regarding what types of data and informational items must be collected, maintained, and made available to the public. The following chart has been developed as a RECOMMENDATION to Public School Academies within Michigan. Some authorizers have already engaged this process and have systems in place for schools they charter to report or post these items in various places. However, in the absence of guidance from their authorizer, a Public School Academy should consider using these RECOMMENDATIONS. Incidentally, this list is not exclusively derived from PA 277.

Item	Location	Reference
• Transparency Mitten	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
◦ Personnel Expense Chart	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
◦ Operations Expense Chart	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• Annual Operating Budget & Amendments	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• Current Collective Bargaining Agreement	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• PSA-Funded Health Care Plans	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• Audit Report for Previous Year	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• Total Salary & Comp Plan for Superintendent	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• List of People Working at the School that Earn a Salary >\$100K	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• Total Amount Paid in Dues to Associations	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• Total Amount Paid on Lobbying Services	Homepage of PSA Website	MCL 388.1618, MCL 503C(1)(b)
• District Dashboard/Report Card w/3 Years of Data	Dashboard or Report Card Page of PSA Website	MCL 388.1622
◦ Graduation and Dropout Rates	Dashboard or Report Card Page of PSA Website	MCL 388.1622
◦ Average Class Size in Grades K-3	Dashboard or Report Card Page of PSA Website	MCL 388.1622
◦ College Readiness as Measured by MME Test Scores	Dashboard or Report Card Page of PSA Website	MCL 388.1622

Item	Location	Reference
○ Elementary and MS MEAP Test Scores	Dashboard or Report Card Page of PSA Website	MCL 388.1622
○ Teacher, Principal, and Superintendent Salary Information (Min, Avg, Max Levels)	Dashboard or Report Card Page of PSA Website	MCL 388.1622
○ General Fund Balance	Dashboard or Report Card Page of PSA Website	MCL 388.1622
○ Total #Days of Instruction	Dashboard or Report Card Page of PSA Website	MCL 388.1622
• Final Budgets from Last 2 Years	Homepage of PSA Website with Current Budget	PSA Recommendation
• Copies of Audit Management Letters from the Last 2 years	Homepage of PSA Website with Audits	OMB Circular A-133
• Copies of Audits from Last 2 Years	Homepage of PSA Website with Audits	OMB Circular A-133, MCL 503(6)(M)(x)
• Copy of Charter Contract	Contract Page or a Link to the Authorizer's Website Where the Document is Posted	MCL 503(6)(M)(i)
• List of Board Members w/Officer Designations & Contact Information	Board Page	MCL 503(6)(M)(ii)
• Board Schedule, Agendas & Minutes for Current Year	Board Page	MCL 503(6)(M)(ii)
• Board Policies	Board Page	MCL 503(6)(M)(ii)
• Copies of Board Checkbook w/Invoices for Items Exceeding \$10K	Board Page	MCL 503(6)(M)(ii)
• Quarterly Financial Statements	Homepage of PSA Website with Current Budget. Also Include w/ Board Item & Minutes.	MCL 503(6)(M)(iii)
• Current List Teachers & Their Salaries	Board Page. Include w/ Board Item & Minutes.	MCL 503(6)(M)(iv)
• Current List Admin & Their Salaries	Board Page. Include w/ Board Item & Minutes.	MCL 503(6)(M)(iv)
• Copies of Certificates	School Personnel Office w/Personnel Files	MCL 503(6)(M)(iv)
• Evidence of Compliance w/ Criminal Checks	School Personnel Office w/Personnel Files	MCL 503(6)(M)(iv)
• Copies of Curriculum Docs Provided to Authorizer	Curriculum Page	MCL 503(6)(M)(v)
• Proof of Insurance	Board Page. Include w/ Board Item & Minutes.	MCL 503(6)(M)(vi)

Item	Location	Reference
• Copies of Lease/Rental Agreements	Board Page. Include w/ Board Item & Minutes.	MCL 503(6)(M)(vii)
• Copies of Deeds	Contract page w/Charter Contract	MCL 503(6)(M)(vii)
• Copy of Management Contracts	Contract page w/Charter Contract	MCL 503(6)(M)(viii)
• Copy of Service Contracts	Board Page. Include w/ Board Item & Minutes.	MCL 503(6)(M)(viii)
• Copies of Certificate of Occupancies	Contract page w/Charter Contract	MCL 503(6)(M)(ix), PA 230 of 1972
• Copies of Boiler & Fire Safety Certificates	Board Page. Include w/ Board Item & Minutes.	MCL 503(6)(M)(ix), PA 290 of 1965, R 408.4025
• Enrollment Information & Advertising	Attendance & Enrollment page	MCL 380.503(6)O
• Technology Plan	Technology Page	FCC Order 97-253
• School Improvement Plan	Homepage of PSA Website	MCL 380.1204(a), Public Act 25 of 1990
• Parent Involvement Plan	Homepage of PSA Website	NCLB 1118(a)(2), MCL 380.1294
• PA25 Annual Report	Dashboard or Report Card Page	MCL 380.1204(a), Public Act 25 of 1990
• School Calendar	Attendance & Enrollment page	MCL 380.1284a
• Parent & Student Handbook	Attendance & Enrollment page	MCL 380.1137
• Staff & Faculty Handbook	Personnel Page	PSA Recommendation
• Fire Safety, Emergency Notification & Lockdown Information	Emergency Page	Public Act 207, PA 1941
• Food Service Details Including Wellness Programs, Applications, Rates & Menus	Food Service Page	Healthy, Hunger- Free Kids Act of 2010 (Public Law 111-296)
• Staff & Faculty Professional Development	Personnel Page	PSA Recommendation
• Technology Protection Measures & Internet Safety Policy	Technology Page	Public Law No. 106-554 and 47 USC 254(h)

The Public School Academies unit within the MDE is often called upon to respond to concerns from the general public regarding the operational activities of individual charter schools. Our first response is to check for the needed information from the charter contracts. Then we check school websites. The more information that is posted on the school's website, the less likely we are to contact the school with a request for that same information. We have found that posting content on school websites is far more efficient than responding to individual FOIA requests.