

Understanding Your Charter Contract 201

Board Development Series | December 6, 2018

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PURPOSE

The charter contract establishes your school's performance expectations and legal requirements. **The board, as the school's governing body, is the primary entity responsible for ensuring that the students are learning and that the school's resources are properly allocated.**

This Board Development Series session will highlight elements of the charter contract that should be referenced when evaluating and assessing performance. That "performance" is both of the board and its management (whether self-managed or contracted).

REVIEW: Understanding Your Contract - 101

1. Where is it and how do I access it?

- ❖ www.thecenterforcharters.org
- ❖ Our Schools → find school name from the listing → scroll down – the Contract (and the current Performance Report) are accessible → click link(s)
- ❖ Contract is bookmarked by section for easy reference

2. What are the components – and which ones should I really read?

- ❖ Terms and Conditions
- ❖ Bylaws
- ❖ Schedule 7a: Governance Structure
- ❖ Schedule 7b: Educational Goal
- ❖ Schedule 7c: Educational Program
- ❖ Schedule 5: Position Descriptions (organization & ESP Agreement, if applicable)
- ❖ Schedule 6: Facility (lease/financing docs)

3. Now what? → tonight's 201 session

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REVIEW: Understanding Your Contract - 101

3. What's Next?

→ Understanding Your Contract: 201

Board Roles and Responsibilities – Legal Duties/Standards of Conduct

Duty of Care

- ❖ Exercise reasonable care when making decisions as a steward of the public
- ❖ “Care” is defined as that which an ordinary, prudent person would exercise in a like position or under similar circumstances

Duty of Loyalty

- ❖ Free of conflicts – both actual and perceived
- ❖ Commitment to keep confidential matters confidential

Duty of Obedience

- ❖ Act in a way that is consistent with the goals of the school
- ❖ Faithful to the mission
- ❖ Fulfilling the public’s trust to utilize funds to meet the educational mission of the school

THE GOVERNOR JOHN ENGLER
CENTER FOR CHARTER SCHOOLS
**BOARD GEAR:
ROLES AND RESPONSIBILITIES**

Boards have a critical role and special responsibilities in making sure their school succeeds for students. These responsibilities fall into six broad categories.

 <p>KNOW AND SUPPORT THE SCHOOLS MISSION AND FOUNDING DOCUMENTS</p> <p>Embracing the mission and understanding your founding documents are the bedrock of sound governance. Every charter school operates under a charter contract, this legal agreement between the board and its stakeholders contains your mission and founding documents such as articles of incorporation, bylaws, operational structure, educational program and other documents important to your school's operations. Your contract also sets clear expectations regarding your school's academic achievement goals. In short, your contract contains a plan for how you will fulfill your mission and academic expectations. Therefore it's critical that you have a firm understanding of what you are setting out to achieve and your plan to achieve your goals.</p>	 <p>ENSURE FISCAL RESOURCES AND PROVIDE OVERSIGHT TO RESOURCES</p> <p>The entire board has an essential role in ensuring that fiscal resources are available for the school's operations, while also providing oversight to ensure that those resources are spent wisely. Start out by making sure that the school's budget is sound followed by ensuring regular reporting where you can be sure that all board members can track. The money management committee oversees the budget and ensuring that your plans meet those needs. Another important duty is identifying potential and existing risks that threaten you should be continuously evaluating your school's operating capital, tax, primary, special, academic performance and fiscal resources. If the budget is not providing agreed upon results in the agreed upon timeframe, adjustments may be needed to stay on track to meet the school's mission.</p>
 <p>ENSURE EFFECTIVE PLANNING</p> <p>Ensuring effective planning is the cornerstone of any effective organization. The planning process involves the board and staff to translate the broad mission of the organization into objectives and goals that can be measured and accomplished. An important part of planning is ensuring alignment of all plans including the budget, school improvement plan, staff professional development plan and strategic plan to name a few. Alignment of all plans is critical. The board should monitor plans to ensure that planning is effective and working toward achieving the school's mission.</p>	 <p>BOARD BUILDING</p> <p>Board building encompasses two components: increasing board capacity and increasing personal capacity to govern. Increasing board capacity means identifying what skills are needed on the board, and recruiting people with those skills to serve and build out committees. Committees develop a pipeline of qualified individuals to keep your board balanced and strong over time while allowing you to get potential board members. Increasing your personal capacity to govern is also critical. From reading a book or case study to attending an event hosted by CCSI, there are many great ways to continue your personal growth and support board building in your school.</p>
 <p>CREATE ACCOUNTABILITY</p> <p>Building a culture of accountability is critical to ensuring that your effective planning is having the intended outcomes for your organization and students. This begins with board members committing to accountability and making it a core value in everything that is done to fulfill the school's mission. The board should begin by agreeing to board member expectations on commitment and management that first create accountability within the organization. Once completed the board can start to collaborate with management on expectations for reporting outcomes and timing of reports at board meetings. Reporting should be based on outcomes of plans as a way of measuring progress towards goals identified during planning. The typical nature of planning, measuring and reporting on outcomes creates an environment of accountability that's healthy to any organization.</p>	 <p>EFFECTIVE COMMUNICATION AND AMBASSADORSHIP</p> <p>Effective communication and ambassadorship is critical to managing and staying connected to an organization. Since board members communicate with all stakeholders, it's important to make sure that the board communicates with one voice. Board members individually have no authority, their authority only with the full board when it takes action at a public meeting. This is how the board most effectively communicates its expectations for the organization. Board members are also ambassadors for their school. Be prepared to share why you're involved with your organization and the benefits of the community it serves as part of your elevator speech. Also attend events in support of your organization and the students that it serves as a way of fulfilling your role as an ambassador.</p>

DISCUSSION QUESTIONS:

How well do we as a board understand our founding documents and what is included in the charter contract?
How do we know, based on our board oversight of the budget, if we are achieving our agreed upon results?
How have we increased our capacity to govern as a board, and how can we continue to increase capacity moving forward?

Board Chair is a comprehensive governance curriculum focused on charter public school board members and the role governance plays in driving school performance. To view the complete library of videos and resources, visit www.ccschools.org/resources. Follow us on social media: [Facebook](#) [Twitter](#) [YouTube](#) [LinkedIn](#)

Board Roles and Responsibilities

Boards have a critical role and special responsibilities in making sure that the school succeeds for students. These responsibilities fall into six broad categories.

1. Know and Support the School's Mission and Founding Documents
2. Ensure Effective Planning
3. **Create Accountability**
4. **Ensure Fiscal Resources and Provide Oversight to Resources**
5. Board Building
6. Effective Communication and Ambassadorship



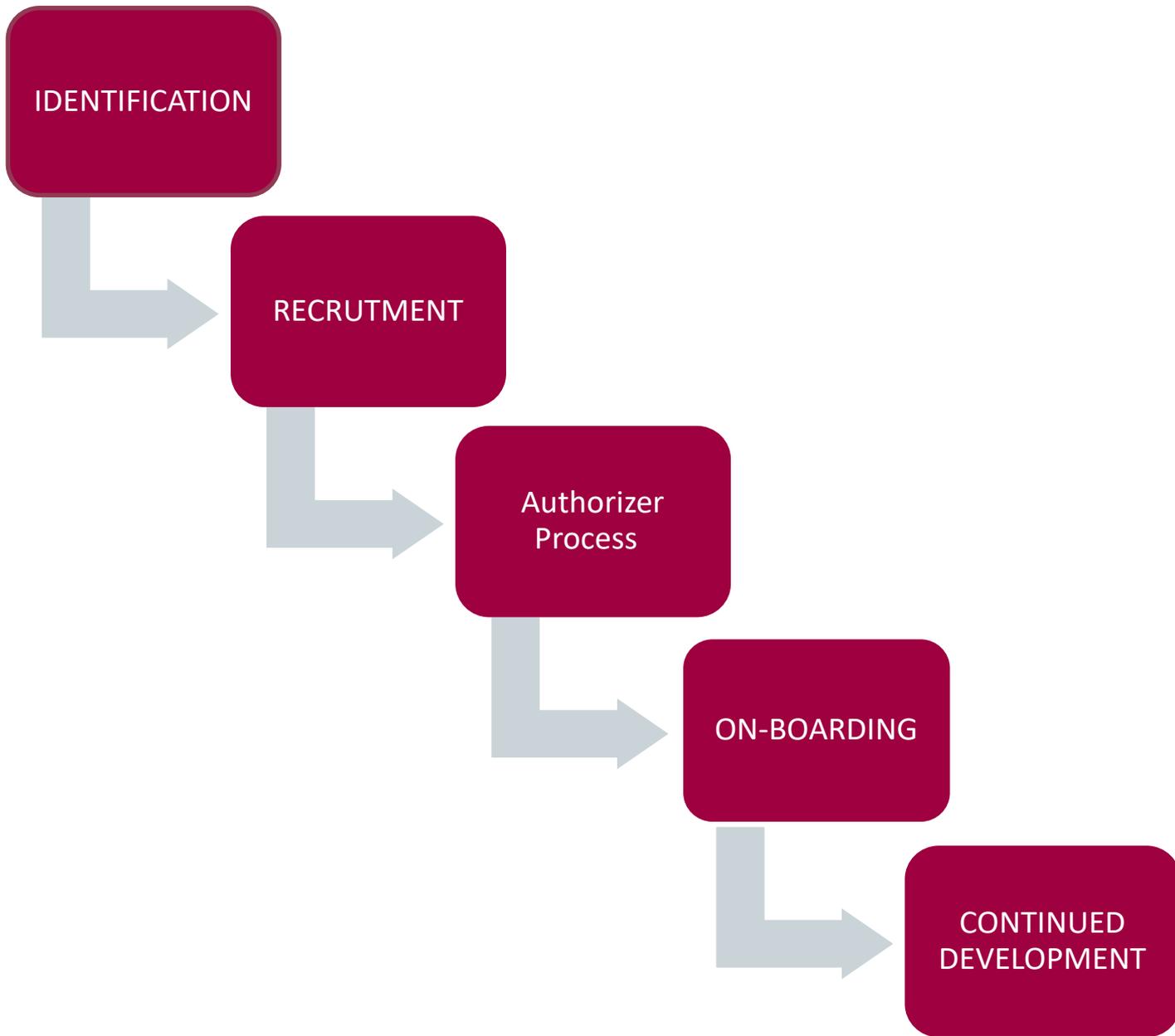
CREATE ACCOUNTABILITY

Building a culture of accountability is critical to ensuring that your effective planning is having the intended outcomes for your organization and students. This begins with board members committing to accountability and making it a core value in everything that is done to fulfill the school's mission. The board should begin by agreeing to board member expectations on commitment and engagement so that it can structure accountability within the organization. Once completed the board can start to collaborate with management on expectations for reporting mechanisms and timing of reports at board meetings. Reporting should be based on outcomes of plans as a way of measuring progress towards goals identified during planning. This cyclical nature of planning, evaluating and reporting on outcomes creates an environment of accountability that's healthy to any organization.

#3 Create Accountability

Decision-making requires accountability → so create a culture where accountability is valued, expected and rewarded.

- Plan, evaluate and report in a way that demonstrates accountability.
- Utilize reporting tools that create an expectation of outcomes.
- Structure board meetings and committee work under these same guidelines.
- Demonstrate decision-making that is tied directly to the organization's mission.



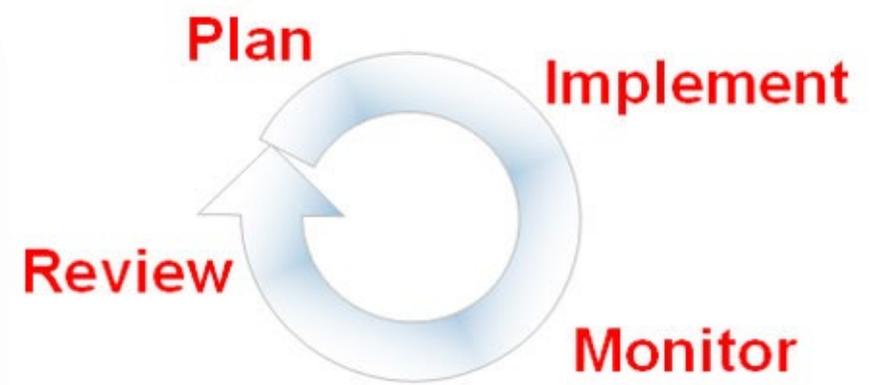
<Academy Name>
BOARD STATEMENT OF UNDERSTANDING

As a board member of <Academy Name> ("Academy"), I am fully committed and dedicated to the mission and have pledged to carry out this mission. I understand that my duties and responsibilities include the following:

1. I am fiscally responsible, with other board members, for this organization. I will know what our budget is and take an active part in reviewing, approving, and monitoring the budget.
2. I am legally responsible, along with other board members, for this organization. I am responsible to know and oversee the implementation of policies and programs.
3. I accept the bylaws and board-approved policies and understand that I am morally responsible for the health and well-being of this organization.
4. I will actively promote the Academy, encourage and support its staff, and work in concert with the Academy Board.
5. I will attend board meetings and serve on at least one committee. If I am not able to meet my obligations as a board member, I will offer my resignation.
6. In signing this document, I understand that every board member is making a statement of faith about every other board member. We trust each other to carry out the above agreements to the best of our ability.

Signed _____ Date _____
 Board Member:

Signed _____ Date _____
 Board President:



Adapted from resources available through
BoardSource



BOARD GEAR: COMMITTEE STRUCTURE

Committees are considered the workhorse of any organization and when structured properly, can have a tremendous impact on the organization. Having a proper committee structure allows the board to focus its work more appropriately, on decision making.

COMMITTEE PURPOSE

- » Create board efficiencies.
- » Provide advice and recommendations on assigned items.
- » Research and provide understanding of the effects of decisions.
- » Complete work on behalf of the board in preparation of the meeting.



ESTABLISHING COMMITTEES

- » Must align with bylaws and charter contract.
- » Establish specific expectations, timeframes and deliverables that are clearly understood to ensure that you don't have committee mission creep.
- » Discuss membership makeup — it is important to consider teachers, parents, community members, administrative staff and board members for involvement in committees.
- » Identify a committee chair — this person will organize and ultimately report back to the board on committee meetings.
- » Committee reports should be a standing item on board agendas.



ACADEMIC STANDING COMMITTEE

The academic committee's main purpose is to identify student academic excellence based on your mission and charter contract. Once excellence is identified, the committee should define the related measures or benchmarks that indicate success throughout the year that are then reported back to the board on regular intervals. The academic committee creates an academic calendar that targets key board meetings to share reports, data and outcomes. This process allows the board to stay in tune with academic success on a regular basis rather than waiting until the end of the year to understand if they are meeting their goals.



FINANCE STANDING COMMITTEE

The finance committee helps to ensure that the full board fulfills its fiduciary responsibilities associated with financial oversight of the academy including selection and oversight of the annual auditor. The finance committee participates in nailing down the annual budget, to ensure fiscal alignment with key academic, fiscal and operational targets or goals. Monthly budget to actuals, quarterly financial statements and financial reconciliations are all part of the reporting responsibilities that emanate from the finance committee to the full board.



GOVERNANCE STANDING COMMITTEE

The governance committee assists the full board in self-perpetuating membership that strives for continuous improvement in how it provides oversight of the academy's performance. The committee leads board member recruitment and the succession process and recommends new members to the full board. It also develops and implements new board member orientation practices; identifies and recommends opportunities for board development to the full board; and recommends the adoption of new or revised policy to the full board.

POLL QUESTION:

1. By a show of hands, my board is **ACTIVELY** using committees?
 - Using
 - Not Using

2. By a show of hands, the use of committees is providing a more effective way to handle the important work of the board in preparation for action by the full board?
 - Agree
 - Disagree



ENSURE FISCAL RESOURCES AND PROVIDE OVERSIGHT TO RESOURCES

The entire board has an essential role in ensuring that fiscal resources are available for the school's operations, while also providing oversight to ensure that those resources are spent wisely. Step one is making sure that the school's budget is sound followed by ensuring regular reporting takes place in a way that all board members can follow. This means understanding what resources are available, and ensuring that your plan maximizes them. Another important step is identifying priorities and funding them first. Finally, you should be continuously evaluating your school's spending against two, primary criteria: academic performance and fiscal soundness. If the budget is not producing agreed upon results in the agreed upon timeframe, adjustments may be needed to align resources to the school's mission.

#4 Ensure Fiscal Resources & Provide Oversight to Resources

- Identify all available resources
- Spend wisely
 - ❖ Create a sound budget → Identify priorities and fund them first
 - ❖ Ensure the budget is understood by all board members
 - ❖ Utilize continuous evaluation → monthly financial reporting comparing actual to budget
 - ❑ Assess whether academic performance was positively impacted by initiatives that were funded
 - ❑ Evaluate the organization's fiscal health and whether it aligns with long-term fiscal goals
 - ❖ Adjust, as necessary, to re-align resources

Tools to Create Accountability

- **Charter Contract/Authorizer Reports**
 - ❖ Articles of Incorporation
 - ❖ Bylaws
 - ❖ Terms and Conditions
 - ❖ Schedule 7b: Educational Goal
 - ❖ Annual Performance Report
- **Educational Service Provider Agreement**
 - ❖ Terms
 - ❖ Roles
 - ❖ Services Provided/Not Provided
 - ❖ Fees
- **Evaluations**
 - ❖ Administration/Instructional Staff

Charter Contract

- Terms and Conditions
 - Article 12, Section 12.9, Term of Contract.
 - Pursuant to University Board Policy, the standard by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:
 1. Is the academic program successful?
 2. Is the organization viable?
 3. Is the organization demonstrating good faith in following the terms of its contract and applicable law?

Charter Contract (cont'd)

- Bylaws
 - Article VII – Officers of the Board
 - Article VI – Committees
 1. Academic Excellence
 2. Fiscal
 3. Governance
- Schedule 5: Operational Structure
- Schedule 7: Ed Goal and Program
 - Schedule 7b: Educational Goal
 - Schedule 7c: Educational Program

Educational Service Provider (ESP) Agreement/Administrator Position

- Clearly Define Roles and Responsibilities
 - Ensure each critical area is addressed: Educational, Fiscal and Operational
 - Be specific regarding what services, by whom, when provided, and at what cost
 - Establish the chain of command

- Align Performance Expectations to the Charter Contract Measures

Example Language:

“It is understood by <ESP> and the Board that the Authorizer’s metrics of educational performance, and growth towards those metrics is essential and constitutes a high performing school (metrics identified within the ESP Agreement that align to the Educational Goal language found in Schedule 7b). It is also understood that the public metric of measurement is the state designated assessment, and that growth and comparison of first the composite resident district, second the state and third school of excellence benchmarks is the desired goal. <ESP>, in cooperation with the Board, will work toward attainment of these educational performance metrics.”

Educator Evaluations

○ Public Act 173 of 2015

- Expands and clarifies legislative work initiated in Public Act 102 of 2011;
- Requires boards to adopt a rigorous, transparent and fair evaluation system for both teachers and administrators;
- Requires annual evaluation that incorporate student growth as a “significant component” → 2015-2016 = 25% → 2018-2019 = 40%.... maybe
- Requires (beginning with 2018-2019) that a student not be assigned to be taught the same subject area for 2 consecutive years by teachers who have been rated “ineffective” on their 2 most recent annual evaluations. If the school cannot meet this requirement, they must notify the parent/guardian and explain the school’s inability to comply.

EFFECTIVE BOARD MEETINGS

- Timing of Information → at least 7-day prior to meeting
- Agenda Format → Put first things first
- The Best Board Meeting I Ever Attended...

EFFECTIVE BOARD MEETINGS

- Timing of Information → at least 7-day prior to meeting





EFFECTIVE BOARD MEETINGS

- **Create a Strategic Agenda → Put first things first**
 - ❖ Drive conversations toward achieving annual and long-term goals;
 - ❖ Set expectations for participation and outcomes;
 - ❖ Sequence discussions so that the most strategic and critical topics are tackled first; and
 - ❖ Take a quick assessment at the end of each meeting.

EFFECTIVE BOARD MEETINGS

What that Quick Assessment could look like:

1. Agenda and relevant background materials were provided in sufficient time to prepare for the meeting?
2. Agenda was clear and realistic for the allotted meeting time?
3. Participants were prepared for the meeting?
4. Reports were clear and focused on important information?
5. There was sufficient time for discussion?
6. A diversity of opinions were expressed?
7. Next steps were identified and responsibilities assigned?
8. I was satisfied with the board's overall meeting performance?



Sharing Time

- 1. How does your Board use the Charter Contract and other foundational documents to create and leverage a culture of accountability?**
 - If it doesn't currently, what is one strategy that you will recommend be implemented going forward?
- 2. How does your Board create a culture of accountability at its board meetings?**
 - If it doesn't currently, what is one strategy that you will recommend be implemented going forward?
- 3. What effective tools have been implemented to ensure that the fiscal resources are being implemented to align with the strategic goals of the organization?**
 - If those tools don't exist today, what is one strategy that you will recommend be implemented going forward?

Session Take Aways

1. Improved understanding on how to better leverage applicable sections of the Charter Contract and the foundational documents that support accountability for both the Board and management.
2. Gained clarity on how effective board meetings can ensure alignment/focus on accountability measures
3. Gained insight from fellow board members as they shared successes and challenges that they have encountered on their journey towards demonstrating accountability.

CONTACT INFORMATION

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