

# Charter school questions

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**N**ow that the legislature has removed the cap for charter schools, there are a few things in this can of worms that I'll bet most people don't know.

First, most people would probably assume that charter schools are still public because they are authorized by universities. That's not necessarily the case because the entities eligible to create and run a charter school are: "partnership, nonprofit or business corporation, labor organization, or any other association, corporation, trust, or other legal entity." Theoretically, according to this language, you could have charters run by the Teamsters (union), General Motors (corporation), the Independent Order of Oddfellows (association), or even yours truly (other legal entity). It's so wide open the state even has a PowerPoint presentation, "So you want to start a charter school," at [www.michigan.gov/documents/mde/StartingaCharter\\_217885\\_7.pps](http://www.michigan.gov/documents/mde/StartingaCharter_217885_7.pps). This dates back to 2007, but it must still be valid because why else would the Michigan Department of Education leave it on its website? File this under "any fool can start a charter school," a category for which I am eminently qualified.

Second, the law does not specify that for-profit companies operating charters in Michigan have to be based in our state. According to Mlive.com, right now three of the most prominent charter school companies seeking

to open charters in Michigan are from out-of-state: California-based Rocketship Education, Massachusetts-based Lighthouse Academies and Minnesota-based SABIS School Network, which already operates schools in Flint, Saginaw and Detroit. This means your tax dollars could be going outside of Michigan's boundaries rather than staying within the Michigan economy. It also means that administrative decisions about how a given charter school is operated could be made in corporate boardrooms outside of Michigan. Elected school boards of public schools have to hold open meetings that constituents can attend. If you don't like how your school is being run you can vote out or recall the board members. Do you think you'll have this same access and local control if your school is managed by a for-profit corporation headquartered in Massachusetts?

You might assume that there is a level playing field when it comes to funding charter schools and public schools. Not so fast. Brendan Walsh, a member of the Grosse Pointe Board of Education, has studied this topic using information from the State of Michigan's Center for Educational Performance and Information. In actual-



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ity, charters in Michigan get \$633 more per pupil from the state (compared to public schools) and \$27 more from federal sources. So, not only do charters siphon students and revenue away from public schools, they get an extra \$660 per student ([www.brendanwalsh.us/2011/12/analysis-of-michigan-charter-school-revenues-and-expenses/](http://www.brendanwalsh.us/2011/12/analysis-of-michigan-charter-school-revenues-and-expenses/)).

There is a finite pool of money shared by charter and public schools, so every extra "bonus" dollar sent to a charter is a dollar less available in the pool to public schools. The effect of this will be fewer dollars available to educate children in the public schools. Districts in financial distress will be in even more distress.

Finally, I've read all 27 pages of the charter school public act, at <http://legislature.mi.gov/doc.aspx?2011-SB-0618>, and unless I'm missing something I found nothing in the bill that addresses CEO pay for charter school for-profit corporations. This could be interesting because the CEO's salary will come from the same finite pool of money designated to run the particular school. Every dollar paid to the CEO in salary is a dollar less available to educate students. If the CEO is granted a raise, the amount of that

raise will have to come from reductions somewhere else in the school budget.

You can see where this could get tricky. The argument big corporations make when they pay those obscene amounts to their CEO's is that if they don't pay outrageous salaries, bonuses and golden parachutes other companies will poach their talent. The huge compensation packages are needed to retain the CEO's talent.

As the number of for-profit charter school companies increases, if (as they tout) schools will be run as a business, it seems inevitable that the same CEO compensation model currently in place in the corporate world will find its way to the education world. So the question becomes: Do you think a corporate CEO in California is more interested in your kindergarten than he is about his own salary and perks?

I could be way off base on all of this. Maybe I'm anticipating problems that don't exist and never will. But I keep coming back to the fact that irrefutable data shows that by and large current charter schools perform no better than public schools and in many cases perform worse. That said, I'm having trouble understanding how it makes sense to reduce the education of children to a system that resembles the economic model you would use to operate a chain of convenience stores.

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