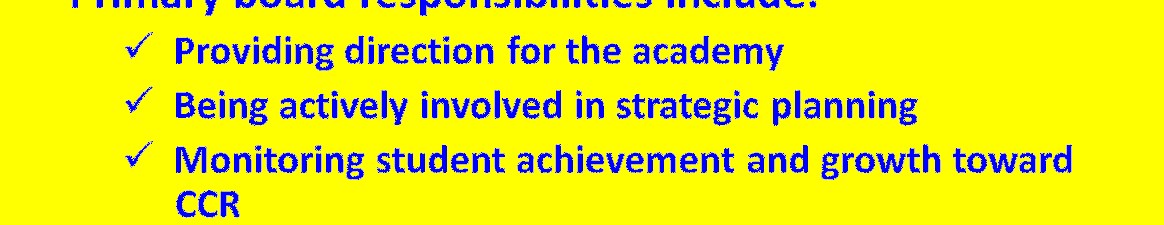


Hello and welcome to another in a series of on-line professional development presentations for Board members of LSSU charter schools.

My name is Larry Lindquist. I serve as a Supervising Field Officer for the Charter School Office in six West Michigan academies.

By the end of this presentation it is my hope to have addressed the importance of your Board’s role in determining the future of your academy, as well as to have pointed out several items regarding the relationship between a Board of Directors and the management company it employs.



Board Roles and Responsibilities have been a constant focus of board leadership seminars provided by the Charter

School Office, whether on-site or on-line. Most recently that topic was the focus of an on-line presentation made by Glen Bachman. In that video he mentioned many board roles and responsibilities, among which were the ones you see on this slide. Today’s presentation will concentrate primarily on the first and last of those—providing direction and hiring competent leadership.



I’m sure you have all heard the expression, “Keep your eyes on the prize”. It was a key phrase used during the Civil Rights movement of the 1960s. Reaching the prize required razor like focus, often in the face of tremendous opposition.

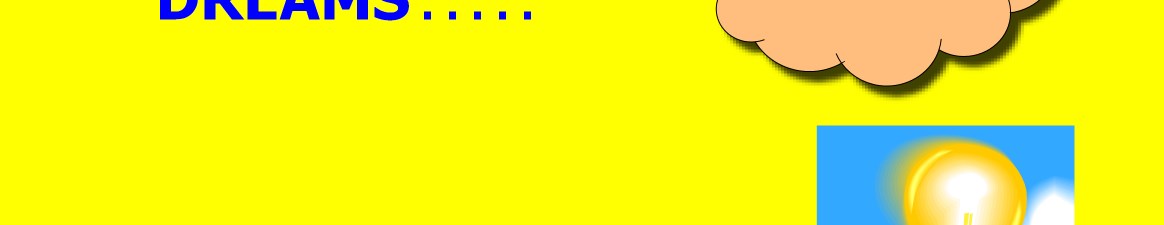
The prize for your academy is to reach the ideals expressed in your foundational statements. To reach that level of success demands a razor like focus on those ideals. Though I am sure you all have created these statements, I would challenge you to keep them in front of you and all of your stakeholders in a variety of ways. For instance, do they appear on headings in newsletters, plaques in hallways and offices in your academy, on your academy’s letterhead stationery, on your web site, and on meeting agendas and minutes.

Be they parents, students, staff members, business partners, school vendors or visitors, let no one doubt what you are about. Let me repeat that, let no one doubt what you are about!

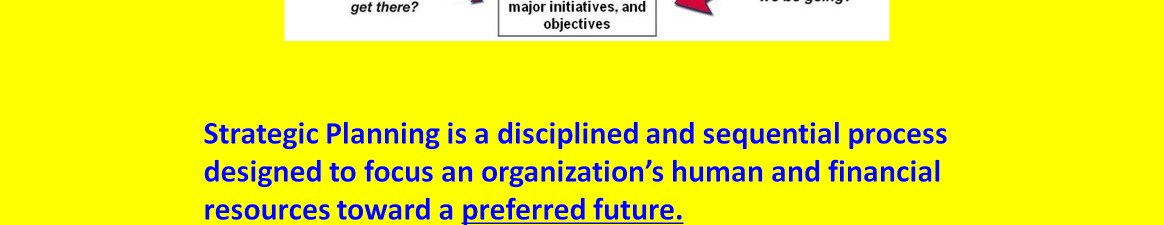
I am aware of one Board that actually reads its vision, mission and core value statements at the beginning of every board meeting because it helps them stay focused on what it is that they are all about as they discuss each meeting agenda item.

What happens when you take your eyes off the prize? Let Dizzy Dean’s experience inform that answer. Not only was Dizzy Dean a great pitcher, he could smack the ball too. After hitting the ball to the wall during the 1937 All Star game he stubbed his toe on a bag and never returned to his former self as a pitcher, even though he tried to adjust his delivery style to make up for his injury. By his own comments, he stated that this one momentary look away, caused his career to be cut short. Though he took his eyes off the prize for only a split second, that lack of focus had a long-term effect.

Is your Board razor focused on its ideals for the long-term?



The Board leads the way from the dreams expressed in the Academy’s foundational statements to the realities that will help the Academy achieve those dreams, never taking its eyes off the desired future of the Academy.



One way of doing that is through creation of a strategic plan out of which should come Board goals and action plans aligned with the ideals of your vision, mission and core values.

Strategic Planning is not meant to be the primary focus of this presentation. However, creation of a strategic plan is a primary responsibility of any Board of Directors.

The Board can help to ensure the success of this process through designing, adopting and implementing an intentional strategic planning process. The strategic planning model the Board adopts for this process is less critical than the fact that your Board actually adopts a strategic planning process and follows it.

The Board should create a strategic plan not just to satisfy the requirement of the CSO, but because it truly recognizes and believes that the creation of such a plan will lead to the achievement of the realities expressed in the academy’s foundational ideals.

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Griesraber and Associates has provided a good definition of strategic planning. (Read)

Strategic Planning is a process through which Board designs its future state of being. It is a tool through which the Board helps the academy create its own future!

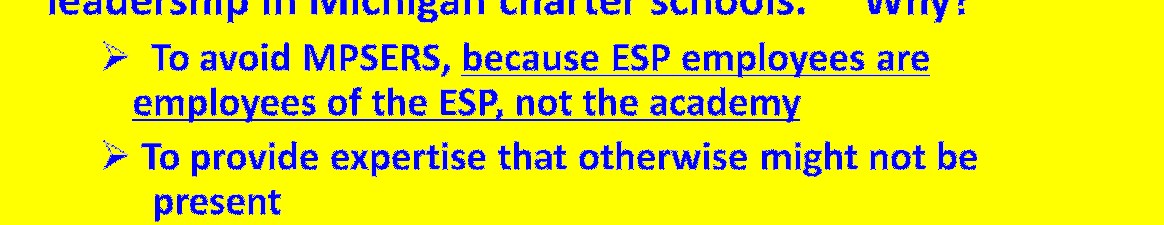
The process must begin with an analysis of where the Board and its academy is now. That is, the Board should conduct a

SWOT Analysis. (Strengths, Weaknesses, Opportunities and Threats)



SMART Goals and action plans come out of the strategic planning process and are guides to successful achievement of your vision, mission, and core values. They provide the details about how and when the Board can expect to see results of the ideals it has established.

Though an ESP might help lead the Board through the development of a strategic plan, it is the Board’s strategic plan that should give direction to the ESP even if the management company has its own strategic plan. There could very well be similarities in the two plans; in fact, there probably should be, but the Board’s strategic plan should be the primary driving force by which the ESP accomplishes the Board’s vision, mission and core values.



A second area of focus for this presentation is Hiring Competent Leadership. Whether that leadership comes from an individual or a management company is a Board decision. So why do the vast majority of Michigan Public School Academies employ a management company?

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First, ESP employees do not belong to the MPSERS. They are employees of a private firm not subject to MPSERS requirements, either for them or the Board.

If your employees belonged to MPSERS, you would need to budget for Board payments into that system. Currently, the MPSERS rate ranges from 20.96% to 25.78% of total payroll, depending on the type of plan in which a school’s employees are enrolled. Imagine if you had to pay those amounts to the public school retirement system. How much would that take away from other opportunities for students in programs and activities.

Click

Secondly, most likely an ESP has employees with the expertise to run the educational enterprise. That is not to say that Board members do not have ideas and skills in this area, but remember your job is governance, not management. Do you have the time, energy and expertise to run an entire school operation? Probably not. If not, an ESP might be your best choice. The ESP will employ educators who can effectively and efficiently operate your academy and achieve academic and personal success for the kids it serves.

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Some management companies might even agree to provide some financial support to the academy along the way.

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And, of course, the Board wants an ESP that delivers a quality education and great academic results for the children and youth it serves.

So now a decision has been made to hire an ESP. What do we know about ESPs?

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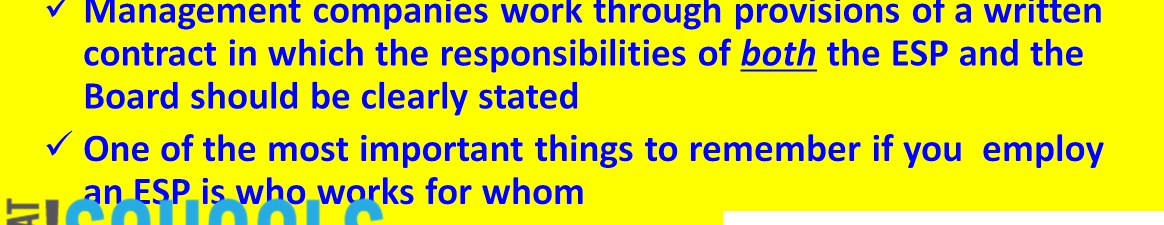
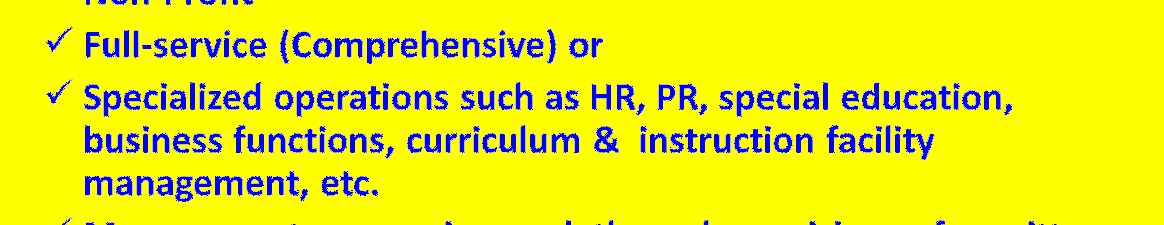
First, Some are classified as for-profit companies. These companies might very well provide excellent services for your academy, but make no mistake, they are in business to make a profit for those who manage and operate the company. Some out-of-state for-profit ESPs sometimes criticized in the press for taking Michigan tax dollars out of Michigan

Some of these companies might operate by providing services throughout the year and then “sweeping” any year-end fund balance into their own coffers. That money might then go to its own company development, or it could be returned to an academy in one or more ways. Some for-profit management companies provide the Board a fixed percentage ( let’s say 2% of annual revenue) annual “allowance”. The Board is able to support its academy in any way it chooses with these funds.

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Some management companies are classified as non-profit companies. These companies also see themselves as being invested in the education of the students they serve, but not to make a profit for the firm. Therefore, accumulating wealth is not a goal of these companies. Rather, they often reinvest any year-end-fund balances into academy operations—improved quality of programs, instruction, facilities, higher salaries, etc.

Both for-profit and non-profit management companies can and do provide quality educational experiences for the students in the academies they serve. Which type you employ is your choice.



Click

Another consideration when deciding on the employment of a management company is what services you wish that company to provide. Some are

“full-service” companies. They literally direct all aspects of an academy’s operations—HR, curriculum and instruction, business, facility management, food service, transportation services, professional development, PR, etc.

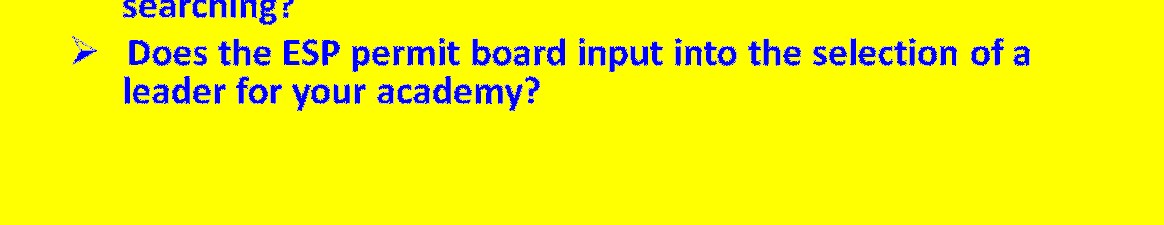
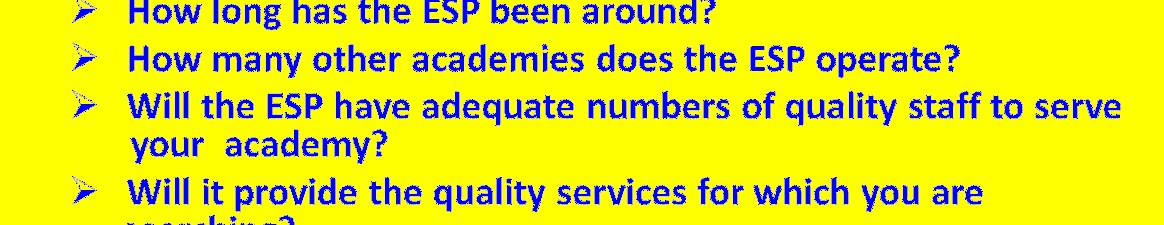
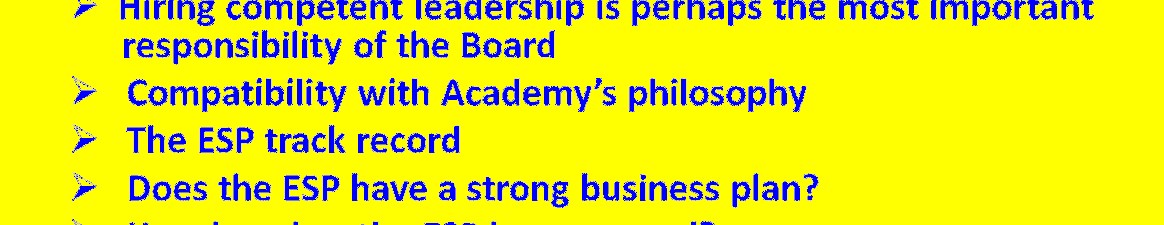
On the other hand, some management companies specialize in one or more targeted areas of service. Perhaps they will provide only HR services, or just business services, or perhaps curriculum development.

So before hiring an EMO, you must decide what services you want it to perform.

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Once that decision is made the ESP and Board enter into a written contract agreement, much the same as an individual might enter into a contract with a company for services or products it provides. The contract must clearly delineate the duties and responsibilities of each party and must be approved by the CSO prior to Board signing of the management company agreement.

How many have read the provisions of your management contract. Remember, this is an area of Board accountability. Is your ESP providing what you originally agreed upon? Are you getting the academic and other results you anticipated?



Regardless of the leadership style you choose, remember, it is your job to govern—you are in charge. It is the job of the ESP to manage operations. Therefore, you want to select an ESP that has excellent management capabilities.

One of the most important selection criteria is that the ESP has a philosophy of education similar to that of the Board.

If the ESP doesn’t believe in a teacher led school, then it might not be a good match if you are a teacher led school.

If the ESP doesn’t wish to operate on a year around (balanced) calendar, but your school is year around, it might not be a good match.

If you want to have input into who leads your academy, but the ESP doesn’t permit that, that ESP might not be a good match. (Relate my New City Academy experience in Lansing.)

Has the ESP been successful at its other academies?

The Board should develop its own selection criteria. What is the track record of the ESP academically? Does it have strong business plan? How long has it been in existence? Does it provide the services for which you are looking? Has it produced the results you want for your students in other academies it serves? Has its contract been renewed at the end of its first and succeeding experiences managing other academies?

Some Boards distribute an RFP for management companies in the same fashion as a school might advertise for bids on a construction project. That means that a board might issue a specification against which it will judge all management company applicants. (Ten years experience, urban or rural areas, full-service or targeted services as identified, turnaround ESP or general operation ESP, etc.)

The Board might also hold interviews for the selection of an ESP. (Use the same questions for each interview if you use this format.)

This entire process is reflective of the Board of Directors doing its due diligence for those to whom the board is held accountable.

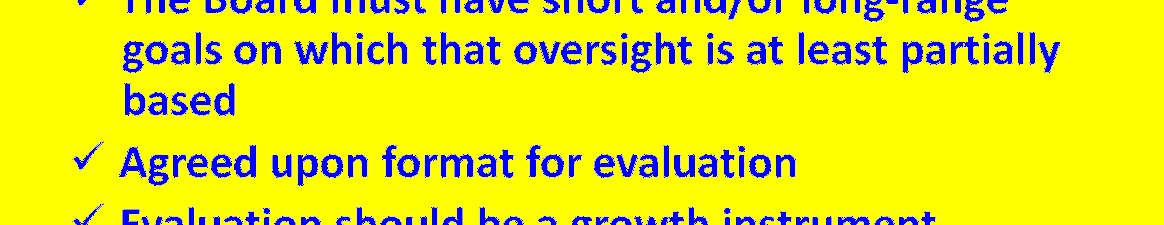
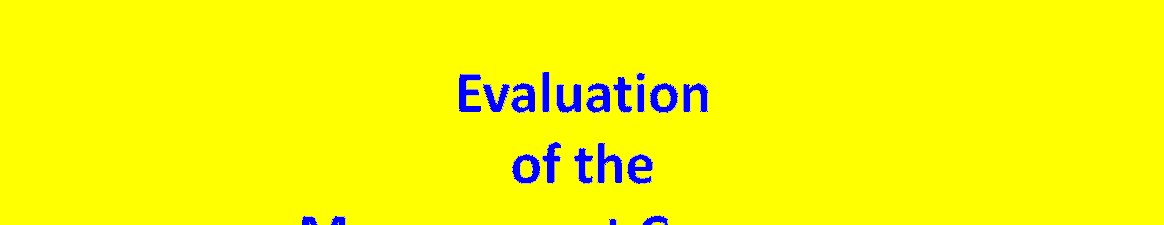
In essence, the ESP is the equivalent of the Superintendent of Schools in the world of traditional public education.

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In the traditional world, the Superintendent is evaluated annually by the Board of Education that employs her or him. Similarly, in the charter world, the Board of Directors provides oversight through annual performance reviews of its ESP and its leaders. But how do you do that since the academy’s leader is an ESP employee?

1. Insist that the ESP evaluate the School Leader annually. This is a CSO requirement. Not that the Board conducts the evaluation itself, but that the process is done.
2. Ensure that the ESP contract allows an opportunity for Board input into the ESP’s evaluation of its School Leader (survey, discussion at a Board meeting, etc.)

3.Include evaluation of the ESP as a topic on a Board meeting agenda at least annually. In that review be sure to include evaluation of the School Leader as an area of importance.



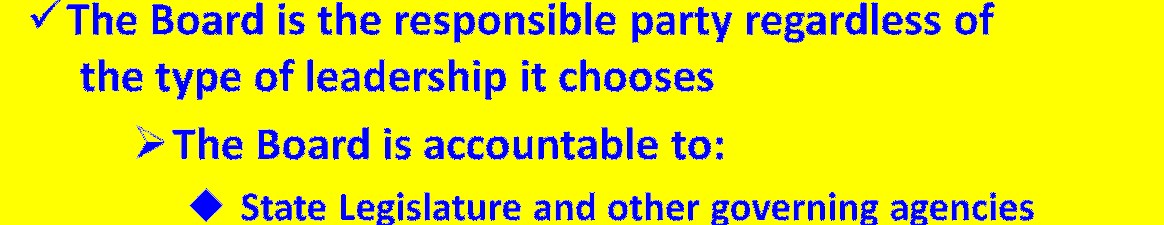
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It is important that both parties know the criteria upon which the ESP performance review will be based. To that end, the Board must establish annual goals upon which the ESP will be evaluated, then design or adopt an instrument and a timeline for evaluating the success of the ESP at reaching those goals. Click

Annual evaluation of the management company is required by the LSSU CSO, but like any evaluation process, it should be considered as a growth and improvement tool to help ensure that the academy is being operated efficiently and effectively and producing the results desired by your Board.

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Review the ESP evaluation at an open meeting—may not go into closed session

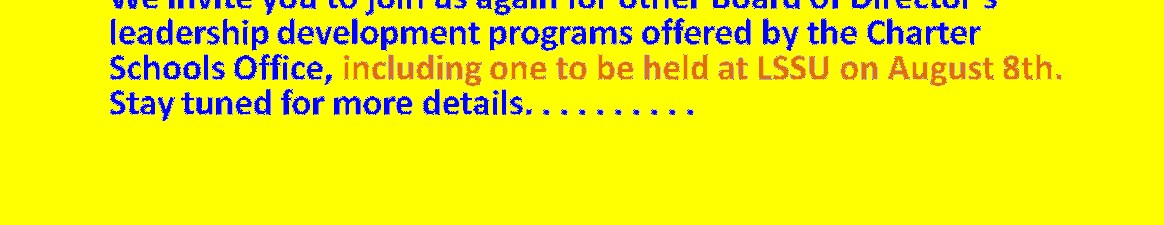


Regardless of the leadership structure your board chooses, the Board of Directors is the responsible party for all that happens at the academy. Mr. Truman’s buck stops on your desk or in your board room.

The board is accountable to a variety of stakeholders. If things go well, the Board of Directors is not likely to get the accolades it deserves; however, when things go badly you can bet that the Board of Directors will be in the hot seat, whether from the Authorizer, the public, taxpayers, legislature, other State officials or all the above.

Over time, the management company may prove itself as an excellent leadership choice for the Board of Directors. On the other hand, there may be concerns about the management company (earned or unearned). In either scenario, the Board of Directors is not only legally responsible but vulnerable to public criticism for the performance of the management company.

The Board simply cannot give away its responsibility for the academy’s performance—good or not so good. The Board of Directors is always the accountable party for the results demonstrated by its academy. That’s a primary reason why it is so important to select a management company very carefully and to evaluate its performance.



Thanks for participating in this leadership presentation. We encourage your Board to follow the video with a few minutes of discussion about what you have seen and heard.

Please watch for information about additional leadership opportunities to be announced by your Field Officer, upcoming newsletters, brochures, or on the LSSU Charter School website.