



Michigan Education Policy Fact Base

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Executive Summary

Student Achievement

- Michigan typically ranks in the **lowest third of states** in terms of student proficiency,¹ and state assessment results show **wide achievement gaps** by racial/ethnic group and income level
- Only one in three 11th grade students meet college readiness benchmarks

Policy Landscape

- Educational authority in Michigan is **highly decentralized**, with multiple state entities and over 40 charter authorizers
- The state has implemented the **Common Core standards** and new assessments, despite some opposition

Charter Schools and School Choice Policies

- Michigan has one of the nation's **largest charter sectors**: ~10% of students attend public charter schools
- While charter school quality varies, on average charters have a significant learning advantage over comparable traditional public schools²

Education Reform in Detroit

- **Repeated reform efforts** to improve Detroit Public Schools have failed to produce academic results for students or district financial solvency
- A new law reinstates local control over Detroit schools and creates an A-F accountability system for traditional public schools and charter schools

1. As measured by the National Assessment of Educational Progress (NAEP), administered in 4th and 8th grade in reading and math.

2. As measured by CREDO (2013).

Key Michigan Data Points

Public Schools



899
public
schools,
56
school
districts

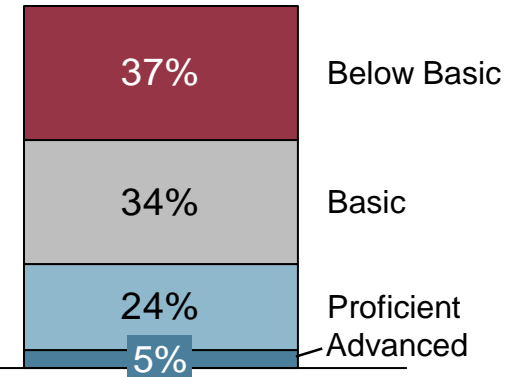
Student Enrollment



1.5M
students

Reading Proficiency

4th grade reading
results on 2015
National
Assessment of
Educational
Progress (NAEP)



Charter School Share



10%
of total public
school
enrollment,
6th largest in
the country

College Readiness



35%
of 11th grade
students
attain college
readiness on
the SAT

Michigan Student Race/Ethnicity

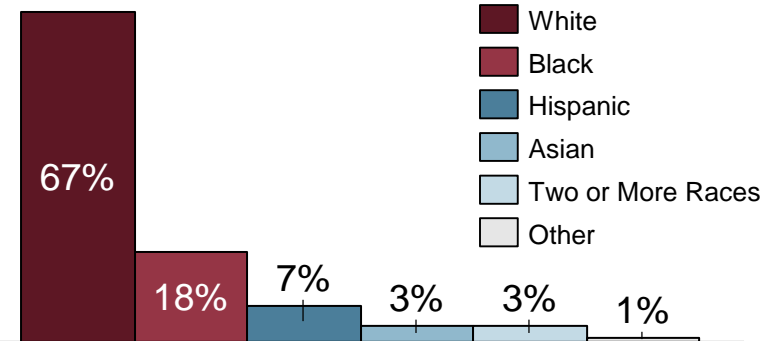


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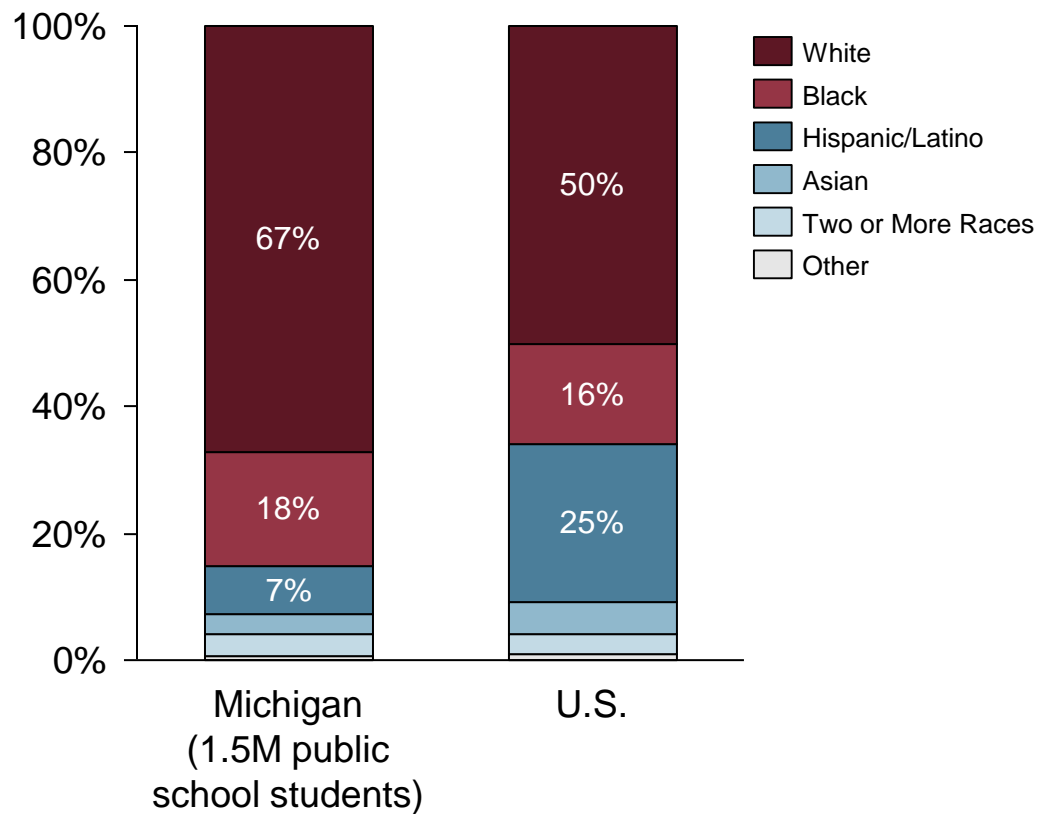
4 Education Reform in Detroit

1.5 million students attend Michigan's public schools

Demographics largely reflect our nation's diversity, with key differences in a few groups

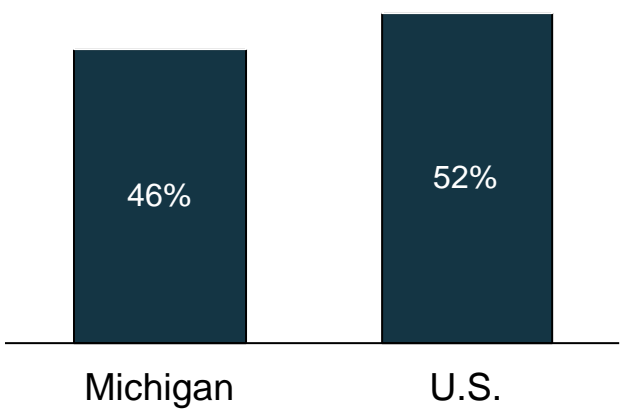
Demographics of Michigan K-12 Students by Race/Ethnicity and Socio-Economic Status

Race / Ethnicity



Low Income Students

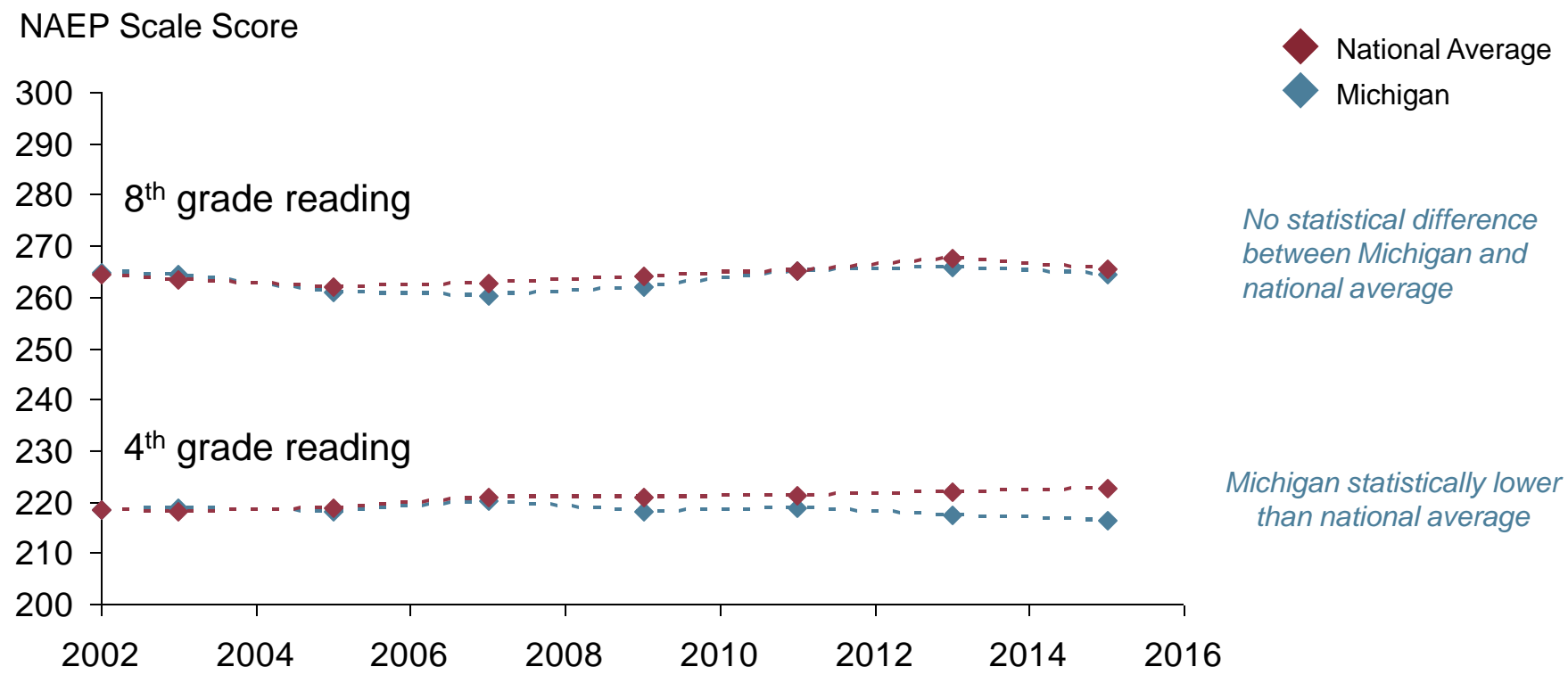
(measured by % of students who receive free or reduced lunch)



Sources: Michigan State Report Card, student count report 2015-16; NCES Common Core of Data 2013-14

Reading achievement for Michigan students has stagnated; 4th grade scores now fall below national average

National Assessment of Educational Progress (NAEP) Reading Scale Score Trends, 2002-2015



Michigan ranks 41st among states in 4th grade reading and 31st in 8th grade reading

Source: NAEP NCES Data Explorer

In math, Michigan students have been below the national average since 2007, and the gap is growing

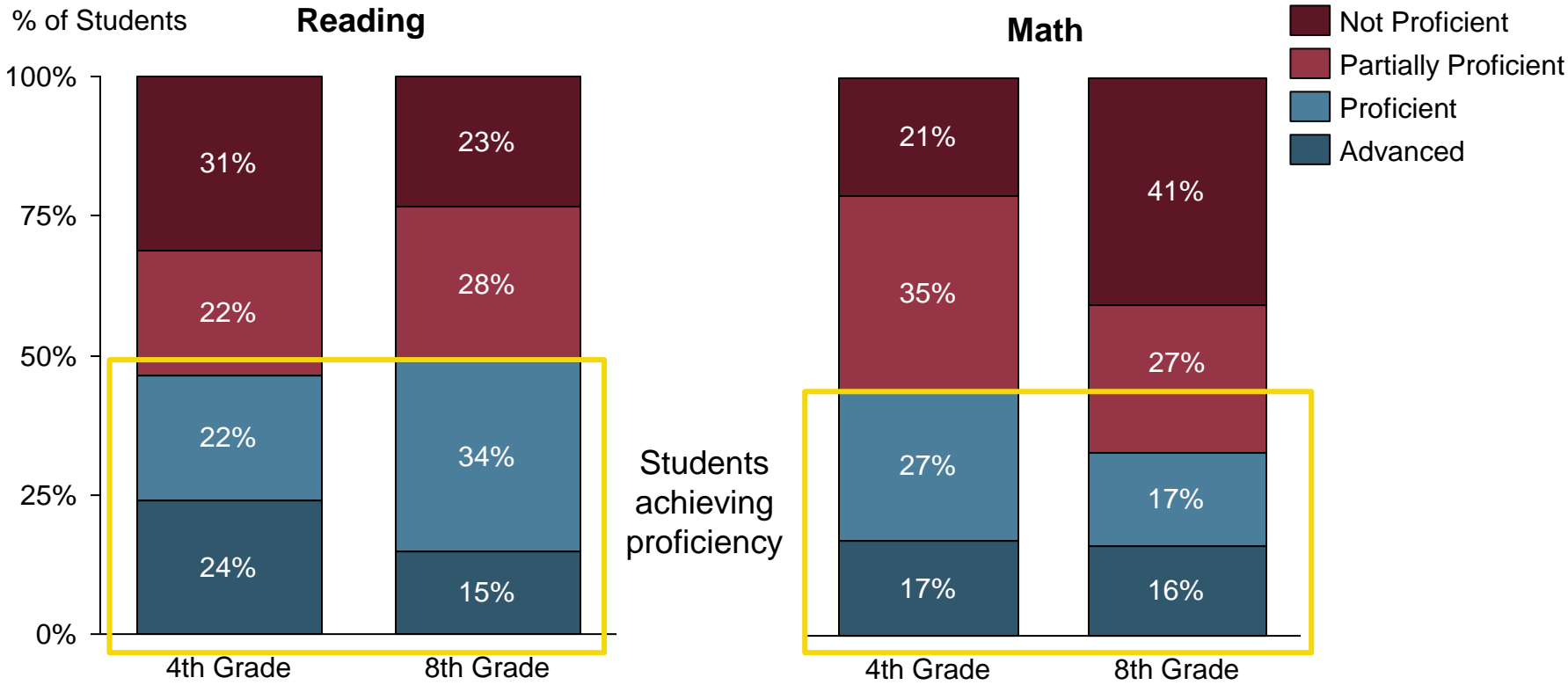
National Assessment of Educational Progress (NAEP) Math Scale Score Trends, 2000-2015



Michigan ranks 42nd among states in 4th grade math and 38th in 8th grade math

Results on state exams in grades 4 and 8 show less than half of students achieving proficiency

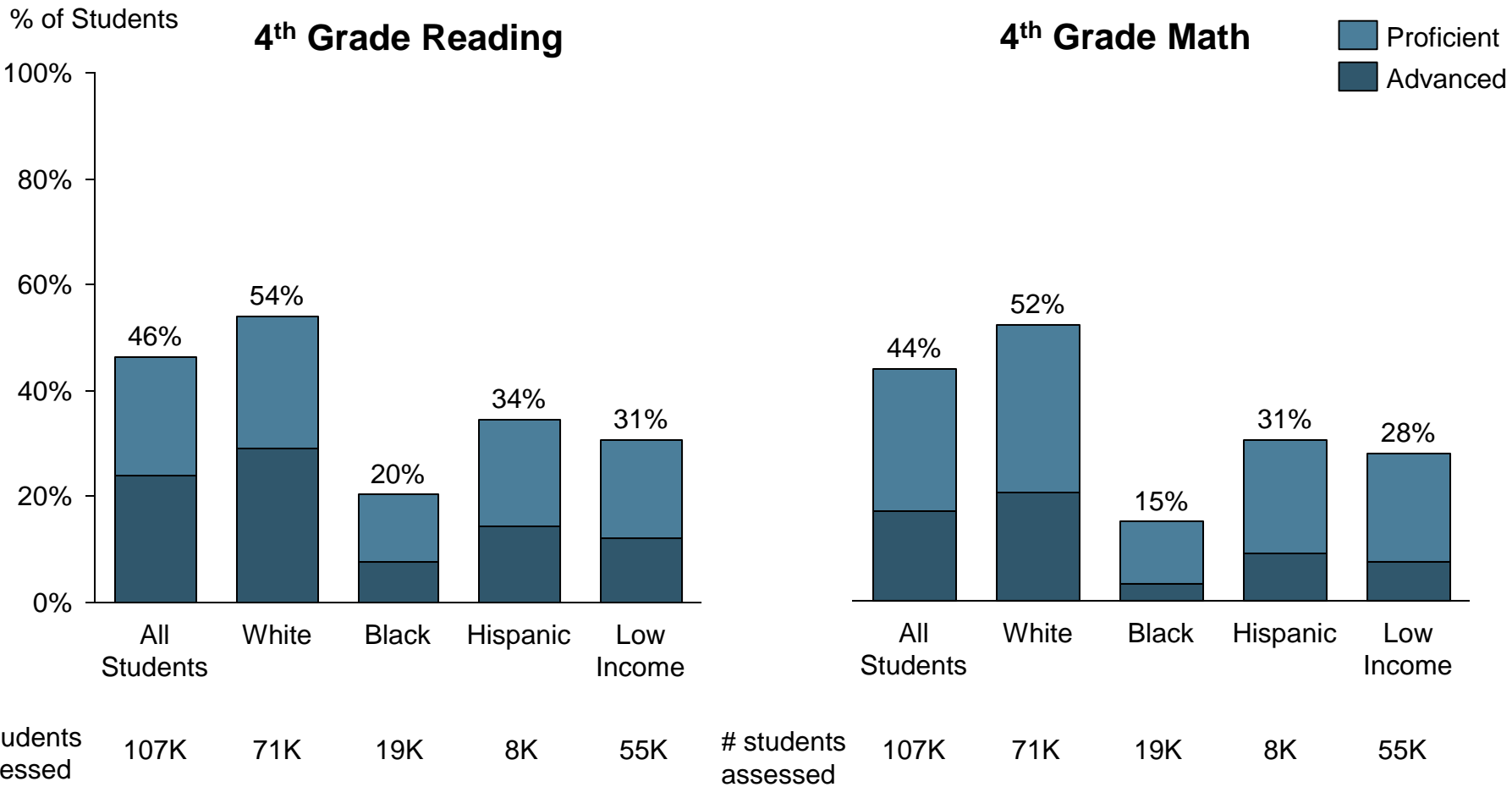
M-STEP Reading and Math Proficiency Rates, Grades 4 and 8, 2015-16



Michigan is a member of the Smarter Balanced testing consortium; however, M-STEP is composed of Smarter Balanced items and state-created items. Scores are not comparable to other Smarter Balanced state test scores.

Michigan has large 4th grade achievement gaps by race, ethnicity, and income

Michigan M-STEP 4th Grade Reading Proficiency, by Subgroup, 2015

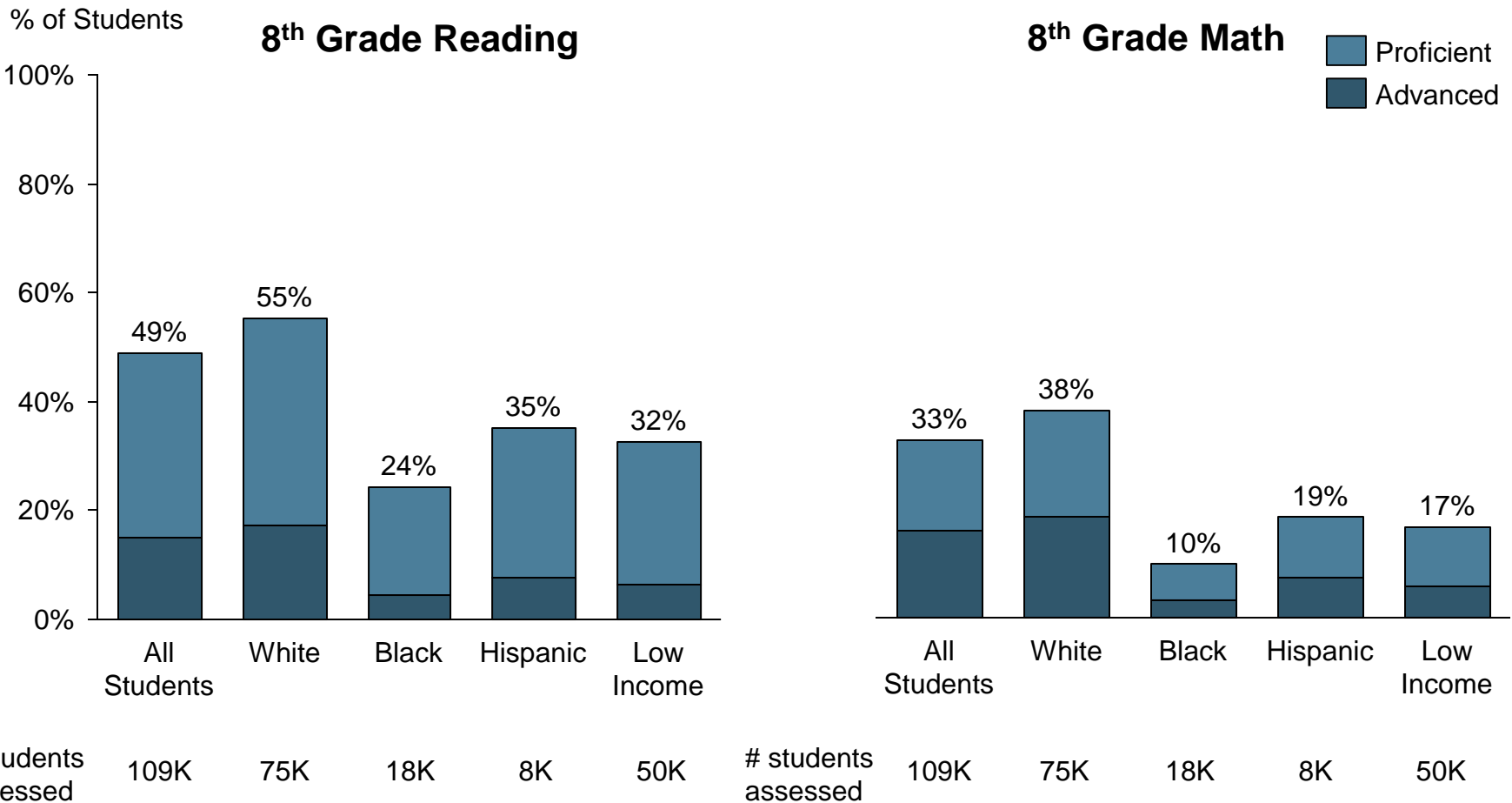


Sources: Michigan State Report Card, M-STEP report 2015-16



These achievement gaps persist into 8th grade

Michigan M-STEP 8th Grade Reading Proficiency, by Subgroup, 2015

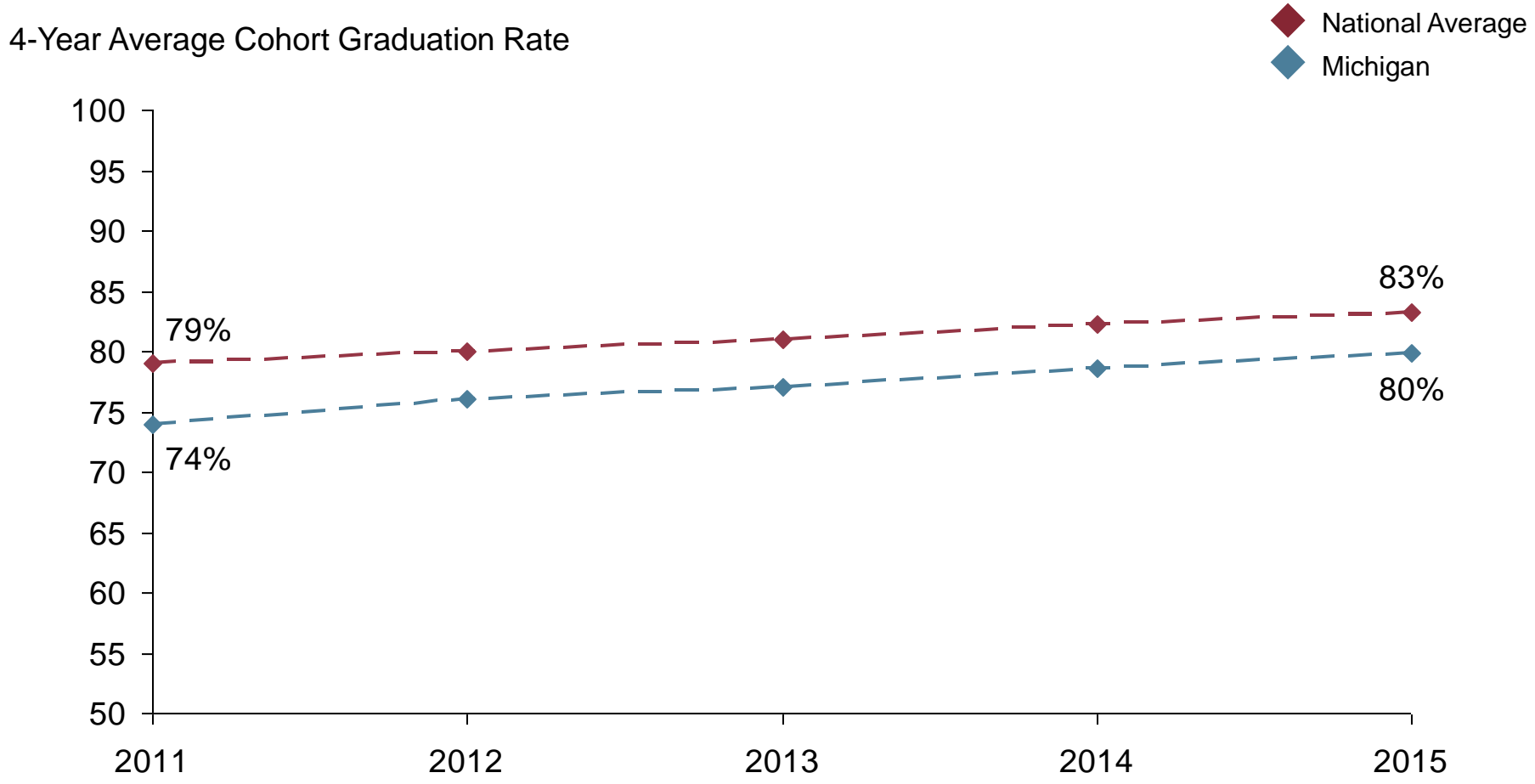


Sources: Michigan State Report Card, M-STEP report 2015-16



Graduation rates for Michigan students have increased over the past 5 years, but still fall below national averages

Michigan and National 4-Year Average Cohort Graduation Rates, 2011-2015



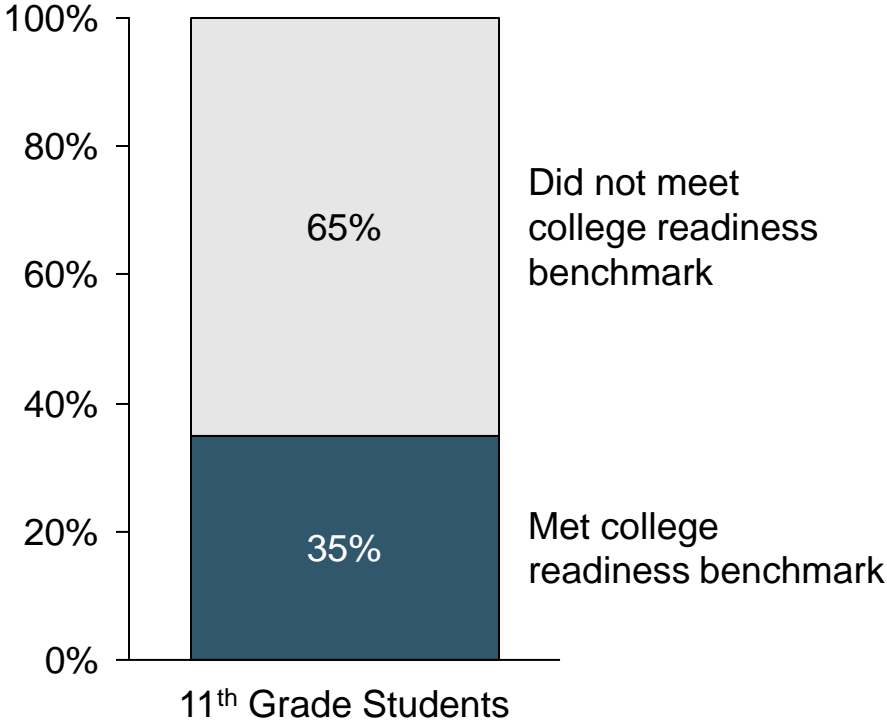
Source: NCES Common Core of Data

Only 35 percent of Michigan 11th grade students are college-ready according to the SAT

Michigan SAT College Readiness, 2016

All 11th grade Michigan public school students took the SAT in 2016
This replaced the ACT as the state's measure of college readiness

% Michigan 11th grade students

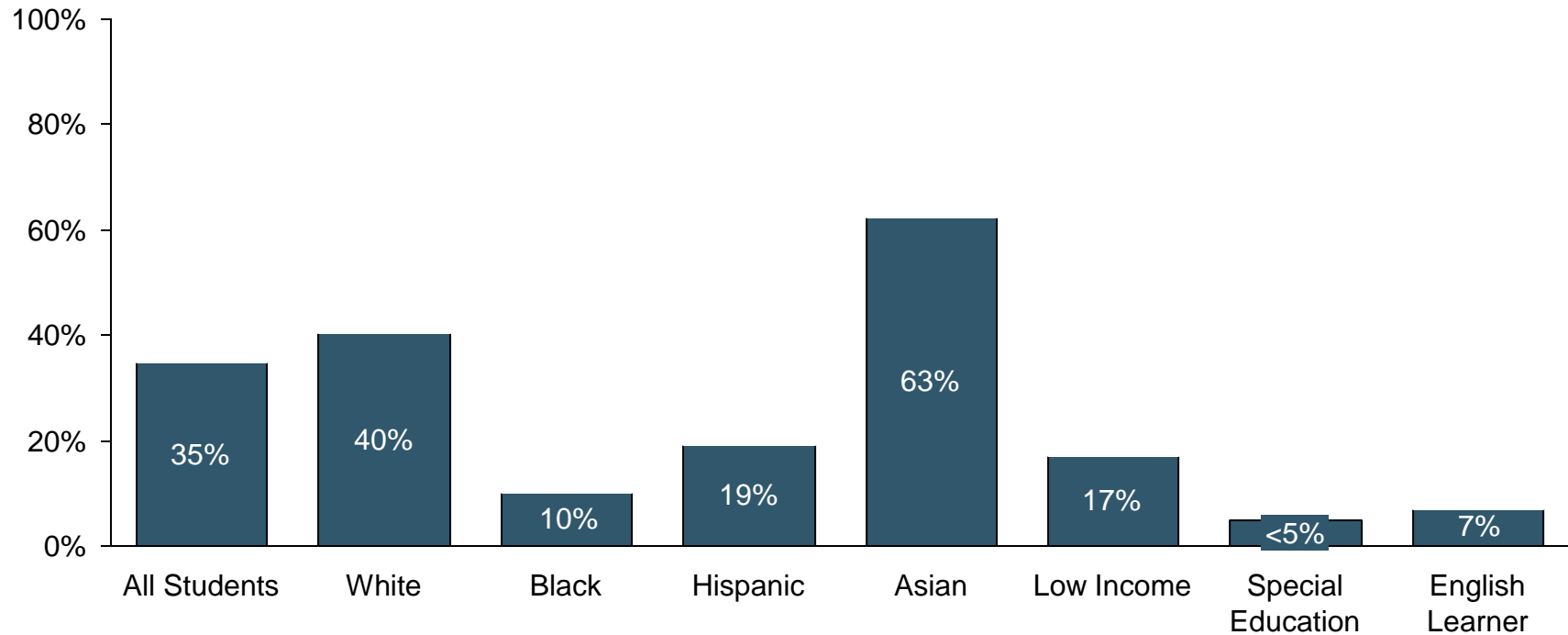


← This suggests a 75% likelihood that a student will earn at least a “C” in a first-semester, credit-bearing college course

College-readiness rates are notably lower for black, Hispanic, English learner, and low-income students

Michigan SAT College Readiness Rates, 2016

% 11th grade students college ready



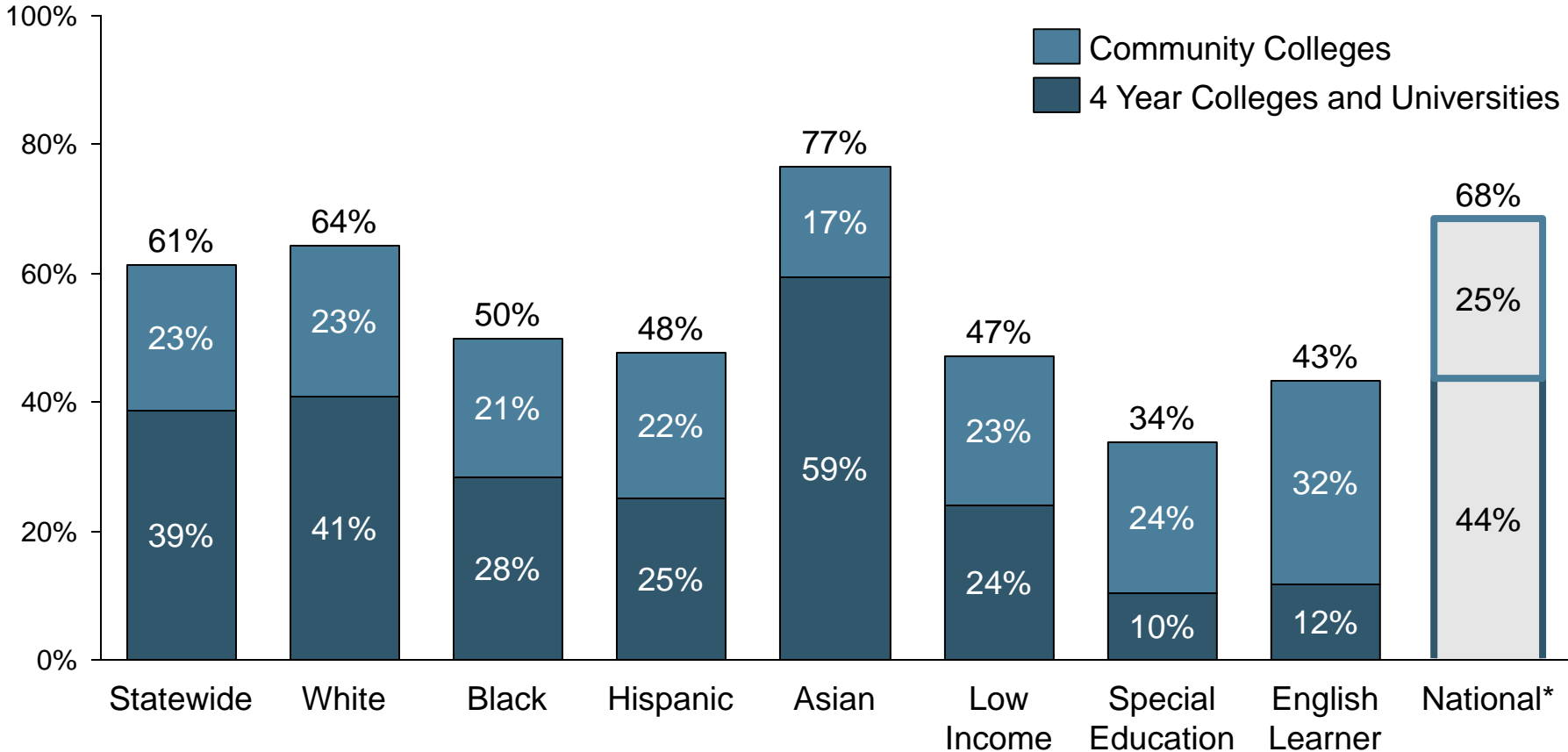
students assessed

All Students	104K	White	75K	Black	16K	Hispanic	6K	Asian	3K	Low Income	39K	Special Education	9K	English Learner	3K
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Michigan students who graduate high school enroll in college at lower rates than the national average

College Enrollment Rates, 2014-15

% High school graduates enrolling in college within 6 months of graduation



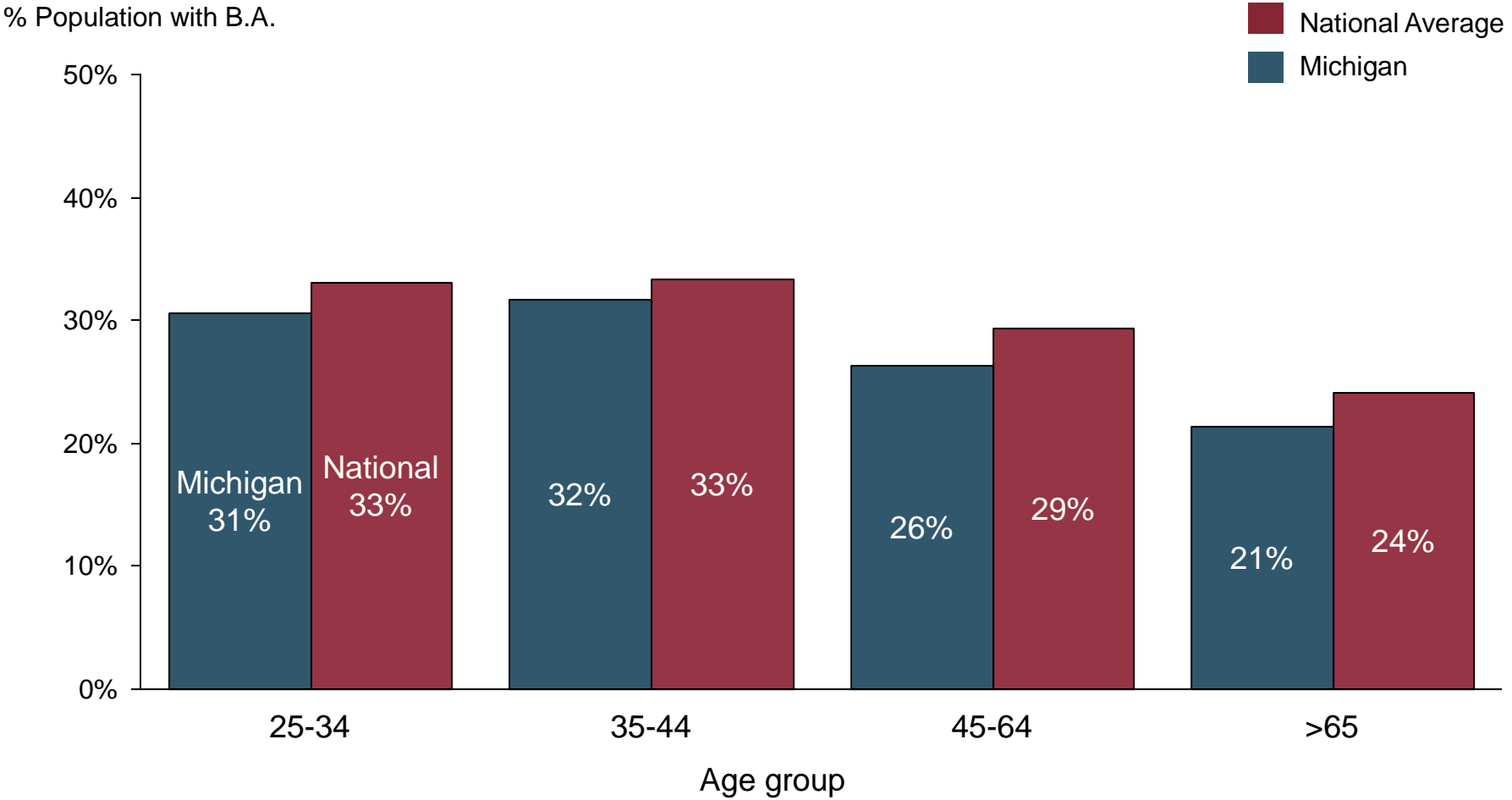
Sources: Michigan State Report Card, Postsecondary Report of College Enrollment 2014-15

*National data from 2013-14 via NCES Common Core of Data



Michigan's bachelor's degree attainment rate lags behind the national average in every age group

Share of Population with a Bachelor's Degree, 2015



Source: American Community Survey 5-Year Estimates

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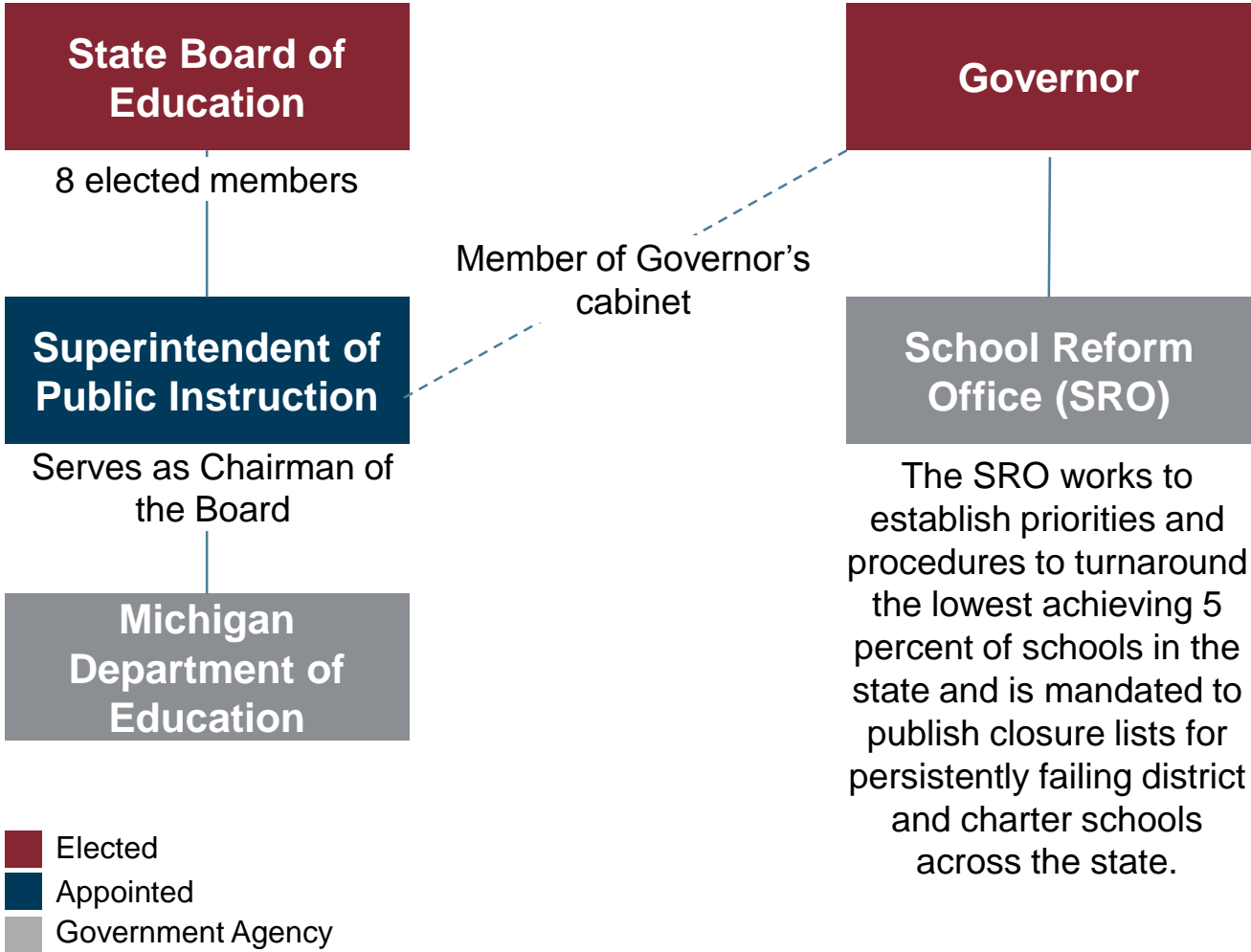
3 Charter Schools and School Choice Policies

4 Education Reform in Detroit

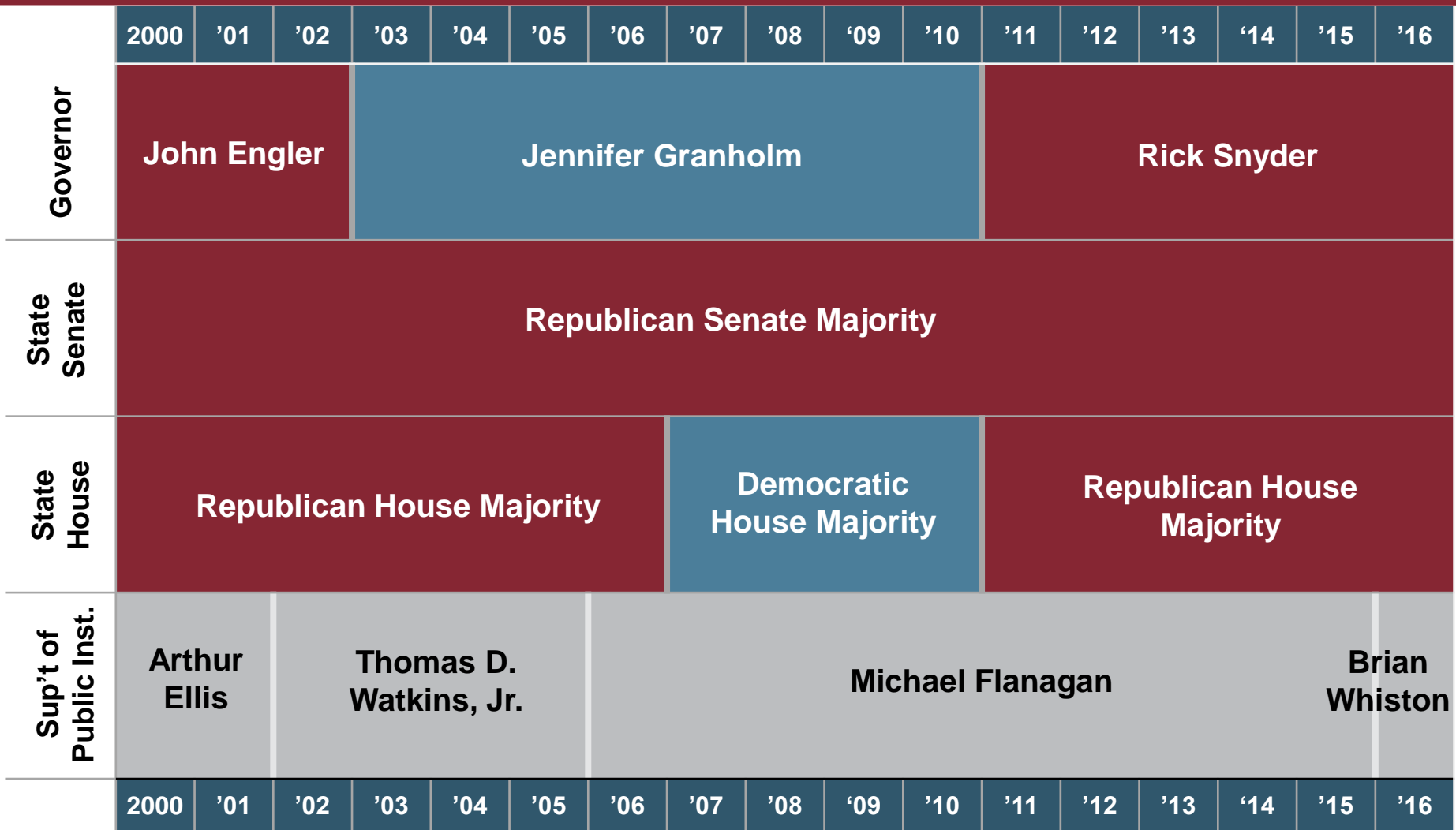
Michigan policymakers have enacted numerous education reforms in the past 10 years

- 
- 2006 • **Raised high school graduation requirements** with Michigan Merit Curriculum
 - 2009 • Passed bill package addressing **teacher merit pay, charter school expansion, public school takeover**, and the high school dropout age
 - 2010 • Adopted the **Common Core State Standards**
 - 2011 • Changed **teacher tenure requirements** and established intent for new teacher evaluation system
 - **Raised charter school cap**
 - 2012 • Received **No Child Left Behind waiver**
 - 2013 • Awarded **Race to the Top** Early Learning Challenge grant
 - 2014 • Developed the **M-STEP**, a new assessment combining Smarter Balanced Assessment Consortium questions with state-created questions
 - 2015 • Created **new teacher evaluation system**
 - 2016 • Passed a **third grade reading and retention bill**
 - Provided \$617 million in debt relief and **restructuring for Detroit Public Schools**

Multiple players shape education in Michigan



Republicans have controlled Michigan state leadership since 2011



- Republican
- Democrat
- Non-Partisan Office

Michigan passed major teacher tenure and evaluation reform laws in 2011 and 2015

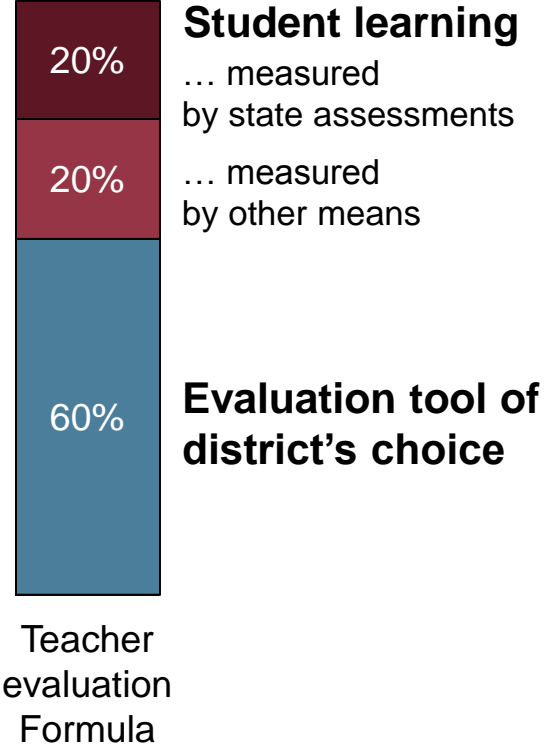
2011 Public Acts 100-103, a package of laws on **teacher tenure** and **evaluation** laid the groundwork for teacher evaluation reform

- Required **dismissal** for teachers rated ineffective on 3 consecutive annual evaluations
- **Increased time to earn tenure** from four to five years
- Tasked governor to **appoint a council** to develop recommendations on teacher evaluation details

2015 Public Act 173 created a **teacher evaluation system** to complement the 2011 tenure reforms

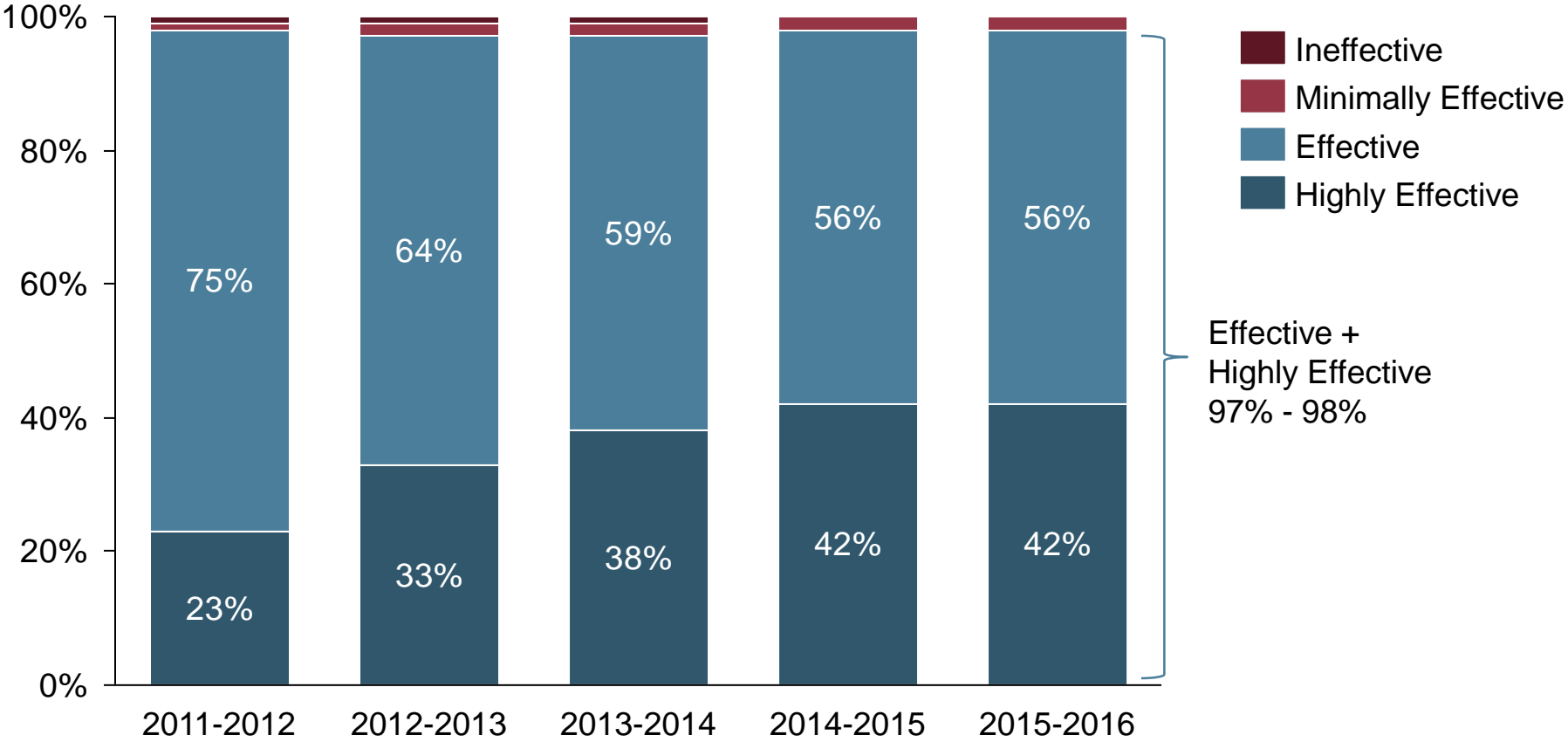
- **Set requirements for components of teacher evaluations** and their weight
 - Weight of student learning measures set at 25%, with planned increase to 40% in 2018-19
- Districts can use the state evaluation tool or adopt their own
- Families must be informed when a student is taught by an ineffective teacher for two consecutive years

2018-19 Public Act 173 will be **fully implemented**; teacher evaluations will follow formula below



From 2011-2016, 97% of Michigan's teachers were rated effective or highly effective under the evaluation system

Michigan Teacher Effectiveness Ratings, 2015



Most differentiation occurs between effective and highly effective teachers

Source: Michigan Department of Education School and Staffing Information

Michigan adopted the Common Core Standards

State’s M-STEP assessment combines state-designed questions with those from SBAC¹

- 2010 • Michigan adopts the Common Core State Standards & joins Smarter Balanced Assessment Consortium (SBAC)
- 2013 • Republican-controlled legislature attempts to block implementation of the Common Core State Standards through budget bills; Governor Snyder works with legislature to advance the standards
- 2014 • Michigan begins implementing the Common Core State Standards
 - State legislature requires state officials to recreate the state test; State officials combined SBAC questions with state-designed questions to create the **Michigan Student Test of Educational Progress, or M-STEP**
- 2015 • Michigan changes its high school exam from the ACT to the Michigan Merit Exam, which includes SAT, WorkKeys
- 2016 • State Superintendent Whiston announces intent to change the M-STEP after the 2016-2017 school year

Michigan policymakers & organizations took varying stances on the Common Core...



Key Policymakers

Republican Governor Rick Snyder; Former Republican Governor John Engler

Key Groups

Business Leaders for Michigan, Great Lakes Education Project², Regional Chamber, the Business Roundtable, Michigan Department of Education, State Board of Education, Michigan PTA, Michigan Association of Secondary School Principals, Michigan Association of School Boards, State Universities of Michigan, and the Michigan College Access Network



Key Policymakers

State Senator Phil Pavlov, chair of the Senate Education Committee; Senator Patrick Colbeck sponsored 2016 repeal bill; State Representative Tom McMillin (now elected School Board member) sponsored 2013 repeal bill

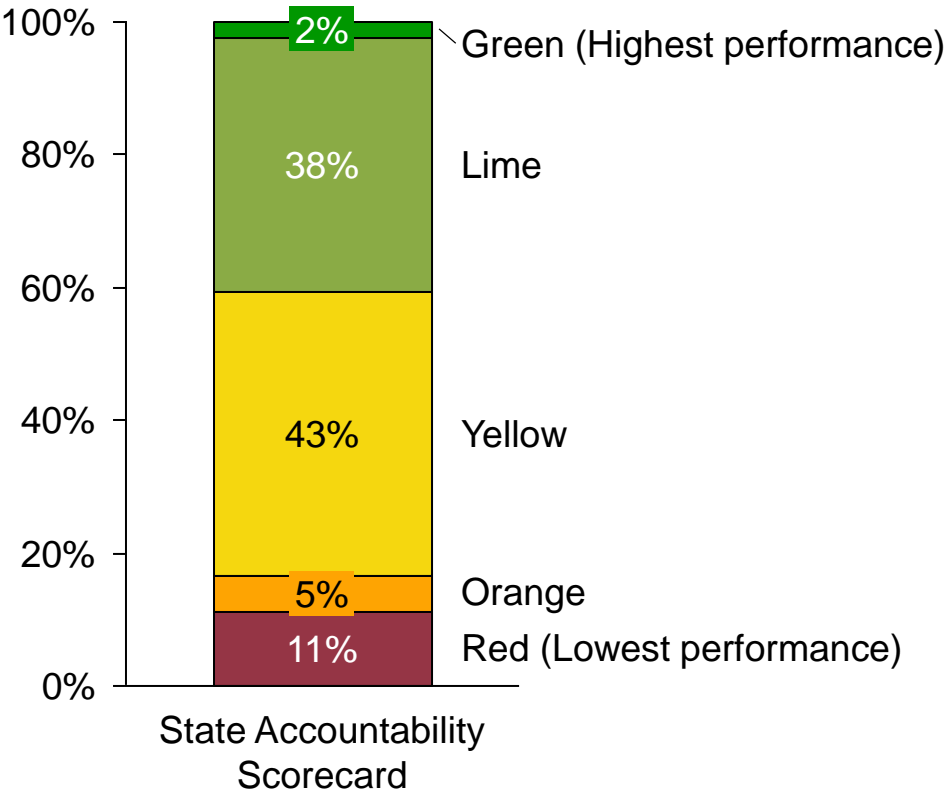
Key Groups

Stop Common Core Michigan

1. Smarter Balanced Assessment Consortium
 2. Betsy DeVos sits on the board of Great Lakes Education Project

Michigan's accountability system previously assigned schools to one of five color levels based on multiple factors

Share of Schools, 2015-16



Components of color rating

- ✓ Participation rate on state assessments
- ✓ Proficiency rate on state assessments
- ✓ Graduation OR attendance rates
- ✓ Educator evaluations
- ✓ Compliance factors

This system is currently being revised under the Every Student Succeeds Act (ESSA)

Source: Michigan Department of Education, MISchoolData.org

Michigan's school finance system is controlled by the state, challenges in equity remain

Early 1990s Reforms

- P.A. 145 (1993) drastically reduced local property taxes as a source of revenue for education
- Prop A (1994) raised sales tax and other state taxes to account for the reduction
- These reforms shifted the bulk of Michigan school funding from local to state sources

Current System

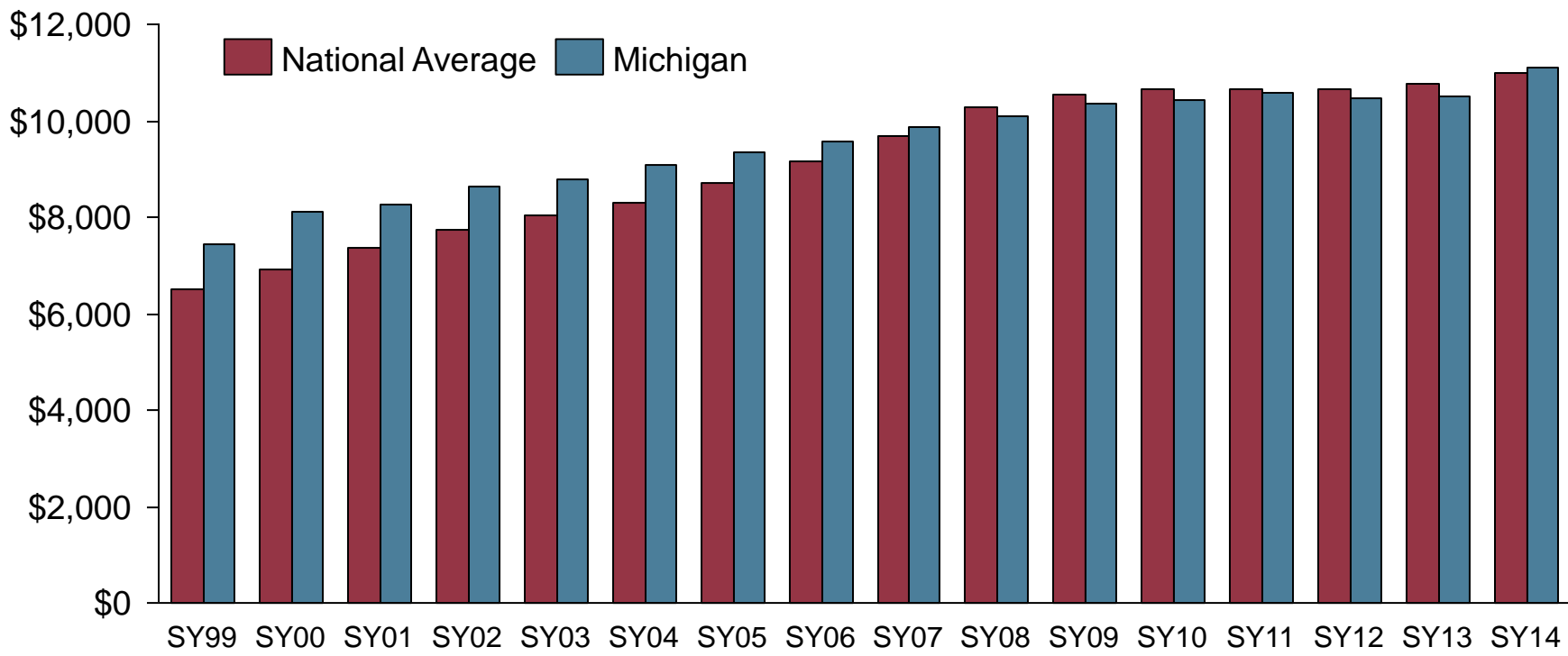
- Districts receive per-pupil funding amount called a “foundation allowance,” initially determined in 1994-95
- Most school districts – and all charter schools – currently receive minimum allowance, \$7,511 per pupil for 2016-17
- Foundation allowance payments comprise nearly two-thirds of the state's K-12 budget

Recent Developments

- Since 1994, the local share of nonfederal funding has fallen from 69% to 20%
- A recent study found that Michigan's school finance system is “moderately inequitable,” even when federal sources are taken into account, and may have become more inequitable in recent years

Per-pupil spending in Michigan is on par with the U.S. average per-pupil spending

Total Expenditures per Student, Michigan and National Average, SY99-SY14 (nominal dollars)



In the late 90s and early 2000s, MI per pupil spending was above the US average. Today, spending is nearly identical.

Note: Nominal dollars, not adjusted for inflation. Expenditures per student includes school operations, which represent about 90 percent of school expenditures on average. Amounts exclude capital outlay, e.g. debt service on bonds. SY denotes the year in which school ended, so SY99 is the 1998-1999 school year. 25

Michigan policies have aggressively expanded school choice options in multiple waves over past 25 years

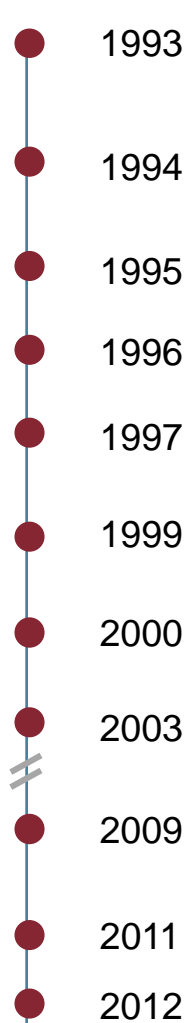
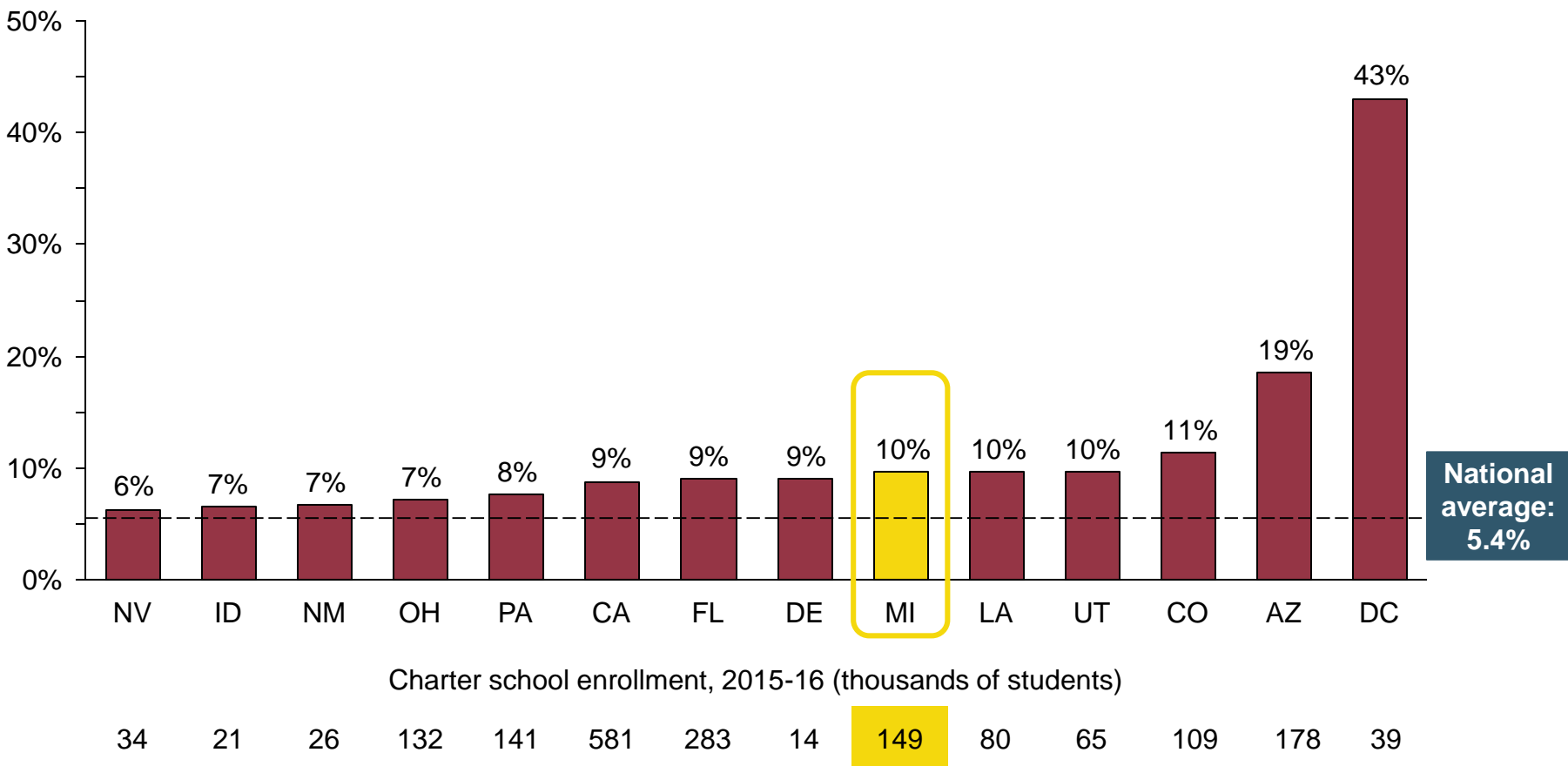
- 
- 1993 • P.A. 284: **First charter school law** is passed; replaced by P.A. 362 to **better withstand** legal challenge
 - 1994 • Circuit court, Michigan Court of Appeals rule charter schools are **ineligible for state monies**
 - P.A. 416: Responds to courts' findings with **new language** and a **provision negating P.A. 416** and **reinstating P.A. 362** if the Michigan Supreme Court found the latter constitutional
 - 1995 • P.A. 289: **Caps** the total number of charter schools that **state universities** may authorize
 - 1996 • P.A. 300: Creates Michigan's first **inter-district choice** program
 - 1997 • Michigan Supreme Court determines **P.A. 362 is constitutional, negating P.A. 416**
 - 1999 • P.A. 119: Inter-district choice program **expands**
 - 2000 • Proposal 1: **Failed** ballot initiative financed by Betsy and Dick DeVos would allow students to use **tuition vouchers at nonpublic schools** in districts with graduation rate under 2/3rds.
 - 2003 • P.A. 179: Allows 15 "**Urban High School Academies**," university-authorized charter high schools in Detroit
 - 2009 • Adopted a "**smart cap**" for charter schools with a demonstrated record of performance to be exempt from the state's limit on charter schools and allowed to expand beyond the cap
 - 2011 • P.A. 277: Gradually **eliminates the cap** on charter schools state universities may authorize
 - 2012 • P.A. 129: Gradually increases the cap on **cyber schools** and **cyber school enrollment**

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Michigan has one of the nation's largest charter sectors, with 10% of students enrolled in public charter schools

Charter School Student Share and Student Population, by State, 2014-15

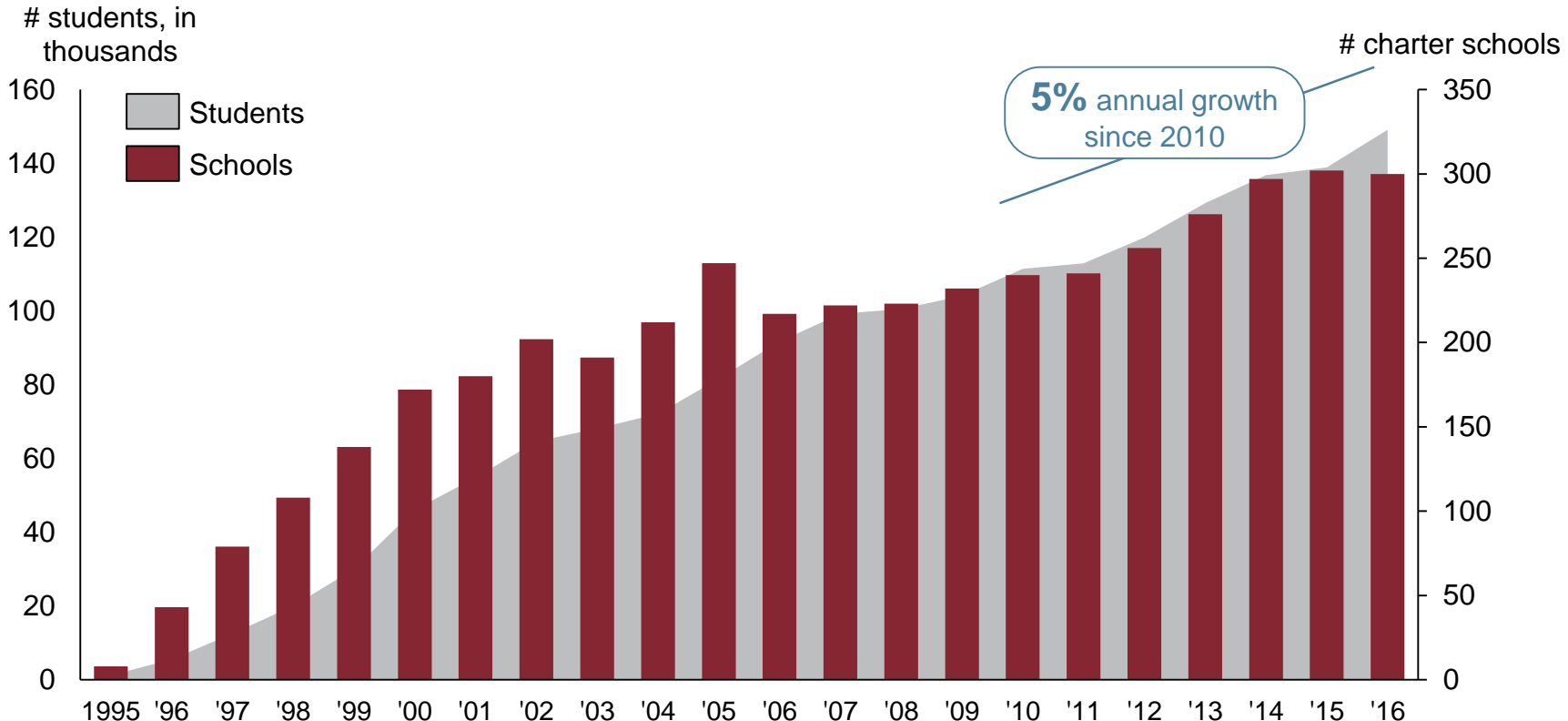


In terms of total students enrolled in charter schools, MI ranks 4th in the nation after CA, FL, and AZ

Note: States with less than 6% charter share excluded
Source: NCES Common Core of Data, 2014-15 via NAPCS

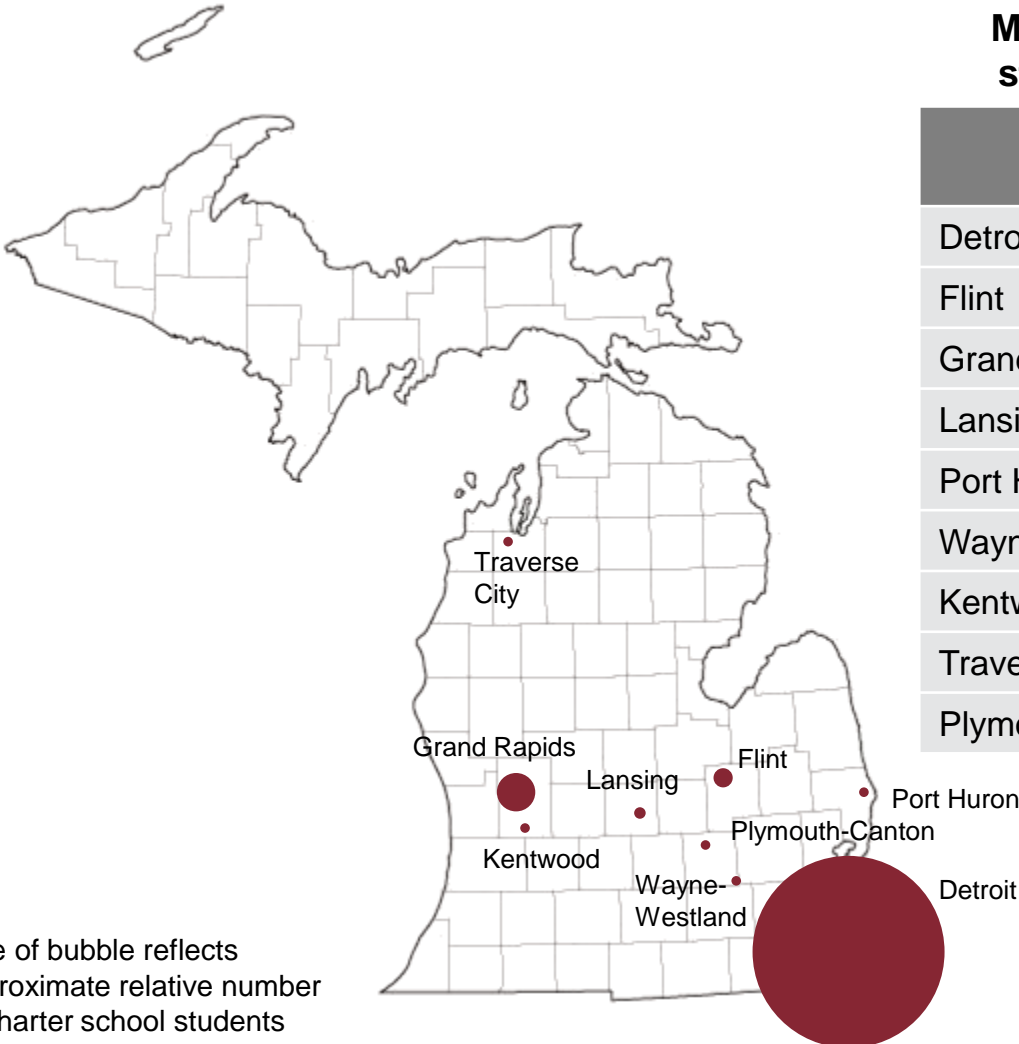
The number of MI charter students has grown dramatically, and in recent years has been growing at 5% annually

Number of Charter Schools and Student Enrollment Over Time



Sources: Michigan Department of Education 1995-98, NAPCS 1999-2016

Nine Michigan cities have at least 10% of students enrolled in charter schools



● Size of bubble reflects approximate relative number of charter school students

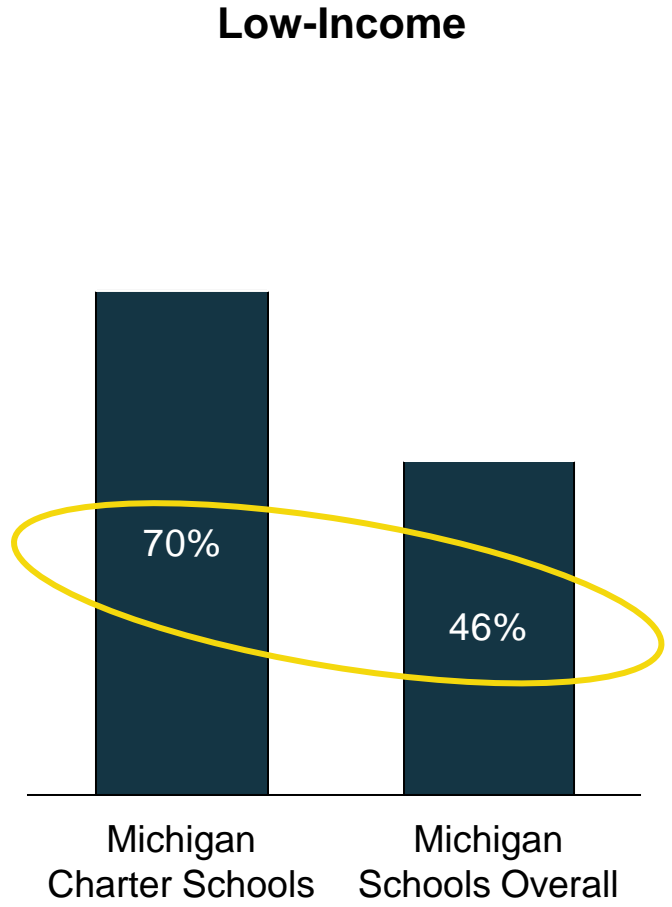
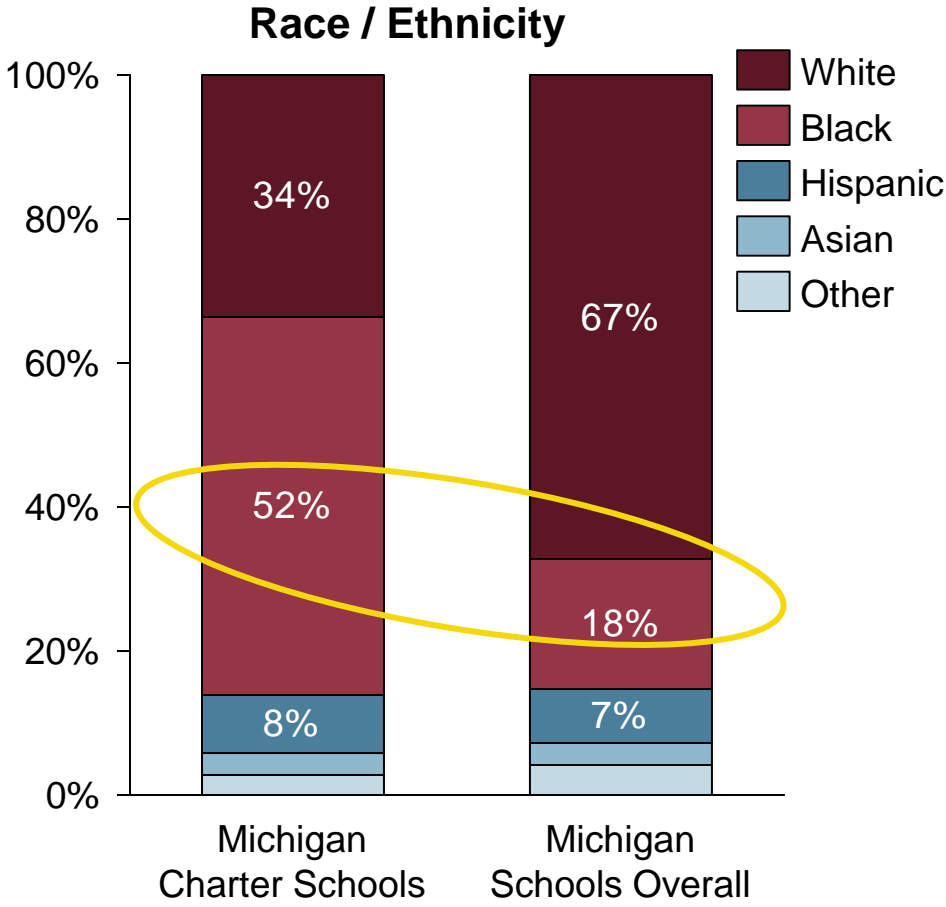
Michigan cities with at least 10% of students in public charter schools

City	Enrollment Share	Total Students
Detroit	53%	51,240
Flint	53%	5,940
Grand Rapids	31%	6,890
Lansing	18%	2,380
Port Huron	16%	1,640
Wayne-Westland	14%	1,880
Kentwood	14%	1,390
Traverse City	12%	1,360
Plymouth-Canton	11%	2,210

Source: NAPCS, 2016, "A Growing Movement: America's Largest Public Charter School Communities and their Impact on Student Outcomes"

Michigan public charter schools enroll a much larger share of black and low-income students than the statewide average

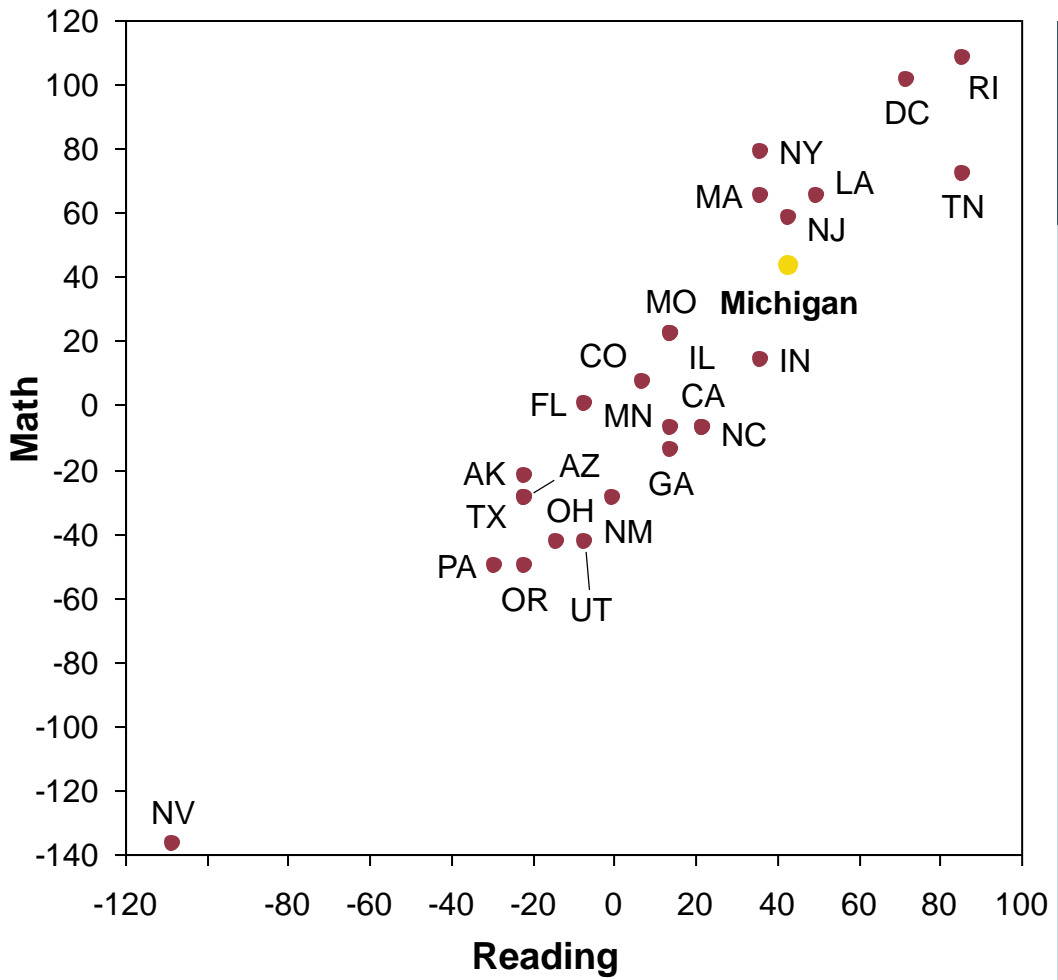
Student Population by Race/Ethnicity and Income



Sources: Income via Michigan Department of Education, 2014-15; Race/Ethnicity via NAPCS, 2013-14

Students in Michigan charter schools learn more over the course of the year than comparable students in district schools

Charter Learning Impact, in Days



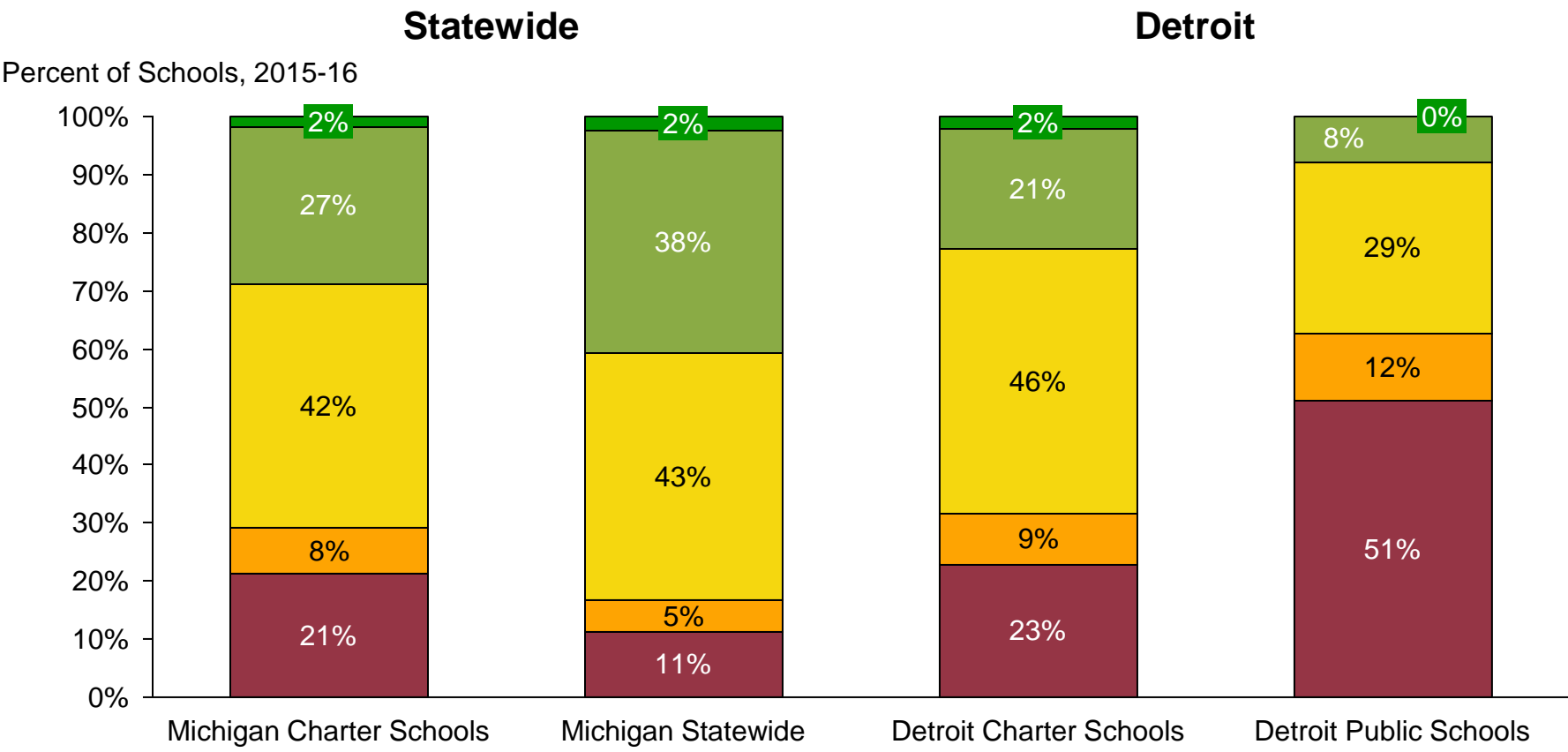
A 2013 CREDO study compares charter students' growth to demographically similar students attending traditional public schools

- Charter schools in Michigan produced **significant learning gains in reading and math** versus district peers:
 - Gains of **43 days** in reading and math
 - One of 12 states with positive results in both subjects
- However, the **bar for performance in Michigan is low** compared to many other states and cities
 - Michigan charters are disproportionately located in Detroit, which has the nation's lowest performing public school system (see Section 4)
 - Study does not include charter schools opened after 2011

Source: CREDO National Charter School Study (2013) across 27 states for time period. Study sample includes data from school years 2008-2011.

Charter schools have a greater share of bottom-tier schools than the state average, but fewer than Detroit Public Schools

School Accountability System Ratings, 2015-16



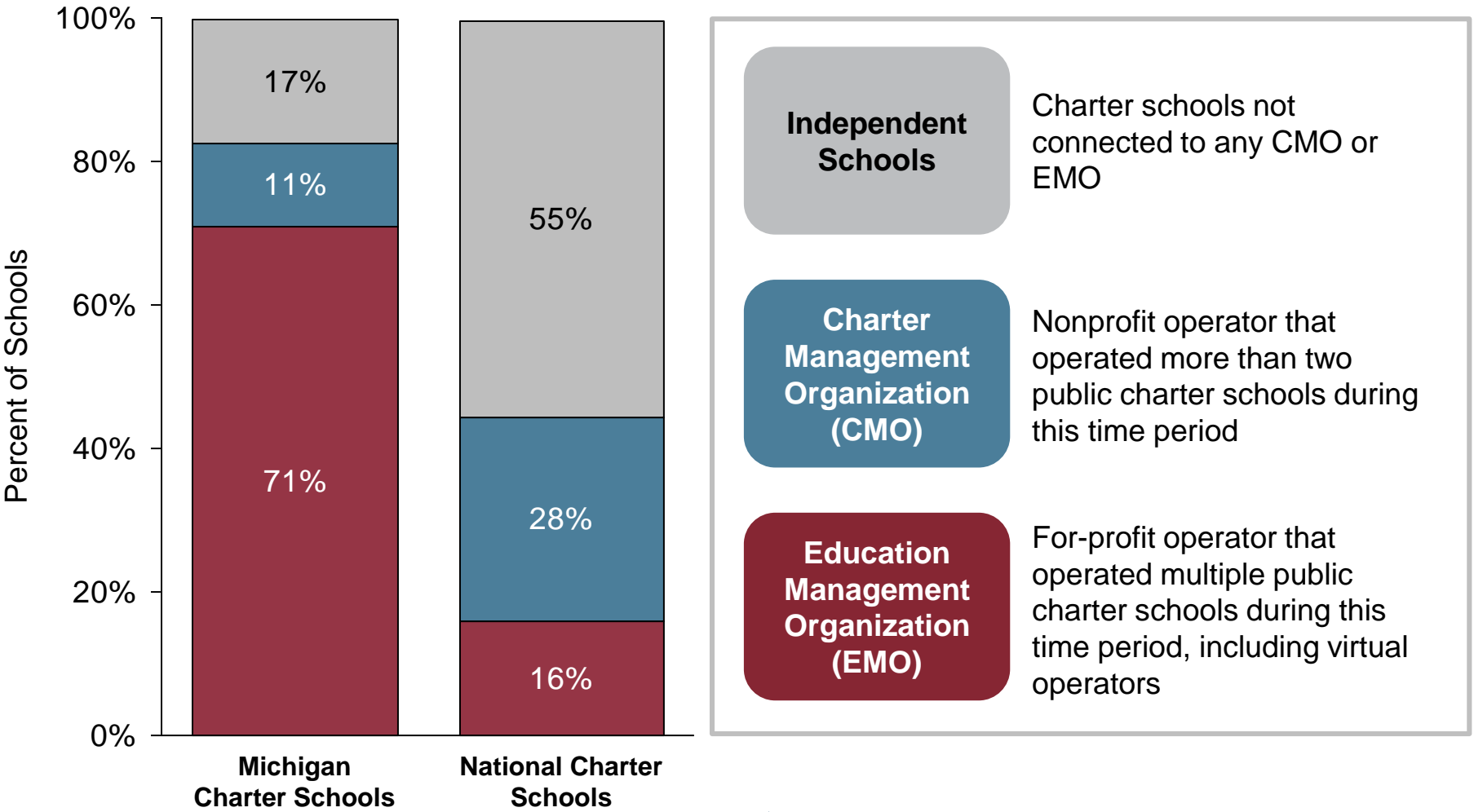
State Accountability Scorecard Ratings



Source: Michigan Department of Education Accountability Determinations 2015-16

Michigan has a higher percentage of charter schools run by for-profit entities than any other state

Charter School Management Organizations Types, Michigan and National



Source: NAPCS, 2014-15

Multiple factors cause Michigan's charter operators to look different from national operator trends

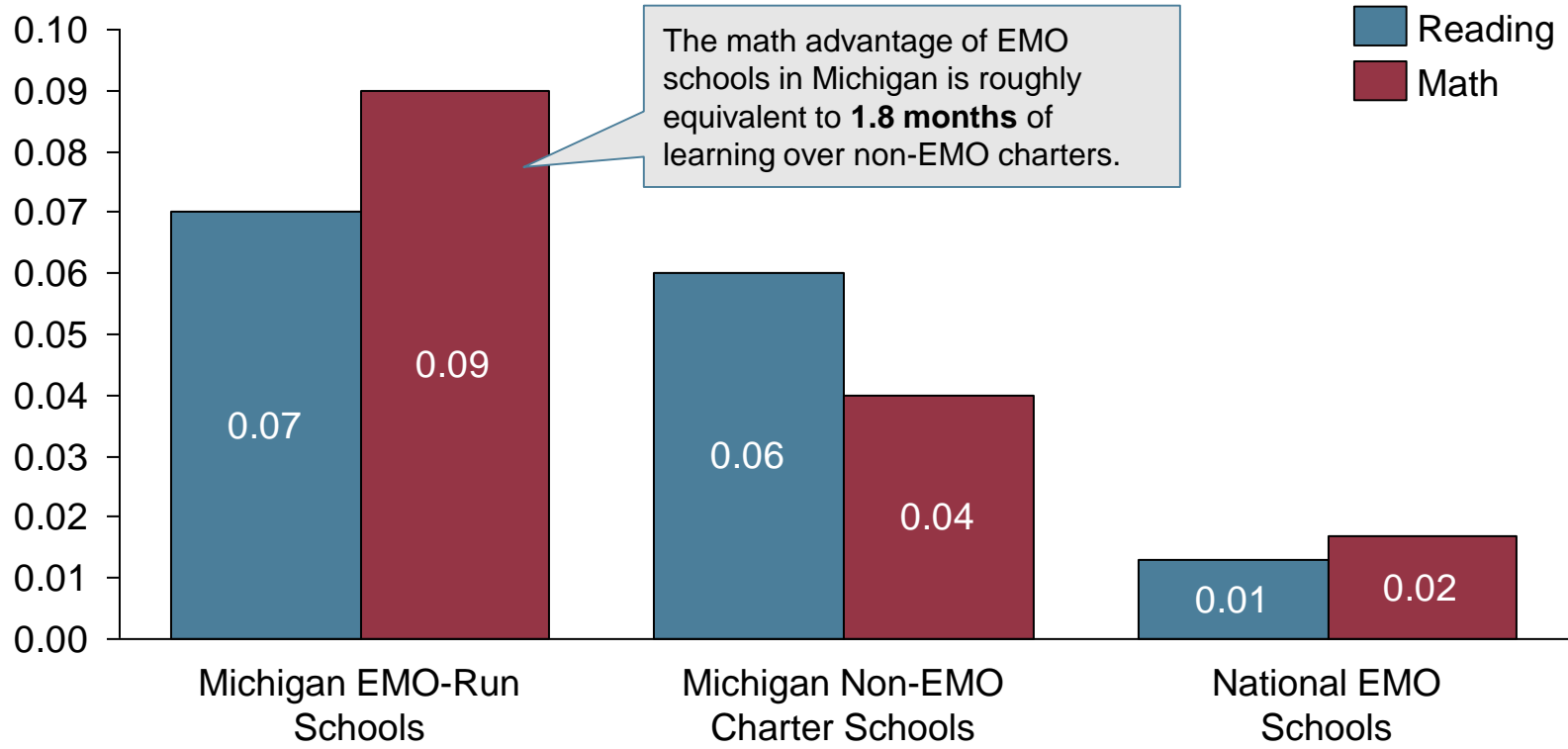
- Every charter school in Michigan is incorporated with a nonprofit board, however **Michigan law permits boards to contract with education service providers (ESPs)**, which may be nonprofit or for-profit.
 - ESP contracts can range in scope from full-service school management to limited “back office” HR and administrative support.
 - An estimated 61% of for-profit Michigan ESPs have responsibility for academics in schools.*
- Under Michigan law, teachers employed by charter schools must participate in the state pension system at an approximate cost of 25% of payroll, while teachers employed indirectly by management firms do not participate. This creates an **incentive for charter schools to contract with staffing management firms to lower costs.**
- Large **Education Management Organizations (EMOs)** such as National Heritage Academies, CS Partners, and The Leona Group collectively **operate more than 1 in 4 charter** campuses in the state. Michigan is also home to many small EMOs that operate only one or two schools.*
- **Few high-performing, multi-state, nonprofit charter management organizations**, such as KIPP, Uncommon Schools, or Achievement First, have chosen to operate in Michigan.

*Source: Michigan Association of Public School Academies/Grand Valley State University Charter Operator Estimates

Michigan schools associated with for-profit entities produce larger learning gains than other charter schools

Learning Impact of Michigan Charter Schools, by Education Management Organization (EMO) Affiliation

Learning Growth (in standard deviations)



Michigan EMO impacts are significantly larger than nationally aggregated EMO results, though this is impacted by differences in traditional public schools to which EMO-run charters are compared.

Source: CREDO Charter School Performance in Michigan (2013); CREDO Charter School Growth and Replication (2013), which includes data from 2007-2011

Presence of multiple authorizers and lack of authorizer accountability has decentralized responsibility for charter quality

More than 40 authorizers oversee charter schools in Michigan

Authorizer	# Schools
Central Michigan University	62
Grand Valley State University	59
Bay Mills Community College	42
Lake Superior State University	22
Ferris State University	20
Saginaw Valley State University	18
Detroit City School District	13
Eastern Michigan University	10
Northern Michigan University	9
Oakland University	9
All Other Authorizers (34)	40

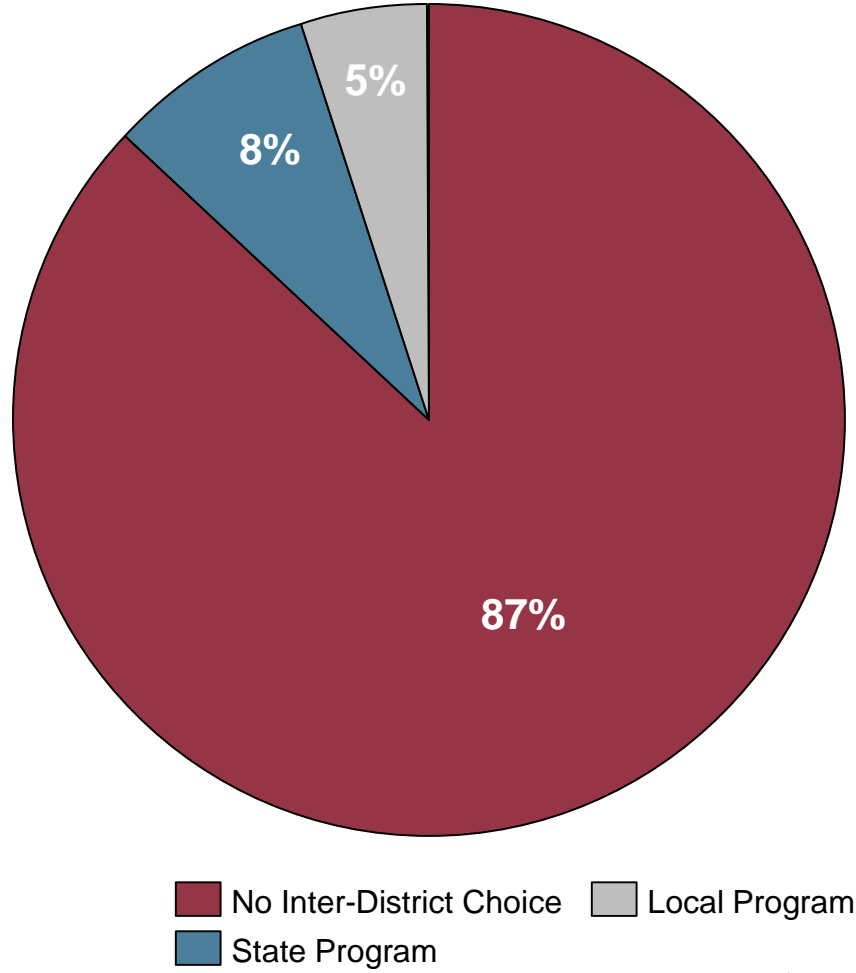
34 authorizers are responsible for 3 schools or fewer each

The state is gradually increasing its scrutiny of authorizers

- The Michigan Department of Education has authority to suspend an authorizer’s ability to issue new charters; they have not yet done so.
 - 11 authorizers were identified as “at-risk” for suspension for the first time in 2014.
 - 4 remained “at-risk” in 2015, and were slated to receive increased technical assistance from the state
- There are new restrictions and processes for authorizers seeking to open new schools in Detroit; currently only Grand Valley State University and Central Michigan University are accredited to authorize new schools in Detroit.

Michigan has also expanded choice through robust inter-district choice policies

Percentage of All Michigan Students Participating in Inter-District Choice, by Program



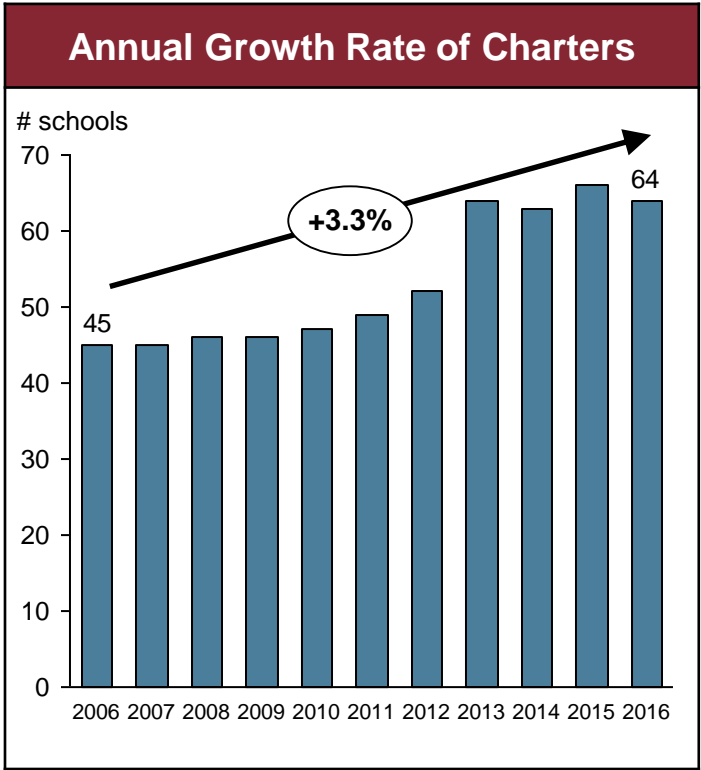
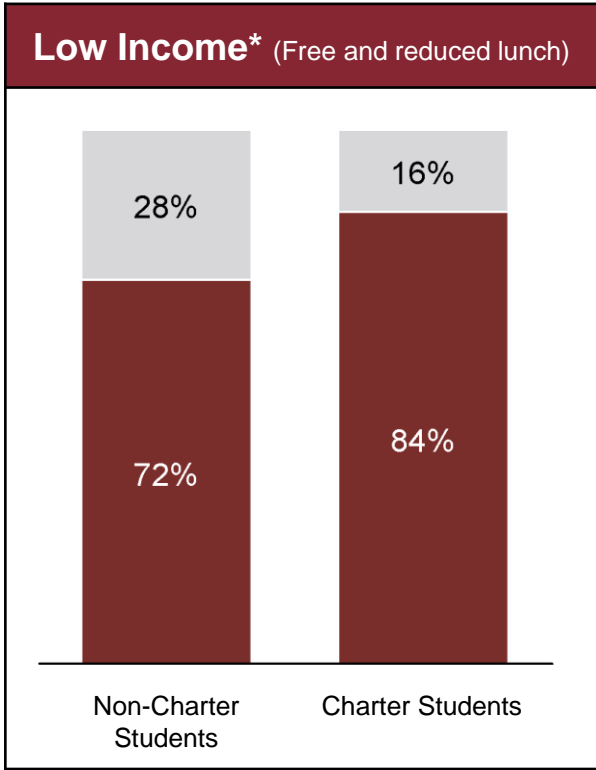
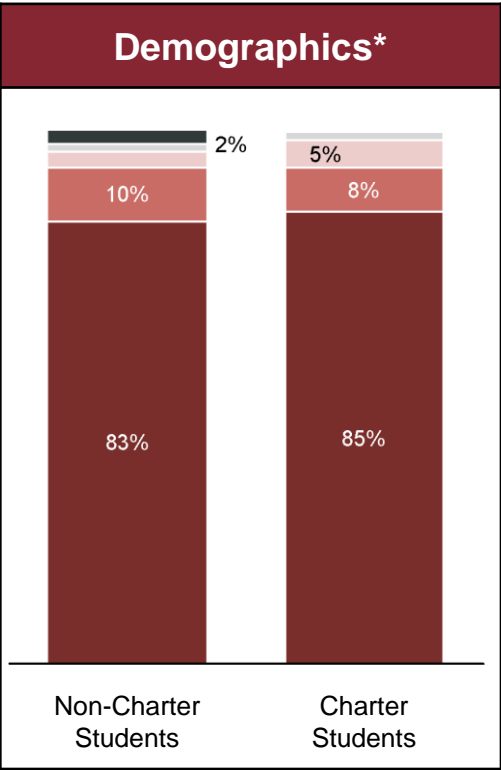
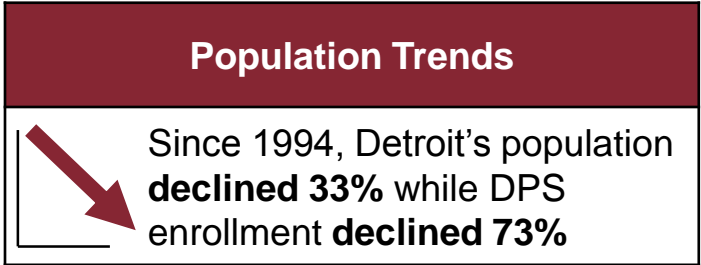
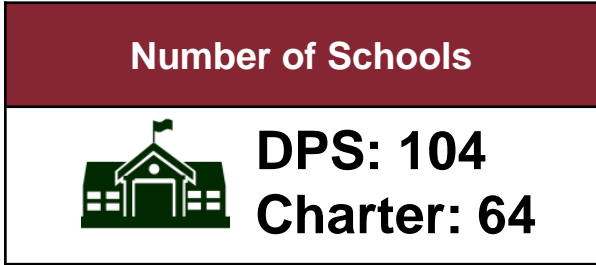
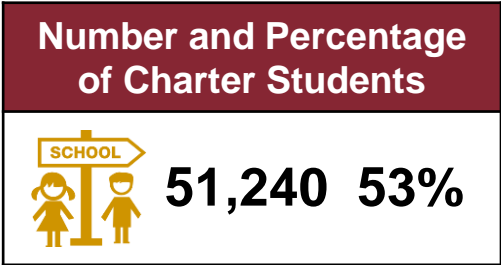
- In 2015-16, approximately **200,000** students— or **13% of all Michigan students**— participated in some sort of inter-district choice program.
- District participation in these programs is voluntary, and participating districts may limit the number of students they choose to enroll.
- **State Level Policy:** Under Sections 105 and 105c of the School Aid Act, school boards may allow students to enroll from within nearby districts.
- **Local Level Policy:** A collection of school districts may establish “Cooperative Agreements” that permit inter-district enrollment, or enroll nonresident students on a case-by-case basis.

Source: Michigan Department of Education

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Detroit is home to 97,340 students, primarily low income and black, and a variety of educational options



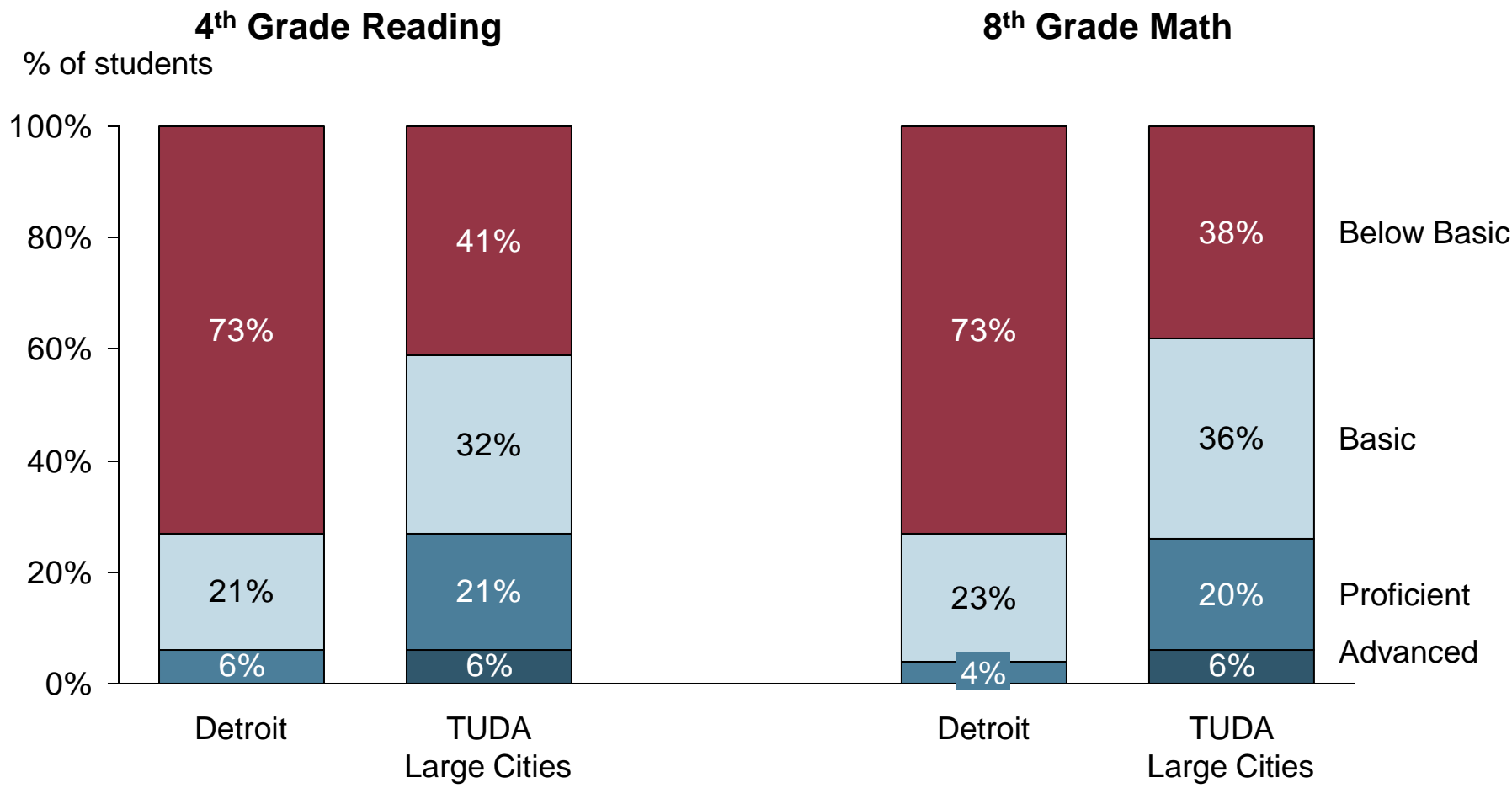
Other White Black
Asian Latino

Not Low Income
Low Income

Sources: National Alliance for Public Charter Schools, Michigan Department of Education, Bellwether Education Partners.
* = 2013-14 data.

Detroit Public Schools produce significantly worse outcomes than other large, urban districts

National Assessment of Educational Progress (NAEP) Trial Urban District Assessment (TUDA) Results, 2015

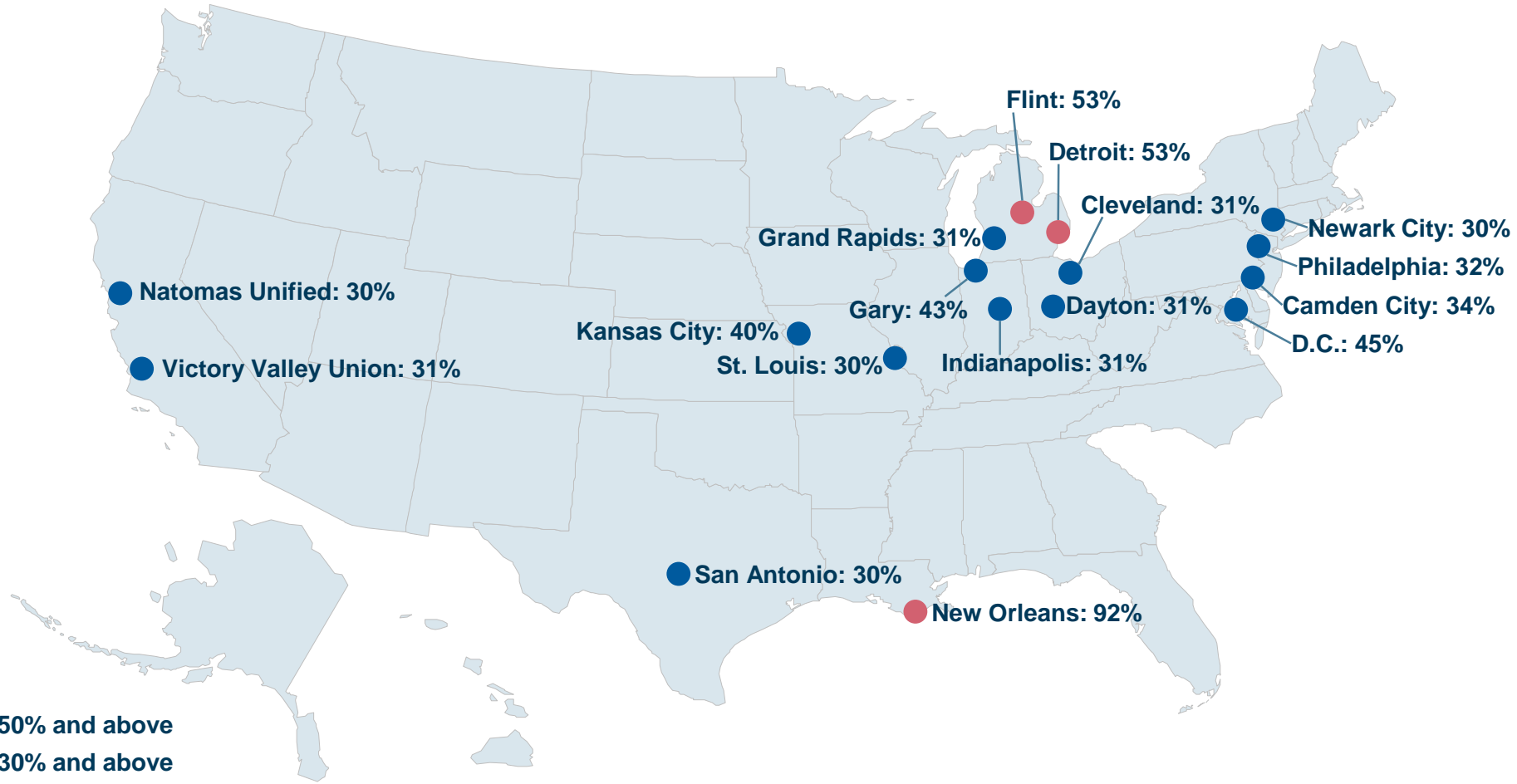


Source: NAEP TUDA 2015

Note: Detroit data do not include charter schools

Nationally, Detroit is tied with Flint for the second-highest percentage of students in charter schools

Detroit is one of three school districts in Michigan to have more than 30% of students in charter schools



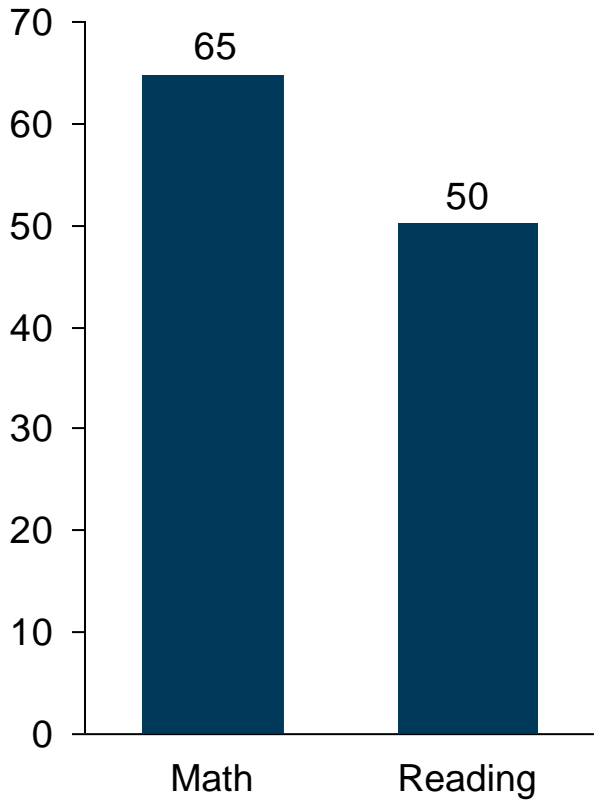
● 50% and above
● 30% and above

Note: Percentages represent market share of local districts.
Source: NAPCS

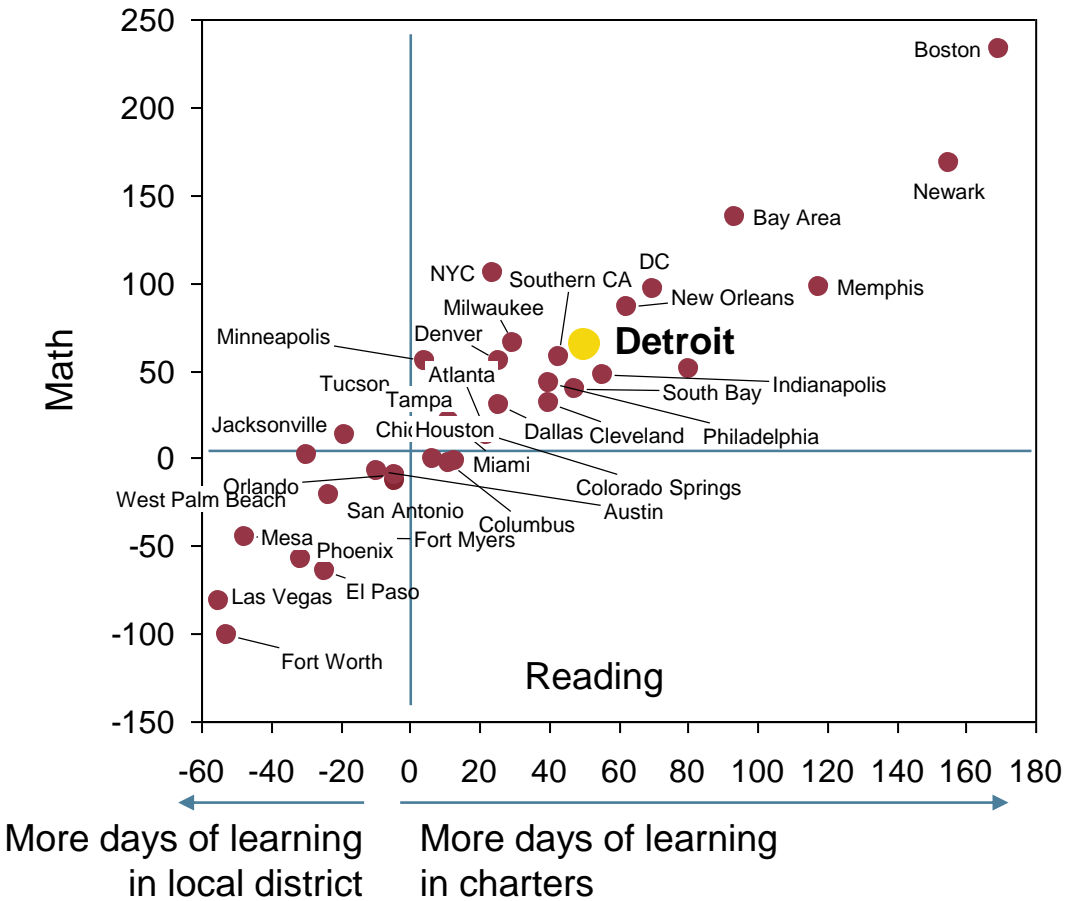
Students in Detroit charter schools learn more over the course of the year than comparable students in DPS

Detroit Charter Sector Learning Impact, in Days

Detroit Charter Schools vs. Detroit Public Schools



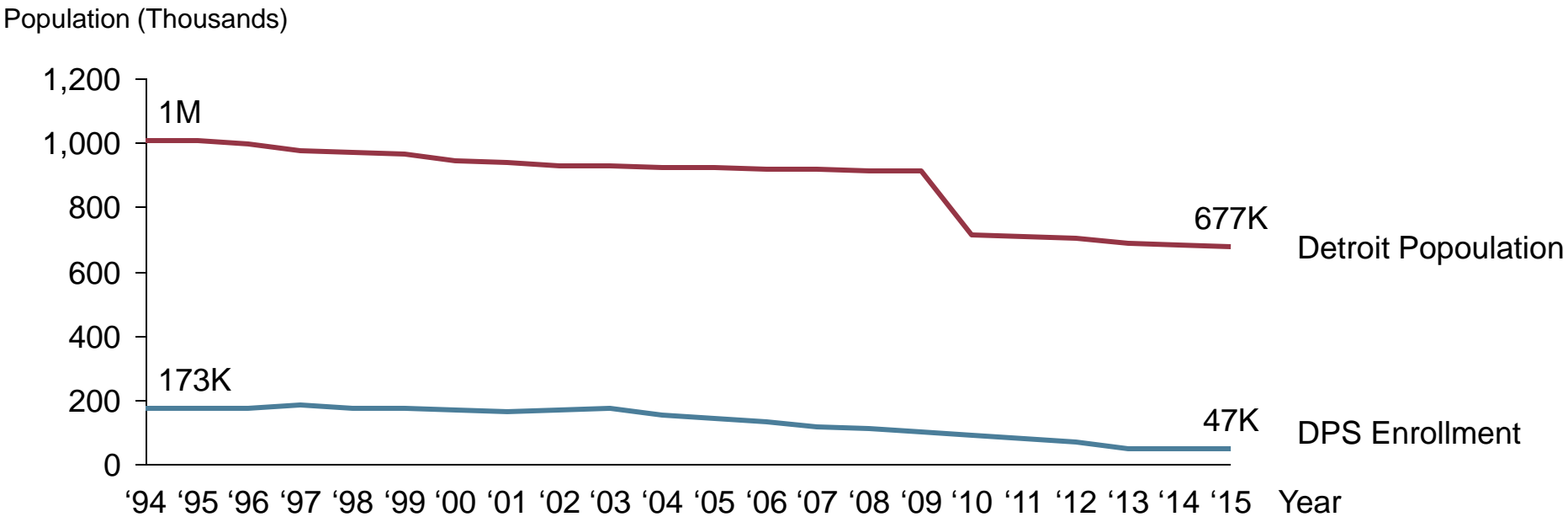
Selected Urban Charter Schools vs. Local District Schools



Source: CREDO Urban Charter School Study (2015). Study sample includes data from school years 2008-2012.

Declining population in Detroit and presence of school choice options has caused an enrollment decline in DPS

Detroit Population and Detroit Public Schools (DPS) Enrollment, 1994-2015

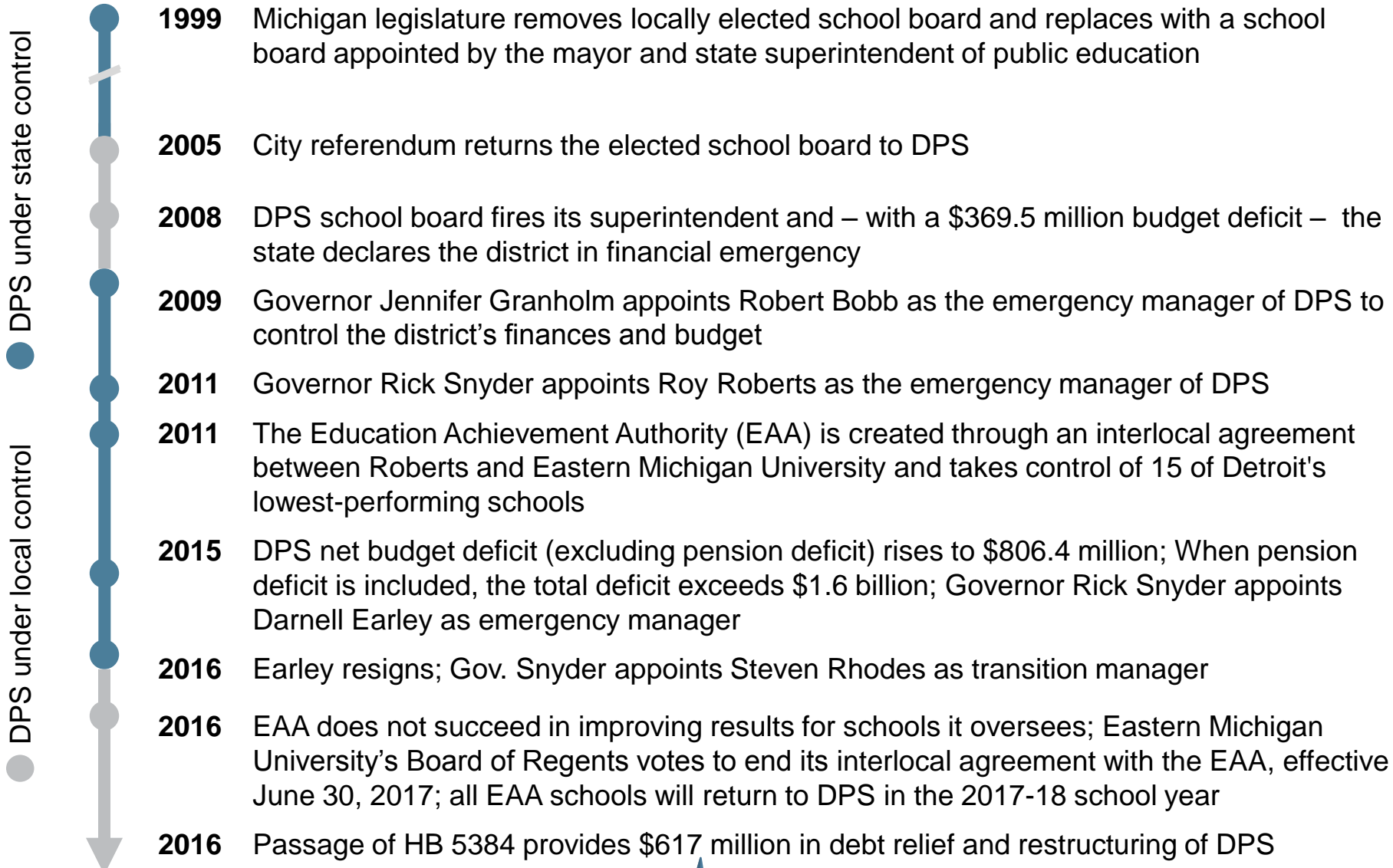


DPS' General Fund revenues have declined by more than 50% over the past decade due to population and enrollment trends

- Since 1994, Detroit's total population has **declined 33%** while DPS enrollment **declined 73%**
- Since 2000, the population of Detroit ages 0-19 has **declined 41%**, and DPS has also **lost students to charter schools and inter-district choice options**

Sources: U.S. Census Bureau, U.S. Department of Education, and the Michigan House Fiscal Agency.

Due to financial emergency, Detroit Public Schools have been overseen by state-appointed managers for 14 of the past 17 years



Source: Detroit Public Schools Comprehensive Annual Financial Report 2008 and 2015.



*Note: Effective in 2015, GASB 68 requires public entities to report unfunded pension liability

In 2016, HB 5834 returned control of Detroit Public Schools to a locally elected school board

Specifically, HB 5834 impacted DPS in the following ways:

1

Provided Debt Relief and Required Accountability

- Provided \$617 million in debt relief
- Required a new, locally elected school board
- Created an A-F school grading system
- Prevented chronically low performing charter schools from obtaining new authorizer contracts
- Restricted new school openings to nationally accredited authorizers
- Allowed DPS to hire non-certified teachers
- Specified that salaries for new hires will be determined by job performance

2

Created Advisory Council Instead of Detroit Education Commission (DEC)

- The six-member council includes district officials and charter representatives
- It will produce annual reports on the state of the district
- Alternative to Detroit Education Commission (DEC), a proposed Mayor-appointed commission to oversee traditional and charter schools
- The DEC was supported by Gov. Snyder, Senate Republicans, and Democrats in state legislature, but defeated due to opposition from a faction of Republicans in state legislature¹

3

Split DPS into Two Separate Districts

- The old DPS exists to collect taxes for the purpose of paying down debt
- The new district, Detroit Public School Community District (DPSCD), is focused on educating students
- The new DPSCD school board took office January 2017
- Alycia Meriweather is the DPSCD interim superintendent
- Detroit's post-bankruptcy Financial Advisory Commission provides oversight on district finances

1. Betsy DeVos sits on the board of Great Lakes Education Project which opposed the DEC

Key Takeaways

- Michigan is in the **bottom half of all states on NAEP**, and Michigan's **achievement gaps are large and persistent** across many student performance metrics.
- Michigan policymakers have **aggressively moved to expand school choice options** over the past 25 years, through charter schools and inter-district choice, but oversight of those options has been decentralized and uneven, leading to the **proliferation of low-performing charter schools in some communities**.
- Charter schools in Michigan and in Detroit produce **greater learning gains on average than district schools** for comparable student populations, but student performance in the charter sector is **low on average**, and school quality **varies widely**.
- Michigan has the nation's **highest percentage of charter schools managed by for-profit entities**. Critics see these schools as having incentive to expand too quickly and underinvest in students, but for-profit schools in Michigan see **greater academic impact** on average than traditional district schools or other charter schools.
- Under Michigan's education system, **educational authority is split** between multiple state players and many authorizers, creating a **lack of clarity** as to which entity is accountable for student results and the health of the system as a whole.
- **Repeated efforts** to improve **Detroit Public Schools** academically and financially have **failed to produce results**. The issues in Detroit Public Schools have **worsened** as enrollment declines due to population loss and **competition** from inter-district choice and charter schools.

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The views and opinions expressed in this report, however, are the responsibility of the authors alone and should not be interpreted to reflect the views of others.