Executive Summary

Student Achievement

• Michigan typically ranks in the **lowest third of states** in terms of student proficiency, 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.

• 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.

Policy Landscape

• 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 schools.

Charter Schools and School Choice Policies

• **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**
- 1,500,000 students

**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

**Reading Proficiency**
- 4th grade reading results on 2015 National Assessment of Educational Progress (NAEP)
  - Below Basic: 37%
  - Basic: 34%
  - Proficient: 24%
  - Advanced: 5%

**Michigan Student Race/Ethnicity**
- 67% White
- 18% Black
- 7% Hispanic
- 3% Asian
- 3% Two or More Races
- 3% Other

Sources: Michigan Department of Education, National Alliance of Public Charter Schools (NAPCS)
# Table of Contents

1. **Michigan Student Demographics and Achievement**
2. Education Policy Landscape and Recent Changes
3. Charter Schools and School Choice Policies
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

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<tr>
<th>Race/Ethnicity</th>
<th>Michigan (1.5M public school students)</th>
<th>U.S.</th>
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<tbody>
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<td>White</td>
<td>67%</td>
<td>50%</td>
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<td>Black</td>
<td>18%</td>
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<td>Hispanic/Latino</td>
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<td>Asian</td>
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<td>Other</td>
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Low Income Students
(measured by % of students who receive free or reduced lunch)

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<td>Michigan</td>
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<td>U.S.</td>
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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

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.

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

- **Reading**
  - 4th Grade: 31% Not Proficient, 22% Partially Proficient, 24% Proficient, 22% Advanced
  - 8th Grade: 23% Not Proficient, 28% Partially Proficient, 34% Proficient, 15% Advanced

- **Math**
  - 4th Grade: 21% Not Proficient, 35% Partially Proficient, 17% Proficient, 27% Advanced
  - 8th Grade: 41% Not Proficient, 27% Partially Proficient, 17% Proficient, 16% Advanced

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.

Sources: Michigan State Report Card, M-STEP report 2015-16
Michigan has large 4th grade achievement gaps by race, ethnicity, and income.

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

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<tr>
<th>Subgroup</th>
<th>Proficient</th>
<th>Advanced</th>
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<td>All Students</td>
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**4th Grade Math**

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<th>Subgroup</th>
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<td>Low Income</td>
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</table>

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

8th Grade Reading

% of Students

All Students: 49%
White: 55%
Black: 24%
Hispanic: 35%
Low Income: 32%

# students assessed:
109K White: 75K
Black: 18K Hispanic: 8K
Low Income: 50K

8th Grade Math

Proficient
Advanced

All Students: 33%
White: 38%
Black: 10%
Hispanic: 19%
Low Income: 17%

# students assessed:
109K White: 75K
Black: 18K Hispanic: 8K
Low Income: 50K

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.

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

- 65% Did not meet college readiness benchmark
- 35% Met college readiness benchmark

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

Source: Michigan State Report Card
College-readiness rates are notably lower for black, Hispanic, English learner, and low-income students.

Michigan SAT College Readiness Rates, 2016

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<tr>
<th>Demographic</th>
<th>% 11th grade students college ready</th>
<th># students assessed</th>
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<td>All Students</td>
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<td>Asian</td>
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<td>Low Income</td>
<td>17%</td>
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<td>Special Education</td>
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<td>English Learner</td>
<td>7%</td>
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Source: Michigan State Report Card
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

- Statewide: 61% (39% in Community Colleges, 22% in 4 Year Colleges and Universities)
- White: 64% (41% in Community Colleges, 23% in 4 Year Colleges and Universities)
- Black: 50% (28% in Community Colleges, 22% in 4 Year Colleges and Universities)
- Hispanic: 48% (25% in Community Colleges, 23% in 4 Year Colleges and Universities)
- Asian: 77% (59% in Community Colleges, 17% in 4 Year Colleges and Universities)
- Low Income: 47% (23% in Community Colleges, 24% in 4 Year Colleges and Universities)
- Special Education: 34% (24% in Community Colleges, 10% in 4 Year Colleges and Universities)
- English Learner: 43% (32% in Community Colleges, 12% in 4 Year Colleges and Universities)
- National*: 68% (44% in Community Colleges, 25% in 4 Year Colleges and Universities)


*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**

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<th>Age group</th>
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<td>&gt;65</td>
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Source: American Community Survey 5-Year Estimates
Table of Contents

1  Michigan Student Demographics and Achievement

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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

- **State Board of Education**
  - 8 elected members
  - Serves as Chairman of the Board

- **Superintendent of Public Instruction**
  - Elected member
  - Serves as Chairman of the Board

- **Michigan Department of Education**
  - Elected
  - Appointed
  - Government Agency

- **Governor**
  - Member of Governor's cabinet

- **School Reform Office (SRO)**
  - The SRO works to establish priorities and procedures to turnaround the lowest achieving 5 percent of schools in the state and is mandated to publish closure lists for persistently failing district and charter schools across the state.
Republicans have controlled Michigan state leadership since 2011

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**Republican Senate Majority**

**Republican House Majority**

**Democratic House Majority**

**Republican House Majority**

<table>
<thead>
<tr>
<th><strong>Sup’t of Public Inst.</strong></th>
<th>Arthur Ellis</th>
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Michigan passed major teacher tenure and evaluation reform laws in 2011 and 2015

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

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**

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

<table>
<thead>
<tr>
<th>20%</th>
<th>20%</th>
<th>60%</th>
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</table>
| Student learning … measured by state assessments | … measured by other means | Teacher evaluation Formula

Evaluation tool of district’s choice
From 2011-2016, 97% of Michigan’s teachers were rated effective or highly effective under the evaluation system.

Most differentiation occurs between effective and highly effective teachers.
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

**Key Policymakers**
- Republican Governor Rick Snyder; Former Republican Governor John Engler

**Key Groups**

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

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

- 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

Sources: State of Michigan, Michigan House and Senate, NCES, Michigan Education Finance Study 2016
Per-pupil spending in Michigan is on par with the U.S. average per-pupil spending.

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.
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
  - Circuit court, Michigan Court of Appeals rule charter schools are ineligible for state monies
- **1994**: 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-authorize 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

Sources: Michigan legislature, Mackinac Center, Education Sector, Public Sector Consultants, Inc.
Table of Contents

1 Michigan Student Demographics and Achievement
2 Education Policy Landscape and Recent Changes
3 Charter Schools and School Choice Policies
4 Education Reform in Detroit
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

**National average:** 5.4%

<table>
<thead>
<tr>
<th>State</th>
<th>Charter Share</th>
<th>Student Population (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NV</td>
<td>6%</td>
<td>34</td>
</tr>
<tr>
<td>ID</td>
<td>7%</td>
<td>21</td>
</tr>
<tr>
<td>NM</td>
<td>7%</td>
<td>26</td>
</tr>
<tr>
<td>OH</td>
<td>7%</td>
<td>132</td>
</tr>
<tr>
<td>PA</td>
<td>8%</td>
<td>141</td>
</tr>
<tr>
<td>CA</td>
<td>9%</td>
<td>581</td>
</tr>
<tr>
<td>FL</td>
<td>9%</td>
<td>283</td>
</tr>
<tr>
<td>DE</td>
<td>9%</td>
<td>14</td>
</tr>
<tr>
<td>MI</td>
<td>10%</td>
<td>149</td>
</tr>
<tr>
<td>LA</td>
<td>10%</td>
<td>80</td>
</tr>
<tr>
<td>UT</td>
<td>10%</td>
<td>65</td>
</tr>
<tr>
<td>CO</td>
<td>11%</td>
<td>109</td>
</tr>
<tr>
<td>AZ</td>
<td>19%</td>
<td>178</td>
</tr>
<tr>
<td>DC</td>
<td>43%</td>
<td>39</td>
</tr>
</tbody>
</table>

Note: States with less than 6% charter share excluded. Source: NCES Common Core of Data, 2014-15 via NAPCS Charter school enrollment, 2015-16 (thousands of students).

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

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

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

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

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

<table>
<thead>
<tr>
<th>Race / Ethnicity</th>
<th>Michigan Charter Schools</th>
<th>Michigan Schools Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>34%</td>
<td>67%</td>
</tr>
<tr>
<td>Black</td>
<td>52%</td>
<td>18%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Asian</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Low-Income</th>
<th>Michigan Charter Schools</th>
<th>Michigan Schools Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>70%</td>
<td>46%</td>
</tr>
</tbody>
</table>
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

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

**State Accountability System Ratings, 2015-16**

<table>
<thead>
<tr>
<th>Percent of Schools, 2015-16</th>
<th>Michigan Charter Schools</th>
<th>Michigan Statewide</th>
<th>Detroit Charter Schools</th>
<th>Detroit Public Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest</td>
<td>8%</td>
<td>5%</td>
<td>9%</td>
<td>0%</td>
</tr>
<tr>
<td>Highest</td>
<td>21%</td>
<td>11%</td>
<td>23%</td>
<td>51%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Percent of Schools</th>
<th>Michigan Charter Schools</th>
<th>National Charter Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Schools</td>
<td>17%</td>
<td>55%</td>
</tr>
<tr>
<td>Charter Management Organization (CMO)</td>
<td>71%</td>
<td>28%</td>
</tr>
<tr>
<td>Education Management Organization (EMO)</td>
<td>0%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Charter schools not connected to any CMO or EMO

Nonprofit operator that operated more than two public charter schools during this time period

For-profit operator that operated multiple public charter schools during this time period, including virtual operators

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

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.

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

More than 40 authorizers oversee charter schools in Michigan

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

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

- 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 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.
Table of Contents

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

### Number and Percentage of Charter Students

<table>
<thead>
<tr>
<th>Non-Charter</th>
<th>Charter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>Students</td>
</tr>
<tr>
<td>83%</td>
<td>85%</td>
</tr>
</tbody>
</table>

51,240 53%

### Number of Schools

- **DPS**: 104
- **Charter**: 64

### Population Trends

Since 1994, Detroit’s population declined 33% while DPS enrollment declined 73%.

### Demographics*

- **Non-Charter Students**
  - Black: 10%
  - Latino: 5%
  - Other: 2%

- **Charter Students**
  - Black: 8%
  - Latino: 5%

### Low Income* (Free and reduced lunch)

- **Non-Charter Students**
  - Low Income: 72%
  - Not Low Income: 28%

- **Charter Students**
  - Low Income: 84%
  - Not Low Income: 16%

### Annual Growth Rate of Charters

- Annual growth rate: +3.3%
- # schools: 45, 64

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

% of students

<table>
<thead>
<tr>
<th>4th Grade Reading</th>
<th>8th Grade Math</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detroit</td>
<td>Detroit</td>
</tr>
<tr>
<td>73%</td>
<td>73%</td>
</tr>
<tr>
<td>41%</td>
<td>23%</td>
</tr>
<tr>
<td>32%</td>
<td>36%</td>
</tr>
<tr>
<td>21%</td>
<td>20%</td>
</tr>
<tr>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

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.

- Detroit: 53%
- Flint: 53%
- Grand Rapids: 31%
- Kansas City: 40%
- Dayton: 31%
- Cleveland: 31%
- San Antonio: 30%
- Philadelphia: 32%
- New Orleans: 92%
- St. Louis: 30%
- Indianapolis: 31%
- New York City: 30%
- Natomas Unified: 30%
- Victory Valley Union: 31%
- Camden City: 34%
- D.C.: 45%
- Victory Valley Union: 31%

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

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

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

- **1999**: Michigan legislature removes locally elected school board and replaces with a school board appointed by the mayor and state superintendent of public education.
- **2005**: City referendum returns the elected school board to DPS.
- **2008**: DPS school board fires its superintendent and – with a $369.5 million budget deficit – the state declares the district in financial emergency.
- **2009**: Governor Jennifer Granholm appoints Robert Bobb as the emergency manager of DPS to control the district’s finances and budget.
- **2011**: Governor Rick Snyder appoints Roy Roberts as the emergency manager of DPS.
- **2011**: The Education Achievement Authority (EAA) is created through an interlocal agreement between Roberts and Eastern Michigan University and takes control of 15 of Detroit’s lowest-performing schools.
- **2015**: DPS net budget deficit (excluding pension deficit) rises to $806.4 million; When pension deficit is included, the total deficit exceeds $1.6 billion; Governor Rick Snyder appoints Darnell Earley as emergency manager.
- **2016**: Earley resigns; Gov. Snyder appoints Steven Rhodes as transition manager.
- **2016**: EAA does not succeed in improving results for schools it oversees; Eastern Michigan University’s Board of Regents votes to end its interlocal agreement with the EAA, effective June 30, 2017; all EAA schools will return to DPS in the 2017-18 school year.
- **2016**: Passage of HB 5384 provides $617 million in debt relief and restructuring of DPS.

*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 legislature\(^1\)

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

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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.
Acknowledgements

Bellwether Education Partners would like to express gratitude for the generous support from the Walton Family Foundation for this project.

We would also like to thank the following individuals who provided advice and thoughtful feedback on this project: Kristina Campa-Gruca, Excellent Schools Detroit; Dan Quisenberry, Michigan Association of Public School Academies; and Buzz Thomas, Thomas Consulting Group and former Michigan State Senator and Representative.

Bellwether contributors to this report include: Allison Baron; Phillip Burgoyne-Allen; Sarah Kramer; Ashley LiBetti Mitchel; and Andrew Rotherham.

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.