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## **Reforming Michigan's Charter Schools**

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## **Reforming Michigan's Charter Schools**

### **Introduction**

Michigan has long been on the forefront on implementing charter schools. A charter school, sometimes referred to as a public school academy, is a state-funded public school under the state constitution that is operated “under a charter contract issued by a public authorizing body” (“Michigan Public Academies (Charter Schools)). It was one of the first 10 states to create charter schools, with Michigan permitting charter schools in 1993 (Center for Education Reform). In 2011 Senate Bill 618 eliminated the cap that the state placed on the number of charter schools allowed by the beginning of 2015 (SB 618). Since then, there has been an influx in the amount of charter schools in Michigan. The elimination of the cap on charter schools has been the most controversial part about the debate in Michigan. Proponents of banning the cap on charter schools argue that the freedom for school of choice should not be dictated by the state. With Michigan schools ranking in the bottom of national averages, charter schools are a way to reverse those rankings. Opponents of the implementation of charter schools in Michigan, like Amber Arellano who is the Executive Director of The Education Trust-Midwest, argue that charter schools are hindering Michigan students, especially of those who come from low socioeconomic areas and are disproportionately affecting African American and Mexican students. With mounting pressure from groups like the Education Trust-Midwest, what can be done to fix what seems like a broken system when outside players are affecting Michigan's

charter school policies? In this paper I will argue how the implementation of performance standards of charter schools, establishing a governing body for charters, and improving working conditions for teachers can help combat the negative performance of charter schools and offer an alternative for students across the state.

## **History**

Michigan currently permits three different types of charter schools across the state: urban high school academies, schools of excellence, “which includes cyber charter schools and public school academies which have met certain academic standards and converted to schools of excellence”, and strict discipline academies, “which serve a specific population of at-risk students and do not meet the federal definition of charter schools” (Thomsen). The state currently does not place a cap on the number of charter schools allowed to operate in Michigan but has implemented a cap of 15 on the number of cyber charter schools that the state will permit (Thomsen).

Any one person or entity is allowed to apply to open a charter school (Thomsen). In Michigan, an applicant can apply for charter to “local school boards, intermediate school boards, community colleges or state public universities, or two or more of these organizations operating under an inter-local agreement that is subject to state board of education review for compliance with law” (Thomsen). Although there is currently no statewide authorizing body that controls the limits of implementations of charter schools. A charter school applicant may be given priority during the application process if the proposed charter school would be replacing a charter school due to poor performance (Thomsen). Unlike some other states, if the local school board refuses to allow the charter school to open, the applicant may petition to have it placed on a local ballot (Thomsen).

Currently, charter schools in Michigan do not have to submit an annual progress report. However, “charter schools conduct an annual financial audit and must submit quarterly financial reports to the authorizing body.” Additionally, charter schools “must make certain information publicly available, including about the school's board of directors, health and safety reports, and a list of teachers and administrators and their salaries, among other things” (Thomsen). They must also report their management organization to the board of directors (Thomsen). The state will terminate a school's charter for one of five reasons. The first is that if a school fails to demonstrate “improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in the contract.” Secondly, a charter may be revoked if the school does not comply with all applicable law, third, if a charter fails “to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship.” If a charter school violates anything in the contract that would cause revocation, the contract may be terminated. Lastly, “a charter school's contract will be revoked at the end of a school year if the charter school has been among the lowest achieving 5% for at least 4 years” (Thomsen). So the charter schools in Michigan do abide by some governing rules, despite criticism Michigan receives for its free market chartering laws. Additionally, a charter school's board of directors must publicly disclose performance information that schools districts are required to disclose by law (Thomsen). Michigan's standards and assessments are applied to charter schools. However, some rules may be waved on a case-by-case basis from the state superintendent of public instruction (Thomsen).

Michigan's charter schools receive funding from the authorizer (Thomsen). This may be a point of contention in the Detroit Public School System since some believe that charter schools are taking money away from the schools that have been there for years (Gantert). Charter schools

in Michigan are not allowed to charge tuition because they are supposed to be public. Charter schools receive “a base per-pupil funding equal to that of the district in which the school is located, or the state maximum charter school allocation, whichever is less. Authorizers can collect 3% of funding for monitoring and administrative expenses. Charter schools may access state and federal grants in the same manner as local school districts” (Thomsen). This has created points of contention between public schools and charter schools because public schools have argued that charter schools have taken away their funding. With the elimination on caps of charter schools, there is more competition among public and charter schools, despite funds remaining stagnant. Land for charter schools is also tax exempt and the state does not specify who must provide transportation for charter school students (Thomsen).

Democratic legislators in the state have increasingly become dissatisfied with the free range that charter schools in Michigan have been permitted. Some legislators have turned to Massachusetts as an example of how Michigan should design its charter school program. Massachusetts recently voted against raising the amount of charter schools that the state should permit. Opponents of raising the number of charter schools in state worried that it would negatively affect the performance of its current charter schools. Currently, Massachusetts charter schools in the top sixth in the world in math, performs better than the national average of growth of reading scores, is second in the world in science, and leads in NAEP math scores for its 8<sup>th</sup> grade students (Arellano). While the data from The Education Trust-Midwest also shows that Michigan is one of six states that saw declines in fourth-grade reading performance from 2003-2013, Michigan’s third and eighth-grade students performed behind the national average in math scores, and overall NAEP scores for all students in fourth and eighth grade have decreased from 2003-2013 (Arellano). So what is Massachusetts doing differently than Michigan?

Some key differences between Michigan as Massachusetts's policies include charter school caps, the state board of education is the established statewide authorizing body, charters must submit annual progress reports, receive more public funding, and charter schools in Massachusetts are not exempt from collective bargaining agreements (Thomsen). This means that teachers may lobby for better benefits, something that was eliminated under Right to Work laws passed in Michigan. It is evident that Michigan public schools need reform, but what can be done to change the trend. I will argue in this next section that charter schools can combat growing declines in Michigan public schools with some policy recommendations to Michigan's current practices.

### **Evidence**

Many critics of charter schools have argued that the declining enrollment in Detroit Public Schools can be attributed to the expansion of charter schools in the area. "In the 2007-2008 school year, DPS had 102,494 students" (Gantert). In 2011 when the charter cap was lifted enrollment had decreased to 70,326 and in the 2015-16 school year, enrollment was 46,912 (Gantert). However, since 2011, the 25 new charter schools have attracted 7,500 students. When CLOSUP asked local officials in 2012 "For your community, what impact do you believe charter schools have had — or would have — on the academic achievement of K-12 students?" (CLOSUP). Across every jurisdiction types, there were high levels of very positive impact versus very negative impacts along with more local officials believing that charter schools had a somewhat positive impact on the academic achievement of K-12 students versus somewhat negative. Across every population size, the results were the same; there are higher levels of very positive versus very negative and higher satisfaction levels of somewhat positive versus very negative. Additionally, across every region of the state, the results were the same (CLOSUP).

This may be surprising to some anti-charter school advocates who say that local officials in the Southeast Lower Peninsula are negatively viewed in Detroit.

A study conducted at Stanford University's Center for Research on Education Outcomes (CREDO) found that "on average, Detroit charter students experienced greater gains in learning than their conventional school counterparts. About half of Detroit charters performed significantly better than their local conventional schools, a few percent performed worse and the rest did not differ enough to draw conclusions" (Gantert). Additionally the same report found that "on average, charter school students in Detroit gain the equivalent of a few weeks to as much as several months of additional progress in reading and math compared to peers at Detroit district schools." (Gantert). With the implementation of governing board to continue to oversee operations of charter schools in the area, I believe that change is possible for those students who are struggling. The Michigan Department of education can therefore, start to revoke charters that have been failing or not seeing improvement in the area since Senate Bill 618 passed in 2011 and allow for the charter a school that will create growth.

Charter schools have not only had a beneficial effect on the Detroit area but also can improve the growing dissatisfaction statewide of local K-12 education systems. CLOSUP asked local officials "how good of a job does their local K-12 education system do in preparing students for college?" (CLOSUP). Local officials were asked this question in 2009 and again in 2012. The satisfaction among local officials decreased across every region of the state from 2009 to 2012. Satisfaction with local K-12 education systems decreased among every jurisdiction type (county, township, city, and village) from 2009 to 2012. Additionally, when the researchers organized the information by population size of the jurisdiction: <1500, 1500-5000, 5001-10000, 10001-30000, and >30000, the percentage of those who thought the their school districts were

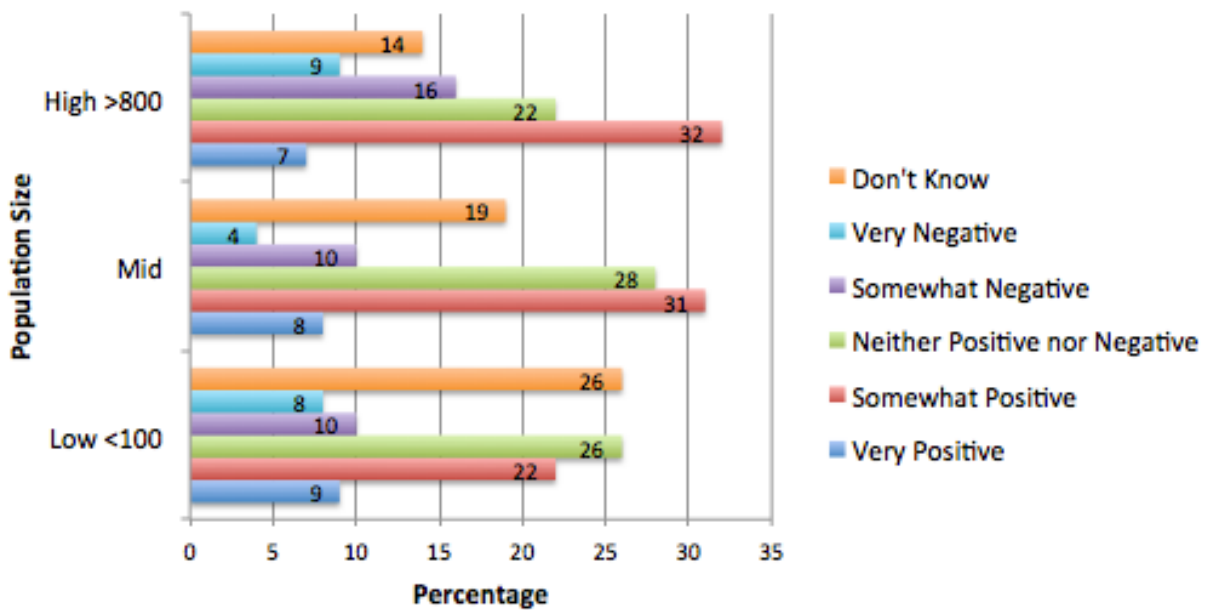
doing a very good job had decreased in every single population break from 2009 to 2012. The growing decrease in satisfaction of K-12 programs in local jurisdictions has led to a need for alternative options. The solution, I believe, can be found in charter schools.

Many of the data criticizing charter schools in Michigan fail to make an accurate assessment of socioeconomic background. After all, the students that I wish to focus on for the purpose of this paper are students from low-income homes and ways to increase performance standards in areas where traditional public schools are failing. The Mackinac Center for Public Policy is a group that does take socioeconomic background into consideration. Their data shows that “charters make up 11 percent of all elementary and middle schools but 15 percent of the top 100 schools in the state. Three of the state’s top 10 public elementary and middle schools are charters” (“School...”). Michigan’s charter schools have a lot to offer those students who are being disproportionately left behind in public school success. Therefore, the focus on charter schools should not be focused on those poor performing schools but as a group as a whole. Charters schools have a lot to offer students across the state. The argument should not be focused on how to eliminate charter schools but should address schools that are receiving failing marks in the Mackinac study. Michigan’s charter high schools are performing even better with “seven of the state’s 20 best-performing high schools are charters, including two in Detroit. That’s 35 percent of the top-20 list even though just 11 percent of the state’s public high schools are charters (“School...”). This proves that charter schools at all levels of K-12 education can be beneficial if properly implemented.



Impact on K12 achievement: Charter schools	Low <100	Mid	High >800	Grand Total
Very Positive	35916 9%	19034 8%	13845 7%	68795 8%
Somewhat Positive	87523 22%	77573 31%	59162 32%	224258 27%
Neither Positive nor Negative	102068 26%	69353 28%	41740 22%	213161 26%
Somewhat Negative	39404 10%	24479 10%	30829 16%	94712 11%
Very Negative	30084 8%	10690 4%	16491 9%	57265 7%
Don't Know	102450 26%	47497 19%	25406 14%	175353 21%
<b>Grand Total</b>	<b>397445</b> 100%	<b>248626</b> 100%	<b>187473</b> 100%	<b>833544</b> 100%

### Impact on K12 Achievement: Charter Schools



The Senate Fiscal Analysis says that the introduction of SB 618 “will reduce State and local revenue by an unknown amount that will depend on the number of properties affected as well as their specific characteristics” (Senate Fiscal Agency). Furthermore if there is a decrease “in revenue from mills levied for school operating purposes by local schools will require

increased expenditures from the School Aid Fund if per-pupil funding guarantees are to be maintained or, when combined with the reduced revenue from the State Education Tax, will require per pupil funding guarantees to be less than they would be absent the bill” (Senate Fiscal Agency). However, some people may argue that our state budget has not done enough to address going financial disparities among public schools and that school funding hasn’t really increased for school districts (Brush). Senate Bill 618 also removes collective bargaining which “will allow the PSA or SOE to set wages and benefits at levels other than those specified by existing collective bargaining agreements” (Senate Fiscal Agency). This may cause points of contention “if the wages and benefits offered to employees at these district-authorized PSAs or SOEs differ from those in place at the district” (Senate Fiscal Agency). This means that charter schools can offer teachers competitive wages to ensure that the best teachers come to or stay in Michigan. The State needs to create enticing working incentives for our teachers to ensure quality teachers will not be discouraged from teaching in Michigan. Better teachers in charter schools without any enrollment restriction means that all students can receive a good public education.

### **Recommendations and Conclusion**

During the summer of 2016, Michigan Republican Legislators were fighting amongst themselves about the details of the Detroit Public Schools Bailout Plan. Senate Republicans’ plan “would allow an appointed commission to close low-performing schools - both traditional public schools and charter academies” (Clark & Pluta). Which is “anathema to charter backers because the whole concept of charter schools is they fail or succeed based on the marketplace” (Clark & Pluta). Of course part of the division has to do a lot with the amount of money given to the House Caucus by influential donors such as the DeVos family (Henderson). My recommendation for the entire State of Michigan comes from a similar vein of the Senate Republicans. I believe

that the state should implement an appointed governing body, who is less likely to be swayed by big donors, to close low performing charter and public schools. That way Michigan's children do not suffer as a result of one's desire for a free market philosophy. The free market means that a school fails when it can no longer afford to function. Usually teachers are darting to get out of failing school systems, leaving classrooms crowded. This also means fewer resources for students. The whole point of eliminating caps and offering more choices is that Michigan students can succeed. If a moral argument is basis used to defend eliminating caps, then a counter moral argument can and should be made to create an appointed body to oversee failing school systems. The same superintendents who implement charters are the same ones who are not revoking charters. A governing body from outside of the district that can act without personal ties to the education system. Currently, there is a four-year wait period to shut down low performing charter schools. If a charter school has not increased performance standards or especially if it has decreased performance standards for the past three years, I believe that the school should receive a warning. If the charter school continues to underperform compared to other schools in the same district, then the governing body should take action.

The difficult question always follows about charter school standards is what those performance standards should be. I believe that because of the vast disparities across the state, that performance standards should be set by socioeconomic standards of the students in the district but also in consideration to state testing. Charter schools in rural Michigan and urban Detroit should not be measured on the same measurements as charter schools in the West Bloomfield and Bloomfield Hills. A charter school could be performing at the bottom 25% of the state yet be doing substantially better than any other school in its district when it comes to state testing. However, I think it should be a long-term goal of state policy to eliminate the differences

of public education in different parts of the state. I wholeheartedly believe that charter schools can be the way to eliminate differences by offering better options and providing upward mobility for students in perpetually failing school systems. State testing is a good guideline to measuring growth of a district but does not tell the whole story. I think it is also important to look at retention rates of schools and the percentage of students who are graduating from high school in district. If a school is on the brink of being closed, it will be very difficult for that school to provide the materials necessary to keep kids tuned into school. If kids are graduating and not graduating with skills needed to enter the workforce after high school or to apply to one of our many colleges then our state will not continue to grow. Michigan needs its students to graduate from high school, enroll in institutions of higher education, and stay here in Michigan to help with job innovation. The high paying manufacturing jobs that were once promised to our parents and grandparents are no longer available for children today.

It is important to acknowledge charter schools that are performing in the top quarter of the state. These schools are an alternative for students who are suffering in low performing districts that cannot offer the resources students need to be successful in the future. If the governing board were to take disciplinary action to the bottom 5%, of schools, Michigan could see progress overtime. There are some great public schools in Michigan but unfortunately not every student has the option to leave their district. Replacing failing public schools with charter schools that can offer teachers competitive salaries by eliminating collective bargaining and replacing teachers on strike can be beneficial to students and the teachers. When Louisiana removed caps on charter schools after Hurricane Katrina, people were worried. Again, the DeVos family was apart of the passing of this legislation. However, 10 years later and New Orleans is almost entirely run by charter schools, over 90% (Toch). The number of New Orleans

students passing the state's standardized tests has nearly doubled and graduation rates have significantly increased (Toch). So what is the main difference compared to Michigan? There is a statewide governing body. The governing body can ensure that performance standards are met and why I so heavily emphasize it in my policy recommendations.

Schools where students are performing well or are showing growth are more marketable for teachers. It is difficult to pitch a failing school system to a teacher. By increasing and implementing performance standards in the growing amount of charter schools in Michigan, the state can ensure that its students are receiving the best teachers. The teachers are key to students being able to grow. It is important to make are schools marketable so that schools across the state can work to eliminate performance discrepancies and that Michigan schools can be the force of change for future generations to come.

### **Why Michigan's Model Matters**

Michigan's charter schools have faced national attention since the appointment of Betsy DeVos as the Secretary of Education of Donald Trump's administration. In addition to donating to members of the Michigan House after the DPS vote, "DeVos caused controversy when in 2000 she funded an unsuccessful statewide ballot initiative to amend the state Constitution to allow tax dollars to be used for private school tuition through education vouchers" (Livengood et al). Also DeVos play in role in making Michigan "a right-to-work state, eliminating work rules that made financial support of unions a condition of employment for teachers in public schools. Teachers are not permitted to go on strike and to collective bargain" (Livengood et al). Betsy has "disavowed Common Core and is a staunch advocate of charter schools. DeVos sits on the board of the Great Lakes Education Project, which advocates for school choice and charters in Michigan" (Livengood et al). However, she was also involved in the success in New Orleans.

There are different ways that Betsy can take the current educational model of the United States. She can advocate for the elimination of caps of charter schools which can provide mobilization for students across the United States like she has done in Michigan but allow states to appoint their governing bodies to look over the program like Louisiana and Massachusetts has but Michigan has failed to do. Doing so, I argue, can help to eliminate the disparities that we not only face in Michigan but across the United States. Choice can be a powerful resource for families who do not have it. Overall, I suspect to see an influx of charter schools under Donald Trump and Betsy DeVos. I would advise them that the free market model could be costly to students in rural or overcrowded urban areas and that high quantity should be tried to best be matched with high quality schools.

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