

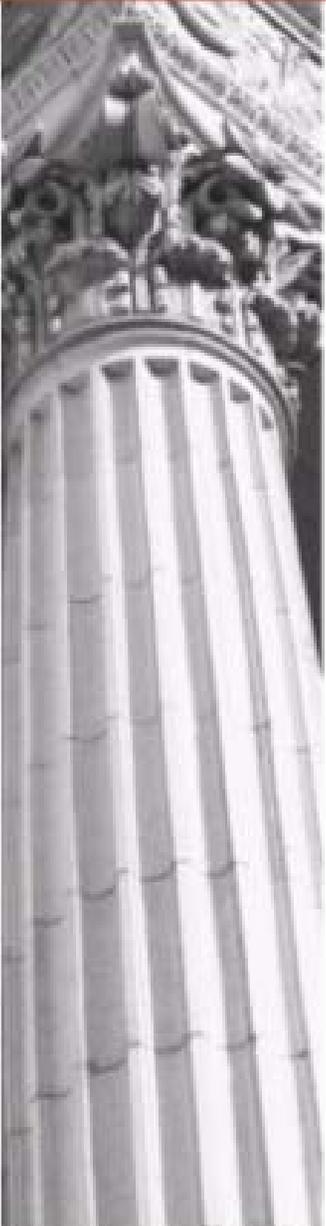


Nontraditional K-12 Schools

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- Nonpartisan
- Private not-for-profit
- Promotes sound policy for state and local governments through factual research
- Relies on charitable contributions from Michigan foundations, businesses, and individuals
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CRC's Education Project

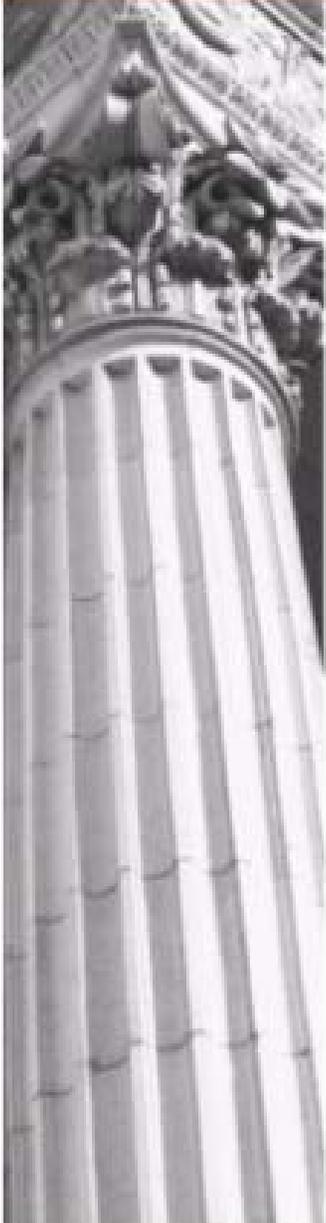
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Nontraditional Schools

- Charter schools
- Private schools
- Homeschooling
- Virtual and cyber schools





Charter Schools

- Over 5,000 charter schools in 40 states and D.C. serve 1.5 million students.
- Michigan authorized charter schools in 1993 (Minnesota was first, in 1991).
- Federal policy encourages the growth of charter schools.
 - Restructuring of failing traditional schools through replacement with a charter school.
 - \$16.8 m grant from US Dept of Ed to MI to increase charter school options (Aug. 2010).
 - Various other federal grant and loan programs.



Arguments for Charter Schools

- School choice
- The need to attract students ensures quality
- Competition will improve traditional schools
- Increase access to quality education
- Free from bureaucratic rules, greater autonomy;
Site based management
- New professional opportunities for teachers
- Innovation in teaching practices
- May use nationally proven curricula and rules
- More ability to hire and fire teachers
- Accountability measured by academic results
- Can be closed by authorizer if performance is unacceptable



From a Parent's Perspective

- Alternative to traditional public schools (TPSs)
- Tuition free
- May have an academic specialty (college prep, fine arts, science and technology, vocational instruction, service and leadership, cultural immersion, strict discipline, cyber classes, etc.)
- May target certain students (e.g. dropouts, expelled students)
- Classes tend to be smaller
- May have longer school days and/or years
- Provide safer, more nurturing environments for students; mentoring relationships; character development
- Encourage parent and community involvement



Arguments against Charter Schools

- Reduce funding for traditional schools
- Focus should be on improving schools for all students
- Reforms and models can be implemented in TPSs
- PSAs skim students who are cheaper or easier to educate
- Teachers generally are not protected by union contracts
- Lack public oversight (PSA boards are not elected)
- Authorizers are not quick enough to terminate contracts where warranted
- For-profit management companies benefit



Arguments against Charter Schools

- **Academic achievement is not universally better than in traditional schools**
- **A 2009 CREDO analysis found that**
 - **17% of charter schools provide superior education**
 - **46% have results that are the same as the local public schools**
 - **37% have results that are significantly worse than the local public schools**



Overview: Charter Schools in Michigan

- “Public School Academies” (PSAs)
- Per pupil allocation through the state School Aid Fund, may not charge tuition
- May not be affiliated with a religion
- Chartered by an authorizer
- Independently managed, with an appointed board of directors
- Teachers must be certified
- Students are subject to state testing requirements
- PSA high school students are subject to Michigan Merit Curriculum requirements



The Numbers in Michigan

- 241 PSAs served 103,000 students in 2009
- 23 traditional school districts contain 3 or more PSAs
- There are 50 PSAs in Detroit
- The top ranked district/PSA on the 2009 MEAP was Eagle Crest Charter Academy (96.7% advanced or proficient)
- 13 of the top 25 school districts measured by MEAP performance in 2009 were charters (7 were managed by National Heritage Academies)
- 34 PSAs have been closed for various reasons



Potential Authorizers

- **Public universities, anywhere in the state**
- **Community colleges, in their own districts**
- **A federal tribally controlled community college, anywhere in the state**
- **Intermediate school districts, in their own districts**
- **Traditional K-12 school districts, in their own districts**



Role of Authorizers

- **Negotiate and monitor contracts with PSAs**
- **Provide oversight, ensure accountability**
- **Act as fiduciaries (3% fee)**
- **May offer other services on a fee basis**
- **Determine whether a contract should be renewed, revised, revoked, or terminated**



Tensions Inherent in Oversight

- **Intrusive control may stifle innovation.**
- **Lax control may allow an inferior educational experience.**
- **In Michigan, PSAs have been closed because of governance, finances, academic performance, facilities, and/or enrollment.**
- **New rules will force the closure of failing PSAs (those open at least 4 years, in at least the 2nd year of restructuring, and among the lowest achieving 5% of all public schools).**



The Charter School Cap

- Universities were previously limited to issuing a total of 150 charters
- 2010 changes to the Revised School Code
 - Passed to qualify for Race to the Top funds
 - Allow high quality charters to convert to “schools of excellence”
 - Potentially allows for unlimited charter expansion, based on quality performance
 - Allows 10 new schools of excellence that model high performing charters
 - Provides for 2 K-12 cyber charters aimed at dropouts



Superintendent of Public Instruction

- **Responsible for oversight of authorizing entities-may suspend the power of an authorizing entity that is not engaging in appropriate oversight to issue new contracts**
- **Must notify the authorizer of any PSA that is among the lowest achieving 5% and that meets other specified conditions; the authorizer must close that school at the end of the school year**



Application for a Charter: Required Content

- Identification of the applicant
- Proposed board members, their qualifications, and the method of appointment
- Proposed articles of incorporation
- Proposed by-laws
- Governance structure and staff responsibilities
- Educational goals, curricula, and assessment methods
- Admissions policy
- School calendar and daily schedule
- Age or grade range
- Address and description of site
- Other



PSA Board of Directors

- **PSA board members**
 - **Appointed, not elected by voters**
 - **Public officials, take an oath of office**
- **Role of PSA boards**
 - **Ensure that PSA abides by federal and state law**
 - **Ensure that PSA abides by contract**
 - **Make policy within constraints set by law and charter**
 - **May contract with a for-profit or nonprofit management company for some services or for complete operation**
- **Concerns about the independence of some boards**



Funding for Operations

- State per pupil funding paid to the authorizer
- In 2010:
 - Maximum foundation grant for PSAs - \$7,580
 - Basic foundation grant for traditional schools - \$8,489
- Authorizer may charge an administrative fee of up to 3%.
- PSAs are eligible for categorical aid and federal funds.
- PSAs may receive private donations from corporations, foundations, and individuals.
- PSAs do not have taxing authority.



Facilities

- In general, a PSA may only operate one configuration of grades at a site.
- May own or lease buildings.
- State foundation grant does not include a separate component for facilities.
- Funding for facilities is problematical, though grant and loan programs are available.
 - MI allows PSAs to issue government backed, tax-exempt bonds
 - Federal Credit Enhancement for Charter Schools Facilities Program
 - Public and private grants



Management

- May be self-managed
- May contract with a for-profit or nonprofit organization to provide one or more services
 - Authorizer
 - ISD
 - Management companies (education service providers)

Charter management organizations (nonprofit)

Education management organizations (for-profit)

- Other



Management Companies

- Allow charter holders to select national models or a local provider of specific services
- 53 education service providers each provide services to from 1 to 35 PSAs in MI.
 - National Heritage Academies (35 schools in MI, incl. 7 of top 25 MEAP score schools)
 - Leona Group (16 schools in MI)
 - Mosaica Education (11 schools in MI)
 - Charter School Administration Services (10 schools)
- Develop and try to replicate a standard education model
- Need better data on effectiveness of models



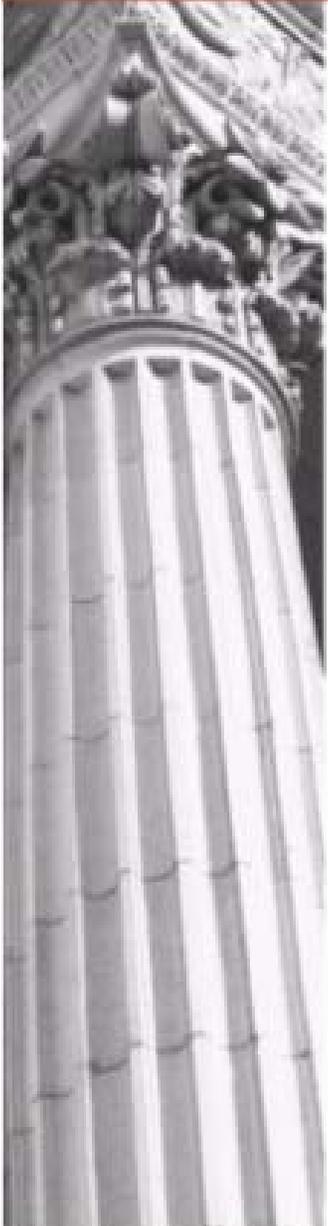
Standard Education Model

- Curriculum
- Instruction practices
- School day, school year
- Dress code for students
- Student support services
- Governance
- Accounting
- Facility management
- Personnel management and professional development
- Student assessment tools
- Parent, family, and community development
- School marketing



Traits of Highest Performing Charter Schools

- More classroom time
- Rigorous academics
- Extra demands on teachers
- More commitment from families
- Private donations
- School culture of excellence
- Concrete and clear mission





Financial Reporting

- **Must follow generally accepted accounting practices**
- **Must adopt an annual balanced budget**
- **Must have an annual audit of financial accounting records**
- **Must submit an annual comprehensive financial report**



Staff

- **PSA teachers must be certified.**
- **Generally lower student-teacher ratios in PSAs.**
- **High performing PSAs demand more of teachers.**
- **Most teachers in PSAs are not unionized but in PSAs that are authorized by a TSD, teachers are covered by that district's union contract.**
- **The ability to hire and fire staff is considered crucial to effectiveness.**
- **Beginning teacher salaries and benefits are roughly similar in PSAs and TPSs, but TPS teachers generally have more seniority, resulting in higher average pay.**
- **PSA teacher turnover tends to be higher.**
- **PSAs tend to have fewer administrators, may rely more on volunteers.**



Curriculum

- High performing PSAs have rigorous academic classes.
- PSAs may offer a special emphasis (Montessori, fine arts, science and math, technology, service and leadership, college prep, vocational training, cultural immersion, strict discipline, cyber classes, etc.).
- PSAs have greater latitude to select among curriculum materials than do schools that are part of a larger district.
- PSA students take MEAP and MI Merit Exams.
- Michigan Merit Curriculum will apply to high school PSAs (Class of 2011).



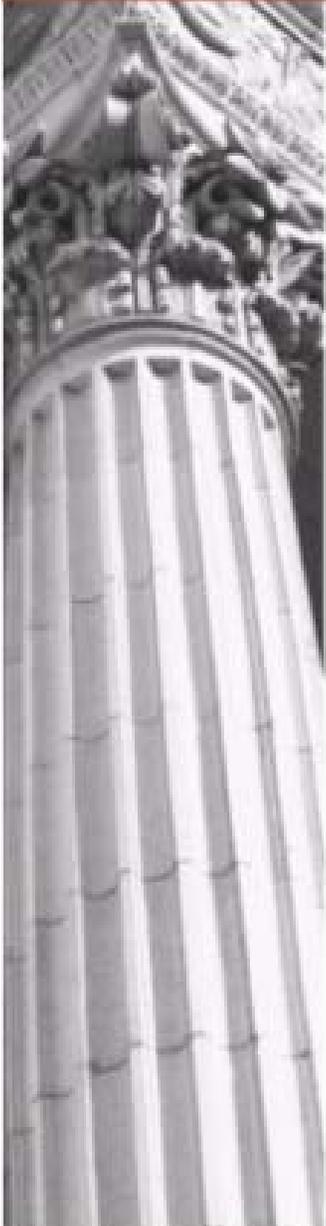
Students

- PSAs cannot discriminate in admissions.
- Prior year students have priority.
- Siblings of students may be given priority.
- Lottery or blind draw must be used if there are more applicants than spaces.
- 9% receive special education.
- 64% qualify for free or reduced price lunch.
- Reflect racial characteristics of cluster districts.
- 2/3 of PSAs have waiting lists.



Academic Performance

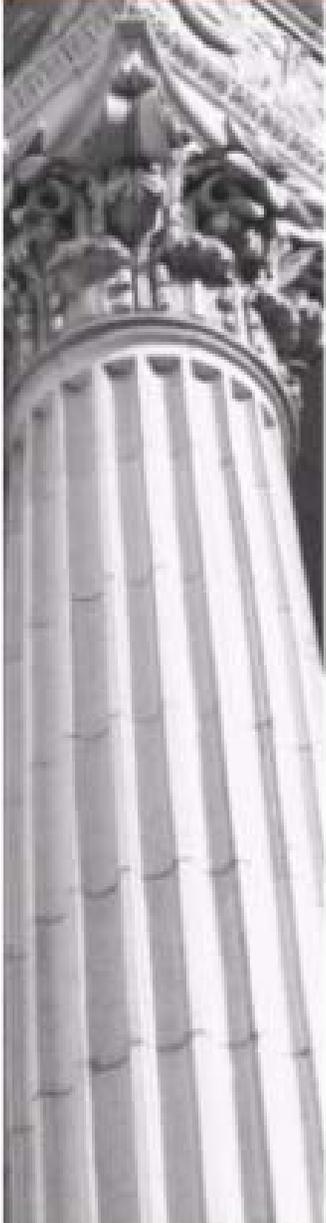
- On average, academic performance is above the host district, but below the statewide average
- In general, charter schools are more effective for more low income, lower achieving students
- African-American males in PSAs have outperformed the statewide average for African-American males on the MEAP
- 62 of 241 PSAs exceeded the statewide average proficiency on all MEAP tests in 2009
- 72% of PSAs made AYP (86% of TPSs made AYP)
- 56% graduation rate
 - Some PSA high schools target dropouts





Forms of PSAs

- **General public school academies**
- **Strict discipline academies**
- **Urban high school academies**
- **Schools of excellence**
- **Cyber charter schools**





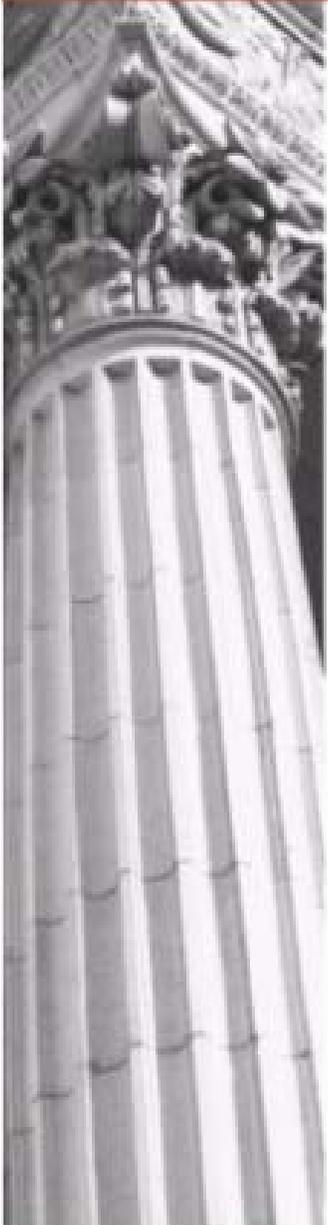
Effects on Traditional Schools

- Per pupil funding follows students to PSAs
- Where districts are growing, could relieve pressure for new buildings
- Competition for attracting students could force districts to improve
 - Research indicates those competitive strategies do not generally include more classroom resources
- May leave the most disadvantaged students clustered in the worst districts



Private Schools

- May be parochial or secular
- May have selective admissions criteria
- Charge tuition
- Teachers must be certified
- Curricula must be comparable to public schools
- 659 reporting schools had 130,000 students in 2009





Homeschooling

- **Nearly complete independence for homeschoolers who assert a sincerely held religious objection to certified teachers**
- **Homeschool teaching materials are readily available**
- **May attend public schools for some classes and activities**
- **No literacy test for parents**
- **No testing requirement for students**
- **No reporting requirements**



Virtual or Cyber Schools

- Internet based
- Michigan Virtual University
 - MI students must have an online learning experience for graduation.
 - Provides 150+ online courses.
 - Core, college equivalent, remedial, enrichment, language, etc.
 - Supplements offerings of K-12 schools.
 - Nonprofit, funded by state, tuition fees, and grants.
- Cyber schools offer full-time instruction.
 - Courses available 24/7.
 - Can accommodate accelerated, normal, or extended time work.
 - Some programs require periodic attendance on-site.
 - May be targeted at those who dropped out or were expelled.
 - 2 new K-12 cyber charter schools authorized under 2010 legislation.



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