\$3.00

Fall 2002

SHORT SUBJECTS

Two Michigan teachers received national awards in October. Jennifer Murphy, a fifth-grade teacher from South Lyon, and Stacy Smith, a fourth- and fifth-grade teacher from Detroit, received Milken Family Foundation awards, worth \$25,000 a piece. Only 100 teachers across the country receive the annual award for excellence in teaching.

Children attending National Heritage Academies charter schools for at least two years generally score higher on achievement tests than their public school peers, according to a recent study conducted by Hillsdale College. To read the study visit www.heritageacademies.com/hillsdale.pdf.

On Nov. 5 voters defeated Proposal 4, the ballot initiative that would have redirected Michigan's share of tobacco settlement money from scholarships to health-related programs. Currently, much of the settlement funds are being used to provide college scholarships to high school students who perform well on Michigan Educational Assessment Program (MEAP) tests.

The 9th edition of the Report Card on American Education was released by the American Legislative Exchange Council (ALEC) in October. ALEC's findings show that despite a 22.6 percent increase in federal spending on education over the past 20 years, student test scores are not improving. For more information visit www.alec.org.

Students in unsafe schools will have educational options, under a provision of the new federal education law, the No Child Left Behind Act. The provision states that students attending "persistently dangerous" schools must be allowed to transfer to another school in the district.

Lawsuits seeking to remove state constitutional barriers to school choice programs were filed recently in Washington State, Maine, and two other states by the Institute for Justice. The Institute played a crucial role in the recent U.S. Supreme Court case upholding Ohio's school voucher program. For more information, visit www.ij.org/cases/school.

JON PROFIT ORG.
U.S. POSTAGE
PAID
Fenton, MI
Permit #1776

Mackinac Center for Public Policy 140 West Main Street P.O. Box 568 Midland, Michigan 48640

Financial scandals exposed in Michigan school districts

Teachers, student programs suffer as district officials bilk millions from schools

Recent investigations have revealed a rash of irregularities in public school financial audits, particularly in the Metro Detroit area. Many of the districts involved in financial scandals are cutting student programs, initiating staff layoffs, and increasing taxes.

"Maybe if the district watched its money a little closer, the children would have all the books they need," Gladys Sabbath, a grandmother of River Rouge School District students, told *The Detroit News* in regard to a recently-exposed incident.

The recent scandals demonstrate that the current system of financial accountability is leaving much room for abuse. State law requires school districts to operate with balanced budgets and hire outside parties Scandal continued on page 2



Recent school district financial scandals have deprived Michigan classrooms of millions of dollars. See above for full story.

EEOC complaint prompts NEA to allow religious objectors to opt out of paying union dues

The National Education Association (NEA), along with its Ohio affiliates, recently announced an agreement to allow "reasonable accommodation" to teachers and other school employees who object to union membership on religious grounds. As a result, teachers in Ohio who raise religious objections to union political and social causes will not be forced to file annual objections, which the union had required.

The school employee union's decision was prompted by an Equal Employment Opportunity Commission (EEOC) ruling earlier this year that found the union guilty of harassing and discriminating against teachers who raise spiritual and moral objections to union political efforts that are supported with their dues money.

The EEOC ruling came after Ohio teacher Dennis Robey filed discrimination charges against the union after he was harassed for voicing his objections to the NEA's support of what he characterized as "pro-abortion, pro-homosexuality positions" and constant attempts to undermine parental rights.

Under the law, Robey had the right not only to object to the political expenditures, but also to resign from the union outright. All of Robey's dues that would regularly go to the union will instead go to a politically and religiously neutral charity agreed to by Robey and the union.

The EEOC said the NEA violated the religious discrimination clause of Title VII of the federal Civil Rights Act of 1964 by requiring members to complete annual invasive questionnaires when they sought to direct their dues toward a charity rather than toward the union's political causes.

NEA continued on page 4

Grand Rapids district parts ways with school board associations

Board saves \$17,000 by forgoing memberships

The Grand Rapids school board voted this October to forgo membership in the Michigan Association of School Boards (MASB) and the National Association of School Boards (NASB), saving over \$17,000 in district funds.

The MASB is the state's largest organization of school board members. Membership in the MASB allows school boards to obtain membership in the National Association of School Boards. The Grand Rapids district is one of the few districts in the state to opt out of MASB and NASB.

The close 5-4 vote came after board member Jeff Steinport voiced his concern over sending taxpayer funds to an organization that did little for the board, especially in light of last year's \$1.6 million school budget deficit.

"It is wrong for the board to spend this money while the district cries poverty," Steinport told *Michigan Education Report*. "There are better uses for \$17,000."

However, opposing board members felt the association memberships benefited the board by providing services such as

Board continued on page 2

Education at a Glance

Child has special needs/disability Student behavior problems at school Other problems with available schools School does not challenge child Object to what school teaches To develop character/morality Family reasons Poor learning environment at school Religious reasons Can give child better education at home

Note: Percentages do not add to 100 because respondents could give more than one reason. Source: U.S. Department of Education and Michigan Department of Education, National Center for Education Statistics, Parent Survey of the National Household Education Surveys Program, 1999; www.nces.ed.gov/pubs2001/HomeSchool/reasons.asp

2 Michigan Education Report www.educationreport.org Fall 2002

Scandal

continued from page 1

to conduct annual audits. Districts facing deficits must submit a debt-reduction plan to the state, or risk being placed on a "watch list" for financially troubled schools.

River Rouge: Selling student programs down the river

Earlier this year, four River Rouge school officials were suspended after a district investigation found \$1 million in potential financial irregularities. Yet, at the same time, district officials lamented state budget cuts and threatened to cut a school reading program due to budget constraints. In addition, the district showed aboveaverage expenditures and below-average student performance when compared to peer districts.

The River Rouge scandal was reported in The Detroit News and Detroit Free Press. A report released by the district showed hundreds of thousands in funds spent without proper school board approval, most at the discretion of Superintendent Benjamin Benford II.

The findings, reported in the Detroit Free *Press* included:

- Over \$350,000 spent on TV studio and athletic equipment purchased without required competitive bids and without school board approval. School officials reported that much of the equipment was missing.
- For three consecutive years, Benford received pay raises between 14 percent and 30 percent above what the school board had approved. His salary in the 2001-02 school year was approved at \$134,293, but Benford received over \$190,000.
- The sale of a district high school property went to a long-time associate of Benford's for well under its market value. In addition, the same associate was paid nearly \$40,000 by the district for unsubstantiated
- District records showed Benford's son being paid a full-time wage by the district for three years, but do not verify whether he actually performed work during that time period. Moreover, if the schools employed Benford's son, he was employed in violation of a district policy that prohibits hiring relatives of the superintendent or school board.

During the same time period these questionable financial decisions were being made and carried out, River Rouge school officials were voicing concern over state education funding reductions and threatened to cut a district reading program for elementary students.

In 2001, River Rouge received \$189,258 in state funds for an elementary reading program; the funds were added to nearly

\$50,000 in local money, according to a Free Press report.

When the state threatened to cut funding for the program due to a state budget crisis, district curriculum director Marie Miller told the Free Press that the program, which served 540 River Rouge children, would have to be scaled back due to budget

We are struggling to improve student achievement, so [the program is] one more step to move us in that positive direction," she told the Free Press. "Without those funds, we'll have to cut the program by two-thirds."

According to Standard and Poor's (S&P) School Evaluation Services (www. ses.standardandpoors.com), a comprehensive analysis of Michigan public school achievement and finances, River Rouge spends significantly more than similarsized school districts, while producing lower-than-average student performance on Michigan Educational Assessment Program (MEAP) tests.

"Relative to other K-12 school districts in Michigan, River Rouge School District generates exceptionally below-average student results with well above-average spending per student," the S&P analysis states. "The proportion of MEAP tests taken by students in River Rouge School District that meet or exceed state standards is 37.6 [percent]."

Hence, as River Rouge students suffered with threatened program cuts and lower-than-average test scores, school officials were allegedly stealing from district

Detroit Public Schools: Years of scandals, teacher layoffs, program cuts

Over the last two decades, audits of Detroit Public Schools have uncovered a myriad of irregularities, from misplaced receipts for school supplies to a complex bribery scheme involving a contractor who provided milk to district schools.

In 2001, the Michigan Supreme Court refused to hear an appeal by Detroit Public Schools, forcing the district to pay an \$11.1million judgment for a mid-1980s bribery scheme that sent a former school board president to prison, according to the Detroit

In 2002, the Detroit Free Press reported that audits of Detroit schools showed over \$305,000 in school money missing and hundreds of thousands of dollars more misspent and misappropriated.

S&P reports that, "Relative to other K-12 school districts in Michigan, Detroit Public Schools generates well below-average student results with well above-average spending per student."

While Detroit school officials were mismanaging school funds, the district was spending more than other districts and providing poorer education, scaling back teaching positions and cutting programs.

East Detroit: Financial scandals bring criminal charges; district cuts jobs, student programs

East Detroit Public Schools offers the most egregious example of district financial

Audits of the district in recent years uncovered a rash of misspent funds, including a complex bribery scheme involving several school officials, private contractors, and over \$1 million spent on unfinished school construction projects, and over \$6 million in cost overruns.

In 1996, East Detroit voters approved a \$28-million bond for school construction and maintenance. Years later, audits showed millions of dollars were wasted and embezzled in a complex scheme between school officials and contractors working on district buildings. School officials received trips to Las Vegas and cash from contractors in return for obtaining district contracts for a construction company.

At the end of the 1999-2000 fiscal year, auditors condemned the district's financial practices and uncovered a \$2.4-million deficit, according to the Detroit Free Press. The deficit led to the elimination 37 district jobs and the closure of school technology programs, in addition to unfinished school building projects.

School officials involved in the scandal

face prison sentences for racketeering and other charges.

S&P reports East Detroit offers "average student results with higher per-student spending" than its peers.

Numerous other district financial scandals were uncovered in Free Press reports, involving a variety of misspent and missing funds. Yet some state official seem to take the scandals in stride, even given the severity of the situation.

"People will be people," T. J. Bucholz, spokesman for the state Department of Education, told the Detroit Free Press. "Sometimes they are very honest and sometimes they will be otherwise."

Bucholz said school administrators may not deserve all the blame for the financial scandals.

"Sometimes it's not just the district personnel, sometimes it's the culture," he told the Free Press. "It's a culture that does not put children first, a culture that's more concerned about power and control and making sure the adults get paid."

State and federal investigations, and in some cases criminal charges, are pending in many of the financial scandal cases. And, many parents and taxpayers are encouraging state officials to consider revisions to the current system of school financial accountability.

Board

continued from page 1

legal assistance and by offering networking opportunities. They also worried that the decision might damage perception of the district, since the majority of Michigan school boards participate in the associa-

Board President Jim Rinck told the Grand Rapids Press he thought the vote was "amazingly short-sighted" adding, "I can't imagine how it will help us to make us look like isolationists. This is going to cost us a heck of a lot more in terms of reputation and effectiveness."

But Steinport disagreed, saying membership in the associations provided few useful services to the board and constituted an irresponsible use of school funding that could be spent in the classroom.

"Our legal title is 'Trustee,' and we're entrusted with taxpayer dollars," Steinport "This is one of the line items the board spends on itself, and I don't see the benefit when all the association lobbies for is status."

The MASB is one of many resource organizations open to school board members around the state. One alternative is the Michigan School Board Leaders Association (MSBLA). MSBLA dues are \$25 per school board member.

For more information on MASB, visit www.masb.org.

For more information on MSBLA, visit www.msbla.org.

MICHIGAN EDUCATION REPORT

Elizabeth H. Moser Managing Editor

Samuel A. Walker Editor

Daniel E. Montgomery Graphic Designer

Neil Block Special Contributor

Michigan Education Report is a news and analysis quarterly published by the Mackinac Center for Public Policy, a nonprofit, nonpartisan research and educational institute devoted to analyzing Michigan public policy issues. Michigan Education Report is received by over 130,000 Michigan teachers, administrators, school board members, policy experts, and elected officials. Copyright © 2002. All rights reserved. Permission to reprint any article contained herein must be obtained from Michigan Education Report. Please contact the editor at

> Michigan Education Report • 140 West Main Street • P.O. Box 568 Midland, Michigan 48640 (989) 631-0900 • Fax (989) 631-0964 www.EducationReport.org • MER@EducationReport.org



HILLSDALE ACADEMY is pleased to offer the Hillsdale Academy Reference Guide.

The *Guide* outlines the proven academic curriculum used by our teachers at Hillsdale Academy for grades K-8. Based on results from the Iowa Tests of Basic Skills, these fundamentals work: Our students consistently score in the top four percent nationally.

Designed to foster values-centered education among public and private school administrators, teachers, and organizations interested in establishing independent schools or improving existing ones, the *Guide* is available for \$175. This fee covers the following contents:

- Reading Lists
- K-8 Curriculum Outline School Culture Document · Parents' Handbook

	te package for \$175 be Only for \$10
NAME Mr. Miss M	Irs. Dr. Is.
CITY/STATE/Z PHONE ())
□ My che	eck payable to <i>Hillsdale Academy</i> rence <i>Guide</i> is enclosed.
☐ Charg	e my: VISA / MASTERCARD / DISCOVER
Card No	Exp. Date
Signature/D:	ate
Hillsdale C	e: Hillsdale Academy Reference Guide, ollege, Dept. MER-2, Hillsdale, MI 49242 J. TOLL-FREE: 1-800-989-7323

LEGISLATIVE ACTION

Bill would allow home schoolers to participate in public school activities

Rep. Brian Palmer, R-Romeo, introduced a bill that would require public schools to allow home school students to participate in public school extracurricular programs.

House Bill 6251 would allow home school students to participate in any non-academic activity sponsored by or held on the property of their local school district. Such activities include a broad range of after school programs, sports, and certain school-sponsored clubs.

The bill was referred to the House Education Committee. www.michiganvotes.org/

Environmental education

bill.asp?ID=10649

curriculum may be mandated
House Bill 6437, introduced
in September by Rep. Chris Kolb,
D-Ann Arbor, would require public
and charter schools to provide "environmental education" on at least 10
days of the school year.

The bill would mandate that school districts work with the Department of Natural Resources and the Department of Environmental Quality to identify and approve curricula on conservation, recycling and land preservation.

The environmental curriculum could be integrated into another subject such as science, social studies.

The bill was referred to the House Education Committee.

www.michiganvotes.org/bill.asp?ID=12446

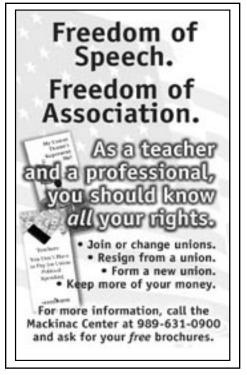
Voluntary contributions to public schools

House Bill 6370, introduced in September by Rep. Robert Gosselin, R-Troy, would allow taxpayers to voluntarily contribute money to their local school district via their local property tax bills. Taxpayers desiring to donate funds could check a box on their tax bill to donate extra funds to local schools.

School districts could use the additional funds only for general operating expenses.

The bill was referred to the House Tax Policy Committee. www.michiganvotes.org/bill.asp?ID=12379

For more information on these and other bills, visit **www.michiganvotes.org** to view history and analysis by bill number, sponsor, or subject.



No Child Left Behind law demands "adequate yearly progress" and offers school choice options for parents

Michigan slow to enact new federal law

Failing schools will now be required to transfer children to other schools if parents request it, according to the new No Child Left Behind Act signed by President Bush last January. This is just one of many provisions in the new law, designed to give parents more of a choice in the education their children receive.

According to No Child Left Behind, schools must make "adequate yearly progress" (AYP) in reading and math achievement, a measure determined by the state board of education. While each state can determine what constitutes AYP, the federal government demands that all schools report a 100 percent proficiency in reading and math by the 2013-14 academic year. Schools that fail to meet their annual goal for two or more years in a row risk a number of increasingly harsh sanctions.

Earlier this year, the Michigan Department of Education published a list of 1,513 schools that are failing according to the Bush requirements, the greatest number of any state in the nation. The list represents over one-third of all Michigan's public schools.

Under the No Child Left Behind Act, school districts must notify parents if their children are in failing schools and that they have the option to transfer their children to other district schools. If parents choose to transfer their children, the failing district must pay for the attendant transportation costs by using part of their allotment of federal education dollars.

Schools that cannot admit all students from failing schools who wish to transfer must give first priority to the lowest achieving students from low-income families

Failing schools also must develop a two-year school improvement plan, and a portion of the school's federal funding must be allocated to professional development for teachers. Failing schools also will be provided technical assistance for academic improvement.

If a school does not meet the Bush requirement for adequate yearly progress for three consecutive years, students become eligible for "supplemental services," which include tutoring and other services outside the school, aimed at improving a student's achievement. Each state must establish an objective procedure for certifying qualified providers of supplementary services, and districts must use a portion of their federal funding to pay for these services.

To comply with this mandate, the Michigan Department of Education's Office of Field Services has developed a supplementary services application process that requires prospective providers to demonstrate how their program will improve reading and math achievement. Providers must have the goal of improving students' Michigan Education Assessment Program (MEAP) scores.

If a school fails to demonstrate AYP for four consecutive years, the sanctions become more severe. In addition to continuing to provide a transfer option and supplementary services to students, the school district must take greater action to improve the school, which they can do in a number of ways. For example, they may replace relevant school staff, implement new curriculum, decrease management authority at the school itself, appoint an outside expert to advise the school on how to improve, extend the school day or school year, or restructure the school entirely

If a school fails to meet AYP for five

Public School Choice Options under the No Child Left Behind Act

Schools that fail to make adequate yearly progress in academic achievement for two or more years must allow parents to transfer their children to better schools within the district or to other school districts, and school districts must inform parents of these rights.

Failing schools must use their allotment of federal education dollars to pay the transportation costs of children whose parents elect to send their children to other schools.

If a school district lacks space to take all students wishing to transfer in from failing schools, priority must be given to lowincome and low-achieving students.

Supplemental Services Options under the No Child Left Behind Act

Schools, which fail to meet "adequate yearly progress" in academic achievement for three or more years, must allow parents to select tutoring or other supplemental educational services for their children.

The state of Michigan must publish a list of approved supplemental service providers who have a record of improving student achievement.

School districts must pay for these services out of their federal funding allotment.

consecutive years, the school must be restructured, which can be accomplished by reopening it as a charter school, replacing the staff, contracting with a management company to operate the school, or turning the school over to the state.

While the changes outlined above are significant, they may not be implemented in a timely fashion. The first problem is that, by the beginning of this school year, some of the federal regulations regarding how states were to implement the new law had yet to be issued. This occurred in spite of the fact that the law demands that school improvement plans be in effect beginning with the current academic year.

This federal foot-dragging is having a domino effect in the states. In fact, in advising them of their obligations under the Act, Michigan Superintendent of Public Instruction Tom Watkins recently told local superintendents by letter that their school districts "will not be expected to implement" the school improvement provisions of the new federal law. To comply under these conditions, wrote Watkins, would be "a little like trying to land an airplane as the runway is being built."

But even as the foot-dragging spreads, don't expect states to pass up the additional federal dollars that come with the No Child Left Behind Act. According to the White House, Michigan will see its federal education funding jump by more than 30 percent between 2000 and 2002,

for a total of \$1.4 billion this year.

What changes this new money will bring to education in Michigan remains to be seen. Advocates of school choice hope it will be used to expand public school choice programs and educate parents about their rights under the Act.

But some administration officials are doubtful that the current Michigan Department of Education will go to great lengths to improve education and provide more options for parents and students, since Michigan already boasts of limited charter school and public schools-of-choice programs.

In fact, Susan Shafer, spokeswoman for Gov. John Engler, recently told *The Detroit News* "The way we see it, nothing much changes."

There can be no doubt, however, that the No Child Left Behind Act will codify limited public school choice into federal law. And that will be a positive change, not just for students in Michigan, but across the country.

NEA

continued from page 1

Employees who have sincerely held religious objections to joining or otherwise supporting a labor organization, and who make their objection known to the employer and union, have a statutory right under Title VII to a reasonable accommodation of their religious beliefs.

In addition, U.S. Supreme Court decisions have held that public employee unions can charge objecting nonmembers only for the costs of representing them in collective bargaining situations. Other fees for nonrepresentational activities, including political lobbying, are not chargeable to employees who resign their union memberships.

This is a right exercised by a number of Michigan teachers, including high school teacher Frank Dame, who resigned from the Michigan Education Association in 1998, objecting to the use of his dues for political purposes.

"I've read the resolutions that the MEA endorses, and they didn't speak for my beliefs," Dame told Michigan Education Report in 1998. "I don't want my money used to support some of those positions."

When the union refused to accept his resignation and refund his dues used for political purposes, Dame filed a complaint against the union with the Michigan Employment Relations Commission (MERC) and won.

The MERC ordered the unions to reimburse Dame, with interest, for any dues overcharges occurring from the time between his rejected resignation in April and his accepted resignation in August.

As for his lawsuit, Dame says, "I am extremely pleased that it resulted in bringing a measure of freedom to my fellow teachers who, like me, find themselves trapped in unwanted unions."

For additional information on the rights of teachers and religious objectors, visit www.mackinac.org/4098 and www.mackinac.org/2904.

WHAT'S NEXT IN EDUCATION?

the new journal, **Education Next** offers:

- engaging features
- ◆ major research findings
- and forums where contemporary issues are discussed.

It's information you can't afford to miss if you are concerned about the state of education in America.

The mayor of Oakland, Jerry Brown, explains why his city needs a publicly funded military academy.





Ludger Woessmann tells why some nations do better than others in math and science.



What county-fair judge would give a blue ribbon to a so-so cherry pie? According to Tom Loveless and Paul DiPerna, that is exactly what the federal school pickers have done.

PAYMENT OPTION

(J Bill my school/organization

☐ Enclosed check/money order

PD # __

□ Vea # __

Master Card # ...

Expiration Date

But don't take our word for it!

For a **free** sample copy or to subscribe, call 1-650-723-3373, or visit our website at www.educationnext.org

CONVERGENT

EDUCATION SERVICES

Technology Plan Development

Curriculum Alignment

Staff Development

Grant Writing

E-Rate Processing

In-building Infrastructure Designs

CAD Drafting

Local and Wide Area Networks

Network Operating Systems

Voice Systems

Video Distribution Systems

Fiber Ring Strategies

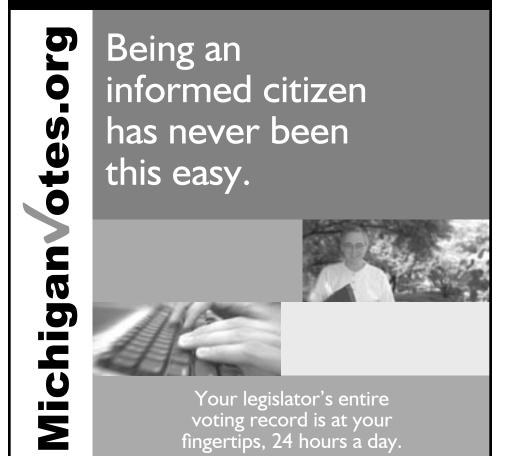
Campus Network Designs

Wireless Networking Technologies

Records Management

Call Judith Dimmer 810-720-3820 ext. 103

www.ctpartners.net





_ E-mail __

The Engler education legacy

As the era of Gov. John Engler passes into Michigan history, it would be well to take note of the administration's significant legacy with regard to education policy.

Under Engler's leadership, Michigan became one of the foremost states in education reform — 11th in the country, according to the Heritage Foundation's annual report on school choice in the states. He leaves office with a record of progress few will be able to match: a charter school movement that is alive and well, a more equitable perpupil school funding formula that dramatically reduced property taxes and guaranteed funding for all public schools, and a public school choice program that provides incentive for schools to compete for students.

Narrowly elected in 1990, Engler faced widespread public dissatisfaction with escalating property taxes to pay for schools, many low-performing schools, and little incentive for improvement. Calling Michigan's education system a "monopoly of mediocrity" early in his term, Engler set out to provide a better education for Michigan students.

Proposal A's origin: Lower taxes, guaranteed funding for schools

In the early 1990s, Michigan's property tax burden was 35 percent above the national average due in part to frequent and irregular local millage elections for education. Engler's administration, along with the Legislature, made attempts to lower property taxes for several years.

In 1993, the Michigan Legislature succeeded in drafting a plan to cut property taxes for education, a move which the *New York Times* called "the nation's most dramatic shift in a century" for school funding. Michigan voters approved the plan, Proposal A, as a

constitutional amendment in 1994.

Proposal A shifted the majority of school funding from local property taxes to the state sales tax, which increased from four to six cents per dollar.

The plan cut property taxes by a third, alleviated equity gaps in per-pupil funding between districts, and established a per-pupil funding guarantee for public schools.

Since the inception of Proposal A, revenues for public schooling have increased by more than 50 percent, from \$4,200 to \$6,700 per student — double the inflation rate.

The plan's per-pupil funding system, when combined with the public school choice plan enacted later, created the level of competition we see today among Michigan school districts.

Accountability by choice: Charters and public school choice

In late 1993 and early 1994, Engler signed into law provisions allowing the creation of public school academies, or charter schools. At the time, these laws were some of the most progressive education developments in the country, and they have since been replicated in other states.

Though opponents of greater school choice succeeded in placing a "cap" on the number of charter schools that could be opened, Michigan's charter school program now boasts over 180 schools, serving 66,000 students. Long waiting lists at a majority of charter schools attest to the need for more charters, and are putting pressure on the Legislature to raise the cap.

In 1996, Engler's administration implemented a limited public schools-of-choice program that allows students in participating districts to transfer to schools other than



their district-assigned school. Students may attend other schools in their own districts or schools in neighboring districts. In the 2000-01 school year, over 80 percent of Michigan schools participated in the program and 33,506 students took advantage of the choice options.

The competition from charters and among public schools has spurred improvement in public schools around the state. The increased choice options allow parents to hold schools accountable for performance. If one school fails to provide a quality education, the parent may send their student (and per-pupil funding) to a charter or other public school.

One example: Faced with competition from four nearby charter schools, Dearborn City Public Schools adopted new art, technology, and a host of other programs in addition to extending the school year and responding to parent requests. In doing so, the district increased its enrollment from 14,229 students in 1994-95 to 17,479 in 2000-01. The growth brought millions of additional dollars into district schools.

"We welcome competition," former Dearborn schools superintendent Dr. Jeremy Hughes said. "The reforms we've enacted would not have happened, at least not as fast, without competition."

Accountability by force: State takeover of school districts

Citing dismal student performance, Engler pushed a state takeover of Detroit schools in 1999, shifting decision-making power from the elected school board to then-Mayor Dennis Archer and an appointed board. In 1999, the Legislature also moved to take over Inkster schools, allowing Edison Schools, an educational management firm, to take over operation of the district.

Since then, Detroit schools have seen the implementation of a district-wide improvement plan, launched by Detroit schools CEO Kenneth Burnley. The plan includes new technology initiatives, efforts direct more money to the classroom through privatization of non-instructional services, and an active public relations campaign to promote the district and draw new students to Detroit schools.

Unfortunately, while the state takeovers have produced greater accountability, they have yet to improve student performance. Detroit and Inkster district student test scores have remained stagnant, even declining in some subjects, since 1999.

Other issues and accomplishments

In 1999, the Kids First! Yes! school voucher initiative was launched, which Engler publicly denounced, saying it had "no hope of passing." His disapproval led to a division within the Republican party — some siding with Engler and the rest, including then-Lt. Gov. Dick Posthumus — supporting the voucher proposal. The next year brought defeat of the measure by a greater than 2-to-1 margin. Engler's criticism of the voucher plan was a major factor in its defeat and polarized the issue of school vouchers, making promotion of expanded school choice options more difficult for education reform advocates.

Also in 2000, Governor Engler touted and encouraged the development of Michigan Virtual High School (MIVHS), which allows students to take high school and college courses over the Internet. The program allows students in rural districts and home schooled students access to courses that might not be available to them otherwise. MIVHS also offers Advanced Placement and courses to high school students around the state.

This year, Engler signed a bill that forced school property tax payments to be paid in the summer, avoiding (or at least postponing) a state budget crisis and guaranteeing that schools would have funding before the academic year began.

Engler's Critics and Failures

Proposal A did not pass without criticism, nor did charter schools or public school choice. In fact, all were passed in the face of extreme opposition; opposition that successfully watered down the latter two measures, and is still attempting to dilute the first.

For example, the recent election season brought much discussion of "tweaking" Proposal A to allow increased taxes for education.

On the charter front, despite the benefits to thousands of students, opponents still are trying to contain the movement by limiting the number of schools allowed by law. The issue has exacerbated the partisan split in the Legislature and even created rifts within the Michigan Republican Party.

Engler failed to fully implement a state-wide school accountability program and watched accountability plans languish in the state board of education for years.

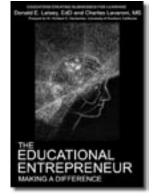
In his 2002 State of the State address, Engler blamed the board: "I don't have to wait until 2006 to give this State Board their final grade on accountability. They deserve an 'F.'"

Overall, many education leaders say John Engler has been one of the most effective governors for the state and in the country.

Mike Flanagan, executive director of the Michigan Association of School Administrators, exclaimed, "This year all kids in the state will have at least \$6,700 of support. Who could have ever imagined! Gov. Engler deserves a lot of credit for getting us closer to equity for all kids."

Engler leaves behind an education system that is still in need of expanded school choice options and accountability for student achievement; nevertheless, his noteworthy efforts on behalf of Michigan students and taxpayers leave large shoes to fill for his successor, Governor-elect Jennifer Granholm. With Proposal A and Michigan's limited school choice programs as his primary legacy, Engler will go down in history as one of the country's most innovative education reformers.

The Educational Entrepreneur: Making A Difference By Donald E. Leisey, EdD, and Charles Lavaroni, MS



The authors, former public school superintendents and private school owners, celebrate the lives of twenty two educators who have built a wide variety of successful businesses for improving education and learning.

Learn how these men and women focused their passion to create exciting programs, products, services or technologies that enhance learning experiences for students.

A <u>MUST READ</u> FOR ANYONE INTERESTED IN IMPROVING EDUCATION

Visit our web site at www.edentrepreneurs.org

Bring a World of Ideas and the Ideas of the World Into Your Classroom! EXPLORE THE WORLD & I EDUCATION PROGRAM! TRIAL ISSUE THE UNIMATE RESOURCE Each 350 page monthly issue of The World & I and its accompanying Teacher's Guide bring leading experts and scholars into your school for a spirited debate of current events. You'll motivate and enrich students with over 40 relevant and compelling articles on cutting-edge developments in world affairs, science and technology, cultural and geographical studies, philosophy, and the arts, and more. FREE ACCESS TO ON-LINE ARCHIVES Gain access to five years' worth of articles in our on-line database at www.worldandi.com with your print subscription. Find an article to support your lesson plan anytime, day or night, with this quick and effective on-line resource. Call 1-800-822-2822 for your risk-free trial issue or order on-line at www.worldandi.com!

Charter school boasts high test scores, innovative learning methods

Black River Public School students perform above state and local averages

Black River Public School, established in Holland, Mich. in 1996, is the kind of charter school parents are looking for when they take their children out of the traditional public school setting. It offers innovative programs and a unique educational experience that is spurring high student achievement. And that makes parents very happy.

So happy, in fact, that student enrollment has nearly doubled since the school opened in the 1996-1997 school year.

Black River's 420 fourth- through twelfth-grade students attend classes in a grand, marble-floored historic building, donated by BASF, a worldwide chemical company, in 1999.

The school, chartered by Grand Valley State University (GVSU), uses a college preparatory curriculum, emphasizes foreign languages, schedules longer class periods, offers Advanced Placement (AP) courses, and gives students the chance to engage in a host of hands-on activities.

Black River's curriculum consists of core classes including English, mathematics, history, government, natural sciences, musical and performing arts, and foreign language. All core class sizes are kept small, between 18 and 20 students, and are held in 85-minute sessions, instead of the traditional 40- to 50-minute class. Graduation requirements are more stringent than state requirements and include a three-year course of study in high school Spanish, community service participation, and a hands-on "capstone experience" for all students.

In the capstone experience, which is completed the last four weeks of the school year, students design and execute a major project which may include international travel, "job shadowing" (in which students go to work with a real-world professional), or a variety of other real-world educational experiences. All projects are presented at an annual showcase at the end of the year.

Black River parents and school officials say the capstone experience, which they refer to as "Project Term," provides



an excellent opportunity for the school to showcase student interests, teacher talents, and to increase parental and community involvement in the school.

"Project Term is four weeks of handson learning," Chief Administrative Officer David Angerer told *Michigan Education Report.* "Students do everything — projects have included chess classes, rebuilding engines, theatre workshops, space camp, trips to Spain, among other things. It allows teachers to share an interest and allows parents and community members to share their talents and assist with teaching the students."

Students in all grades participate in a variety of community service projects. Black River students have lent their talents to organizations including Habitat for Humanity,



Black River Public School in Holland, Mich. offers an innovative education to 420 students. Parents and teachers boast of the school's emphasis on foreign language, hands-on projects, thriving art programs, and Advanced Placement courses.

the Red Cross, local nursing homes, charity food drives, and other local charities. Curriculum requirements state that fourthand fifth-graders must fulfill 15 hours of unpaid community service, sixth- through eighth-graders must fulfill 20 hours, and ninth- through twelfth-graders must fulfill 60 hours in order to graduate.

The school also encourages high school students to take AP courses and tests for college credit before they graduate. It offers AP courses in biology, calculus, chemistry, English literature, European history, physics, psychology and U.S. history. More than half of the senior students at Black River participate in the advanced courses; and, of the students taking national AP tests last year, 80 percent scored well enough to obtain college credit in the subjects tested.

The innovative curriculum has proven effective for Black River, with student scores on Michigan Educational Assessment Program tests posting higher than state and local averages in nearly every subject area. Black River students also perform well on college entrance exams.

In addition, the school offers an excellent education for students with special needs. Approximately 15 percent of Black River students require special education services, a higher ratio than the state average. The school maintains small class sizes, dedicated staff, and resource rooms for these students.

Parents attribute Black River's success to rigorous academics and an innovative curriculum.

"We visited Black River because we were curious about exactly what made it different from a traditional public school," one parent expressed in a letter to the school. "We learned that, although Black River is fully accredited and meets or exceeds all State requirements, it is not tied to the local school district's requirements for curriculum, textbooks or scheduling."

"That is why they can schedule longer class time and tailor their curriculum to meet the needs of their achievement-ori-



ented philosophy," the parent continued. "The Black River philosophy works — you can see it in the enthusiasm of the staff and the kids and in the overall academic results."

Others in the education community agree that Black River's teachers are accomplishing notable feats. The Michigan Association of Public School Academies (MAPSA) recently awarded Black River teacher Fran Oleson its 2002 Teacher of the Year award at its annual conference.

"Oleson's fourth-grade students scored well above state MEAP averages, with 90 percent passing math and 80 percent passing reading tests," MAPSA explained in a press release. "Among fifth graders, nearly 90 percent passed each of the science, writing and social studies tests. Gregory J. Dykhouse, the school's director of academics, said many students had to progress more than one year academically in order to pass those tests."

The association touts Oleson as a model for the education community, and an excellent representative for charter schools.

"Fran Oleson demonstrates the ways in which charter school teachers are making education come alive for students statewide," MAPSA President Dan Quisenberry said. "She is an example of what happens when you give quality teachers the freedom to do what they know is necessary for students to learn."

Black River officials say autonomy for the school and its teachers is very important to student success and must be defended. Angerer explains that though his school "fills out every piece of regulatory paper the public schools do," the school also must comply with regulations from its charter authorizer (GVSU), often producing a mountain of paperwork that detracts from educating students.

"You feel like you're jumping through hoops, not helping kids," he said. "Sometimes we can't focus resources on student needs, but are mired in reporting requirements."

Angerer admits, however, that GVSU is a "very responsible authorizer" and assists the school in complying with a myriad of state regulations.

One of the least flexible and hardest regulations to swallow, Angerer explained, is the requirement that the school must hire state-certified teachers. He says the rule limits the school's ability to hire experts in their fields — such as physicists or math experts who do not have Michigan teaching certificates.

He laments, "College professors can teach teachers for 20 years but can't teach here [at Black River] without going back to school for years to become certified."

Despite the ever-increasing regulatory burden, however, Black River continues to excel at providing an outstanding education to its students. It is providing a strong example to other charter schools, and giving traditional public schools the stiff competition that school-choice advocates claim is needed to improve public education across the board.

For more information on Black River Public School, visit **www.blackriver.spfs. k12.mi.us**. For more information on the Michigan Association of Public School Academies, visit **www.charterschools.org**.

Addiction, insanity discussions provide students with fodder for debate competitions

Debate workshops feature nationally renowned debate experts

Should the United States substantially increase public health services for mental health care? Is a mental illness the same as a physical illness? Should drug treatment be required in place of prison sentences for criminal drug offenders?

These are just a few of the questions tackled at the Mackinac Center for Public Policy's 15th Annual High School Debate Workshops, held this fall in Grand Rapids, Jackson, Livonia, and Midland.

Expert speakers from around the country provided over 400 students and coaches from public, charter, and private schools around the state with information on the 2002 high school debate topic, "Resolved: That the United States federal government should substantially increase public health services for mental health care in the United States."

The annual debate topic, which is debated by over 100,000 students across the country, is selected each January by committees of state and national debate officials representing the National Federation Interscholastic Speech & Debate Association.

Students in Grand Rapids and Midland learned debate techniques from Dr. Richard Edwards, member of the national topic selection committee; Gregory Rehmke, director of the New York-based Foundation for Economic Education's (FEE) High School Speech and Debate Program; June Arunga, research intern at the Foundation for Economic Education; and Dr. Jeffery Schaler, a psychologist and adjunct professor of justice, law, and society at American University's School of Public Affairs.

Debate workshops in Grand Rapids and Midland featured Edwards, Rehmke, and Gary Leff, a former California state championship debate coach.

Students grappled with a host of topics including drug and alcohol addiction, Ritalin use, insanity, domestic violence, mental health patient privacy rights, and whether government should play a role in health-care policy.

English teacher Jesse Nardizzi, firstyear debate coach for Goodrich High School, offered praise for the program.

"[Today] I witnessed 50 ninth through 12th graders from different Michigan communities learning debate, challenging their thoughts, making them think beyond mere opinion ... watching students and ... thanks to you ... future leaders grow," Nardizzi wrote in a thank you letter to Mackinac Center contributors.

"This program is a great experience! This was my second year coming, and each time I receive a lot of great information," wrote Ashley Gonzalez, a student at Adrian High School.

Over 15 years, Mackinac Center High School Debate Workshops have equipped nearly 7,500 debaters with winning ideas, generating a ripple effect that has extended to all areas of the education community.

Southwestern High School (Detroit), the 1993 Detroit Public School Debate League champion, and Calvary Baptist Academy (Midland), winner of the 1996 American Association of Christian Schools' debate championship, both applied ideas and techniques learned at the Center's workshops.

And, nearly 600 Michigan home school students benefited from a recent program coordinated by former high school debate coach and workshop attendee Wanda Burdick. Burdick, cofounder of **TeenWorks.net**, a Michigan-based organization designed to provide





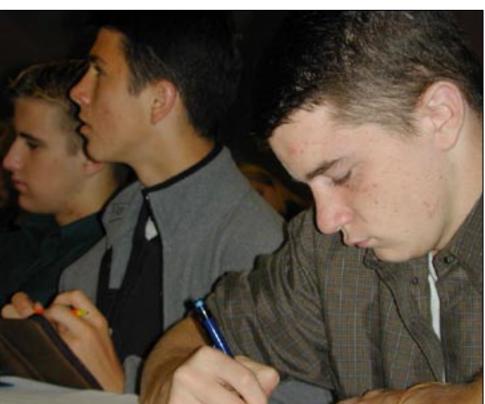


tutoring assistance to home schooling families, planned the workshop in conjunction with the Michigan Home School Forensic League and invited Rehmke and Arunga to speak at the event.

The debate workshops are held every fall and are open to public, private, and charter school students from around the state.

The Mackinac Center also offers debate assistance to students and coaches through Ask the Debate Coach, an online email feature.

For more information, visit the Mackinac Center Web site at www.mackinac.org/features/debate.





Black Alliance for Educational Options: Promoting school choice and empowering parents through No Child Left Behind



Williams

The Black Alliance for Educational Options (BAEO) has been working since August of 2000 to actively support parental choice in education, empower families, and increase educational options for black children.

For years, community leaders, educators, policymakers and parents have attempted to improve schools for financially disadvantaged and at-risk children, with limited success. However, by linking the African American community with the broader school choice movement, BAEO is opening minds to the idea of parental choice and educational options for low-income black families - minds that might have been previously closed to the idea of educational

The Black Alliance for Educational Options seeks to address the question: Should children be subjected to an inadequate education, simply because they are poor?

Critics of school choice programs answer "yes" by fighting against programs such as vouchers and tax credits that allow poor students to escape failing schools.

Fortunately, the new federal education law, the No Child Left Behind Act, offers more opportunities for families to have real school choice. Signed into law by President George W. Bush in January of this year, the new law mandates that school districts and states develop strong systems of accountability based upon student performance.

It also gives parents of children from financially disadvantaged backgrounds options to participate in public school choice programs or obtain supplemental services such as tutoring programs.

What does this mean for BAEO and the low-income black families it supports?

Up to now, the school choice movement and its supporters have gained slow, but steady ground in the fight for educational options. But now, with the law on its side, BAEO and the school choice movement expect to make greater progress than ever on behalf

Before the No Child Left Behind Act took effect, superintendents of school districts could deny children the right to an adequate education with few consequences. But, the new law's choice options increase competition, making it more difficult for school officials to offer a poor quality education without losing students and funding.

School districts now will be held to several new accountability measures.

For example, if a school district claims it doesn't have the facilities or the space to remove children from a failing school, then those children can go to school in a neighboring district — it's the law.

If a school is failing, the school district must provide transportation to those children whose parents exercise their right to school choice — it's the law.

If a school continues to fail for three or more years, the district must allow parents to choose tutoring or other supplemental afterschool services and pay for those services — it's the law.

These choice options will spur competition, forcing improvement in failing schools.

Rod Paige, U.S. Secretary of Education, said it best during his back-to-school address entitled "Confronting Challenges to Change": "We have got to stop with the excuses. We have to remember that the children are our main concern — we have to put them first."

The new Act will provide opportunities for organizations such as BAEO to expose academic failure and demand a better education for every child.

We at BAEO admit that the law is not the be-all-end-all of school reform, but it will open the door for more choice and change.

The Black Alliance for Educational Options plans to launch major public information campaigns across the country to promote these new choice options and inform parents of their rights under the No Child Left Behind

The cities of Detroit, Dallas, Milwaukee and Philadelphia, have been selected by BAEO as pilot cities for the informational campaigns. We hope to reach at least 20,000 eligible parents and community members in economically disadvantaged, at-risk communities in the four cities, explaining their rights under the law and giving them action steps to take to demand quality education for their children.

Our full-scale media campaign will use direct mail, television, radio, newspapers, the Internet, and door-to-door visits. We also will provide direct assistance to eligible parents through call centers and local volunteers.

With help from the U.S. Department of Education and the enforcement of No Child Left Behind, BAEO will succeed in its mission to promote parental choice and empower parents to "vote with their feet" — leaving failing schools behind.

Opponents of choice will continue to balk at the changes that come with each school reform effort and attempt to remove the focus from children. They will cry poverty in school budgets, claim teachers are being shortchanged, and suggest that administrators must be given more power.

We at BAEO encourage parents and community leaders to remember school reform is not about teachers, school officials, or the schools themselves. It's not No School Left Behind or No Teacher Left Behind. It's No Child Left Behind.

Andrea T. Williams is the Director of Communications and Education for the Black Alliance for Educational Options. BAEO, headquartered in Washington, D.C., has 30 chapters in 20 states and the District of Columbia.



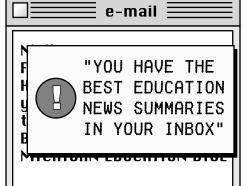
School Reform News

Up-to-the-minute information on school choice efforts across the country, plus exclusive interviews with the movement's leading lights!

FREE SUBSCRIPTION TO SRN!

Download the subscription form at www.heartland.org/publicPDF/SRN.pdf or call Nikki at 312/377-4000.





From: Michigan Education Digest

Back issues of Michigan Education Digest are now available on-line. Just point your browser to www.educationreport.org/pubs/med.

Michigan Education Digest delivers FREE weekly email summaries of the hottest education stories from dozens of Michigan and national newspapers, magazines, and reports.

Sign up for free at www.EducationReport.org

Features of Canada's schools that might

explain the better performance of Canadian

students, especially students from less advan-

taged backgrounds, should therefore be of

interest to Americans seeking to improve the

a study that claimed to be derived from an

exhaustive review of school choice literature

in the United States and abroad. This study

concluded that nearly all of the existing

empirical evidence on the effects of vouchers

comes from relatively small-scale programs,

whose beneficial effects would almost cer-

tainly differ for large-scale programs. This

important scholarly review neglected to

consider the case for school choice to be

made with evidence from Canada, where 92

percent of the population enjoys a variety of

publicly funded school choices. The evidence

from Canada presents a compelling case for

increasing educational choice in the United

U.S. and Canadian publicly funded educa-

tion is that a number of Canadian provinces

provide public funding to qualifying private,

independent schools, including religious

schools. Historically, these funds have taken

the form of direct per-student grants, akin to

Among the key differences between

The Rand Institute recently released

quality of U.S. education.

Learning from Success: What Americans Can Learn from School Choice in Canada Elementary and secondary schools in the United States and Canada share many historical and institutional features. International comparisons of student achievement, Claudia R. however, have revealed some striking differ-Hepburn

countries. On average, Canadian students outperform their U.S. counterparts. Indeed, E-mail some Canadian provinces rank with the top your name countries in the world, and recent work has and shown that their strong performance owes address to much to relatively better achievement among MER@EducationReport.org. students from less advantaged backgrounds.



(Or see page 2 for postal address and fax number.)

OPTIMIZE YOUR BRAIN

"He gets upset if I try to help him figure out a word; he wants to do it all himself. His school work goes much faster now."

—Testimonial of mother whose child increased 6.8 grade levels after 6 hours of instruction

> Find out more by calling 810.732.4810 E-mail: ooprc@iflint.com Website: ooprc.com

vouchers, although the province of Ontario is currently implementing a refundable tax credit for parents whose children attend independent schools. One province also provides some direct funding to home schoolers. International comparisons show that Canadian provinces that provide public funding to private, independent schools tend to have both higher average achievement scores and better scores for less advantaged students. ences between the two

Several aspects of Canadian experience with independent school funding may be helpful for Americans interested in excellence and equity in publicly funded education.

When Widely Available, **Low and Middle Income Families** Take Advantage of Choice

Figures on enrollment broken down by family income show that students from families with modest incomes are at least as likely to attend independent schools in parts of Canada where they receive public funds as are students from families that are better off. This fact should allay fears that a larger independent school sector will skim the more advantaged students from the public system and contradicts the claim made by the Rand study that "universally available voucher programs ... may disproportionately benefit highly educated and upper income families that have the means to take advantage of them."

School Choice Narrows the Achievement Gap

There is a weaker correlation between socioeconomic status and achievement in provinces that fund independent schools. This fact also suggests that such funding is helpful, rather than harmful, to the pursuit of educational equity.

Strong Community Support for School Choice

There is no evidence that support for independent schools has harmed Canadian social cohesion. Funding for private, independent schools has existed for decades with no discernable adverse impact on citizenship. There is no sense among Canadians that British Columbia, Alberta, Manitoba and Quebec, the provinces that fund independent schools, are more Balkanized than the rest of the country. In fact, national polls show majority support in all provinces for the principle that parents whose children attend independent schools should take some public funding with them or receive some relief through the tax system.

Test Scores Are Higher in Areas with School Choice, Particularly Among **Low-Income Students**

Higher achievement scores in provinces that fund independent schools suggest that such funding enhances quality. The achievement scores are not only higher generally in provinces that fund independent schools but also higher particularly among students from less advantaged backgrounds. It appears that the reaction of the regular public schools to competition from partially funded independent schools has been to improve their programs. The Program for International Student Assessment (PISA) report showed that in Alberta, where families have a wide variety of educational choices, public school students actually scored above the provincial average. In the other provinces, public school students scored below the provincial average.

Private Schools Maintain Independence with School Choice

Canadian experience shows that publicly subsidized, or "voucherized," independent schools can be accountable to government and still maintain their independence and distinctiveness.

Canadian provinces that fund independent schools typically require recipients to fulfill key financial and operating conditions, respect the provincial curriculum and participate in provincial assessments. Schools that choose not to fulfill these requirements are free to operate without provincial funding. The fact that the majority of independent schools accept funds under these terms, and that these arrangements have survived changes in provincial governments, testifies to the acceptability of such a balance among recipients, the voting public and a wide spectrum of political parties.

Most Canadians currently enjoy greater parental choice than their American neighbors. These choices include a broader choice of public schools, including separate linguistic and religious schools, publicly funded independent schools and greater freedom for home schoolers.

Claudia R. Hepburn is director of education policy at the Fraser Institute in Toronto, Canada. Full text of "Learning from Success: What Americans Can Learn from School Choice in Canada," a study co-published by The Fraser Institute and the Friedman Foundation, can be found at www.fraserinstitute.ca/shared/readmore.asp? sNav = pb & id = 289.



Finally! An association for teachers who care more about our children's education than they do with just their own benefits!

You are invited to join the ... Association of American Educators.

For educators and education advocates who have been wishing for a professional alternative to the partisan politics and controversial social agendas of the monopolistic teacher unions, this is it!

The Association of American Educators (AAE) is incorporated as a nonprofit, professional trade association. Membership in the AAE is open to any employee of an educational entity. Our reasonable annual dues are \$125 which includes a \$2,000,000 professional educators liability insurance policy!

In addition, parents, business leaders, and legislators can support the AAE by becoming Associate Members at only \$25 per year and receive our monthly newsletter — Education Matters. This rightto-the-point publication keeps you informed on key issues in education with a refreshing perspective you will not find in the union-affiliated and values-neutral publications that proliferate today.

Some AAE members speak out -

"AAE represents that which is best in educators and that which is sorely needed - professionalism and a focus on children first. This stands in stark contrast to the current environment of special interests protecting the status quo and lobbying for controversial social issues using teachers' dues.'

Tracey Bailer 1993 National Teacher of the Year

"AAE is reasoned, balanced, and classroom-oriented, leaving politics to political entities."

> Dr. Lewis Hodge Professor of Education University of Tennessee

"This is what I have been wait ing for! AAE is a positive voice for all of us who still embrace traditional values and see teaching as one of the highest callings."

Guv Doud 1987 National Teacher of the Year

"I save hundreds of dollars every year from what I paid in union dues by joining AAE. Membership in this organization just makes good economic sense.'

> Sandra Lastra 1995 Outstanding New Mexico Teacher of the Year



Our common bond is our shared concern for America's children

For more information call our toll-free number 1-800-704-7799 or visit our website at www.aaeteachers.org.

Can Michigan school districts save money without laying off teachers or slashing school services?

YES, THEY CAN!

Find out how your district can put more dollars in the classroom on December 11th.

The Mackinac Center for Public Policy Cordially Invites You to Attend a Forum to Discuss Our Newly-Released Study

> The **O** Habits of Fiscally Responsible Public School Districts

By Kirk A. Johnson, Ph.D. Director of Education Policy And Elizabeth Moser Education Research Associate Mackinac Center for Public Policy

In light of school budget crunches throughout the state, public school districts need information on how to operate more efficiently without cutting needed school services or laying off teachers or other instructional staff.

This forum will feature education policy experts and school officials who will discuss what it takes to cut costs and improve services in Michigan's public schools.

Make plans now to attend December 11, 2002

The Lansing Center Governor's Room 333 East Michigan Avenue Lansing, Michigan 48933

9:00 a.m.-10:30 a.m. Seating is Limited! Please RSVP by December 4, 2002! Admission is free of charge.

To RSVP or for additional information, contact Elizabeth Moser at 800-22-IDEAS or moser@mackinac.org.



COMMENTARY

Bypassing Proposal A through the "Sinking Fund" gambit



Jack McHugh

Taxpayers were relieved in 1994 when Proposal A ended the constant stream of local millage elections, raising funding for school operations to record levels. But after eight years of chafing under these limitations, some public

school officials are seeking ways around them.

From the state superintendent of public instruction on down, Michigan's education establishment is beating the drum for "adjustments" to Proposal A that would undermine its property tax limits. In the Legislature, there are bills to partially

capital projects — like buying real estate, or building and repairing buildings. Unlike school bonds, which can be used for everything from furniture to school buses, the legal uses of sinking fund taxes are limited. Just how limited can be seen by the fact that in 2001, according to the House Fiscal Agency, only 91 of 554 Michigan school districts levied sinking funds, and only four levied the full five mills allowed.

Because their application is limited, sinking funds haven't been regarded as a way to raise the kind of money school officials are hoping for — unless their application is expanded.

The Hart bill doesn't explicitly ask to repeal any of Proposal A's operating millage caps. Therefore, it doesn't alert the public to its likely outcome. Technically, it just lets

schools could dip into the pot whenever they like.

If the Hart bill passes, a school board could offer higher salaries from its annual state foundation grant, since other expenses previously paid from this source might be covered by a new sinking fund pot of tax dollars — a potential shell game. School board members friendly to employee unions would seek ways to substitute sinking fund proceeds for these expenses, thereby conserving state money to boost payrolls.

Most lawmakers are fuzzy regarding the arcane terminology of school funding. They get confused, and can mistake technical-sounding changes as just that — technical, having no serious implications. Consequently, the bill whisked past the Michigan House last Dec. 21 by a vote of 95-2, before anyone really understood what it did. It is getting more scrutiny now, but only because someone finally read (and understood) the fine print.

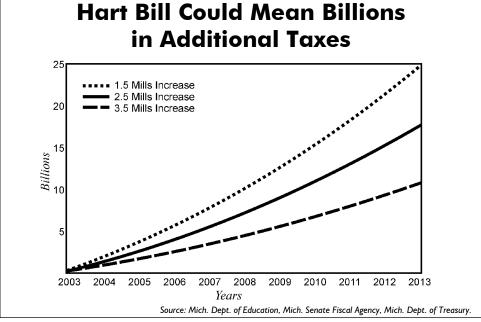
This effort to raise taxes comes at a time when hundreds of millions of dollars in potential savings are already available. Following Ohio's example by exempting schools from "prevailing wage" rules would save at least \$150 million every

year. Teacher health insurance — a market dominated by the Michigan Education Association's costly "MESSA" plan — is ripe for huge savings. And millions more could be saved, as many districts have shown, through competitive contracting of support services from food to busing.

Since both gubernatorial candidates favored some version of the proposal, homeowners could potentially be socked with billions in additional property taxes (see chart). The Hart bill is clearly a "tweaking" of Proposal A, reneging on the system that has lowered Michigan property taxes, brought more money to our schools, and injected a measure of competition into the school system. It's a case of legislative sleight of hand being used to effectively thwart the intention of Michigan voters who passed Proposal A.

Changes this monumental — if they are made at all — should take place out in the open, not concealed by a technical legislative trick.

Jack McHugh is a legislative analyst for the Mackinac Center for Public Policy, a research and educational institute headquartered in Midland. Mich.



This graphic is part of a study by the Anderson Economic Group, entitled "Expanded School Sinking Fund Taxes," sponsored by the Michigan Chamber Foundation. The study is available at www.andersoneconomicgroup.com.

repeal the limits (see House Bills 4917 and 6086 on **MichiganVotes.org**). But a far more clever "adjustment" is House Bill 4824, sponsored by Rep. Doug Hart, R-Rockford, which would let school districts levy "sinking fund" taxes for the same purposes as regular school bonds. Some version of the idea was favored by both Michigan gubernatorial candidates Dick Posthumus and Jennifer Granholm.

Traditionally, sinking funds were a way for school districts to set aside money to repay principal on a debt, and for future sinking funds be used for the same purposes as school bonds. Schools are limited in how many mills they can levy for regular bonds and still qualify for favorable interest rates — but if sinking funds could be used for the same purposes, it would open a whole new 5-mill property tax opportunity.

Sinking funds allow school officials to keep on hand a pot of property-tax-generated dollars available for the permissible uses, the scope of which would expand greatly under this legislation. This is a luxury not afforded by regular bonds;





If you'd like to learn more about the challenges facing education in Michigan, and learn how to make your voice heard, please register to attend one of our "The Power to Choose" seminars.

In the 90-minute seminar you will:

- Learn what is the biggest problem facing education in Michigan;
- Understand how bottom-up accountability works and how to achieve it;
- Meet some of Michigan's education reform leaders;
- Receive cutting-edge materials on educational choice; and
- Learn how to make your voice heard

Call Brian Carpenter at (989) 631-0900 or send email to <u>carpenter@mackinac.org</u> to register. Visit our web site at <u>www.mackinac.org</u>.

TeachersforChoice



Are you a public school teacher who supports parental choice in education?

Do you want more choices in how you practice your profession?

LET YOUR VOICE BE HEARD

TeachersforChoice is a network of public school teachers working to improve education for children and teachers in Michigan.

Teachers for Choice.org

Diverse Viewpoints

Are charter schools improving student performance?

The verdict is still out on charter performance, innovation

As the state Legislature contemplates taking up HB 4800, which would raise the limit on the number of charter schools in Michigan, it would seem to be doing so without regard to the charter movement's current track record. The move to expand charters comes at a time when new data show poor performance on the part of the charter schools we already have, not to mention the potential for millions of dollars of new spending at a time of fiscal crisis. So far, charters have failed at the two main objectives that spawned the movement: increasing student achievement and fostering educational innovation.



Frank L. Reid

Several comprehensive studies of the charter school movement have been undertaken in recent years to help quantify the performance of these schools. The most recent of these, a 2002 Brookings Institution study, clearly shows that students in Michigan charter schools are performing at a significantly lower level than students in traditional public schools. The study

their traditional public school counterparts.

Apologists for charter schools have responded to this data by pointing out that most charters serve disadvantaged children; therefore it should be no surprise that their performance is lower when compared to the overall population of

concluded that, in many cases, charter school students were a year and a half behind

traditional public schools. This assertion fails on

First, a 2002 charter study by the Upjohn Institute in Kalamazoo compared like socio-economic groups in charter schools and traditional public schools, and found a similar disparity in academic performance to that found by the Brookings study in this specific sub-group.

Second, parental involvement is one of the strongest factors in assuring high student achievement. This would lead one to believe that the increased parental involvement of parents selecting their child's charter school would be a significant advantage for student achievement compared to the student's peers in traditional public schools. However, both the Brookings and Upjohn studies deny that this advantage exists.

In regard to fostering innovation, the aforementioned studies and two others from Western Michigan University in July of 2000 faulted charters for not bringing educationally innovative methods to the classroom. A frequently-cited cause for this lack of innovation is the desire, on the part of for-profit educational management companies, to hold down costs by standardizing the approach they take from school to school. Innovation is expensive, and reduces profitability. It is time to challenge the notion that using for-profit companies to manage charter schools is a good idea, for the very reason that maximizing profit works against innovation.

In light of the information we now have, it is hard to see why we would want to create more charter schools when they have failed to foster innovation or improve student achievement.

If this were not bad enough, the management companies that run many charter schools contend that they are not required to open their books so that taxpayers can see how their money is being spent. This doesn't sound like charter schools' vaunted "greater accountability."

We must: (1) understand the factors that contribute to the lack of achievement on obstacles we face. the part of charter school students; (2) put into place an accountability system that will provide transparency and a means to evaluate all aspects of the performance of these schools (without these, we risk placing an increasing group of students at an academic disadvantage); 3) revisit the notion of for-profit management companies because they seem to be anathema to innovation; and (4) ensure equity of access. The fact is that very few charter schools accept or are equipped for special-needs students. Yes, these students cost more to educate, but as public schools, charters have a responsibility to educate all children whose parents desire this option.

Before we risk more of our children's academic achievement and before we commit increasingly scarce resources to the charter experiment, we owe it to the children of this state, and to ourselves, to have these questions answered.

Frank Reid is a chief engineer for Johnson Controls, Inc. Automotive Systems Group in Plymouth, Mich. He serves on the Farmington Public Schools Board of Education, the board of the Oakland County School Boards Association, and the Legal Trust Fund Board for the Michigan Association of School Boards.

Charters take more difficult students, improve faster than public schools



Kathy Larkey-Green

principal of Mid-Michigan Public School Academy, I have to answer with an enthusiastic "Yes, we are!" Charter schools like mine across the state of Michigan are taking a tougher cohort of students and meeting state achievement standards at a much quicker rate than traditional public schools. Mid-Michigan Public School Academy (MMPSA) is an

Are charter schools improving student performance? As

urban, inner-city school located on the North side of Lansing, Mich. The student body is drawn from the surrounding neighborhood and other impoverished neighborhoods around the city. Our school, one of the first charter schools established in Michigan, has been operating for six years. Its mission is to be

the model of academic and personal success for the students we serve. We have developed a reputation for providing a strong reading curriculum, a rich technological and fine arts environment, and a safe atmosphere. We require students to wear uniforms and have a strict but fair discipline policy aimed at encouraging our children to focus on learning. Our Positive Behavior Support approach provides us with counseling and guidance services, enabling our student body to avoid many of the behavioral problems that beset other public schools.

The demographics of the MMPSA student body are crucial in judging our success. It is comprised of transitory, economically challenged families, with a high percentage of parents who did not graduate from high school, and many with uncertain job status. Our families are predominantly low income, with 74 percent of our students qualifying for the free or reduced breakfast and lunch programs this year. Our families are racially diverse: 48 percent are African American, 23 percent are Caucasian, 15 percent are Hispanic, 12 percent are multi-racial, and 2 percent are of other ethnicities. Our demographic profile clearly differs from state and local district averages; a difference affecting expected academic achievement since low-income and minority students often have lower academic achievement.

Media coverage often portrays charter schools as having achievement test scores that are lower than surrounding public school districts. But in our case, as with most charter schools

across the state, test scores are rising at a faster rate in reading, math and writing than those scores are rising in surrounding public schools. When comparing charter school achievement with that of other public schools, what should be

> examined is the increase in test performance over time, taking into consideration demographic differences that affect achievement expectations.

In fact, 2001 data from the Education Trust, U.S. Department of Education and Michigan Department of Education show 4th-grade charter student test scores meeting state reading standards at twice the rate of other public school students. Fourth-grade charter school students were meeting state math standards at more than 56-times the rate of students at other public schools. And 7th graders in charter schools were meeting state reading standards at nearly twice the rate of their traditional public school counterparts. (See the following link for more information:

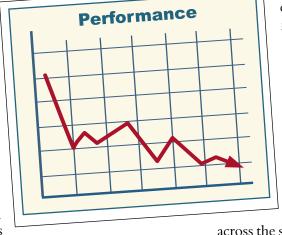
www.educationreport.org/pubs/mer/4615.) Mid-Michigan Public School Academy has made a commitment to students and families to continue raising

Before raising the current cap on charter schools, several things must occur: test scores and improving academic successes notwithstanding the socioeconomic

Due to this commitment, our school was recently awarded a Governor's Golden Apple Award for marked improvement on Michigan Educational Assessment Program (MEAP) tests.

We reach out to many impoverished children who have not done well in traditional public school districts. Contrary to current media coverage, charter schools are causing the local public districts to sit up and take notice. The healthy competition that schools like ours create demands better performance from all schools. Much like an athlete whose spirited effort quickens the pace of the entire group, charters are having a positive impact on Michigan's education system. The competition is making us all stronger! In my 20 years of educational experience, I have never seen such teamwork and commitment in a school situation. Charter schools are improving the educational achievement not just for their own, but for all the children of our great state.

Kathy Larkey-Green is principal of Mid-Michigan Public School Academy in Lansing, Mich.





Diverse Viewpoints are the opinions of the authors and not those of Michigan Education Report. Tell us what you think: "Are charter schools improving student performance?" Send your comments to