

MICHIGAN EDUCATION REPORT

INSIDE:
COMPETITIVE
CONTRACTING MAP

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News and analysis for parents, educators and policymakers

Spring 2007

SHORT SUBJECTS

Birmingham Public Schools officials say more students each year claim to live in the district, but don't. The board of education plans to crack down on those families this year. Residency fraud typically happens in areas where academically strong districts border those with lower test scores, the Detroit Free Press reported.

Utah became the first state to offer nearly all parents a choice in their children's education when Gov. Jon Huntsman Jr. signed the “Parent Choice in Education Act” in February. The law will provide almost all Utah parents with school-age children a voucher worth \$500 to \$3,000, based on parents' income. The voucher can be used at private schools that disclose teachers' credentials and, among other requirements, meet certain standards for antidiscrimination, health, safety and achievement testing.

More than 5 percent of Michigan's student population, or about 91,500 students, now attend charter schools, according to this year's Report to the Legislature on Public School Academies. A total of 225 charter schools were in operation in 2005-06. Twelve new schools opened during the year and five closed.

A school district may not collect payroll deductions on behalf of a union's political action committee, even if the deductions are voluntary and the union pays all administrative costs in advance, according to Michigan Secretary of State Terry Lynn Land. The Michigan Campaign Finance Act prohibits such activity, Land said.

Borrowing from the fund balance to make ends meet has become the norm in SHORT SUBJECTS, Page 12



AT HOME AT DELTA COLLEGE

Karsten Molitor and Daniel Hinds (above) share a laugh during Earth science class at Delta College. The boys are among hundreds of home school students who gather at the college each Friday.

Read the story on Page 4.



CHARTERS MAKE STRIDES ON MEAP TESTS

Academies pull closer to state average; outperform nearby districts in some cases

The news that Michigan students performed better on state standardized tests in 2006 than 2005 made headlines in many papers across the state in January — a bright spot in a month clouded with news of potential school budget cuts.

The reports followed a Michigan Department of Education announcement that math scores improved at every grade level on Michigan Educational Assessment Program tests, and reading scores improved or stayed the same. Mike Flanagan, the state's superintendent of public instruction, attributed the higher scores to improved “content expectations” which give teachers a clearer picture of what is expected at each grade level.

But public school academy officials see a story within that story. MEAP results also show that public school academies, or charter schools, improved their overall performance on 19 of 27 tests given to kindergarten through eighth-graders statewide. While charter averages are still below statewide averages, the gap is narrower than a year ago. And in a direct comparison of charter schools to conventional public school districts where most charters are located, charter students in general outperformed their conventional public school counterparts.

“Michigan's charter schools are continuing to narrow the gap,” said Dan Quisenberry, president of the Michigan Association of Public School Academies.

MEAP, Page 2

DPS ENROLLMENT DOWN BY THOUSANDS

Many Detroit students still unaccounted for

Education officials try to track where students are today

Detroit Public Schools enrollment dropped by about 13,800 students from the fall of 2005 to the fall of 2006, but where are those students today? Enrollment figures from nearby public school districts and charter schools account for nearly 4,000 of the students, but the rest remain a puzzle that education officials are still putting together.

“Everyone wants to know,” said Beverly Rebel Finlayson, manager of Student Accounting & Auditing at the Wayne County Regional Educational Services Agency. That agency tracks student population for 34 public districts and nearly 80 public school academies in Wayne County. The agency keeps records on the total student count in each district as well as the number of students who live in one district but attend school elsewhere. The number of students who left Detroit Public Schools for charter schools or other public schools inside Wayne County grew by about 5,300 this year, and an additional 600 now attend schools in Oakland, Macomb or Washtenaw counties, records show.

“We cannot determine where approximately 8,500 Detroit resident (students) are” as of early January, Finlayson told Michigan Education Report, but she listed several possibilities. Some of the Detroit children may be attending charter schools outside the county, she said, and some may have moved elsewhere in Michigan or out of state. Finlayson has requested regional and statewide school population data to help her track the Detroit students. Based on its own analysis of enrollment figures,

The Detroit News reported in mid-January that 5,000 students left DPS in favor of charters and other public schools in Metro Detroit from 2005 to 2006.

Detroit Public Schools itself tracks the students “the best we can,” said spokesman Lekan Oguntuyinbo. “Our information shows a large percentage end up in charter schools ... and neighboring districts.” He said the district lost students to the Oak Park School District in Oakland County last fall, when approximately 7,000 DPS teachers went on strike for 16 days. The illegal strike denied instruction to students for several days. Classes resumed Sept. 14. Student count day — the date when school districts took an official count of all children in attendance — was Sept. 27.

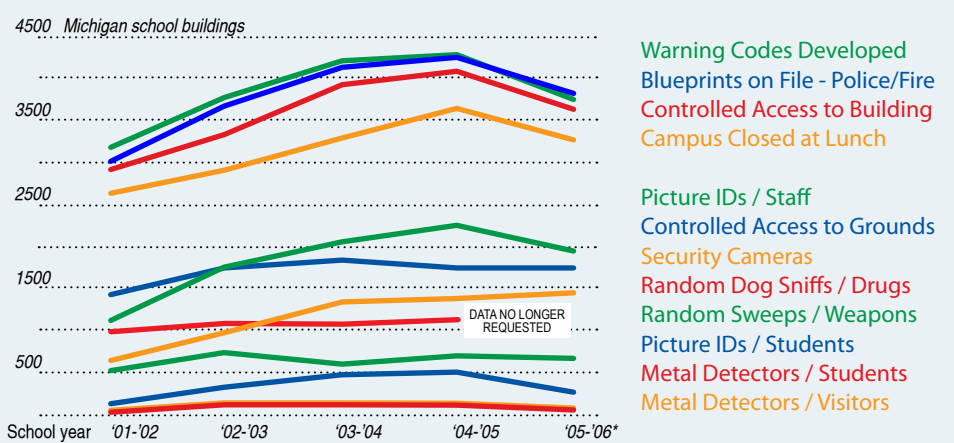
Recent news that the district might close more than 50 school buildings in the next two years prompted predictions of even further enrollment decline. Superintendent William F. Coleman outlined the proposal in January, saying it could save the district nearly \$19 million a year in staffing costs. But at least one parent was quoted in the Detroit Free Press as saying that more students would leave the district if more schools close. The Detroit system has closed 35 schools in the past 10 years.

Oguntuyinbo said Detroit's declining birthrate and population are a large reason for the enrollment drop. “The city is losing residents ... and a lot of those residents are kids,” he said. “By extension, the schools are losing

DETROIT ENROLLMENT, Page 2

Education at a Glance

Safety Precautions Reported by Michigan Schools



Source: Michigan Center for Educational Performance and Information, School Safety Data, 2001-2002 — 2005-2006. * In this year, the Michigan Department of Education added the possibility of answering “NA,” increasing the number of nonresponses from the previous year.

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Detroit Enrollment

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population.” The school closing plan “is an opportunity for us to right-size and to operate in a more efficient manner,” he said. A large number of DPS buildings are operating at less than 50 percent capacity.

However, population decline doesn't explain why enrollment in charter schools is up. In contrast to DPS, about 60 charter schools in Wayne County reported higher or the same enrollment in fall 2006 as in fall 2005, the records show. The total enrollment increase in Wayne County charter school academies was about 4,000. Statewide, the largest increases in charter school enrollment were reported in Wayne County, at 8 percent, and in Monroe, 19 percent, Washtenaw, 11 percent, and Oakland, 13 percent, according to preliminary figures from the Michigan Association of Public School Academies.

Charter administrators say it's difficult to assess whether the increase is a reaction by parents to the teacher strike or a shift that parents had planned for some time. Some charter systems opened new buildings or added grades this year, and some attracted new students from districts other than Detroit. Some families also switched from one charter school to another.

Hanley International is a two-building charter school program in Hamtramck, where the number of students nearly doubled — from about 200 to about 400 — from 2005 to 2006. The new students didn't come from Detroit Public Schools, according to business manager Nikki Doby. Between 90 and 95 percent of the Hanley students live in the Hamtramck public school district, and the large enrollment increase is due to the opening of a second building and adding one grade, she said.

“What I saw were sprinkles here and sprinkles there” of Detroit students moving to other schools, she said. She also pointed out that some students may have returned to the Detroit district, but not in time for the official count. “Those kids may be there,” she said.

Oguntoyinbo agreed, saying, “We do have quite a few students coming back,” although exact numbers were not available.

At the Aisha Shule/W.E.B. Dubois Preparatory School, a charter school in Wayne County, what looked like a 600-student increase turned out to be a mistake in the report, according to registrar Shamayim Harris. The numbers for Aisha Shule apparently were transposed with those of another school, but the figure has since been corrected, she explained.

Harris estimated that about half of her school's new enrollees this year — or about 50 students — came from the Detroit Public

Schools system. Others came from other public districts or other charter schools. Harris said a few parents contacted her school in reaction to the strike, “but not many. Some of them were a little frantic. They wanted their children in school.” Most of those parents were added to the school's waiting list, she said, since the available openings were taken by families already on the list.

At David Ellis Academy, officials do attribute part of the increase to the teacher strike. The academy operates one school in Detroit and opened a second campus this year in

district can offer a higher quality program, parents will pick that. Thirteen thousand students left because they don't have confidence Detroit (Public Schools) is or will offer quality any longer.”

Quisenberry said his association's Lansing office was overwhelmed with phone calls from parents during the teacher strike looking for schools with openings.

“It was very frustrating just to know you wouldn't be able to help them,” he said.

A number of neighboring public school districts also accept students assigned to the

school system, “We get students from quite a few districts,” but the number of students coming from Detroit is not significantly higher than in previous years, according to Laudine Gallagher, secretary to the superintendent. The district's overall student count is up by about 84 students this year, but most of that increase is among in-district students.

Highland Park regularly enrolls a large number of students from other districts, including Detroit, primarily because of its Career Academy. The number of full-time equivalent students at the career and technical center last fall was 1,079, according to spokesman Greg Byndrian. An additional 400 non-residents attend the district's other schools, and the “vast majority of those are from Detroit,” he said. Highland Park anticipated the possibility that the Detroit strike would send students its way, but “that did not happen,” he said. There was increased activity in the school's enrollment center after the strike ended, he said, but the district's total enrollment this year is not expected to be much higher than it was in 2005.

In all, according to The Detroit News analysis, 51,000 Detroit students attend school elsewhere, equal to one-third of the student population. The number of students who have left Detroit Public Schools is larger than the student population in any other Michigan district. The second-largest district in Michigan, Utica, has about 29,500 students.

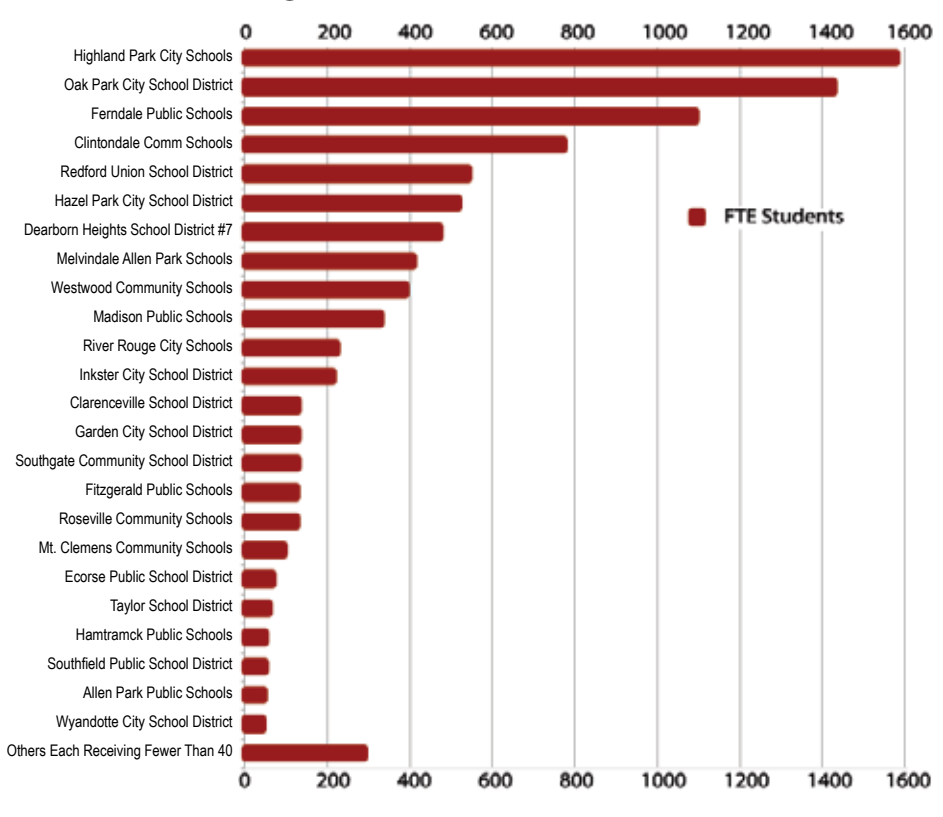
Wayne County population overall decreased by 80,000 people from 2000 to 2006, or nearly 4 percent, according to the latest “Population and Household Estimates for Southeast Michigan,” published by the Southeast Michigan Council of Governments. SEMCOG uses U.S. Census figures and its own estimates, based on housing units, to compile the figures.

The city of Detroit alone lost about 86,000 people, or 9 percent of its population, according to SEMCOG, but communities like Canton and Northville townships gained as much as 28 percent, bringing down the overall population loss. The same report shows that while the number of housing units increased by 1.6 percent from 2000 to 2006, the vacancy rate increased from 7 to 10.6 percent.

Even as it downsizes, Detroit Public Schools is advertising in area media in an effort to attract students.

“It's pointed at children still living in Detroit, but also children living outside the city,” Oguntoyinbo said of the advertising campaign. “We want to attract more of them. A lot of people don't know about our unique offerings. ... This is an opportunity for us to continue to tell our story unfiltered.” ♦

Number of full-time-equivalent students assigned to Detroit Public Schools but choosing other school districts, fall 2006



Source: Analysis of nonresident FTE pupil data, Fall 2006, from State of Michigan, Center for Educational Performance and Information

Redford. Looking at the locations combined, about 60 percent of new enrollees this year came from Detroit Public Schools and 40 percent came from other charters, according to Machion Morris, director of school operations. Regarding the DPS enrollees, “Because they enrolled at the last minute, we strongly believe that that was due to the strike,” Morris told Michigan Education Report.

“They (charter schools) are full. They're full and they're looking for ways to respond, but their hands are tied,” said Dan L. Quisenberry, president of the Michigan Association of Public School Academies. “There is room and demand for more quality schools. If a

Detroit city district. In Dearborn Heights School District #7, about one-third of the school population consists of students who are assigned to Detroit, according to Cindy DeSmit, administrative assistant to the superintendent. The teacher strike did not affect the district's enrollment directly because the open enrollment period, during which the district accepts schools-of-choice applications, had closed in April, she said. “There were parents calling to see if they could get their child enrolled,” she said, but the district could not accept them. “We had pretty much met our (enrollment) goal.”

In the Melvindale-Northern Allen Park

MEAP

continued from Page One

At the state level, charter schools and conventional public schools generally gained or lost ground in the same subject areas and at the same grade levels. But in many cases when charters improved, they improved more, according to analysis of the scores by MAPSA and other charter school officials. For instance, the number of eighth-graders who met or exceeded expectations in math went up by 5 percentage points among conventional public schools. Among charters, the increase was 6 percentage points. Fifth-grade reading proficiency went up by 4 percentage points among traditional schools, but by 7 percentage points among charter schools.

At the local level, comparing charter schools in specific communities like Grand Rapids, Lansing and Detroit to conventional public schools in those same communities showed that charter students generally did as well or better. In Detroit, for example, charter school scores exceeded local district scores on 24 of the 27 MEAP tests. The Michigan Department of Education uses those comparisons, as well as the statewide comparisons, to report to the Legislature on charter school progress.

Some of the most significant differences between charter school and conventional public school students were found at the middle-school level. Seventh- and eighth-grade charter students in the Lansing area, for example, performed better than Lansing-area conventional

public schools on every MEAP test.

“It affirms what we're doing,” said Greg Dykhous, director of academics for Black River Public School in Holland, of Black River's test results. Black River scores were higher than the state average on all but one test, and higher than nearly every score reported by conventional public districts in the area, even though those districts reported gains as well. “We don't put our sights on the MEAP, but we look at the results and try to reflect as a staff,” he said.

Central Michigan University also uses more than the MEAP to assess the schools it authorizes, according to Jim Goenner, executive director of The Center for Charter Schools at CMU.

“If the conventional schools say they've improved, perhaps it's because of the competition.”

Greg Dykhous, Black River Public School

“The MEAP is one tool and the scores are one set of indicators of the performance of schools and knowledge and skills of students. CMU pays attention to the MEAP results ... but as one part of a more comprehensive Individualized School Performance Review process,” Goenner told Michigan Education Report by e-mail. CMU requires on-line computer tests each fall and spring that “provide much more immediate evalu-

ation of what students know and are able to do in the subjects of math and reading.”

State officials attributed the overall increase in MEAP scores to improved “Grade Level Content Expectations,” which explain what is expected at each grade level and what will be assessed on state tests.

“To the extent that schools have followed CMU's requirements, and aligned their curriculum and instruction to the new expectations, scores have increased,” said Mark Weinberg, director of academic accountability for CMU Charter Schools, also by e-mail. “If schools have not done the hard work of alignment, we find that their scores do not improve.... We support the idea of more clearly defining content expectations and more rigorous state standards in general.”

Dykhous suggested that the Holland area — where there are three public school academies with varying educational models, along with traditional public schools — would be a good place to study whether school choice leads to improved academics in the community at large. “If the conventional schools say they've improved, perhaps it's because of the competition.”

The numbers show that in some cases, while charters narrowed the gap between themselves and state averages, host districts lowered the gap between themselves and charter schools.

“Quality always drives quality,” Quisenberry said on the same topic. “Good

people running good schools will say, ‘Hey, they're gaining on us.’”

Black River was chartered by Grand Valley State University in 1996. Right now, Michigan law has limited the number of charter schools that public universities can authorize to 150. Conventional school districts, intermediate school districts and community colleges also can authorize charter schools. A total of 225 charter schools were in operation in 2005-2006.

Asked if the MEAP results are an argument for lifting that cap, Quisenberry said the larger question is how to create more quality schools in general. One way would be to make it easier to replicate successful programs already found in charter schools as well as conventional public schools.

In some traditional school districts, principals and teachers do not have the authority they need to implement change, he said. “Why are we getting in the way of those people who want to achieve success? ... From a policy standpoint, how do we remove obstacles so they can respond?”

MEAP scores are important to public schools because they are a factor in determining if the school meets the requirements of the federal No Child Left Behind law. Schools that do not make Adequate Yearly Progress, determined in part by standardized test scores, may be required to offer tutoring or allow students to attend a different school at public expense, among other sanctions. ♦

CLASSROOM >>> CONGRESS

Michigan teachers chosen as 'U.S. House Fellows'

Program to help high school instructors teach House procedures

In less than two years, many of Maxine Mickens' students at Millenium High School in Detroit will be eligible to vote in their first presidential election. She wants them to be ready.



Maxine Mickens

A teacher, precinct delegate, one-time Detroit City Council candidate and former congressional intern, Mickens returned to Congress in July as part of the first-ever House Fellows Program of the U.S. House of Representatives. The program is designed to teach secondary school educators about the history and practice of the U.S. House.



Jaime Schlack

Mickens and Milan High School teacher Jaime Schlack joined nine other teachers from across the country for the one-week program, where they attended committee hearings and briefings and visited the Library of Congress and the Smithsonian Institution. The program is organized by the Office of the House Historian. Dr. Fred W. Beuttler, the Deputy House Historian, told Michigan Education Report it was his idea to bring the teachers to Washington.

"Our mandate is to preserve and protect the history of the House of Representatives," he said. "I thought the best way to do that would be to bring in high school teachers, because that's the last time history and government have to be studied."

Rather than choose teachers by state, Beuttler chose them by Congressional district, giving preference to the most senior members of the House. Thus, Mickens and Schlack were selected based on the seniority of Rep. John Conyers Jr. of the

14th District, and Rep. John D. Dingell of the 15th District, respectively.

Schlack and Mickens also both participate in "We the People: The Citizen and the Constitution," a program focusing on civic competence and responsibility that was developed by The Center for Civic Education, an independent nonprofit corporation based in California.

In designing the Fellows program, Beuttler said he wanted the teachers to visit Washington during "extremely busy weeks," so the pilot program took place in July, the final week of session before the summer recess.

"The minimum wage bill was the big deal," Schlack said. "I had a Congressional staff badge, so Friday night at 12:00 I walked over in my jeans and watched the House floor vote." The group also was allowed onto the House floor to hear Iraqi Prime Minister Nuri Kamal al-Maliki's address and attended the signing ceremony for the extension of the Voting Rights Act.

It was a return visit, of sorts, for Mickens. As a University of Michigan student, she was an intern in Conyer's office in 1972. Always interested in politics, she currently teaches history and geography at Millenium, but previously taught government and economics at Henry Ford High School in Detroit. She also ran for a spot on the Detroit City Council in 2005, coming in 52nd in a field of 120 candidates in the primary.

"The very first thing I did (this fall) was set up my classroom like the House. That was so exciting. The kids loved it," Mickens said. Each student took on the role of a legislator as they talked about how bills are passed and the roles of legislative aides, she said.

In Milan, Schlack said she incorporated a mock Congressional hearing into her Advanced Placement government class last fall, a suggestion from "We the People." Four community leaders and a representative from Dingell's local office attended to hear her students "testify as constitutional experts."

Several national groups promote civic education through teachers, among them



The Center for Civic Education and the Bill of Rights Institute in Arlington, VA.

"Our mission is to help teachers and ultimately students understand the founding documents and founding principles ... and how those documents remain alive and vibrant for 21st century students," said Claire Griffin, the institute's vice president for educational programs. The institute offers free online materials, weekly "e-lessons" in historical or contemporary issues, and printed curricular supplements for history and government classes.

In addition, it offers professional development seminars for teachers that explore

documents like the Constitution and Bill of Rights as well as ways to teach about those documents. The institute presented such a seminar in Grand Rapids last fall.

"There are many teachers who are just hungry for the content," Griffin said. More recently, the institute has developed an outreach program aimed directly at students, including a student Web site, essay contest and pilot summer camp.

The Center for Civic Education contracts with the Michigan Center for Civic Education to administer the "We the People" program here. The program is probably best known for its state competition, but "that's sort of the tip of the iceberg," said Jim Troost, director of programs. Teachers like Schlack, who conducted mock Congressional hearings in their own classrooms, are invited to compete in mock hearings at the Congressional district level. Winners there go to state finals. This year's winner was East Grand Rapids High School, and that team now goes to national competition.

But aside from the competition, the program also offers free instructional material to 25 teachers per Congressional district per year, Troost said. The material focuses on the U.S. Constitution and Bill of Rights.

"The whole philosophy behind 'We the People' is that responsible citizenship requires certain knowledge, but also certain skills," Troost said.

Helping students understand the connection between their own lives and what Congress does is key to their future civic involvement, Mickens said. "As I told my students this morning, they are two years from casting their first vote for president. They need to be informed." ♦

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Here's what readers said about our last issue

In each issue of Michigan Education Report, we invite readers to comment on selected articles by visiting our online edition at www.educationreport.org. Here are some comments we received in response to our Winter 2006 issue.

Regarding our article about alternative certification and efforts to help experienced professionals become K-12 classroom teachers, readers said ...

... Alternative certification will not only benefit students by exposing them to a wider range of experienced leaders, it should help alleviate teacher shortages in critical areas of instruction.

- administrator, Gratiot-Isabella ISD

... The bottom line is people that go into teaching usually have a passion for it and want to make a difference. ... I feel that my experience in the business world and my (online education) program has prepared me to excel in teaching ...

- substitute teacher, Fraser Public Schools

... Teaching is a skill and requires training. Alternative programs which provide this background and training are what we need. Less red tape and complications ... would be helpful, of course. Let us not think, however, that a person decides to change careers and is ready to walk into a classroom ...

- elementary principal, Grand Rapids Public Schools

... Certified does not necessarily mean qualified. The amount of academic muck I had to wade through when I studied to be an English teacher was staggering.... (E)verything I needed to know about

educational science could have been taught in one, three-credit class.

- teacher, South Lyon Community Schools

... Generally the Michigan Education Association has not been impressed with efforts to short-circuit the route to license teachers, because they do not provide an adequate balance between subject mastery and pedagogy. One must know the subject AND be able to convey to students ...

- spokeswoman, Michigan Education Association

In Diverse Viewpoints, two guest educators argued for and against lifting the cap on charter schools in Michigan. Readers shared these ideas:

... YES!! Michigan should lift the cap. ... I always say the general public school system is comparable to the USPS (United States Postal Service). The USPS does a decent job delivering mail. But if you want your package delivered on time, guaranteed, no extra charge for signature or insurance you use FedEx or UPS, etc.

- educator, Biscotti Educational Center, Macomb

... Charter schools offer parents a choice even when they can't afford private education. Charter schools give parents a chance to have a loud voice in their child's education. We need to stop the "left behind" children from happening

- teacher, Island City Academy, Eaton Rapids

... I believe if school funding were not being compromised by charter schools, public schools would be able to offer a broader range of learning experiences to students. As it is now, public education is being coerced by its financial circumstances into providing a very narrow education for our students.

- teacher, South Haven High School

... I began my teaching career in a charter school. ... From poorly trained administrators, irate parents, children who didn't care to be at school, crumbling buildings, lack of supplies and support, I felt completely lost and trapped in a system that was lacking in structure. ... Many charter schools have ideas of grandeur that are lacking the proper means to excel beyond public schools. ...

- teacher, Novi Community Schools

Our feature article about reform efforts in Edmonton Public Schools, Alberta, Canada, talked about parental choice, teacher appreciation and allowing building principals to make budget decisions. Readers weighed in with these comments.

... The ideas about competition and running the schools like a business make so much sense. I can't understand why more people in the U. S. don't seem to get it.

- teacher, St. Lorenz Lutheran School, Frankenmuth

... I also feel it is important for teachers to feel appreciated and respected. School districts can do this by encouraging teachers, like the billboards mentioned, and by treating their employees in a fair and equitable manner.

- teacher, Concord Community Schools, Jackson

Are we to assume that "bad schools" are solely the responsibility of teachers? Won't teachers only want to accept positions at "good schools" to protect their careers rather than try to help raise the standards at a "bad school"? Let's not oversimplify.

- teacher, Rockford

To comment on articles in this edition, visit www.educationreport.org.

AT HOME AT DELTA COLLEGE

Delta College and home-school families see advantages in cooperative program

More than 100 home-school families in the Saginaw Valley area are pooling their talent – literally and figuratively – in a cooperative program with Delta College. The program brings hundreds of children to Delta's campus each Friday for classes ranging from swimming to Spanish to geography. Parents teach most of the classes, making use of the pool, fitness center and classrooms on site.

"You can do some types of physical education (at home), but it's pretty hard to do a good swim program at your house," Sue Passeno, parent coordinator, told Michigan Education Report. Passeno said the program began about 10 years ago as "swim-and-gym" for home-school students at the Saginaw YMCA.

As more families joined, the program outgrew that facility, so the group contacted Tara Cunningham, manager of Fitness and Recreation at Delta College. Cunningham previously held a similar position at the Saginaw YMCA.

"They called and asked about moving things over here," Cunningham said. Since Fridays are usually a slower day on campus, she helped arrange for the group to use campus athletic areas and classrooms.

"We really see it as filling a need in the community," Cunningham said. "Something like orchestra is really hard to do at home, but here the kids can all be together in one place and play their instruments."

Most sessions are offered in 10-week blocks, with registration fees that cover the costs of supplies and the use of the rooms.

Classes are offered to four age groups, ranging from pre-school swim for 3- to 5-year-olds to Spanish I for 14-year-old students and older. Many of the classes focus on physical education, music and art, but older students have the option to study drafting, money management and geography. There also is an ACT Preparation class. In the fall of 2005, the group's first at Delta, almost 260 students from 106 families participated. Last fall, that had grown to 310 students from 133 families.

"We've got families from all over," Cunningham said. "The Tri-Cities and the Thumb, and as far away as Clio and Standish."

"The kids love it," said Passeno, a Saginaw resident and home-school parent of five. Many families spend the whole day on campus, with students taking up to five classes and eating lunch on site, while parents teach, supervise or help in other ways. Every parent is asked to volunteer, she said, even if it's only by setting up equipment.

"We always really stress that the parents stay involved," she said. Parents can visit any class at any time, and they also are expected to make sure that their children do any assigned homework.

A growing number of Michigan home school families are sharing resources, particularly for advanced classes or physical education, according to Lois Ericson, a staff member with the Grand Rapids-based Information Network for Christian Homes. INCH sponsors a Web site that serves as a clearinghouse for information about home school and puts families in touch with



Jacqueline Molitor of Midland leads a group discussion about forces that shape the Earth. Many teachers in the program are volunteer parents.

nearby support groups.

"Families aren't just doing field trips any more," Ericson said. "As people home-schooled and kids got older, they began to see the need for classes." One building in Grand Rapids — built and donated privately for use by home-school families — houses a gymnasium, library, educational areas and a store. "A lot of them (home-school groups) meet in churches or in other facilities they rent. A lot of times the parent teaches, if they have expertise. Other times they hire out."

One of the parent teachers at Delta is Michael Back of Montrose Township, who instructs 85 students in a type of karate called kal-kin-odo, with some Tae Kwon Do and judo mixed in. Back was semi-retired from operating his own martial arts school in Flint when he was recruited for the home-school program.

"I thought it was a perfect opportunity for me," he said. "The style I teach is very suited to kids. ... They can, in a very short time, look very impressive."

Kal-kin-odo movements incorporate the use of rattan sticks about as long as the user's arm. The emphasis is not so much on self-defense as defense of others, according to Back, a home-school parent of four.

Passeno said Back's three karate classes are among the program's most popular. "He'll have 35 kids – and total control," she said.

On the academic side, Back also teaches apologetics to sixth through 12th graders. He calls it "kind of a college prep course," meant to teach students headed to college how to defend their beliefs.

"They have not always been challenged very often in what they believe," Back said. "My goal is, number one, for them to increasingly recognize the assumptions of any argument and, number two, to be able to reason logically."

For example, he said, in one class he asked students to answer this question: What is 10 plus 1? When most of them said 11, he asked them to think about what assumption they made before answering. Ten plus one equals eleven only in base ten, he said, not in any other base.

Like Back, most of the parent teachers are volunteers who have personal interest or expertise in their subjects, Passeno said. "One of the advantages of teaching is that you get to register first," she said. That's no



Karsten Molitor of Midland, left, and Daniel Hinds of Birch Run share a laugh during Earth science class. The boys are among hundreds of home school students who gather at Delta College near Saginaw each Friday to study a variety of subjects.



Irina Back of Flushing, left, and Justin Jacobs of Vassar are members of the popular karate class offered to home-school students through a joint program at Delta College.



Rebecca DiMercurio of Carrollton, left, and Ashley Bergmooser of Midland apply crayon to sandpaper as a way of studying how forces shape the Earth's surface.



Kathy Garthoff teaches Spanish language classes to older home-school students in the weekly program at Delta College near Saginaw. Many parents volunteer to teach classes in their areas of expertise.

small benefit, since classes fill quickly.

Cunningham said the program benefits not only the families, but also the college.

"It gets the kids on campus and gets them exposed to Delta," she said. "A lot of home-schoolers at the high school level take dual enrollment classes, so it helps that they're already familiar with Delta and what it has to offer." ♦

For a chance to win an iPod by commenting on this story, please go to www.EducationReport.org/8228

Bill would clear way for more Detroit charters

Legislation introduced by Rep. LaMar Lemmons Jr., D-Detroit, in January would allow Wayne County Community College to authorize charter schools in Detroit. Current law prevents community colleges from authorizing charter schools "in a school district of the first class," a reference to Detroit Public Schools. However, other community colleges are authorized to sponsor charter schools in the districts they serve. House Bill 4043 was referred to the House Education Committee on January 22.

www.michiganvotes.org/2007-HB-4043

State would pick up Detroit tab

The State of Michigan would assume the deficit incurred by Detroit Public Schools when that district was under the control of a state-imposed reform school board, if the Legislature approves a bill introduced by Rep. LaMar Lemmons Jr., D-Detroit, in January. House Bill 4040 says that the "legislature shall appropriate sufficient funds to the school district to eliminate the operating deficit." In 2004, the district had a \$122 million deficit. House Bill 4040 was referred to the House Appropriations Committee.

www.michiganvotes.org/2007-HB-4040

More time in school

Legislation introduced by Rep. Bruce Caswell, R-Hillsdale, on January 22 would increase the minimum number of hours of instruction public schools must provide from 1,098 hours per year to 1,140. As previously, failure to operate schools for at least the minimum time requirements could result in loss of state aid. House Bill 4008 was referred to the House Education Committee. In addition, legislation has been introduced in the House and Senate to require compulsory school attendance for children up to age 18, instead of

age 16 as is currently required. Sen. Liz Brater, D-Ann Arbor, and Rep. LaMar Lemmons Jr. introduced the bills in their respective chambers. Senate Bill 11 and House Bill 4042 have been assigned to the Senate and House education committees, respectively.

www.michiganvotes.org/2006-SB-11

www.michiganvotes.org/2007-HB-4042

www.michiganvotes.org/2007-HB-4008

Medical savings accounts

Public schools would be required to offer medical savings accounts as a health insurance option for employees under a bill introduced by Rep. Bruce Caswell, R-Hillsdale. The same bill would require all districts, as of Sept. 1, 2007, to offer health insurance with benefits that are comparable to the most comprehensive benefits offered before that date. In districts where a collective bargaining agreement was in effect before Sept. 1, that agreement would take precedence until it expired. Medical savings account plans typically combine a high-deductible health insurance plan (the bill specifies \$3,000) with a tax-deferred equity account owned by the employee. Routine health care expenses that cost less than the insurance deductible amount are paid for from the equity account. House Bill 4012 was referred to the House Education Committee on January 22.

www.michiganvotes.org/2007-HB-4012

School aid budget by July 1

The Michigan Legislature would be required to adopt a school aid budget by July 1 each year for the fiscal year beginning the following Oct. 1 under legislation

introduced by Rep. Dave Hildenbrand, R-Lowell. The bill would create a new section in the state school aid act. House Bill 4021 was referred to the House Appropriations Committee on Jan. 22.

www.michiganvotes.org/2007-HB-4021

No more sweets in school

Rep. Frank Accavitti Jr., D-Eastpointe, has introduced legislation that would ban the sale of these items in public schools: chewing gum, candy bars, food or drinks that consist of 35 percent or more sugar or other sweetener, juice that is less than 100 percent real fruit or vegetable juice, food or drinks containing more than eight grams of fat per serving, and, in elementary schools, the sale of soft drinks. House Bill 4035 was referred to the House Health Policy Committee on January 22.

www.michiganvotes.org/2007-HB-4035

Allow administrator unions

School district superintendents, principals and chief business administrators could establish or join a union under legislation introduced by Rep. LaMar Lemmons Jr., D-Detroit, on January 22. House Bill 4039 would repeal the existing state law that prohibits such action. The bill was referred to the House Labor Committee.

www.michiganvotes.org/2007-HB-4039

Insurance coverage must continue

New Michigan law requires that health care coverage for dependent children who are full-time or part-time students must be continued if the student takes a leave of absence from school due to illness or injury. The coverage would continue for 12 months from the last

day of attendance in school or until the student reaches the age when the coverage would otherwise end. The law is expected to affect mainly college students. Insurance companies would be prohibited from raising the premium during the period. Under the new law, the student's physician will have to certify in writing that it is medically necessary for the student to take a leave of absence. The bill, originally introduced in March 2006, passed in the House of Representatives in June and in the Senate on Dec. 12. It was approved by Gov. Jennifer Granholm on Dec. 28.

www.michiganvotes.org/2006-HB-5815

Removing teacher endorsements

The State Board of Education may not nullify a teacher's teaching certificate or an attached endorsement, even at the teacher's request, unless the certificate or endorsement has not been used in 12 years. The new law resulted from legislation introduced in 2006 to establish procedures for when a teacher requests that certain endorsements be nullified. The law would rule out cases in which teachers deliberately nullify certain endorsements in order to use their seniority to bump into other teaching positions. School districts believe that dropping an endorsement is an implicit contract violation. Only the State Board of Education can nullify a teaching certificate or remove endorsements. The bill passed the Michigan Senate in a 35-1 vote and the House in a 107-0 vote and was signed by Gov. Jennifer Granholm on Jan. 3.

www.michiganvotes.org/2006-SB-1327

Citizenship requirements and scholarships

Gov. Jennifer Granholm vetoed a package of bills in January that would have

LEGISLATIVE ACTION, Page 11

School districts report saving money in insurance pool

Legislature expected to revisit health benefit issue in 2007

School districts that banded together to form a regional health insurance pool in southwest Michigan say they are saving an average of 7 percent on insurance costs, and the number of districts in the pool has jumped from nine to 29. A consultant working with the pool members says his company now is exploring similar ventures in other parts of Michigan.

The West Michigan Health Insurance Pool was established by the public school districts and intermediate districts in 2005 in an effort to save money on health care coverage through a self-insurance plan. In most districts the pool covers administrators and other nonunion support staff, today totaling about 1,700 employees, according to Doug Derks, area vice president for Arthur J. Gallagher & Co. His company is an employee benefits services firm hired by the districts to establish the pool and serve as a consultant. Derks is the former assistant superintendent for business of the East Grand Rapids school district, a position he left in January 2006 to join Gallagher.

"I would say it (the average savings) is just over 7 percent," Derks told Michigan Education Report. "They have the security of being a large company and the cost savings as well." At this point most of the savings are in administrative costs that each district faced by handling insurance programs individually.

"It's been a good process. Everybody I have talked to is happy with the services," said Michael Cuneo, assistant superintendent for finance for Rockford Public Schools. Approximately 63 employees in Rockford are covered

under the new program, which is saving the district about \$40,000 this year. "We were looking for a more cost-effective way to provide health insurance ... while maintaining benefits."

Each school district in the pool sends a representative to a governing board that oversees the insurance program.

Cuneo estimated that his district saves about 5 percent on the program compared to purchasing insurance from MESSA, the Michigan Education Special Services Association. MESSA, a third-party administrator affiliated with the Michigan Education Association, a school employees union, sells insurance to a large number of Michigan school districts. The amount of savings could go up or down in the future, Cuneo said, depending on the market and claims. "The big thing is that school districts have a little more control over the actual group itself."

Each school district in the pool sends a representative to a governing board that oversees the insurance program. "The intent is to have the school districts as managing partners," Derks said. His company handles filing required documents with the state.

South Haven Public Schools also is pleased with the program, saving approximately 10 percent on insurance premiums for administrators and non-certified staff during its first year in the pool, according to Robin Mock, business office supervisor. The district formerly purchased insurance for those

groups from the School Employers Trust and School Employers Group, or SET SEG.

The pool gained statewide attention in 2005, when the Michigan Legislature took up a package of bills designed to reduce health care costs for public schools in several ways. Senate Bills 895-898 passed the Michigan Senate in December of that year, but never came to a vote in the House of Representatives. In November of 2006, former Senate Majority Leader Ken Sikema, R-Wyoming, called on legislators to complete the work, saying it could save schools up to \$570 million in the first three years.

The package of bills would have made it easier for districts to form regional insurance pools like the one in west Michigan. Such pools, called "multiple employer welfare arrangements," or MEWA, are already allowed, but supporters say the regulatory process is lengthy and burdensome. Another piece of the package would have required the release of claims experience data for each school district. Supporters said that knowing a district's past experience would make it easier for other companies to prepare accurate competitive bids, which in turn would bring prices down.

Opponents have said that forcing insurance companies to release claims data would allow companies to "cherry pick" only low-cost districts for insurance coverage. They also said that, as proposed, the legislation making it easier for school districts to form insurance pools could put districts at risk by not requiring the same safeguards that are required under the Michigan insurance code. That code includes protections

like requirements for adequate reserves, oversight and financial reporting.

"Overall, MESSA does support pooling ... as a good way to spread risk," Gary Fralick, MESSA director of communications and government affairs, told Michigan Education Report. But he said that while the existing statute allowing multiple employee agreements has been praised nationally for its consumer protections, the new legislation would have "lessened the reserve requirement ... and lessened the consumer protections," for school districts and their employees.

"We think that some of the current legislation has been onerous for public institutions."

Doug Derks, Arthur J. Gallagher & Co.

"At the end of the year, if they've had medical bills higher than expected, school districts (in a pool) could see a bill," he said.

Some districts have saved money not by joining a pool, but by switching insurance plans or companies. Michigan Education Report noted a year ago that a number of districts have moved to a less-expensive MESSA plan called Choices II, to increased deductibles or co-pays, or to a different company altogether.

If MESSA had not developed options like a preferred provider plan, "We would probably have 20 percent fewer members," Fralick said. "We are susceptible to market forces like anybody else."

Contract negotiations in 2006 in Bay City Public Schools resulted in the district switching carriers from MESSA

INSURANCE POOLS, Page 6

Insurance Pools

continued from Page 5

to Blue Cross Blue Shield of Michigan for administrators and support personnel, according to Doug Newcombe, director of finance. Teachers shifted to the less-expensive MESSA plan, although they have the option to retain MESSA's more expensive program, SuperCare, if they pay the difference, Newcombe said. All employees now pay more out of pocket for prescription drugs.

It's too early to know precisely how much the district will save under the changes, Newcombe said, but the early estimate is approximately \$2 million. The district has 500 teachers and 400 additional staff members in all areas. At about 9,500 students, the savings could equal \$210 per student.

It is likely the health insurance issue will resurface in the Senate in 2007, according to Matt Marsden, spokesman for Senate Majority Leader Mike Bishop, although few details were available when Michigan Education Report went to press.

At this point, "all of those bills are dead and would have to be introduced" for consideration in 2007, according to Sen. Nancy Cassis, R- Novi, a member of the Senate Education Committee and also chair of the Senate Finance Committee. Cassis told Michigan Education Report she supported the bills at the time and would again. There is little question that, "Any new money going into education now is not getting into the classroom," she said, but rather to health insurance or pension costs.

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Similarly, House Republican Leader Craig DeRoche said he expects the Legislature to revisit the issue, but added, "Much of the reform that is needed can be done in the private sector." Bringing more insurance companies into the market would introduce more competition and cost savings, without state regulation, he said. "The ideal solution, to me, would be private sector markets brought in that would offer dynamic alternative choices."

DeRoche told Michigan Education Report he understands the need for legislation making it easier to form self-insurance pools like the West Michigan program, calling it the "most important element" of the reform package.

"We think that some of the current legislation has been onerous for public institutions," Derks said. The laws allowing formation of multiple employer arrangements was intended for private industry and includes safeguards that aren't needed with established public institutions like schools, he said.

Cassis said she believes more districts are taking the step of seeking competitive bids on health insurance than in the past. "It's an issue of negotiation between the teachers union and the school board and administration."

That idea is supported by a statewide survey by the organization of Michigan School Business Officials. The April 2006 survey invited school districts to report on how many insurance carriers they use and whether they have added any since 2000. Of the 284 districts responding, 46 percent said they had added a new carrier or changed insurance plans within the same carrier. The same number said they solicit bids for insurance in preparation for collective bargaining. ♦

Contracting helps schools avoid cuts, offset mounting benefit costs

Reported savings more than \$100 per student in some districts

Michigan school districts say they are saving money through private contracting and using the money to mitigate the damage of higher costs for health insurance, retirement and utilities. In interviews with Michigan Education Report, representatives in school districts that have contracted with private companies in the past year for janitorial, transportation or food services said their budget outlook still is not good, but that it would have been worse without outsourcing.

About a third of all Michigan school districts hire private firms through competitive contracting for janitorial, transportation or food services.

Garden City Public Schools estimated it would save \$260,000 to \$500,000, or up to \$100 per student, on custodial costs in the first year of its contract with Grand Rapids Building Services, but most of those savings were eaten up by unemployment obligations to former employees and by a legal settlement between the school district and the Michigan Education Association, a school employees union that had filed an injunction to stop the move.

"Beginning in the second year, we will be saving \$950,000 to \$1 million," said Sheryl Quinn, executive director of business services. With enrollment at 4,976 in the fall of 2005, that savings would equal up to \$200 per student. Even so, the district anticipates a \$3.3 million deficit at the end of this year, up from \$1.3 million as of June 2006. "Had we still had those (janitorial) costs, you can see what would have happened," Quinn said. Increased utility costs were a major problem last year, as was a 15 percent increase in health care expenses.

However, Quinn said, the district purchased new math textbooks this year and plans to buy social studies books next year. In predicting future costs, it helps that the district has a three-year contract with GRBS and a set price for each year, she said.

Similarly, Hartland Consolidated Schools has a five-year guaranteed price from GRBS for custodial service and is on track to save the amount it estimated, which is \$5 million over five years.

"A year ago at this time we were looking at cutting \$1.5 million from our general fund budget," said Scott Bacon, assistant superintendent for business and operations. "If we hadn't done this it would have been another 10 teachers. ... We've already reduced the easy things."

Schools within the Kent Intermediate School District are saving money by contracting with Dean Transportation to provide bus service for special education students, according to James McLean, assistant superintendent for finance. The KISD handles special education busing for a number of districts in Kent County under three separate contracts. The savings do not go to the ISD, but to the member districts, McLean said. "The money is going back into the basic programs. ... All of the schools in our area have gone through substantial cost reductions. Any cash they can put back in is a blessing for them."

"The real nut of all this is that you're not paying that 17 percent retirement," he said, a reference to the Michigan Public School Employee Retirement System. School districts must contribute an amount equal to about 17 percent of their payroll to the system each year to cover required benefits for retired school employees. Private companies with private employees avoid that expense, though they may offer their own retirement plans.

The KISD also is using a private firm for substitute teacher services, and is talking with six other intermediate districts about implementing a central accounting system, McLean said. "In just our city we duplicate payroll in 21 locations," he said.

In Kalkaska, the school district is on track to save about \$324,000 — equal to

about \$182 per student — through its private custodial contract, but that has been offset by increased costs for utilities, fuel, health insurance and retirement, district officials said. The district already reduced its teaching staff by 17 this year, said Lee Sandy, interim superintendent.

"When you first outsource, it's definitely a learning curve," said Romanier Polley, director of business services for the Avondale School District. "We definitely realized savings ... at least \$250,000." Avondale's student count in the fall of 2005 was 3,819, making the savings equal to about \$65 per student.

That's less than the \$450,000 the district had projected because the contract didn't specify all the work that needed to be done, she said. The contract included janitorial work but not maintenance for things like the heating and ventilation systems, she explained. "We had [maintenance] things that needed to happen immediately," she said, so the district ended up hiring additional help.

Next year "I think it will be a better year. This was a learning year," she said. The money that was saved this year "is going toward other operating costs," but not a specific item, she said. Avondale is running at a deficit and has filed a deficit-reduction plan with the state.

Brandywine Community Schools also was able to reduce its deficit with savings realized through a private custodial service, according to Sue Furney, director of business and finance. The district signed a two-year contract in January with D.M. Burr Facilities Management of Flint. It hired that firm after ending a contract with Great Lakes Cleaning of St. Joseph. Furney said in a report in the Niles Daily Star that Great Lakes and the district mutually agreed that their agreement "was not a good fit." The new plan is expected to save Brandywine about \$170,000, or \$118 per student. ♦

COLLECTIVE BARGAINING 101

Mackinac Center publishes primer to help Michigan school board members



Collective bargaining is one of the most important, and frequently one of the most rancorous, aspects of Michigan education today. School board members at the bargaining table are expected to consider the educational needs of students, the welfare of school employees and the demands of the citizens who elected them.

"A Collective Bargaining Primer for Michigan School Board Members," recently published by the Mackinac Center for Public Policy, provides school board members with information critical to effective bargaining. Peppared with insights from experienced school board members and negotiators, the book explains current law and the roles of various parties during negotiations. It also suggests strategies for preparing better contracts.

The authors are Thomas W. Washburne, director of labor policy at the Mackinac Center, and Michael D. Jahr, the Center's director of communications. Michigan Education Report also is published by the Mackinac Center.

When Michigan gave educators in public schools the legal right to organize in 1965, school employee unions quickly gained ground. As of 2007, all but one of the state's conventional school districts had union contracts covering their certified teachers. Other groups, like custodians and administrators, followed suit. Today, under the terms of the Public Employment Relations Act, school boards are required to use the collective bargaining process to reach agreement with all union groups on key issues like wages and hours of employment.

"Most school board members come into the job with a willingness to learn, but little experience in industrial-style collective bargaining," Washburne says.

"Board members are dedicated people," agreed Lynn Parrish, deputy superintendent for personnel and labor relations and chief negotiator for Howell Public Schools. "They have the desire to do what is right, but it is a rare board member who has the training and experience that a chief negotiator — on either side of the table — has."

Parrish was one of the negotiators interviewed for the primer. Another was Donald Wheaton, vice president of the Lakeview Public Schools Board of Education. A 15-year board veteran, he described Michigan's school board members as "5,000 individual people who are trying to do the best jobs they can."

"School board members need to hear all sides of every issue," Wheaton said. "More information can only be helpful."

The goal of collective bargaining, the authors note, is to reach mutual agreement on employment conditions through good-faith negotiations, rather than strife. In practice, school board members should be aware that contract negotiations in Michigan are often protracted and divisive.

The primer explains the Employment Relations Act as well as the role of the Michigan Employment Relations Commission in handling disputes. It also discusses which issues must be decided through bargaining and which may not — and why school boards need to be aware of all of their options when negotiating contract terms. "Good faith" bargaining, mediation and declaring an impasse are also addressed.

"Michigan law ultimately yields the authority to manage the district to the school board," Washburne said.

School board members are required to find a balance between the needs of the school system's employees and its students, parents and taxpayers, the authors point out. But at the bargaining table, protecting the needs of students and taxpayers becomes paramount because employees are already represented by their unions. In most cases more than 75 percent of a school district's revenue is at stake in the form of wages and benefits. School boards should be prepared, should adopt a unified strategy and should understand the goals and strengths of the unions before negotiations begin, the authors advise.

A well-informed school board member is an advantage during that process, Parrish said. "People who have some foundational knowledge always have ideas to bring."

The Mackinac Center is providing copies of the primer to every public school board member in Michigan. Others interested in obtaining a copy can visit educationreport.org ♦

SCHOOL DISTRICT FOCUS

Standish-Sterling Community Schools

DISTRICT BUILDS NEW FIELD HOUSE, POOL, AND STILL TOES BUDGET LINE

'We weren't going to fritter stuff away,' superintendent says



Claude Inch

Standish-Sterling Central High School would be a showcase building in any school district. Just when the tour of the new swimming pool, 700-seat theater, technology lab and 2,200-seat gymnasium is finished, Superintendent

Claude Inch takes guests outside to see the \$1 million athletic field house.

But south of the intersection of Grove and Wyatt streets in Arenac County, where the school sits, and behind the nearby middle school, is a much smaller building. This grey structure is a former woodshop that was converted into the district's administration center by building trades students, at a cost of \$115,000.

When a visitor points out the contrast between the multi-million dollar high school and Inch's own office, the superintendent looks around his room.

"You don't need much," he says, pointing out the window to another small building nearby. That's a former auto shop and tractor repair building that is now the site of Standish-Sterling Board of Education meetings and an alternative education program.

"As the community saw, we weren't going to fritter stuff away," Inch said. "Our people are generally very pleased with what they get from the district." These twin ideas of serving the students but keeping a strict eye on the budget are a frequent theme in Standish-Sterling. Amid news stories about declining enrollments, skimpy fund balances and school closings in many Michigan districts, Inch is retiring in March on what most districts would consider a very high note. Consider:

-In the last eight years, the district has built a new high school and refurbished all its other buildings, thanks to taxpayer approval of a 7-mill tax increase in 1998.

-It paid \$4 million in cash from its operating fund balance for a new swimming pool that opened in 2006, yet still has \$5.7 million in the balance, or between 20 and 30 percent of operating expenses.

- All district schools have made Ade-

quate Yearly Progress under No Child Left Behind guidelines and earned an A or B on state report cards. All district buildings also hold accreditation through the North Central Association of Colleges and Schools.

All of this has happened in a district in which nearly 60 percent of the elementary and middle school students are eligible for free or reduced lunches.

Inch says the district's success through lean times is due to a supportive staff, school board and community. He also says Standish-Sterling is not the only success story in Michigan education. But Inch's approach to running this small, rural district appears to be key — and others confirm the point.

CONSERVATIVE APPROACH

The right approach is academics first, Inch says, underwritten by sound and conservative business practices. Inch holds a master's degree in business administration, with a concentration in management and finance, which he believes has served the district well.

"This is one of the longest periods of hard times we have seen (in Michigan education)," Inch said, pointing to several years of declining enrollment and rising costs. "That's a very bad scenario." The district copes, he and others said, by making long-term projections on costs and enrollment, keeping a close eye on staffing levels, putting money aside, sharing resources among buildings and taking state aid announcements with a grain of salt.

"If they give you money this year, you can't assume they'll give you money next year," Inch said of the state. "We've always used a very conservative approach to determine which programs we're going to offer, and that has prevented us from getting overextended."

This conservative approach dates back to 1994, when Michigan voters passed Proposal A and changed the way Michigan pays for public schools from primarily local property taxes to an increased sales tax with revenue distributed across districts. The idea was to help districts with lower property values



A full array of weight training equipment is available in the field house at Standish-Sterling Central High School. The field house is used for school and community athletics, including a competitive powerlifting team.

catch up to those with higher values.

"We do not have the capacity here, based on state equalized valuation, to generate the kind of money (from property taxes) another district does," Inch said. The funding switch helped Standish-Sterling, which took in less money from local taxes than 95 percent of all Michigan districts under the former plan. The new funding plan meant thousands of dollars more per student to the district.

"We had absolutely nothing," Board of Education President Joan Harder recalled of some periods before Proposal A, when she was a teacher there. "There were times we were told 'Don't cash your paycheck until Monday.'"

Following Proposal A, "We made a conscious decision to reserve the money," Inch said. Not all of it, but enough to add to the fund balance for at least 13 consecutive years, to a high of about \$11 million. The district put about \$3.5 million of its balance into the high school construction and, more recently, paid \$4 million for the pool. Having a comfortable fund balance has allowed the district not only to avoid borrowing, but to schedule long-term purchases of things like computers and textbooks and also to budget the extra \$1 million in operating expenses the new high school added.

"I can tell you right now how many

buses we'll need and how much it will cost over the next decade," Inch said. Transportation accounts for 10 percent of the budget in this district of 230 square miles, but the school buildings are all located within four miles of each other. That allows for sharing resources like the pool — middle school students walk there for swim class — and the new auditorium, which elementary school students have used for "virtual field trips" to Kenya and the San Diego Zoo. The auditorium's media system allows the students in the auditorium to exchange questions and answers directly with a tour guide at the remote locations, Inch said.

"They don't understand how we have so much and they don't," Harder describes her conversations with board members from other districts. "They don't understand we have a good money manager."

Roger Anderson, director of instructional services and a former elementary school principal, agrees with Harder.

"Financially, he definitely is the wizard, as we call him," Anderson said of Inch. "That's how we managed to put money in the bank. We aren't underpaid, but we all do multiple jobs. There's a strong work ethic."

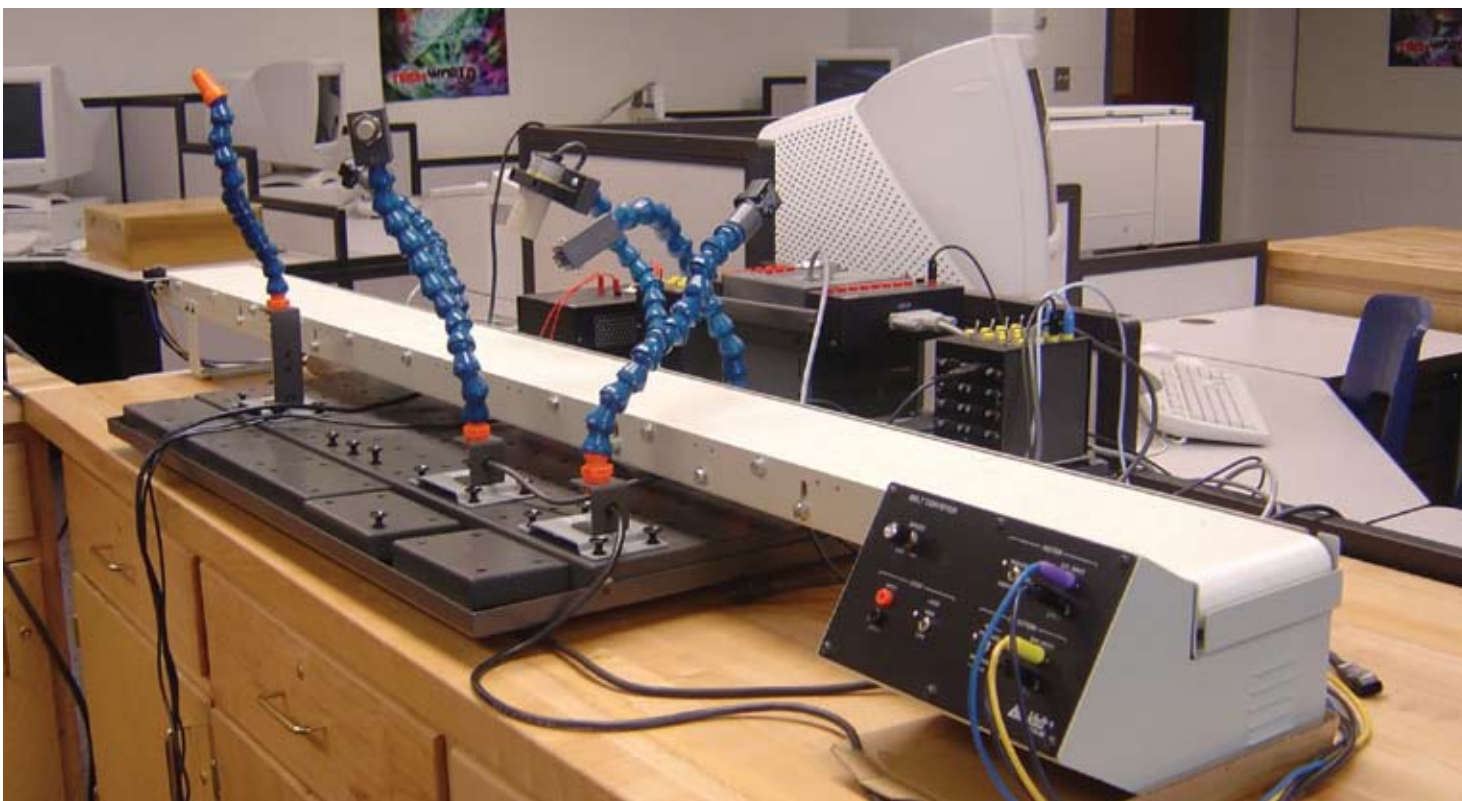
PLANNING FOR STAFFING

Inch plans ahead for staffing needs — always the largest expense in a school district — by projecting enrollment years in advance and, he says, by expecting staff to work hard.

"We have a tendency here to home grow all our administrators," he said. The district launched an administrative intern program several years ago in which a teacher is released from part of his or her classroom duties for nine weeks to try out an administrative role or to complete a curriculum-related project. "They're actually functioning along the lines of an assistant principal," he said. "They have a tendency to be more effective because of the training."

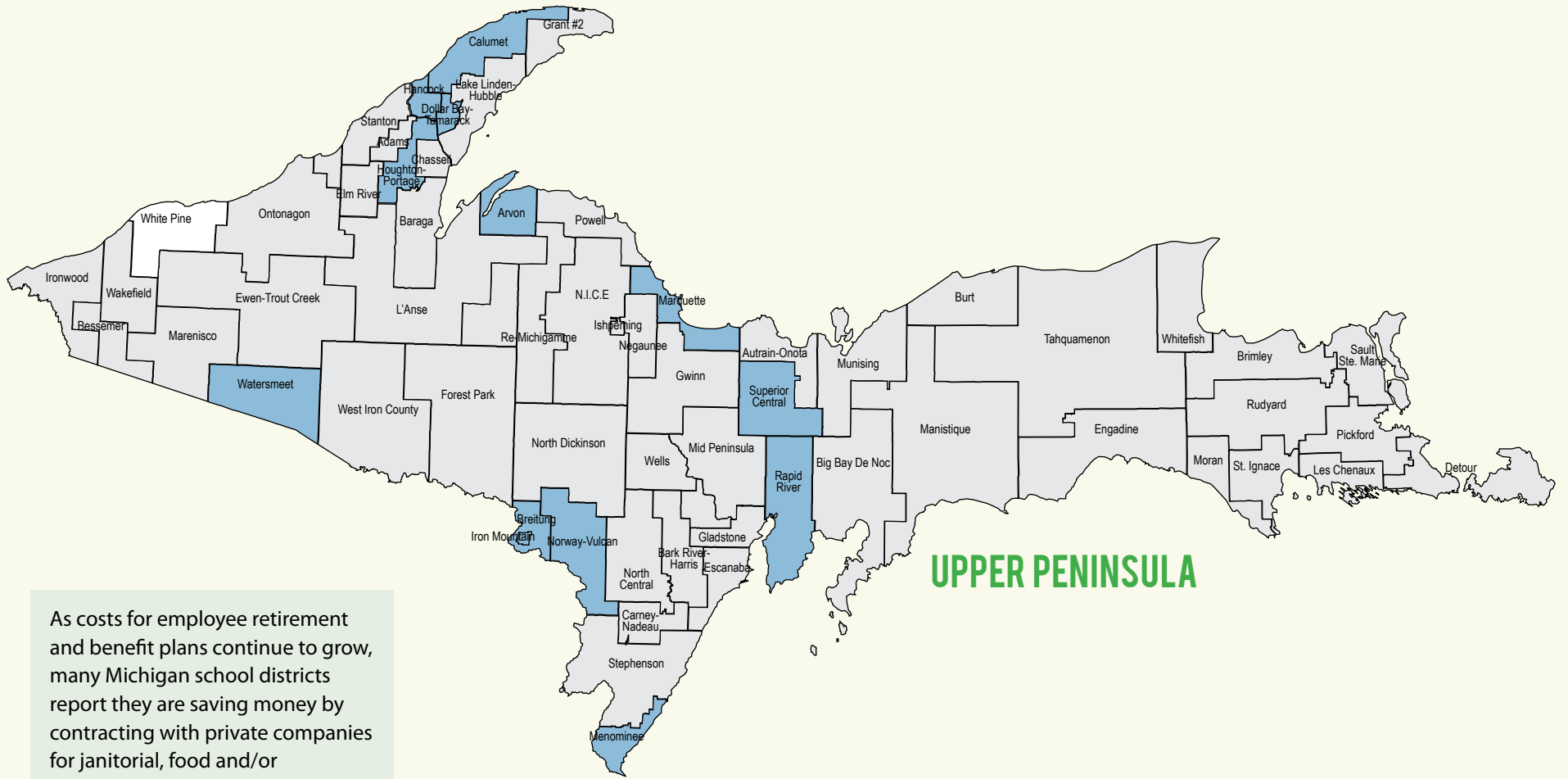
Shelly Malcolm, a sixth-grade teacher, recently finished such an internship, spending half of each day on duties typically carried out by the principal or assistant principal. Before the experience, she said, "I always wondered, 'What are they doing all day?' It gave me an unbelievable perspective on what they do. They are up and running every second. ... It was a very eye-opening experience for me to be a teacher and see the other side." Malcolm is working on a master's degree in educational leadership at

continued on Page 10



The technology room at Standish-Sterling Central High School includes this robotic arm assembly line as well as equipment for instruction in print technology, video editing, electronics and more.

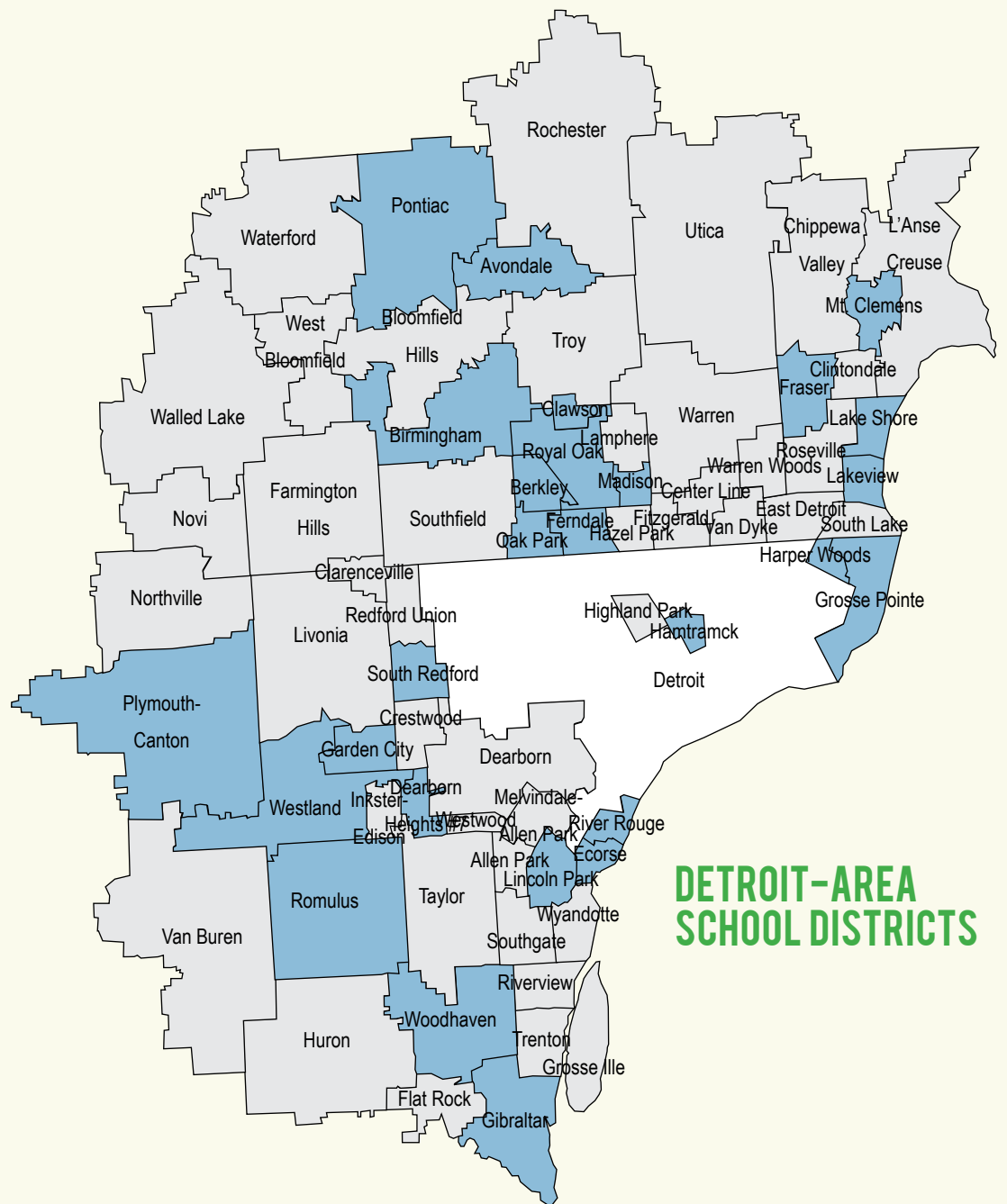
SCHOOL CONTRACTING CONTINUES TO GROW



UPPER PENINSULA

As costs for employee retirement and benefit plans continue to grow, many Michigan school districts report they are saving money by contracting with private companies for janitorial, food and/or transportation services. A survey of Michigan districts in August of 2006 by the Mackinac Center for Public Policy showed that 37.8 percent contracted out for one or more of the three services, up from 35.7 percent in 2005.

Since concluding the survey, several additional districts have contracted out for one of the services. Several articles in this edition of Michigan Education Report discuss the competitive contracting issue. On the back page, guest columnists share their views on outsourcing in "Diverse Viewpoints." A separate article, on page 6, describes how individual districts have used savings from outsourcing to address rising costs.



DETROIT-AREA SCHOOL DISTRICTS

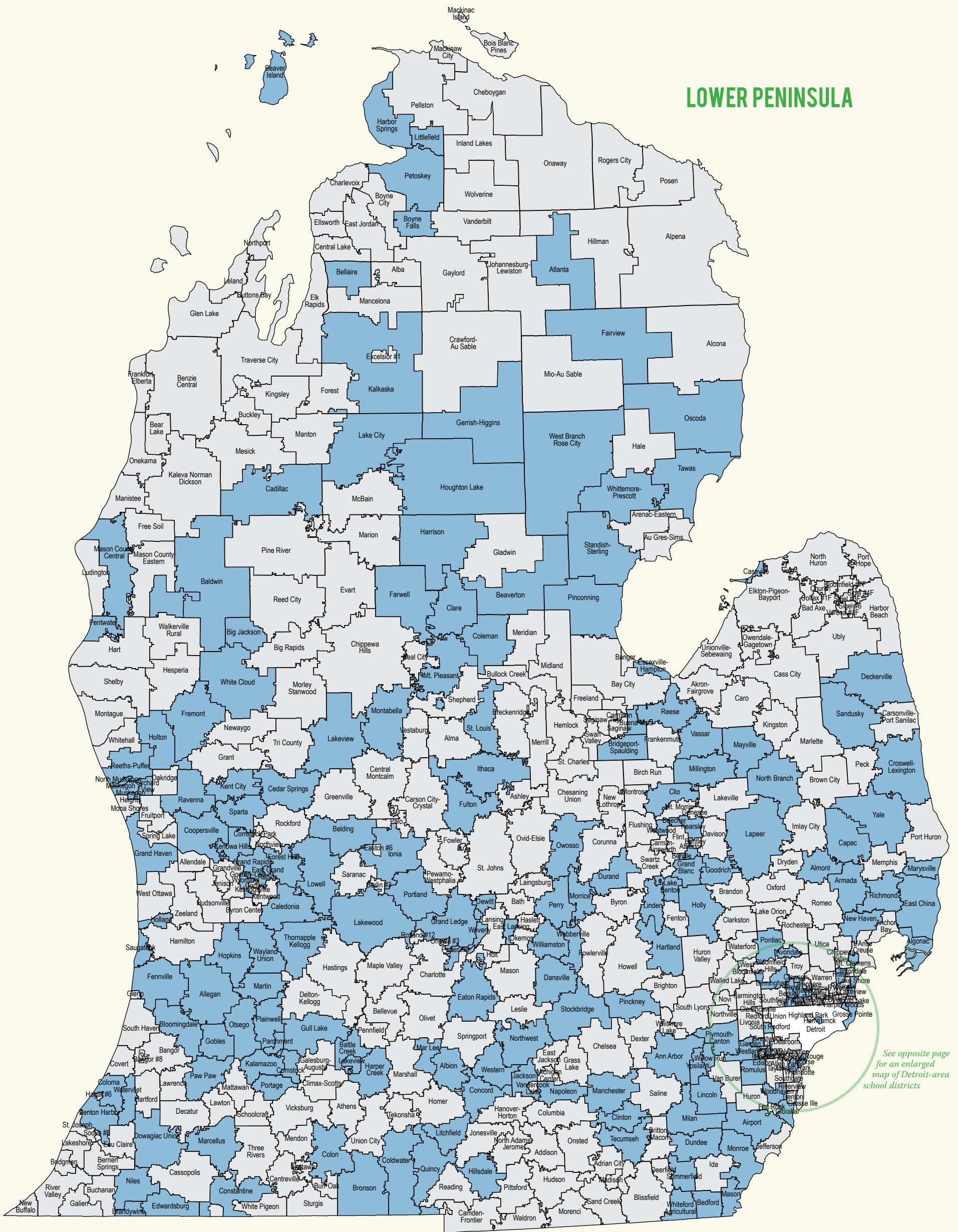
The 2006 survey results illustrated on this map were originally published in the Winter 2007 edition of Michigan Privatization Report, a Mackinac Center publication.



- School districts which privatize food, custodial and/or transportation services
- School districts which *do not* privatize food, custodial or transportation services
- School districts did not report

Detroit is excluded because it did not respond to the survey before publication of the survey data. Detroit later confirmed that it contracts out for food management services and some bus routes.

Since concluding the survey in September, several additional districts have contracted out for either food, custodial or transportation services, according to the Mackinac Center.



LOWER PENINSULA

See opposite page for an enlarged map of Detroit-area school districts

- School districts which privatize food, custodial and/or transportation services
- School districts which *do not* privatize food, custodial or transportation services
- School districts did not report

Standish-Sterling

continued from Page 7

Saginaw Valley State University and said she can apply the hours she spent in the internship to her degree requirements.

The right supplies and the right design also can reduce staffing needs, Inch pointed out. The EZ Rider cleaning machine — a Zamboni-like vehicle — cuts down on the time required to clean the high school cafeteria floor, and the glass wall between the school library and adjacent computer lab means one person can supervise both rooms. Video cameras monitor other parts of the building.

Overall, state figures show that Standish-Sterling spends less on business administration and more on instructional programs than many other Michigan districts. According to reports filed in 2004–2005, the district ranked 433 out of 750 Michigan districts and public school academies in business and administration expenses per pupil. But it ranked 322nd in the state in the amount spent on total instruction per pupil.

ACADEMICS FIRST, SUPERINTENDENT SAYS

Inch said that supports his point: “Our priority has always been academics first. ... Success comes from teachers teaching. You need to create a support mechanism that allows them to be successful.”

About four years ago the district decided to limit each first-grade classroom to 15 students so that every child could have “a very personal relationship with their teacher and get off to a good start,” Inch said. He estimated that that decision costs the district about \$90,000 a year, but he believes the payoff comes in students adjusting well to school. “It’s a case of your priorities going to the classroom.”

When the district considered designs for the new high school, an “educational blueprint” came before the architectural blueprints. Teachers and staff suggested



features that would help them do their jobs. “What would you need to teach art the best way?” Inch asked. Today, “When you go into the building, you can see the art room is conducive to an art teacher. It probably costs you less in the long run because you did it right the first time.”

A strong supporter of elective classes and extracurricular activities, Inch said he sees them as a way to keep students interested in school and give them experiences they can add to a college application. Standish-Sterling pays for a full sports program plus things like Science Olympiad, Knowledge Bowl and numerous student organizations. “We have one of the few Future Farmers of America chapters that is still very active,” he said. “It makes it more fun for them. It makes going to school a broader experience.”

One reason Inch does not approve of Michigan’s new high school graduation requirements is that it will put the squeeze on students who want to take electives like band, he said. “I think that most boards of education would have done better had they been left alone. To say there were no graduation requirements except Civics was a bunch of baloney.”

Give-and-take between the school and the community is another reason for Standish-Sterling’s success, staff members say. Many of the local residents were born and raised in the area, Malcolm pointed out.

“That network really does go a long way.”

School facilities are open to the community much of the time, and the school system provides the only organized recreation in the area. The field house and its indoor turf are shared by students of all ages as well as the community for batting practice, wrestling, pole vaulting, golf practice, flag football and power lifting. The new swimming pool is used more by local residents than by students at this point. But, always watching the budget, the district bought the indoor turf from the University of Alabama, and the Student Council took on the task of laying 10,000 cubic yards of sod at the outdoor sports complex, “which probably saved \$10,000 to \$15,000 in labor,” Inch said.

CHALLENGES AHEAD

Inch is keeping himself out of the process of finding his successor. The school board currently is narrowing the field of applicants, with help from a consultant from the Michigan Association of School Boards, according to Harder.

The new chief will have the benefits of a completed building program, a healthy fund balance and community support, but also the challenge of fluctuating scores on standardized tests at the high school.

State figures show that Standish-Sterling Central High School earned a B overall on its latest Michigan Report Card, for 2005–2006.

The individual grades for language arts and social studies were A and B, respectively. The grades for science and math were C and D, respectively. The grades reflect not just actual student performance on standardized tests, but also whether the school met improvement targets in each content area.

In contrast, more than 80 percent of the students in the district’s two elementary schools were proficient in math and language arts in recent years.

Anderson, the director of instructional services, says the high school is in the second year of a two-year improvement program funded by a federal Comprehensive School Reform Grant. Totalling more than \$200,000, the grant money has been spent on leadership training for teachers, coaching from a retired administrator and the “Collaborating for Student Success” program, in which small groups of teachers meet across disciplines to share ideas and critique each other’s lesson plans.

“It’s a lot more teamwork and a lot more sharing of ideas,” Anderson described the program. High schools tend to segregate teachers by subject matter, he said, but “with good teaching strategies, it doesn’t matter what the content is.” The same strategies were used at the middle and elementary schools in past years, he said, and “we’re getting a lot of results there. ... I’m going to be watching this year’s (high school) test scores real closely.”

Inch said he plans to remain in the community after his retirement and spend more time playing golf. “It’s been a good run,” he said. “I think this is a good time for me to leave and a good time for the district.”

Harder, meanwhile, said with a laugh that the school board is looking for somebody as Inch’s successor who has “experience in academics, in finance, in school law and ... in practically everything. ... It’s not easy to live here. It’s a slow pace. It takes travel to get to cultural places, but the people who live here love it.” ♦

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Kalamazoo-area YMCA camp now hosts student teachers

Olivet students will fill part of student teacher requirement at Sherman Lake

Olivet College education students will spend time at a YMCA camp that focuses on character education as part of their student teaching requirement, the college has decided. The decision was made in January to require student teachers to spend time working with elementary students in the Integrated Education program at the Sherman Lake YMCA Outdoor Center near Kalamazoo.

The student teachers will gain experience by working with students from about 40 schools in the Kalamazoo area, which send a total of 3,000 fifth and sixth graders to the camp each year. Luke Austenfeld, executive director at Sherman Lake, says the principle underlying the camp's "Integrated Education" program is that character education and academic education should operate in tandem. The four values of honesty, respect, caring and responsibility are woven into camp offerings like canoeing, nature study and art, Austenfeld says.

Austenfeld and his staff developed and have promoted the program over a number of years with a goal of helping teachers integrate character values into the school curriculum. One way to do that is to work with teachers already in the classroom. But Austenfeld also is trying to convince colleges and universities to send education majors to his center as part of their student teaching experience. Olivet College is the first to agree.

The college already allowed its teacher candidates to earn credit at Sherman Lake, but in January the institution decided to make it mandatory, according to Norma Curtis, vice president and dean for academic affairs. "A lot of what they stand for is the same as what we stand for," she explained the decision. The teacher candidates from Olivet who have spent time at Sherman Lake "had a very rich experience. We're really excited about it."

Olivet requires its teacher candidates to spend 14 weeks in classroom training. Curtis said she believes the seven weeks they will spend at Sherman Lake will help them become better classroom managers and give them a better understanding of how to help children develop life skills in addition to academic skills. They also will have direct teaching experience at the camp, she pointed out. "I don't think there's one major subject area that can't be incorporated at Sherman Lake."


There are 32 state-approved teacher preparation programs in Michigan and about 7,500 new teachers are certified each year, according to the Michigan Department of

Education. The state gives teaching institutions wide leeway to structure their own programs, according to Curtis, although the programs are subject to state review. Olivet currently has between 300 and 350 students enrolled in its education program.

The MDE conducts a review of each teaching institution every five years, according to Flora Jenkins, director of the Office of Professional Preparation Services. The state requires prospective teachers to spend at least 12 weeks in a directed teaching assignment under the supervision of a teaching institution, but some universities and colleges require more time of their students, she said.

Teacher training is also the focus of a new, state-level study group on teacher preparation programs. The Michigan Teacher Preparation Policy Study Group, formed in July, will make recommendations on the state's review process and will study teacher testing policies and the grading of teacher preparation institutions, according to a press release announcing the group.

"Our motto is: Kids not only need to be smart. They need to be good, too," Austenfeld told Michigan Education Report. He says the evidence is clear that having embedded values in a school promotes academic achievement. But he said teachers don't get much help achieving both goals in the classroom. Instead, they are under "a tremendous amount of pressure to meet national (test) standards," he said, while their principals are "overwhelmed by all the mandates."

 Listen to Austenfeld's interview at www.EducationReport.org/8242

Even if a teacher wants to incorporate character values into the curriculum, the commercial programs available are "almost entirely people trying to sell you posters," said Austenfeld, who studied the topic for his master's thesis. Some programs suggest weekly character activities, but not many focus on character values as the starting point in a curriculum. Integrated Education does just that, he said, using the core values of honesty, caring, respect and responsibility. Austenfeld noted that those are "universal values, not religious values."

How would a teacher combine character values with an English lesson? According to the Integrated Education plan, the teacher would first explain the activity and then the class together would discuss how it relates to character. Next the class would carry out the activity and, finally, class members

would discuss it. Teachers in the Sherman Lake program learn that technique along with the campers.

At Sherman Lake, most of the activities are hands-on, like canoeing or archery or art. So before students climb into canoes, they talk about safety and respect. "How are we going to be safe? We're not going to tip each other," Austenfeld asked and answered himself. "How are we going to treat the equipment?" Learning is easier in



Luke Austenfeld, inset, is the executive director at the Sherman Lake YMCA Outdoor Center, near Kalamazoo.

an environment where children feel safe physically and also feel they will be treated with respect, Austenfeld said.

On the first day of camp, counselors and students "sit around and decide what the rules and expectations will be," Austenfeld said. "They know what's right and wrong, and they're their own rules." He advises teachers to have those same kinds of conversations at the beginning of the school year. "Setting the tone of the class at the very beginning dictates the whole year." In other words, he adds later, "what you permit, you promote."

Austenfeld, who taught in public schools for six years, has been executive director of the center for 12 years. He has a Bachelor of Science degree in education from Emporia State University in Kansas and a master's degree in nonprofit leadership and management from Springfield College in Massachusetts. The center itself is a full-service YMCA that offers summer camps, retreats and year-round family recreation in addition to the school programs.

He does not have long-term empirical evidence on the academic effect of Sherman Lake Integrated Education, Austenfeld said, but teachers and principals tell him they have noticed improved student/teacher relationships, better test scores and fewer

behavior problems since their students visited. The program has broad appeal, with 40 schools now participating, among them elementary, middle and high schools, public schools, public school academies and Catholic schools.

"The cool thing is, we have kids coming from every environment," Austenfeld said. At Sherman Lake, a student teacher would work with between 15 and 20 different groups of students from very different backgrounds over the course of seven weeks. The student teachers would learn to incorporate character education into lesson plans and would share ideas and experiences with other student teachers every day.

"They've seen it all," Austenfeld said of counselors who have worked at Sherman Lake and gone on to be teachers or principals. "I mean everything from bedwetting to whatever you can imagine. They end up seeing kids as kids."

The student teacher program at Sherman Lake would be in addition to, not in lieu of, student teaching in a more traditional classroom, he pointed out. "What they get here are all the soft skills about how to present a subject, and they would transfer those skills to other classes."

Carrie Abbott is a 2006 Olivet graduate who participated in the Sherman Lake program and is now certified to teach art in Michigan. Originally from Bad Axe, she said the Sherman Lake program helped her to hone her skills by teaching the same lessons over and over with different groups of children. She spent seven weeks there as a student teacher and then returned as a summer counselor.

"It was absolutely wonderful," she said. "There are different students and they need to learn different ways." Right now Abbott is working as a residence hall director at Olivet and also is the campus director of student organizations. She incorporates character education into her work with campus leaders in the same way she would in a classroom, she said, by talking about respect and caring.

One of her friends from Sherman Lake, who is now a fourth grade teacher, told Abbott she also is using core values in the classroom. "You have to be honest," Abbott quoted her friend. "You can't cheat on tests. You have to be responsible. You can't hit anybody."

That's the kind of story that Austenfeld wants to hear. "It's pretty hard to change minds, but it's easy to shape them," he said. "We're in the business of shaping minds." ♦

LEGISLATIVE ACTION

continued from Page 5

prohibited illegal aliens or aliens without permanent residence status to receive various scholarships or other financial aid in Michigan. House Bills 5301-5309 would have amended a variety of statutes regarding nursing scholarships, work-study programs, educational opportunity grants and other forms of financial aid. Under the proposed changes, recipients in any of the programs would have had to provide evidence of being a permanent resident of the United States or being in the country for other than a temporary purpose, with the intention of becoming a citizen or permanent resident. Originally introduced in 2005, and sponsored by different legislators, most of the bills made their way through the House Higher Education, Government Operations and Veteran's Affairs and Homeland Security committees before final approval in the House in April 2006 and in the Senate in December 2006. A similar bill, HB 5310, would prohibit state merit award college scholarships for illegal aliens or aliens not granted permanent residence status. That bill was also approved by the House in April but was still under consideration in the Senate as of December.

www.michiganvotes.org/2006-HB-5301

Granholt vetoes ISD changes

A bill that would have affected elections, financial reporting and sales of property in intermediate school districts was vetoed by Gov. Jennifer Granholm in January. Most ISD boards are selected by the boards of their constituent school districts and some local board members serve on both the local board and the ISD board. Under the proposal, if a school board member were the third person from the same board to be elected to the ISD board, he or she would have to resign one of the positions. The bill also would have revised some procedures for timing of elections. In addition, the bill would have required ISDs to state in their annual financial disclosure reports how much was spent individually on public relations, polling and lobbying, rather than lumping those figures together. School code already prohibits ISD board members and administrators from accepting any money, goods or services valued at more than \$44 from a person who does business of any kind with the ISD. Under the proposal that would not apply to meals or to other foods or beverages

for immediate consumption. The bill was introduced by Rep. Brian Palmer, R-Romeo. After final revisions, the bill passed the House, 58-49, and the Senate, 32-6, in December.

www.michiganvotes.org/2006-HB-6004

Tweaking millage rates

Certain school districts would be allowed to exempt principal residences and qualified agricultural property from part of the local school operating millage under House Bill 4125. Introduced by Rep. Paul Condino, D-Southfield, on February 1, 2005, the bill affects the Southfield and River Rouge school districts. Under Michigan's school financing system, owner-occupied principal residences and qualified agricultural property pay a 6-mill state education tax, and owners of other kinds of property (rental, commercial, and industrial) pay an additional 18-mill local property tax. Certain higher spending school districts are permitted to levy supplemental "hold harmless" mills to support per-pupil spending levels, based on their spending level at the time Proposal A passed. The first 18 mills of hold harmless mills are to be levied only on principal residences and qualified agricultural property. If additional hold harmless mills are needed, they are levied against

all kinds of property. House Bill 4125 would permit a school board, in cases where more than 18 additional hold harmless mills are required, to exempt each principal residence and all qualified agricultural property from some or all of those mills. The bill passed in the House on a 98-2 vote in November and in the Senate on Dec. 14 in a 37-0 vote and was approved by Granholm in January.

www.michiganvotes.org/2006-HB-4125

Board members can volunteer

A school board member could volunteer as an unpaid coach or extracurricular activity supervisor in a school district under House Bill 5890. Current law prohibits a member of a governmental body (including a school board) from also being a paid employee. As originally introduced by Rep. John Espinoza, D-Crosswell, the legislation would have been limited to districts with a population of less than 15,000. A later version removed that restriction. The volunteer board member could not vote on matters related to athletic issues that came before the school board. The bill passed in the House in a 103-1 vote on Dec. 7, and was referred to the Senate Education Committee on Dec. 12.

www.michiganvotes.org/2006-HB-5890 ♦

Dean Transportation, MEA at odds over unions

Bus company to appeal ruling

The private bus company that now transports thousands of Grand Rapids Public Schools students has appealed a federal ruling saying it must recognize one employee union instead of another.

A number of companies and school district officials are watching the case, but opinion is mixed on whether the ruling, if it stands, will discourage private companies from entering the school transportation market.

Dean Transportation hired about 100 former Grand Rapids Public Schools bus drivers when it signed a five-year contract with the district in June 2005. Dean says those drivers now are part of the Dean Transportation Employee Union, which represents other Dean drivers and related transportation staff. But the Michigan Education Association, a school employees union, says the drivers still are represented by the Grand Rapids Education Support Personnel Association, an MEA affiliate, just as they were when they were district employees.

The MEA filed unfair labor practice charges against Dean last fall when Dean declined to bargain a new contract with GRESPA. The NLRB case is one of several disputes related to the contract.

The union also had filed a lawsuit against Dean in 17th Circuit Court in Kent County, alleging "tortious interference" with the contract between the union and Grand Rapids Public Schools. Tortious interference cases allege intentional damage to a business relationship or contract by a third party. The parties settled out of court in early February, with Dean agreeing to pay \$600,000 to the union. According to a report in *The Grand Rapids Press*, Kellie Dean, company owner, said the settlement was a "business decision," and that the union had requested more than \$30 million.

In the NLRB case, Administrative Law Judge Michael Marcionese agreed with the MEA in a ruling in September, saying that

Dean must recognize GRESPA. He said that the former Grand Rapids Public Schools drivers report to the same location and the same supervisors as previously, that they do not regularly mingle with Dean drivers in other locations, and that they should retain their identity as a separate bargaining unit, not as part of a larger Dean workforce. The Grand Rapids drivers report to a bus center at 900 Union Street.

In the same ruling, the judge said that the Dean Transportation Employee Union "has been restraining and coercing employees" by applying its collective bargaining agreement with Dean to the new drivers. The judge said that the union violated labor law when it told the new drivers they would be required to join DTEU and pay dues.

Dean is appealing the decision to the full National Labor Relations Board on the grounds that Marcionese "failed to consider the regionalized nature of Dean transportation and Dean operations," Dean attorney David Khorey told Michigan Education Report.

"The question is, what is the appropriate bargaining unit? Is it just Union Street or is it everybody?" Khorey said. Most of the Union Street drivers transport special education students, he pointed out, and Dean believes those drivers have more in common with other drivers of special education students than with regular education drivers who are at the same location. "Who's got the community of interest here? It's not just the Union Street garage."

Khorey said he believes the ruling, if it stands, would discourage private bus companies from signing contracts with public school districts in Michigan, but the general manager of another private bus company, Laidlaw Education Services, said he doubts the ruling would have any impact on his company.

"It doesn't affect our continuing desire to work in Michigan," said Robert Rutkoski, who oversees Laidlaw's operations in 10

Michigan school districts.

Based in Lansing, Dean Transportation has more than 500 employees and transports special education students in school districts in the Grand Rapids area as well as in Alma, Mount Pleasant, St. Johns and Holland. Most of the transportation is arranged through intermediate school districts. During the hearing, Dean pointed to its central hiring system, centralized policies and procedures, and single system for wages and benefits as evidence of its regional approach.

The reason the former Grand Rapids drivers report to the same location and do essentially the same job as previously is that Dean and the school district wanted a smooth transition on behalf of special education students, Khorey said. The idea was to "be seamless, and over time do the consolidations. This was seen as a process. ... You've got to look at this down the road a little."

In a statement issued after the ruling, Kellie Dean said, "(W)e remain focused on our key priority of providing safe, reliable transportation for the students of Grand Rapids Public Schools."

However, the president of GRESPA said the judge's ruling "shows you that we did things right."

"Anybody who works out of the 900 Union center is our member," Steve Spica told Michigan Education Report. "I hope it makes other districts think twice about privatizing any of our positions."

Similarly, MEA Uniserv Director Buz Graebner said the ruling means GRESPA has the right to represent all full-time drivers, regular part-time drivers, mechanics and route planners at the Grand Rapids center. "We think the full (National Labor Relations) Board is going to uphold it," he said.

A date for the hearing has not been set. In the meantime, Dean is treating the Grand Rapids drivers as if they are part of the DTEU, Khorey said.

Rutkoski, Laidlaw's area general man-

ager, said private bus companies can help school districts save money regardless of union contracts.

Each of Laidlaw's 10 contracts for transportation is handled differently. Some of the districts are non-union, he said, but some are represented by MEA affiliates and others by the Teamsters union. Laidlaw does not have its own employee union.

One reason Laidlaw can offer school districts competitive contracts is the large size of its operation overall, he said. The company contracts with some 1,000 districts in various states, with more than 40,000 vehicles and 41,000 drivers.

"When you operate 40,000 vehicles, there are economies of scale in cost of parts ... electronic routing ... and mechanics," he said. "We find that our staffing levels are much more efficient."

The company also does not have to pay the retirement benefits that are required of public school districts he said, which considerably reduces the cost.

The number of school districts hiring private firms to provide food, custodial and transportation services is growing steadily. According to the Mackinac Center for Public Policy's 2006 privatization survey, 37.8 percent of public school districts have a competitive contract in place for one of those three services. When the Grand Rapids Public Schools Board of Education approved the contract with Dean, school officials estimated a savings of \$18 million over five years. With student enrollment at about 20,500, the savings would equal about \$870 per child for the five years combined.

According to the Michigan State Police, which is responsible for school bus safety inspections, there is a fleet of about 17,500 school buses in Michigan. Of those, about 1,300 are contracted vehicles owned by private companies. However, in some cases a public school may retain ownership of its vehicles but hire a private company to provide drivers and management. ♦

SHORT SUBJECTS

continued from Page One

many Michigan school districts – but not all. More than 300 districts reported their fund balance increased from 2004 to 2005, and a few small districts have cash on hand equal to 90 percent or more of their operating budgets.

The Millington Board of Education has opted not to collect union dues on behalf of the Tri-County/Millington Education Association since the teachers union contract expired on June 30, 2006. The district and teachers are now in negotiations over a new contract; health insurance costs are a key issue.

Ithaca, Alma and St. Louis schools will conduct Board of Education elections in November rather than May as a cost-saving move. As reported in the *Saginaw News*, the elections now will coincide with city, county, state and federal general elections. The change also means that all board members will serve six-year terms instead of four-year terms.

The U.S. Supreme Court is expected to hear arguments this term over whether a public-sector union can use nonmembers' fees for political activity or whether it must first obtain the nonmembers' consent. The case, on appeal from the Washington Supreme Court, consolidates two suits pitting the Washington Education Association against the State of Washington and non-member teachers. The question is whether the WEA can use agency fees – paid by non-members to the union for representation – for political purposes. The Mackinac Center for Public Policy has filed a brief in support of the state

and the non-member teachers, saying that a union should be allowed to charge only those fees that are related to its statutory duties as the bargaining agent and that the statute requiring affirmative authorization is constitutional.

A study at the University of Michigan will focus on whether the campus is using its space effectively. The study will focus on building use and energy costs; why fewer classes are held in the mornings, evenings and on Fridays; and professor office space, according to an article in *The Ann Arbor News*. The cost of heating and cooling buildings also was a reason to do the study. Energy costs went up by \$20 million in the past two years, the article reported.

Howell Public Schools expects to save about \$2 million by refinancing its Parker High School and other construction projects. The plan is to issue \$75 million in bonds at current market rates for the purpose of refunding a portion of the original bonds, according to local news reports. The district already refinanced nearly \$8 million of the original bonds, saving taxpayers an estimated \$400,000. The savings should show up in form of lowered rates on future property tax bills.

Holland Public Schools will begin hiring substitute teachers through a private firm, joining about 25 other school districts in Kent and Ottawa counties. The districts subcontract with the Professional Employment Services Group of Caledonia. According to a report in the *Grand Rapids Press*, school officials say the change is generally going well and saves districts about 8.5 percent of substitute costs. The districts also avoid paying almost 18 percent of the daily pay into the state's retirement system, as well as FICA tax.

A Grand Valley State University project will convert cow manure into energy at an area dairy farm. The school's Michigan Alternative Renewable Energy Center will be constructed at the den Dulk Dairy near Ravenna, according to Imad Mahawili, the center's executive director. The plant is expected to be in operation by midsummer. The plan is to convert manure into methane gas and subsequently into electricity, a *Muskegon Chronicle* article reported, and also to produce, as a byproduct, a nutrient-rich fertilizer free of pathogens and odors.

A new teacher contract including slight pay raises and lower health insurance costs has been approved in Harper Creek Community Schools near Battle Creek. The teachers' current health insurance plan, administrated through the Michigan Education Special Services Association, an affiliate of the Michigan Education Association, a school employees union, will change to a different MESSA plan. The Harper Creek Education Association represents about 163 teachers.

The Ewen-Trout Creek Board of Education has submitted a deficit elimination plan to the Michigan Department of Education which calls for erasing the district's \$1.2 million deficit by 2010. The four-year plan calls for small revenue increases and major expenditure decreases, according to a report in the *Ironwood Daily Globe*. The plan assumes an increase in donations and cost-saving measures for extracurricular activities, but maintains all academic programs. The district is located in Ontonagon County.

Most Michigan school districts will have "highly qualified" teachers in place in time to meet a June 2007 deadline, state officials say. The No Child Left Behind Act

of 2001 requires 100 percent of teachers to teach in their field of expertise in the core academic areas of elementary education, special education, math, science, English, foreign languages, art, social studies, economics, political science, geography and history. Flora Jenkins, director of the Office of Professional Preparation for the Michigan Department of Education, said the department expects the June deadline to be met.

Northville Public Schools officials are investigating privatizing the district's 175 custodial and maintenance, food service and transportation employees. The move is an effort to save money, according to David Bolitho, Northville Public Schools assistant superintendent. Bolitho said in an article in the *Northville Record* in December that it is too early in the process to estimate Northville's savings. ♦

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Pension costs seen as key reason voters reject Proposal 5

Michigan voters faced a crowded ballot in November. One initiative, Proposal 5, would have mandated public education funding increases every year. Voters rejected the measure 62-38, in large part because school employee pensions became a major issue.

Citing decreased state per-student grants and asserting a connection between education spending and economic growth, the "K-16 Coalition" fought for the measure with dozens of glossy mailings, radio advertisements and yard signs. Citizens for Education, a political action committee backed by the Michigan Education Association union, received more than \$4 million in contributions, including \$3.4 million from the National Education Association union. Its other supporters included local unions and union officials.

Those contributions were about double what the groups opposing Proposal 5 received, according to campaign disclosures filed with the Michigan Secretary of State.

Rep. Jack Hoogendyk, a member of the House Tax Policy Committee, attributes the defeat of Proposal 5 to the intelligence of voters.

"People are a little smarter than some gave them credit for," he said from his Lansing office recently. "They do read and understand the proposals, and Michigan by and large is a conservative state when it comes to fiscal or tax or social policy. It's more than just the results of Democrats versus Republicans."

To that end, Hoogendyk points not only to the drubbing of the mandated school funding measure, but also the passage of a civil rights initiative and a private property protection initiative.

Hoogendyk said the Proposal 5 defeat should not be seen as an anti-education vote.

"About the only local millage you can get passed anymore is for the schools, but only when they believe it's for the kids."

The majority of the cost behind Proposal 5, Hoogendyk said, was for teacher pensions.

Ken Braun, a policy analyst for the Mackinac Center for Public Policy, agrees.

"Proposal 5 was a referendum on the cost of public education pensions," said Braun, who wrote an extensive policy brief about the issue prior to the election. "Its resounding defeat demonstrates that Michigan taxpayers are cost conscious and demand reform of the teacher pension system, not papering over the problem with more dollars."

Tricia Kinley, the director of tax policy and economic development for the Michigan Chamber of Commerce, said Proposal 5's defeat means "taxpayers are not willing to just keep throwing money at the education system without getting a return on their investment."

Kinley served as the spokeswoman for the "Coalition to Stop the K-16 Spending Mandate," comprised of the Chamber and more than 30 taxpayer, local government, law enforcement, professional associations and health care organizations. At least four school boards voted not to support the ballot measure.

"I have to give the Chamber credit," said Ken MacGregor, spokesman for the K-16 Coalition. "The education community was out there all alone while all the special interests were arrayed against it."

Kinley said the K-16 proposal was "a

blank check with no accountability measures."

But MacGregor said his group was not avoiding accountability.

"This was not a constitutional amendment, it was a legislative initiative, just like any other appropriations process," MacGregor said. "The accountability part is already in place through the school codes."

Experts, however, point to another issue on voters' minds: pensions.

While it was well known that Proposal 5 would have mandated annual funding increases for public schools, community colleges and public universities at an amount equal to the rate of inflation, the greater costs would have been tied to shifting future increases in pension funding to the state. Various analyses pegged the total cost of the proposal at as much as \$700 million in the first year. This could have skyrocketed to more than \$1 billion in additional funding per year, due largely to the pension-funding shift.

"There are only two ways to pay for that," Kinley said. "You either increase taxes or cut services."

Kinley said voters also realized that shifting pension and retiree health insurance costs to the state could harm local schools.

"It ultimately removed any incentive for school boards to make tough decisions at the bargaining table," she said. "They would have been absolved."

MacGregor said the state could have "plenty of revenue" to fund the pension liability if tax cuts from the 1990s were reversed.

"The pension issue wasn't really the Achilles' heel," he said.

But a majority of voters in every Michi-

gan county rejected Proposal 5. In 70 of Michigan's 83 counties, the margin of defeat was 20 or more points.

Given the prominence of pension funding during the election season, many now think that reform will be considered more seriously by policymakers. Some have suggested switching public education employees from a defined-benefit pension plan to a defined-contribution plan.

Such a change, MacGregor said, would not be a cure-all.

"What may work in the private sector doesn't mean it will work in the public sector," he said.

But Braun noted that many public- and private-sector pensions are moving from defined-benefit to defined-contribution systems. Most Michigan state employees have already made this change.

"Conventional defined-benefit pensions ... are being rapidly phased out because of their substantial cost," he said. "If there is a message in the lopsided vote against Proposal 5, it is that Michigan taxpayers want the cost of public school employee benefits brought back into line with the rest of the real world."

Legislation that passed in the Senate last year but failed by a half-dozen votes in the House would have created a defined-contribution pension plan for new teachers, while keeping current teachers and retirees in the same defined-benefit plans they've always had.

"This should send a message and embolden the Legislature that it's okay to vote for this change," Hoogendyk said. "The people want it. This kind of change wouldn't take anything away from anyone; it would simply ask future employees to accept what is the standard in the private sector and is fast becoming the standard in the public sector." ♦

This article originally appeared in The Heartland Institute's Budget & Tax News.

COMMENTARY

by John Gardner

Milton Friedman's ideas are working in Milwaukee schools

Milton Friedman is most widely known and celebrated for his monetary policy. But school choice – making markets work for parents and students – was one of his most passionate priorities. Friedman's critical insight has been redirecting debate from one of mandates versus markets, to making markets work – especially for people locked out of markets by poverty, monopoly and constricted supply.

School choice has earned its largest, longest experiment in Milwaukee, Wis. Eighteen thousand children attend independent and religious schools financed by the education vouchers Friedman advocated for half a century. Another 10,000 attend charter schools independent of Milwaukee Public Schools, and over 8,000 Milwaukee students enroll in school districts outside the City of Milwaukee.

But tens of thousands of Milwaukee choice students are not the biggest story. The greatest surprise has been how Milwaukee Public Schools has responded to the challenge and competition from vouchers, charters and suburban schools. Fifteen years into Milwaukee's school choice experiment, more than half of Milwaukee Public School's 90,000 students attend schools that did not exist in their current format when school choice started.

Schools offering effective programs have thrived and grown. Milwaukee

Public Schools, which reduced options for low-income, central city and minority families for decades, expanded both neighborhood school options and specialty schools previously targeted to middle class and white enrollments. International Baccalaureate, Montessori, and other popular specialties have been replicated in both Milwaukee Public Schools and the choice and charter sectors.

Milwaukee has redefined "public education" from a government monopoly to a multi-sector public service delivered by governmental, independent and religious schools. Parents know, or learn fast, which schools work and which schools don't.

Best of all, terrible, persistently failing schools have closed. Middle schools for sixth- through eighth-graders – an often bad idea in general, with disastrous results in many urban low-income communities – have closed and been replaced by smaller, safer kindergarten through eighth-grade schools. Three low-performing high schools have been shut down and converted to multiplex facilities for smaller, more responsive academies. Milwaukee public elementary schools that cannot sustain their enrollment are closed and no longer drain the system of resources.

Mr. Friedman died on Nov. 16, 2006. In the last 10 years of his life, he concentrated on promoting educational freedom through school choice, including founding the Milton and Rose D. Friedman Foundation with his wife.

The market Friedman envisioned works. Remarkably, school choice works not only for students, families, and independent and religious schools, but for Milwaukee Public Schools. ♦

John Gardner is a self-described left-wing Democratic organizer, with 40 years' experience with labor unions, cooperatives, election, and schools. He has come to believe that markets constitute one essential form of democratic power, essential to "democracy's three essential values of liberty, equality and community."

Fourth-grade teacher wins iPod from Michigan Education Report



Trischa Buseth

Trischa Buseth, a fourth-grade teacher with Concord Community Schools, won an iPod from Michigan Education Report in a contest aimed at generating dialogue about Michigan schools. The promotion continues in this issue, with another iPod as the prize.

Buseth's name was chosen in a random drawing that included the names of all the readers who filed comments about articles in the Winter 2006 issue of MER at its online edition, www.educationreport.org. She commented on an article about Angus McBeath, retired superintendent of Edmonton Public Schools in Alberta, Canada, and 30 years of school reform in his district.

Buseth wrote that public educators need to be open to change, but also that teachers need to be respected and appreciated.

A regular reader of educationreport.org, Buseth said, "I felt it was an important issue to comment on and something I am obviously concerned about. ... I am in this job because I have a passion for teaching. And, of course, it's always fun to win a contest!" Buseth has been a teacher for 12 years and has been employed with Concord since 1999.

Readers who would like to comment about articles in this issue can visit the online edition at www.educationreport.org. A drawing for the second iPod will take place later this spring.



Listen to Buseth's interview at www.EducationReport.org/8246.

MICHIGAN EDUCATION REPORT

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COMMENTARY

Lawrence W. Reed

Profit has a role in public schools

A version of this commentary was published in the *Midland Daily News* on Dec. 31, 2006.

Is it wrong for a private company to earn a profit when it does business with a public school? Is it ever appropriate for a public school to contract with a private, profit-making company at all?

These questions or variations of them come up every time that a school board considers any form of privatization or “contracting out” — in part because the unions that represent school employees use them to raise objections. Unions oppose privatization even when they employ it themselves at their own headquarters.

Critics of privatization often make an issue of the fact that charter schools sometimes hire private management firms. In opposing this, one former state representative told an audience, “I don’t believe it’s appropriate for somebody to make a profit off of public education.”

But if we follow the anti-profit premise to its logical conclusion, we would have to pass laws requiring public schools to hire only government-owned construction companies to build or renovate new buildings (fortunately, the government usually doesn’t run construction companies). Desks, chalk and pencils would have to be purchased from government-owned desk, chalk and pencil factories (fortunately, the government usually doesn’t run those either, except in places like North Korea). At lunch time, students would have to eat food that was grown on state-run collective farms and sold in government grocery stores by government employees.

Or, alternatively, we could pass laws that tell public schools it’s all right to buy these things from private companies, but only from those that lose money instead of earn it in the form we call “profit.” It’s hard to imagine that school districts could find suppliers who would provide a good or a service at a loss. Not even the Michigan Education Association does that. In addition to the tens of millions of dollars it extracts in compulsory dues from its union members every year, the MEA’s monstrously expensive health insurance operation, MESSA, rakes in hundreds of millions more from taxpayers.

In fact, the MEA is not so much against profit as it is simply against somebody other than the MEA making any. In the MEA’s flagship publication, MEA President Luigi Battaglieri stated: “Private companies don’t care about our students or our communities. They are in the business for the money. They aim to turn a profit and that’s not in the best interest of public education.” But the headline for the cover story in the very same publication read, “Adrian food service staff fight privatization by turning big profits for district.”

Perhaps Mr. Battaglieri was unaware that the profits that private companies earn allow them and their employees to pay the taxes that keep him and the MEA in business.

The fact is that public schools have always relied on profit-making firms for just about everything. Maybe what’s needed in the public schools is more profit, not less. Think about it: Where is the crisis in public education these days? Is it in the quality or availability

of desks, food or computers, or in other areas provided by the for-profit private sector? Do we have a national crisis in paper and pencils?

The education crisis that concerns Americans from coast to coast is not in these things. It’s in what happens in the classroom, the part that is delivered by government, regulated by legislatures, certified by government university education departments and supervised by district bureaucracies — the part that could benefit from the same choice, accountability and dynamism that make our relatively free, profit-driven economy the envy of the world.

A good number of politicians and bureaucrats don’t like profit, and that’s nothing new. They’ve been bad-mouthing and taxing it since the sun first came up in the east. For some like the MEA, it’s self-serving rhetoric. On the part of others, it represents neither deep thought nor study, but simply knee-jerk bias.

School districts should consider all options fully and objectively — including provision of goods and services by their own employees, by volunteers, by nonprofits and by for-profit firms. Schools aren’t supposed to be a public

works employment scheme. They exist primarily for the benefit of the families who send their children to them. If a school board finds that it makes sense to contract out operations like custodial or busing services and put the savings to work for the kids, doing so ought to be a no-brainer. To waste time and money spreading myths and misconceptions about profits and private firms serves no one but selfish interests. ♦

Lawrence W. Reed is president of the Mackinac Center for Public Policy, a research and educational organization headquartered in Midland, Mich.



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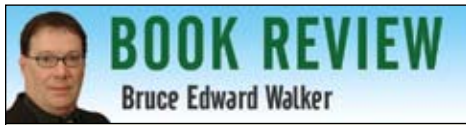
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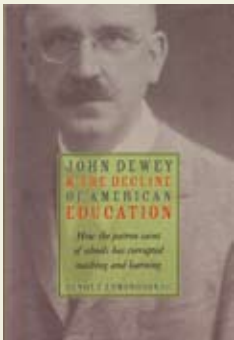
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How Dewey got it wrong — again

John Dewey & the Decline of American Education: How the Patron Saint of Schools Has Corrupted Teaching and Learning

by Henry T. Edmondson III,
ISI Books, 2006.



If the title of Henry T. Edmondson's book leaves any room for doubt as to his views on John Dewey and Dewey's educational theories, the book's subtitle should make clear Edmondson's belief: Dewey's lasting influence on the U.S. education system has wrought nothing but diminishing returns, if not all-out catastrophic results. Edmondson makes a compelling case that Dewey was far more interested in using public education for social reform rather than academic learning, and in placing students' vocational concerns above encouraging a traditional liberal arts education.

Edmondson, a professor of political science at Georgia College, enlists the wisdom of a host of Western civilization's greatest thinkers — including Aristotle, St. Thomas Aquinas, Thomas Jefferson and Benjamin Franklin — as well as such diverse writers of the past 100 years as Flannery O'Connor, J.R.R. Tolkien, Allan Bloom and G. K. Chesterton, to bear on what he considers recklessness wrought by Dewey's educational reforms.

Lest mention of these writers cast the author as a right-wing crank who disparages all progressive reform, Edmondson also takes issue with the No Child Left Behind Act, and writes in favor of educational innovation, which he believes "builds upon traditional processes and a recognized canon and designs new and dynamic ways to teach that material." Innovations promoted by Edmondson include freeing teachers from paperwork so they may actually teach, school vouchers, and charter and magnet schools.

Readers delving into Edmondson's brief book (114 pages) may not find as detailed an evisceration of Dewey's pedagogical theories as previous works by Charles Sykes and Diane Ravitch, but will find instead an interesting gloss of how an entire nation yielded to the whims of a man whom Edmondson depicts as attempting merely to further his personal agenda against authority, history and traditional teaching methods, rather than to improve the cultural and civic welfare of the nation's students. The arguments may not be new, but they certainly bear repeating. ♦

Bruce Edward Walker is science editor of *MichiganScience*, a former adjunct English professor at University of Detroit Mercy and editor of the John Dewey entry in Thomson Gale's "Twentieth Century Literary Criticism," Vol. 95.



It's time to get serious about school employee pension reform

On Election Day, voters in every county decisively rejected Proposal 5, part of which would have transferred a portion of future school employee pension funding from local school districts to the state general fund.

But a problem the proposal sought to address still remains: Underfunded school employee pensions. Future responsibility for the unfunded promises of the Michigan Public School Employee Retirement System (MPERS) will continue to burden school districts, and substantive pension reform is the only way to ensure school employees' and taxpayers' security.

MPERS is a defined-benefit program, meaning the system promises members health insurance coverage and a set monthly pension payment upon their retirement. It is easy to get distracted by all the technical public finance and accounting language like present value, expected rates of return and life expectancies. But the concept is simple. If the fund's assets do not equal what it promises to pay, it is "underfunded" or, more accurately, over-promised.

According to the latest MPERS financial report, the program is 79.3 percent funded. That means that the pension fund's assets are only 79.3 percent of what actuaries have projected it will need to pay out to retired members, which amounts to a shortfall of about \$10 billion.

This fact would not be so onerous, if the ratio of assets to liabilities had been holding steady or increasing. But that isn't the case. Just six years ago, MPERS was 99.3 percent funded. The slip is due to a variety of factors, including a stock market slump, increasing numbers of retirees and



Michigan is above average — but that's not saying much

Michigan education officials and Gov. Jennifer Granholm were happy to announce improved scores on state assessment tests this year, but there's another number they should be looking at. In a new ranking developed by the Cato Institute in Washington, D.C., Michigan received a score of only 17 out of 100. Low as it is, the number is above the national average.

The Cato Education Market Index, released last month, rates the states on the ease with which parents can choose between public and private schools, the freedom schools have to set their own policies, and the extent of competition between schools to attract and retain students.

Michigan is hardly a competitive marketplace in education, but one bright spot is that it has a larger than average number of charter schools. Roughly 5 percent of Michigan students are enrolled in charter schools, compared to about 1 percent nationwide. Another plus factor in Michigan's score is that the state's public schools offer marginally more parental choice than those of other states. School choice programs allow parents to cross district lines, and enrollment figures from

too few new participants replacing the retired ones.

Strangely, reform of MPERS has been avoided by state legislators, even though increasing burdens are weighing on school boards and administrators. Consider the schools' perspective: This year, contributions to the pension system will likely cost school districts approximately \$1,040 per student, according to a recent estimate from Michigan's Senate Fiscal Agency. Moreover, MPERS payments last year were estimated to have eaten up more than half of the increase in per-student state funding. The Senate Fiscal Agency projects that this year, MPERS costs will consume almost 13 percent of districts' tax-funded income. To deal with these rising costs, more than a third of Michigan school districts are laudably pursuing better management strategies by competitively contracting non-instructional services. Others are seeking reasonably priced, quality health insurance benefits. But a sound solution for the over-promised system would offer even more relief to districts.

One "solution" to the growing burden is to raise taxes when the bills come due. This would mean that, in addition to investing for their own retirement, the majority of Michigan taxpayers would be on the hook for the unfunded liabilities. Another fix is to put the burden on the backs of the public employees: raise the retirement age, close the system to new hires or hike the contribution rate. Neither is desirable.

A better solution would be to look to the private sector. Private sector employers are realizing defined-benefit systems like MPERS do not serve today's aging and mobile workforce. Instead, many employers are transitioning to defined-contribution plans such as 401(k)s. A defined contribution plan could help to eliminate the program's unfunded promises and protect taxpayers from the program's debt.

Such a program can be designed in a way that protects inexperienced investors, keeps administrative costs low and allows participants to build the largest possible retirement nest egg while reducing risk as retirement age approaches. State officials could look to the federal Thrift Savings Plan (TSP), the 401(k) plan for millions of federal employees, as an example.

This trend toward defined-contribu-

Detroit show that's just what those parents are doing. Thousands of children assigned to the Detroit Public Schools district now attend nearby charter schools or public schools in other districts.

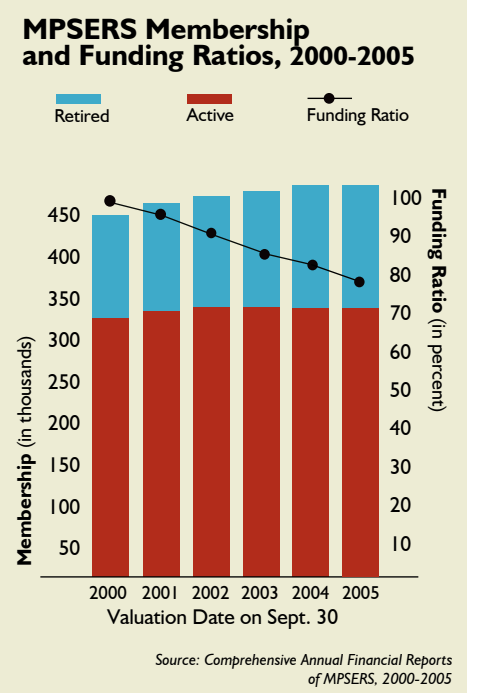
Michigan's private education sector adds more weight on the side of educational freedom. Private schools in this state are not required, for example, to hire government-certified teachers — a credential that has been shown to do little or no good in raising student achievement. Unlike their public counterparts, whose teachers must obtain degrees from state-accredited colleges of education, private schools can decide for themselves who is best for the job.

But only 9 percent of Michigan students attend private schools. Most are enrolled in traditional public schools, where there is little incentive for innovation or improvement.

Here's where Michigan loses points: The state has limited the number of charter schools that can be authorized by universities to 150, curtailing future growth, even though many existing schools have waiting lists. And, decisively, the state allocates approximately \$7,000 per pupil a year for children's education but insists that this only be used in government-run schools, ensuring that independent schooling is beyond the financial reach of many low- and middle-income families.

As many parents are finding out, Michigan simply doesn't have a competitive, parent-driven marketplace in education.

If parental choice had no bearing on student achievement, this wouldn't be a problem. But it does. The reason we developed the Cato Education Market Index is that competition and choice are associated with a range of important educational and



The amount of money in the school retirement fund is shown here as a percent of the amount actuaries say is needed to meet the fund's obligations.

tion plans isn't new, even among public employees in Michigan. Nearly a decade ago, Michigan lawmakers closed the Michigan State Employee Retirement System and instituted a defined-contribution plan for new state employees.

Michigan citizens and school employees should keep a close eye on the unfunded promises of MPERS. While MPERS' unfunded liabilities may not seem a pressing problem today, they will add increasing strain on the state budget, shoving aside spending on schools' primary instructional mission and legitimate state government functions. Now that the ominous "solutions" of Proposal 5 are behind us, Michigan citizens should demand that their state legislators take responsibility for reforming the school employee pension system for the good of the employees and of Michigan citizens. ♦

Ryan S. Olson is director of education policy for the Mackinac Center for Public Policy, an independent, nonprofit research and educational institute headquartered in Midland, Mich., and Matt Moore is a senior policy analyst with the National Center for Policy Analysis in Dallas.

social outcomes. International research shows that private schools forced to compete for students are more academically effective and less costly to operate than state-run schools. Our own research shows that higher ratings on our Cato Education Market Index are associated with higher academic achievement and higher graduation rates — even after controlling for differences in student and family characteristics between the states.

In school systems that have a monopoly on education, there is little incentive for teachers or administrators to innovate or to develop and disseminate best practices. In contrast, school managers in a competitive market have a powerful economic incentive to identify and nurture brilliant teachers.

Perhaps most importantly, free education markets in Michigan would not pit parent against parent in conflicts over school issues. Whether the school should have a Christmas tree, whether students should say the pledge of allegiance — all these decisions are much less controversial when parents freely choose the school they find most appropriate for their children. A recent Cato Institute study documents nearly 150 values conflicts caused by public schools in the 2005-06 school year alone.

Michigan could bring educational freedom to all of its families by implementing a system of universal education tax credits like the one advocated by the Mackinac Center for Public Policy. That would do a lot more for citizens than simply raising its score on our Education Market Index. ♦

Andrew J. Coulson is director of education policy for the Cato Institute, and author of "The Cato Education Market Index." He blogs at www.Cato-at-Liberty.org.

Do private employees in public schools provide the same quality of service as public employees in public schools?

YES: Decision to outsource was the right one



Jim Palm

Michigan schools are facing a financial uphill battle. The economy is stagnant, they have received limited state aid, their costs are increasing, and, as a result of Proposal A in 1994, they do not have the ability to acquire additional revenue via local millages. Therefore, schools are increasingly looking for cost-saving measures which would least impact instructional services to students – their primary mission. As a result, many school districts are investigating the potential savings to be generated by outsourcing non-instructional services. This is an extremely difficult decision to make. It impacts jobs within the community; it raises questions by parents concerned with student safety, and some even attempt to paint a picture of loss of control, increased costs and even corruption.

The Berrien County Intermediate School District has had extensive experience with sub-contracting. Food service has been privatized for many years; transportation for programs at Lighthouse Education Center (formerly North Lincoln School) had been outsourced for more than 20 years, and on July 1, 2005, the ISD contracted with Laidlaw Education Services to provide transportation for all of the district's programs. The decision was not an easy one. The board asked many questions about student safety, the quality of service offered by private contractors and the cost savings which could be achieved. In the end, because of exhaustive scrutiny and because of our history and experience with outsourcing, the decision was made – and it has proven to be the correct one. There will be a savings of \$1 million per year for five years with no reduction in student safety.

Following is what we have learned over the past two decades.

Safety. Without exception, the safety of our students is our primary concern. In fact, private contractors, because of their size, are able to provide more extensive and ongoing training than schools. State requirements for qualifications for school bus drivers are the same whether they are employed by a private contractor or a public school. Vehicles are newer and better maintained as a result of bulk purchasing power and extensive and well-trained mechanics. You simply do not become a multi-million dollar student transportation corporation with a poor safety record!

Personnel background checks. Michigan law requires all transportation personnel (publicly or privately employed) to undergo criminal background checks, fingerprinting and random drug testing. The responsibility falls on the school whether these personnel are employed by the school or by a private company, which is under contract with the school. There are no exceptions! Certainly anyone can research a database and find some private corporation employee somewhere who was at fault in an accident or was convicted of some crime. But the same is true of public school employees.

Personnel experience and turnover. There are those who claim that when a private company assumes the transportation responsibilities of the district, the drivers are new and students/parents are not familiar with them. They also say that they “turn over” at a high rate. It has been our experience that this simply is not true. When the ISD outsourced its trans-

portation to Laidlaw in 2005-06, it employed 32 transportation staff. Of those, six had been with the ISD for 15 years or more. Of the remaining 26 employees, the average longevity with the ISD was only 2.8 years. In addition, the ISD required that any contractor offer ISD staff the first opportunity of employment and, in fact, more than 80 percent signed on with Laidlaw. This meant that more often than not, parents and students saw the same drivers and attendants that they saw prior to outsourcing.

Local Control. If a district chooses to privatize its services, some claim they give up control. The opposite is actually true. The contractor works for the district! On a day-to-day basis, the contractor does have control over routes, discipline of students and personnel – but only to the extent allowed by the district. If a driver is negligent or fails to follow appropriate procedures, the corporation may impose the necessary disciplinary procedures. In the more severe cases, where student safety may be in jeopardy, it may result in termination. As public school employees, discipline often resulted in time-consuming and costly labor procedures which may include grievances, arbitrations, unfair labor practice charges, wrongful discharge suits, etc.

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Cost. One widely disseminated document states that contract drivers receive low wages – specifically: “Employees (of private contractors) are paid at near minimum wage.” When Laidlaw hired our drivers in July 2005, the minimum wage was \$5.15 per hour. Our employees who signed on with Laidlaw received \$15.05 per hour – almost three times the minimum wage. It is true that they did not continue to receive retirement benefits (currently at almost 18 percent of salary), nor did they receive the same health benefits (for the ISD, that was almost \$13,000 per year). Obviously, the major savings (\$1 million per year) were a result of the district saving retirement and health costs. However, they were all offered jobs at the same hourly rate (\$15.05 per hour) they had as ISD employees.

Having explained these concerns, this remains an extremely difficult decision for any district to make. Hopefully, school districts share a deep concern when it comes to staff and their employment. However, we cannot let our focus be diverted from our mission of providing quality instructional programs for our students. With limited resources we must remain fiscally responsible and make the tough calls when they are needed. This is not about “corruption,” “profiteering,” “high turnover,” etc. Rather, it is about finding the financial resources necessary to educate our students without compromising their safety.

Jim Palm is the assistant superintendent of the Berrien County Intermediate School District.

NO: Schools that spend less usually get less



Charles Bullard

School boards don't typically decide to hire outside companies to do work historically performed by their own employees in order to boost quality.

Or to find more loyal workers. Or to help students.

They do it because they've bought into the scam that they might spend less for the same (or better) services. But, this isn't an article about money.

It's an article about service. And, when you spend less, you usually get less.

You get less service. Or poorer quality. Or fewer “intangibles” – like loyalty and pride in one's work, that, while difficult to measure, are still important.

Like most teachers, I've devoted my career to helping students. I believe that every decision in education should answer the simple question: Will this help students?

Outsourcing the work of dedicated public school employees – custodians, bus drivers, teachers, food service workers, and other important people who work together to educate students – doesn't help children. In fact, it can negatively impact students.

In Holland, where I work, the school board decided to outsource, or privatize, the jobs of people who cleaned and took care of our facilities and the people who operated our printing services.

Things haven't been better – or even the same – since.

It's safe to say that many people, including some school board members, don't understand the roles that custodians play in educating our students. They do more than “just” clean classrooms and mop floors, to be sure.

Custodians strive to provide a safe, clean and healthy environment for children to learn. Without such an environment, students and teachers can be sidetracked from their work by anything from needing to empty a trash can to getting sick due to unsanitary conditions.

Since our school custodians were fired, teachers have noticed many problems, including some that have gone unaddressed for long periods.

Teachers don't know from day to day or week to week who the custodian assigned to their building will be. Therefore, we can't rely on touching base with the building custodian on various day-to-day issues that arise in our schools. To the detriment of students and staff, the private company hired to handle custodial needs schedules different employees to different buildings, according to their wishes and employee availability. When the custodians were employed by the district, they were assigned to a specific building and other staff (and students and parents, too) knew who the custodian was for that job site.

Holland teachers now have to type up formal requests for any and all custodial needs, a burdensome task that takes time away from teacher planning

and preparation. What's more, many teachers opt to “just do it themselves” to ensure the work gets done instead of submitting a formal request and hoping the work will get done eventually.

Scheduling changes have hurt quality, too. Teachers report that student bathrooms often smell and are not cleaned from time to time, that classrooms aren't thoroughly vacuumed regularly and that it can take weeks before desks or tables are moved for vacuuming.

Since each building doesn't have a consistent custodian, employees of the district's maintenance department are now called on to attend to mishaps.

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Last year, a vomit mess in one of our elementary buildings was left in a hallway for more than two days because maintenance staff members weren't able to free themselves from jobs elsewhere. The spot was simply sprinkled with absorbing pellets and covered with a chair so people would walk around it and not through it until it was cleaned up.

Another problem is noticeable at the high school, where mold in one classroom is visible across several ceiling tiles. The mold has been reported during each of the past two years, yet the odor and discoloration remain.

These are just a few examples of how outsourcing the custodians' jobs has negatively impacted quality.

In my school district, the jobs of people who print and copy materials for students were also outsourced. The district hired a major private company to do the work. Yet this company doesn't have the same expertise as our in-house employees. Outside companies hold no loyalty to individual school districts; they are for-profit companies that need to sell more copies to make a profit.

About a year after taking over the copying work in my school district, staff completed a survey of the company's performance; it included questions about professionalism, responsiveness and overall satisfaction. The survey revealed high levels of dissatisfaction. Nearly half rated their overall satisfaction “below average” or “poor.” They also said their orders weren't produced as requested or when requested.

At a time when more is expected of our students and our schools, we shouldn't accept less from the people and companies with whom we do business.

In the debate over outsourcing the work of local school employees, I hope that more school boards will consider the quality of work needed to ensure that students have a safe, clean environment that is conducive to learning.

Anything less is unacceptable.

Charles Bullard is a teacher and high school band director with Holland Public Schools.

Diverse Viewpoints are the opinions of the authors and not those of *Michigan Education Report*.
Tell us what you think: “Do private employees in public schools provide the same quality of service as public employees in public schools?”

Send your comments to the following address:

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