



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN ENGLER
GOVERNOR

April 2002

To the Citizens of Michigan:

When we talk about Michigan's most valuable assets, there is little dispute we are talking about our children. They are Michigan's future, and they deserve our very best – the very best schools in America. Over the last 12 years, we have worked to provide the very best for our kids by building an education system that makes our **commitment** clear, places a premium on **accountability**, and makes student **achievement** our ultimate goal.

From day one, I have made improving education in Michigan my number one priority. I have said many times, "The state with the best schools wins," and my administration has backed up that statement with an unprecedented commitment of resources. Since 1990, state and local funding for K-12 education in Michigan has climbed by 84 percent – an amazing increase of nearly \$7 billion. Reflecting this commitment to public education, more than one-third of Michigan's entire state budget is now devoted to helping our children learn and succeed.

Most important, many in the Legislature and in my administration joined together to lead the fight to win overwhelming public approval for Proposal A – the historic 1994 ballot initiative to cut school property taxes by more than 80 percent, establish funding equity between schools, and create a state foundation grant for every public school student. This generous, portable grant follows the student to the public school of their choice, including charter public schools. Prior to Proposal A, schools that spent more than \$6,500 were considered rich, and many spent less than half that amount. Today, no district spends less than \$6,500 per student, and in the 2002-03 school year, the foundation grant will climb to a record high of \$6,700. Bottom line: Thanks to Proposal A, Michigan homeowners pay lower taxes, Michigan schools are funded at record amounts, and Michigan students are benefiting from the most dramatic improvement in equity in state history.

Michigan is also a national pioneer in efforts to strengthen accountability by providing information to parents and employers. Starting with a school report card with data that contains test scores and graduation rates, this strategy has expanded to the first-ever independent audit of public schools by Standard & Poor's, as well as to the online school information program that allows parents to access school information by simply clicking on an interactive map. Accountability was also strengthened with the creation of nearly 190 charter schools and the availability of statewide, interdistrict school choice. Nearly 100,000 students are currently benefiting from these public school options.

The result of more than a decade of intense focus on education reform has been a measurable and substantial increase in student achievement. Test scores, ranging from the Michigan Education Assessment Program test to the National Assessment of Education Progress test, are consistently improving. Michigan students taking an international math test scored the highest of any state in the nation.

To recognize achievement and spur even greater gains, we established the Merit Award, a \$2,500 scholarship that has already been earned by more than 140,000 students who met or exceeded state standards in reading, writing, math and science. Schools with the most Merit Award winners earned the prestigious Governor's Cup and more than 300 elementary schools with high test scores or most improved test scores have earned the Golden Apple Award.

Achievement has also been improved by a new focus on using technology to enhance education. For example, Michigan is the first state in the nation to provide laptop computers, Internet access and technology training to every classroom teacher. In addition, hundreds of teachers and thousands of students are accessing Advanced Placement course material on the web.

Education is a cornerstone on which our children will build their lives: it has to be strong. In Michigan, I am proud to say that we have worked hard to make that cornerstone rock solid. This document is a testament to Michigan's commitment to public education. It outlines a system that is accountable to parents and the public.

I am proud of our record and the achievement made in classrooms across Michigan, and I am proud of our children and our teachers. Michigan's future is bright.

Sincerely,

A handwritten signature in black ink that reads "John Engler". The signature is written in a cursive, flowing style with a large initial "J" and "E".

John Engler
Governor

Achievement

Recognizing and Rewarding Achievement

- * The Governor's Cup was established in 2000, as a non-monetary award to recognize high schools whose students score well on the MEAP tests. The high school in each athletic conference with the highest number of Michigan Merit Award recipients, and the high school in each athletic class size (A, B, C, D) with the highest number of Michigan Merit Award recipients is awarded a Governor's Cup trophy.
- * In 2000 and 2001, the Michigan Merit Award was given to more than 92,000 high school graduates who met or exceeded state standards in reading, writing, math and science. This year, more than 50,000 students are expected to earn this \$2,500 scholarship to pay for college or job training based on the MEAP test, the ACT/SAT, or WorkKeys Assessments.
- * Over the past decade, the goal of school reform has been to improve student achievement. The Golden Apple Award is a cash grant established by Governor Engler that rewards Michigan's hard-working teachers and principals at the state's highest achieving and most improved elementary schools.

Schools qualify for a Golden Apple Award if their test scores are among the highest in the state, or their students' composite MEAP score has increased by 60 points or more over three academic years.

Since its inception in 2000, more than 300 schools have won the Golden Apple Award, receiving an average of more than \$52,000 each to be used for school improvements such as textbooks, computers, guest lecturers and other innovations.



Students from Gompers Elementary School in Detroit use computers purchased with money received through the Golden Apple Award Program.

Progress Report: Samuel Gompers Elementary, Detroit

Samuel Gompers Elementary won the Golden Apple Award in both 2000 and 2001 and has devoted a portion of the award to acquiring computers and software to support their early literacy program. Principal Gale Lewis says that young students in the early grades who are two to three years behind in reading can use this intensive technology tool to catch up quickly -- learning letters, numbers, colors and shapes. Young learners can even be exposed to art and music using interactive software

At Gompers Elementary, the Golden Apple Award was also used to purchase a cart with laptops, providing students in the upper grades with access to computers to help learn social studies, math and language arts. Principal Lewis explains that the program has “really made a big difference” to her school.

In 2001, Gompers also earned coast-to-coast recognition as a National Blue Ribbon Exemplary School, proving that anything is possible with strong leadership and high expectations for every child. As former Gompers Principal Marilee Bylsma told the Detroit News, “We’re a neighborhood school with 98 percent of our students in poverty. The kids did this against all odds.” Bylsma is now executive director of the Detroit Public Schools new principal’s academy, established by CEO Ken Burnley to help school leaders city-wide learn how to transform their schools. With Gompers Elementary as their model, success is sure to follow.

Improving Student Test Scores

As a result of the Engler administration’s emphasis on improving public schools in Michigan, test scores from annual statewide assessments have shown steady improvement. The MEAP tests are currently administered to 4th, 5th, 7th, 8th and 11th grade students. With this system already in place, Michigan is well prepared to institute the additional testing required by the federal *No Child Left Behind Act of 2001*.

While test and benchmark changes over the years make comparisons difficult at some levels, the administration’s success is clear when the latest 4th and 7th grade mathematics and readings test scores are compared to years past. Assessments in these critical content areas show that consistent achievement measures have been in place for more than a decade.

During this period, the percentage of students achieving in the “satisfactory” or top category for all four tests has grown significantly, while the number of students in the lowest category has dropped.

* Michigan eighth graders scored the highest in math and science among those states that participated in the Third International Mathematics and Science Study – Repeat (TIMSS-R).

* In the most recent National Assessment of Education Progress (NAEP), Michigan’s fourth and eighth grade students who were judged proficient in science were second in the nation compared to other states, and Michigan’s fourth and eighth graders achieved above the national average in their mathematics performance. In 2000, the average scale score for fourth grade students in Michigan in mathematics was 231, higher than Michigan’s score of 226 in 1996 and 219 in 1992.

Progress Report: Faye Pendaz, Student, Marquette



One of the largest state-based merit scholarship programs in the nation, Michigan Merit Awards were given to nearly 90,000 students in 2000 and 2001. An additional 53,000 students are expected to earn the \$2,500 award in 2002.

Students like Faye Pendaz, who will be graduating later this year from Marquette Senior High School, can use the money to pay for college or job training, including expenses like room and board, books or computers. Faye’s eligibility was based on her scores on the MEAP test, which measures ability in reading, writing, math and science.

To earn the award, students must either meet or exceed state standards in all four subject areas. Students can also earn the award by taking the MEAP test and either achieving a satisfactory score on the ACT or SAT tests or on a job skills assessment test.

Faye plans to attend Lake Superior State University. She explains, “Taking the MEAP provided an incentive to qualify for a scholarship that will help offset costs such as student loans.”

Providing Education Technology to Improve Achievement

* Through the Michigan Virtual University (MVU), high school students are granted equal access to Advanced Placement courses, regardless of the size of their school or its location. Since the launch of the online AP Academy, use of the system has soared, and 37 high schools are offering AP classes for the first time. More than 90 percent of students who passed the online course achieved a score of 3, 4 or 5 on the AP exam, the best performance in the nation.

* MVU also allows community college students to take courses from other member colleges while still receiving support services and maintaining their academic record at their designated home college.

In addition, MVU's partnership with the National Education Training Group (NETg) allows more than 800,000 students, employees, faculty and staff at schools and small businesses statewide access to more than 700 web-based courses. These are high-quality, interactive classes in information technology and professional development, including Web page design and system administration.

Progress Report: Gretchen Ludeman, Teacher, Grand Rapids



Through the Teacher Technology Initiative (TTI), Michigan is the first state to equip classroom teachers like Gretchen Ludeman with a laptop computer, remote Internet access and professional development in technology. Since the fall of 2000, over 90,000 teachers statewide have received a laptop.

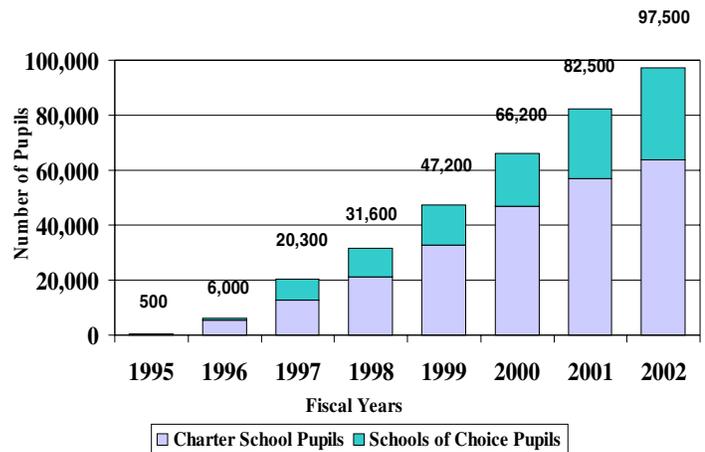
A 9th grade integrated science and chemistry teacher at Kelloggsville High School, Gretchen uses her laptop at school and at home to access best teaching practices and to provide additional learning resources to her students. "I love it," she says, "because I'm free to work more effectively away from the classroom." Gretchen can type out lessons, worksheets and enter grades at home. By accomplishing these tasks at more convenient times, she can provide more individual attention to her students.

As part of the program, Gretchen completed an online technology self-assessment test. Using this information, she can supplement her skills and improve her abilities with technology to become a better teacher. These self-assessments have also become the nation's largest database on teacher technology preparedness.

Accountability

Governor Engler believes strongly that parents and students deserve public education choices and that competition can be a catalyst for positive reform and improvement of all schools. Two initiatives – charter schools and school choice – now directly help nearly 100,000 public school students, while all Michigan students indirectly benefit from the existence of these high quality education alternatives.

Public School Choices Create New Opportunities for Parents and Students



Offering More Public School Choices

The passage of landmark interdistrict school choice legislation allows students to attend any public school within their intermediate school district. Michigan also has one of the most progressive charter school laws in the nation, providing students, parents, and teachers the opportunity to achieve excellence. Universities, community colleges, and Intermediate School Districts (ISDs) as well as local public schools can authorize charter schools.

* Currently, nearly 190 charter schools exist statewide, helping more than 64,000 students learn and succeed. Another 33,500 are enrolled in the schools of choice program that allows students to attend schools across town or even in another school district. The bottom line: charters and choice are helping all Michigan children get a better education.



Lynne Porter,
Chief Administrative Officer,
Capital Area Academy, Lansing

As Lynne Porter, a former principal of a traditional public school and now chief administrative officer of a charter school, puts it, “I feel that because of the healthy competition brought on by choice, I have had a greater opportunity to ensure that children are receiving the best education.”

Progress Report: Al and Dena Gage, Parents, Lansing

Parents like Dena and Al Gage, who enrolled their son Daniel in the Capital Area Academy, believe the option to choose another school was absolutely critical to changing his future for the better. Here's part of a letter from the Gages that tells their story:



Dan Gage and friend Dom

"My son, Daniel, is a very special young man. The charter school has been a wonderful experience for him. We had gone through the education system, and there was nowhere else to go. He had seen more than one school psychologist, and was also in counseling with a psychiatrist. So we decided it was time for us to make the changes happen, and start over at a new school.

"Our experience with Capital Area Academy charter school has been so positive. Daniel's behavior has totally changed. When I talk to the principal at his school, she can't believe he is the same child I described, who was hysterical when I would drop him off at school in 4th grade. I told him this would be an opportunity to start over at a new school where they would listen to him, and where he would get the help he needed. I told him it would be a new beginning and it truly has been.

"Daniel was recently on the Honor Roll in all subjects, and his self-esteem has improved 100 percent. He is very happy and well-adjusted. I am so proud of him! His teachers are wonderful and very well qualified. It is quite common to see them still there when I pick up Daniel from after school care. I can see his teacher on any given day to discuss his progress. She often calls Daniel out of aftercare to help in his studies. She is a great teacher! These people truly care about our children. Charter schools are making a difference."

Strengthening Accountability with Information

Michigan was the first state in the nation to participate in a web-based school evaluation service provided by **Standard & Poor's**, giving Michigan parents, employers and taxpayers unprecedented access to objective information and analyses about their schools. The site has logged more than 375,000 visitor sessions and helps users hold their schools accountable.

* The **MI School Info Online** Web page allows parents to easily locate information about K-12 public schools. Parents can search by school name, district, city, county, student/teacher ratios and more. Available data includes total enrollments, graduation rates and MEAP scores for each school.

* In addition, the implementation of the web-based **Michigan Education Information System (MEIS)** will allow administrators, researchers and policy makers easy and efficient access to vital data that will help make Michigan a leader in complying with the federal *No Child Left Behind Act of 2001*.

Increasing Teacher Accountability

As a result of tenure reform, each new teacher’s probationary period was lengthened, tenure hearings were brought before a state administrative law judge and performance evaluations were added. At the same time, the backlog of teacher tenure cases was eliminated.

* Governor Engler signed legislation imposing penalties for illegal teacher strikes.

* Through “License Look-up for Teachers,” at www.michigan.gov, parents can look online for information about teachers licensed and certified to teach in Michigan’s K-12 schools. The service displays a teacher’s certified subject and grade level plus date(s) of certification.

Reforming Detroit Public Schools

Standing up for the rights of more than 160,000 children, Governor Engler proposed and signed legislation giving authority to the Mayor of Detroit to appoint a new, seven-member school reform board. The board and school superintendent/CEO have worked diligently to repair crumbling schools, improve management practices, lift test scores, and cut dropout rates.

Returning Authority to Local Districts

In 1996, Governor Engler signed the most important revision of the Michigan School Code in two decades, restoring authority to local communities, school districts, and schools. With the change, local school districts now have the ability to seek additional waivers from state rules and regulations that stifle innovation.

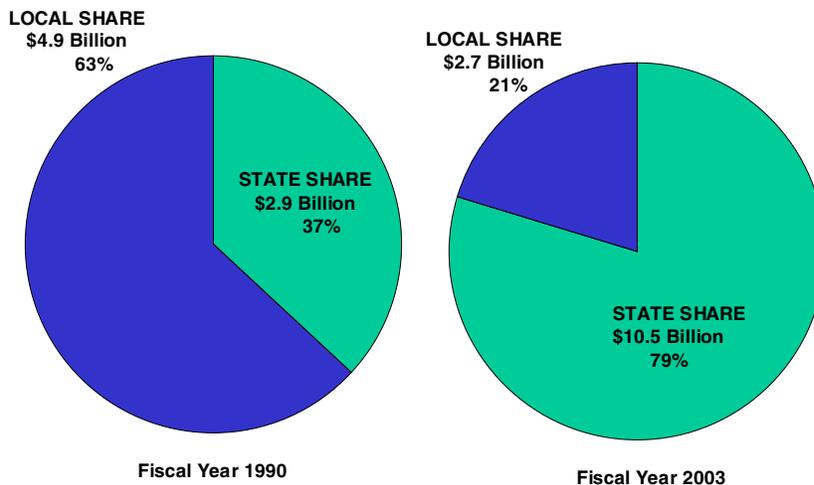
Commitment

Fully Funding Public Schools

In 1993, Governor Engler proposed a school finance reform package that drastically changed the way public schools were funded in Michigan. Prior to Proposal A, K-12 funding relied on local property taxes as the major source of funding, putting a heavy burden on homeowners, especially senior citizens.

- * Proposal A reduced property taxes by more than 80 percent and replaced the revenue with an increase in the sales tax. As a result, the state's share of K-12 education revenue increased from an estimated 37 percent in FY94 to nearly 80 percent in FY95. Every year thereafter, the state has maintained this significant level of funding, relieving the funding burden formerly placed on local property owners.
- * Total state and local funding for school operations has grown from \$7.9 billion in fiscal year 1990 to over \$14 billion in fiscal year 2002.
- * The settlement of the 17-year-old Durant case resulted in another record infusion of cash to Michigan's public schools – more than \$1 billion in additional funding for at-risk students, class size reduction and technology.

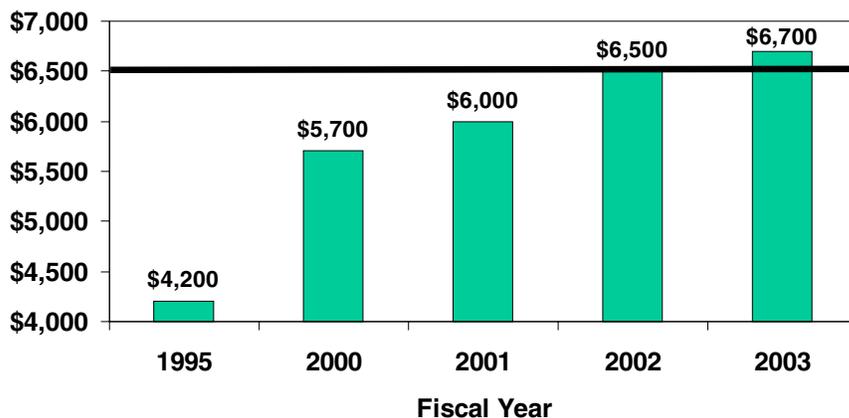
K-12 and Intermediate School District
State and Local Operations Funds
Fiscal Years 1990-2003



Fairly Funding Every Student

- * In 1994, voters overwhelmingly approved Proposal A, creating a generous, guaranteed foundation grant that follows students to the school of their choice. Since Proposal A took effect, Michigan property owners will have saved nearly \$13 billion in property tax cuts by the end of 2002, while school districts have experienced per-pupil funding increases that far exceed inflation, some by more than 100 percent.
- * By the 2002-03 school year, each one of Michigan’s 554 public school districts has guaranteed per-pupil funding of at least \$6,700 – a funding level that was considered generous just a few years ago.

Minimum Foundation Allowance Levels
Increase By \$2,500 Per Pupil From FY 1995 to FY 2003;
By \$1,000 Per Pupil From FY 2000 to FY 2003



Focusing on Literacy

- * Governor Engler launched the Reading Plan for Michigan (RPM) to ensure that every child learns to read by at least the end of the third grade. The plan includes reading kits with books, tapes and advice for new parents, assessment and monitoring tools for teachers and parents, and a summer reading program.

Enhancing School Safety

- * Governor Engler proposed and signed into law “Zero Tolerance” legislation to make public schools “safe havens” for all children. As a result, school districts must develop and implement safety plans to respond to emergencies. Districts are also required to automatically expel students who assault teachers/school employees or who bring weapons, such as guns and knives, to school.

Making College Affordable

- * Michigan parents have already opened more than 50,000 Michigan Education Savings Program (MESP) accounts to help save for their children's post-secondary education. Michigan's program is the first in the nation to offer a state match for many beneficiaries, and no federal or state income taxes on earnings used to pay for qualified higher education expenses.
- * Michigan also offers an online scholarship service that allows students to review and update their contact information and self-certify MEAP scores. Counselors and institutions of higher education can certify enrollment and receive electronic reports using the same service.

Creating the Nation's Best Career & Workforce Development System

The Department of Career Development, through the Michigan Works! System, provides services in adult education, K-12 career preparation and post-secondary education in a one-stop, "no wrong door" system. At the same time, the delivery of employment and training services were consolidated under the leadership of business-led workforce development boards. In 2001, 1.3 million customers used the training system, up from 950,000 the previous year.

- * Work First, Michigan's welfare-to-work initiative, has helped more than 380,000 residents gain employment. In addition, the TalentFreeway — an online service that connects Michigan residents with employment-matching opportunities, career planning, skills assessment, education and training options — received nearly 500,000 site visits in its first 11 months.

Progress Report: Terrence K. Conklin, Superintendent, Mecosta-Osceola ISD

"When I think of Governor Engler's 12 years in office, I think of a Governor who has put education on the front burner in the State of Michigan. Under Governor Engler's leadership, Proposal A has definitely improved the finances of most K-12 districts by leveling the playing field and increasing the per-pupil spending to \$6,700. The passage of Proposal A has also lowered property taxes and thus helped local districts to pass bond issues and in many cases improve facilities.

"Governor Engler's 'Schools of Choice' has created competition, accountability and increased options for students. His support of school improvement has helped districts reach their goal of continuously improving the quality of their academic programs."