



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

MEMORANDUM

TO: Members of the State Board of Education
FROM: Michael P. Flanagan, Chairman 
DATE: October 30, 2006
SUBJECT: Report to the Legislature on Public School Academies

Attached please find the Michigan Department of Education's (MDE) report (Attachment A) summarizing authorizer and charter school activity since the previous May 2005 report, in fulfillment of MDE's statutory obligation. An important element of accountability for Public School Academies is the routine and timely public disclosure of factual information, such as that contained in these pages. Additionally, a shared understanding of the Public School Academy (PSA) experience in Michigan is an important foundation for the Board's ongoing policy deliberations.

In order to include the most recent information available regarding demographics, academic achievement and financial factors, this report consolidates information from the 2004-05 and 2005-06 school years. For the first time, it includes previously unavailable information on teacher certification and teacher salaries. Also for the first time, at State Board member request, a web-posted appendix provides a one-page summary profile for each of the state's PSAs.

The report reiterates legislative recommendations from last year's report, and suggests one additional direction - an incentive for authorizers to improve the quality of their portfolios.

It is recommended that the State Board of Education receive the Report to the Legislature on Public School Academies and approve its transmittal to the Legislature.

Attachment

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Public School Academies

Michigan Department of Education
Report to the Legislature





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STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

To: Senate Education Committee
House Education Committee

From: Michael P. Flanagan
Superintendent of Public Instruction

The State Board of Education and the Michigan Department of Education are committed to ensuring that all Michigan children receive a quality education. One important part of that effort is to maximize parent and student choice about where and how that education is obtained, while maintaining rigorous accountability. Slightly over 5% of Michigan students now choose Public School Academies as the source of their instruction, and this report examines the current state of Michigan's charter school movement.

Although the state's 26 active Public School Academy authorizers assume the primary responsibility for oversight of the schools they charter, I believe that this report (developed in fulfillment of statutory responsibility under Public Act 451 of 1995, MCLA 380.501a) constitutes a second essential element of charter school accountability: statewide public visibility about the quantity and quality of schools that emerge as a result of PSA founder and developer governance, charter school administrator and staff daily work, and authorizer oversight and support.

Please use the information in this report to help ensure that the public has an accurate picture of Michigan's charter schools.

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Appendices

Web-posted appendices may be downloaded at www.michigan.gov/charters

Appendix A: Individual PSA "profiles"

Appendix B: 2004-05 MEAP data analysis

Appendix C: Authorizer-specific maps of PSA locations

Appendix D: Changes in PSA status during 2004-05 and 2005-06

Executive Summary

Trends from the May 2005 Report to the Legislature on Public School Academies (PSAs) generally held true for this report's new data:

Demographically, steady growth continued: nearly 10,000 more students bring the 2005-06 total to 91,567, now 5.3% of Michigan's student population. Five PSAs closed and 31 opened since the last report to bring the total to 225 operating schools during 2005-06. PSA students are still predominantly urban, minority and poor. About 2,500 seniors graduated from 75 Michigan charter public high schools during spring 2006. More than 1,200 of those graduated from 26 Wayne County charters. A new indicator in this year's report shows that PSAs serve from 3-30% special education students, and average about eight percent.

Academically, charter elementary students generally continue to match their "host" district counterparts' English Language Arts (ELA) scores and exceed their mathematics scores slightly. In middle school, for both ELA and mathematics, charters outperform their urban counterparts, though both charters and urban "hosts" fall below the state average. High school scores match host districts in ELA, but lag behind in mathematics. Most PSAs' academic performance mirrors the wider trend in public education, being inversely proportionate to the percentage of economically distressed students being served. Some charters, however, show results which "buck the trend"—achieving relatively high academic achievement with relatively high numbers of poor students.

Financially, PSA per-pupil revenues continue to lag behind non-PSAs, and partly as a result, PSAs continue to hold smaller fund balances than traditional public schools. They continue to spend more operating expenses on administration (including facilities) and less on instruction than traditional schools. A new indicator in this report reveals that they pay lower average teacher salaries (to relatively newer teachers) than do their traditional district counterparts, ranging from \$23,000-\$55,000.



Editor's Note:

The May 2005 Report to the Legislature on Public School Academies was designed to present all the data from a single school year. Since financial data becomes available much later than academic and demographic data, all data was limited to the 2003-04 school year. The approach of this report has been changed to incorporate the most recent of each kind of data, so school years will differ throughout and include 2003-04, 2004-05, and 2005-06.

Executive Summary



As part of its pilot “Assurances and Verification” system, Michigan Department of Education (MDE) visited 10 of 26 active Michigan authorizers during this year (together responsible for 152 [68%] of Michigan’s PSAs), in order to be able to accurately describe the status of oversight efforts for 18 critical elements derived from Michigan’s charter school statute.

Oversight systems among larger, multiple-PSA authorizers (often universities) tend to be more comprehensive, systematic and formalized; and there are more systems still in “development” stages among those operated by ISD, community college and LEA authorizers. Still, the overarching picture is one in which a variety of authorizers, with widely varying styles and system designs, are attending carefully to legislated parameters of PSA behavior. Large authorizers, whose attention during the first 5-10 years of operation went into building compliance/monitoring infrastructure, are now turning to devising support and accountability mechanisms for academic performance. Authorizer-developed tools for formative data-collection and reporting, for school improvement supports and for governance accountability, may be the first concrete educational innovations to emerge from the charter school movement. The convergence of resources (authorizers’ three percent oversight fee) with reputation (university trustees expect their charter offices to produce successful schools) with the power of reauthorization, is leading to significant investment in technologies of both support and accountability.

Legally, during 2005, at the request of some ISD-authorizer/operators, charter school law was amended to allow Strict Discipline Academies (SDAs), a subset of PSAs organized under MCLA 380.1311, to serve students suspended as well as those expelled from other schools. In other legislative action, minimum attendance for alternative education high schools was dropped to 50% (from 75%), a change which benefits stand-alone alternative high schools – by definition all alternative education PSAs. Also during 2005-06, a lawsuit challenging MDE’s recognition of Bay Mills Community College (BMCC) as a statewide authorizer was dismissed.

No action occurred on MDE’s request that the legislature address wind-up and dissolution issues by specifying authorizer oversight responsibility and identifying disposition of student and business records. Similarly, no legislative action provided MDE with rule-making authority to accompany its responsibility for suspending an authorizer’s right to authorize PSAs.

Anticipated Developments in 2006-07

Two authorizers, Grand Valley State University and Ferris State University, announced their willingness to consider applications to operate the first (of 15 possible) “urban high schools”.

Recommendations

Recommendation 1

Legislative proposals included in last year's report address situations where PSA experience differs from non-charter schools, but statute does not provide adequate direction. They have not yet been acted upon, and the SBE and MDE again recommend:

- A. When an authorizer does not renew a charter contract, the authorizer's legal relationship with the non-profit corporation to which it gave the charter ceases to exist. Left with no formal accountability structure, the non-profit corporations are slow to dissolve the corporation and provide final accounting for the public assets received while a PSA. MDE and the SBE believe that state statute should be amended to **charge authorizers with overseeing responsible wind-up and dissolution of a Public School Academy's corporation when a contract is ended so that it can be laid down in an orderly manner.**
- B. Similarly, when a charter school closes, statute is unclear about the expected repository for student records and business records. Each charter school board negotiates its own solution to this responsibility, but consistency would be of assistance to students and parents who need access to records. MDE and the SBE believe that an amendment to current statute should specify that **student records shall be maintained by the relevant ISD and that business records should be maintained for the required period of time by the authorizer.** Appropriate storage fees could be charged to the dissolving corporate board.



Recommendations

1. Provide direction for:
 - A) responsible wind-up and dissolution of charter contracts;
 - B) maintenance of student and business records; and
 - C) authorizer review of ESP contracts.
2. Assign rule-making authority to MDE to establish criteria for suspending authorizers with inadequate oversight and criteria for incentives for authorizers whose PSA portfolios are achieving academic excellence.

C. A third situation unique to charters is that authorizers' selection processes for appointing PSA Board members often involve accepting recommendations from the Education Service Provider (ESP) managing the school. In order to avoid the appearance of a potential conflict of interest, MDE and the SBE believe that amendments to the Revised School Code, Part 6c should **require authorizers to review and permit them to disapprove contracts between PSA Boards and ESPs.**

Recommendation 2

If the Superintendent of Public Instruction finds that an authorizer is not exercising adequate oversight, he has statutory authority [MCLA 502(5)] to suspend the power to authorize new contracts. However, statute fails to give the Superintendent authority to promulgate rules to set forth criteria on which he would base such a suspension. Similarly, he is unable to establish grounds on which he would recognize exemplary authorizing practice. While the collaborative, voluntary "Assurances and Verification" system MDE has worked out with active authorizers allows MDE to gather information about the oversight systems in use, the Superintendent needs to be able to articulate what constitutes quality oversight. MDE and the SBE recommend that the legislature **assign to MDE the power to promulgate rules that would set criteria for suspending authorizers who are failing to oversee their PSAs and establishing incentives for authorizers whose PSAs achieve academic excellence.**



Michigan Public School Academies

Since the 2003-04 data last reported to the Legislature in May 2005, five Public School Academies (PSAs) have closed: Walter French Academy in Lansing, Navigator Academy in Kalamazoo, Detroit Advantage Academy in Detroit, King Academy in Inkster, and Shoreline Academy of Business in Manistee. Nineteen other PSAs opened for the 2004-05 school year; twelve opened for the 2005-06 school year. Together, **Figure 1** shows that these additions and closures netted 216 schools in 2004-05—an increase of 8.5%—and 225 operating PSAs in 2005-06 for an increase of 4.2%. In 2004-05, growth was mainly attributable to the entry of Bay Mills Community College into the authorizing arena, but in 2005-06, one-third of the new PSAs were LEA-authorized.

PSAs served 91,567 students during the 2005-06 school year, an increase of 12.2% over 2004-05 enrollment. One in twenty Michigan students now attends a PSA—5.3%, up from 4.8% the year before, as shown in **Figure 2**.



Figure 1: PSAs Operating by Year

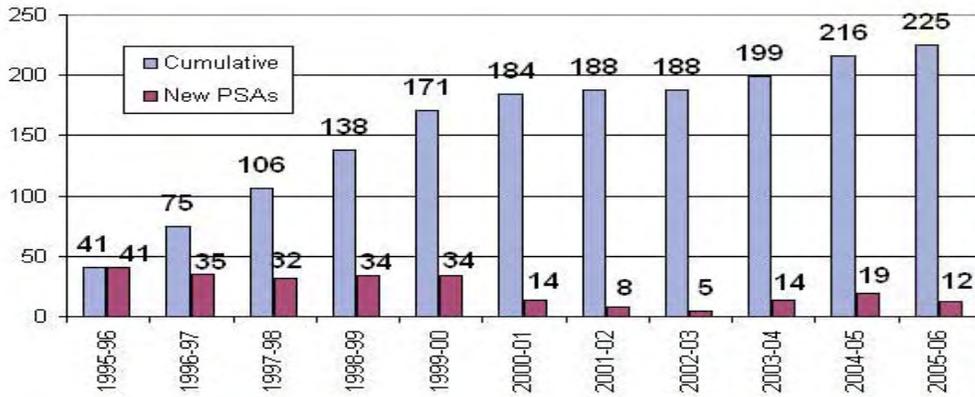
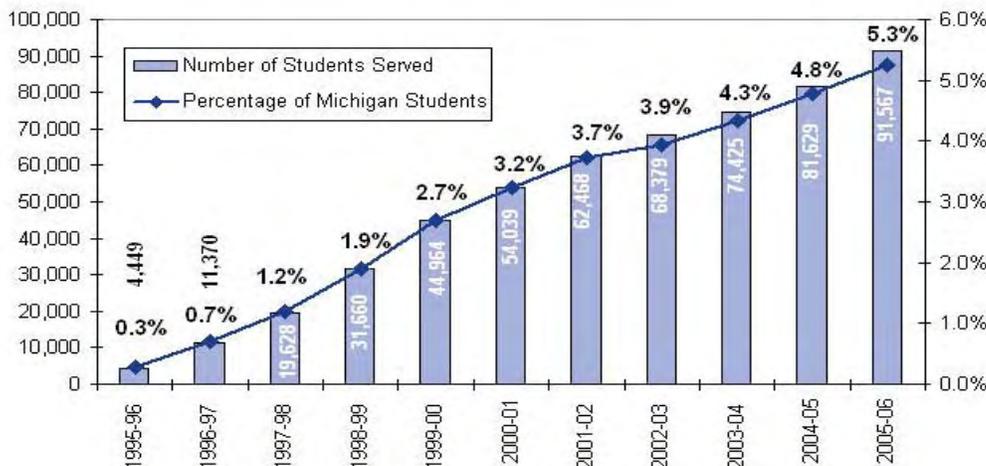


Figure 2: Students Served by PSAs



Public School Academies

Public School Academies Opened Fall 2004-05

Public School Academy	Located in	Authorized by	Ed Service Provider
Life Skills of Metro Detroit	Detroit	Central Michigan University	White Hat Management
Bridge Academy	Hamtramck	Ferris State University	Global Ed Excellence
Laurus Academy	Southfield	Bay Mills Comm. College	National Heritage
Prevail Academy	Mt. Clemens	Bay Mills Comm. College	National Heritage
Fortis Academy	Ypsilanti	Bay Mills Comm. College	National Heritage
Triumph Academy	Jefferson	Bay Mills Comm. College	National Heritage
Crescent Academy	Southfield	Bay Mills Comm. College	Helicon Associates
Detroit Enterprise Academy	Detroit	Grand Valley State University	National Heritage
Great Oaks Academy	Lamphere	Bay Mills Comm. College	National Heritage
St. Clair County Intervention Academy	Port Huron	St. Clair County ISD	Self-managed
Universal Learning Academy	Dearborn Hts.	Bay Mills Comm. College	Hamadeh Ed Services
Bingham Academy	Alpena	Bay Mills Comm. College	Mosaica Education
Madison Academy	Bendle	Bay Mills Comm. College	The Romine Group
Woodmont Academy	Southfield	Bay Mills Comm. College	Imagine
Ben Ross PSA	Warren	Bay Mills Comm. College	Edison Schools, Inc.
E. Washtenaw Multicultural Academy	Ann Arbor	Bay Mills Comm. College	Helicon Associates
Life Skills Center of Pontiac	Pontiac	Bay Mills Comm. College	White Hat Management
American Montessori Academy	Livonia	Bay Mills Comm. College	Helicon Associates
Business Entrepreneurship Science Technology (BEST)	Highland Park	Bay Mills Comm. College	Mosaica Education

Public School Academies Opened Fall 2005-06

Public School Academy	Located in	Authorized by	Ed Service Provider
Saginaw Learn to Earn Academy of Warren	Saginaw City Warren	Saginaw ISD Bay Mills Comm. College	SVRC Industries Charter Schools Administrative Services
Frontier Internat'l. Academy	Hamtramck	Bay Mills Comm. College	Global Ed Excellence
Dr. Charles Drew Academy	Ecorse	Central Michigan University	Helicon Associates
Detroit Premier Academy	Detroit	Grand Valley State University	National Heritage
Discovery Arts & Tech. PSA	Wayne-Westland	Bay Mills Comm. College	Mosaica Education
Hanley Academy	Hamtramck	Grand Valley State University	The Romine Group
Mildred C. Wells Academy	Benton Harbor	Bay Mills Comm. College	Leona Group
North Pointe Academy	Highland Park	Highland Park School District	Evans Solution
Covenant House Life Skills Center East	Detroit	Detroit Public Schools	White Hat Management
Covenant House Life Skills Center West	Detroit	Detroit Public Schools	White Hat Management
Covenant House Life Skills Center Central	Detroit	Detroit Public Schools	White Hat Management

Geographically, PSAs are scattered from the North to the South of Michigan, in rural, suburban, and urban settings, though many are concentrated in the counties south of Clare, as shown in **Figure 3**.

The latest comparable national figures in **Figure 4** (which use slightly different data definitions) indicate that in 2004-05, Michigan had the fifth largest proportion of its students learning in charter schools.

Three quarters of Michigan's PSAs (160 schools, 71.1% and 69,868 students, 76.3%) are located in the 35 local districts shown in **Figure 5** which house multiple charter schools. In fact, the 18 mostly-urban districts which house three or more PSAs account for 55,158 students (60.2%) and 125 schools (55%). These core locations are termed "host" districts in the remainder of this report and show as darker bars in Figure 5.

Note: Wherever comparisons are possible, charts in this report display not only PSA and non-PSA aggregates or averages (which together make up the statewide total) but also "host" district numbers (which should be understood as a subset of "non-PSAs") for baseline comparisons.

Figure 6 displays the total charter school population within each host district with the student count in the host district itself. In one case—Inkster—that percentage is well over 100%; more students attend Inkster-based charters than attend the geographical host district. However, it bears noting that Inkster is not alone – several relatively small urban districts, as well as Detroit, house PSA populations which approach a quarter to a third of their size.

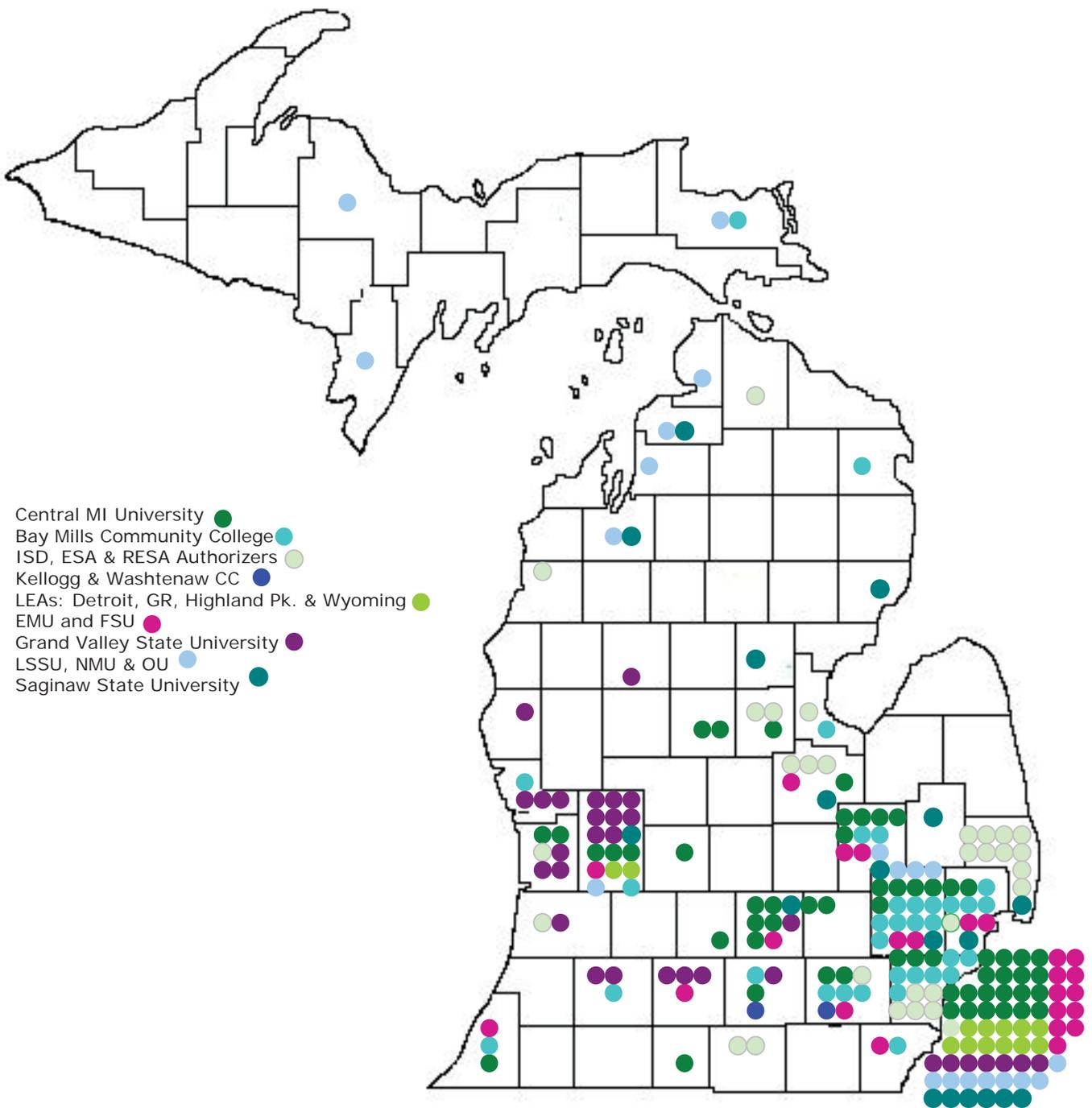
Proportionately more PSA students are in elementary and middle school grades, as **Figures 7 and 8** show, though the number of PSA high school students has more than doubled in the last five years—from 6,354 students in 2000-01 (10% of PSA students) to 14,370 in 2005-06 (15%).

The 18 urban host districts serve high percentages of minority populations, and the PSA student population mirrors this urban ethnic mix fairly closely, as illustrated in **Figure 9**, while both host and PSA ethnic mix differs from statewide non-PSAs.

Economically, PSA students also mirror their urban host counterparts. As **Figure 10** shows, combining free with reduced price lunch-eligible students accounts for more than half of their students (56.3% of PSAs and 63.2% of host districts), compared to 37.1% of non-PSAs. Statewide averages hide a great deal of variation, in both PSAs and host districts; PSA populations range from 0 to 100% eligible and host districts range from 18-86%. **Figure 11** clusters PSAs into ten equal groups (about 21 schools each) for comparison. Measures such as academic performance, which are closely correlated with economic distress, need to be matched school by school to comparable populations rather than aggregated in ways that disguise underlying degrees of poverty.



Figure 3: 2005-06 Michigan Public School Academies



Note: Please see the web-posted version of this report to view this figure in color, and add clarity to the color-coded legend.

Figure 4: Percent of Students Attending Charters

	2004-05
Washington, D.C.	23.8%
Arizona	5.7%
Delaware	5.6%
Colorado	4.8%
Michigan	4.6%
Ohio	3.4%
Alaska	3.4%
Florida	3.1%
Wisconsin	3.1%
Hawaii	2.9%

Figure 5: Local Districts by Number of PSA Students Within Their Boundaries

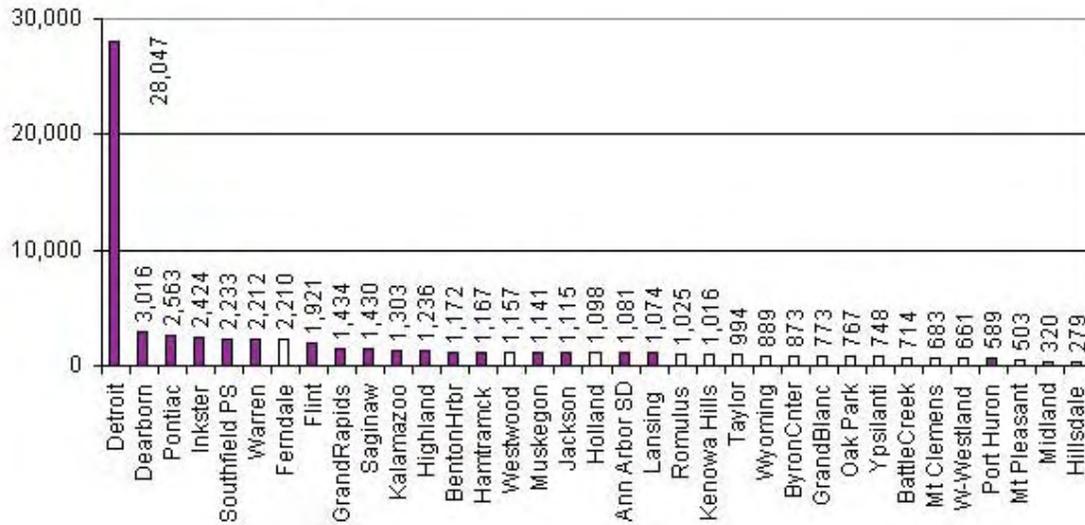


Figure 6: Charter Student Population as a proportion of "Host" Student Population

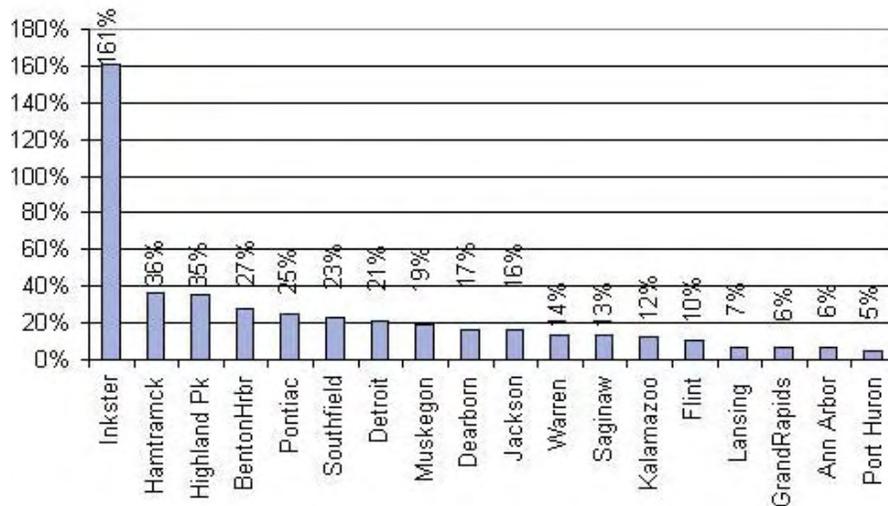


Figure 7: Student Enrollment by Grade Range (2005-06)

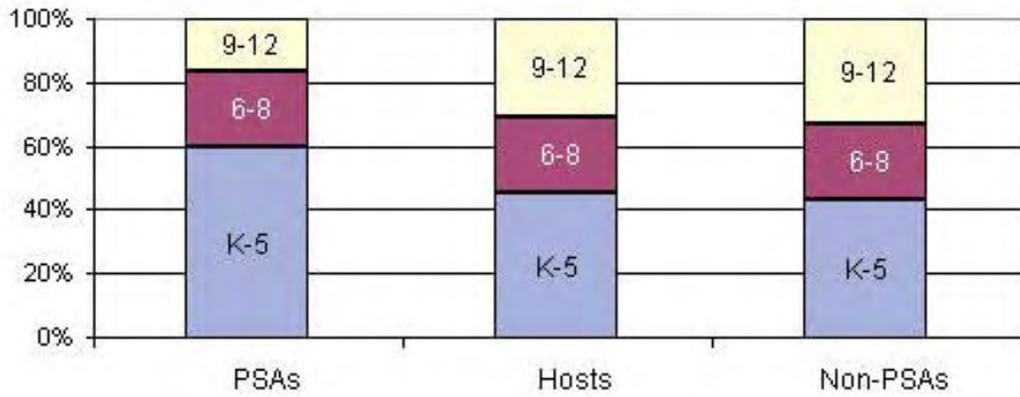


Figure 8: Student Enrollment by Grade (2005-06)

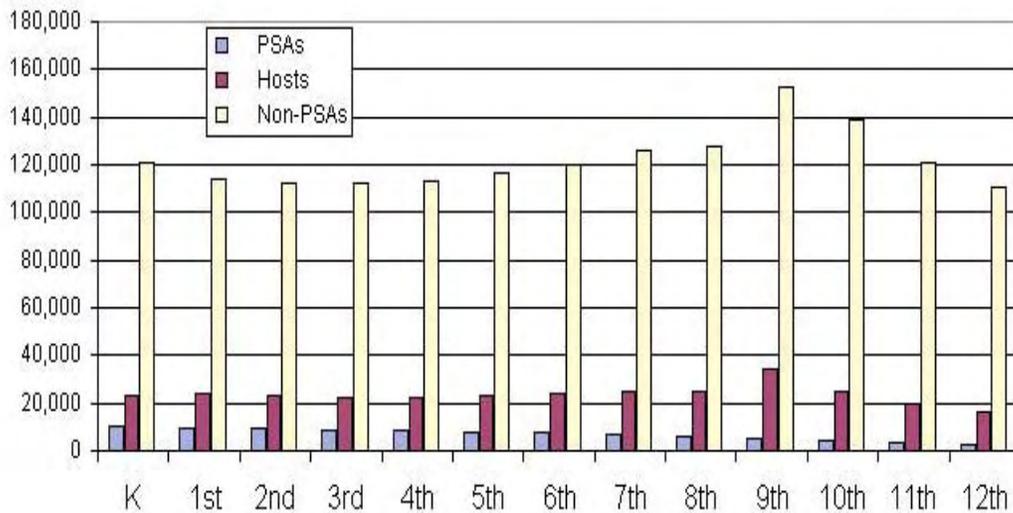


Figure 9: Student Enrollment by Ethnicity (2005-06)

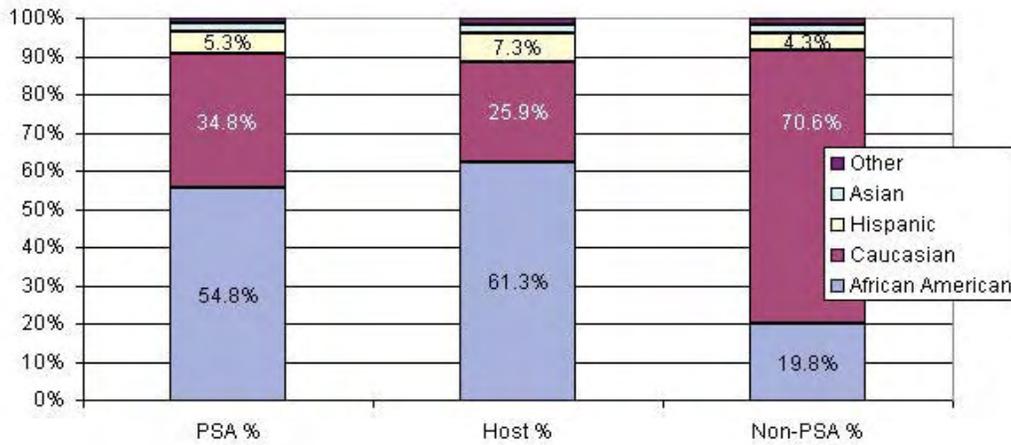


Figure 10: Free/Reduced Lunch Eligibility (2005-06)

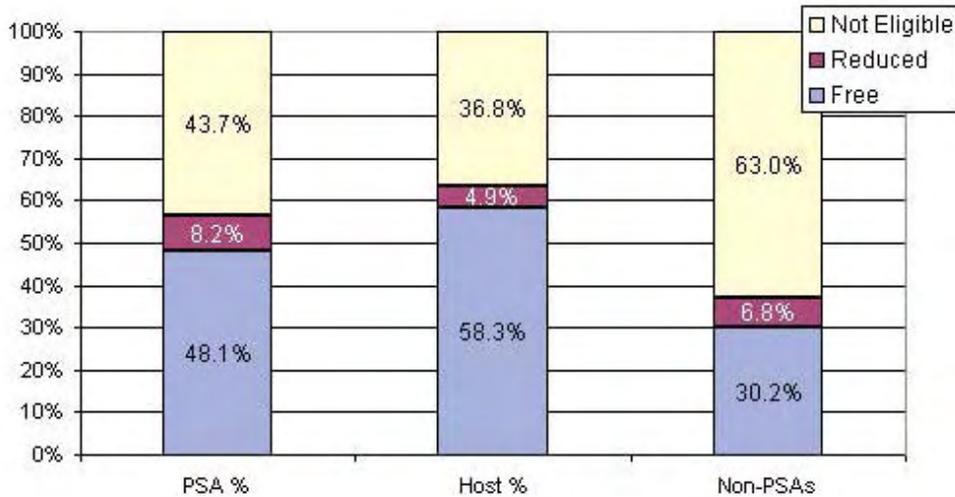
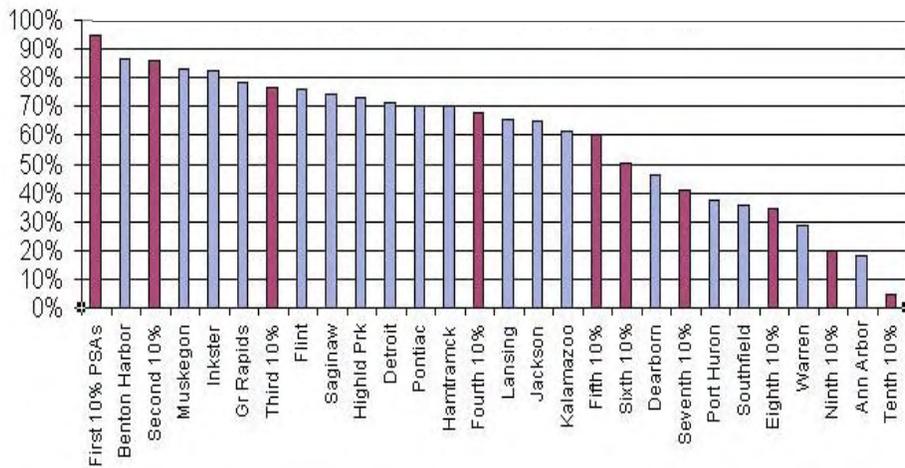


Figure 11: Percent Free/Reduced Lunch for PSAs (2005-06)





Academic Performance

Academic Performance

Student achievement and academic performance can be measured in many ways. Most charter schools and traditional public school districts have developed multi-dimensional approaches in the systems by which they measure educational progress.

Many authorizers aggregate a variety of academic data within their oversight systems and use it to inform their accountability decisions. Several authorizers also require the use of specific standardized assessments (such as Gates-McGinnite, Iowa Basic, or Scantron Performance Series), which are used to monitor educational progress and in some cases measure annual growth. These assessments are typically funded through the authorizer's oversight fee.

The dominant measure used to analyze academic performance in this report is the Michigan Educational Assessment Program (MEAP). Additional data has been collected for Adequate Yearly Progress (AYP), No Child Left Behind (NCLB) Phases of Improvement Status, Education YES! Report Card grades, and attendance rates. These measures are discussed as individual components within the analysis of academic performance. The most recently available data is used for each of these components. Finally, a comparative analysis of teacher salaries is included here.



MEAP Performance

The Michigan Educational Assessment Program (MEAP) test is an annual assessment of student achievement based on the Michigan Curriculum Framework Standards and Benchmarks and the accompanying Grade Level Content Expectations as developed and approved by the State Board of Education (SBE) for English Language Arts (ELA) and Mathematics in grades K-8. These SBE-approved expectations were developed with participation from Michigan educators, parents, community members, university professors, and other experts within each content area and grade level. For the first time in the fall of 2005, students were assessed in ELA and Mathematics for every year between grades 3-8. In previous years, students were assessed in grades 4 and 7 for ELA, and grades 4 and 8 for Mathematics. High school assessments continue to measure student performance once for both ELA and Mathematics.

Figure 12 compares charter school performance with that of 18 host districts and with non-charter public schools. Data for ELA and mathematics have been aggregated for grades 3-8 to form a single comparison. This information identifies the percentage of students for each group who met or exceeded state standards for each respective content area. Charter schools demonstrated lower overall success than non-charter public schools in both ELA and Mathematics. However, charter schools showed slightly higher proficiency rates than the 18 urban host districts in both ELA and Mathematics. The host districts also demonstrate lower performance than all non-charter public schools. The question of whether older, more established charter schools perform at higher rates than more recently opened charter schools is examined in **Figure 13**. Figure 13 compares aggregate ELA and Mathematics performance for grades 3-8, depending on the age of the charter school. Schools were identified within one of the three following age groupings:

1. schools opening prior to the 2000-01 school year;
2. schools opening between 2000-01 and 2003-04; and
3. schools which opened in 2004-05 and 2005-06.

Similar results were discovered for both ELA and Mathematics. In both cases, PSAs in the older groups performed similarly, while the newest schools performed the lowest.

The NCLB federal legislation places significant importance on the academic achievement of students in identified subgroups. In order to make AYP, schools must demonstrate that identified subgroups are performing within given target ranges. **Figure 14** compares charter school performance in ELA for grades 3-8 (aggregate), with that of non-charter public schools and the urban host districts for students in the four major subgroups for which PSA students were numerous enough to aggregate data meaningfully. In the fall of 2005, charter schools demonstrated



higher levels of proficiency in grades 3-8 ELA for each subgroup (African American, Economically Disadvantaged, Hispanic, and Special Education) than the urban host districts. In fact, charter schools nearly matched the performance of non-PSAs for African American and Hispanic students. Similar trends were discovered for the aggregate of grades 3-8 in Mathematics. **Figure 15** indicates that charter schools experienced higher proficiency rates for each of the four major subgroups than did the host districts. Charter schools matched non-charter public schools in proficiency rates for African American and Hispanic students, while performing slightly lower for Economically Disadvantaged and Special Education students.

Figure 16 indicates that charter high schools matched their host districts in ELA, while performing slightly lower in Mathematics. Both charter schools and host districts performed below all non-charter public schools in both ELA and Mathematics.

The age of charter schools appears to have an even more pronounced effect on student achievement for high schools. Charter schools for the 2004-05 school year were placed in the same three groups as for K-8.

Figure 17 demonstrates that students in schools opened prior to 1999-2000 performed lower in Mathematics than students enrolled in schools opened between 1999-2003. These data also indicate that both of these groups performed significantly higher than students enrolled in charter schools opening in 2003-04 and 2004-05.

Comparisons for major subgroups in high school settings yielded similar results as grade 3-8 comparisons. This analysis is presented in **Figure 18**. Too few data points prevented a reliable comparison for Hispanic and Special Education students. In high school, ELA charter school students performed similarly to both host districts and non-charter public schools for the African American subgroup. Charter school students in the Economically Disadvantaged subgroup performed at higher levels in high school ELA than the host districts.

For high school Mathematics, **Figure 19** indicates that African American students in charter high schools performed at lower rates than those in both host districts and non-charter public schools. Charter school students in the Economically Disadvantaged subgroup also lagged behind host and non-PSA counterparts.

Elementary and middle school MEAP comparisons for 2004-05 are not included in this report due to the availability of more recent fall 2005 grades 3-8 scores previously presented. However, since these 2004-05 scores were not available when the June 2005 PSA Legislative Report was completed, an analysis of these scores is provided in Appendix B.

Figure 12: Grades 3-8 MEAP (Fall 2005)

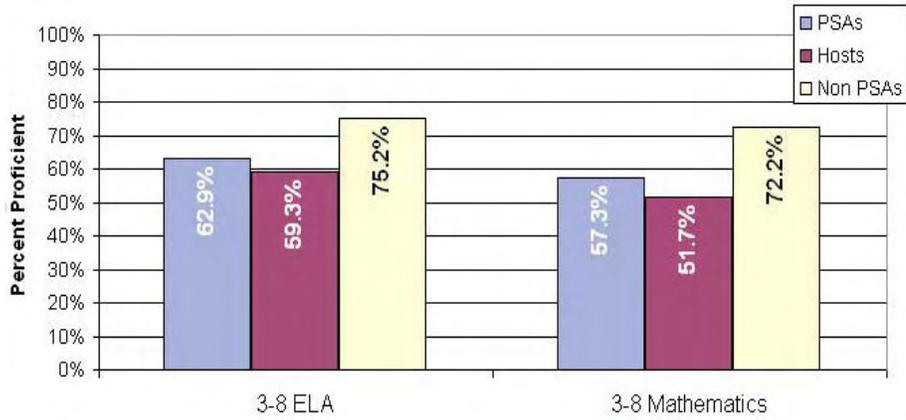


Figure 13: Grades 3-8 MEAP (Fall 2005) Proficiency by Age of PSA

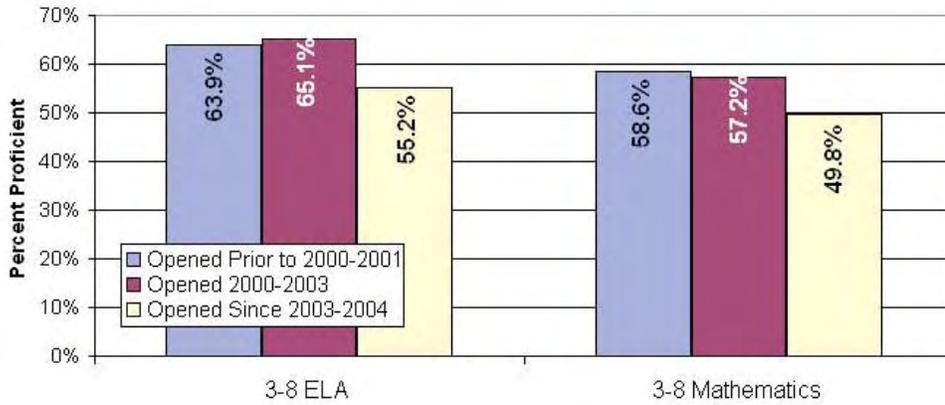


Figure 14: Grades 3-8 ELA MEAP by Subgroup (Fall 2005)

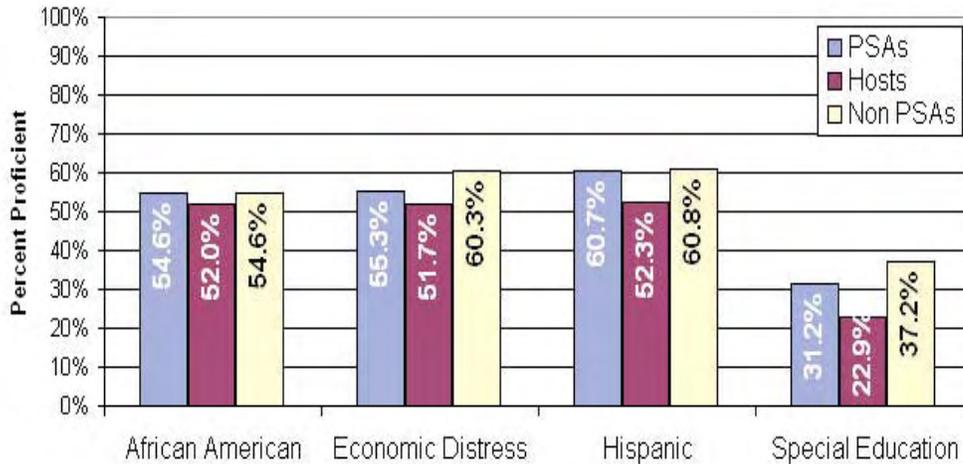


Figure 15: Grades 3-8 Math MEAP by Subgroups (Fall 2005)

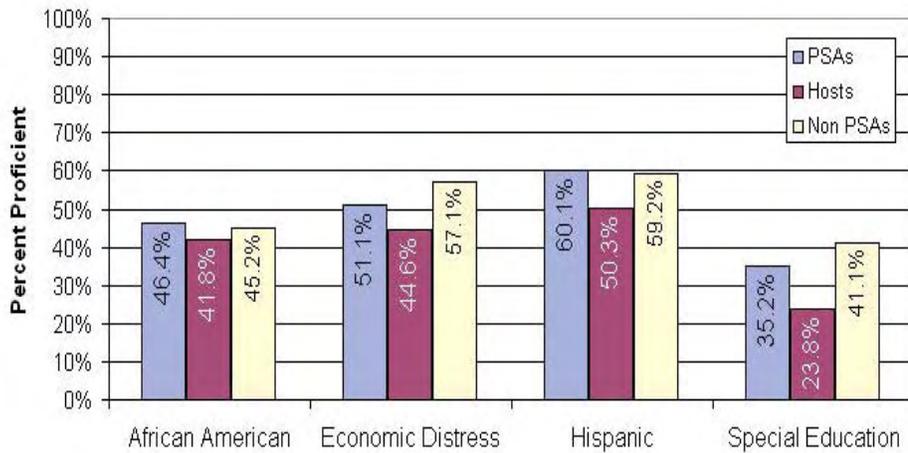


Figure 16: High School MEAP (2005-06)

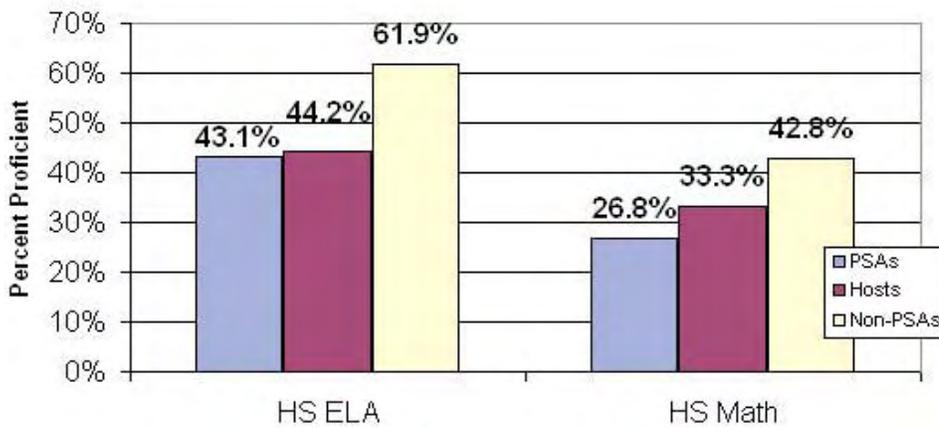


Figure 17: High School MEAP by Age of PSA (2005-06)

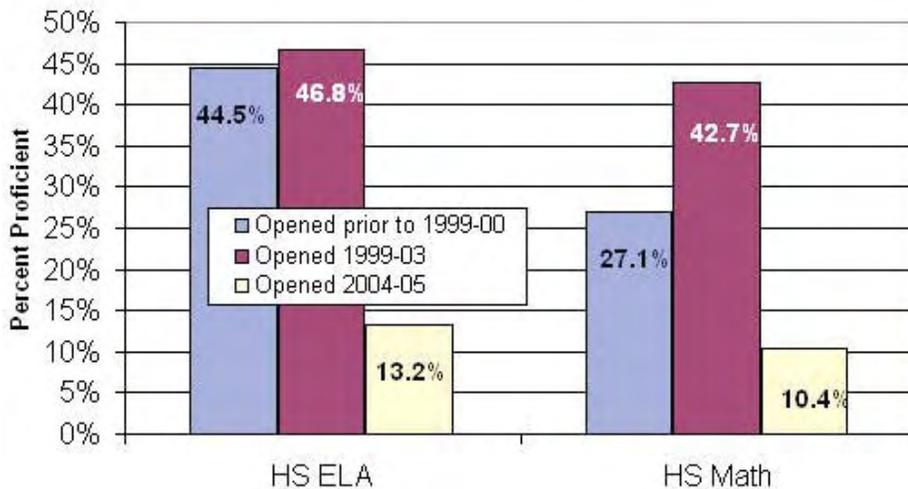


Figure 18: High School ELA MEAP by Subgroups (2005-06)

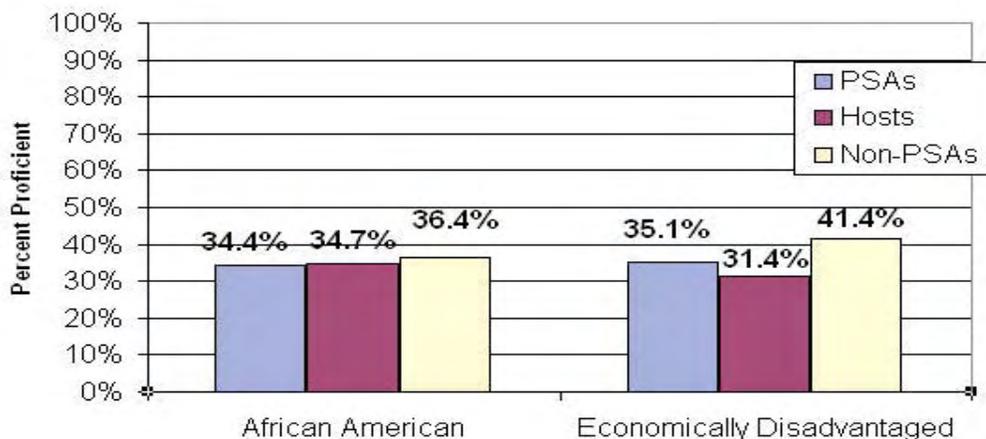
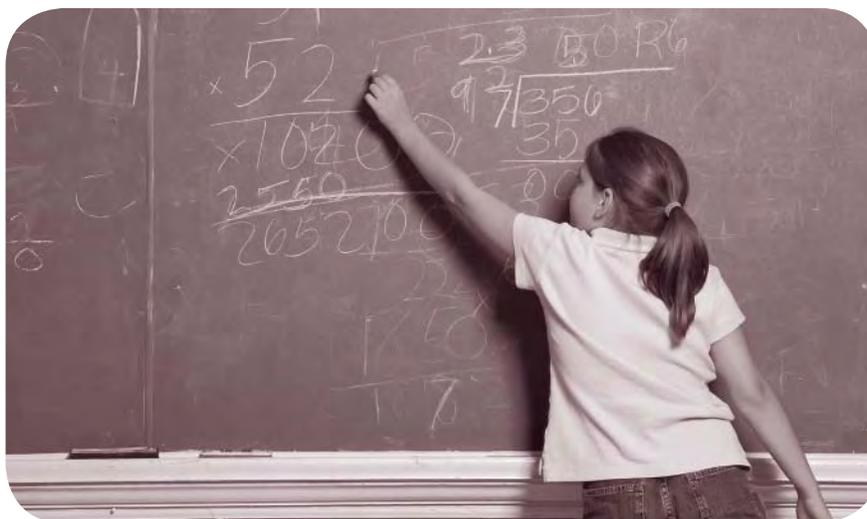
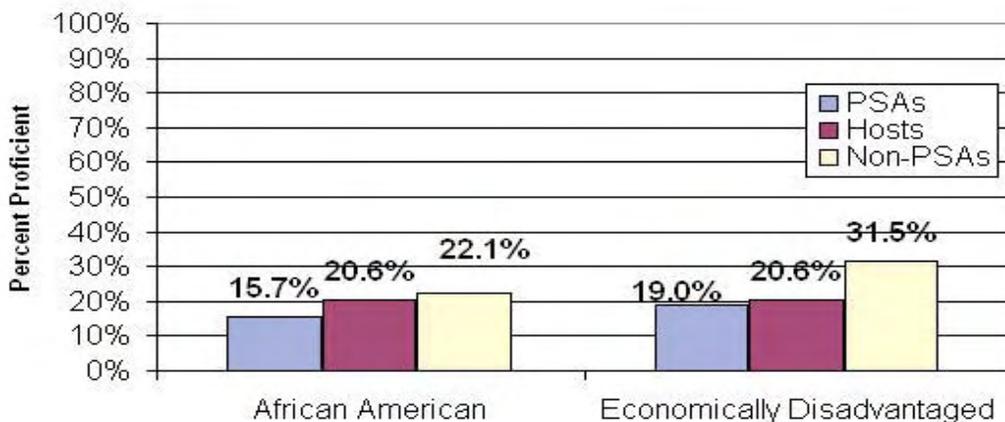


Figure 19: High School MEAP by Subgroups (2005-06)



Adequate Yearly Progress and Phases of Improvement

The federal NCLB legislation requires that all schools in the country meet AYP toward the goal of all students meeting state proficiency standards by 2013-14. **Figure 20** identifies the percentage of schools that made AYP for PSAs, “host” districts, and non-charter public schools in 2005-06. This comparison reveals that charter schools made AYP at a higher rate than “host” districts. Both charter schools and “host” districts made AYP at lower rates than non-charter public schools.

Schools that do not make AYP for two consecutive years are identified for improvement through the conditions of the NCLB legislation. If they continue to fail in making AYP, their improvement status moves to the next level. These “high priority” schools qualify for assistance in their efforts to increase student success. When schools are identified for improvement they are also subject to additional requirements depending on the level of the school improvement status. Such requirements range from allowing for school choice (Phase 1) to restructuring school governance (Phase 4-6). Schools without enough available data are placed in AYP Advisory status (99).

Figure 21 indicates that more charter schools were “Not Identified for Improvement” than host districts in 2004-05; slightly more non-PSAs were not identified. This analysis also indicates that there were no charter schools in Phases 5, 6 or 7 for 2005-06, while 6.7% of host schools and .3% of non-charter public schools were within these three advanced phases of improvement.



To make AYP, schools must meet the following requirements:

1. Attendance rate (elementary and middle schools) or graduation rate (high schools) must be at a minimum of 85% for all students and subgroups.
2. Participation rate must be at a minimum of 95%, which is measured by the percentage of students who are tested using MEAP.
3. The school must meet established proficiency targets in ELA and Mathematics for all students. The school can also meet this requirement by reaching "safe harbor," which is accomplished by reducing the previous year's percentage of students identified as "not proficient" by 10% in each subgroup.

Figure 20: Adequate Yearly Progress Comparison (2005-06)

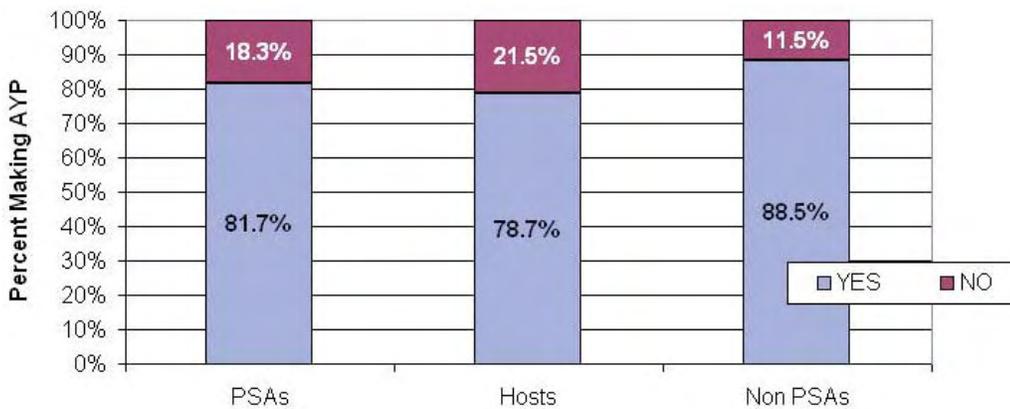
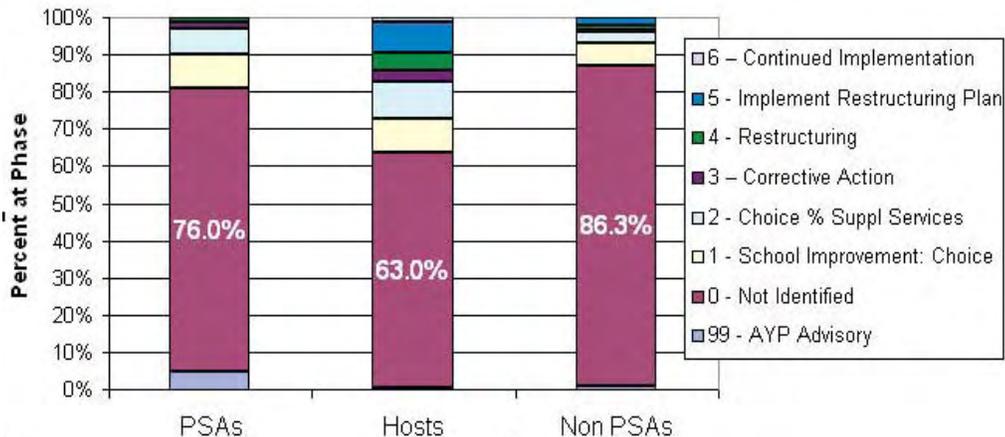


Figure 21: NCLB Phases of Improvement (2005-06)





Education YES! Report Card Grades

All Michigan public schools receive a school report card. Each school's composite, or final aggregate grade, is calculated using a variety of "weighted" factors. Achievement scores (ELA and Mathematics for elementary schools; and ELA, Mathematics, science, and social studies for middle and high schools) represent approximately two-thirds of a school's composite grade. The additional one-third is determined using a self-assessment which schools complete while rating their school on 11 performance indicators, ranging from curriculum alignment to the condition of facilities.

Figure 22 provides a comparison of Education YES! Report Card grades for 2004-05. Charter schools received grades of "A" or "B" at lower rates than both host schools and non-charter public schools. Approximately one-fourth of charter schools did not receive a composite grade because there are too few students at any grade level, or because the school is too new to have the required two years of history, compared to approximately eight percent for host district schools and 12% for non-charter public schools.

Attendance and Graduation Rates

Attendance and graduation rates are important measures of school success. These measures represent a portion of a school's AYP determination. **Figure 23** provides an analysis of attendance rates for charter schools compared to that of "host" schools and non-charter public schools for 2004-05. Each school was identified within one of three groups:

1. schools with an attendance rate below 70%;
2. schools with an attendance rate between 70-90%; and
3. schools with an attendance rate above 90%.

Both charter schools and "host" schools experienced lower attendance rates in 2004-05 than did non-charter public schools. Charter schools experienced a higher average attendance rate than did "host" schools.

Graduation and drop out rates are not reported immediately following a school year. Schools report these rates after considering summer graduates and progress. This delay results in CEPI publishing of data only near the end of the following year, so 2003-04 data are the most recent data available for the comparison in **Figure 24**. This analysis is an enhancement to the May 2005 PSA Legislative Report. Graduation and drop-out rates do not total to 100% as might be expected. Some students leave a school to enroll in another school and are included in neither drop-out nor graduation counts. The 2003-04 data indicate that charter schools collectively experienced a higher graduation rate than "host" schools and one similar to non-charter public schools. The rate at which students drop out from charter schools is lower than host district schools and similar to non-charter public schools.

Figure 22: Education YES! Report Card Grades (2005-06)

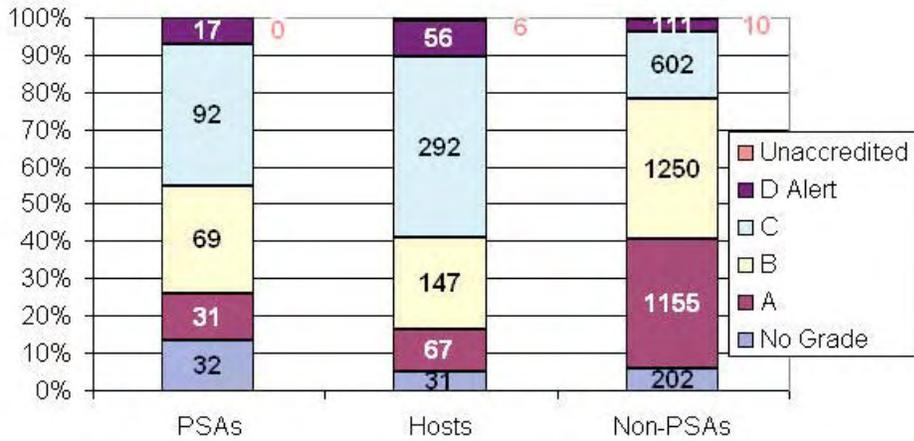


Figure 23: Attendance Rates (2004-05)

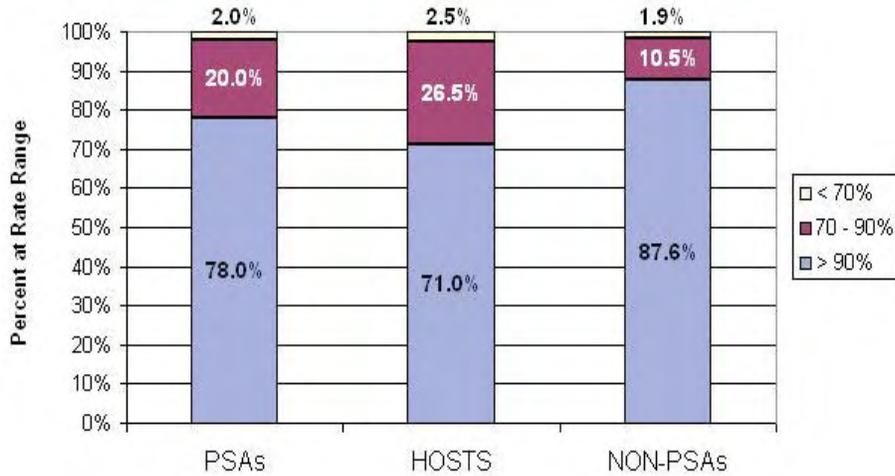
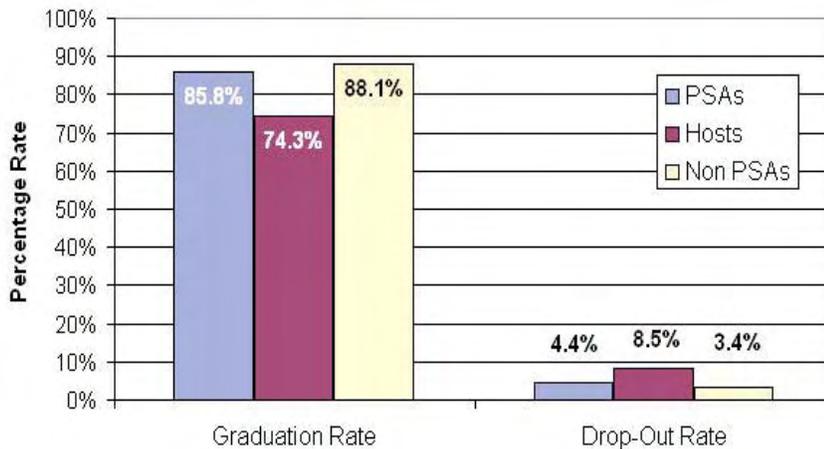


Figure 24: Graduation and Drop Out Rates (2003-04)



Note: Please see www.michigan.gov/charters for the web-posted version of this page, where the legends can be viewed in color.

Teacher Certification

CEPI and the Michigan Department of Education (MDE)'s Office of Professional Preparation Services are collaborating to allow CEPI's REP data on teachers employed by PSAs to be cross-referenced to teacher certification records. Upon completion of that analysis, MDE will be able to compare the percentage of charter school teachers who are state certified to host schools and non-charter public schools.

Analysis of June 2005 REP-reported data also allows identification of teachers new to their districts during the summer or the 2004-05 school year. Proportionally more PSA teachers were new to their districts during 2004-05 than for either hosts or non-PSAs as shown in **Figure 26**.

PSAs submit financial data to CEPI through the Financial Information Database (FID) as do traditional districts. In addition, any PSA whose board has contracted with an Education Service Provider (ESP) and reports large "purchased services" expenses to a single vendor, also completes an "ESP Detail" report. Combining the information from both reports is necessary to assemble a state-wide picture of PSA expense patterns. This year for the first time, MDE has combined teacher salary information from both sources. Salaries for PSAs' relatively new teachers averaged \$36,583, \$17,376 less than Michigan's average salary of \$53,959 statewide. **Figure 27** shows the distribution of the average salaries of ten equal groups of PSAs.





Figure 26: Teacher Turnover (2004-05)

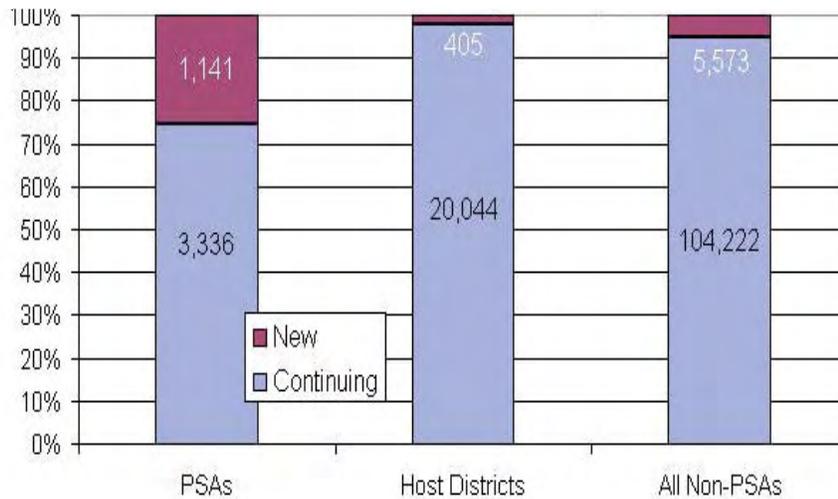
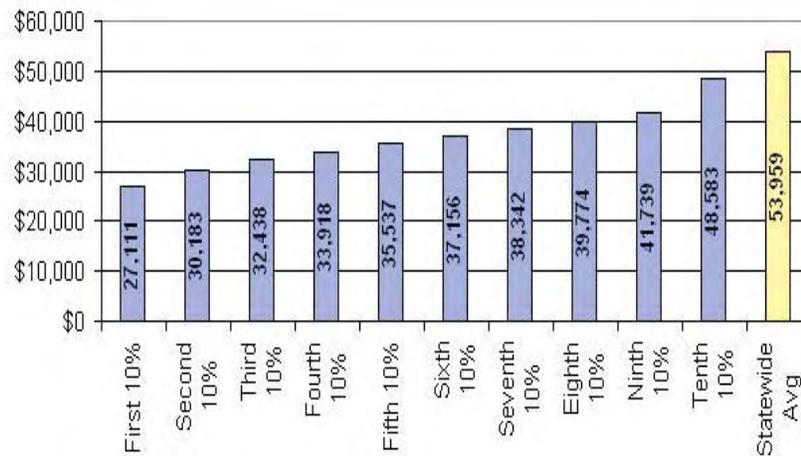


Figure 27: Average Teacher Salary for PSAs (2004-05)





Financial Performance

Financial Performance

Comparisons of financial information are much more useful among PSAs than they are between PSAs and other public schools. PSA revenue and expenses differ sharply from non-PSAs in several ways which make comparisons difficult:

1. Foundation grants to PSAs are tied to geographic districts, but capped.
2. Since PSAs lack taxing authority to raise funds for capital investments, they finance facilities from operating funds.
3. Competitive start-up grants are available to PSAs in their first 3 years of operation.
4. PSAs often offer fewer optional services than traditional districts (for instance transportation, meals, nurses, counselors, etc).
5. PSAs who contract with an ESP to hire staff (about 2/3 of Michigan PSAs) are prohibited from participating in the Michigan Public School Employees Retirement System (MPERS), so instead fund alternative retirement plans.

The following charts generally compare PSAs to both host districts and non-PSAs wherever feasible, but these deep differences in underlying systems should be kept in mind when interpreting the results.

Revenues

PSAs and traditional public schools alike receive state-funded Foundation Grants; PSA grants are tied to the district in which they are located, but capped at \$7175. Analysis for these comparisons weighted each PSA and LEA's foundation grant by multiplying it by the number of students to which it applies, summing the totals and dividing by the total number of pupils involved. The resulting weighted PSA average falls \$462 short of the host districts' weighted average foundation grant.

Additional "categorical" and competitive federal, local, and state funds are available to PSAs, as well as to traditional LEAs for designated purposes such as federal consolidated funding for Title I, II, III, V, VI and X and state at-risk, special education, early childhood, and bi-lingual funding. Per pupil averages (weighted by the number of students in each school) are shown in **Figure 28**, along with host and non-PSA tax revenue, against which they can borrow to finance facilities. During the 2004-05 school year, total PSA revenues lagged non-PSAs by an average of \$1393/pupil, and lagged host district revenues by an average of \$2612/pupil.

Total State Aid to each of the three categories of schools is tracked for the last four years in **Figure 29**.

Fiscal Stability

Fund balance is a less meaningful measure of fiscal stability for PSAs than for traditional LEAs, since substantial startup expenses during the first few years of a PSA's existence distort those numbers, and since some Boards' contracts with their ESPs espouse alternative approaches

to fiscal stability that do not rely on fund balance reserves. For instance, Boards that hire National Heritage Academies to manage their schools receive a commitment that in exchange for retaining any surpluses (thus reducing fund balances to zero), the management company will absorb any deficits, including startup expenses. At the other extreme, Boards that determine they should own their facility often spend several years amassing larger-than-traditional fund balances in preparation for construction or purchase.

For whatever reason PSA fund balances, on average, are lower than their traditional LEA counterparts, centering near five percent as shown in **Figure 30**, rather than the 11-15% characteristic of traditional LEAs. When the overall average is split out by age of the PSA, however, **Figure 31** shows that PSAs started six or more years ago approach traditional averages, while those less than two years old hold much smaller proportional fund balances.

Expense Ratios

School accounting practice divides expenses into broad categories of:

- **Instruction** – Teaching of students in classrooms, including special ed.
- **Instructional Support** – Support Services including speech therapy, counselors, nurses, curriculum development.
- **Administrative Support** – Support Services including business operations, and facility operations and maintenance.

Comparing the percentages of Current Operating Expenses that PSAs devote to instruction, instructional support and administration is similarly difficult, since facility lease or purchase is part of PSA expenses. On the other hand, lunches, transportation, athletics, and co-curricular activities are part of most traditional LEAs, but not all PSAs. In addition, as noted in the revenue section, the “pies” being split up here are different sizes: some PSAs receive 15-20% less per pupil revenue. Given those cautions about comparisons, on average, **Figure 32** illustrates that PSAs spend lower percentages of their expenses on instruction.

Within the ranks of PSAs, more equitable comparisons can be made; and these illustrate a surprising range in the percentage of operating funds dedicated to instruction. **Figure 33** divides ranked PSAs into ten equal groups (about 21 PSAs in each) to illustrate that some Michigan PSAs dedicate as low as 35% to instruction while others manage above 60%. As always, conditions vary among individual PSAs, and not all models could be applied to all other situations. MDE is working with authorizers and the Michigan Association of Charter School Boards to make available to charter school board members an expanded version of this chart that identifies and ranks individual PSAs, allowing each board to see how its uses of funds compare to other PSAs, as a basis for conversation with ESPs or school administrators.

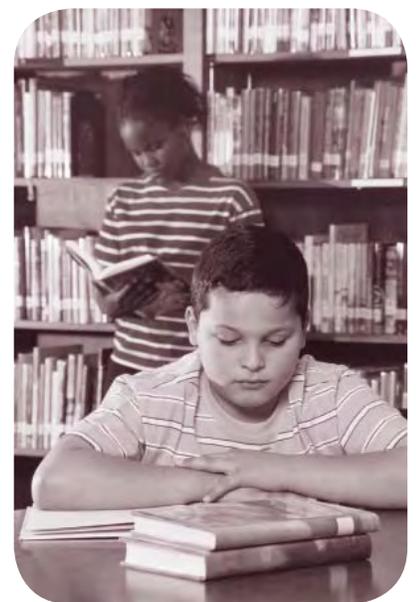


Figure 28: Average Per Pupil Funding Sources (2004-05)

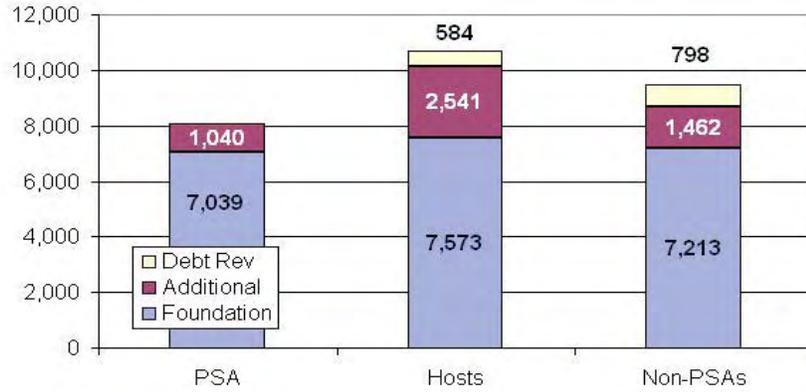


Figure 29: State Aid to PSAs, Hosts and Non-PSAs

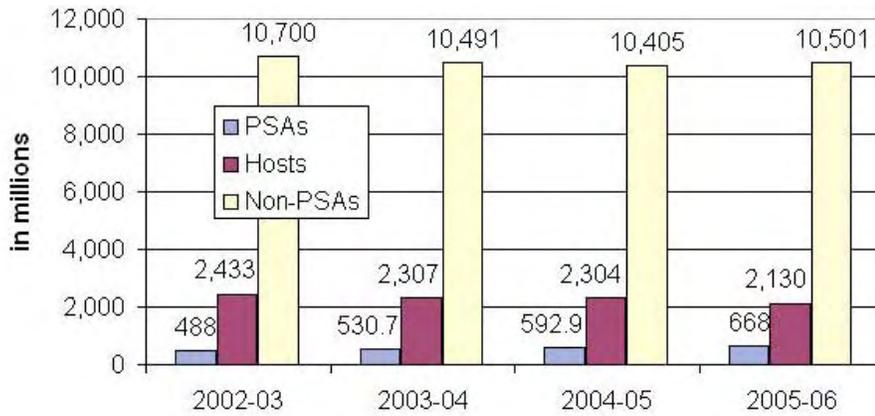


Figure 30: Ratio of Fund Balance to Current Operating Expenses for PSAs (2004-05)

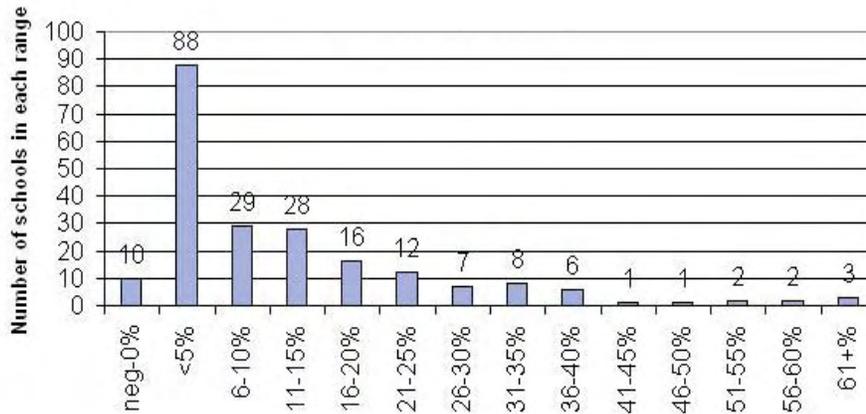


Figure 31: Average Fund Balance Ratio by Age of PSA (2004-05)

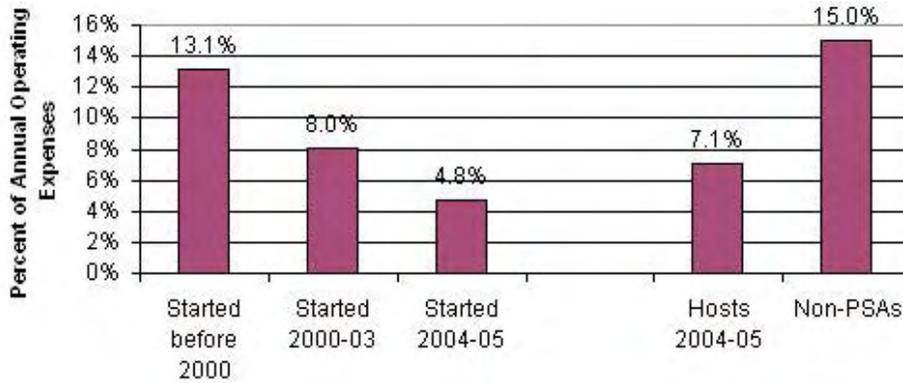


Figure 32: Uses of Operating Expenses (2004-05)

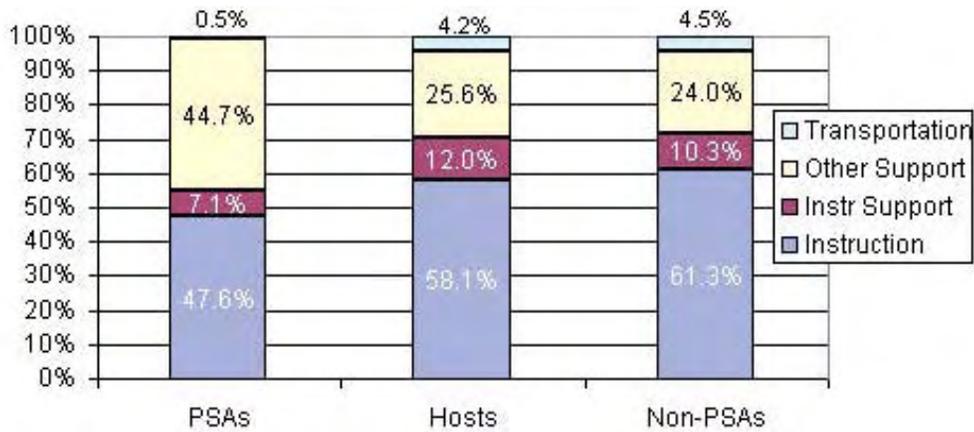
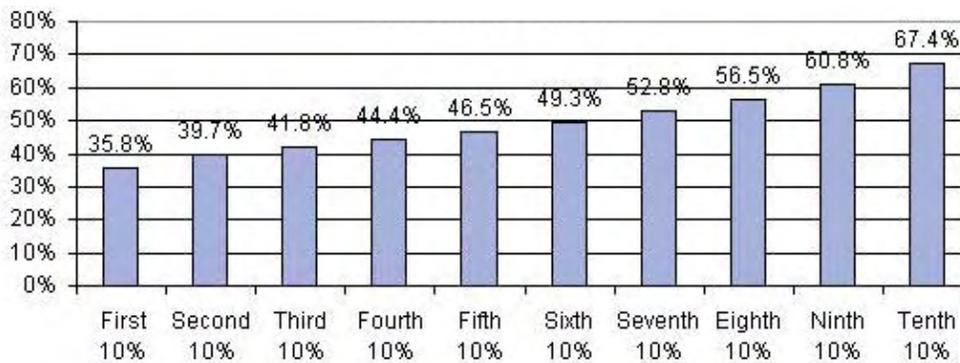


Figure 33: Instruction as Percent of PSA Operation Expense (2004-05)



How are PSAs Serving Special Education Students?

PSAs reported about half as many special education students as host districts in MDE’s December 2005 special education count, as shown on **Figure 34**. Individual PSAs range from zero to 58% plus one PSA which serves only special education students. **Figure 35** divides individual PSAs ranked by special education percentage into ten equal groups and displays each cluster’s percentage to illustrate the wide range of PSA experience.

Roughly equivalent proportions of students of different disability types are reported for PSAs, hosts, and non-PSAs. This data is displayed in **Figure 36**.

Survey work done this year for MDE under contract by the Michigan Association of Public School Academies (MAPSA) suggests that 100% of Intermediate School Districts (ISD)’s county-wide special education plans do include PSAs, but that a significant number of PSAs are unaware of, and thus unable to take advantage of, the provisions of those plans. In a companion survey, 73% of PSAs report some of their special education students are involved in full inclusion, while 25% use some self-contained classrooms. Eighty percent of PSAs report having difficulty obtaining special education records from the students’ previous school. PSAs report that the Individual Education Plans of their students require a variety of specialized services.

Figure 37: Percent of Specialized Services PSAs Provide as Required by Individual Education Plans (IEPs) of Students

Speech Pathologists	89%
Social Workers	95%
Psychologists	90%
Occupational Therapists.....	35%
Physical Therapists	35%
Teacher Consultants.....	35%

In response to the survey results, MDE and MAPSA are collaborating to develop special education specific professional development opportunities for PSA teachers and administrators. In addition, MDE and MAPSA have recently collaborated with ISD and PSA special education directors, authorizers, and ESP special education staff to customize three nationally available publications with Michigan-specific information about charter schools’ responsibilities to special education students. These publications should be published on several websites within the year. Further, two counties (Genesee and Oakland) are working with MDE and MAPSA to develop and document model strategies for integrating charter special education professionals into the counties’ special education working teams.

Figure 34: Special Education and Learning Disability (Dec. 2005)

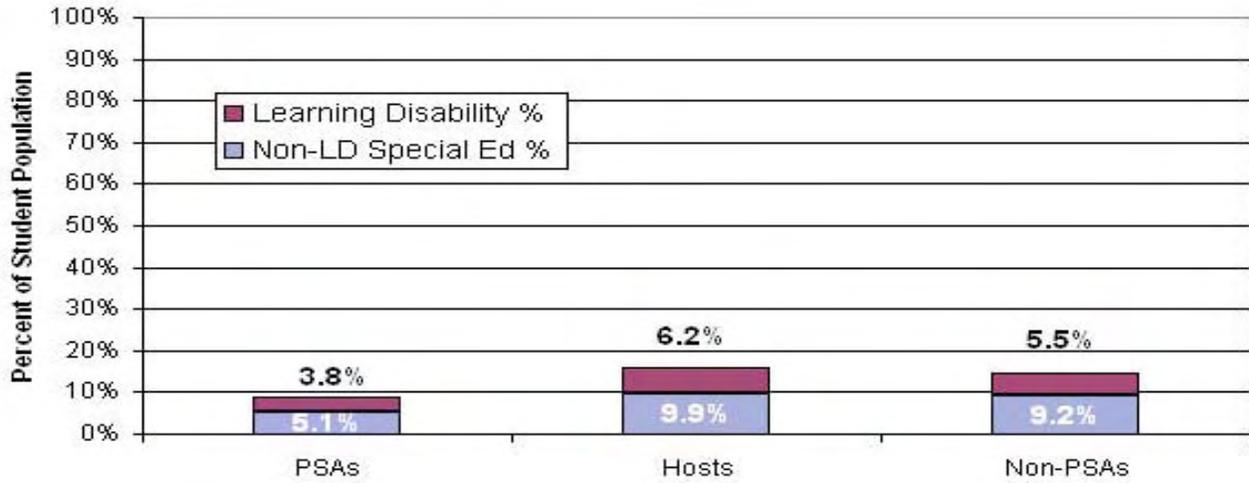


Figure 35: Special Education Students Served by PSAs (Dec. 2005)

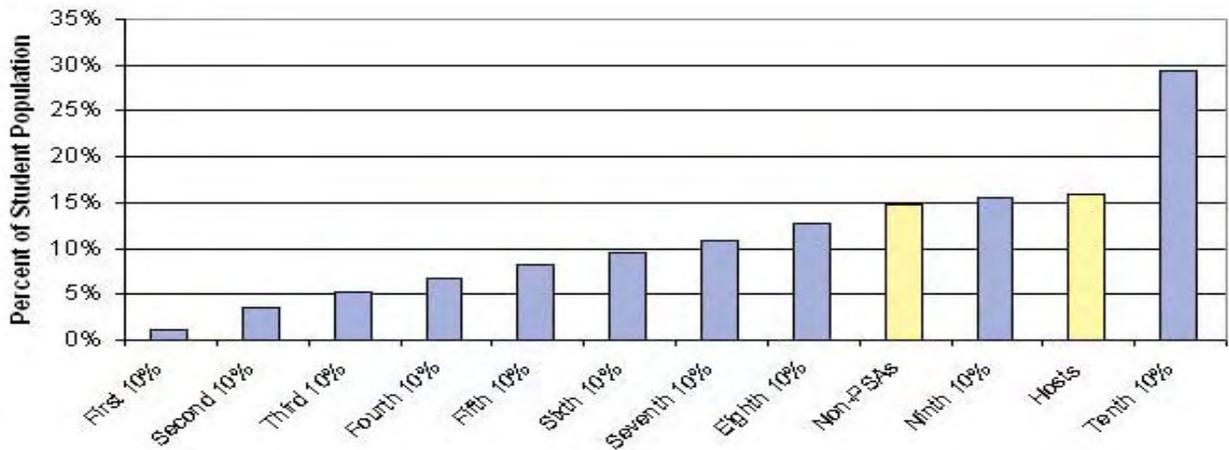
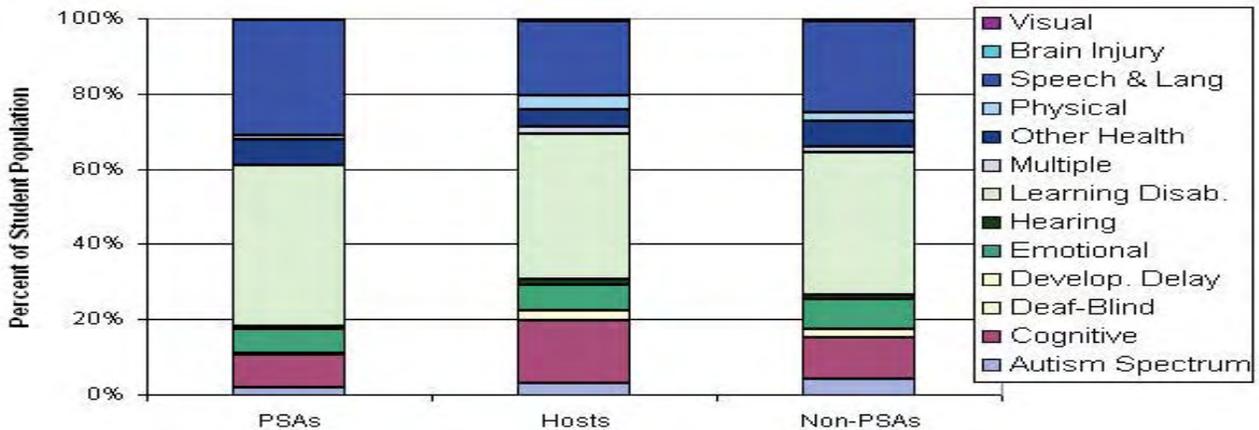


Figure 36: Special Education by Type of Impairment (Dec. 2005)



Michigan Public School Academies are chartered, and overseen, by one of four types of authorizers:

- universities,
- community colleges,
- local school districts, or
- intermediate school districts.

How do authorizers oversee PSA Performance?

As Figure 38 shows, eight universities are active, and they have authorized the full 150 PSAs allowed under statute. Three community colleges (with 34 PSAs), eleven ISDs (with 29 PSAs), and four local school districts (with 12 PSAs) are also active authorizers.

Of the 26 active authorizers in **Figure 39**, twelve have responsibility for five or more PSAs, and PSAs chartered by those twelve authorizers account for 97% of charter school students. **Figure 40** graphically displays the accumulating percentages.

An authorizer's choice of its schools, with their varying locations, identities and intended strategic focus choices, influences the student populations that will be attracted to the authorizer's portfolio of schools. **Figure 41** compares socio-economic status of the students served by PSAs approved by each authorizer, using Free and Reduced lunch eligibility as an indicator. These differences in socio-economic status of the students served provide an important context for the following comparisons of student achievement. Averages for statewide non-PSAs and host districts are inserted for comparison purposes.

Similarly, the proportion of special education students served by each authorizer's portfolio of PSAs provides relevant demographic context for academic comparisons that follow. Thus, **Figure 42** ranks authorizers by percent of special education students served by PSAs chartered by each authorizer.

Authorizers are responsible for ensuring that the PSAs they authorize set reasonable academic goals, and monitor performance against them. **Figures 43 and 44** consolidate proficiency percentages for each authorizer's portfolio of PSAs, except that high school results are not displayed when there are fewer than 100 students in a given data-point.

Seven authorizers hold portfolios whose Grade 3-8 aggregate averages are higher than the aggregate average of the 18 host districts for ELA, and eight outperform host averages in Mathematics.

Two authorizers' portfolios of high schools surpass the host district average for ELA and one does the same for Mathematics.

Figure 45 examines the proportion of the PSAs chartered by each authorizer and receiving AYP designations that achieved AYP during 2005-06. Nine authorizers' portfolios contain larger percentages of schools making AYP than did host district schools. Four of those also surpass the non-PSA average statewide.

The proportions of PSAs in an authorizer's portfolio that are in different phases of NCLB sanctions are displayed in **Figure 46**. Nine authorizers' portfolios contain larger percentages of schools not in phased sanctions (and also not in advisory status) than do host districts in the aggregate. Five of those portfolios also surpass the non-PSA proportion of unsanctioned schools.

Figure 38: PSAs Authorized by Type of Authorizer

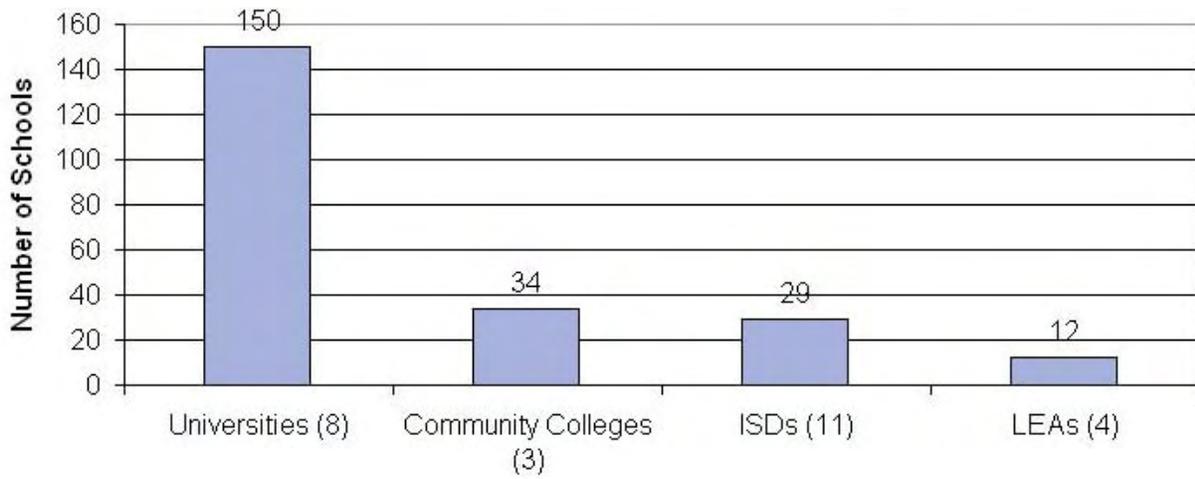


Figure 39: Number of PSAs by Authorizer (2005-06)

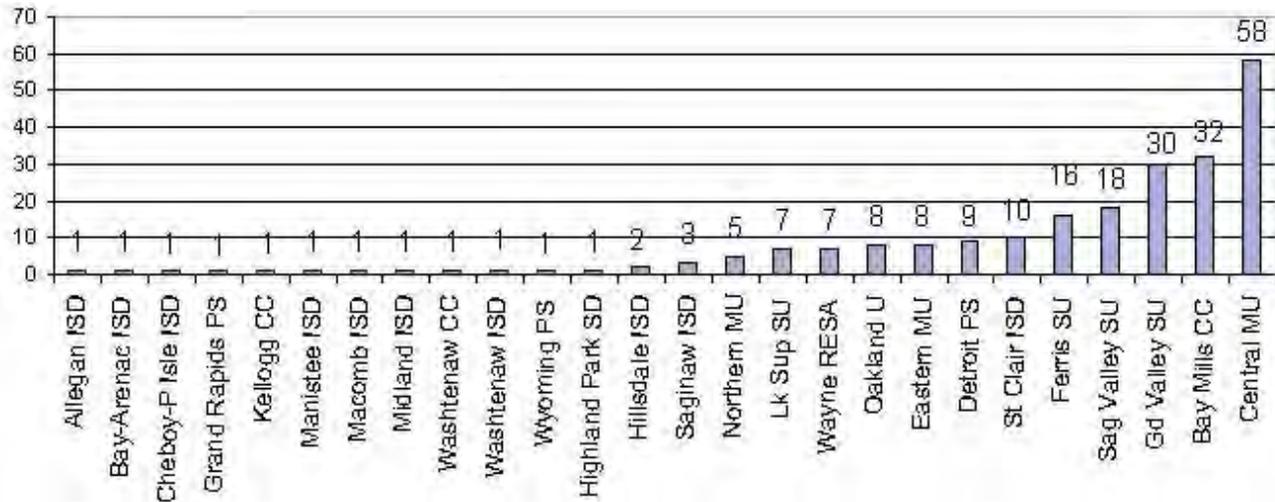


Figure 40: Students Served by Authorizer

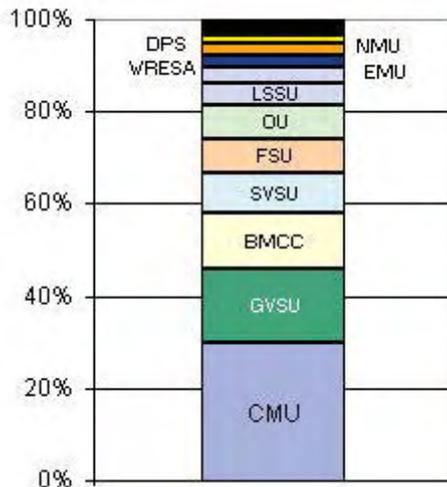


Figure 41: Free and Reduced Price Lunch for PSAs Chartered by the Same Authorizer

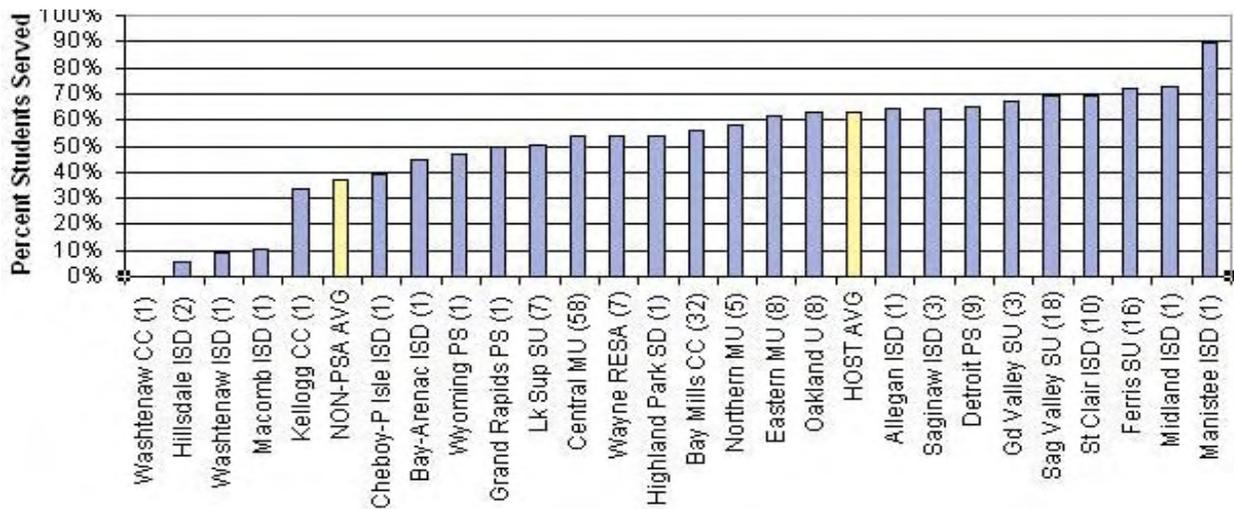


Figure 42: Percent Special Education Students by the Same Authorizer

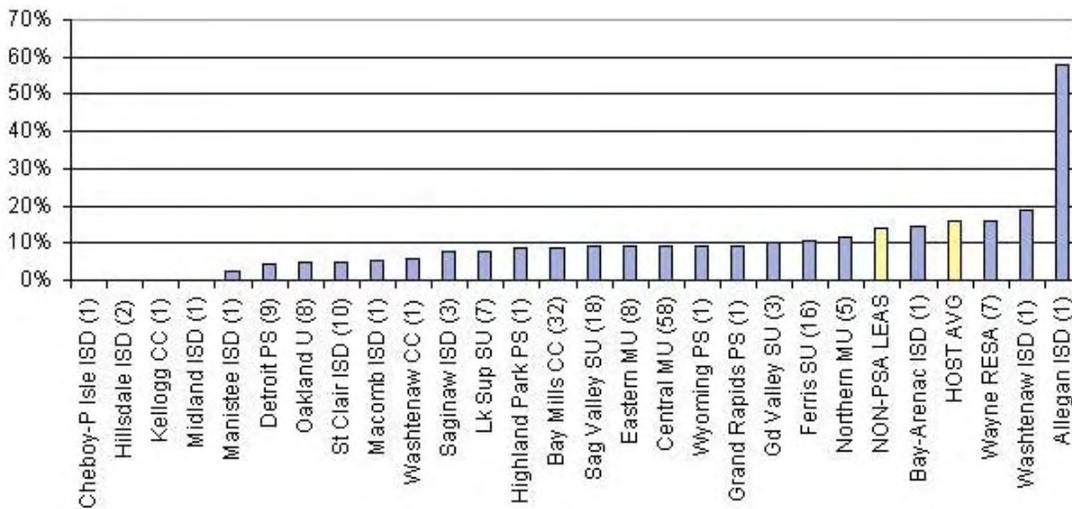


Figure 43: Grades 3-8 MEAP by Authorizer (Fall 2005)

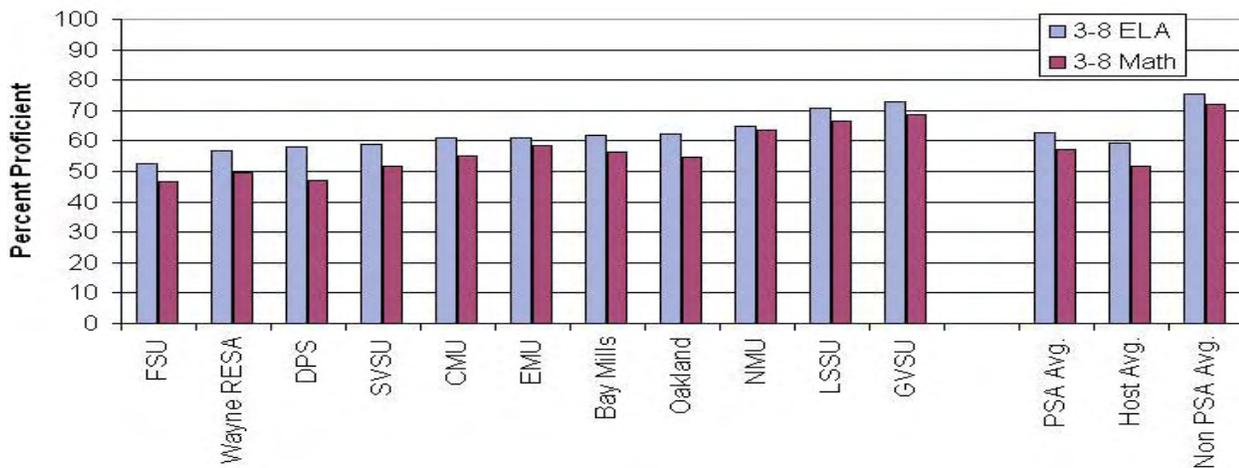


Figure 44: High School MEAP by Authorizer (2005-06)

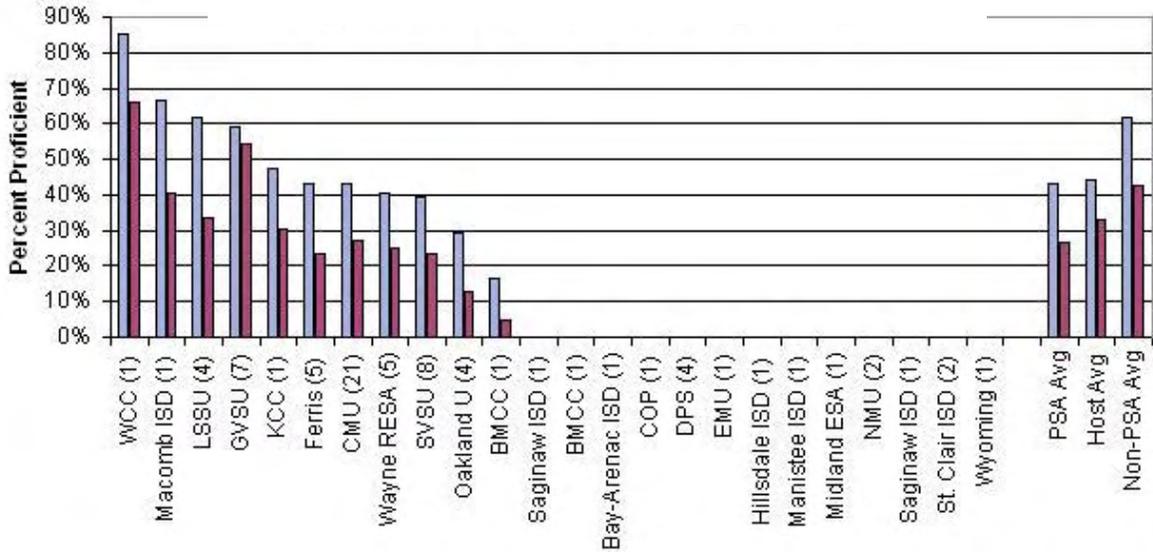


Figure 45: Adequate Yearly Progress by Authorizer (2005-06)

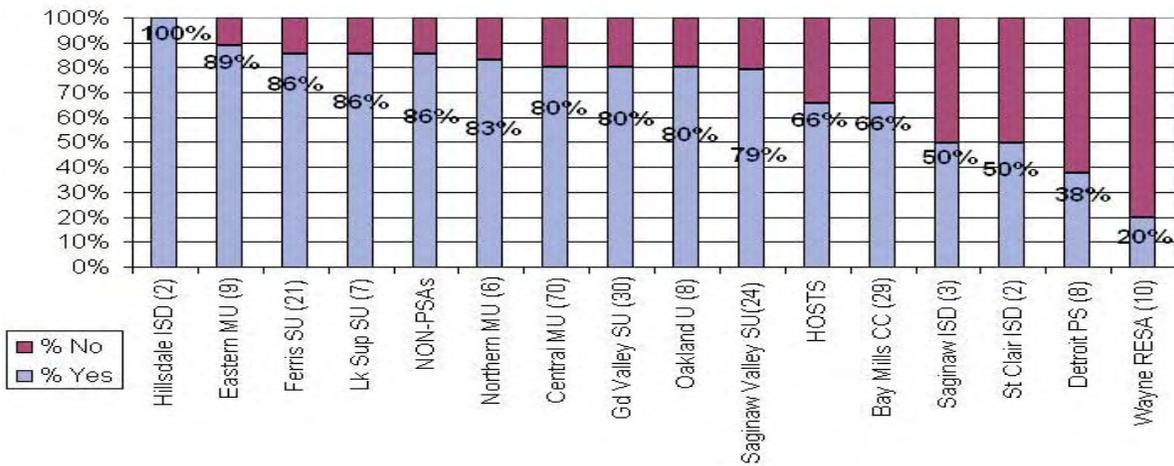
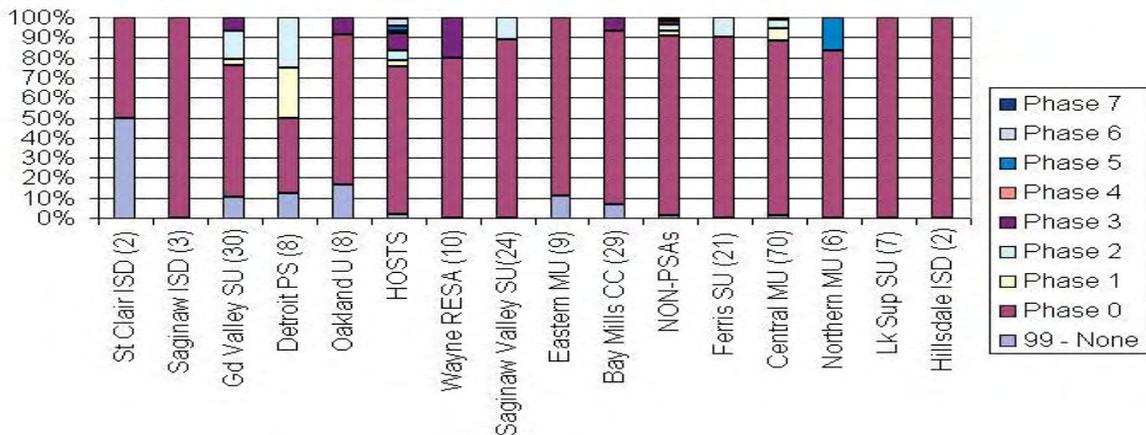


Figure 46: NCLB Phases by Authorizer (2005-06)



What is MDE’s Role in Oversight?

By Michigan statute only authorizers may charter and oversee PSAs.

MDE has two statutory roles:

- 1. MDE is charged to deliver this annual report to the legislature (MCLA 380.501a).*
- 2. The Superintendent of Public Instruction may suspend an authorizer’s power to charter additional schools if he finds that the authorizer is not engaging in appropriate oversight (MCLA 380.502(5)). However, in the absence of rule-making authority to establish criteria for what constitutes “appropriate oversight,” the legal basis for any such determination is weak.*

In the absence of strong statutory authority to oversee Michigan’s authorizers, MDE has developed a valuable, collaborative partnership with Michigan’s authorizers. During 2005 and 2006, MDE staff from the Public School Academy Program office piloted an “Assurances and Verification” program. Ten authorizers, on a pilot basis, voluntarily provided **assurances** that they have processes and systems in place to ensure compliance with 18 important requirements for the PSAs they charter. During a subsequent **verification** visit, staff examined the authorizer’s files and records for a sample of PSAs to ensure that the systems had been implemented as described.

Eighteen Oversight Systems for PSA Authorizers

1. Competitive application process
2. Incorporation
3. Timely document submission
4. Educational goal-setting
5. Revocation/non-renewals
6. Board appointments
7. Compliance with law
8. Governing Policies and Records
9. Open Enrollment (with lottery)
10. ESP contract practices
11. Collective bargaining (if required)
12. Single site requirements
13. Facility approvals & certificates
14. Academic progress against goals
15. Teacher certification
16. Annual financial audit
17. Financial stability
18. Related-party transactions



Across the board, the authorizers MDE visited were actively monitoring their PSAs' compliance with law, and were, in addition, offering them support, data, and technical assistance toward not only compliance, but also academic success and fiscal stability. For university authorizers, 98.8% of the systems MDE examined were complete as described. The remaining systems were under development at the time, and have since been completed. ISD authorizers, as a group, were less structured and formal in their oversight, since a number of these PSAs are housed at the ISD and/or contract for administrative services from the ISD staff; 74% of the systems MDE examined on site at ISD authorizers were complete at the time of the visit. To date, MDE has visited only one community college authorizer and one LEA authorizer, and lack enough data to describe that category of authorizer with confidence. This sample of two, however, roughly matches the ISDs in sophistication and comprehensiveness: 70% of the systems MDE examined were complete.

"Complete" processes and systems do not, of course, guarantee that charters under an authorizer's oversight will never be out of compliance. Rather, a complete process undertakes to ensure that in the event of non-compliance, a PSA's Board will be held accountable for correcting its error by a judiciously chosen series of sanctions, up to and including revocation of its charter.

How do Education Service Providers (ESPs) fit into the picture?

PSA Boards in Michigan are explicitly permitted in statute to contract with Education Service Providers (ESPs) to purchase any or all services involved in running their schools. Roughly two-thirds (63%) of Michigan's PSA Boards (serving 70% of charter students) have opted to hire an ESP for one or more portions of their work, ranging from facility management to staff hiring and personnel management, accounting and payroll, curriculum development, and professional learning services for administrators and/or teachers. Michigan's percentage of ESP-managed schools far exceeds the national average of 10%, as well as the next highest states, Ohio (33%) and New York (26%). Possible reasons for the centrality of ESPs in Michigan include these:

- Lack of planning and development infrastructure and funding leaves experienced, institutional developers most able to invest time and money in developing a charter application.
- Because Michigan charters are required to comply with all laws and regulations that apply to traditional districts, institutional depth can provide a district-like role to multiple schools.
- In a highly competitive atmosphere with few slots available under the current legislative charter cap, first time innovators with educational but no business experience find they must match the accumulated expertise and venture savvy of veteran institutions to win one of the coveted slots.

Twenty-two ESPs serve multiple schools in Michigan; these are shown in **Figure 47** along with a single bar representing the 82 "self-managed" PSAs which do not contract for educational services. Included among the 22 are nine nationally-recognized service providers also active in other states; those ESP's bars are light-colored in Figure 47.

Figures 48 and 49 profile Michigan PSAs by special/general education status and economic status of the students for those Boards who hire the same ESP. Self-managed PSAs are shown with a darker bar and host and non-PSA comparisons with light bars.

Only those ESPs responsible for providing curriculum, instruction, or assessment services should logically be held accountable for students' academic success. Thus, a smaller subset of ESPs are represented in the following charts, that examine academic performance for clusters of PSAs whose Boards have hired the same ESP.

Figure 50 illustrates Grade 3-8 Fall 2005 MEAP proficiency aggregates; **Figure 51** does the same for 2005-06 High School scores, while omitting the data points for high schools where less than 100 students reported.

Figure 52 examines the same clusters of PSAs whose Boards have hired the same ESP to determine what proportion made AYP during the 2005-06 school year. **Figure 53** displays the same clusters by the proportion which were in various phases of NCLB sanction during the 2005-06 school year.

Figure 54 displays instructional percentages reported by all schools who hired the same management company to illustrate the wide range of expense patterns Boards are getting for their money. Again, the more powerful expanded version of this chart ranks individual PSAs and allows each PSA board to see where it fits in the range of Michigan charter schools. MDE is working to make this information available to PSA Board members as a tool for their deliberations as they choose whether to hire an ESP to manage part or all of their operations.

Caution: Sorting data to reveal patterns in ESP performance should not obscure the fact that the governance Board that hires the ESP remains responsible for the school and its results. These data have been developed in order to ensure that PSA Boards can make informed decisions as they consider which ESPs to employ.

Figure 47: Students Served by Boards Hiring the Same ESP

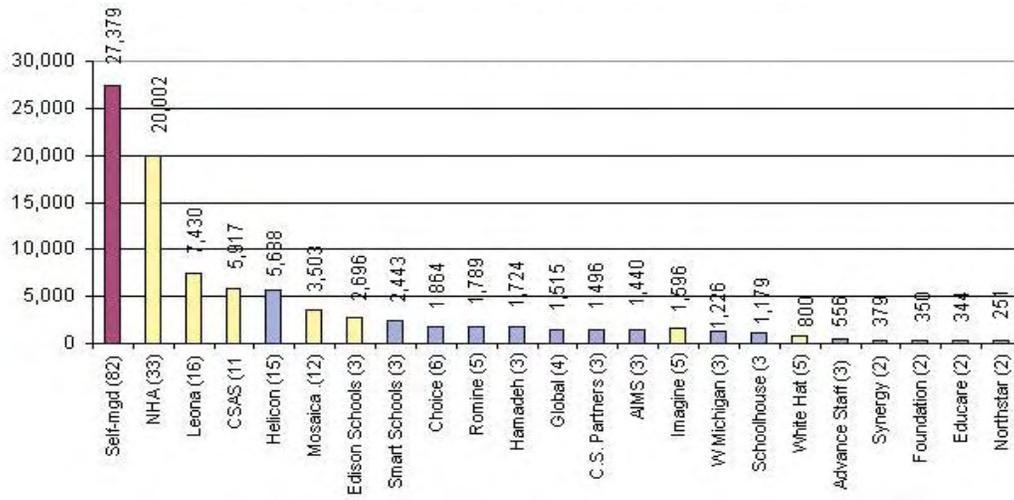


Figure 48: Percent Special Education Students Served by Boards Hiring the Same ESP

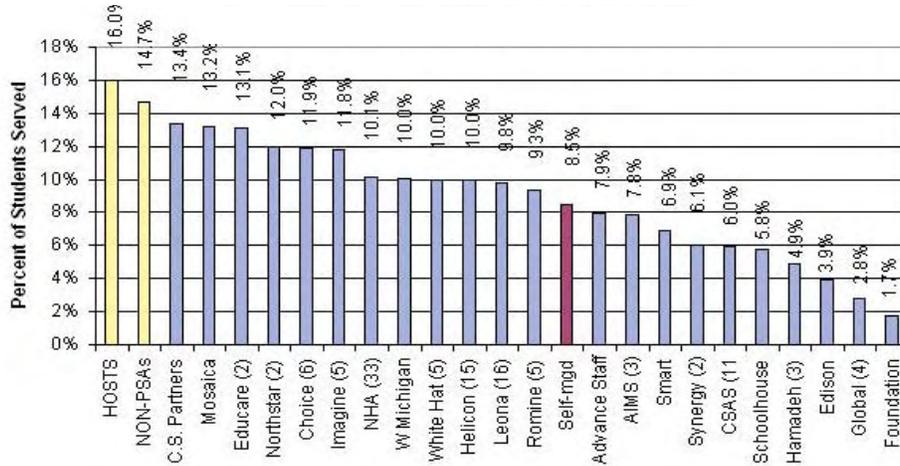


Figure 49: Students Eligible for Free/Reduced Lunch Served by Boards Hiring the Same ESP

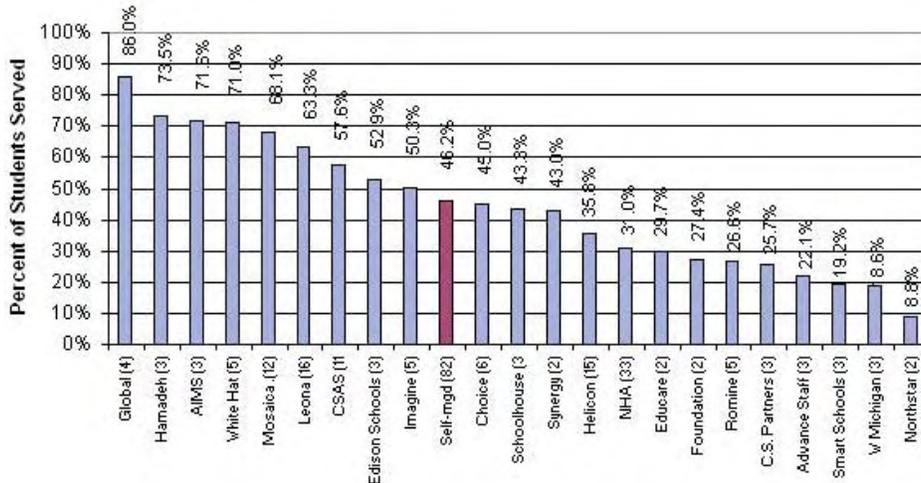


Figure 50: Grades 3-8 MEAP (Fall 2005) for Boards Hiring the Same ESP

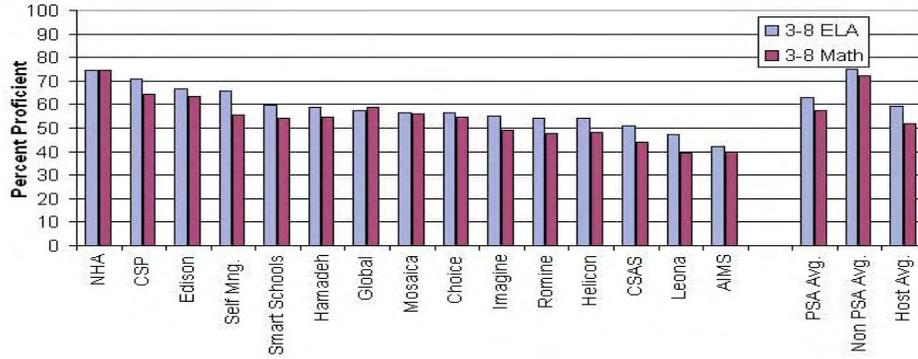


Figure 51: High School MEAP Results (2005-06) for Boards Hiring the Same ESP

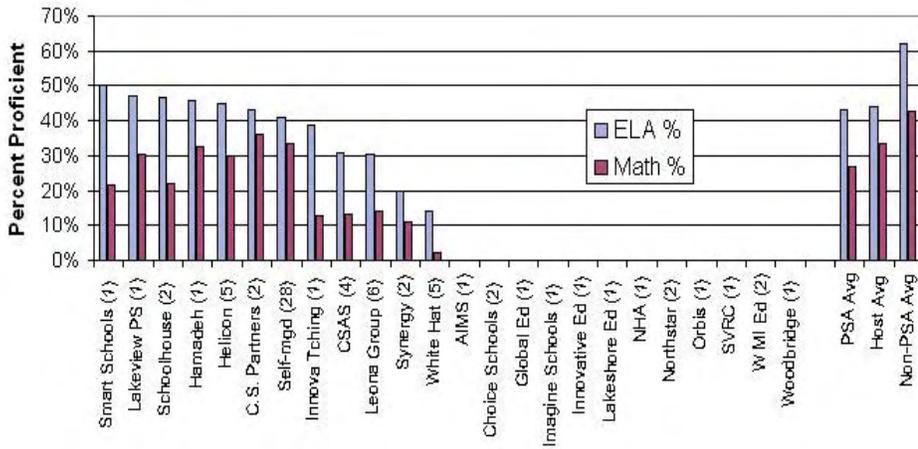


Figure 52: Adequate Yearly Progress (2005-06) for Boards Hiring the Same ESP

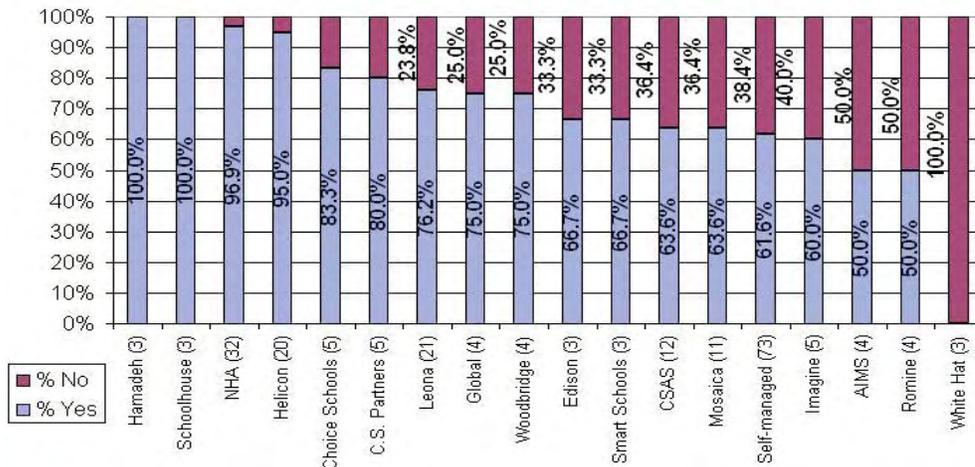


Figure 53: NCLB Phases of Improvement (2005-06) for Boards Hiring the Same ESP

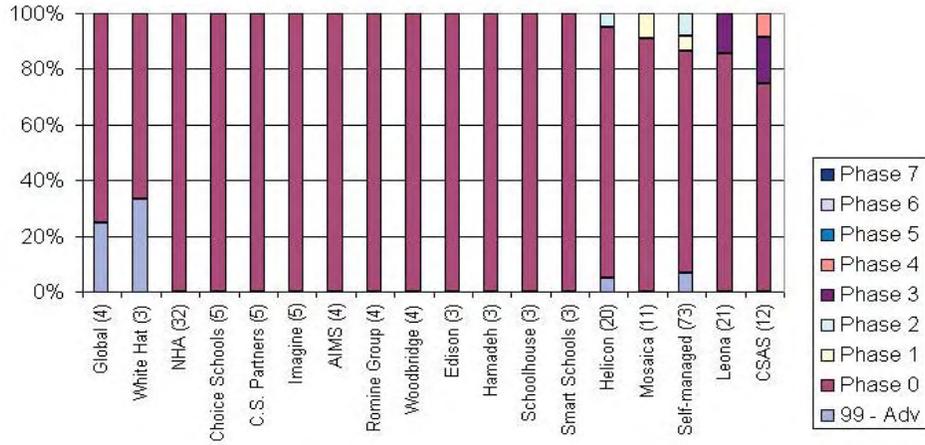
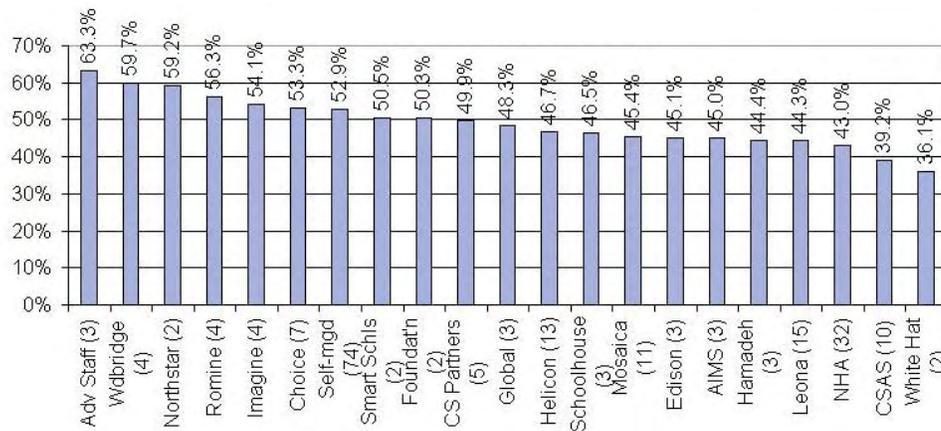


Figure 54: Instruction as a Percent of Expenses by Boards Hiring the Same ESP



What are the next research questions?

1) Choice

If charter proponents are to fulfill their promise of meaningful parental “choice,” it will be important to document the ways in which PSA practice differs from neighboring LEAs. This year, for the first time, PSAs were asked to identify their macro-approach to instruction by choosing the best fit from a set of definitions developed by researchers at the Fordham Foundation. Short versions of the working definitions follow.

Macro-approach to Instruction: Working Definitions

- **Alternative**
Designed to provide a “second chance” for students who would otherwise not be able to succeed in school.
- **Vocational**
Schools focused on successful school-to-work transitions.
- **General**
Not instructionally distinguishable from neighborhood schools; became a charter for another (governance, special population, fiscal) reason.
- **Progressive**
Places a premium on individual development, holistic learning, inquiry and investigation, and learning how to learn.
- **Traditional**
Treats knowledge as objective; sees teachers as expert conveyers of information and expects students to “master” content; “back to basics.”

Figure 55 shows that most PSAs (130 schools, or 68%) fall into the Progressive or Traditional self-descriptions, suggesting that they claim innovative instructional practice, for which the appropriate success indicator would be student success. Another 14% (26 schools) identify as Vocational or Alternative schools, whose primary goal would be to recapture and support students to succeed who would not otherwise remain in school. An interestingly large portion of schools (37 schools, 19%) self-identify as “General” and seem to indicate that the innovations they pursue and the choices they offer Michigan parents and students are not primarily instructional. Anecdotal conversations suggest that although these charter founders accept the need to accomplish high student achievement as the “ticket to play” in education today, they offer a number of alternative innovations that truly animate the school’s culture, existence, marketing and focus: small size, language or cultural focus, school calendar variations, behavioral approaches, arts integration, village-like relationships, and community service focus.

Future annual reports should sort achievement, demographic and financial data by approach, to help provide data on which “choices” are succeeding.

2) Innovation

The other promise that has animated the policy debate about PSAs has been the hope that charter schools can incubate innovations that would be of use to other public schools as they pursue educational excellence.

Few innovations would be of more interest to policymakers than to identify new methods that can succeed in bringing children in poverty to succeed at high standards. **Future annual reports to the Legislature should investigate and report on methods being used by PSAs that serve poor children and do it well.** As a beginning step in that direction, this year's report uses data to isolate existing schools that meet those two criteria. Each dot shown in **Figure 56** represents a Michigan PSA: its vertical position displays its percent proficient on the Grade 3-8 ELA 2005-06 MEAP, and its horizontal position shows the percentage of its students eligible for free/reduced lunch.

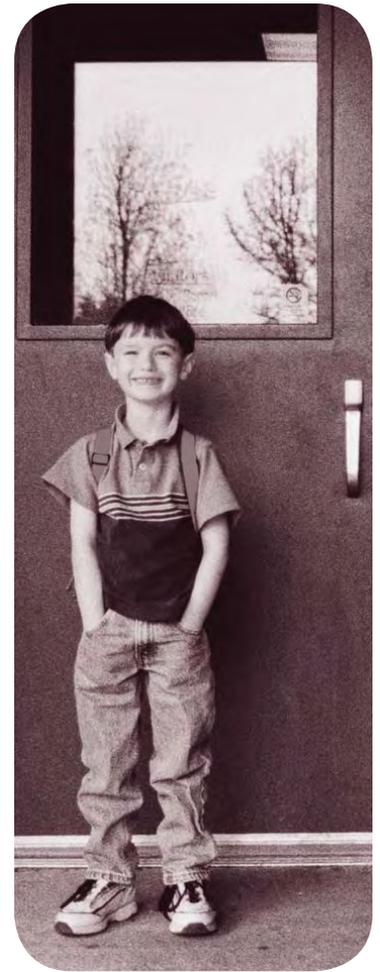
Figure 57 identifies the 23 PSAs in the upper right quadrant of Figure 56: those with over 60% ELA proficiency, accomplished for student populations over half eligible for free/reduced lunch during 2005-06.

Similarly, **Figure 58** displays all PSAs' Grade 3-8 2005-06 Math MEAP proficiencies coupled with their free/reduced lunch student populations.

The 26 PSAs whose math proficiency percentages top 60%, with student populations more than 50% eligible for free/reduced lunch subsidies (top right quadrant in Figure 58) are identified in **Figure 59**.

Fourteen PSAs make both lists; that is, the PSAs serve student populations more than 50% eligible for subsidized meals, and their students score above 60% proficient on both ELA and math MEAP. Those fourteen are identified in the table on this page.

If similar achievement can be sustained, the general and particular strategies of these schools may represent important innovations and may well be of interest to other public schools, both charter and traditional, that are working toward the success of similar populations.



PSAs Serving at Least 50% Low-Income Students and Achieving at Least 60% on Both ELA and Math Proficiency on the Grade 3 - 8 Fall 2005 MEAP

Public School Academy	Grades	Authorizer	Date Opened	ESP (2005-06)
Academy of Flint	K-8	CMU	9/1999	CSAS
Bay County PSA	K-8	BMCC	8/2001	Mosaica
Bridge Academy	K-8	FSU	8/2004	Global Education
Central Academy	PK-12	CMU	8/1996	Global Education
Cole Academy	K-5	CMU	8/1995	Self-managed
Detroit Merit Academy	K-8	GVSU	10/2002	NHA
Great Lakes Academy	K-6	EMU	8/1997	Imagine Schools
MLK Jr. Ed. Center	K-6	DPS	10/1995	Self-managed
Marvin L. Winans	K-12	SVSU	8/1997	Self-managed
Ridge Park	K-8	LSSU	8/1998	NHA
Saginaw Preparatory	PK-6	SVSU	9/1997	Leona Group
Star International	K-12	OU	9/1998	Hamadeh
William C. Abney	K-5	GVSU	9/1998	Leona Group
YMCA Service Academy	K-8	LSSU	8/1999	Self-managed

Figure 55: PSAs by Instructional Approach

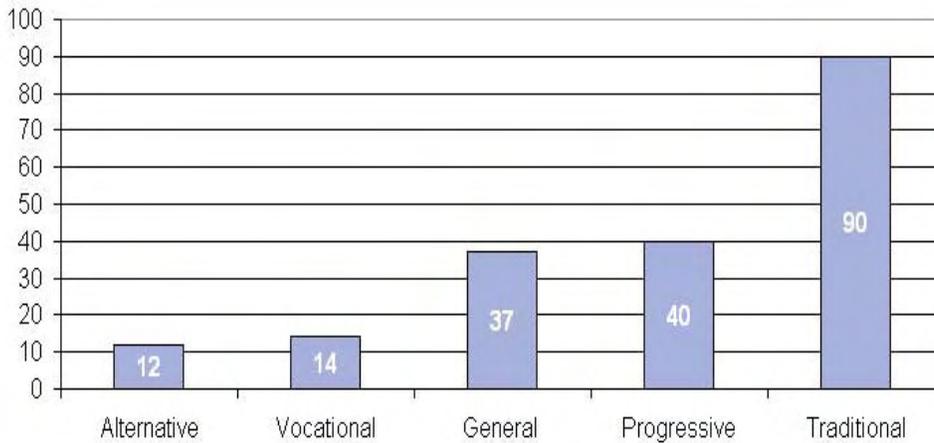


Figure 56: Grade 3-5 ELA MEAP (2005-06) vs Poverty

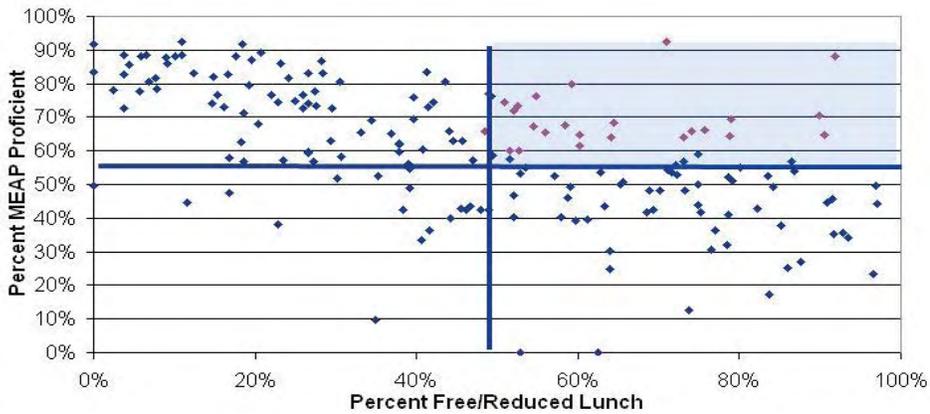


Figure 57: PSAs Serving 50% Subsidized Lunch and Achieving 60% MEAP ELA Proficiency (2005-06)

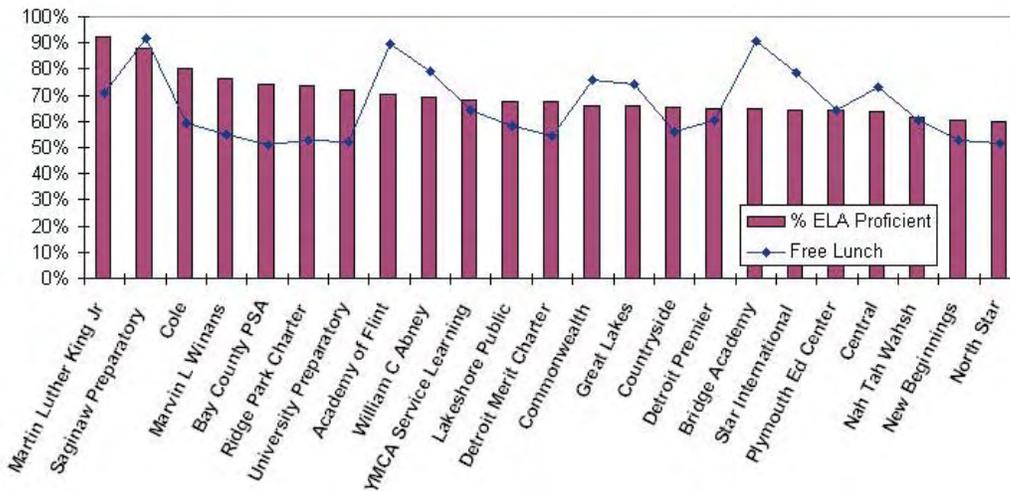


Figure 58: Grade 3-8 Math MEAP vs Poverty (2005-06)

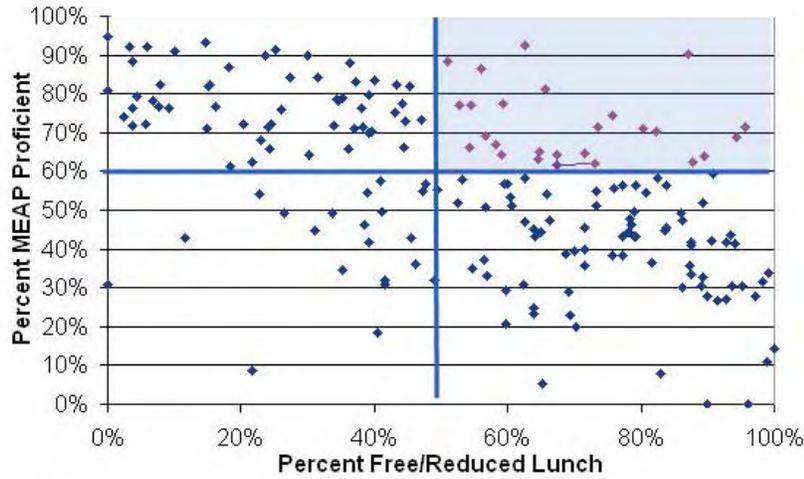
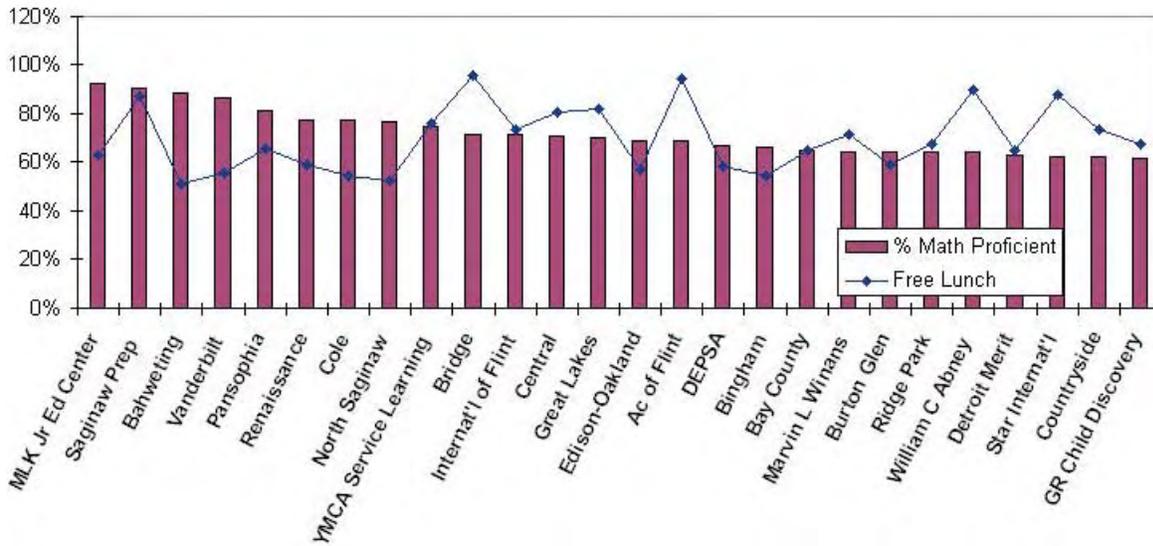


Figure 59: PSAs With 50% Subsidized Lunch Achieving 60% Grade 3-8 MEAP Math Proficiency (2005-06)



What Authorizer-Generated Innovations are Underway?

PSAs themselves are not the only innovators whose learning should be captured to the benefit of all Michigan learners and educators. Authorizers, who are permitted by statute to use up to three percent of the foundation grants of the schools they authorize to oversee and support them, are investing heavily in tools for both purposes, several of which hold promise of being useful to MDE and/or ISDs.

The convergence of at least three factors is fueling authorizers' investment in tools of their trade.

1. Public visibility of their institutions for the performance of their PSAs,
2. Power and responsibility to extend or terminate a PSAs existence, and
3. Availability of resources.

From this mix are emerging interesting management tools which, in themselves, constitute educational innovations. For instance:

- Michigan-specific remote document submission and management systems;
- school-to-school peer feedback systems;
- building and district-level comprehensive audits yielding feedback on governance, management, legal compliance, financial status and academic strategy and practice;
- board “data snapshots” summarizing school performance at a glance;
- value-added analysis of achievement results, yielding individual growth measures and student and classroom level formative feedback; and
- creative shared services and contracted services agreements between PSAs and ISDs, non-profit providers and for-profit providers and governance tools to allow Boards to manage them effectively.

SOURCES

Data for this report have been obtained from:

Center of Educational Performance and Information (CEPI)

Registry of Education Personnel (REP)

Financial Information Database (FID)

Michigan Department of Education (MDE)

State Aid Status Reports

Bulletin 1014 Michigan School Districts Ranked by Selected Financial Data

Title 1 Application Free Lunch Eligibility Database

Public School Academy Database

Office of Educational Assessment and Accountability MEAP Results

Robin Lake and Paul Hill, **Hopes, Fears and Realities: A Balanced Look at American Charter Schools in 2005**, National Charter School Research Project, November 2005.

Dick Carpenter, **Playing to Type: Mapping the Charter School Landscape**, Thomas B. Fordham Institute, October 2005.

The Michigan Department of Education is grateful for the contributions to this report from Jason Sarsfield, Intern with the Public School Academy Program (PSAP) during 2005-06. He provided analysis for and authored the Academic Performance section of this report.



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