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## **Michigan State Board of Education**

### **Comments on Public Education Finance Proposals**

Consistent with its state Constitutional obligation to provide “leadership and general supervision” over all public education in the state of Michigan, the State Board of Education offers these thoughts and advice in fashioning an education system that is performance-driven; improves learning and educational outcomes for all students; and provides high quality education choices for students and their families.

In this document, the Board does not take a position in support or opposition to the Oxford Foundation’s Public Education Finance project proposals. Rather, in this document, we raise issues, concerns, and recommendations with regard to the proposal.

#### **Quality Control in New Learning Modalities and Schools**

Much of the proposed financing plan assumes, or is complemented by authorizing new schools, specialty schools and additional online-learning providers. Just as all existing schools must ensure quality education, new schools of all varieties must provide high-quality education. We should prevent poor new schools and operators from ever opening, and then draining scarce public education resources away from existing schools (diminishing their ability to provide quality learning).

Michigan does not need new learning options, and new schools per se, we need learning options and choices that contribute to improved student achievement and outcomes. We have enough problems with under-performing schools and education providers (traditional, charter and online), that aren’t delivering quality education, today—that are in need of help, fixing or shut-down -- we can’t afford to open more.

Any new educational provider or new schools must be expected to meet some quality standards based on a track record, or credible likelihood of contributing to

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student learning, growth and outcomes—and must be appropriately regulated to avoid education profiteering that does not deliver quality learning and outcomes.

We now have clear accountability standards and system for improving or closing non-performing schools. All new choices and financing changes that allow money to follow to new choices must be accompanied by quality control expectations including:

- *A public accountability system and transparent reporting requirement that reports clearly by public body authorizer* (district, ISD, Community College, University) the performance of all authorized schools in apples-to-apples form to aid in identifying the performance, and hold accountable for performance the public body authorizer (whether school district board, or university board of trustees) and operator (whether a school district board, charter management organization, or online operator);
- *Legislation for new schools must contain quality control criteria, and school choice also must contain quality control criteria.* Legislation allowing for any new schools of any form must be accompanied by a prohibition on the poorest authorizers expanding their portfolios, and a corresponding prohibition on those authorizers engaging management companies or other educational operators whose portfolio of schools do not meet an appropriate quality and performance standards; or in the case of new operators, provide sufficient evidence of capacity and plan that would credibly indicate an ability to deliver a quality education.

### **Expanding Quality Choices Fully and Equitably**

If additional choices are to be encouraged, and some parents and families won't be able to take advantage of new choices, then the choices aren't equitable. They would likely serve to aid those who are already advantaged, informed, active in navigating the system, able to provide transportation for their children, etc.

- *Making 'choice' work equitably.* The students most in need of better learning, better schools, and new choices are the least advantaged, and if not supported most likely could be "left-behind" in schools with diminished resources that then are unable to provide quality education. Enhanced choices must include resources to allow parents and families to participate fully and equally in the choices, e.g. funding for transportation, counseling and support services;
- *Rural student issues.* Rural school students are potentially further disadvantaged in this plan, as their choices are inherently more limited than urban students, (with the exception of on-line learning opportunities). Proposals must include attention to how enhanced learning choices and

options can reach rural students, including how access to needed on-line and distance learning options could be facilitated by provision of needed technology and infrastructure;

- *Special needs populations.* It is imperative that consideration of how students with disabilities, and English Language Learners, can participate in, benefit from, or receive diminished educational services under this plan;
- *Equal access to good choices.* It is also inconsistent and discriminatory to say we are increasing choices for students among education districts and service providers, but schools and districts can choose to opt-out, to not participate in allowing choice. Communities with good schools and course offerings can keep others from accessing these “better” choices, while communities with underperforming schools must let students and resources go. The proposal as it stands says in essence: the neighborhood school district no longer exists, unless you want to keep people out -- then you can protect your neighborhood school district. Real choice among educational offerings must mean equal opportunity to access the best learning options for all students.

### **Effective Performance Measures and Performance Funding for All Students**

*The same accountability, learning and growth measures must be applied to all schools, and learning modalities, no matter what kind of school and modality.* Michigan parents and policy-makers must know, in comparable terms, which schools and learning providers are succeeding in educating children. The proposals currently allow a hodge-podge of education performance measures, (off-the shelf assessments, course “completion” of syllabus) that cannot be compared to inform parental choice, nor to aid policy-makers in determining if students are mastering Michigan’s rigorous career and college ready learning expectations.

*Any performance funding should be linked to achieving student performance on Michigan Merit Curriculum/College and Career Ready Standards.* Performance funding should support and reward performance on mastering Michigan’s rigorous content expectations. ‘Any pace’ learning would reward performance in terms of growth, first; and proficiency, second, in content knowledge.

- Some version of this system, properly designed—could decouple graduation and progress through K-12 from seat time: you can either earn 18 HS credits, or pass ACT/Michigan Merit at requisite level—and you are “done” with high school; pass individualized subject competency assessments, you move on.

*Recommend making financial incentives a reward for growth and facilitation of better or individual-tailored learning options, not a penalty for no growth or no participation in ‘unbundled’ student options.* We want to incent performance in

meeting our collective standards for learning. One approach would be to reward/incent student outcome and performance with a per student performance bonus funding that can be kept by student's school district for all students who:

- Master exit competencies (ACT/Michigan Merit) at secondary level;
- Make appropriate individual progress PreK-8;
- Meet K readiness assessment

School districts would have an incentive to facilitate the lowest cost options, and the bonus could be used to facilitate/support non-performers to hit the same targets.

*The public financing proposal is based on negative, not positive incentives.* Under the proposal districts can't by law stop students from shopping for education outside—but all their incentives would be to discourage, make hard, and not have students spend their dollars “elsewhere”. This is exactly the problem with our current dual enrollment, district choice, and career technical education funding systems. Districts “lose money” if students make that choice—so they don't facilitate nor encourage it.

This proposal would exacerbate this problem—schools and districts could offer lower quality opportunities without facilitating the best choices for students. We need a system that incentivizes and rewards districts and schools to embrace and facilitate new learning modalities like blended and on-line learning, the creation of new school models--innovative specialty schools, and blur-the-lines secondary- postsecondary learning models like middle colleges/early colleges *themselves*, and to encourage and facilitate out-of district, and on-line choices if they are the best for the student. It is not clear how this approach incentivizes existing schools and districts to innovate or facilitate choice—versus discourage it.

### **“Unbundle” Funding Effectively to Aid Student Learning and Not Damage Other Public Schools and Students**

If a significant share of students choose new schools, or new learning offerings with part of their foundation grant—and existing schools lose 5-10-15-20 percent of their funding, what is the impact on the quality of existing schools, and what they can continue to offer students? Can any school afford to offer elements of the school and education experience that are important: quality teaching, counseling, arts, music, sports, extra-curriculars, under this model?

*Recommend differential funding: 'Unbundle' the foundation grant by cost and quality of services provided.* Full-service schools provide a host of educational and learning outcomes not provided by on-line only schooling. In addition, schools like early/middle colleges, and Career Technical programs both deliver more learning outcomes (earning career-ready credentials, accelerating learning) and cost more.

It only makes sense if 'unbundling' were to occur to pay more for "richer" education programs that deliver more in terms of education and outcomes; and to avoid damage and potentially dismantling of these schools and programs if resources were to flow equally with the student to all learning modes, regardless of cost, or contribution to educational outcomes.

A financing formula should differentially pay for education at schools that meet multiple learning goals. An in-person school with teachers as mentors, guidance counselors, that has students working together in teams and building interpersonal and communication skills, and that provides arts, music, after-school programs and a student newspaper, delivers more learning and outcomes in the form of college and career readiness—and we need the financing formula to provide incentives to continue to provide these services.

*Recommend: unbundle funding at the secondary-school level only, and encourage more quality and flexible choices within a local school network, and on-line. Are we really wanting to "unbundle" learning for K-5? We expect all elementary students to master the same package of knowledge, core content, and skills. Elementary funding should remain at a neighborhood school, quality public choice or charter school.*

Unbundling makes a lot more sense for secondary-postsecondary level, where we want to incent and facilitate access to special programming (like CTE centers), unique or accelerated courses, high school "models" or blended secondary-postsecondary institutions, or online offerings that work best for the student, as well as dual enrollment and post-secondary credit taking and earning.

New forms of schools, and financial unbundling can work together to provide quality additions to the public education system if developed with quality control criteria, and in partnership with local school-community plans for increasing choices and improving student achievement.

- *One way to implement this would be to unbundle secondary education at the local/regional level- make the ISD the Enrollment District for secondary students—responsible for facilitating the personalized bundled or unbundled learning program, at the local/regional level.*
- *Provide adequate support and positive incentives for the Enrollment district to support a quality learning program for all students. Any enrollment district should not be concerned about "losing money" and students to other providers---versus facilitating the best learning program for each student. Enrollment districts need to be held more harmless financially for encouraging students to make non-enrollment district learning choices, like quality on-line or postsecondary learning options. Enrollment districts also need adequate financial support to be able to provide and facilitate:*

- High quality counseling and guidance for all students on their personalized learning program
- Manage data, records and information
- Provide transportation for all students to access choices within the region

**Modify Early Graduation Scholarship proposal to reward and incent early college- credit taking in all forms, as well as completion of post-secondary credentials and degrees.**

We should certainly find ways to pay for postsecondary access, and college scholarship. This proposal as it stands misses the benefits of accelerating learning for all students, not just high achievers. Research shows “blurring the lines” between secondary and post-secondary works to improve outcomes for both the underachieving/at-risk student (by putting them in a new, challenging and motivating learning context), and the high achiever—who can accelerate to post-secondary education and credentialing quicker. A true “any pace” learning that is based on improving outcomes like graduation rates, and postsecondary education attainment rates, must incent and reward all forms of early college credit-taking (AP course taking, dual enrollment, blended institutions (early –middle colleges- CTE programming)).

**Priority Focus on early childhood education and investment**

The proposed financing system should maintain strong support and seek to enhance funding and access to vital early child education that pays strong dividends for interested families in the form of long-term improved student learning and life outcomes.

**Longer school-year and school-day incentives are good ideas: need to be designed for maximum effectiveness.**

Proposed incentive funding to encourage a more flexible school day and longer school year, can serve to increase student learning, retention and improve outcomes, if properly implemented.

**The State Board appreciates the MDE’s leadership and recommendations concerning additional technical issues related to school finance act improvements, and the identification of issues and impact of the proposed changes on education assessment and accountability.**

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