

## **Transforming Schools for a Brighter Future in Detroit**

### **Frequently Asked Questions**

The future is brighter for the city of Detroit thanks to its revitalization efforts, but a lack of educational success holds that momentum and growth back and jeopardizes that progress. **The kids in Detroit cannot succeed when their schools are struggling with failing academics and crushing debt. In order to have a strong Detroit, strong, thriving public schools are essential. They go hand in hand.**

Below are frequently asked questions about the situation facing Detroit's schools, the families they serve and the state's ideas for a new approach to ensure strong, successful public schools.

#### **Q: What's the problem in Detroit -- are things really that bad?**

**A:** The entire educational landscape in the city is not meeting the needs of students, parents or teachers. Detroit is the nation's lowest-performing urban school area, with just 6% of high school students proficient in math, 4% proficient in science, and two-thirds not proficient in reading. In terms of finances, Detroit Public Schools has accrued \$483 million in accumulated operating debt that is growing each day, and combined capital and bond debt of \$1.54 billion. While there are good things happening in schools and pockets of shining successes, we can and must do better for our school children – their future, opportunities for careers or college, and quality of life depend upon it.

#### **Q: Why should the state bailout Detroit's schools for mistakes made in the past?**

**A:** First, this isn't a bailout. We are addressing the Detroit Public Schools' debt while making systemic changes that will ensure the academic and financial failures of the past are not repeated. Second, per the state constitution, the state is directly responsible for the vast majority of DPS debt. In addition, a default would create much more uncertainty for Detroit families and higher costs for the state's taxpayers. By acting now, we can help change this and avoid unnecessary and expensive additional costs.

#### **Q: The state has been in control of Detroit's schools for years and things haven't gotten much better. Why is this new plan any different?**

**A:** First, the state initially took control of Detroit Public Schools under Gov. Engler. After a time, they were returned to the locally elected school board for operation. Unfortunately, the state was forced to again step in and take over under Gov. Granholm. Now, under Gov. Snyder, we are crafting a comprehensive, holistic approach to address both the academic and financial

struggles that will help get Detroit schools on the right path for success so the state can return the district to local control with local responsibility and accountability.

Second, for too many years, the state has tried to address the educational system in Detroit piecemeal and with a strong focus on restoring financial stability. This new plan will take a holistic approach that will once and for all get DPS out from under crushing debt, drive academic success at all schools in Detroit, and ensure parents have reasonable choices on where to send their children to get a good education.

**Q: How will you be restructuring control of the district?**

**A:** To address the financial instability, the existing DPS would continue under direction of the state's emergency manager and the currently elected school board, but with a sole purpose of paying off the district's debt. An entirely new school district – the City of Detroit Education District – will operate the schools under the management of a new seven-member school board (composed of Detroit residents) appointed jointly and initially by the Mayor and the Governor. A Financial Review Board will have oversight over the old and new districts to ensure coordination, continuity and that financial strength is restored and maintained.

**Q. Why not just give control of the schools back to the locally elected school district?**

**A:** Because the state's taxpayers are making a financial investment in the city's schools, we have a responsibility to ensure there are financial and academic failsafes in place as the schools are transformed into a successful model. We will recommend that the new school board be comprised of 7 Detroit residents, 4 of which would be appointed by the Governor and 3 of which would be appointed by the Mayor. Two of the board seats would be filled through an election in 2017, two more in 2019, and the remaining 3 in 2021, allowing the board to transition from an appointed one to an elected one. The Financial Review Board would remain in place until the old district's debt has been eliminated.

**Q: How are you going to ensure Detroit schools are going to perform better academically?**

**A:** A new Detroit Education Commission would be created as an umbrella organization that helps oversee all traditional and charter public schools in Detroit, regardless of type. The sole purpose of this appointed commission, however, will be to hire a Detroit Education Manager. This education manager would review school performance in accordance with legislatively defined metrics, determine closure timelines for schools that are failing and manage universal services for economies of scale (such as security) on a voluntary basis. This person also would administer a new universal enrollment application system called *KIDS: Kids in Detroit Schools*. Transparency and accountability are important – but all schools should be treated equally and

all kids should have an equal chance at learning, regardless of the type of school or neighborhood they are in.

**Q: I've heard talk of a "common enrollment system." Is this how you will control where kids go to school?**

**A:** A new universal enrollment application system called *KIDS: Kids in Detroit Schools* will be created. Parents can use the new KIDS enrollment system to select their top three choices for their child's school. If a school ends up with too many students, seats will be awarded using a random lottery system. If a parent is not awarded a seat, they will be awarded their second school choice. This process will continue and ensure that seats are assigned equitable and fairly, respectful of parental preferences. Legislation being drafted will specifically prohibit the application system from being used for any sort of forced balancing in school assignments. Current preferences already in law – such as sibling and school employee preferences – will remain.

**Q: Is it true the state is going to do a bailout for the Detroit Public Schools?**

**A:** No. We are looking at a managed system that will relieve the current DPS of crushing debt while ensuring financial stability is restored and maintained. To address the financial instability, the existing DPS would continue under direction of the state's emergency manager and the currently elected school board, but with a sole purpose of paying off the district's debt. DPS would use the existing local millage funding to pay off the debt. This is about \$72 million per year. The new City of Detroit Education District would use state school aid funding to operate. Because the local millage would not be available for this district, the state would need to help cover the funding gap by providing up to \$72 million annually until the DPS operating debts are repaid. (The range in funding is based on a variety of factors, including the number of years that it takes to pay off the operating debt for DPS.)

**Q: I've heard a big part of the debt has to do with pensions. Are you going to cut pensions or make it so the district doesn't have to pay for them?**

**A:** No on both counts. The state's teacher retirement system – MPSERS – is fundamental. MPSERS must be paid into or it will put the pension of every teacher in the state at risk. Every school district in Michigan is facing pension costs and the state is doing more now than ever to help alleviate those burdens, helping districts make good on their promises to hard-working teachers and schools employees while ensuring that more dollars can make into classrooms.

**Q: There has been a lot of talk about turning Detroit schools into a charter system like they have in New Orleans. Is this true?**

**A:** No. We have been looking at the transformation they had in New Orleans to learn what worked or didn't. We never believed the New Orleans' system could simply be transplanted into Detroit. A new Detroit Education Commission would also be created as an umbrella organization that helps oversee all traditional and charter public schools in Detroit, regardless of who is operating them. The commission would hire a Detroit Education Manager, who would review school performance, determine closure timelines for schools that are failing and manage universal services for economies of scale (such as security) on a voluntary basis. This person also would administer a new universal enrollment application system. This type of governance structure has attracted high-performing school operators in other states, something Detroit has been trying to accomplish for years. The bottom line is that we need great schools for our kids – it shouldn't matter whether that school is a traditional or charter public school.

**Q: Is it true the Mayor is getting control of the schools in Detroit?**

**A:** Gov. Snyder appreciates the strong partnership that he has with Mayor Duggan, but he also has a responsibility to all taxpayers in every community across the state too . That's why any boards or commissions appointed would have representation from both the Governor and the Mayor, to ensure the best interests of the state and the city are met and kept at the forefront.

**Q: What happens to the EAA?**

**A:** This is still being looked at closely with the pending executive order regarding the State School Reform Office as well as how it fits into this comprehensive plan for improving public schools in Detroit. While there have been challenges, we know the innovative student centered learning approach that EAA schools focus on can make a positive difference. The intent is also for the proposed Detroit Education Manager to review EAA schools for success just like they would other traditional public and charter schools.

**Q: How will you address transportation needs in the city?**

**A:** For now, the proposed City of Detroit Education District would continue to provide transportation for students per state law. Some charter schools already provide transportation and others may start as a way to improve marketing for parents. Transportation is a long-term problem in need of a long-term solution. While we are not addressing that issue right now, we are continuing to look at ideas. In the meantime, we did not want to hold up vital reforms that can lead to academic success today while waiting for an answer on transportation that may take quite some time to resolve.

**Q: As you make all these changes, will you be breaking teacher contracts?**

**A:** No, we do not intend on affecting any existing collective bargaining agreements.

**Q: What about special education students? Is it true Detroit has a disproportionate number in its traditional public schools?**

**A:** DPS does have a higher percentage of special education students than most districts. We are encouraging DPS to revisit services provided through the Wayne County Regional Educational Service Agency district to assist and we are continuing to study this issue.

**Q: What about the buildings that DPS owns? There are so many and a lot of them are in disrepair.**

**A:** This is, in part, a symptom of the financial stress the district is under. As we relieve the financial burdens, needed repairs on buildings can occur. But another problem is that DPS simply has too many buildings for the size of the school district population. In the past 10 years, the district has lost more than 100,000 students and yet many buildings that aren't needed to serve the smaller population are still open. A recent Detroit schools coalition report indicated the city needs to close dozens of school buildings. We have asked the Detroit Public Schools emergency manager to prepare a facilities analysis.