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An Overview of Policy Efforts to Improve Education in Detroit

The Detroit school district has faced numerous, well-documented challenges for decades that can be broadly categorized as follows:

1. Fiscal—inability to balance a budget and accumulation of a large debt.
2. Academic—consistent low performance on state assessments and the NAEP.
3. Legal/ethical—multiple published reports of embezzlement, fraud, and corruption.
4. Safety—buildings were unsafe learning environments.
5. Employment/union issues—consistent tension with labor union, resulting in strikes.
6. Leadership—turnover in who is in charge.

These issues are compounded by a declining city population, which has resulted in declining enrollment. Also, unlike other major, urban areas, Detroit's middle class is small and has been historically shrinking faster than most other metropolitan areas,¹ resulting in socioeconomic issues.

A Multiple-Bet Approach.

As such, multiple and sometimes competing approaches to “reform” or “fix” the district have been tried.

One strategy was taking control of the district from the locally elected school board. A legislatively established “reform board” governed the district from 1999 to 2005. “Emergency managers”² controlled the district from 2009 to the time an elected board was legislatively restored in 2017. Each emergency manager had varying degrees of success. Each ran into the same issue—they simply couldn't act fast enough to right-size the district to get finances under control as students left the district. More simply put, the district was unable adapt to compete. This left it with more than \$600 million in debt.

The proliferation of charter schools was one of those strategies. Charters have been seen as lifeboats that help students exit the district while still allowing them to attend a public school in the city, which is important for economic development purposes.³

The charter strategy was restricted for nearly two decades. From 1994 to 2009, the number of schools that Michigan's most active class of authorizers—universities—could charter was capped at 150. In 2009, a “smart cap” was enacted that allowed for replication of higher-performing schools in areas of the state with below-average graduation rates.⁴ In 2012, the cap was lifted, and eventually removed.

¹ For example, see “America's Shrinking Middle Class: A Close Look at Changes Within Metropolitan Areas,” Pew Research Center. May 11, 2016.

² When the initial emergency manager was appointed, he solely had control of finances. The legislature later expanded the law to grant emergency managers both financial and operational (educational) control to avoid power struggles between emergency managers and superintendents.

³ Michigan law also allows for inter-district choice, and inner-ring suburban districts have historically been attractive options for parents.

⁴ Detroit met the legislative definition of an area of need. The first replication school under the law opened in the city as a result.

Further, community colleges were prohibited from chartering within the district until enrollment fell below 100,000 students.⁵

Though these limits slowed growth, today, approximately half of the kids who live in Detroit attend a charter school.

Each charter school authorizer is empowered by law to act independently of each other. To the extent there is coordination, it occurs voluntarily through the authorizers' association.

Also in 2009, the Legislature set in motion a second strategy to address chronically underperforming schools—it created a statewide school reform/recovery district with authority to take over operations at schools in the lowest performing 5% of all public schools.

The law did not work as intended. So, in 2011, the Governor's office brokered an interlocal agreement between Eastern Michigan University and the emergency manager of Detroit Public Schools to create the Education Achievement Authority ("EAA") governed by an appointed board comprised of several of Michigan's most prominent citizens. Operational (and financial) control of fifteen of Detroit's lowest-performing schools were transferred into the EAA. Attempts to codify the EAA into statute were unsuccessful; however, it did receive generous philanthropic support from the Broad Foundation and political support from the Governor's office that allowed for some improvements to the educational program to occur.

The bottom line is that these three, major policies resulted in three distinct sectors of in Detroit public education:

- The district, which was financially and academically insolvent.
- The "recovery district" (EAA), which was comprised of the city's lowest-performing schools but enjoyed political and philanthropic support.
- The charter community, with more than 10 authorizes with different standards of quality and accountability overseeing it.

This multiple sector approach increased choice and provided opportunities for new entrants to join this educational market. Academic data indicates this multiple sector approach was working.⁶

Diffused Control vs. Centralized Control.

However, some observers viewed the way in which this market worked as disorderly. Schools opened and closed in a way that appeared uncoordinated.⁷ Parents choosing to exercise choice often applied to

⁵ This prohibition stopped the local community college from chartering in Detroit, as well as a statewide federal tribally controlled community college, which was one of the most prolific authorizers in the state.

⁶ Academic data compiled by Grand Valley State University indicates that the number of students enrolled in schools in the 5th percentile or lower on the state's top-to-bottom ranking decreased from 38,857 to 34,350 between 2011 and 2016, and the number of students enrolled in schools above the 5th percentile increases from 46,970 to 48,023 during the same period. (Internal Working Paper, EdLabs@GVSUCSO, July 2017.)

⁷ For example, since 2011, 87 schools (district or charter) have closed, and 48 new ones have opened, according to publicly available data extracted from the Center for Educational Performance and Information ("CEPI") Educational Entity Master ("EEM").

multiple, different schools. Anecdotal evidence suggests that many parents made decisions late in the summer, making staffing a school difficult.⁸ The inability of charters to access vacant district-owned buildings sometimes resulted in the need to open new charter school buildings in the same area, leading observers to question whether public assets were underutilized. Most notably, some argued that the district's inability to fix its financial situation was result of its inability to effectively compete for students.

The culmination of these issues led several of Detroit's most prominent citizens to form an organization—the Coalition for the Future of Detroit Schoolchildren (“Coalition”). The Coalition's work was driven by and received substantial financial support from a local foundation, the Skillman Foundation. It was supported by both the Detroit Mayor (a Democrat who wields strong influence in the Republican-controlled legislature) and the Governor (a moderate Republican who is strong on fiscal policy, but not education policy). Key points of the Coalition's work were:

- Splitting the Detroit district into two—an “old” district that held all debt and collected property taxes to pay it off, and a “new” district that did not have taxing authority but was fully funded through state appropriations.
- Returning control of the new district under an elected school board.
- Abolishing the EAA and giving control of schools operated by it to the new district.
- Establishing a Detroit Education Commission (“DEC”) that would generally coordinate school openings, closing, expansions, and turnaround efforts of all schools—charter or district—and prohibit authorizers that it considered to be low-performing from chartering new schools in the city. In essence, it would serve as a gatekeeper or harbor master.
- Establishing a common enrollment system that all parents who want to exercise choice must participate in, a common city-wide data system, and a city-wide accountability system. Both would be operated by the DEC.
- Addressing various operational issues that have been concerns for years (i.e., how special education services are provided) that would also be controlled by the DEC.

The DEC proposal went through various iterations, and who served on it varied from version to version. Essentially, members were appointed by both the Mayor and the Governor. Its establishment and the control it would exercise over charter schools was viewed by its supporters as necessary for the success of the district.⁹

The DEC would have affected the charter community because 1) Michigan has strong state-wide authorizers and this would have limited their authority in Detroit, and 2) school operators would cede control of key functions (i.e., enrollment) to the DEC. The state charter school association, state education reform political action committee, authorizers association, and some school operators were opposed. However, there was not unanimous opposition in the operator community for it.

⁸ Note that higher-performing schools experienced less late enrollment because they tended to fill earlier in the enrollment cycle.

⁹ For example, as the issue was being debated, the district's emergency manager was quoted in the *Detroit News* (May 13, 2016) as saying: “It would be more challenging for DPS to succeed without some kind of control over the opening of new charter schools or other kinds of educational opportunities.”

Legislative Action and Outcomes.

Legislation that was ultimately signed into law contained many of the Coalition’s key provisions-- including splitting the district into an “old” and “new” district to address the debt, returning control to an elected board, abolishing the EAA, and a city-wide accountability system. It empowered the state School Reform Officer with the ability to close low-performing schools, whether they are district or charter. It also granted some operating flexibility to the new district, such as the ability to hire non-certified teachers. It also prohibited schools moving between authorizers to avoid closure sanctions, and restricted the issuance of new charters to only “accredited” authorizers.¹⁰

The final version of the legislation, however, did not contain a DEC. Though the DEC was supported by the Mayor, the Governor, and passed the Republican-controlled state Senate, the proposal could not gain support in the more conservative Republican-controlled state House. The House would not pass the DEC because of a combination of philosophic reasons (they did not want to centralize control) and political reasons (key donors and organizations were strongly opposed to its passage).

Today, Skillman has re-formed the Coalition. Part of the Coalition’s work is to explore a voluntary DEC-like organization. The task force exploring this is led by representatives from the state’s two first accredited authorizers and the new district. Their recommendations are expected in early November.

¹⁰ At the time, a voluntary authorizer accreditation program was being administered by the state authorizer’s association. Only two of the active authorizers in Detroit were accredited at the time the legislation passed.