

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which—

- (i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;
- (ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;
- (iii) The State’s charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;
- (iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and
- (v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State’s success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(2)(i):

- A description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.

- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State’s approach to charter school accountability and authorization, and a description of the State’s applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
 - The number of charter school applications made in the State.
 - The number of charter school applications approved.
 - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
 - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the State’s approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State’s applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

Recommended maximum response length: Six pages

F(2)(i) Extent to which State law does not prohibit/inhibit increasing the number of high-performing charter schools

Michigan has a long history of support for charter schools with charter school legislation in place since 1995

(See Attachment F1 Legislation for MCL 380.501-380.507). The most popular avenue for charter schools has been with our university authorizers. Legislation was recently enacted to encourage more school districts and ISDs to authorize charter schools as well as reward successful charter operators by designating their high-achieving schools as “schools of excellence.”

There is no set number of charter schools allowed to operate in Michigan. Charter schools may be authorized by a public university, community college, K–12 local education agency, or an ISD (regional education service agency). Information on opening, closing, and status of charter schools is updated regularly throughout the year and can be found at www.michigan.gov/documents/mde/New_PSA_School_Openings_2007_193242_7.pdf. An up-to-date listing of all charter schools can be found at www.michigan.gov/mde/0,1607,7-140-6530_6559_6558-23300--,00.html.

For school year 2008–09, Michigan reported AYP data for 3,671 schools; 240 of those schools are public school academies (charter schools). Some 103,000 students, or 6 percent of the K–12 public school population, are enrolled in and attending charter schools that are clustered in the state’s urban areas.

In recently passed legislation (Public Act 205 of 2009), a new type of charter school was created—a School of Excellence (SOE). A charter school that meets the specified SOE standard in state statute may apply to become an SOE. If that school was authorized by a university, the university authorizer then has the exclusive right for 12 months to charter a new school. There is no limit to the number of SOEs that can be created. An additional 10 new charter schools may be proposed by any authorizer and approved by the SPI if they meet the SOE standards. Two of those new charters may be charter cyberschools.

F(2)(ii) Charter school authorizer regulations

Because of the legal and regulatory framework of Michigan charter school oversight, Michigan was recognized as having the third-best charter school law in the nation by the Center for Education Reform (CER) in 2008 and the seventh best by CER in 2009 (the year in which CER criteria changed). Recently passed legislation to amend Michigan’s charter schools law also strengthens existing law by codifying existing practices on the use of student achievement as a significant factor in making reauthorization

decisions, and as it relates to the closure of persistently low-achieving schools.

The table below shows the numbers of charter school applications received, approved, and denied by charter school authorizers in Michigan over the past four years. The primary reasons for denial were the limit on university charters and weaknesses in the applications. Charter school authorizers have experienced an increase in applications in the current year.

Charter Schools—Authorizer Actions

	Number of Applications	Number Approved	Number Denied
2008–09	57	5	52
2007–08	42	1	41
2006–07	2	2	0
2005–06	57	12	45

Authorizer monitoring of fiscal, legal, and academic results occurs on an ongoing basis through the use of regular site visits and reporting systems. The contract renewal process is a comprehensive performance review that begins approximately one year prior to contract expiration. Results of the review determine if a contract renewal is granted and also influence the term of the renewal, which typically ranges anywhere from one to seven years.

During the past four years, MDE has, through its Assurances and Verification program, conducted on-site visits and operational reviews of 16 Michigan authorizers. MDE’s findings show authorizers are active in their compliance-monitoring efforts and that they have, in many instances, developed a broad menu of tools and resources for supporting the academic and financial performance of the public school academies they oversee. In addition, the authorizer community has developed a common set of oversight and accountability standards. Adherence to these standards supports consistent authorizer attention to all minimal statutory functions and related development activities.

Over the past 15 years, 39 public school academies have been closed for not meeting performance requirements. The most common reasons for closure, based on data collected over the last 11 years, are related to financial management, governance, and academic performance.

Charter School Closure/Nonrenewal 1998–2009			
Authorizer Type	Reason for Closure	Number	
University	Financial and academic	1	
	Financial and management	5	
	Financial, management, and academic	1	
	Academic	4	
	Academic and facility	1	
	Enrollment	2	
	Management	2	
	Financial and enrollment	1	
	Public school district	Management	2
		Unknown	2
Academic and management		1	
ISD/RESA	Unknown	1	
	Financial	1	
	Academic	2	
Total Closure/Nonrenewal		26	

Recently passed legislation, Public Act 205 of 2009, Sections 507(2) and 561(5), require the authorizing body to revoke the charter of a school at the end of the school year if the SPI notifies the authorizer that the school has been in the lowest performing 5 percent of public schools in the state. This applies to charter schools that have been operational for at least four years and, with limited exceptions, to charter schools that also are in Year 2 of restructuring. After the SPI has notified the authorizer, the authorizer

must revoke the school's charter at the end of that school year. This does not apply to an alternative school serving a special student population.

F(2)(iii) Equitable funding for charter schools

The state school aid appropriations act treats public school academies (charter schools) the same as LEAs for the purpose of receiving funding from sections allocating general operations and major categorical funding, such as special education, at-risk, and preschool (See Attachment F1 Legislation for MCL 388.1603, MCL 388.1631a, MCL 388.1651a, esp. of the State School Aid Act of 1979, generally MCL 388.1601 et al.).

As noted in F(1), LEAs and public school academies are paid a per-pupil foundation allowance for general operations, a mix of State and local per-pupil revenues. Because public school academies are not authorized to levy millages, the State pays all of their foundation allowance. The total amount of revenue an LEA or public school academy receives is derived from multiplying the number of pupils an LEA or public school academy educates by its foundation allowance.

Pursuant to current statutes, new public school academies are funded at the level of the combined state and local funding of the district in which they are located. Prior to fiscal year 2008, the per-pupil funding cap for public school academies was \$1,000 less than for traditional schools districts. In fiscal year 2008, this cap was removed and thus allowed public school academies to receive the same foundation allowance increases, up to the level of combined State and local funding as the districts in which they are located (See Attachment F1 Legislation for MCL 388.1620).

Although public school academies are not authorized to levy local millages, the primary operations funding formula compensates them with State dollars instead. Public school academies are authorized for federal funding based upon federal requirements.

F(2)(iv) Charter school facilities—funding and requirements

The State of Michigan does not provide direct funding for facilities to public school academies (charter schools) or to traditional public schools, nor does Michigan impose differential facility-related requirements. The Michigan Public Educational Facilities Authority (MPEFA) offers a long-term facilities financing option for public school academies. Under this program, the State serves as a facilitator of charter school debt by issuing bonds on their behalf. Bond payments are then intercepted from the public school academy’s state school aid payments, which offsets some of the risk for investors.

F(2)(v) LEA operation of innovative, autonomous public schools other than charter schools

Using a combination of Title II D funding and waiver authority granted to the SPI, Michigan has provided opportunities for the development of innovative schools. The SPI issued waivers to local school districts to allow a percentage of high school students to take all of their coursework online. Among the schools taking advantage of this “seat-time waiver” are three outstanding examples.

Westwood Community Schools—This district uses the Not School/My School model. The two programs at Westwood are year-round schools. They started with a student population of 480 last year and have now asked for permission to grow to 1,000. Their students are all previously unenrolled (dropouts) from the Wayne County area.

Not School is a constructivist online virtual learning community intended to support young people who are excluded from the formal education system or who have dropped out. It is designed as an alternative for young people when school and home tutoring haven’t worked. Not School has a partner program called My School that has a site-based attendance requirement. Both online programs are implemented in a project-based, online learning environment available 24 hours a day, seven days a week, year round. Assessment is also innovative. Student projects are assessed from a formative and summative standpoint by a team of educators. Credit toward graduation is earned by demonstrated proficiency in the High School Content Expectations.

The school district provides both the hardware (Apple Computers) and the Internet connections installed in the student’s

home. The Internet connection is paid for by the district to eliminate any chance of a disconnection preventing a student from “attending” school.

New Tech High Schools—New Technology High Schools are small schools, with no more than 400 students in Grades 9–12; have a nonselective admissions policy; and provide a full-day program, so students take their entire core curriculum through the New Technology school. The New Tech High School model includes an instructional program focused on project-based learning that empowers students to accept responsibility and take ownership of their own learning. The model engages students through the use of one-on-one computing and incorporates the learning of and assessment of 21st century skills, focusing on the science, technology, engineering, and mathematics (STEM) fields or on digital media arts. The model places a high value on integrating critical 21st century skills with traditional course content. Project-based learning is the primary instructional strategy. Through a relevant and rigorous, standards-based, one-to-one computer-student environment, students develop a wide range of skills including collaboration, critical thinking, and technology proficiency that better prepares them for success in postsecondary education and the modern workforce.

Six New Tech High Schools are in the planning stage this year and will open in the fall of 2010 in the following communities: Holland, Westwood, Pinckney, Ypsilanti, N.I.C.E. Community, and River Rouge.

Northwest Academy Charter School—Northwest offers high school students online courses away from the school site. This option attracted students from the Charlevoix area who had dropped out of school. Students are working from home on computers supplied by the school and are required to be on the school site for only a minimum of two hours a week to meet with their mentors. Courses are delivered by highly qualified teachers, and on-site highly qualified teachers are available five days a week for students needing additional face-to-face instruction. A mentor is assigned to each student and also visits the student’s home various times throughout the year, either to provide assistance when needed or to provide motivation for the student’s continued progress.

Newly passed legislation (Public Act 204 of 2009) also allows the SPI to approve two new cyberschool charter schools.

Sixty-five school districts have accepted the superintendent’s challenge to reimagine the P–12 education system. They are

partnering with MDE to find ways to innovate, provide proficiency-based achievement, and provide comprehensive early childhood education and other innovations. The reimagine districts are integral to Michigan’s Race to the Top efforts. A few examples follow.

Battle Creek Lakeview K–12:

- Includes a shift from the agrarian school calendar to one that is flexible, allowing opportunities such as an extended day at the elementary level, mandatory K–12 summer school for students who need further supports, summer online courses, and dual-enrollment courses during the summer.
- Uses instructional coaching in the K–12 environment.
- Provides intensive, job-embedded professional development for one year to teachers who are chosen to be coaches—while they continue teaching.
- Provides a “graduation coach” for at-risk students (“big brother” concept).
- Offers fifth block classes and summer school as options for keeping students on track to graduate on time.
- Offers AP classes to all students maintaining an “average” overall GPA.
- Implements a block schedule to provide 90 minutes of math and English language arts daily.

Armada Elementary:

New instructional format with flexible stages: three stages replace Grades 1–5 based on proficiency.

- Strong academic/social competence built, beginning in preschool.
- Project-based instruction adapted to student learning style.
- Creation of an elementary world language program, including a Mandarin Chinese immersion program for Stage 1 elementary students. This will be conducted through a partnership with Michigan State University. A high school Mandarin Chinese program has already been started at Armada High School in partnership with the Ministry of Education in Chongqing, China.

- Multidisciplinary curriculum with technology integration.
- Increased instructional time through before-school, after-school, evenings, and summer instructional components.
- Flexible base of two-year grouping and multiple-age grouping, based on stages of development with opportunity for individual acceleration based on proficiency and readiness.
- Stages viewed as a continuum of learning instead of separate levels.

University Prep Detroit:

Provide sufficient support time for students struggling with a rigorous college-prep curriculum:

- Requires after school tutoring for all students scoring less than a B in core content area.
- Creates additional language arts and math classes for students entering middle or high school below proficiency levels.
- Requires students ending the school year below proficiency to attend five-week “catch-up” camp over the summer.
- Requires students who do not turn in homework to attend “college prep” after school: one hour of supervised homework completion.

Grand Rapids Public Schools—Centers of Innovation high schools:

- Combine rigorous academic preparation with experiential career preparation and a high degree of flexibility in learning.
- Transform Central High School Campus into a diverse learning and research community that includes PK–12 academic programs in alignment with public-private partners (including KIPP, GREENDOT, etc. for schools of excellence).

(F)(3) Demonstrating other significant reform conditions (5 points)

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.