

at grade spans (elementary, middle, and high schools) regardless of which school is assigned. For example, all elementary school teachers are paid in accordance with a single compensation schedule. Labor costs make up 80 percent of educational costs; therefore, this guarantees a high degree of equity within districts across schools.

(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.

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

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

With the combined strength of existing charter school law and the addition of innovative charter expansion legislation in December 2009, Michigan expects to increase both the quantity

and quality of its charter school sector. The state projects that the number of charter schools will continue to grow, perhaps quite rapidly during the next five years. (See Appendix F.1 Michigan Charter School Legislation).

Michigan’s primary charter school law, Part 6a of the Revised School Code, allows four types of public educational bodies to authorize public school academies. These are state public universities, community colleges, intermediate school districts, and local school districts. Only universities were originally capped at 150 charter schools, even then they could authorize an additional 15 Urban High School Academies, authorized to operate in a county with a population of 1,000,000, and an unlimited number of Strict Discipline Academies, which are designed to serve alternative populations of students. Under existing law, Bay Mills Community College, a tribal college able to authorize statewide, has no cap and authorizes schools across the state. Intermediate and local school districts also have no cap.

There are currently 243 public school academies serving roughly 110,000 students in Michigan, including 3 urban high schools and 7 strict discipline academies.

Authorizer Name	Authorizer Type	Section	# of PSAs	Other relevant information
Central Michigan University	Public university	6a	58	limited to 150
Grand Valley State University	Public university	6a	30	limited to 150
Saginaw Valley State University	Public university	6a	18	limited to 150
Ferris State University	Public university	6a	16	limited to 150
Eastern Michigan University	Public university	6a	8	limited to 150
Oakland University	Public university	6a	8	limited to 150
Lake Superior State University	Public university	6a	7	limited to 150
Northern Michigan University	Public university	6a	5	limited to 150
<i>Subtotal</i>		150		
Bay Mills Community College	Community college	6a	41	
Kellogg Community College	Community college	6a	1	
Washtenaw Community College	Community College	6a	1	
<i>Subtotal</i>		43		
St. Clair ISD	ISD	6a	9	
Wayne RESA	ISD	6a	6	
Saginaw ISD	ISD	6a	3	
Hillsdale ISD	ISD	6a	2	
Midland ISD	ISD	6a	2	

Bay Arenac ISD	ISD	6a	1	
Cheboygan-Otsego-Presque Isle ISD	ISD	6a	1	
Highland Park ISD	ISD	6a	1	
Macomb ISD	ISD	6a	1	
Ottawa ISD	ISD	6a	1	
Washtenaw ISD	ISD	6a	1	
<i>Subtotal</i>		28		
Detroit Public Schools	Local school district	6a	9	
Grand Rapids Public Schools	Local school district	6a	1	
Highland Park City Schools	Local school district	6a	1	
Manistee Area Public Schools	Local school district	6a	1	
<i>Subtotal</i>		12		
Ferris State University	Public University	380.1311d	1	Strict Discipline Academy
Central Michigan University	Public University	380.1311d	1	Strict Discipline Academy
St. Clair ISD	ISD	380.1311d	2	Strict Discipline Academy
Allegan ISD	ISD	380.1311d	1	Strict Discipline Academy
Wayne RESA	ISD	380.1311d	1	Strict Discipline Academy
Kalamazoo RESA	ISD	380.1311d	1	Strict Discipline Academy
<i>Subtotal</i>		7		
Grand Valley State University	Public University	6c	3	Urban High School Academy – up to 15 in a first class school district
TOTAL			243	

In December 2009, the Michigan Legislature passed a package of bills that expanded authorizing opportunities for university-chartered schools based primarily on their quality and successful student academic achievement. To begin, up to 10 new charter schools, known as "Schools of Excellence," will be created in Michigan. These 10 schools must be based upon a model of an existing high-performing charter school or program. Up to two statewide "cyber charters" may also be authorized under this legislation. Additionally, the legislation provides for previously established charter schools to transition to Schools of Excellence status if they meet

the high performing school or academic achievement criteria. When an existing charter school converts to a School of Excellence, it is no longer a section 6a charter and leaves an opening for a new charter school to be authorized. Vacancies under the “cap” can be filled for a school in an area with below-average graduation rates, with priority given to school operators whose schools qualify to become a “school of excellence.” This unique “smart cap” approach provides for growth in the charter sector that is only limited by quality, and encourages this growth in areas of greatest academic need.

The National Charter School Research Project lists Michigan as having the fifth largest percentage of public school students served by charter schools in the nation during 2007-08. In 2009, 11 new charters opened their doors in Michigan despite a legislative cap on the number of university-authorized charter schools. In Detroit, 111 charter schools serve 33% of resident students.

Michigan authorizers are closing failing charter schools - 39 to date – which shows that performance and accountability matter to Michigan's charter sector. These actions have been viewed positively by policymakers and, along with impetus from the national discussion, helped provide context for recently-passed education reform legislation. When charter schools are identified as among the persistently lowest-achieving, they must transform or close. With added vigilance on the part of authorizers, the number of charter schools identified as persistently lowest-achieving is likely to be small. The impact of this activity will improve the quality of the charters operating in Michigan as well as open additional opportunities for new, high performing, public charter schools.

These legislative and policy initiatives, coupled with fresh authorizing activity among new and existing authorizers, will result in unprecedented levels of chartering activity. Even with an increase in charter school closures, many charter school advocates expect the state to experience an increase in the overall number of charters during the next three to five years, perhaps an increase of up to 20%.

(F)(2)(ii) Charter school authorizer regulations

Michigan has delegated primary responsibility for charter school oversight to a set of approved charter school authorizers – accredited public institutions of higher education, local or intermediate school districts, and recognized tribal schools. Authorizers are allowed to utilize up

to 3 percent of the per pupil state funding for schools they charter to support their oversight activities.

Michigan's current legal and regulatory framework addresses and exceeds all of the items described in this section, and student achievement is a significant factor in all authorizing decisions. Because of this, Michigan's authorizers are widely cited as national models for providing appropriate, quality oversight of the schools they charter. Because of the legal and regulatory framework of Michigan charter school oversight, Michigan was recognized as having the seventh best charter school law by the Center for Education Reform in 2009. Recently passed legislation amending Michigan's charter schools law also strengthens it 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.

Approval of Charter Contracts

Under Michigan's primary charter schools law, Part 6a of the Revised School Code, authorizing is a voluntary activity in which consideration of student achievement is a significant factor throughout the process. Authorizers may receive applications from any person or entity, and may issue contracts to applicants on a competitive basis, taking into account educational goals, the student population served, financial resources, and, if applicable, the applicant's track record [MCL 380.503(1)]. This competitive process helps ensure that authorizers select applicants that demonstrate the ability to implement a quality educational program.

The School Code prescribes essential elements that must be included in applications. MCL 380.502 These elements include: "A copy of the educational goals of the public school academy and the curricula to be offered and methods of pupil assessment to be used by the public school academy" [MCL 380.502(3)(e)(ii)].

Selection criteria is further defined in policies adopted by authorizing bodies, which provide for a greater level of detail regarding the proposed school's educational goals, curriculum, instructional design, assessment, personnel, business plan, facilities, and compliance. The School Code also prescribes elements that must be included in contracts issued by authorizing bodies to organize and operate a public school academy (MCL 380.503). These elements include:

- “The educational goals the public school academy is to achieve and the methods by which it will be held accountable” [MCL 380.503(5)(a)];
- “A description of the method to be used to monitor the public school academy's compliance with applicable law and its performance in meeting its targeted educational objectives” [380.503(5)(b)].

Student Populations Served and Academic Results

Public school academies are required to adhere to open admissions policies, and are prohibited from “discriminat[ing] in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a school district” [MCL 380.504(1)]. If more students apply than space is available, a public school academy is required to select students through a lottery. As a result, the student population at public school academies closely mirrors that of the traditional school districts in which Michigan charter schools are clustered. According to the 2009 Annual Public School Academy Report to the Legislature, 64% of public school academy students are eligible for free or reduced-price lunch, and 10% of public school academy students receive special education services.

Monitoring Performance and Holding Schools Accountable

Authorizers are required to oversee public school academies they charter. The School Code requires that: “The oversight shall be sufficient to ensure that the authorizing body can certify that the public school academy is in compliance with statute, rules, and the terms of the contract” [MCL 380.502(4)]. Because the public school academy’s educational goals are included in its contract, authorizing bodies monitor progress based on these goals and public school academies are held responsible for their results. To monitor whether authorizing bodies are providing the legally required oversight, Michigan Department of Education has established an “assurances and verification” program to see how authorizer systems and practices meet the statutory requirements for the schools they charter.

In the past four years, the Michigan Department of Education visited 16 of the 26 active authorizers and, according to the Report to the Legislature, found that “[a]cross the board, the authorizers Michigan Department of Education visited were actively monitoring their [charter

schools’] 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.”

In its 2009 Report the Michigan Department of Education reported that its “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 [charter schools] they oversee.”

Should an authorizer fail to meet statutorily required continuing oversight requirements, the Superintendent of Public Instruction may suspend the authorizer’s chartering ability [MCL 380.502(5)]. To meet and exceed the statutorily required oversight requirement, Michigan authorizers have adopted principles and standards on how the schools they charter will be overseen and held accountable. Through the Michigan Council of Charter School Authorizers, authorizers have been working together to develop a common framework for these standards, share best practices, and collaborate to mutually support each other. These principles and standards are recognized nationally, and have been a basis for the National Association of Charter School Authorizers authorizing standards, to which most Michigan authorizers also adhere.

The table below shows the numbers of charter school applications received, approved, and denied by charter school authorizers in Michigan between 2005 and 2009. 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 2009-10 school 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

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
Academ	ic	4
	Academic and facility	1
Enrollm	ent	2
Managem	ent	2
	Financial and enrollment	1
Public school district	Management	2
Unknown		2
Academ	ic and management	1
Intermediate School District	Unknown	1
Financial		1
Academ	ic	2
Total Closure/Nonrenewal		26

Recently passed legislation, Public Act 205 of 2009, Sections 507(2) and 561(5), requires the authorizing body to revoke the charter of a school at the end of the school year if the Superintendent of Public Instruction notifies the authorizer that the school has been identified among the persistently lowest-achieving 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 the second year of restructuring. After the Superintendent of Public Instruction 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 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 Appendix F.1 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 local mileages, 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 Appendix F.1 Legislation for MCL 388.1620). Public school academies are authorized for federal funding based upon federal requirements.

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

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 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 Superintendent of Public Instruction, Michigan has provided opportunities for the development of innovative schools. The Superintendent of Public Instruction 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 two outstanding examples described briefly below. Newly passed legislation(Public Act 204 of 2009) also allows the Superintendent of Public Instruction to approve two new cyber charter schools.

Westwood Community Schools

This district implemented a research-based model, Not School, developed in Great Britain. The program at Westwood is a year-round school. They started with a student population of 480 in 2008-09 and have now asked for permission to grow to 1,000. Their students are all previously un-enrolled (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 have not worked. The online program is 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 the hardware (Apple computers) and internet connections are installed in the student's home. Internet is paid 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; they 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 for 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 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. Six New Tech High Schools are in the planning stages 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.

Project ReImagine

The Superintendent of Public Instruction issued a challenge to local school districts to “re-imagine” the education system in all of its aspects in 2008-09. He invited LEAs to send their ideas for becoming Project ReImagine districts and selected 14 applications from the 70+ he received. These districts, as detailed in Section A, will serve as pilot districts for the incubation of changes in the delivery of education, the structure of the “school year,” the inclusion of world languages and many other ideas that Michigan can learn from and scale up.

(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.

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)(3):

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

(F)(3) Other significant reform conditions

Significant reform conditions indicate the capacity to carry out reform. The plan for Accelerate Michigan has discussed current capacity in some detail as well as delineating the plans for increasing collective capacity. Many initiatives have established a foundation for reform and have demonstrated conditions that lead to student achievement for all. These will be woven into the Accelerate Michigan plans to enhance the responsiveness of our system.

Michigan has had significant reform in 5 areas: Early Childhood, Coordinated School Health, Early/Middle Colleges, Promise Zones, and the Michigan College Access Network. These initiatives span a student’s education career to provide support throughout the preK-20 continuum.