

# Senate Government Ops Committee

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Thursday, February 4, 2016



City of Detroit  
Mayor Mike Duggan

# Mayor's Proposed Approach:

## Education System Based on 3 Principles

- 1) Parent choice. Parents should be given quality choices in both public and charter schools and should be free to select the one best for their child.
- 2) Local school governance. Local control should be maximized in school management – leadership should be elected and held accountable by adults in that community.
- 3) State oversight of school finances. State revenues are used to run the schools and the state should assure the district's finances are managed responsibly.

# **History of Emergency Management at Detroit Public Schools**

- January, 2009: Governor Granholm Appointed Robert Bobb as Emergency Manager who inherited deficit of \$200 million**
- Bobb promptly closed 30 schools and promised a \$17 million surplus in 2010.**
- In 2010, the deficit had grown to \$270 million.**
- Bobb closed 26 more schools in 2010.**
- In 2011, the deficit had grown to \$363 million.**
- Feb. 2011, Bobb proposed closing 70 more schools and increasing classes sizes to 60.**
- April, 2011 Gov. Snyder removed Bobb.**

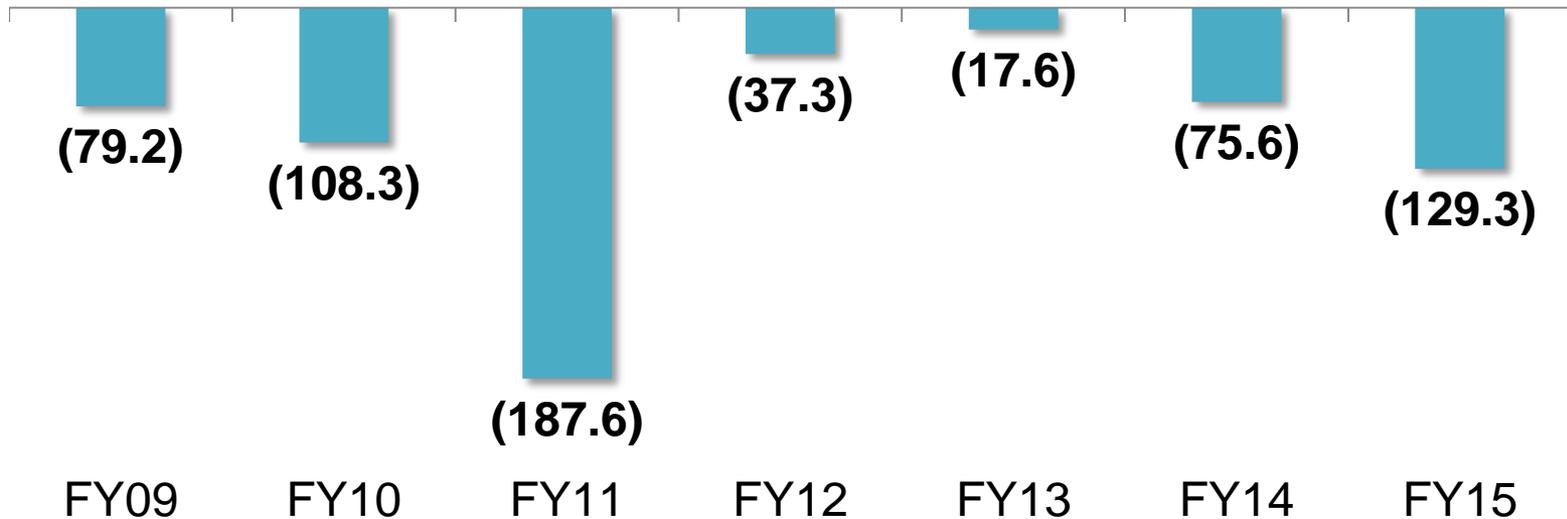
# **Continual Turmoil in Detroit Schools: 5 different EM's in less than 5 years**

- 4/11 Robert Bobb removed as EM.**
- 5/11 Governor appointed Roy Roberts EM.**
- 5/13 Governor appointed Jack Martin EM.**
- 1/15 Governor appointed Darnell Early EM.**
- 2/16 Governor will appoint 5th EM.**

**That turmoil in leadership has resulted in a  
50% loss of enrollment in last 7 years  
under State Management**

<b>2009</b>	<b>87,877</b>
<b>2010</b>	<b>75,263</b>
<b>2011</b>	<b>66,132</b>
<b>2012</b>	<b>51,127</b>
<b>2013</b>	<b>50,511</b>
<b>2014</b>	<b>47,238</b>
<b>2015</b>	<b>46,331</b>

# State Emergency Management of DPS has run up \$635 million in deficits in the last 7 years



Note: Figures exclude surpluses booked due to (1) long-term bond offerings and (2) failures to retire state aid anticipation notes (i.e., short-term cash flow borrowings). On the latter point, the figures exclude gains of \$231mm and \$83mm booked in FY11 and FY15, respectively, when DPS failed to fully retire \$420mm and \$191mm in state aid anticipation notes issued during those years.

Source: DPS FY09-15 CAFRs (accessible at <http://detroit.k12.mi.us/data/finance/>); Michigan House memorandum from August 18, 2012 on the Federal Education Jobs Fund Act (accessible at [http://www.house.mi.gov/hfa/PDF/SchoolAid/FederalEdJobs\\_2010Memo.pdf](http://www.house.mi.gov/hfa/PDF/SchoolAid/FederalEdJobs_2010Memo.pdf)).

# **DPS has suffered 4 credit rating downgrades in that time**

<b>Feb, 2009</b>	<b>Ba2</b>
<b>July, 2009</b>	<b>B1</b>
<b>June, 2013</b>	<b>B2</b>
<b>April, 2014</b>	<b>B3</b>
<b>March, 2015</b>	<b>Caa1</b>

# Why is there no money for teaching?

## DPS now spends nearly as much on debt as employees

### DPS Current Monthly Cash Flow: February, 2016

**Total Payroll and Benefits \$28.1**  
**(6,000 Total Staff)**

**Monthly Debt Payments \$26.1**

2011 Bonds	\$4.0
2012 Bonds	2.6
2014 SAN	6.9
2015 SAN	<u>12.6</u>
Total Debt Pmts	\$26.1

**When a huge part of your budget is diverted to debt payments...**



**Osborn High School**

# Ronald Brown Elementary



# Palmer Park Elementary



# Mold at Vernor Elementary



# Studying in Winter Coats at Mann Elementary



# Jammed Into Crowded Classrooms at Spain

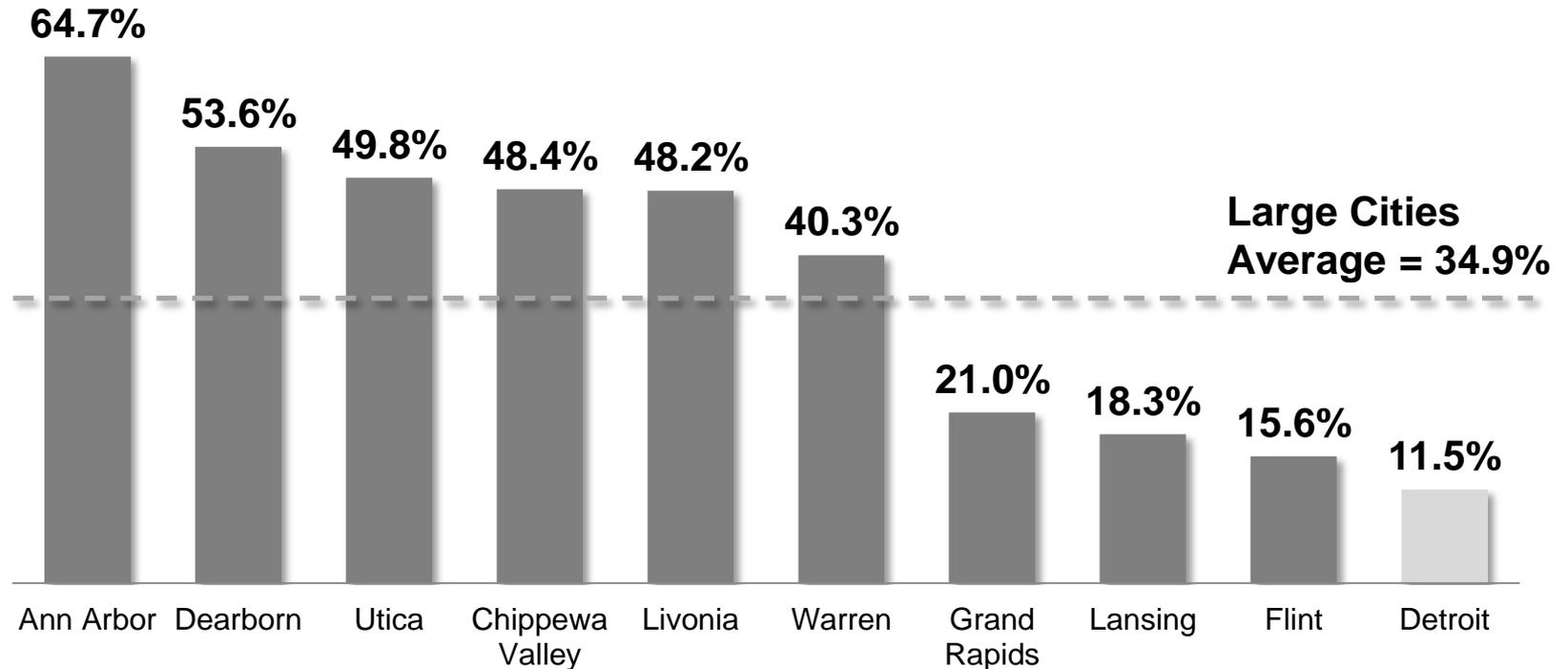


# And at Neinas Elementary District Has 150 Vacant Teacher Positions



# The results are inevitable: DPS is the worst performing school district in Michigan.

## 4<sup>th</sup> GRADE READING PROFICIENCY M-STEP (FY15)



# **DPS isn't the only state managed school system failing in Detroit...**

**In September 2012, the State-formed EAA took over 15 Detroit Public Schools**

**6 Elementary Schools EAA-Operated**

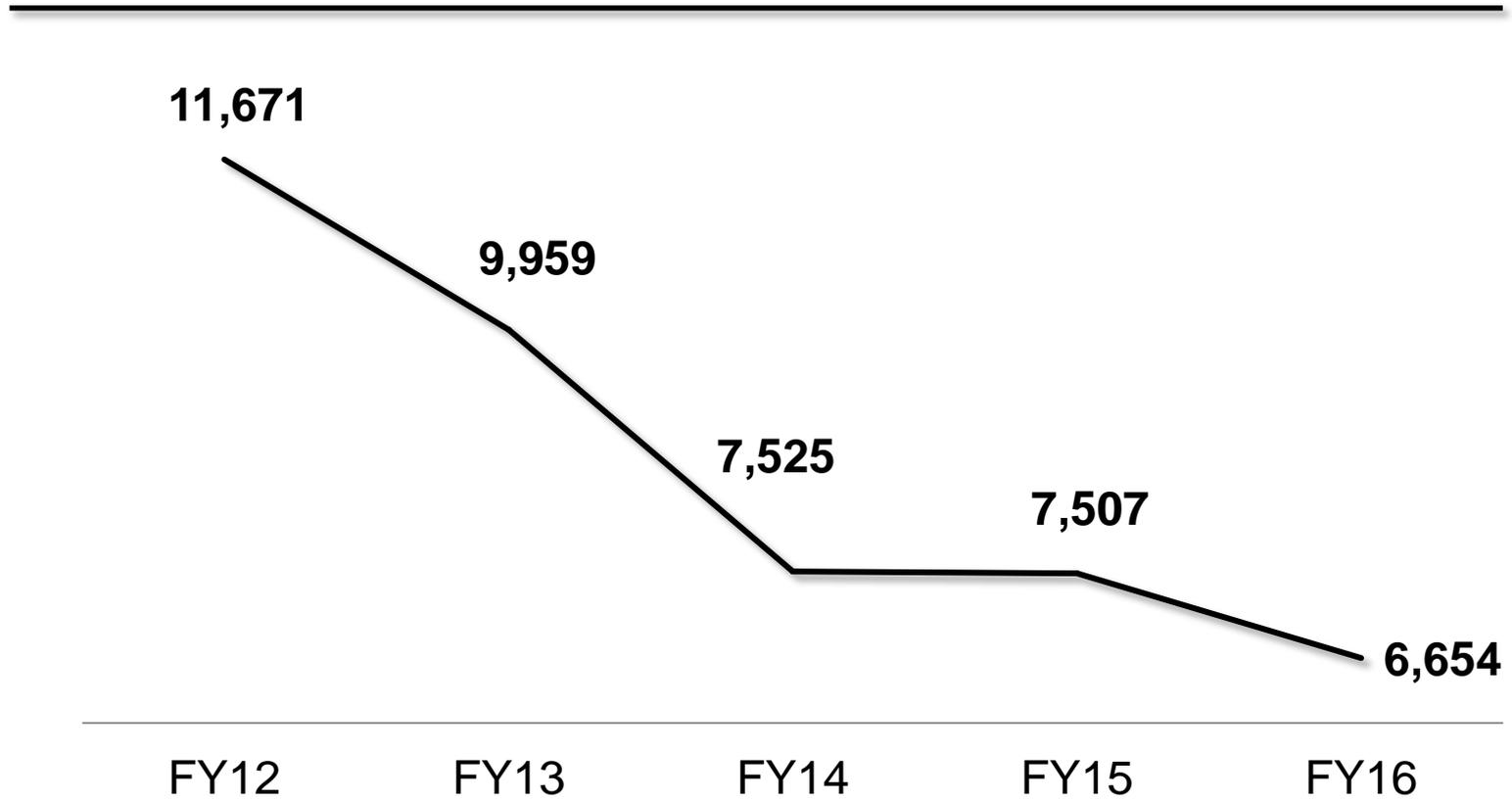
**6 High Schools Schools EAA-Operated**

**3 Elementary Schools EAA-Chartered**

**EAA Enrollment in 2012 was 11,671**

# EAA Schools Lost Nearly 50% of Enrollment in Just 4 Years

EAA Enrollment (FY12-FY16)



# Student Achievement Is Far Worse Than DPS



## M-STEP results: Just 1 EAA 4th-grader passed math

By Lori Higgins and Kristi Tanner, Detroit Free Press 8:48 a.m. EST December 18, 2015



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(Photo: Detroit Free Press archive)

Detailed results from Michigan's tough new standardized exam paint a worrisome picture for many schools in Detroit and will likely boost state efforts to fix what many see as a broken educational system in the city.

Just one fourth-grader in schools run by the Education Achievement Authority — a state district created to turn around the worst-performing schools

in the state — passed the math portion of the exam, according to results released this morning. Overall, only 1.2% of the students in the district passed in math and 5.6% passed in English language arts. In some grades and subjects, not one student passed.

The EAA includes 15 schools, 12 of which are directly run by the district. The three operated as charters did better, with 6% passing in math and 11.6% passing in English language arts.



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Database: Search M-STEP results by school or district

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# **The Need for a Single Detroit Educational Standard: Only 40% of Detroit's Children are in DPS**

**Detroit has 113,000 School Age Children**

<b>46,000 in DPS Schools</b>	<b>95 Schools</b>
<b>34,000 in Detroit Charters</b>	<b>98 Schools</b>
<b>27,000 Outside Detroit</b>	
<b><u>6,000</u> EAA</b>	<b><u>12</u> Schools</b>
<b>113,000 Total</b>	<b>205 Schools</b>

# Some Charters Are Successful: 25 Charters are Achieving Double the DPS 11% Reading Proficiency

<b>Martin Luther King, Jr. Education Center Academy (DPS)</b>	<b>61.1%</b>	<b>Voyageur Academy</b>	<b>25.5%</b>
<b>Detroit Edison Public School Academy</b>	<b>59.1%</b>	<b>Cesar Chavez Academy Intermediate</b>	<b>24.8%</b>
<b>Hope of Detroit Academy</b>	<b>46.3%</b>	<b>Regent Park Scholars Charter Academy</b>	<b>24.4%</b>
<b>University Preparatory Academy (PSAD) - Thompson</b>	<b>41.4%</b>	<b>Warrendale Charter Academy</b>	<b>23.8%</b>
<b>University Preparatory Academy (PSAD) - Murray</b>	<b>41.0%</b>	<b>George Crockett Academy</b>	<b>23.3%</b>
<b>Detroit Enterprise Academy</b>	<b>37.9%</b>	<b>Flagship Charter Academy</b>	<b>22.5%</b>
<b>The James and Grace Lee Boggs School</b>	<b>36.4%</b>	<b>Legacy Charter Academy</b>	<b>21.8%</b>
<b>New Paradigm Glazer Academy (DPS)</b>	<b>35.3%</b>	<b>Madison-Carver Academy</b>	<b>21.2%</b>
<b>Universal Academy</b>	<b>33.9%</b>	<b>Marvin L. Winans Academy of Perf. Arts</b>	<b>21.1%</b>
<b>Ross-Hill Academy - Elementary (DPS)</b>	<b>31.3%</b>	<b>GEE White Academy (DPS)</b>	<b>20.9%</b>
<b>University Prep Science and Math - Elementary</b>	<b>30.1%</b>	<b>Dove Academy of Detroit</b>	<b>20.8%</b>
<b>Henry Ford Academy: School for Creative Studies</b>	<b>29.9%</b>	<b>Detroit Merit Charter Academy</b>	<b>20.0%</b>
		<b>Hamilton Academy (DPS)</b>	<b>20.0%</b>

# **Performance of Other Charters Is Worse 18 Charters Are At or Below 11% Proficiency – Achieving Less than the DPS Standard**

**Allen Academy**

**Cesar Chavez Academy Elementary East**

**Commonwealth Community Development  
Academy**

**David Ellis Academy (DPS)**

**Detroit Community Schools - Elementary**

**Detroit Innovation Academy**

**Detroit Service Learning Academy**

**Escuela Avancemos (DPS)**

**Experiencia Preparatory Academy**

**International Preparatory Academy -  
MacDowell Campus (DPS)**

**Joy Preparatory Academy**

**Michigan Technical Academy Elementary**

**Nataki Talibah Schoolhouse of Detroit**

**Stewart Elementary (EAA)**

**Timbuktu Academy of Science and Technology (DPS)**

**Trix Elementary (EAA)**

**University Yes Academy**

**Woodward Academy**

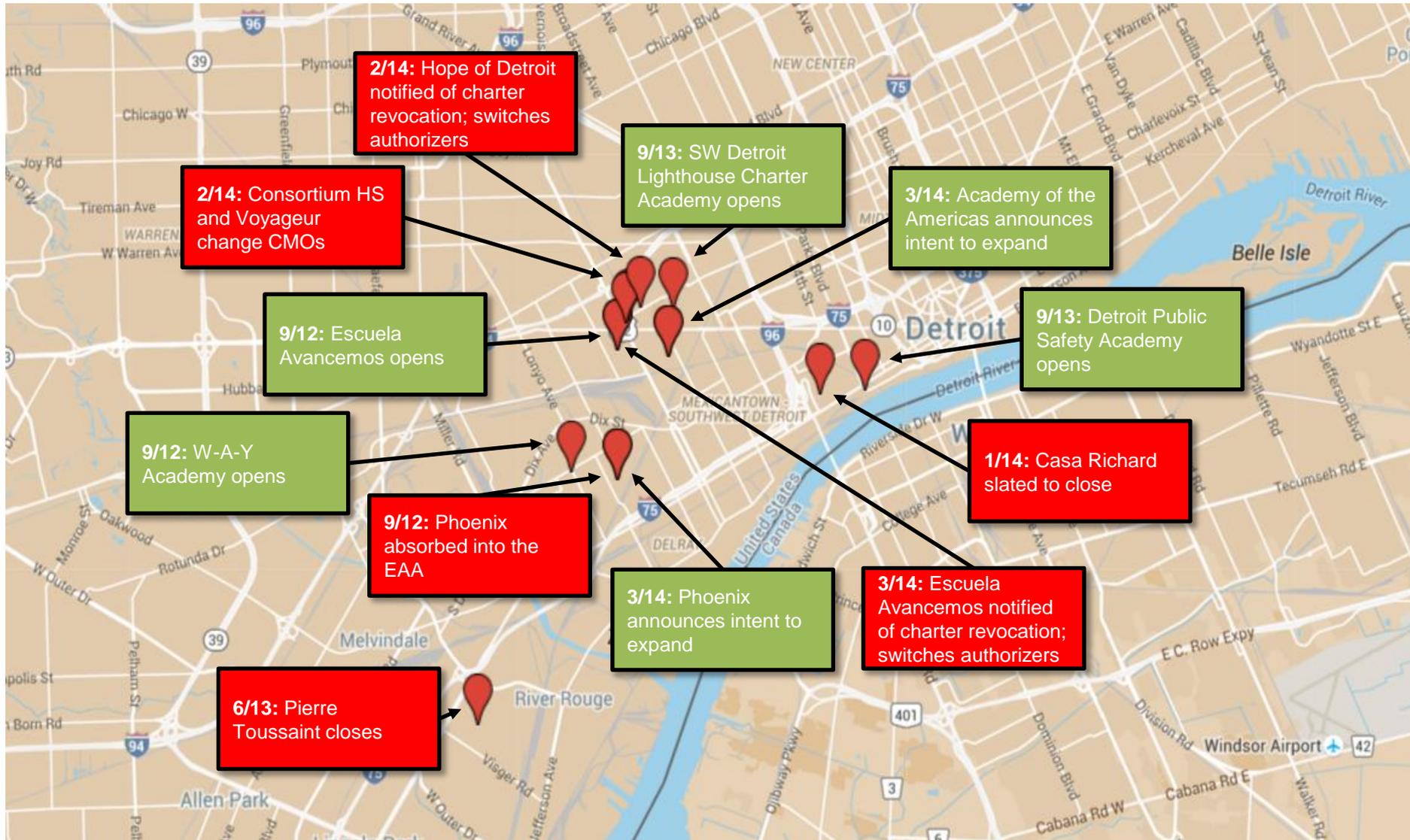
**12 separate authorizers are opening and closing charter schools in Detroit with no single standard of accountability.**

**The lack of geographic and curriculum coordination has created chaos and confusion for Detroit families.**

# Detroit's Education Chaos: 164 Schools Opened or Closed in Last 7 Years

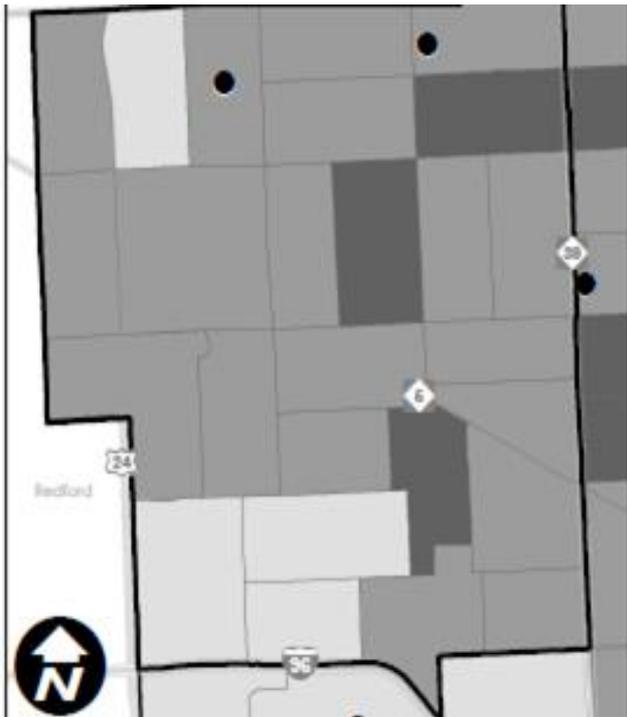
	DPS Opened	DPS Closed	Charter Opened	Charter Closed
2009	10	30	5	1
2010	0	26	5	0
2011	3	15	8	2
2012	4	19	8	1
2013	0	4	9	4
2014	1	1	6	2
2015	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
Total	18	95	42	9

# Chaos in One Southwest Detroit Community: 12 Schools Opened or Closed in 18 Months

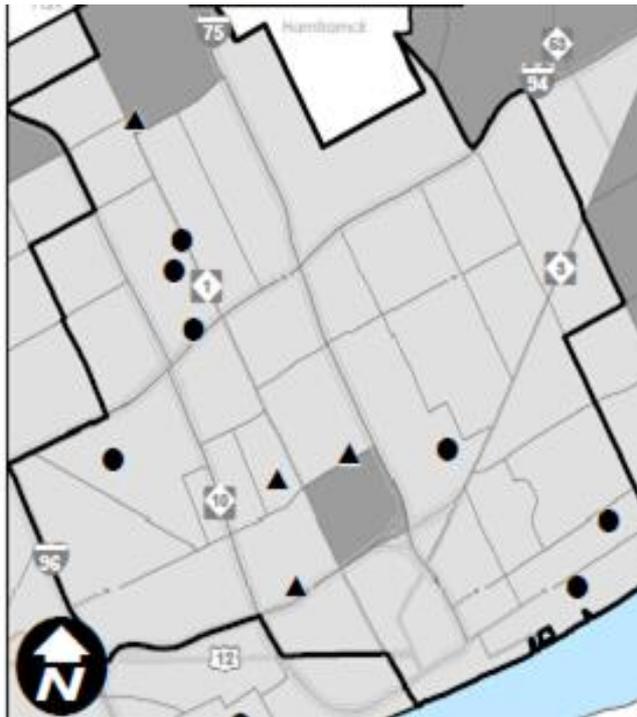


# Location of City High Schools is Senseless

**NW Detroit**  
**3742 HS Age**  
**3 High Schools**



**Greater Downtown**  
**1894 HS Age**  
**11 High Schools**



**NE Detroit**  
**6018 HS Age**  
**2 High Schools**



**When less than 40% of Detroit children currently attend DPS Schools...**

**When 80% of all schools in Detroit have opened or closed in the last 7 years...**

**When 24 charters achieving at half the DPS proficiency are allowed to keep growing...**

**A solution to the financial problems of DPS by itself will not fundamentally change the complete failure to educate our children.**

# **The Detroit Education Commission – A Local Authority Demanding a Single Standard of Accountability and Expanding Quality Schools**

- 7 Member Board Appointed by Mayor –  
Single Point of Accountability.**
- Would not operate any schools -  
School Board operates DPS schools  
Charter Boards/Authorizers operate charters**
- Bring order to opening and closing of schools.**
- Promote expansion of quality schools –  
public and charter schools treated equally.**
- Support competition and parent choice.**

# **DEC Creates a Fair and Level Playing Field**

- 1) Authorize opening of any new school in Detroit based on preset, objective standards.**
- 2) Take proposals to open new schools in areas that are underserved.**
- 3) Develop localized transportation loops to give parents a choice of 4-5 schools.**
- 4) Create report card to inform parents.**
- 5) Provide common application form.**
- 6) Seek national philanthropic support for educational improvement.**
- 7) Coordinate work force development strategies.**

# **DEC must have authority to close failing schools on transparent, objective basis.**

**Summer 2016: Performance measures adopted with state approval on the measures.**

**(Test scores, enrollment, student attendance, employee turnover, parent satisfaction surveys)**

**Fall, 2016: Schools measured against performance standards – public reporting.**

**Fall, 2017: Schools failing to meet standards given notice to improve. DEC provides resources to help schools succeed.**

**Fall, 2018: Schools that have failed to make progress against standards are closed.**

# **On the other elements of plan**

**Support Governor's Concept of Oldco/Newco.**

**Support FRC oversight of new DPS, modeled on City of Detroit oversight.**

**Support return of EAA to DPS.**

**Appointment of Interim Board is Unnecessary – Set School Board General Election for August 2, 2016 and transition directly from EM to elected School Board, modeled on Detroit transition.**

# **Plan Based on Three Principles**

- 1. Parental Choice – DEC is accountable for maximizing quality public and charter options and providing parents support to make informed choice.**
- 2. Local control and accountability -**  
  
**School Board fully accountable for DPS operations**  
**DEC fully accountable for geographic coordination of schools and single performance standard.**
- 3. State retains oversight of DPS financial management through FRC.**