Building a Brighter Future:

Recommendations for How to Improve Michigan's Education System

May 2015

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Introduction

Overview

As Michiganders, we share common goals. We want our children to be safe, healthy, and happy. We want them to grow up in strong communities with excellent schools. We want our children to find their way in the world—and have the skills and knowledge to achieve their goals. We want our children and our state to have bright futures. To ensure these bright futures, we must acknowledge our status quo and aggressively pursue policy changes that will position our children for future life success.

Michigan's economic story is well known. The state, once prosperous from the abundance of low-skill, high-paying manufacturing jobs, has fallen on hard times. Jobs that pay a middle-class wage, even in manufacturing, require a higher skill level than they did in the past. To secure high-paying jobs for our children, Michigan will need to compete with other states and other countries. In short, to compete for the best jobs, our state needs to be able to offer employers the best workers.

Michigan is not entering this competition from a position of strength. Our workforce is aging, and recent population growth has been stagnant. If Michigan is going to grow and compete in the future, we need to ensure that our future workforce is highly trained and competitive. Here again, Michigan is struggling. The same economic changes that increased the importance of education have also hurt the performance of our schools. Increasing poverty rates and fiscal pressure on districts have taken a toll. Michigan's K–12 performance is below average, and we are falling further behind.

This is not a small problem. Improving the skills of our workforce is the most important policy challenge facing Michigan. Once a prosperous state, Michigan has become relatively poor. Becoming prosperous again will require a workforce with talent, a workforce that can both create new businesses and jobs and attract them from around the world.

As Michigan's economy recovers, it is time to reassess our efforts in education. What changes have we already made? What changes can we make right now to improve performance? What are the longer-term challenges that we will need to meet to continue propel the state forward?

Michigan needs to focus relentlessly on improving education from cradle to career. Success across P–20 (prenatal to graduate school), not just K–12, will help drive success in postsecondary attainment and prosperity in the workplace. To ensure a bright future for our children and our state, Michigan needs a coordinated, comprehensive strategy for each and every young Michigander to gain the skills and knowledge to succeed.

Our research focuses on the four areas we feel hold the most promise:

- **Invest early.** The research is clear. Investments in young children pay off—academically, emotionally, and financially. To prepare our children for success, Michigan must build on recent investments in prekindergarten and identify other research-based strategies that will put children on a path to a bright future.
- **Focus on teaching.** Again, the research is clear. Michigan cannot improve educational outcomes without focusing on teaching and learning. We must put policies in place that move Michigan closer to ensuring that each and every child has access to a highly effective educator.

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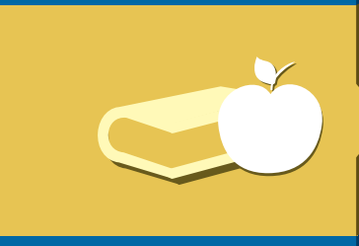

FOCUS ON TEACHING. Again, the research is clear. Michigan cannot improve educational outcomes without focusing on teaching and learning. We must put policies in place that move Michigan closer to ensuring that each and every **child has access to a highly effective educator**.

SPEND EFFICIENTLY. Michigan schools are under significant financial pressure. In a time of limited resources, **it is vitally important that education dollars are allocated efficiently**. The steps outlined in this report do not replace the need for a broader funding conversation, but they do help local districts respond to fiscal challenges better by more closely aligning district revenues with district costs.

CONNECT POSTSECONDARY. In working toward helping each and every student be college and career ready, **we must build stronger connections between high schools and postsecondary options**. It must be easier for students to earn and transfer high school credit. They must have access to career and technical training, and most importantly, they need tools to decide which path is the best fit for them.

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In this paper, we summarize the work that has already been done in each of these areas, we identify the logical next steps based on our research and experience, and finally, we identify the broader strategic issues in each of these areas that as a state we should be working to solve.

While this paper is focused on identifying specific policy actions that can be used to improve education, we also recognize the need for improvement in the education policymaking environment. Michigan doesn't just need good policy ideas, it needs ideas that have broad support from the business community, educators, school leaders, legislators, and parents. We need a process that brings these groups together to focus on developing a common strategy for improving the education of our state's children. States like Massachusetts and Tennessee have already demonstrated the value of this approach. Michigan's business and education communities need to join forces to define a vision for education, develop the strategy for meeting that vision, and work hard to see that vision achieved.

How Did We Get Here?

For the past ten years, Michigan has been falling behind other states in education performance. In interstate comparisons, Michigan scores below average in all subjects for all subgroups. Michigan has continuously been in the bottom five states for improvement in fourth-grade reading and math over the last decade. In other words, 45 states improved the reading and math performance of their fourth graders better than Michigan. In fact, Michigan is one of only six states that posted negative student growth in some areas. These woes cross demographic groups as well; white, African American, and Latino students have all seen their achievement rank decline (Education Trust Midwest 2014).

How did we get here? Why are other states passing Michigan by? The long economic downturn that Michigan endured in the decade of the 2000s appears to be the biggest factor. Michigan's economic decline significantly increased the state's poverty rate, and poverty is highly correlated with education performance at the school building, district, and state levels. The economic decline also put significant financial pressure on Michigan's schools. This fiscal pressure is likely hurting student performance.

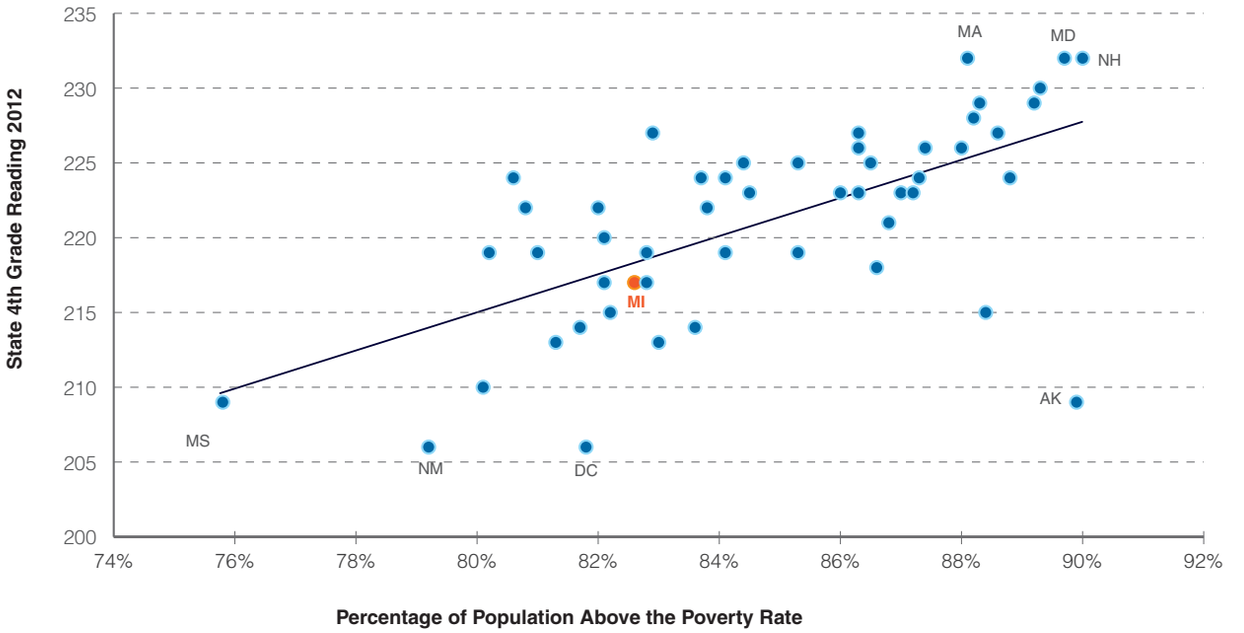
Poverty and Learning

Although Michigan's economy is finally growing again, the decline of the 2000s took a tremendous toll on the state from which we are just starting to recover. Michigan still has fewer jobs and less income (in inflation-adjusted terms) than it did in 2000. Not surprisingly, Michigan's poverty rate has jumped over this period. In 2000, Michigan's poverty rate was 10.1 percent, below the national average of 12.2 percent, but by 2012, Michigan's poverty rate had risen to 17.4 percent, well above the national rate of 15.9 percent. Michigan's poverty rate increase of 7.3 percentage points was the largest of any state, and was close to twice the increase in the national rate (3.7 percentage points) (Bishaw 2013).

It is well known that poverty rates and test scores are highly correlated.[1] This correlation exists at the building level, at the district level, and at the state level. Exhibit 1 shows a scatter plot of 2012 state fourth-grade National Assessment of Educational Progress (NAEP) reading scores and the percentage of states' populations above the poverty line. Michigan's performance is very close to the trend line for poverty and NAEP scores. This suggests that while Michigan does poorly in national comparisons of NAEP scores, the state's performance is not out of line with its income.

[1] For a Michigan example, see (Hollenbeck and Kracker 1998).

EXHIBIT 1. Poverty and Test Scores Highly Correlated



SOURCE: Graph created by PSC using: (1) fourth-grade reading data from the National Assessment of Education Progress (NAEP) available at: http://nces.ed.gov/nationsreportcard/naepdata/ and (2) poverty data the American Community Survey available at: http://www.census.gov/prod/2013pubs/acsbr12-01.pdf

School Finances and Learning

Assessing school finances is difficult. Each school district is independent with its own set of financial circumstances, and there is significant variation in how districts are faring financially. In addition, when looking at school finances, numerous questions arise. Do you include capital spending, or just look at operations? Should federal funds be included? Should spending be adjusted for inflation? While this is not a paper on school finances, it is important to understand the fiscal pressure facing schools when considering how Michigan got to where it is and also when considering potential reforms.

State Spending Growing Slower than National Spending

Michigan personal income grew at less than half the rate of the U.S. between FY 2000 and FY 2012. If Michigan personal income had grown at the same rate as the U.S. over this period, income for the whole state would be almost $100 billion higher per year. At current tax rates, this would represent almost $2,600 in additional revenues per pupil.

Given this, it is not surprising that spending growth in Michigan has trailed other states. Michigan traditionally was a relatively high spending state. As recently as 2000, Michigan ranked tenth highest in per-pupil spending. However, between 2000 and 2011, average per-pupil spending in the U.S. went up by 18 percent after adjusting for inflation, while Michigan spending was essentially unchanged. As a result, Michigan per-pupil spending is now average—25th highest. Only two states (Idaho and Indiana) had slower spending growth than Michigan.

EXHIBIT 2. Michigan No Longer a High Spending State

Year	Michigan	U.S.	MI % U.S.	MI Rank
2000	11,083	9,446	117%	10
2011	11,068	11,153	99%	25

SOURCE: National Center for Education Statistics *https://nces.ed.gov/programs/digest/d13/tables/dt13_236.65.asp* and PSC calculations. Current expenditures include instruction, support service, food services, and enterprise operations. For more information on state expenditures data, see: *https://nces.ed.gov/programs/digest/d13/tables/dt13_236.65.asp*

Pressure on School Budgets from Declining Enrollment

Michigan's school finance system creates difficulties for districts with declining enrollment. Michigan's K–12 enrollment peaked in 2003. Between 2003 and 2012, two out of every three Michigan districts experienced some type of enrollment decline. Some districts, particularly urban districts, have seen very large enrollment declines. For example, Detroit Public Schools saw its enrollment fall from 150,604 in 2004 to 48,147 in 2014, dropping their foundation allowance revenues from $1.1 billion to slightly less than $350 million. Declining enrollment presents significant fiscal challenges for districts; managing down is difficult in general. Michigan's funding formulas, however, increase the difficulty of managing enrollment declines, since revenues often fall quicker than districts are able to adjust costs.

Pressure on School Budgets from Retirement Costs

In inflation-adjusted terms, the per-pupil employer contribution to the Michigan Public School Employees Retirement System has increased from $864 per pupil in 2000 to $1,522 in 2013.[2] Cleary and Wicksall (2014) examined the impact of retirement costs on district budgets for the period of FY 2005 through FY 2015. They found combined state and local per-pupil spending to be up 17 percent over this period. Adjusting for retirement costs, they found that new operational funding available was up just 5.1 percent. They then compared this growth to growth in the Detroit Consumer Price Index (CPI). The Detroit CPI grew by 19.4 percent over this ten-year period. Therefore, the FY 2015 per-pupil resources available to districts for operations after adjusting for retirement costs and inflation were approximately 12 percent below the level they were in 2005.

It has proven to be difficult to establish a definitive causal link between school spending and performance in academic literature (Hanushek 1996). This is because it matters whether schools spend their resources efficiently. We do not know how efficiently Michigan schools were spending money when fiscal pressures started to build over the last decade. Many districts likely found ways to improve their efficiency as their budgets tightened. The question is: were districts able to absorb all of the budget pressures through efficiency gains, or has fiscal pressure already negatively impacted the state's academic performance? Establishing the statistical evidence to definitively answer this question would require a complex econometric study and is beyond the scope of this research.

Even without a definitive study, what we do know is highly suggestive. After adjusting for inflation and retirement costs, districts have seen their per-pupil net operational funding fall by 12 percent. This occurred while districts were also managing the budgetary challenges of enrollment declines. It seems overly optimistic to assume that districts could have found sufficient efficiency gains to fully

[2] Calculations done by PSC. Employer contributions from Office of Retirement Services (2000, 2013). Pupil counts from Senate Fiscal Agency (2015).

meet this fiscal challenge without any negative impact on performance. In addition, Michigan's performance fell relative to other states did decline over this time period. Therefore, while we cannot make a definitive assertion, it seems likely that the financial pressure facing Michigan's schools has already had a negative impact on the state's academic performance.

Key takeaway: Financial pressure has likely already negatively impacted student performance in Michigan.

Implications for School Reform

The increase in Michigan's poverty rate and the declines in inflation-adjusted resources for school districts both seem likely reasons for Michigan's recent poor academic performance. Trying to discern the relative contribution of each factor would take careful empirical study and is beyond the scope of this research. However, even without discerning the degree to which each factor contributed, there are some general lessons that should be drawn to inform reform efforts.

Focus on Moving Forward

Michigan's weak economy has taken a toll on sectors across the state—which likely include our education system. Rather than placing blame for lackluster educational outcomes, though, we must identify the best way to move forward and focus relentlessly on improving outcomes for all students across our state.

Significant Fiscal Pressure on School Districts

Given the information presented above, it should be obvious that school districts are under significant fiscal pressure, but this point is still widely debated. Districts are working with less resources than in the past. For example, the number of teachers in Michigan fell by 23 percent between 2000 and 2014 compared to a pupil decline of 11 percent (Michigan Department of Education 2001, 2015). Reform efforts must be sensitive to the fact that districts are already doing more with less. It is important that reform efforts do not have a negative impact on district finances.

Big Money Not Likely to Come Soon

Although Michigan's long downturn was hard on the K–12 sector, it was hard on other sectors as well. Higher education and local governments also saw significant reductions in resources. The need for additional transportation funding has been well documented. Michigan is a poorer state than it was a decade ago, and that has both increased the state's needs for public services and decreased the resources available to support them. Any reform ideas needs to be sensitive to this new reality. We do not dispute that an additional $1 billion or $2 billion would provide welcome fiscal relief for districts, and would likely lead to an improvement in student performance. However, it is unrealistic to expect that such funds will be forthcoming. Education stakeholders need to recognize the fiscal reality of the state and tailor their recommendations accordingly.

Invest Early

Overview

The research on early childhood investment is unequivocal. Investing in high-quality, research-based early childhood programs provides lifelong benefits to children and a significant return on investment for taxpayers. Early investment can pay dividends through reduced expenditures on special education, grade retention, and welfare programs, through increased tax payments, and through a reduction in crime.

Gov. Rick Snyder has outlined four goals for young children in Michigan:

1. Children are born healthy.
2. Children are healthy, thriving, and developmentally on track from birth to third grade.
3. Children are developmentally ready to succeed in school at the time of school entry.
4. Children are prepared to succeed in fourth grade and beyond by reading proficiently at the end of third grade.

Michigan's investments in early childhood programs, the research supporting early childhood investment and policy options for investing in young children were recently discussed in two thorough reports: *Great Start, Great Investment, Great Future: The Plan for Early Learning and Development in Michigan* (Office of Great Start 2013) and *Policy Options to Support Children from Birth to Age Three* (Citizens Research Council of Michigan and Public Sector Consultants 2014). Public Sector Consultants did much of the research for these reports, and the findings and recommendations presented here, draw heavily from that work.

Early childhood programs should not be viewed separately from K–12, but instead as a key strategy for improving K–12 learning. Remediation efforts directed at students who have fallen below grade level are expensive and often unsuccessful. It is much more cost efficient to work to ensure that children arrive at school kindergarten ready and then work to keep them on track than it is to try to catch children up once they have fallen behind.

There is significant evidence demonstrating the benefits of evidence-based early childhood investments to K–12 performance. For example, evaluations of the Great Start Readiness Program (GSRP), Michigan's high-quality preschool program for four-year-olds, found that students who went through the program did better on the MEAP, had fewer instances of students being held back (grade retention), and were more likely to graduate on time (Flanagan 2012).

What Have We Done?

Michigan invests close to $9 billion[3] on supports for children from birth through age eight and their families (Office of Great Start 2013). Traditionally, Michigan's investment has been weighted toward school aged children, with investment averaging $6,500 per child for children from birth through age four and $11,500 per child for children ages five to eight. The larger investment for school-aged children is due to the significant investment the state makes in K–12 education. Recently, Michigan has begun to sharpen its focus on young children and has made a number of important changes.

[3] These investments include all programs serving young children and their families across four departments: community health, education, human services, and treasury.

Creation of the Office of Great Start

In 2011, Governor Snyder created the Office of Great Start, located in the Michigan Department of Education. This office is charged with focusing and coordinating the state's efforts across agencies to improve the delivery of early childhood services. The agency is also charged with reducing administrative overhead and duplication and reinvesting resources into improving service delivery.

Great Start Readiness Program Expansion (GSRP)

GSRP is a high-quality preschool program created in Michigan for four-year-olds living in households with income below 250 percent of the federal poverty line. Between the 2012–2013 and 2013–14 school years, Michigan expanded its investment in GSRP by $130 million, making the state's total annual investment in the program $239 million annually. This recent investment increased the number of slots by 32,000, more than doubling the preexpansion total (French 2015). With the expansion in funding, Michigan has become a no-wait state for GSRP for eligible four-year-olds.

Race to the Top Early Learning Challenge Grant

In 2013, Michigan was awarded a $51.7 million grant from the U.S. Department of Education to improve early childhood programs and systems. These funds are being used to increase access to high-quality early childhood programs, increase opportunities for home care providers to improve the quality of their programs; engage more families and providers in efforts to identify and promote children's physical, social, and emotional health; and expand the state's early learning data system (State of Michigan 2013).

Evidence-based Home-visiting Programs

In 2012, Michigan enacted Public Act 291, which required that all state-supported home-visiting programs be "evidence-based" or "promising" as defined in the act. Included in that definition is a requirement that the programs be research based, have undergone rigorous empirical testing, and operate with fidelity to the program or model. These requirements help ensure that home-visiting program investments in Michigan produce the expected rate of return. Home-visiting programs currently serve an estimated 25,000 families statewide (Michigan Department of Community Health, et. al. 2015).

What's Next?

RECOMMENDATION #1: Focus Investments on Evidence-based Programs from Birth through Age Three

There is a strong research base supporting increased investment in programs for children from birth through age three. As policymakers consider new investments, they should focus on programs supported by a solid research base. *Policy Options to Support Children from Birth to Age Three* provides examples of four such programs: home visiting, increasing access to medical homes, high-quality child care, and preschool for three-year-olds.

Home Visiting

Home-visiting programs are voluntary programs that link parents with trained service providers (such as a nurse or social worker) who coach families on how to best address the challenges they face and teach ways to improve the home environment for children. There are a number of models of home-visiting programs that have been carefully researched and evaluated. The research shows that if programs are implemented with fidelity, the programs can provide lifelong benefits to both children and taxpayers. The strong evidence base suggests that home-visiting programs are the most promising option for policymakers interested in investing additional resources.

Medical Homes

Children that have medical homes have an ongoing relationship with a personal primary care physician. The physician and other providers in the practice holistically consider children's needs, provide enhanced access, and coordinate or integrate specialty care as needed. The Children's Health Care Access Program (CHAP) is one effective way

to increase access to medical homes. CHAP has been successfully implemented in Kent County. The Michigan Association of United Ways is currently expanding the CHAP program in Kent and Wayne Counties, and beginning implementation in Genesee, Macomb, Ingham, Kalamazoo and Saginaw Counties as well as northwest Michigan (Greene 2014).

High-quality Child Care

A growing body of research demonstrates the link between high-quality child care and positive long-term outcomes for children. To help more families access quality care, the Michigan Department of Education administers the child care subsidy program known as the Child Development and Care (CDC) program. The state has seen its investment, and subsequently enrollment, in the CDC program fall significantly in recent years. This is a particularly challenging area for Michigan because high-quality care is necessary, but expensive. Policies that move more at-risk children into higher-quality child care would be beneficial.

Preschool for Three-year olds

The expansion of the Great Start Readiness Program has provided at-risk four-year-olds in Michigan with access to high-quality preschool. Fewer at-risk three-year-old children, however, have access to publicly funded preschool.

The evidence supporting a second year of preschool for at-risk children is far more limited than the evidence currently supporting the Great Start Readiness Program. If policymakers are interested in expanding access to preschool for at-risk three-year-olds an effective strategy would be to fund a preschool pilot for three-year-olds to establish the evidence base needed to support additional investment.

RECOMMENDATION #2:
Build Evaluation Infrastructure

Early childhood programs often have high upfront costs. It is important that investments in early childhood programs be carefully evaluated to ensure that limited resources are being directed to the most effective programs. One of the hallmarks of the Great Start Readiness Program is the extensive research base that has documented the benefits the program provides in terms of learning, grade retention and high school graduation.[4] As Michigan looks to expand its early childhood investment, it will be important to develop similar research to support the new investments.

Data Systems

The task of evaluating early childhood programs is made significantly easier with the right data infrastructure in place. In particular, it is important that Michigan has an early childhood data system that is coordinated with the state's K–12 system. Michigan has been working to build such a longitudinal data system. Children in GSRP, *Early On*, and some young children receiving special education services through the Individuals with Disabilities Education Act are assigned a unique identification code (UIC) that allows children to be followed from the early learning program through K–12 (Michigan Department of Education 2013). Expanding the assignment of UIC to additional programs will help with the evaluation of these programs.

Kindergarten Entry Exam

In addition, putting in place a universal kindergarten entry assessment (KEA) will help the state determine which children are ready for kindergarten when they arrive and which programs are most effective in improving readiness. Michigan has been piloting the KEA over the past several years.

A couple of aspects of the KEA are worth noting. First, the KEA is not a standardized test for kindergarteners. Rather, it is an observational

[4] For links to a number of Great Start Readiness Program evaluations see: *http://www.highscope.org/Content.asp?ContentId=225*

tool that educators use to assess kindergarten readiness. Second, the KEA is not used to determine whether or not children attend kindergarten. Instead, it will provide parents and teachers with important information about a child's learning and development as they start kindergarten. The KEA will also be an essential tool in determining which factors increase the likelihood that children will not be ready when they arrive at kindergarten, and which investments are most effective at increasing readiness.

The KEA should be put in place statewide with all children assessed to determine their degree of readiness when they arrive at kindergarten.

Long-term Goal

Developing a path for at-risk children to go from a healthy birth to arriving at kindergarten on track and ready to succeed will involve better coordinating and expanding existing programs. Programs aimed at reducing infant mortality and increasing infant health are an important first step in a child's life. Programs that expand access to medical homes can help ensure that children stay healthy. Home-visiting programs and high-quality child care programs can keep a child on track from a healthy birth to preschool entry. High-quality preschool programs can be an effective final step to ensure that children arrive at kindergarten prepared and ready to learn.

Michigan has many of these pieces in place, but they need to be expanded and coordinated. Some of these programs have high upfront costs, so high-quality program evaluation is essential to ensure that these investments pay dividends to the children these programs support and the taxpayers footing the upfront cost. It is also important to recognize that a large research base has demonstrated that many early childhood programs save taxpayers money over the long run, so while the upfront costs are high, over the longer run, these programs actually pay for themselves.

Assessing kindergarten readiness and third-grade reading and connecting these results back to early childhood program investments will help to identify which programs are working and which are not. Finally, it will be important to coordinate funding to ensure that dollars are properly leveraged. In particular, Michigan should work to ensure that every program potentially eligible for Medicaid matching dollars fully utilizes this match, since Medicaid pays two federal dollars for every dollar of state investment.

Focus on Teaching

Overview

Of all of the factors that schools control (including class size), teachers have the single largest impact on student learning (Sanders and Horn 1998; Gordon et al. 2006). Teachers, however, vary widely in their ability to help students learn. Researchers have consistently documented that students learn more (based on standardized assessment data) when they are assigned to a highly effective teacher rather than an ineffective teacher. Some researchers venture that this difference can represent more than a year's worth of learning (Goldhaber et al. 2010).

It is no exaggeration to call the size of Michigan's teacher workforce massive. Currently, over 100,000 individuals teach in Michigan classrooms.[5] The majority of Michigan's teachers are female (76 percent), and nine out of ten are white. Seventy percent of teachers have spent more than five years in the classroom, and most teachers (over 60 percent) have earned a master's degree (Center for Education Performance and Information 2014). The size of Michigan's workforce means any strategy to dramatically improve instruction in classrooms will require a multifaceted approach. No single approach will effectively support teachers across different experience levels, higher education experiences, and school environments.

What Have We Done?

There has been a tremendous focus on teacher policy in Lansing—and across the country—since 2009. The National Council on Teacher Quality (NCTQ) has recognized this focus in its annual yearbook, which considers every state and its policies related to teacher quality. In 2009, the organization gave Michigan a D- for teacher policy; in 2011, Michigan earned a C+. The state's current grade is a B-, which puts Michigan in the top five states in the country The NCTQ notes that it does not grade on a curve, and the organization has increased its expectations for states—not lowered them. "…States with higher teacher policy grades this year have truly *earned* them," the NCTQ states (National Center for Teacher Quality 2014).

Evaluation

Educator evaluation has been a regular focus for lawmakers over the past six years. In late 2009, lawmakers approved a bill that dramatically increased the requirements for evaluations (Public Act 205 of 2009). This legislation required that all teachers be evaluated annually. For the first time, this evaluation was required to include both classroom observations (which had been standard practice), and a measure of student growth (a new component). In addition, school districts were required to use evaluation ratings in high-stakes decisions, such as layoffs and compensation.

In 2011, lawmakers revisited the evaluation law and further defined that the student growth component comprise a growing percentage of teachers' overall evaluations (Public Act 102 of 2011). In this legislation, lawmakers also created the Michigan Council for Educator Effectiveness (MCEE)—a workgroup charged with identifying next steps for the evaluation work. To date, these recommendations have not been incorporated into state law.

Michigan has also made significant strides in reporting data about educator effectiveness

[5] Michigan districts reported 101,338 teachers and 97,713 FTE.

(including teachers and administrators). Aggregate data is publicly available through MI School Data. Visitors can review the number of educators scoring in each effectiveness category at the intermediate school district (ISD), district, and school level. Visitors can also review a summary of which criteria a district uses to evaluation its teachers.

Implementation of New State Standards

In 2010, Michigan's State Board of Education adopted the Common Core State Standards in math and English/language arts (ELA) (Michigan State Board of Education 2010). Michigan has relied heavily on local and regional efforts to implement Common Core. When the standards were adopted, the Michigan Department of Education (MDE) created alignment guides that showed similarities and differences between the Common Core and Michigan's former standards, the Grade Level Content Expectations (Michigan Department of Education 2014). The MDE has also created the Career & College Ready Portal, which makes it easy for educators to access the Common Core standards (Michigan Department of Education 2012). There has been limited state involvement beyond that, though. Intermediate school districts (ISDs) and state education associations have worked to provide resources to educators. ISDs and local districts are conducting some training about the standards, but it's difficult to determine the extent or quality of these efforts without surveying each ISD.

In addition to in-person training, ISDs and statewide associations have partnered to create online resources. One example is Michigan Common Core State Standards (MICCSS), a website with Common Core resources and training materials that can be used in, and modified by, any Michigan schools. This project was initiated after two surveys indicated a need for additional resources to support Common Core implementation in the state (REMC Association and Michigan Association of Intermediate School Administrators 2015). Additionally, Oakland Schools and MAISA created a series of publicly available Common Core aligned units. These units are intended to be tools to improve teachers' understanding of the standards and to provide context for discussions with peers about how to best implement the standards (Oakland Schools 2014).

Tenure and Dismissal

Public Acts 100 and 101 of 2011 made significant changes to Michigan's tenure law. First, teachers must now teach for five years prior to earning tenure (an increase from four years). Second, and most importantly, after earning tenure, teachers can be dismissed for any reason that is not "arbitrary and capricious." This is a significantly lower standard than the previous one that required that tenured teachers only be dismissed for a reasonable and just cause.

In 2011, Michigan also prohibited using seniority as a reason for layoff decisions. Prior to Public Act 103 of 2014, it was common practice to lay off teachers based on seniority alone. Districts are now prohibited from using length of service or tenure status as the primary or determining factor in a staff reduction decision. Instead, performance, as measured by the district's evaluation system, must be the major factor in reduction in force decisions.

Certification

The Michigan Department of Education regularly updates the administrative rules guiding how teacher certificates are issues and updated. In 2013, the MDE updated requirements regarding when master's degrees can be used to meet professional development requirements, how many hours of professional development hours are required, and how many of those hours can be provided by local districts (Michigan Education Association 2014).

The MDE also increased the expectations for students preparing to enter the teaching profession by increasing the rigor of the Professional Readiness Exam. This exam includes reading, math, and writing sections, and all students in teacher preparation programs must pass the PRE before student teaching. In the first test administration of 2014, test scores plummeted. The highest pass rate was 63 percent at the University of Michigan, and the lowest was at Ferris State University, where none of the 15 students tested passed (French 2014).

In 2014, lawmakers appropriated $1.8 million to update the remaining suite of certification exams to match the rigor of the new PRE.

Collective Bargaining and Unions

Since 2011, lawmakers have passed a range of laws that changed the guidelines for collective bargaining and union membership in schools. The passage of "right to work" legislation in 2013, which prohibits public employees from being required to join a union and prevents nonunion employees from being charged an agency fee (Public Act 349 of 2013), garnered the most public attention, but this is just one example of several changes to collective bargaining. Several of the changes to collective bargaining had a direct impact on teachers and teaching.

Lawmakers added several topics to the list of subjects prohibited from bargaining, including teacher placement, evaluation systems, policy related to dismissal, and performance-based compensation policies (Public Act 102 of 2011). Beyond limiting the scope of bargaining, new law also prevents school districts from collecting union dues as part of payroll (Public Act 53 of 2012). New legislation also puts additional pressure on unions to approve a new contract. If a local union and school districts do not have a new contract in place when the previous collective bargaining agreement expires, teachers' salaries are frozen, any insurance increases are passed onto teachers, and retroactive raises are not permitted (Public Act 54 of 2011).

Emergency management legislation also granted state-appointed emergency managers the ability to unilaterally terminate or amend collectively bargained contracts. The emergency manager also has the right to suspend collective bargaining for up to five years (Public Act 436 of 2012).

Teacher Morale

The recent legislative changes were important in providing tools and flexibility to school districts that can be used to improve the performance of teachers in the classroom. Policymakers, however, should also be sensitive to the potential demoralizing impact on Michigan's teaching workforce of the cumulative effective of these changes.

These changes are occurring while teachers are under significant pressure. The flip side of changes that provide flexibility in hiring and firing and staffing is reduced job security for teachers. The flip side of measures that provide efficiencies and cost savings for districts is often less pay and an increased workload for teachers. In Michigan's public schools, there were 22.1 students for every teacher in Michigan in 2000. By 2014, there were 25.5 students for each teacher, an increase of 15 percent. In addition, Michigan has addressed education costs in part by increasing employee contributions for pensions and benefits, reducing teacher take-home pay. Tight district budgets often impact teacher salaries as well, with teachers in many districts facing wage freezes or cuts. It is difficult to make generalizations about teacher salaries, since they vary district by district and are dependent on factors like education level and seniority. However, overall, the average teacher salary in Michigan declined by 6.8 percent between 2000 and 2014, after adjusting for inflation, from $66,704 to $62,169 (in 2014 inflation-adjusted dollars).

Improving the overall quality of teaching in Michigan requires both effective teacher preparation and professional development, and attracting a highly skilled workforce to teaching. Teachers are being held to higher accountability standards at the same time that wages, benefits, and job security are stagnant or falling. Plunging morale and job satisfaction may negatively impact the quality of teaching in the classroom and may make it difficult for Michigan to attract the best and the brightest to the teaching profession in the future.

What's Next?

RECOMMENDATION #1:
Implement Educator Evaluation

Enact Educator Evaluation Legislation

Like all professionals, educators need feedback to improve their practice. A strong evaluation system creates a standardized process for all educators to review quality feedback every year. Michigan has spent the past six years working to improve the educator evaluation system, including several years researching and piloting evaluation tools. To provide local districts and teachers with certainty regarding the evaluation requirements and expectations, and to ensure consistent evaluation standards statewide, Michigan needs to enact legislation putting an updated evaluation process in place.

Provide Ongoing Support for Educators and Evaluators

Many other states have recently updated their evaluation systems, and they offer lessons for implementation. First, an essential component of a successful evaluation system is building a shared understanding of what effective teaching looks like, and creating shared language to discuss instructional practice (White et al. 2012). Much of this work must be done at the local level; however, the MDE can provide professional development for district and building leaders to lead these conversations.

Another key component is providing ample training for evaluators. House Bills 5223 and 5224 of 2014 required training for evaluators every three years. This training is essential and ensures that there is consistency among evaluators across buildings and districts (White et al. 2012). Additionally, evaluators must learn to give specific, actionable feedback and have honest feedback about performance. This startup work and ongoing support will require new state funding.

RECOMMENDATION #2:
Provide More Support for Teaching New Standards

Michigan adopted the Common Core standards and English language arts and mathematics putting in place more rigorous expectations for the state's students. However, these new standards are unlikely to be successful in raising student achievement if teachers are not fully prepared to implement them. To date, Michigan has relied heavily on locally driven implementation. States widely recognized as leaders in Common Core implementation have taken a different approach and instead offered teachers and districts robust state support to ensure all teachers have a deep understanding of the standards and learn how to adjust their instruction to align with the new expectations.

RECOMMENDATION #3:
Provide More Opportunities for Teacher Leaders to Inform and Support Policy Implementation

Michigan would benefit from creating more opportunities for teacher leaders to craft and implement better education policy. Research has shown that engaging teachers in school-level decisions can create a stronger school climate, more collaboration between faculty and administration, reduced turnover, and increased student achievement (Kahlenberg and Potter 2014). Most people would readily recognize the futility of trying to improve the delivery of medicine without engaging doctors, or trying to improve the legal system without engaging lawyers. If more teachers were engaged in system-level decision-making this could improve the quality of public discourse by building on real classroom experiences, by providing an avenue for teachers to be leaders, and by generating teacher support for education reforms.

Long-term Goal

For Michigan's education system to thrive, there must be an effective teacher in every single classroom across the state. McKinsey researchers agree, "We have never seen an education system achieve or sustain world-class status without top talent in its teaching profession" (Auguste et al. 2010).

Achieving this goal will require the state to have strong recruiting systems to attract top performers to the profession. Those recruits will need high-quality preparation that extends beyond their college graduation. They will need strong induction programs, mentors, and actionable feedback from their administrators. As they grow, they will need professional development that is aligned to their professional goals and their school's needs. They will also want opportunities to grow in their position and recognition as leaders in their profession.

Creating a seamless career ladder for Michigan teachers will require policies that are coordinated across state government, institutions of higher education, and local school districts. Each entity bears significant responsibility for bolstering our educator pipeline, but none of them can do it alone. Offices across state government, ranges of elected officials, 34 teacher preparation programs, and nearly 900 local districts will need to collaborate to set expectations for quality and effectiveness and work tirelessly to help every educator achieve them.

This long-term strategy cannot be a one-size-fits-all approach. The sheer size of Michigan's teaching workforce means that any strategy to address the continuum above must be multifaceted. No single approach will effectively support teachers across different experience levels, higher education experiences, and school environments.

Spend Efficiently

Overview

Policymakers and taxpayers recognize the importance of investing in education, but it is a struggle to discern whether education spending is being done efficiently and whether it is sufficient to achieve desired outcomes. This is not a problem unique to Michigan. There are hundreds of studies that have examined the relationship between education spending and outcomes, but despite this, a clear causal relationship between spending and outcomes has not been established (Hanushek 1996).[6]

This does not mean that money does not matter. Rather, there are two conclusions to draw from the research. First, achieving academic success costs money. Resources are necessary to improve academic performance. And second, spending money does not ensure success. It matters greatly that the money is spent wisely and efficiently. This section focuses on the finance system as a whole, and does not address specific areas where Michigan should be spending more or less money.

What Have We Done?

Michigan has already addressed a number of key finance issues. These include making progress toward equalizing funding, allowing for school choice, centralizing school finance decisions, reducing district costs through health insurance and retirement reform, and addressing school district financial emergencies through the passage of a strong emergency manager law. Each of these policies is discussed below.

Funding Equalization

Although funding gaps remain, Proposal A of 1994 and subsequent budgetary decisions have made significant progress toward equalizing school spending in Michigan. In FY 1994, the ratio of the highest to lowest spending district per pupil was 3.73—resulting in a difference of $7,532. By FY 2010, this ratio had fallen to 1.70—resulting in a difference of $5,008 (Citizens Research Council of Michigan 2011).

The efforts to equalize funding can also be seen in funding changes by spending quintile. Between FY 1994 and FY 2009, schools in the lowest spending quintile saw an inflation-adjusted per-pupil spending increase of 27.4 percent, while schools in the highest spending quintile saw their real funding decline by 8.1 percent (Citizens Research Council of Michigan 2011).

Despite 20 years of progress on equalization, there are still differentials. Districts still receive differing foundation allowances that have no policy basis, but that are instead remnants of district funding levels when Proposal A was adopted in 1994. Michigan will need to continue to work to resolve these differences.

Increased Choice

The 1990s saw the introduction of charter schools and school of choice (policies that allow nonresident children to enroll in districts). Michigan's first charter

[6] This is not to say that researchers have not found a link between spending and outcomes. For example, Chaudary (2009) and Papke (2005) find spending increases associated with Michigan's Proposal A led to improvements in in education outcomes. However, while there are many studies showing a link, there are also plenty of studies that fail to find a relationship; thus, no definitive statement can be made that higher spending will lead to better outcomes.

school opened in the 1993–94 school year, and by 2013–2014, Michigan had 293 charter schools. In the 2011–12 school year, choice was exercised by more than 13 percent of Michigan's students—with 112,000 students (7.2 percent) attending a charter school and over 100,000 (6.4 percent) attending school in a traditional district outside of where they reside (Spaulding 2013, and Senate Fiscal Agency 2015). The Senate Fiscal Agency is forecasting that by 2016–2017, 11 percent of K–12 students (164,000) will attend charter schools (2015).

Student-based Funding

Since Proposal A, funding for schools has been done on a per-pupil basis. Tying funding to students has made it easier for the state to implement schools of choice and charter schools. This has also made it more difficult for districts to respond to significant enrollment declines.

Centralized Spending-level Decisions

Since Proposal A, per-pupil funding levels have been set by the state. Local districts can no longer ask local voters to increase spending over what the state provides.[7] The elimination of local control over spending decisions aided in the effort to equalize funding, since richer districts are prevented from going to their voters to increase their spending over the level set by the state. However, the loss of local control has also meant that local voters do not have the ability to spend more on their districts, even if they are unhappy with the level of support provided by the state. This has been a more significant issue in recent years as foundation allowance growth that has trailed inflation has forced some districts to cut services that voters may have been willing to support with local tax dollars. While the funding level for schools is set at the state level, spending decisions are left to local districts.

[7] Proposal A does allow for an intermediate school district wide vote to levy an enhancement millage of up to three mills. The proceeds of this enhancement millage is shared among all districts in the intermediate school district. In addition, the state allowed the highest spending districts prior to Proposal A to ask voters to support a "hold-harmless" millage to maintain their high spending levels.

Health Care Costs

Public Act 152 of 2011 capped the amount that public employers could pay for employee health insurance. Public employers could either abide by a legal cap on the amount they could pay for employee benefits—currently $5,992 for single employee coverage and $16,343 for family coverage (Michigan Department of Treasury 2014)—or choose to not pay more than 80 percent of the total cost of medical benefits. In the short run, this change provided much needed fiscal relief to school districts by reducing district health care costs. The effects of this change in the long run are not clear. The health care savings may be partially offset if districts are forced to pay higher wages to attract qualified candidates or if collective bargaining agreements result in higher wages that partially offset the benefit reductions.

Pension Reforms

The State of Michigan operates the Michigan Public School Employees Retirement System (MPSERS). As of September 30, 2013, MPSERS had over 400,000 members, including 213,000 active members and 201,000 retirees (Gabriel Roeder Smith & Company 2014). MPSERS legacy costs are one of the biggest fiscal challenges facing districts. For the 2013–2014 school year, MPSERS costs were equal to 29.35 percent of payroll, with 25.52 percentage points of this total representing legacy costs (Summers 2013). Michigan enacted pension reforms in both 2010 and 2012 to begin to address the cost of MPSERS. Among the changes made were the following (Summers 2012) (Office of Retirement Services 2014):

- Require increased employee contributions to remain in the defined benefit pension plan.
- Offer employees the option of participating in a defined contribution plan instead of the defined benefit plan.
- Require retirees to pay 20 percent of their health care premium cost.
- Eliminate retiree health care coverage for new hires and replace with a 2 percent employer contribution to a 401(k) account.
- Begin prefunding retiree health care.

These changes reduced the costs of MPSERS to districts by requiring increased employee contributions, and reduced future costs by eliminating retiree health care for new employees and by prefunding retiree health care. Despite these changes, the current costs for MPSERS remains high due to the significant legacy costs of the system. For the 2013–14 school year, the "normal" retirement cost, which is the current cost of providing an employee with an additional year of retirement benefit was less than four percent of payroll. The annual legacy cost burden calculated as a percent of total system payroll was over 26 percent, or over six times the normal cost (Summers 2013).

As of September 30, 2013, MPSERS had a funded ratio of 59.6 percent, with an estimated funding shortfall of $25.8 billion (Office of Retirement Services 2014). State policy can help shape how this burden is shared among different school districts or covered by the state's general fund, but it cannot eliminate this cost in the short run.[8] Unfunded liabilities are paid off over 25 years. Projections completed in 2012 had the MPSERS cost falling to less than 6 percent of payroll once these costs are paid off in 2038–39 (Summers 2012). However, the defined benefit system remains in place, so legacy costs could again grow if market returns do not match actuarial assumptions.

While the pension reforms will reduce the costs of the system, challenges still remain. The biggest of these is the high rate of return assumed on MPSERS assets. MPSERS assumes a rate of return on invested assets of between 7 and 8 percent. While this is consistent with what many public retirement plans assume, private retirement plans often assume a rate of return of between 4 and 5 percent. There is a significant risk that actual returns will fall short of this assumed rate causing legacy costs in the system to continue to grow.

Emergency Management

Public Act 436 of 2012 allows for a state takeover of districts facing financial emergencies. PA 436 gives emergency managers broad powers including full control of academic affairs and the ability to break collective bargaining agreements. Five districts (Benton Harbor, Detroit, Highland Park, Muskegon Heights, and Pontiac) are currently operating with emergency managers. The emergency managers in Highland Park and Muskegon Heights have chosen to effectively close the district and replace all of the schools with charter schools. Although PA 436 provides a strong emergency management process, challenges remain. These include finding ways to address fiscal problems before they reach the emergency stage and allowing for more local input into the resolution of financial emergencies.

What's Next?

RECOMMENDATION #1:
Fix Funding Formulas to Better Align Revenues and Costs for Districts Facing Declining Enrollment

For districts with declining enrollment, revenues fall more quickly than districts can adjust their costs. Michigan needs to make changes to how quickly district revenues fall in response to declining enrollment. In the short run, Michigan should make funding adjust more slowly than enrollment declines. One way to do this would be to base current year funding on the greater of enrollment in the current year versus enrollment in the prior year. This change would provide districts with a level of certainty when setting their budgets. Under the current system, districts do not do their first student count until October, approximately one-third of the way into their fiscal years. It is very difficult for districts to adjust their budgets for unanticipated enrollment changes after the school year has begun. While a step in the right direction, this change is likely not enough to properly match revenue and cost changes associated with declining enrollment. Over the longer run, Michigan should study district costs to determine how quickly districts should reasonably be able to adjust their costs, and adjust the finance formulas according.[9]

Although straight per-pupil funding has the

[8] The degree that health care obligations are guaranteed by the state constitution is unclear. The state may have some ability to reduce these obligations further.

[9] An examination of the cost impact of student growth and decline is called for in Public Act 555 of 2015.

advantage of simplicity, having revenues not aligned with costs creates significant financial challenges for districts. If state enrollment and per-pupil funding were increasing significantly, districts could much more easily manage the disconnect between revenues and costs. With declining enrollment and flat to decreasing real per-pupil funding, districts are put in an extremely difficult financial position.

RECOMMENDATION #2:
Allocate More Funding to Needy Students

Michigan should begin work on estimating the cost differentials for different types of education provision including at-risk students, English as a second language, elementary school compared to high school, and for different types of courses and providers. Although weighting the foundation formulas forgoes the benefits of simplicity, aligning revenues with costs will lead to a more efficient distribution of resources and will help prepare Michigan's finance system to account for new types of offerings, including online providers and dual enrollment.

Formula weights explicitly recognize cost differentials. For example, if it costs more to educate lower-income children, then it makes sense to recognize these costs in the state aid formulas. Michigan currently does this in a very limited way. Section 31a of the State School Aid Act provides a categorical appropriation for at-risk students. That formula calls for at-risk funding equal to 11.5 percent of the foundation allowance times the number of children eligible for free and reduced lunch. The state, however, does not fully fund this appropriation. As a result, the payment is reduced by $317 per pupil. Districts receiving the minimum foundation allowance receive at-risk funding equal to 7 percent of the foundation allowance and districts at the maximum receive at-risk funding equal to 7.6 percent of the maximum (Summers 2015).

Weighted funding formulas are common. Thirty states weight their formulas for low-income students, 25 weight their formulas for students with a disability, and 27 weight the formulas for students learning English as a second language (Education Law Center 2013). A number of states also weight for district poverty and district cost of living.

RECOMMENDATION #3:
Enhance Formulas to Better Match Revenues and Costs for New Choice Options

Michigan's per-pupil foundation is designed to represent the average cost of educating a student. As new education opportunities arise and the foundation allowance is potentially split across multiple education entities, it will become more important to determine how to properly divide funding. Consider, for example, a high school student who starts her day by taking an advanced placement (AP) chemistry class at home from an online provider. The student then spends the rest of the morning at her traditional high school taking band and art, and then spends the afternoon taking college-level classes at her local community college.

Determining how to divide the funding in such a scenario is not straightforward. The student's high school bears some fixed costs for recordkeeping and some variable costs for the classes taught. The online provider and community college bear costs as well. Determining how to divide the foundation allowance to ensure that revenues follow the costs is not simple, but it will be important if we want to see these expanded options grow, and we want to ensure that traditional districts do not lose more revenue than they do costs when students access these options.

Long-term Goal

As we have noted, the fiscal pressure on Michigan's schools has likely been a contributor to Michigan's relatively poor academic performance compared to other states. Improving academic performance in the current fiscal climate will be difficult. Continued state economic growth may bring some welcome fiscal relief to districts, but significant challenges will remain. Michigan is a long way from recovering from the economic downturn. As of October 2014, Michigan had only regained 320,400 of the 861,600 jobs it lost in the last recession, and forecasts indicate that is unlikely that Michigan employment will reach its prerecession peak (April 2000) until sometime in the next decade (Senate Fiscal Agency 2014).

Given limited resources, it is important to spend existing resources efficiently. This section outlines several areas to consider. However, spending efficiently is not a simple problem. Adequately addressing issues, like declining enrollment and how to best support at-risk students, will require additional study. In addition, other fiscal challenges, such as special education funding and capital funding for traditional districts and charters, also warrant attention.

Michigan also needs to recognize the very real fiscal challenges facing school districts. Given limited state resources, it is a struggle to find the resources to support spending priorities. Funding for schools must be weighed against other strategic priorities, such as transportation funding, higher education funding, and public health. Policymakers may decide that these other priorities need to take precedent over K–12 when deciding how to spend at the margin. They should recognize however, that fiscal pressures appear to have already taken a toll on our state's education performance. Improving education performance will be difficult or even impossible in an environment where per-pupil funding increases continue to trail inflation.

Connect Postsecondary

Overview

Many Michigan students struggle to make a successful transition from high school to college and career. In 2011, one in five young adults aged 20 to 24 in Michigan were neither working nor in school (Strawser 2012). In addition, more than a third of incoming Michigan college students take remedial classes (French 2012). Many more students find themselves relegated to low-wage jobs after high school because they do not have the requisite skills to secure higher paying work.

For several generations, the career path for millions of Michiganders was to go straight from high school to the factory. Factory jobs paid good wages and provided for a middle-class lifestyle. This path is no longer open to most graduates, and these graduates are often not prepared for other options. Business Leaders for Michigan estimates that only 21 percent of Michigan's high school graduates are college or career ready and that, by 2025, six in ten jobs in Michigan will require education beyond high school (2015). More needs to be done to prepare students for success after high school.

What Have We Done?

Michigan Merit Curriculum

The Michigan Merit Curriculum was adopted by the State Board of Education in 2005 and enacted into law in 2006. The Michigan Merit Curriculum put in place rigorous graduation requirements for all Michigan students. Graduation requirements include four years of English/language arts, four years of math, three years of science, three years of social studies, two years of a foreign language, and one year of art. Prior to the enactment of the merit curriculum, graduation requirements were primarily set by local districts. The increased rigor of the high school curriculum will help to ensure that students are better prepared for college or career upon graduation.

Easier Credit Transfer

Many students complete some college but do not receive a postsecondary degree or certificate. Making it easier to transfer college credits from one institution to another can help students complete their degrees. The Michigan Transfer Network is an online tool that enables students to easily view which credits for the classes they take in one institution will transfer to another institution. The ability to see transferrable credits helps students avoid classes for which they would ultimately not earn credit toward graduation, thus aiding students with degree completion. While the transfer network is primarily focused on college students, it also provides significant benefits to high school students who are considering or who are taking community college classes.[10]

In addition to helping students transfer credits, another site, Michigan Colleges Online, helps students find the course they need. Michigan Colleges Online is a clearinghouse of online community college classes in Michigan. It allows students to more easily take online classes outside of their home institution. All credits earned at provider colleges transfer back to the student's home college (Michigan Colleges Online 2015). Similar to the transfer network, the online clearinghouse of community college classes provides value to dually enrolled high school students.[11]

[10] The transfer network can be accessed here: *https://www.michigantransfernetwork.org*

[11] Michigan Colleges Online can be accessed here: *https://www.micollegesonline.org*

Middle Colleges and Dual Enrollment

Middle colleges and dual enrollment are two ways that students can earn college credit while still enrolled in high school. Middle college programs blend high school and community college coursework and allow students to earn both a high school degree and an associate's degree in just five years. The Michigan Department of Education lists 49 middle college programs on their website (Michigan Department of Education 2015). Similarly, many high schools have opportunities for dual enrollment with local community colleges, allowing students to simultaneously earn high school and college credit.

Online Learning Access

Starting with Public Act 60 of 2013, students have been allowed to enroll in up to two online courses, without first obtaining permission from their home district (Michigan Virtual University 2015). These expanded learning opportunities afford high school students with additional opportunities to earn college credit while still in high school, since students can choose to take an AP class online if their local district does not offer it.

What's Next?

RECOMMENDATION #1:

Expand the Number of Guidance Counselors in Michigan High Schools and Move Michigan's Student to Counselor Ratio Closer to the National Average

Michigan offers a number of ways to earn college credits while in high school, but the diversity of offerings also makes scheduling a more complex decision for students. In addition, students, especially first-generation college students, need guidance in navigating the college application process. Unfortunately, Michigan has very few high school guidance counselors. The national average is 471 counselors per student; Michigan had one guidance counselor for every 706 students in 2011, ranking fifth worst in the nation (American School Counselor Association 2015). The American School Counselor Association recommends 250 students per counselor, but only three states met this benchmark in 2011.

This scarcity of counseling resources largely leaves students to determine their career interests and identify the prerequisites on their own. Students struggling to decide whether their appropriate academic path includes career and technical education or early college opportunities need skilled counselors who can help them assess their options.

Moving Michigan to the national average would require an additional 1,121 counselors. Fiscal pressures will prevent Michigan from achieving this target quickly, but the state should work to steadily improve this ratio.

RECOMMENDATION #2:

Increase Opportunities to Earn College Credits in High School for All Students

Michigan should work to increase the opportunities for students to earn college credit while still in high school. Bailey and Mechur Karp (2003) review 45 studies of common credit-based transition programs including dual enrollment, AP, international baccalaureate (IB), and middle college high schools. They find that these programs may be beneficial to promoting college success for less-prepared students, even though providing college opportunities to less-prepared students earlier is not an obvious solution. They cite the following benefits of these programs to students:

- Early college opportunities help to prepare students for the academic rigors of college.
- Early college opportunities provide realistic information to students about the skills they will need to succeed in college.
- Early college opportunities can improve students' motivation through more interesting courses and higher expectations, and promote institutional relationships between high schools and colleges.

Early college credit attainment can also help significantly reduce students' costs for college.

In the 2010–11 school year, 14,524 public school students in Michigan completed 51,830 college courses through dual enrollment programs (Center for Michigan 2014). In 2012, 26.5 percent of Michigan high school graduates took at least one AP exam during high school, and 17.0 percent of Michigan high school graduates had scored at least a three on one AP exam while in high school.[12] The number of Michigan students scoring at least a three on one AP exam during high school was up 6.9 percentage points from 2002 (College Board 2013).

Michigan needs to expand and enhance the opportunities for students to earn college credit while in high school. Michigan provides opportunities for early credit attainment through a number of programs including IB, AP, middle college, and dual enrollment. However, student access to these programs is in part dependent on the district the student attends. Michigan should work to make sure that every student has access to these opportunities.

Long-term Goal

Michigan has long been working to build a seamless, integrated education system—commonly called a P–20 system. As a state, we have recognized that education does not begin in kindergarten—rather, it begins before a child is born. We have also recognized that a high school education is no longer enough for our students to be competitive in the workplace. That is why Michigan is working to ensure that every student is ready for college and career.

This goal cannot be achieved without creating clear pathways and links between high school offerings and postsecondary opportunities. Too often, our system relies on motivated students and parents or dedicated counselors to traverse a complicated web of connections between the high school experience and postsecondary schooling. As we strive for every students to be college and career ready, we must ensure this focus does not end with standards and curriculum. Rather, our system should create seamless pathways that are available to all students.

While progress has been made in fostering this broader system, more must be done to ensure each and every Michigander has easy access to high-quality early learning opportunities and postsecondary opportunities.

[12] AP exams are scored on a scale from one to five. Three is generally the minimum score required to receive college credit, although some colleges require a score of four or five before awarding credit.

Conclusion

Collectively, the four policy areas discussed provide clear next steps for policymakers to propel Michigan students forward. Investing early helps prepare all children for success on their first day of kindergarten. Focusing on teaching ensures that all teachers are adequately prepared and supported to help all of their students master the curriculum. Spending efficiently ensures that Michigan's top spending priorities focus first on students with higher needs and programs/policies with the strongest research base. Finally, connecting postsecondary ensures students' experiences and our investments are linked across the P–20 spectrum.

These strategies, however, are necessary but insufficient to spark the change necessary to improve student learning in the state and create a bright future for all Michigan children. Michigan must also work to build a coordinated system that helps stakeholders at the local, regional, and state levels achieve shared goals. Without a coordinated system, Michigan risks cultivating pockets of success rather than fielding a strategy that serves each and every student across more than 3,000 buildings and nearly 900 districts.

To obtain meaningful sustained improvement, we need to change how Michigan approaches education reform. Michigan needs to develop statewide leadership around education policymaking with the buy-in and support of education's key stakeholders—from students and families to teachers and lawmakers. Too often, education policymaking in Michigan appears to be a zero sum game with special interests fighting for limited resources. The overall goal of improving the education our children is easily lost in a battle between vested interests. Particularly in this era of scare resources, education policymaking frequently feels like a battle between traditional districts, charter schools, unions, and others to secure their share of School Aid money. The reality is that Michigan is far more likely to be successful if all of the key players are unified in trying to achieve a common goal and vision aimed at improving the education of our children.

We recognize that conflict arises in part from differing philosophies over the best way to deliver K–12 services. However, we also believe that the conflict is also arising in part from individuals and groups putting their own interests in front of the interests of the state's children, and from anger and frustration over policies that went against each group's self-interest.

It does not need to be this way. We are heartened by two recent examples of stakeholders attempting to work together to solve important policy problems. Michigan's Postsecondary Credential Attainment Workgroup is close to completing an action plan aimed at helping Michigan citizens achieve postsecondary credentials that will allow them to compete more successfully in the workforce of tomorrow. This workgroup consisted of representatives from higher education, schools, unions, the Michigan Department of Education, the Governor's Office, and the legislature.

Similarly, the Coalition for the Future of Detroit Schoolchildren consists of 31 members from business, private philanthropy, educators, churches and others who are attempting to find a solution to the long-standing education problems in the City of Detroit.

It is too early to know how successful these efforts will be. However, this is the right approach to solving these problems. Michigan does not just need good

policy ideas or a statewide strategy around K–12. It needs good ideas and a strategy that is developed and supported by the business community, school leaders, and educators.

There are models that Michigan can follow. Massachusetts started their road to education improvement in 1993 with the Massachusetts Business Alliance for Education. More recently, in 2009 Tennessee's State Collaborative on Reforming Education (SCORE) developed a vision for improving education of Tennessee's children. SCORE's steering committee consisted of business leaders, teachers, school board members, union leaders, the state's commissioner of education, and others.

K–12 education is the most important service provided by government. Although there are many things that Michigan does well in delivering K–12 services, we do not do it well enough or consistently enough, and we owe it to our children to do it better. Finding the path forward will be best achieved if the business leaders, teachers, and policymakers share a vision of success and work together to make that vision a reality.

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