

# Evaluation of the Michigan Public School Academy Initiative

## Executive Summary

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January 1999

## Foreword

This is the final report of the one year evaluation of the Michigan public school academy (PSA) initiative. Over the past year, we have immersed ourselves in this reform, visiting schools, conducting interviews, reviewing documents, gathering and analyzing data in many forms, and talking with stakeholders both in PSAs and in the traditional public schools. We have followed the debate both at an academic level and at a political level. We have been treated with great suspicion in some places and warmly welcomed in others. It is—in fact—for us, one of the most complex school reforms that we have had the opportunity to evaluate. The polarized nature of the reform and the strong divisions that exist between the proponents and opponents made our task difficult. We expect that both opponents and proponents will be happy with some of our findings and upset with others. Our real concern is that the evaluation's results will be used to shore up each side's arguments. As readers will see, there are negative and positive outcomes, and there is considerable diversity among the schools that we studied. We identified both the strengths and weaknesses of the schools and the initiative, and we hope that decision makers understand and make full use of the findings to strengthen the PSA initiative and the public education system as a whole.

At The Evaluation Center, we are most interested in advancing the theory and practice of evaluation. It is not our business to engage in an advocacy role for any of the stakeholder groups of this or any other education reform effort. The intent of this evaluation of the PSA initiative is to “improve, not to prove.” We hope the readers of this report will consider ways in which the public school academies can be strengthened, through additional legislation to steer and regulate the schools so that they can fulfill their original expectations; through the development of more effective routines to oversee and support the schools; through more effective efforts to govern and administer the schools; and through more effective policies to support teachers and strengthen the quality of instruction in the classroom.

We welcome the readers of this report to supply us with feedback in the form of comments, corrections, and compliments. Our contact information can be found below. The final version of this report will be delivered to the Michigan Department of Education in January 1999.

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# Executive Summary

## **Background and Methodology**

- This evaluation was one of two studies commissioned by the Michigan Department of Education to examine the Michigan Public School Academies (PSA) Initiative.<sup>1</sup> Geographically, The Evaluation Center was charged with examining all the charter schools in the state except for those in Southeastern Michigan. This included 51 PSAs, or close to half of all PSAs in the state. The evaluation addresses a wide range of questions raised by the Michigan Department of Education, as well as questions added by The Evaluation Center.
- Aside from addressing the specific evaluation questions, an underlying aim of the study was to promote an appreciation and capacity to conduct evaluations that can be used and developed by each participating school.
- The approach used by The Evaluation Center involved both formative and summative evaluation and used both qualitative and quantitative methods. The evaluation was designed and conducted in accordance with the utility, feasibility, propriety, and accuracy standards of *The Program Evaluation Standards* (Joint Committee, 1994). A summative metaevaluation was conducted by an external evaluator.
- The duration of the study was between October 1997 and December 1998. School-based data were largely collected during the 1997/98 school year, although available data from the MDE were used to trace trends in the schools over the last three years.
- Data collection methods included the following:
  - S** A charter school survey and a school climate survey were administered to PSA staff, students, and parents.
  - S** Interviews were held with the representatives of all stakeholder groups including PSA teachers/staff, students and parents, traditional public school superintendents and school personnel, MDE officials, representatives of authorizing agencies, management companies, and community representatives.
  - S** Demographic data, financial data and MEAP test scores from the last three years for PSAs and their host districts were analyzed.
  - S** Documents, literature, school portfolios, and student work samples were reviewed.

Overall, there was a high response rate for the two sets of surveys. PSAs were used to assist in collecting surveys from staff and parents. While this helped to achieve a high response rate, it also posed a limitation, since the surveys were opened at several schools in violation of given instructions. The table below includes general information about the achieved samples.

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<sup>1</sup> The term “public school academies” is synonymous with “charter schools” in Michigan.

Questionnaire	Target Group	Achieved Sample (N)	Response rate in %	Notes on Excluded Schools
Charter school survey	PSA teachers/ staff	728	89.7%	
Charter school survey	PSA students (Grades 5-12)	1880	92.8%	4 schools excluded since they did not enroll students in grades 5-12
Charter school survey	PSA parents/ guardians	981	69.8%	10 schools excluded due to low response rates
School climate survey	PSA teachers/ staff	576	89.7%	7 schools excluded, due to low response rate
School climate survey	PSA students (Grades 6-12)	1145	86.0%	7 schools excluded since they did not enroll students in grades 6-12; 4 additional schools excluded because they were unwilling to participate
School climate survey	PSA parents/ guardians	310	65.1%	21 schools excluded due to low response rates

Note: Schools with response rates lower than 45 percent were not included.

- There were a number of limitations concerning the study. Most noteworthy are the possible tampering of data by PSAs, the short duration of the study, and the absence of standard requirements for demonstrating accountability and providing evidence for student success. The polarized nature of this reform has likely influenced many informants to distort information, both in favor or against the charter schools.

### Description of the Public School Academies

- There were 38 PSAs operating during the 1995/96 school year, and 106 operating in 1997/98; this number increased to 137 PSAs in operation during the 1998/99 school year. There are a few more schools that have received charters but have not yet opened. There were approximately 26,000 students enrolled in PSAs during the 1997/98 school year and almost 34,000 during the 1998/99 school year. The PSAs account for approximately 2 percent of the total enrollment in Michigan's public K-12 schools.

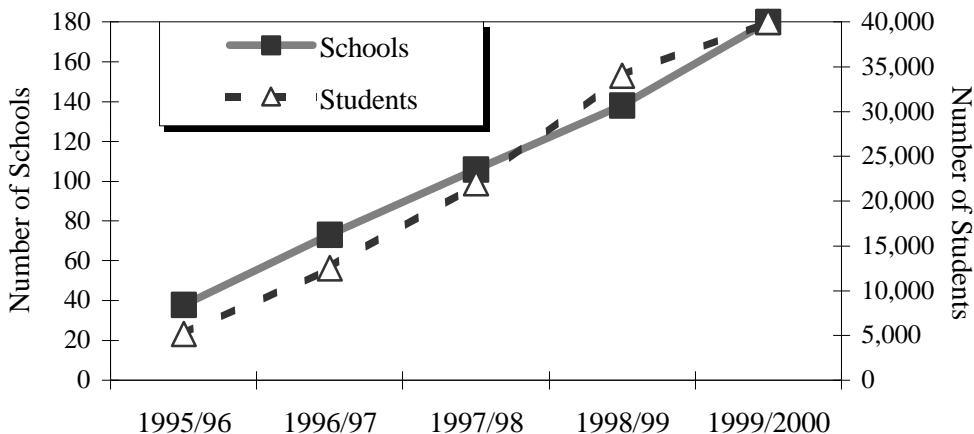


Figure 1. Growth of Public School Academies

Note: Figures for 1998/99 and 1999/2000 are estimates based on information provided by PSAs and authorizing agencies.

- The PSAs are typically very small in terms of size. With the trend toward more management companies starting or running the PSAs, the average school size of PSAs is increasing and will likely continue to increase. The management companies prefer to have larger schools for reasons related to overall cost-efficiency.
- The PSAs operating in the state are extremely diverse. In fact, there is greater diversity among the PSAs than between the PSAs and the traditional public schools.
- There are four distinct groups of charter schools in Michigan, each with its particular characteristics:
  - S *Converted private schools.* This group of schools was largest among the first charter schools in operation. In fact, some authorizing agencies initially considered only applications from conversion schools. There are few private schools that have converted over the past two years.
  - S *Converted public schools.* There are a handful of PSAs that were formerly public schools which “opted out” to become a PSA. In all cases that we are aware of, these were former alternative high schools.
  - S *“Mom and Pop” schools.* These include the many small schools started by individuals or small groups of concerned adults. These schools, because of their small size and because of their limited economic clout, have struggled to secure buildings for their schools. Fewer and fewer of these types of schools are receiving charters, since the authorizers understand that they will require more assistance and their small size will make them more vulnerable to shifts in enrollments. Many of these schools have sought the services of management companies.
  - S *“Franchise” or “cookie cutter” schools.* These are largely identical—but legally separate—schools that are started by management companies. They follow the established model prescribed by the company.
- While some schools celebrate diversity and strive to increase the racial and social diversity of the students, others have few, if any, minorities or students with special needs.

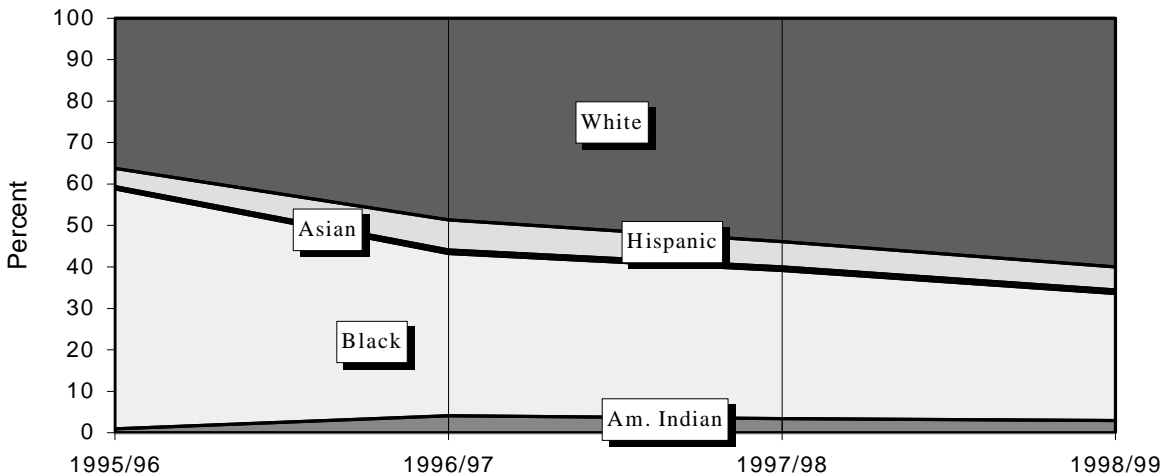


Figure 2. Changes in the Ethnic Composition of PSAs Over Time.

Note: Figures for 1998/99 are estimates based on information provided by PSAs and authorizing agencies.

- In the 62 PSAs that reported data for the 1996/97 school year, 51 percent of the students were minorities as compared with the total enrollments in K-12 schools, which include approximately 33 percent minorities. Therefore, one can say that the PSAs have more minority students enrolled in them than the state of Michigan average for K-12 education. Nevertheless, since the charter schools are largely in urban areas where the concentrations of minorities are higher, we cannot claim that the schools are necessarily attracting more minorities. In fact, in relation to the host districts, the PSAs as a whole have fewer minorities. Thus, there is support for those who argue that the charter schools are skimming and increasing segregation.
- Over the past few years, one can see that there is a clear trend toward fewer and fewer minorities in the PSAs. In some schools this is due to a changing ethnic composition in the schools (high attrition with fewer minorities included in the new students). This trend toward enrolling fewer minorities is largely due to the establishment of new PSAs that enroll fewer minorities. Between 1995/96 and 1996/97, the proportion of minorities decreased by 12.5 percent. Between 1997/98 and 1998/99, the percent of minorities is estimated to have decreased by another 10-12 percent.
- The data on students qualifying for free or reduced lunches was mixed, with some PSAs having a larger proportion of their students qualifying for FRL than the host district and others having a lower proportion. Most PSAs reported having no students qualifying for FRL, either because none qualified or because they did not complete the paperwork for this federally funded program.
- Mission statements of PSAs are much like those of many traditional public schools, yet there are some unique emphases that may not be widely used and/or carried out as the major theme for traditional public schools. Examples of this would be specific emphases on an African-American-centered-approach, a targeted at-risk student clientele, a fine arts theme, etc.
- In a large number of PSAs, there is little evidence that the missions of these schools include other critical elements of the purposes of PSAs as set forth in the legislation such as innovative teaching methods; more effective, efficient/equitable use of funds; greater accountability at the local school level; and/or the creation of new professional opportunities for teachers.
- There are a number of reasons for establishing PSAs. The most common are listed below:
  - § Dissatisfaction by a group of parents with the educational program being provided by the local school district, which may include perceived failure to provide an acceptable level or quality of special services, lack of emphasis or support for a particular student activity, larger than desired class size, failure to include certain languages or study areas within the curriculum, lack of instruction regarding certain values, inability to guarantee the safety of all students at the school, etc.
  - § Opportunity to obtain a more stable financial base for a private school
  - § Personal mission of one or more individuals to develop a school with a particular emphasis, e.g., environment, agriculture, service learning component, etc.
  - § Opportunity to create a school that is perceived to be more safe, drug/crime free, etc.
  - § Opportunity to create a financial profit by one or more entities from the private sector

### **Governance and Leadership of PSAs**

- The governance of public school academies is one of the most radical changes from the traditional structure of public schools throughout the history of the United States. PSA boards of directors are officially

appointed by the authorizer and not elected by parents or any other specified group of stakeholders or persons. The roles and responsibilities of the PSA boards of directors are defined in the bylaws as approved by the authorizing body. However, the primary responsibilities appear to be the setting of policies and establishing the operational procedures of the PSA.

- While some might describe the governance of PSAs to be an evolving role, it is clear that PSAs are authorized with the expectation that there will be a fully functioning governance structure, at the center of which is the board of directors or some similar body. While the selection/appointment process varies from the traditional school board member, PSA board members are considered to be public officials and are subject to the same regulations and laws as other public officials. Over the past year, the authorizing agencies became more involved in training and preparing board members.
- Effective and comprehensive board and operational policies are poorly designed and not well used in several schools. Authorizing agencies are aware of this problem and are taking steps to address it.
- Boards are critical to the success of a school. Problems within or related to actions of boards of directors are often related to the inexperience of members in this role; lack of understanding of their role and function; the urgency and critical nature of some of the issues that need to be addressed; and the vested interests of some board members in the schools' missions and financial future of the school.
- Schools initiated by management companies seem to have board members nominated on the basis of their positions/reputations in the community. Locally developed PSAs are more likely to have members who are closely related to the school and/or the founding group, i.e., parents, leaders of a converted private school, etc.
- Individuals in school leadership roles may be visionary and quite good at developing the idea and basis for a school, but ineffective and unwilling to relinquish control of the school to the board. References about micro-management of some school principals have been voiced by stakeholders, since this is unacceptable or incompatible with an environment that includes parental and teacher involvement and decision making. A number of PSA leaders are poorly prepared for their assignments in terms of formal training and/or experience, especially in the areas of school law and regulations, personnel and program evaluation, and budgeting.
- The weakest element in many schools seems to be the “administrative” function. This was evident from the survey results and from interviews. Administrators are overburdened with tasks and responsibilities that have direct impact on the operational aspects and missions of the schools.
- A large number of PSAs have experienced outright conflicts and strained relationships between teachers and administrators and between boards and administrators. These conflicts appear to be due to poor communications and/or personal and professional differences of opinion. Many conflicts appear to be due to strong vested interests on the part of some stakeholders. The result is often terminations or resignations or continuing conflicts and confrontations.

### **Curriculums and Quality of Instruction of PSAs**

- While the school curriculum is outlined in applications, many new charter schools do not have a fully operational curriculum in place when the school starts. Many schools still lack instructional materials appropriate to the school curriculum.
- The curriculums of the PSAs in many respects resemble the curriculums of the traditional public schools. Within each curricular area, however, one can identify some specific emphases that mark the unique

approaches of some of the schools such as cultural development, attitude development, values and character education, problem solving, languages, and special areas of the arts. At the secondary level PSAs, one generally finds the core subjects of a traditional curriculum plus an array of special areas of study, e.g., computer technology; economics and business; food, agriculture, and natural resources; visual and fine arts; the humanities; life management education; career explorations; career and employability skills; health care; international studies, etc.

- Since most PSAs began as newly founded schools (as opposed to a conversion), the curriculum is still evolving. Teachers have spent many hours selecting, adapting, and developing curriculum. In many cases, this work had to be done during the summer and at other times in which they were not employed by the PSA. In other PSAs, a prepackaged curriculum with a particular emphasis and a prescribed teaching methodology has been implemented. In those schools operated by an outside management company, it is common to find a prescribed curriculum identified and developed/approved by a committee as a condition of the contract.
- In the parent survey, 75.1 percent of the respondents agreed or strongly agreed with the statement “I am satisfied with the school’s curriculum.” Almost half (41 percent) of the 723 surveyed teachers were unsure, dissatisfied, or very dissatisfied with the school’s curriculum. Among the surveyed students, 54.3 percent agreed or strongly agreed with the statement “I wish there were more courses I could choose from.”
- Decisions about curriculum in the PSAs are often determined by the principal. However, there are other instances in which curricular decisions are made with considerable input from teachers and parents. Schools run by the large management companies are usually expected to follow the prescribed curriculums.
- Teachers received generally high marks on items related to the quality of instruction on the charter school survey. Selected survey items and the percentage of students who agree or strongly agree with the item are listed below:
  - S I am learning more here than at the previous school (64.3 percent).
  - S Almost every assignment that I turn in to the teacher is returned with corrections and suggestions for improvement (50.2 percent).
  - S My teacher is available to talk about academic matters (72.2 percent).
- As measured by the school climate survey, teacher-student relationships were noticeably better in the PSAs than in average public schools (this instrument had national norms with which the PSAs were compared).
- Among the surveyed parents, 69.1 percent agreed or strongly agreed that they “were satisfied with the instruction,” and 71.8 percent agreed or strongly agreed that “Teachers are challenged to be effective.”
- Some resignations and dismissals of teachers were reportedly related to ineffective instruction. At the same time, queries and reviews of documents indicated that there are generally weak personnel (teacher) evaluation procedures in place in most schools.

### **Financial Status of the Schools**

- PSAs struggle with finding necessary start-up funding. Personal loans and “bridge” loans seem to be common characteristics of “grass-roots” PSAs. Management companies are able to provide start-up monies or guarantee loans for buildings, equipment, personnel, etc. Long-term funding for capital improvements have been difficult to obtain in many cases. Generally, successful efforts to obtain loans from local financial institutions are credited to the reputations of board members and other key officials associated with the schools.

- The PSAs are very “loud” in expressing their need for more resources. In terms of resources, the greatest disparities among PSAs are clearly visible in their instructional facilities. While a large number of PSAs do not have permanent sites for their schools, even after a few years of operation some are still struggling to secure a permanent facility. For many of the schools in this situation, the problem is not one of finding an available site; rather, it is a problem of securing sufficient resources with which to renovate or build.
- The private school conversions retain their facilities from when they were private schools, and the public school conversions (alternative high schools) typically can rent the facilities they used previously or can secure a facility through the local school district with which they usually have good relations.
- The operational monies provided by the state seem to be sufficient at the current level of operational costs. Some PSA directors reported that the schools can be operated with a profit expectation of \$1,000 per student. The majority of PSAs in Michigan are operational at the lower grade levels, and the recognized cost of instruction is considerably less than it is for high school grades. Also, the average salaries for teachers are at a comparable or even lower level than the starting salaries for beginning teachers in the school districts in which the PSAs are located.
- For the 1997/98 school year, the PSAs typically received between \$20,000 and \$40,000 from the Michigan Charter School Grant Program (these grants are from federal funds intended to help charter schools with start-up costs). In addition, most schools were awarded two or more other grants. Nevertheless, the schools vary considerably in terms of qualifying and applying for and securing grants. While one school was able to secure as much as \$570,000 in a single year, most schools receive between \$40,000 and \$100,000 from external grants in a single year.
- The PSAs vary considerably in their ability to attract private gifts and donations. Some PSAs have received private gifts and donations in the form of money, loan guarantees, supplies, and even buildings.
- The PSAs are to receive the same per student allocations (foundation grants) as the host district in which their school lies, or a maximum of \$5,962 during the 1997/98 school year. During the 1997/98 school year, the average per pupil foundation grant for the state was \$6,061. In more than half of the schools, the foundation grant is the same as for the host districts. In 37 PSAs, the host district received additional funds that exceeded \$100 per pupil, and in 21 cases the additional per pupil foundation grant exceeded \$500. In a few cases, the host districts had such high foundation grants that they ended up receiving as much as \$2,000 to \$3,000 more per student than did the local PSA.
- In terms of total revenues for the 1996/97 school year, 15 of the 73 PSAs had more resources per pupil than did their host district. The two PSAs operated by Native American Indian groups had more than double the per pupil revenues of their host districts. For most PSAs, however, the additional funding that host districts had available per pupil (based solely on the foundation grant) remained larger or actually increased. During the 1996/97 school year, the average state per pupil revenue was \$7,050.
- In 1996/97, 7 of the 73 PSAs spent more per pupil than did their host districts. On the average, the host districts were spending between \$900 and \$1,800 more per pupil than the PSAs located within their district. Obvious differences in spending would be the costs of transportation, which many PSAs do not provide, as well as the large difference in teachers’ salaries.

- The PSAs appear to be spending a higher proportion of funds on support services than did comparable districts (Prince, 1998). They also spend more on administrative activities. Over time, there also appears to be a trend toward reduced spending on general administration and school administration, but increased spending by the business office. This is likely to be due to the increased involvement of management companies.
- Disparities in salaries between the PSAs and host districts are extremely large. In at least two cases, the average salaries of PSA teachers are one-third the average salaries of teachers in their host district. The teachers in five PSAs had average salaries that were \$30,000 or more lower than their counterparts in the host districts. Even for salaries of beginning teachers with comparable training, the PSAs reported that they pay 10-25 percent less than their host district.
- A comparison of costs between PSAs and schools in their host district is complicated by a number of factors that weigh differently for PSAs and traditional public schools. Some of these include the following:
  - S While PSAs initially have to spend more for facilities, they have considerably lower costs for instruction as is evident in the comparison of salaries.
  - S While the traditional public schools have to devote a portion of their state aid for such things as transportation, meals, and other support services, this is optional for PSAs.
  - S Most PSAs provide instruction at only the elementary level, which is considerably less expensive than schooling at the high school level.
  - S In terms of economic planning, the PSAs have an advantage since they can accept only a specific number of students that fit into their economic plans. On the other hand, the presence of PSAs poses problems in planning for the traditional public schools, who must provide a place for all students who want one, since it is more difficult to plan for a specific number of students.
  - S Particular areas where there is a lack of knowledge and information to make comparisons include the costs for such things as start-up and facilities. Likewise, it is difficult to determine the value of in-kind services.
- Both traditional public schools and PSAs claim that the “playing field is not level” in terms of resources. Further research into this area would be helpful in determining measures to distribute resources fairly.

### **Description of Teachers and Staff in PSAs**

- Among the 728 teachers and staff sampled, 69.3 percent indicated that they are teachers, 12.4 percent teaching assistants, and 7.3 percent specialists. There were no student teachers in the schools during data collection. Just under 4 percent indicated that they were principals or school directors, and nearly 20 percent indicated that they had some other title or position. Many of the teachers and staff have more than one role.
- Of the 488 staff who indicated they are teachers, 92 percent reported that they are currently certified to teach in Michigan, 2 percent were certified in another state, 3.9 percent were working to obtain certification, and 2 percent indicated that they were not certified and were not working to obtain certification. This information should be considered indicative and not conclusive.
- Most teachers reported that they were teaching in a subject area in which they are certified to teach. Approximately 5 percent of all staff working in the classroom indicated that they were not certified in the subjects they taught.

- The age distribution among the PSA teachers and staff indicated that they are rather young. Among classroom teachers, 47.8 percent were in their 20s, 24 percent were in their 30s, 21.4 percent were in their 40s, and 7.1 percent were 50 or older.
- In terms of ethnic composition of teachers/staff, 85 percent were white, 9.3 percent African American, 1.3 percent Hispanic, 0.8 Asian or Pacific Islander, and 3.7 percent Native American Indian. In terms of gender differences, 79.6 percent of the teachers and staff were females, and 20.4 percent were males.
- Among those 611 staff who had completed a university degree, 78 percent had a BA as their highest college degree, 17.5 percent had an MA, 3.1 percent had a 5- or 6-year certificate, and 1.3 percent had a Ph.D. Forty-two percent of the staff were working toward another degree.
- Eighteen percent of directors/principals and 11 percent of teachers indicated that they did not intend to return during the next school year. While these data were collected between December 1997 and February 1998, many strong conflicts at the end of the year caused a large number of teachers to quit in some cases; in other cases the teachers or the director or both were removed by the school board.
- On average, the teachers and staff had 6.4 years of experience as educators. There is clearly a large gap between the teachers, with an average of 5.9 years of experience, and the principals/directors, with 19.5 years of experience. A considerable percentage of the teachers are in their first or second year of teaching. About 40 percent of the accrued experience of teachers and staff was in private and/or parochial schools. The bulk of the experienced teachers in the Michigan charters schools are in the conversion schools. Charter school teachers in Michigan are relatively weak when compared with the directors, who have considerably more experience, education, authority, and salary than teachers.
- The relative age, formal education levels, and amount of working experience of these charter school teachers is markedly lower than charter school teachers in other states (in Connecticut, where we are conducting a similar evaluation, the classroom teachers had, on average, nearly 30 percent more experience than the classroom teachers in Michigan's PSAs).
- All but 22 staff members (3.1 percent) indicated that they were aware of the school's mission. Of those who indicated they were familiar with the mission of the school, 36.8 percent thought the mission was being followed "very well," while 41.4 percent thought it was being followed "well," 18.6 percent "fair," and 3.2 percent "not very well."
- While the teachers and staff were generally quite satisfied with the schools' missions (76 percent of the staff indicated that they were "satisfied" or "very satisfied" with it), they were not equally convinced that the schools could fulfill them. There was a statistically significant difference between the "ideal school" represented by the school mission and the "actual school" represented by the perceived ability of the school to fulfill its stated mission.

### **Working Conditions and Level of Satisfaction for Teachers and Staff**

- The quality of the school facilities varied extensively among the charter schools. Therefore, it was not surprising to see an even split in the responses from teachers and staff concerning the quality of their schools' facilities. Approximately 45 percent of the staff were satisfied or very satisfied with the school buildings and facilities. On a related item, 42 percent of the teachers and staff agreed or strongly agreed that the physical facilities were good, while the rest were either not satisfied with the facilities or were uncertain.

- The survey results indicated that the schools vary widely in the quality of their facilities and the availability of resources. This was also confirmed in site visits and interviews. Just over 37 percent of the teachers and staff indicated that they thought their school had sufficient financial resources. On a related item, 43 percent of the teachers and staff indicated that they were satisfied with the resources available for instruction.
- PSA teachers typically receive 10-25 percent less pay relative to what they would earn in the traditional public schools with their particular training and experience. Because there are more experienced teachers in the traditional public schools, in many cases the average teacher salaries in the PSAs are less than half the average salaries in the host districts.
- Thirty-nine percent of the teachers and staff were satisfied or very satisfied with the salaries they received, while 23.9 percent were either dissatisfied or very dissatisfied with their salaries. A large proportion of the staff (37 percent) indicated that they were neither satisfied nor dissatisfied with their salaries.
- The teachers do not have tenure, although nearly all of them have some form of benefits and retirement. Fringe benefits appear to vary considerably among the schools. This can be seen in the large proportion of teachers and staff who were “very dissatisfied” or “very satisfied” with the fringe benefits they received. This may be indicative of a need to consider this and other issues on a school-by-school basis.
- Teachers were particularly satisfied with the small class sizes. This was an important reason for seeking employment at the charter school.
- Thirty-six percent of the teachers and staff indicated that they were insecure about their future at their particular school. In terms of satisfaction with their jobs, 12.3 percent of the teachers and staff indicated that they did not plan/hope to be teaching in that particular school next year, as compared with 87.7 percent who intended to return.
- Most teachers and staff have many noninstructional duties in addition to their teaching load. A large number of teachers and staff complained about this. On the whole, however, the teachers and staff were quite aware of the large commitment they needed to make to get the school “up and running.”
- A number of differences existed between teachers and school principals/directors. The principals had more experience, more training, and were more likely to have worked in private and/or parochial schools. Teachers were less positive about the schools and were less likely to think they could influence the direction of their school. As one would expect, teachers did not rate the administrative leadership of their schools as high as did the principals. The charter school principals were less likely to indicate that class sizes were too large and were less inclined to indicate that teachers had many noninstructional duties.
- A number of significant differences existed between the schools/classes at the primary and secondary levels. Parents had—or exercised—less influence over schools in the upper grades, and communication with the home was perceived to decline in the upper grades. The teachers and staff indicated that less innovation and lower achievement levels were more likely with the upper grades. The staff also indicated that fewer support services and fewer resources for instruction were available in the upper grades. Likewise, the teachers in the upper grades were less satisfied with the school facilities although they were more satisfied with fringe benefits.
- A number of identical items were used in the surveys to examine and compare the charter school staffs’ “initial expectations” as opposed to “current experience.” In general, it is clear that the teachers and other staff were content with their schools and satisfied with the services they provide. However, there were

significant differences between what was initially expected and what the educators were currently experiencing. What the teachers and staff were reporting as “current experience” was significantly less positive than their “initial expectations.” The biggest differences between initial expectations and current experience were on the following items: (i) The school will have/has effective leadership and administration; (ii) Students will receive/receive sufficient individual attention; and (iii) Teachers will be able to influence the steering and direction of the school.

- Among the most important factors for seeking employment in charter schools was the opportunity to work with like-minded educators and interest in an educational reform effort. These are two intrinsic factors. A number of factors that suggest a better working environment were also found to be important in influencing decisions to seek employment at the charter schools; for example, working with small classes, committed parents, safety at school, and high academic standards. Just over 30 percent of the teachers agreed or strongly agreed that “difficulty in finding other positions” was an important factor.
- Relative to the traditional public schools, the PSAs did not appear to have better professional development opportunities. Of course, possibilities for professional development in the PSAs varied extensively.

### **Students and Parents**

- At the start of the 1997-98 school year, there was a total of approximately 26,000 students in all the schools. (This figure is only a reasonable estimate since it includes expected enrollments in September 1997 for all existing schools and anticipated enrollments for the 27 new charter schools that had begun operating). For the 1998/99 school year, the enrollments are estimated to be close to 34,000.
- Among the sampled students, the average amount of time enrolled in their schools was 2.2 years. Just over 77 percent of the students had previously attended a public school, while 12 percent had attended private or parochial schools and 7.4 percent were home-schooled. Because of the location and nature of the PSAs, most students live in urban or suburban areas and are enrolled at the elementary level.
- In terms of ethnicity, 68 percent of the sampled students were white, 19 percent African American, 5.6 percent Hispanic, 0.7 percent of Asian or Pacific Island descent, and 6.9 percent were Native American Indians. Forty-eight percent of the sampled students were females.
- Among the sampled parents, 78.6 percent were white, 14.6 percent were African American, 3.6 percent were Hispanic, 0.4 percent were of Asian or Pacific Island descent, and 2.8 percent were Native American Indians. Eighty-six percent of the parents who completed the surveys were females.
- Half of the sampled parents had family incomes between \$40,000 and \$100,000, with 5 percent of the families over \$100,000. Only 3.6 percent of the families had annual incomes lower than \$10,000.
- Sixty-one percent of the parents reported that they did not volunteer at school at all or to a very limited degree (i.e., less than 3 hours per month). On the other hand, a much smaller proportion of the parents reported volunteering quite extensively. Eighteen percent of the parents volunteered between 4 and 6 hours per month, 5.6 percent volunteered between 7 and 9 hours per month, and 7.8 percent volunteered more than 12 hours a month.

- Most PSAs apparently do not formally require that parents volunteer at the school (25 percent of the parents reported that voluntary work was required), although from interviews it is clear that the schools expect greater support and volunteer work from parents.
- The average distance to the charter school was 5.3 miles, while the average distance to the nearest applicable traditional public school was 2.5 miles. Since most PSAs do not provide busing, this indicates a high level of commitment on the part of parents.
- Parents indicated that the following 6 factors were most important to them in choosing the school: (i) good teachers and high quality of instruction, (ii) emphasis and philosophy of this school, (iii) safety, (iv) academic reputation (high standards), (v) more emphasis on academics than extracurricular activities, and (vi) promises made by charter school's spokespersons.
- Just over 58 percent of the students thought they would recommend to a friend that he/she enroll in their PSA. On the other hand, 15.4 percent reported they would not recommend their school to a friend, and 26.5 percent were not sure.
- Parents sending their children to a PSA had high expectations for the school. In all categories where we solicited information on parents' initial expectations and current experience, we found significant decreases. The largest disparities between initial and current expectations were regarding school leadership/administration, quality of instruction, and individual attention for students.
- Students were asked to rate their own performance at school. The sampled students perceived their performance to be better at the PSA than at their previous school. Just over 50 percent of the sampled students indicated they were more interested in their schoolwork at their PSA than they were at their previous school, 13 percent were less interested, and 36.4 percent indicated their interest level was about the same.
- Safety at school has been an important concern of parents and an important factor for choosing a charter school. Only 13.4 percent of the sampled parents reported they had concerns for their child's safety at the PSA. Nevertheless, several parents still had concerns about the safety of their children on the school grounds.
- Some PSAs have few or no students with special educational needs, while others have more than their host districts. Many PSAs advocate full inclusion of students with disabilities. Characteristics of PSAs deemed to be successfully providing for students with disabilities include the following: more individualized instruction for all students, lower teacher/student ratio, and absence or limited use of special education labels.
- Most PSAs work with local intermediate school districts (ISDs) in order to meet the special needs of their students. A small proportion of the schools can provide the necessary special education with only their own staff. A few schools contract with a local private center to provide for the special needs of students.

### **PSA Legislation and Role of MDE**

- A majority of PSA informants were generally content with the current legislation. Many individuals expressed their wish that the legislation would stipulate that start-up funds be made available to the schools so that they could secure, build, or renovate a facility. Some persons thought the state of Michigan should guarantee bank loans or establish a fund from which schools could borrow money.

- Several informants, including some authorizers, thought that more time should be mandated to plan and develop the school prior to opening the doors to students. While this issue may be addressed with new legislation, it may be more logical to require this as part of the authorization process.
- Several charter school representatives thought that the state should provide more technical assistance to the charter schools.
- The most prominent legislative issues raised by educational management organizations (EMOs) include the following: (i) provision of more start-up funds or guaranteed loans, (ii) allow multiple site charters as in the case of Arizona, and (iii) allow expansion to second sites for schools that are performing well and have long waiting lists.
- The PSA legislation has only begun to provide parents and pupils with greater choices among public schools, both within and outside their existing school districts. Currently, approximately 2 percent of the compulsory level students in Michigan’s public schools are enrolled in PSAs. Choice opportunities created within the public school sector are largely limited to urban areas. The few rural PSAs that exist are in the proximity of a town from which they can attract students.
- Principals of PSAs indicated that the state required too much paperwork and too many reports. Some principals were extremely vocal in criticizing the extensive reporting requirements.
- The charter schools are—in their own words—being swamped with mail from MDE, most of which they claim is irrelevant to their particular school (each PSA receives all pertinent paperwork for principals and school superintendents). The MDE, on the other hand, is concerned that it is not accused of overlooking any particular school in terms of access to information.
- Nearly all PSAs reported that MDE representatives had never visited their schools, although there was widespread agreement that the response to telephone requests for support and guidance was quite good. A number of the schools indicated that they had virtually no contact with the MDE, and some principals said they wanted to keep contact to a minimum.

### **Authorizing Agencies**

- There are four potential types of authorizing agencies in Michigan: public universities, community colleges, intermediate school districts, and local school districts. Authorizing agencies are responsible for overseeing those schools to which they grant a charter. A contract is written up between the authorizer and the school in question, and the authorizer is responsible for seeing that the charter school lives up to the charter and is in compliance with applicable rules and regulations.
- There are currently 137 PSAs operating in Michigan. Of these, 109 are authorized by universities, 1 by a community college, 15 by intermediate school districts, and 12 by local public school districts. Among the state universities, 5 that have not authorized charter schools (i.e., University of Michigan, Michigan State University, Wayne State University, Western Michigan University, and Michigan Technological University). The Board of Trustees at Western Michigan University has decided to develop a policy to begin chartering schools, possibly as many as 6 by the 1999/2000 school year.

- The decision to have universities authorize PSAs is rather unique in the country. In most states, the local education authorities or a state authority, or both, issue charters. Many point out that this attribute in Michigan is due to a political decision: since the governor wants charter schools, and since the governor appoints the members of the boards of all state universities (aside from Michigan State University, The University of Michigan, and Wayne State University), this is a political arena that the governor can control. At a conference in December 1998, the president of Eastern Michigan University stated that he was against charter schools, but when the governor threatened Eastern Michigan University with allocations, he changed his mind.
- Approximately 90 percent of the total charter school enrollment is in schools authorized by universities. There are advantages and disadvantages for the universities and for the charter school initiative with this particular arrangement. While university boards tend to mandate involvement in chartering schools, the colleges/ departments of education at these universities tend to oppose charter schools and their university's involvement in authorizing charter schools. The involvement of university staff is usually limited to staff in the charter school office and does not include a broader exchange. At a few universities, opposition by the faculty has reportedly decreased.
- The role of authorizer is inconsistently understood and applied across the state. The value of authorizer oversight and assistance varies considerably among the authorizing agencies.
- In some cases the authorizers attempt to conceal rather than reveal weaknesses or problems at their schools. One authorizer has had several schools that have run into a number of very serious problems. The head of this authorizing office reported that they have little power to steer the schools. Another authorizer took a very different course by initiating a process of investigation that led to a decision not to renew one school's charter.
- The charter schools pay a 3 percent administrative fee to the authorizing agency. This fee covers costs for reviewing applications, issuing charters, and providing oversight to the schools. Authorizing agencies also provide some technical assistance to the schools they charter. Examples of services provided by the authorizers include the following: monthly newsletters, workshops or meetings for school directors, training for new board members, and assistance from third-party consultants paid for by the authorizing agencies.
- Many of the authorizers, especially those with small schools and/or few schools, thought that the 3 percent fee was barely sufficient or not sufficient enough to conduct the oversight required. Reportedly, one authorizer is taking steps to return money to the schools it authorizes since it thinks it receives too much money for the oversight and technical assistance it provides.
- Many of the authorizers we interviewed indicated that it is not possible to distinguish specific expenses. The processing of applications can consume between 10 and 25 percent of their total expenditures.
- After requesting an application form for submitting an application for a charter, it usually takes 5-6 months before successful applicants receive a contract with an authorizing agency. There are, of course, considerable differences among the authorizers as well as differences that occur from year to year.
- Oversight is a rather new activity, and in many respects it is fair to say that the authorizers are learning as they go. Given the experience of the first few years, many authorizing agencies are developing rather effective routines that help to streamline oversight activities. They have also been able to develop

comprehensive packages of information to facilitate the schools' operations in terms of compliance issues. Authorizing agencies appear to be receiving a considerable amount of support and guidance from one another.

- Generally, the schools reported receiving between 3 and 7 visits per year from representatives of the authorizing agencies. Documentation provided by Central Michigan University indicated that the number of visits made to PSAs ranged from 4 to 27 during the 1996/97 school year. Other authorizers also indicated that they made far more visits to the schools than the schools themselves had indicated. For example, many authorizers have a representative attend PSA board meetings.
- Comments from the school principals regarding their authorizing agencies varied extensively depending upon which authorizer they had and how certain they were that their comments would remain confidential.
- Among the four state universities that were authorizing in our part of the state, the schools chartered by Grand Valley State University and Saginaw Valley State University were clearly most satisfied with the oversight and support they were receiving. The comments from the directors of the three schools chartered by Northern Michigan University were generally quite favorable. Due to a number of factors, such as changes in charter office leadership and pressure on PSAs resulting from a state audit, the principals of PSAs chartered by Central Michigan University were clearly least satisfied with the role their authorizer played.
- Not all authorizing agencies provide the MDE with requested information. The length and quality of the information provided vary extensively. The Michigan Department of Education does not usually receive financial statements from authorizing agencies regarding how the 3 percent administrative fee is used. These entities are generally universities that have no reporting responsibilities to the MDE.
- Eligible organizations have a number of reasons for not exercising their authority to authorize PSAs. For the local school districts, the list might include the following: (i) view that charter schools are competitors, (ii) potential conflicts with the union, (iii) loss of enrollment and revenue for the traditional public schools, and (iv) disagreement with the concept and the use of public funds for charter schools.
- Reasons why universities and community colleges did not exercise their authority to charter PSAs include the following: (i) lack of compatibility of this activity with the mission and purpose of the university; (ii) lack of personnel and/or resources to fulfill the expectations of an authorizer; (iii) potential conflict of interest and loss of support from other public schools from which the university enjoys support and cooperation for student teaching, internships, research, etc.; (iv) faculty disagreement with the concept of PSAs; (v) disinterest in engaging in a politically charged agenda item that is not central to the legislative authority of higher education; and (vi) unwillingness to engage in a relationship with specific parties (and their beliefs) that have approached selected universities about the chartering/authorizing process.
- Other factors that affect decisions by state universities: (i) Would future resource allocations to a university be affected by a politically unpopular stance? (ii) How much authority/responsibility would the university have for a failing PSA? (iii) The opportunity to attract the 3 percent administrative fee seems to have little impact on these decisions.

### **Management Companies**

- Educational management organizations (EMOs) have become influential stakeholder group in the PSA initiative. During the 1997/98 school year, just under 50 percent of the schools were contracting out services

to EMOs. During the 1998/99 school year, this figure jumped to approximately 70 percent. There also appears to be a trend that a larger proportion of new applicants that receive a charter already have agreements with management companies.

- The nature and purpose of the management companies vary extensively according to a number of characteristics including whether they are for-profit or nonprofit and whether they work with one school, locally, or several schools in several different communities. Five types of management companies are identified in the report.
- An emerging group of businesses cater specifically to charter schools and provide a range of services. Some are limited to specific services, while others provide a wide variety of services. Some schools use management companies only for payroll and benefits purposes, while other schools use EMOs to plan, develop, and manage most aspects of the school.
- Relative to other states, Michigan's PSA initiative is more attractive to EMOs. Some of the factors that make Michigan charter schools an attractive market for EMOs include a lack of restrictions on school size, limited involvement of local school districts, and a lack of restrictions about the operation of for-profit companies in the charter schools.
- Some of the factors that influence PSAs to contract out part or all of their instructional and management services included the following: limited start-up funds, limited technical assistance, pressure from authorizing agencies, and PSA administrators being overwhelmed by paperwork and bookkeeping. There is clearly a symbiotic relationship between many of the PSAs and their management companies.
- For the authorizers, it is clearly advantageous to have schools that work with management companies. These schools will have access to capital and fewer budgetary problems.
- A number of schools expressed concern with the management companies, primarily due to the issue of control over the curriculum and focus of the school. At a few schools, the staff and parents were angry and upset that their management companies had assumed a tight control over the school.
- While the PSA initiative was intended to promote parent and teacher influence in the schools, some EMOs start and run the schools according to their own visions and motives. Several management companies are involved in the selection process of board members. Although board appointments are made by the authorizing agency, the recruitment and recommendations for board members have also come from the management companies.
- The logical development of the relationship between PSAs and a management company begins when the PSA searches for a company to provide for its particular needs. Increasingly, we are seeing the opposite, with management companies going in search of a "community" to host its schools. In fact, at several schools we were informed that the impetus behind the school was not a local group of parents or educators; rather, it was the management company.

### **Innovations and Use of Educational Technology**

- As noted in the PSA legislation, one of the primary purposes for PSAs is to stimulate innovations. For the purpose of this evaluation, we have considered innovations to be something new and different that is introduced. There are numerous operational definitions of "innovation," and it is clear that there is a need

to establish a definition that is credible among education professionals and other external audiences, yet reasonably reflective of local perceptions. While a number of innovations were reported by individuals associated with the charter schools, experienced educators would likely not agree that these ideas or practices were new. To be reasonable, we also considered and reported examples of educational practices that seem to be infrequently found in other schools. Additionally, we broadened our search for innovations to include not only teaching methods, but also innovative educational practices.

- Based upon school visits and documentation provided by PSAs, we conclude that there are limited innovations being developed and applied in the PSAs. In fact, the charter schools were remarkably similar to the regular public schools, with the notable exceptions of generally smaller student enrollments, the presence of additional adults in the classroom, governance, and span of contracted (management) services. Many schools that had unique curriculums are—over time—reverting to “canned curriculums” that do not necessarily address the goals and objectives of the school. While many innovative and unique ideas were highlighted in school plans, we found that many schools were not able to develop and implement these ideas.
- Instances of reported innovations include team teaching, direct instruction, cooperative learning, modular/block scheduling, uniforms for students, etc. Many of the reported innovations have actually been practiced—on at least a limited scale—in traditional public schools.
- Since there were few clear innovations, the issue of transportability is not an immediate expectation. Nonetheless, there is little evidence that communications or procedures to engage in dialogue with the traditional public schools exist with regard to transportability of innovations or effective practices.
- Among some of the most noteworthy innovative or unique practices in instruction and teaching that were highlighted by PSA staff, the following can be mentioned:
  - § specific focus or theme in the curriculum, i.e., Native American, African American, fine arts, agriculture, ecology, etc.
  - § community activity experiences for students with a mentor
  - § co-enrollment of high school students in community college courses
  - § multilevel (grade/age) classrooms
  - § Montessori methods
  - § extensive before and after school activities program
  - § small class size with additional adults (aides or volunteers) assisting the teacher
  - § greater individualization, in some cases with Individual Education Plans (IEPs) for all students
  - § desire and intent of involving parents in the school
- In terms of school management and operations, we saw some practices that are quite different from the regular public schools. Obviously, some of these come as no surprise because the legislation either dictates or specifically authorizes such an arrangement. For example, the involvement of authorizers and nonelected governing boards are unique characteristics of Michigan PSAs. Other educational practices cited or recognized as innovative or unique with regard to the broad area of school management and governance are listed below (the practices listed above as innovations in the realm of school management and operations are not generally found in all charter schools):
  - § use of for- and not-for-profit management companies for diverse services ranging from the provision of limited financial services to general management of a school

- S contracting for instructional services with a private company as opposed to employing teachers
  - S renovation of a variety of structures/buildings for school use
  - S extensive nepotism in employment of relatives
  - S transportation of students to and from school provided by parents
  - S absence of a lunch program for students (this results in a lack of free or reduced meals for students who would qualify)
  - S personal assumption of school indebtedness by founder and/or parents
  - S lack of tenure for teachers
  - S use of bonuses for teachers to supplement otherwise low salaries in selected cases
  - S shared or sole decision making by teachers in selected areas
  - S ability to accept students from across geographic lines
  - S decision to construct less costly but functional buildings
  - S increased emphasis on the facilitator role of building administrator
- Questions could be raised about the desirability of some of the innovations identified with school management and operations.
  - While charter schools can develop and refine innovations that can be transferred to other schools, individual charter schools are not likely to develop new models of management that can be applied to the overall management and operation of school districts or intermediate school districts. Large EMOs, however, are developing and putting into practice a number of new management and operational ideas, many of which are borrowed from business. Traditional public school districts can learn from many of these ideas. Examples of these include new approaches to the construction of school buildings; more competitive approaches to purchasing of materials; and more effective business management, which requires fewer personnel.
  - Aside from computers, other forms of technology are seldom mentioned or identified by PSAs. In promotional materials for charter schools, especially informational materials widely disseminated in communities to attract students, greater access and use of technology or computers are often stated among the advantages of charter schools. The surveys from teachers, parents, and students indicate that educational technology was an area where most PSAs were not living up to expectations.
  - Start-up as well as maintenance costs for technology are significant, and this could be a reason for the current lack of extensive use of technology in the charter schools. Some schools received grants or gifts for the purchase of equipment, and others reported that they had sought monies for purchasing computers with mixed success. In the schools themselves, the facilities for housing computer student stations or labs ranged from a variety of makeshift arrangements to well-designed laboratories.
  - There is little evidence to indicate that charter schools have made greater or more innovative use of technology/computers than a typical regular school. Generally, charter school teachers are minimally prepared to use the computers and probably less knowledgeable about the potential uses/benefits of other forms of technology.

### **Demonstrating Success**

- The need to demonstrate school success, especially student achievement, is almost universally found to be a challenge, if not a major problem.

- There are pockets of denial even in the charter schools about where the ultimate accountability for student performance should lie. At the same time, charter schools are acutely aware of the fact that they must be attractive to students and parents if they are to survive, and one would hope that demonstrated accountability for student performance would be one factor in a school being considered attractive.
- Concerns have been raised by PSAs regarding accountability in terms of student achievement. Some of these are exemplified by the following:
  - S There are too many outside factors that influence student achievement which we cannot control.
  - S We cannot be held responsible for the poor education these students had in earlier years.
  - S This school has targeted students with poor academic backgrounds, and we hope only to improve their learning, not make up for their poor educational background.
  - S We are being sent the problem kids and those with learning/behavior disorders (by the local public schools).
  - S The MEAP tests and other standardized tests do not provide an assessment of what we are trying to accomplish.
- While many PSAs prefer not to administer standardized tests, they have not been successful in identifying or at least in reporting evidence of success in other defensible/persuasive ways.
- Nearly half of the PSAs note that they need to develop or improve the personnel evaluation practices at their schools. A few schools have developed exemplary procedures for personnel evaluation. The larger management companies also tend to have more elaborate procedures to evaluate teachers. In a few schools, the principals noted that they lacked knowledge about how to develop an evaluation system.
- There are many misleading reports about student success found in newspapers and other publicly distributed materials. Oftentimes, these reports are based on selected and very small (inappropriate) samples without properly identified comparisons or adequate explanatory information.
- Many schools claim that the single most important piece of evidence regarding the success of the school is that parents choose their school for their children. Nevertheless, while most of the schools are filled, there appear to be high rates of attrition among teachers, students, and even principals.
- It is difficult to determine if each PSA is fulfilling its performance contract with its authorizing agency since the schools vary considerably in their performance and in their ability to demonstrate concretely how well they are performing. The authorizing agencies also vary considerably in the expectations they set for their schools. Large differences exist among authorizers, and differences exist in contracts from the same authorizer. Several authorizing agencies noted that they have become more stringent in setting high expectations and requiring more standardized testing.
- The results from the evaluation did not indicate substantial changes or innovative ideas about how accountability of student performance is being assumed at the school site level other than by definition of the charter school itself.
- PSAs were chartered on the basis of a specific mission and curriculum. In a number of instances, we find little relationship between the stated mission of the school and the achievements cited for the students.

- Since many PSA spokespersons are critical of the use of MEAP test scores, it was surprising to hear many schools suggest this as part of the evidence that their students are succeeding.
- Several schools employ only standardized tests to measure student achievement/success. Some schools list the MEAP test as their only evidence of student success/achievement, whereas others list two or more standardized tests.
- Other indicators of success mentioned by PSAs included enrollment, retention, attendance, community awards and college scholarships, changes in student behavior, character, morals, and quality and quantity of communications with parents.
- There is a trend toward greater use of standardized tests to demonstrate success in PSAs. The new PSAs are also being pressed to identify objectives that are more readily measurable. The reason for these changes is because the authorizing agencies expect and require them. Charter schools in other states have gone through a similar process. After the first few years, providing evidence of success becomes a higher priority for the schools and their oversight authorities.
- Graduation rates can also serve as an indicator of success. Unfortunately, more time is needed before this can be a valid indicator of a PSA's relative success. Few PSAs provide instruction at the high school level, and even fewer have students in Grade 12. Among the 10 PSAs that reported data on graduation rates during the 1996/97 school year, 4 had higher graduation rates and 6 PSAs had lower graduation rates than their host districts.
- On the whole, the PSAs had higher dropout rates than did their host districts. Three of the 11 PSAs for which comparable data were available for the 1996/97 school year had lower rates of dropout than their host districts. These three schools reported 0 percent dropout and were the only schools that had dropout rates lower than the state average of 6.1 percent. The other 8 schools had dropout rates that ranged from 7 to 51 percent, with most falling between 19 and 33 percent.

### MEAP Test Scores

- The design of the PSA initiative is to place accountability for student progress, or lack of progress, on the schools themselves. In Michigan, MEAP test results can be reported on a school-by-school basis for both the traditional public schools and for the PSAs. The use of these data will help to measure the performance of the schools. Of course, more time is required; and—preferably—more rigorous methods to measure student achievement should be used.
- It is too early to attribute test scores to the PSAs. For the newly established PSAs, tests results, such as the MEAP, can provide an indication of the students attracted to the PSAs.
- MEAP test scores do not provide a fair indicator of the success of PSAs for a number of reasons. One reason is that the schools are too new. Another reason cited by charter school spokespersons is that the schools attract a high proportion of at-risk students and students with special needs. In order to control for some of these factors, an analysis of gains in terms of MEAP test scores were conducted over time in our study. Thus, a PSA that attracted a large number of poor performing students could still show more progress than the host district in terms of “value added.”

- We compared the PSAs with their host districts and then compared the gains in MEAP scores over 2 and 3 years. The PSAs that have taken in a large proportion of at-risk students can be treated fairly in this interpretation since we are measuring increases in the performance of their students over a few years. The appendices contain the results of our analysis of the MEAP results for each of the 106 PSAs in operation during the 1997/98 school year as well as their host districts.
- As a group, the PSAs have significantly lower MEAP scores than their host districts. However, a school-by-school comparison shows that students in some PSAs have higher scores than the students in their host districts.
- When comparing 2- and 3-year gains, we find that the schools in the host districts have larger gains, on the whole, than do the PSAs.
- It is important to note that the overall picture is very mixed. Even while one school is far behind its host district in Grade 4 reading, for example, it may be outperforming the host district in reading at another grade level or in another subject area.
- To the extent possible, more factors need to be controlled in order to make a fair comparison between the PSAs and their host districts. We believe that our approach to the analysis of test results is a step in the right direction, although we recognize the need to compare the schools over a longer period of time.
- School climate provides a secondary indicator of success in schools. As a means of comparing PSAs with traditional public schools, we used a nationally normed instrument to measure school climate in the PSAs. The results from the School Climate Surveys indicated that the PSAs had, on average, better school climates than the national norm. The teachers, students, and parents in the PSAs perceived that the teacher-student relationships were noticeably higher than in an average public school. Some limitations to consider are that the national norms are based on K-12 schools, while most PSAs cater to elementary schools only. Also a large number of schools that were perceived to be less successful and/or which were undergoing large staff turnover due to conflicts refused to take part in this component of the study.
- On a few of the subscales identified on the School Climate Survey, such as “Guidance,” “Student Activities,” and “Administration,” the PSAs were equal or slightly lower than the national norms.

### **Impact on Local School Districts**

- The PSAs are clearly having an impact on their local school districts. Interviews of stakeholders at each of the 51 schools included in our evaluation and in many of the host school districts included questions about the negative and positive impacts the PSAs have had upon the local host school districts. In the state as a whole, the impact is still quite limited since only around 2 percent of the K-12 enrollments are in PSAs. However, in some cities and some suburban areas where the PSAs are more concentrated, the negative and positive impacts are more noticeable.
- Because the PSA initiative coincides with a number of other public education reforms in Michigan, it is sometimes difficult to distinguish whether or not changes in traditional public schools are due to the presence of PSAs.
- Not surprisingly, the PSA leaders were more apt to report positive impacts and the leaders of traditional public schools were more apt to report negative impacts attributable to the presence of PSAs.
- The presence of PSAs has put pressure on the traditional public schools to be more accountable. Even in areas with no PSAs in operation, evidence of the impact of the PSA initiative can be seen in the renewed debate about the quality and performance of public schools.

- Important characteristics of the PSAs are small class and school size. The presence of PSAs is likely to be a factor that can inhibit further consolidation of public schools.
- In some areas, the ISD or the local school district questioned parents who left their traditional public school to enroll in a PSA. This inquiry often resulted in action by the local public schools.
- In other countries, the presence of new alternatives to the public schools have induced changes in the public school sector such as a stronger willingness on the part of education bureaucracies and teachers unions to seek new ways in which to make changes in the public schools. We can expect that this may be one impact of the PSA initiative.
- Positive changes in local public schools that appear to be attributable to the presence of PSAs include the following:
  - § the introduction of all-day kindergarten
  - § increase in adult supervision on the playgrounds
  - § increased emphasis on customer satisfaction
  - § provision of more before and after school programs
  - § more efforts to involve parents
  - § increased efforts on the part of schools to communicate with the homes of their students
  - § increased marketing of traditional public schools
  - § more emphasis on foreign language
  - § more attention to performance on the MEAP is seen by many as an improvement that is—in part—attributable to the charter schools that compete with the traditional public schools
- The most immediate negative impact of the PSAs is a loss of finance for the local public school.
- Further complications for traditional public schools in terms of planning and general administration are due to uncertainty about enrollments at the beginning of the school year and shifts of students during the school year. Many parents double enroll their children, which further complicates this. While a PSA can set the exact number of students it wishes to enroll, the traditional public schools are obligated to take all who apply. In some cases, the traditional public school starts the year with a number of less-than-full classes. In other cases, the local public school district receives more students than it planned for and has to scramble for teachers.
- The presence of one or more PSAs has caused some urban districts to consider or actually redraw catchment areas. Parents are easily scared by not knowing where their child(ren) will be enrolled. Uncertainty about catchment areas as well as class size, assigned teachers, etc., creates anxiety among both parents and educators and contributes to a decrease in legitimacy for the traditional public schools.
- While many PSAs cater to minorities and at-risk pupils, there are several PSAs that use a number of mechanisms to structure their learning communities (these mechanisms include absence of busing, selective advertizing, requirements for parental involvement, lack of hot lunch programs, etc.). In these instances, one can claim that the PSAs are “creaming” off the students according to racial and socioeconomic characteristics. These schools will also attract students whose parents are more resourceful and supportive.
- While no PSAs have complained about having to take students after the first student count, several local school districts have protested that the PSAs “are dumping” students back after the fourth Friday count.

## **Major Findings and Future Research**

- There are a number of legal issues that the PSA initiative has raised. Key legal issues include the status of public school academies; conflicts of interest; expulsion/suspension of students; employer role and responsibility as contracting agencies; and the closure of PSAs, particularly those with deficits. Key legislative issues include start-up funds, funds for buildings and other capital improvements; caps on numbers of schools to be chartered by universities; clarification of oversight/supervisory and monitoring responsibilities; special education funding; and the need for continuing evaluation and evidence of accountability.
- For the next few years, we expect that the PSA initiative will continue to grow at the same rate. Nevertheless, as we have seen in other countries, the greatest interest for starting new schools is strongest in the first few years and declines afterwards.
- The PSAs have not been welcomed by the traditional public schools. Initially, there appears to be rather strong opposition, but over time relations improve. We have even seen examples of cooperation between the PSAs and local public schools.
- One of the key findings from our study is that the PSAs are so extremely diverse. Because of a number of factors spelled out in the report, we expect that diversity among the PSAs will decrease with time.
- One other significant finding is that many poor performing PSAs are not likely to close, even when parents “vote with their feet” and exit the school on a large scale. This is due to the abilities of founders to recruit new families and authorizing agencies not acting on poor performing schools or schools plague with problems.
- Major barriers and challenges for the near future include the following: (i) lack of available start-up monies; (ii) building or finding suitable facilities; (iii) dealing with the bureaucracy; (iv) retaining and attracting certified and qualified teachers; (v) adequately addressing the special needs of students with various disabilities/challenges; and (vi) need to demonstrate school success and student achievement.
- The greatest impact of the PSAs is that they are forcing more accountability upon the traditional public schools.
- Other states have used a wide variety of mechanisms to help safeguard against further segregation based upon race, class, and ability. Michigan should consider such safeguards.
- Areas for future research: innovations in school management and operations; further analysis of fiscal data to determine how PSAs differ from traditional public schools; areas where PSAs are more efficient; provision of special educational support for students; and the nature, role, and consequences of EMOs.
- Finally, it is important to understand that this study was conducted over a limited period of time in which we observed some outstanding efforts, especially among the PSA teachers, and strong commitments on the part of many administrators and founders. Clearly, there are some PSAs with potentially bright futures but, at the same time, there are PSAs that are facing major challenges and the expectation of their success is quite limited. There are strong PSAs and there are weak PSAs—a situation not dissimilar among traditional public schools. The PSA/charter school initiative is a bold effort of education reform, and it should be continually evaluated and judged on the merits and benefits it provides for the most important element of any public school—the students.