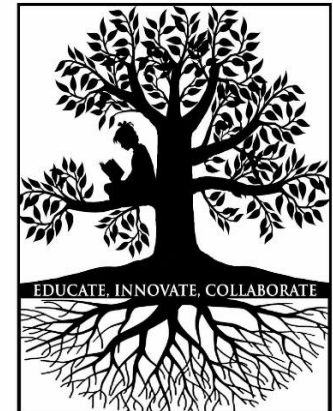


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# Impacts of Emergency Financial Management as Governance Reform in Michigan Schools

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## Abstract

This mixed-methods case study examines the emergency financial management legislation enacted in Michigan from 2009 to 2018 as an education policy for governance reform in three local school districts: Detroit, Highland Park, and Muskegon Heights. From its inception, the emergency financial manager law was an intervention strategy for local municipalities in financial emergencies. Still, in 2009 it was used to enable state takeovers of three local school districts experiencing financial emergencies. This study addresses the gap in the literature regarding the effectiveness of emergency management as an education policy in general and highlights its specific application to the three districts.

## **Keywords**

school finance, educational policy, cultural diversity, urban education

## **Introduction**

During the 1940s and 1950s, large urban school districts in cities like New York, Chicago, Los Angeles, Philadelphia, Detroit, and Boston were considered exemplars of the American educational system (Mirel, 1999; Tyack & Cuban, 1995). This positive perception eroded with “white flight” to the suburbs, particularly as urban unrest and rioting engulfed the nation in the late 1960s, including Detroit in 1967 (Addonizio & Kearney, 2012; Mirel, 1999; Sugrue, 1996; Tyack, 1974).

## **School Districts at Risk**

White flight from large urban school districts dramatically changed student demographics, as these schools began serving primarily students of color (i.e., Black or Hispanic), most of them from backgrounds of poverty (Addonizio & Kearney, 2012; Mirel, 1999; Tyack, 1974). In 1983, *A Nation at Risk* brought some intense criticism to both small and large urban school districts governed by locally elected officials due to deficits in accountability, financial management, and student achievement (Addonizio & Kearney, 2012; Mirel, 1999; National Commission on Excellence in Education, 1983; Tyack & Cuban, 1995).

This criticism targeted locally elected school boards in large urban districts (Hess, 2008; Portz, 2000; Wong et al., 2007), with community leaders, state legislatures, city officials, parents, voters, and media nationwide calling for change to school board governance in urban schools (Hess, 2008; Portz, 2000; Wong & Shen, 2003; Wong et al., 2007). For example, a 1992 *Boston Globe* editorial, “Shortchanging the School Children,” described Boston’s elected school board as a “disaster,” stating, “The buck does not stop with anyone,” and “Infighting, grandstanding, aspirations for higher political office, and incompetence have become mainstays of the 13-member committee. The system is floundering” (Portz, 2000, p. 400). Thus, during the 1990s and early 2000s, the policy solution was governance reform along with curricular reform (Hess, 2008; Portz, 2000; Portz & Schwartz, 2009; Wong, 2009; Wong & Shen, 2003; Wong et al., 2007). This governance reform involved replacing locally elected school boards with government appointees, commonly called *mayoral control* or *state takeover* (Henning, 2009; Hess & Meeks, 2013; Kirst, 2009; Wong, 2009; Wong & Shen, 2003; Wong et al., 2007). Changes focused heavily on school district governance, the inadequate quality of teaching, and general school practices (Henning, 2009).

These local district takeovers occurred nationwide, most notably in Baltimore, Boston, Chicago, Cleveland, Detroit, Philadelphia, New York City, and Washington, D.C. (Hill, 2000; Wong et al., 2007). Although governance reform was widely considered a potential silver bullet for improving urban education, the results were inconsistent (Rich, 2009; Wong et al., 2007). Supporters of governance reform asserted that sustained leadership, fiscal responsibility, and improved student achievement required a proper balance between democratic and managerial expectations of transparency (Kirst & Bulkley, 2001; Reville, 2007; Rich, 2009; Viteritti, 2009; Ziebarth, 2002).

Improvement of reading z-scores from 0.15 to 0.19 “validated” claims of higher school quality (Wong, 2009).

Detractors cautioned, “Mayoral and state takeovers are desperate moves, but they do not automatically improve school quality; everything depends on what the people who take over do and how educators respond” (Hill, 2000, p. 1). Although state takeovers usually improved the fiscal standing of school districts, they did not generally correlate with or guarantee improved student achievement (Bowman, 2013; Kirst, 2009). Hunter (1997) asserted that increasing the political power of politicians could easily damage urban public education since the superintendent should be the CEO of the city’s public schools, not the mayor or governor. Shifting governance responsibilities from the superintendent to the mayor or governor would add another significant responsibility for these elected individuals and further politicize educational decisions. Even among politicians, governance reform was divisive: Senator Bill Perkins of Manhattan, New York, referred to the issue as “the elephant in the room,” asking, “Why are so many parents so against mayoral control if it’s working so well?” (Medina, 2010, p. A1).

### **Purposes of the Study**

This study has two major purposes. First, it provides the contextual background and details of passage for Michigan’s Emergency Financial Manager law (EM), an education policy allowing the state to take control of local school districts, grounded in the urban school governance reform movement of the 1990s and 2000s. The EM law resembles other reforms attempted in urban schools which failed to address their challenges: (a) improving the quality of classroom instruction, (b) implementing strategic planning, (c) triangulating learning data for instructional change, (d) meeting the social-emotional needs of students living in poverty, and (e) providing strong instructional leadership in schools (Black & Boxley, 2018; Hallinger, 2003; Leithwood et al., 2008; Leithwood et al., 2010; Payne, 2008). Second, this study examines areas of effectiveness and ineffectiveness of this law on three urban districts in Michigan, especially in providing for financial emergencies and improving student achievement—the stated and implied goals of the law and the reform (Kasdan, 2014).

### **Background and Context**

Since the 1990s, Michigan’s K-12 education has been mired in an education crisis (Black, 2017; Black & Boxley, 2018; Lansing State Journal Editorial Board, 2019; Power, 2018). As a result of education policies, education quality in the State of Michigan has remained in decline since this period.

### **Background of the Legislation**

Significant education policy changes began under former Republican Governor John Engler (1991-2003), including (a) establishment of schools of choice and charter schools, (b) significant changes to school funding (*Proposal A of 1994*), and (c) the 1999 state takeover of Detroit Public Schools (Addonizio & Kearney, 2012), severely altering K-12 education in Michigan (Addonizio & Kearney, 2012; Black, 2017).

**Student flight.** During the 1990s, schools of choice expanded parents' K-12 options in Michigan (Addonizio & Kearney, 2012), but decades later, the unintended consequences were noted, including intensified racial and socio-economic segregation (Addonizio & Kearney, 2012; Kang, 2020; Wilkinson & Pratt Dawsey, 2016) and fiscal deficits as per-pupil funding followed students to their choice districts (Addonizio & Kearney, 2012). Between 1997 and 2010, Battle Creek Public Schools lost 43% of its student population (n = 3,400) to schools of choice, resulting in five school closings since 2010 (Wilkinson & Pratt Dawsey, 2016). In 2016, Michigan State University researchers found that on average, students in schools of choice performed no better on state standardized tests than similar students who remained in their home districts (French, 2016). State Board of Education President John Austin stated, "Unrestrained choice is an unmitigated disaster for Michigan . . . the cross-district choice is less about learning than about competing for students and money" (French, 2016, para. 4).

Charter schools in Michigan were also extensively critiqued during the Engler administration. The founder of the charter school movement in the United States was the former American Federation of Teachers President, Albert Shanker and he was adamant in his disapproval of charter school legislation proposed by Governor Engler's team (Addonizio & Kearney, 2012). In 2016 *The New York Times* disparaged charter schools in Detroit: "Lots of choices, no good choices" (Zernike, 2016) revisiting the issue in 2017 to conclude, "What happened to Michigan's schools isn't solely, or even primarily, an education story: It's a business story" (Binelli, 2017, p. MM50). Michigan had the highest percentage (80%) of for-profit education management companies in the nation (Addonizio & Kearney, 2012; Binelli, 2017; Black, 2017; Zernike, 2016), and charter authorizers were receiving 3% of state per-pupil funding for granting charters to the management companies (Addonizio & Kearney, 2012). Thus, financial incentives for some decision-makers in Michigan's charter school system possibly superseded the educational needs of minority urban students living in poverty (Addonizio & Kearney, 2012). Finally, although most charter schools in Michigan are racially segregated, despite being concentrated in urban or nearby suburban areas, overall student achievement in these schools was not higher than in traditional public schools in similar areas (Addonizio & Kearney, 2012; Ravitch, 2010).

**Funding challenges.** The school funding policy of this period has continued to create challenges for Michigan's public schools into the 21st century. In 1993-94, Governor Engler led the movement to reduce property taxes as the primary source of school revenue and combine revenues, including the state lottery and a 2% state sales tax increase (Addonizio & Kearney, 2012; Kang, 2020). Voters passed this *Proposal A* to immediately lower property taxes, represented to them as a measure to bring equity in school funding, in response to the Kalkaska School District in northern Michigan forced to close in March 1993 due to inequity of the state's school funding system (Addonizio & Kearney, 2012; Kang, 2020). Therefore, *Proposal A* increased funding for the communities without high property values and created inequity between those districts and affluent school districts (a.k.a. "hold harmless" districts) because those districts could vote additional millage revenues to increase general classroom funds (Addonizio & Kearney, 2012).

**State takeover of Detroit Public Schools.** Arguably the most controversial education policy enacted during the Engler administration was the state takeover of Detroit Public Schools (DPS)

with the passage of *Public Act 10 of 1999* (Addonizio & Kearney, 2012; Black, 2016a; Kang, 2015; Kang, 2020; Piliawsky, 2003; Rich, 2009). The governor justified this takeover claiming fiscal maleficence and poor management by DPS officials and board of education: “The problem is not the kids. The problem is the system. It is broken. It is corrupt. It’s not a matter of resources. It’s a matter of management” (Piliawsky, 2003, p. 268). Detroit Mayor Dennis Archer, a Democrat, expressed his position in *The New York Times*: “The school board had ignored too many proposals over the years to improve its financial management practices and the overall administration of schools” (Bradsher, 1999, p. A00010). Governor Engler and Mayor Archer cited issues with the management of the schools, but Republican legislators in Lansing, Michigan’s capital city, cited poor student achievement on Michigan’s standardized test (MEAP) (Piliawsky, 2003).

Despite political declarations, evidence from the Michigan Department of Education indicates that Detroit Public Schools did not have the lowest student achievement scores in Michigan. Fourth-grade students in DPS outscored students in 240 of the 554 Michigan districts, as 17<sup>th</sup> among the 34 school districts in Wayne County, despite the low socio-economic status of the Detroit students (Addonizio & Kearney, 2012; Black, 2016a; Piliawsky, 2003). And contrary to the political declarations, DPS was not in a financial deficit as the district had a \$115 million surplus when the takeover legislation passed (Addonizio & Kearney, 2012; Black, 2016a; Kang, 2015; Piliawsky, 2003).

Democratic Michigan lawmakers showed outrage for the DPS state takeover, and some voiced accusations about motive. Future U.S. Senator Gary Peters said, “I don’t believe that you can argue for local control in every city in the state of Michigan, yet carve out an exception for the city of Detroit” (Piliawsky, 2003, p. 269). State Representative Keith Stallworth published his reaction in *The New York Times*: “There has not been an issue that has been this controversial and this disruptive to the social fabric of Detroit since 1967” (Bradsher, 1999, p. A00010). Detroit voters had passed a \$1.5 billion bond in 1994 to improve the conditions of Detroit’s schools with a question of control between Lansing and the Detroit Board of Education (Addonizio & Kearney, 2012; Harmon, 1999a; Kang, 2020). Daryl Redmond, president of the Detroit Board of Education, said of Governor Engler’s intentions to take over DPS, “It’s got to be the \$1.5 billion. . . . When we didn’t have \$1.5 billion, there was no statement from Lansing” (Harmon, 1999a, A1). Many Detroiters organized and resisted the takeover with protests, including an accusation of racism by the Detroit chapter of the NAACP (Bradsher, 1999; Harmon, 1999a; Harmon, 1999b; Harmon, 1999c). Given the perceptions concerning racial impact data (see Table 1), the widening racial divide between Detroit and Lansing was noted in *The New York Times*:

Opponents here have contended that it is undemocratic to replace an elected school board and that it smacks of racism for a white Governor and all-white Republican majorities in the state House and Senate to be making decisions for a city where 76 percent of the residents and 91.3 percent of the public school students are black. (Bradsher, 1999, p. A00010).

On March 26, 1999, all 13 state representatives and senators from Detroit (Democrats) voted against the takeover legislation. Still, the Republican-controlled Michigan Legislature passed the bill stripping governance powers from the locally elected Detroit Board of Education (Piliawsky, 2003). Redmond responded, “Many of the problems of Detroit’s schools are the city’s problems; notably poverty and crime. It’s anti-American to have one million people’s votes overturned” (Bradsher, 1999, p. A00010). Detroit Martin Luther King Jr. High School senior Jermaine Carter expressed his family’s reaction: “[My] parents feel like they should be able to vote on the people that run their schools” (Bradsher, 1999, p. A00010). A public relations backlash responded to the DPS takeover. Enrollment decreased 16%, from 183,000 students in 1999 to 153,000 in 2005 (Addonizio & Kearney, 2012), and simultaneously charter school enrollments in metro Detroit increased 200%. An actual financial emergency in DPS followed in 2009 (Addonizio & Kearney, 2012; Black, 2016a).

In 2016, only 28% of Michigan’s students in Grades 3-8 were proficient on the M-STEP (Michigan’s state standardized assessment); only 34% of Michigan’s high school graduates were considered college ready, and Michigan was ranked 45<sup>th</sup> nationally on the NAEP test (Michigan Education Dashboard; National Center for Education Statistics). At this time, then-governor Rick Snyder released Michigan’s most aggressive school accountability plan, calling for the closure of schools with student achievement in the bottom 5% or persistently low (Black, 2016b; Higgins, 2017a); most of the schools slated for closure were in predominantly black urban areas (Higgins, 2017a). In a two-year window, over 50 schools in Detroit were designated for possible closure due to low student achievement (Higgins, 2017a). After intense public and political opposition and multiple lawsuits filed against it, Governor Snyder abandoned this plan (Higgins, 2017b).

### **Emergency Financial Manager Law**

The history and development of the Emergency Financial Manager Law (EM) should be considered, including its evolution into education policy in Michigan, allowing state takeovers of local school districts.

**General economic distress.** In the 1970s and 1980s, deindustrialization accompanied by decreased manufacturing jobs in U.S. states and cities caused financial distress in cities, especially those in the Midwestern Rust Belt, such as Detroit and Flint (Rich, 2009; Sugrue, 1996). Additionally, Rust Belt states were hit particularly hard in the 1980s due to a combination of national economic policies and a decrease in required labor because of automation in industrial plants (Lee et al., 2016; Sugrue, 1996). As home to the “Big Three” automakers (Chrysler, Ford, and General Motors), areas like Ecorse, Flint, Hamtramck, and Highland Park suffered fiscal distress as jobs and shifts were eliminated in automobile and automobile supplier plants. Table 1 below lists places where financial emergencies were declared in local Michigan municipalities between 2000 and 2013, along with the percentage of African Americans living in those cities.

**Table 1**

***Local EM Municipalities Since 2000***

<b>Local municipality</b>	<b>EM law enacted</b>	<b>African American % (2010 Census)</b>
Allen Park	2009	2.1%
Benton Harbor	2010	89.2%
Detroit	2013	82.7%
Ecorse	2009	46.4%
Flint	2002	56.6%
Hamtramck	2000	19.3%
Highland Park	2000	93.5%
Michigan	-----	14.2%
Pontiac	2010	52.1%
Three Village Oaks	2008	1.1%
Average	N/A	49.2%

*Note:* Taken from the State of Michigan, United States Census Bureau



Responding to the financial distress on Main Street, the Michigan Legislature passed its first iteration of the EM law in 1988: *Local Government Fiscal Responsibility Act (Public Act 101 of 1988)*. The EM law was intended to eliminate deficits in local governments via a state-appointed with broad powers including the authority to void and renegotiate labor contracts. “The skill of the EM includes legal, financial, managerial, and political capabilities . . . vetted by the appointing authorities” (Kasdan, 2014, p. 1101).

**Legislative responses.** The Michigan Legislature passed four iterations of the Emergency Financial Manager Law: *Local Government Fiscal Responsibility Act (Public Act 101 of 1988)*; *Local Government Fiscal Responsibility Act (Public Act 72 of 1990)*; *Local Government and School District Financial Accountability Act (Public Act 4 of 2011)*; and *Local Financial Stability, and Choice Act (Public Act 436 of 2012)*. Understanding these four iterations provides a context for evaluating the law’s effectiveness in the three school districts taken over between 2012 and 2018 (Detroit, Highland Park, and Muskegon Heights) when all three had exited emergency management. Each iteration expanded the powers of emergency managers, including state takeover of local school districts in addition to the original intent to address financial distress and financial emergencies in local governments (Arsen & Mason, 2013; Bowman, 2013; Lee et al., 2016) by balancing budgets to promote long-term health (Kasdan, 2014).

*Local Government Fiscal Responsibility Act (Public Act 101 of 1988)* was the first EM law, approved by the Republican-controlled Michigan Legislature in response to the changing economic circumstances in the 1970s and 1980s. It prevented local municipalities from continually operating in a deficit, and to avoid financial mismanagement of state funding (Addonizio & Kearney, 2012; Arsen & Mason, 2013; Lee et al., 2016). Both Republican and Democratic governors installed EMs in fiscally distressed cities (Arsen & Mason, 2013; Bowman, 2013).

*Local Government Fiscal Responsibility Act (Public Act 72 of 1990)*. Initially, the EM law was designed only for city governments, but the 1988-89 budget deficit in Detroit Public Schools (DPS) of \$159 million (21% of its budget; Addonizio & Kearney, 2012) showed that school districts also struggled with unbalanced budgets and deficit operation (Addonizio & Kearney, 2012; Bowman, 2013). Thus, this second iteration of the EM law passed, allowing school districts to be taken over (Addonizio & Kearney, 2012; Arsen & Mason, 2013; Bowman, 2013). In March 2009, DPS was the first school district taken over by the state as a result of the EM law (Addonizio & Kearney, 2012; Bowman, 2013), as Democratic governor Jennifer Granholm declared a financial emergency due to the district’s estimated \$408 million budget deficit (Addonizio & Kearney, 2012; Black, 2016a; Michigan Education Dashboard, Michigan House Fiscal Agency, 2016). Governor Granholm selected Robert C. Bobb, a professional city manager and former school board president from Washington, D.C., as the first emergency manager of DPS (Addonizio & Kearney, 2012; Black, 2016a; Kang, 2020).

Shortly after becoming the EM of DPS, Robert Bobb blamed the district’s academic and fiscal problems on the district school board, administrators, and teachers (Arsen & Mason, 2013). Bobb’s tenure, heavily publicized by the local Detroit media (Black, 2016a), resulted in significant changes to the district’s enactment of academic plans, construction of new facilities, termination of principals, and conversion of several DPS schools into charter schools. No improvement

resulted in the actual financial emergency or the inability to improve student achievement, and more than 60 DPS schools were closed (Addonizio & Kearney; 2012; Arsen & Mason, 2013; Black, 2016; Bowman, 2013; Kang, 2020). Bowman (2013) identified the problem with emergency management as the skill level of the EMs. Though the justification for EM had been to bring balance to a fiscally distressed entity, this did not occur, as disclosed by Arsen & Mason (2013):

DPS finances deteriorated sharply. Despite securing employee concessions, contracting out many services, reducing employment and closing 69 school buildings, DPS's deficit increased by about 50%, from \$219 million in fiscal 2009 to \$327 million in fiscal 2010. The fundamental reason is that the district's long-standing enrollment decline accelerated during Bobb's tenure, hardly surprising given the program cuts he imposed. So even though he cut spending, revenues declined even faster, and the deficit grew, the same problem experienced when budgeting was under the board's control (p. 268).

Emergency managers were placed only in school districts similar to DPS with majority African American student populations and high poverty rates (Arsen & Mason, 2013; see Table 2).

**Table 2**

***Local EM School Districts Since 2009***

<b>School District (Year)</b>	<b>Per-pupil Allowance</b>	<b>Poverty %</b>	<b>African American %</b>
Detroit Public Schools (2009)	\$7,660	87%	92%
Highland Park Public Schools (2012)	\$7,936	81%	95%
State of Michigan	\$7,660-\$12,244	45.9%	18.8%
Muskegon Heights Public Schools (2012)	\$7,397	89%	94%

*Note:* Statistics from the Michigan Education Dashboard

*Local Government and School District Financial Accountability Act (Public Act 4 of 2011)* kept academics under control of the DPS Board of Education, causing a power struggle between the board of education and EM Robert Bobb, culminating in a lawsuit between the two for control of the district (Kang, 2020). An unintended consequence of this legal action was Lansing's decision to increase the EMs' powers and permanently closed the loophole exposed by this lawsuit, created by this iteration of the EM law (Arsen & Mason, 2013; Bowman, 2013).

Arsen and Mason attested that *Public Act 4 of 2011* was explicitly designed to eliminate democracy in affected local school districts, silencing the input of parents and educators in the district's collective mission, vision, direction, and priorities: "All powers and duties of the district superintendent and school board [were] transferred to the EM, and the EM [had] discretion to reshape academic programs, to nullify labor contracts, to open and close schools, and to sell district assets" (Arsen & Mason, 2013, p. 249). Additionally, under *Public Act 4 of 2011*, the governor did not have to consult with local officials or the senate before installing an EM in a municipality or school district.

Michigan voters responded to this EM power grab by the Legislature and then-governor Rick Snyder (R) by repealing *Public Act 4 of 2011* in a referendum vote (52% to 48%) on the November 2012 ballot (Kang, 2020). Nevertheless, during the lame-duck session in December 2012, Republicans passed the fourth and current iteration of the EM law, the *Local Financial Stability, and Choice Act (Public Act 436 of 2012)*, giving EMs absolute power in school districts, closing the loopholes in the previous legislation exposed by the Detroit Board of Education's lawsuit against EM Robert Bobb for control of district academics (Bowman, 2013; Kang, 2020).

**Implementation and results in Detroit Public Schools.** After six years of emergency management, the emergency managers (EMs) in Detroit Public Schools (Robert Bobb, Roy Roberts, Jack Martin, Darnell Earley, and Steven Rhodes) could not resolve the financial emergency through their cost-saving initiatives, which included closing over 60 schools, eliminating positions, implementing unilateral 10% wage concessions, chartering DPS schools, and creating the EAA reform district (Kang, 2020; Zaniewski, 2015). In 2015 the proliferation of state per-pupil underfunding, decreased student enrollment, and increased debt and legacy costs pushed the district toward bankruptcy, if possible, for a local school district in Michigan. The deficit began to spiral out of control: It was projected at \$166 million, then reached \$238 million with a projected increase to \$335 million the following school year (Zaniewski, 2015). In January 2016, the Citizens Research Council of Michigan report stated that DPS debt was near \$3.5 billion for its legacy costs, and district officials warned state officials that it would run out of cash in April (Zaniewski, 2016). In June 2016, then-governor Rick Snyder signed a \$617 million bailout of the state-controlled schools in Detroit, with a bill that also splintered the district like the GM bankruptcy model: Detroit Public Schools (old company) settles the debt and Detroit Public Schools Community District (new company) educates students (Kang, 2020). The bailout ignored the structural funding issues that caused the financial emergency and prevented the "new" school district from collecting property taxes as revenue for capital project bonds (Oosting & Lewis, 2016). In an interview with *Chalkbeat*, former EM Robert Bobb agreed that "he and other emergency managers didn't solve the basic problem of shrinking enrollment and shrinking

revenue” (Levin, 2019, para. 17). EM Bobb stated, “without more help from the state: “You [DPS] need(ed) a cash infusion” (Levin, 2019, para. 17).

**Highland Park and Muskegon Heights Public Schools.** A financial emergency was declared in the Highland Park School District in July 2012 after enrollment decreased from 3,900 students in 2007-2008 to just over 1,000 students in 2011-2012 (Spalding, 2013). Ten days after the state-appointed EM was installed, the school district was dissolved, union contracts were terminated, and a contract with a charter school management company (Leona Group) was approved to run the new Highland Park Charter School District (Spalding, 2013). Events in Muskegon Heights closely shadowed the events in Highland Park (Spalding, 2013). Highland Park exited emergency management in 2018, and Muskegon Heights exited emergency management in 2016 (Lofland, 2018; Parker, 2016).

The record on the EM law is mixed regarding the successful resolution of financial emergencies. For example, working-class people (including retirees) were impacted by the actions of EMs, the decisions of EMs directly caused the Flint Water Crisis, and several EMs were not able to resolve the financial emergency in DPS. Critics of the EM law asserted the law was undemocratic, unconstitutional, ineffective, and unfair toward the people in urban areas forced to co-exist with EMs (Fasenfest, 2019). Kasdan (2014) commented, “The lawmakers of Michigan have sanctioned a bureaucratic coup in hopes of staving off local bankruptcies, supplanting elected officials with EMs, who more often than not serve as hatchet men (and women) in the budget rebalancing process” (p. 1094). The EM law was reactionary and failed to address the long-term structural causes of financial emergencies (Fasenfest, 2019).

## Methods

This historical case study utilized both qualitative and quantitative methods to evaluate the effectiveness of Michigan’s emergency management law (EM) education policy in Detroit, Highland Park, and Muskegon Heights. The public-school districts of Detroit, Highland Park, and Muskegon Heights were selected for this study because these three school districts experienced a state takeover via the emergency manager law. Additionally, these three school districts were the only school districts in Michigan under state control via emergency management law and were under state control for several years.

Our qualitative study aligns with Merriam and Tisdell’s (2016) case study research principles as a holistic analysis of a phenomenon, such as a process or institution. Our case study has unique, distinctive attributes described by Merriam: “Particularistic (it focuses on a particular situation, event, program, or phenomenon); Descriptive (it yields a rich, thick description of the phenomenon under study); Heuristic (it illuminates the reader’s understanding of the phenomenon under study)” (Merriam, 1998, as cited in Yazan, 2015, p. 139). The case study uses an interpretivist epistemology, which makes meaning of the effectiveness of the emergency manager law implemented as an education policy (Crotty, 2012).

The authors collected qualitative study data from several sources, including the following Michigan and National news outlets: Bridge Magazine, Cable News Network (CNN), Chalkbeat Detroit, Detroit Free Press, The Detroit News, Michigan Radio, MLive.com, National Public

Radio (NPR), and The New York Times. Additionally, qualitative data for our study were found in one state government policy briefing and one report to the Michigan House from 2009 to 2018, which provided a contemporaneous record of the effectiveness of the emergency management policy during that period (Merriam, 1998). Document analysis enables a study of human behavior with thematic codes to improve the reliability and validity of our research (Crotty, 2012); document analysis was conducted from the news reports, policy briefing, and report to the Michigan House (Fraenkel & Wallen, 2009). After multiple rounds of review and analysis, three themes emerged from the data collected: funding, enrollment, and student achievement. The document analysis themes of funding, enrollment, and student achievement were used to develop the findings section for this study to explain the effectiveness of the emergency financial manager law as an education policy.

The quantitative data in this case study was collected from the Michigan Department of Education's Dashboard for the three districts under state-controlled emergency managers (Detroit, Highland Park, and Muskegon Heights), including M-STEP scores (Michigan's standardized test) in ELA and Math. A parametric T-Test was conducted using M-STEP scores in the three EM school districts during 2015-2016 (see Table 5). A Nonparametric Wilcoxon Signed Ranks Test was also conducted for the three school districts as well (see Table 6). The purpose of these quantitative tests was to determine from the student achievement data from the student populations if there was any statistical significance in student achievement levels in any of these three school districts while under the control of state-appointed EMs (Gall et al., 2003).

## **Findings**

The following findings were evident from the data analysis: (a) EM policy caused enrollments to decrease in these districts, (b) education funding in the State of Michigan was inequitable, with these districts underfunded, and (c) EMs could not improve academics in these districts.

### **Enrollment**

All three districts with EMs were affected by negative labels from the takeover publicity, resulting in significant enrollment flow into charter schools and schools of choice. Enrollment decreased significantly in each district: Detroit (-50.5%), Highland Park (-62.0%), and Muskegon Heights (-41.8%) (see Table 3 below). The notion of a school district being taken over by the state caused a public distrust of these institutions resulting in a collective enrollment decrease of -154%. As per-pupil funding in Michigan is directly linked to student enrollment, students leaving public schools in these districts exacerbated their financial emergencies.

**Table 3**

***EM Local School District Financial and Enrollment Histories***

School district	Year	Fund balance	Enrollment
Detroit	2009	-\$219,000,000	91,000
Detroit	2010	-\$327,000,000	84,000
Detroit	2011	-\$284,000,000	75,000
Detroit	2012	-\$76,000,000	66,000
Detroit	2013	-\$94,000,000	49,000
Detroit	2014	-\$169,000,000	48,000
Detroit	2015	-\$215,000,000	46,000
Detroit	2016	-\$251,000,000	45,000
Highland Park	2012	-\$12,000,000	973
Highland Park	2013	-\$620,000	859
Highland Park	2014	-\$409,000	631
Highland Park	2015	\$24,000	509
Highland Park	2016	\$59,000	311
Highland Park	2017	\$211,000	352
Highland Park	2018	\$437,000	369
Muskegon Heights	2012	-\$11,000,000	1,368
Muskegon Heights	2013	\$962	1,130
Muskegon Heights	2014	-\$665,000	902
Muskegon Heights	2015	\$352,000	903
Muskegon Heights	2016	\$1,200,000	796

*Note:* The source of these statistics is the Michigan Education Dashboard.

## **Funding**

The mandate from the State of Michigan was for these three school districts to resolve their financial emergencies; however, Michigan had severely underfunded K-12 education for the previous three decades, and Michigan is one of seven states where corrections spending outpaced education spending (Black & Boxley, 2018; United States Department of Education, 2016). In 2016, the Michigan House Fiscal Agency published a report stating that DPS was severely underfunded, which meant funds were diverted from classrooms to other district operating expenses, mainly to cover increasing retiree costs, which had increased an average of 38% since the passage of *Proposal A* in 1994. This deficit in K-12 funding significantly contributed to the financial emergencies in these three local school districts.

In 2005, the threshold to adequately fund education in Michigan was \$11,240 per pupil. Still, the actual per-pupil allocation was \$7,180, and funding remained constant for the next ten years while the threshold increased to \$14,860 per pupil (Michigan House Fiscal Agency, 2016). According to this report, operating expenses for Michigan's schools steadily increased by \$3,620 from 2005 to 2015, but per-pupil funding only increased \$116 while retirement and debt services increased \$2,800 per pupil (Michigan House Fiscal Agency, 2016). According to this report, Detroit Public Schools was underfunded by the state by approximately \$24.98 billion (\$371 million per school year) between 2009 and 2015, which was a significant contributing factor for its financial emergency (Michigan House Fiscal Agency, 2016). Additionally, there is inequity in per-pupil funding in Michigan's schools, with a gap of \$4,373 between the highest (\$12,244) and lowest (\$7,871) school districts (Michigan Senate Fiscal Agency, 2019). In summary, as enrollments decreased and funding was insufficient, the two compounded the financial crisis in Detroit until the reorganization of the institutions was the only option available to avoid the complete closure of the district altogether. This dynamic was also evident, on smaller scales, in both Highland Park and Muskegon Heights.

## **Student Achievement**

An additional finding was that student achievement did not improve as a result of this policy. Standardized test scores from EM local districts demonstrated that EMs were not competent in academics, and the districts were unprepared for the dramatic changes required to teach to the Common Core standards to be assessed by the new M-STEP standardized summative Common Core assessment, replacing the MEAP as Michigan's standardized assessment in 2015 (see Table 4). The funding deficit prevented these school districts from providing the strategic professional development needed to improve the capacity of the districts' teachers to implement this new and rigorous curriculum. In 2013, Wayne State University professor Thomas C. Pedroni's MEAP research data revealed that DPS trailed the Michigan proficiency average in all 18 categories, despite marginal increases since 2009. This contradiction of EM Roy Roberts' proclamation that the district was above the state average in 14 out of 18 categories raised questions about the integrity of EMs as well as educational competence. Table 4 below lists the student achievement in each EM school district in ELA and Math.



**Table 4**

***EM School District Student Achievement (Proficiency Percentage)***

<b>School district</b>	<b>Year</b>	<b>Reading/ELA (3-8)</b>	<b>Mathematics (3-8)</b>
Detroit	2009	29%	12%
Detroit	2010	37%	12%
Detroit	2011	32%	11%
Detroit	2012	35%	10%
Detroit	2013	42%	14%
Detroit	2014	40%	14%
Detroit	2015*	13%	7%
Detroit	2016*	11%	5%
Highland Park	2012	30%	9%
Highland Park	2013	32%	11%
Highland Park	2014	31%	10%
Highland Park	2015*	9%	3%
Highland Park	2016*	4%	4%
Highland Park	2017*	8%	10%
Highland Park	2018*	11%	5%
Muskegon Heights	2012	23%	2%
Muskegon Heights	2013	25%	5%
Muskegon Heights	2014	26%	10%
Muskegon Heights	2015*	6%	4%
Muskegon Heights	2016*	1%	1%

*Note:* The data source is the Michigan Education Dashboard.

\*= The state's standardized test changed from the MEAP to the M-STEP (Grades 3-8).

A parametric T-Test was conducted on M-STEP scores for English Language Arts and Math for the three districts during 2015-2016 (see Table 5).

**Table 5**

***Parametric T-Test***

	Paired T-Test			95% Confidence interval of the difference		t	df	Sig. (2-tailed)
	Mean	Standard deviation	Standard error	Lower	Upper			
<b>M-STEP ELA (2015-2016)</b>	4.0000	1.7321	1.0000	-0.3027	8.3027	4.000	2	0.057
<b>M-STEP Math (2015-2016)</b>	1.3333	2.0817	1.2019	-3.8378	6.5045	1.109	2	0.383

A Nonparametric Wilcoxon Signed Ranks Test was done for the three school districts as well (see Table 6) to determine if there was any statistical significance in student achievement levels after EMs took over the school districts.

**Table 6**

*Nonparametric Wilcoxon Signed Ranks Test*

<b>Wilcoxon Test Statistics</b>		
	ELA M-STEP 2015-2016	Math M-STEP 2015-2016
Z	-1.633 <sup>b</sup>	-1.069 <sup>c</sup>
Asymp. Sig. (2-tailed)	0.102	0.285

## Quantitative Testing Results

T-Test results indicated that ELA scores in 2015 and 2016 demonstrated non-significant differences among the districts ( $t = 4.0$ ,  $p < 0.057$ ), failing to reject the null hypothesis that there would be no differences in the declining scores among the three districts.

T-Test results indicated that math scores in 2015 and 2016 demonstrated non-significant differences among the districts ( $t = 1.109$ ,  $p < 0.383$ ), failing to reject the null hypothesis that there would be no differences in the declining scores among the three districts.

Wilcoxon Signed Ranks test results indicated non-significant differences in ELA scores in 2015 and 2016 ( $z = -1.633$ ,  $p < 0.102$ ), failing to reject the null hypothesis that there would be no differences in the declining scores among the three districts.

Wilcoxon Signed Ranks Test results indicated that math scores in 2015 and 2016 showed non-significant differences among the districts ( $z = -1.069$ ,  $p < 0.285$ ), failing to reject the null hypothesis that there would be no differences in the declining scores among the three districts.

- a. Wilcoxon Signed Ranks test
- b. Based on positive ranks
- c. Based on negative ranks

In summary, the quantitative data is interpreted as indicating that EMs accomplished nothing academically, as not one of the districts showed statistically significant positive effects from the implementation of emergency managers or state control of their school districts.

## Discussion

The findings of this study indicate a need for Michigan policymakers to rethink the Emergency Management law (EM) as an education policy, as the data showed that the EM policy did not positively affect the three local school districts subject to state takeover under the subsequent iterations of the EM law. The data analysis revealed that the EM law was not suitable for K-12 education for three main reasons: (a) insufficient EM expertise in education evident in student achievement deficits in the three affected districts, (b) inadequate per-pupil state funding, and (c) ineffective results in addressing the financial emergencies. All three districts in this study exited emergency management through the General Motors “old company/new company” bankruptcy model, with new school districts created and old school districts remaining only to pay off the accumulated and outstanding debt. Detroit Public Schools was under emergency management for eight years (2009-2016), Highland Park for seven years (2012-2018), and Muskegon Heights for five years (2012-2016). The results in all three districts showed EM characterized by a crisis of leadership, enrollment decline, and financial emergencies. Lastly, the EM policy as it was implemented in these three local school districts lacked an overall comprehensive strategy and coordination with the state of Michigan to improve the conditions in these school districts. The lack of a comprehensive strategy for EM school districts from state control followed a well-established pattern of education policy in Michigan dating back to the 1990s that were not fully calculated, especially the unintended consequences.

## **Crisis of Leadership**

The findings in this study indicated that the EM law was not suitable as a K-12 education policy. EMs were appointed for their business acumen, with the expectation of resolving complex financial issues, but the EMs lacked the educational expertise to address the school districts' complex education issues. Leadership, regardless of the setting, establishes a mission and a vision and implements a strategic plan, but in K-12 education, instructional leadership is also required (Collins, 2001; Edmonds, 1979; Leithwood et al., 2010)—second only to classroom teaching in impact on student achievement (Branch, Hanushek, & Rivkin, 2013; Leithwood et al., 2004). EMs lacked the skill set to address urban educational issues and challenges. Specializing in technical fixes, the EMs typically lacked the capacity or willingness to understand the adaptive changes needed to turn around an urban school district or to act in the best interests of students (Bowman, 2013). Thus, they could not make significant curriculum changes as Michigan's State Board of Education adopted the Common Core State Standards curriculum in 2010 and implemented Core-aligned standardized testing in 2015 (i.e., the M-STEP).

Unlike leading a corporation or city government, leading a school district requires the ability to articulate a viable improvement strategy for student learning and charisma to influence teachers and principals to buy into the improvement strategy to avoid demoralization within the organization (Collins, 2001; Payne, 2008). Such leadership from emergency managers was not present in Detroit, Highland Park, or Muskegon Heights. EM Robert Bobb was determined to root out corruption, but the associated negative media coverage increased over 350% during his tenure (Black, 2016a). EM Roy Roberts unilaterally imposed a 10% wage cut on all DPS employees, which resulted in demoralized teachers, and the lack of capital school improvements compounded this issue. These events and factors resulted in hundreds of staged "sick-outs" attracting national attention in 2016 in DPS (Black, 2016a; Pratt Dawsey, 2011; Shortell, 2016). A 2016 dissertation study on Detroit Public Schools found that 10 out of 27 interviewees specifically cited EM as a failed education policy (Black, 2016a). One interviewee stated, "Simply put, you can ride around any Detroit neighborhood and see state control's thumbprint on DPS as hundreds of schools sit vacantly and vandalized by copper thieves" (Black, 2016a, p. 153). Previous supporters of emergency management such as the *Detroit News*' editor Nolan Finley made public reversals:

Darnell Earley has a plan. Robert Bobb had one, too. So did Roy Roberts. And Jack Martin. Earley and his three predecessors as emergency managers of Detroit Public Schools all had the formula for fixing the district's financial mess and turning the focus on delivering quality education to the city's cheated children. And yet here we are, starting over for the fourth time in six years with a new man with a new plan. This has moved beyond the borders of absurdity. It's a travesty. The school district and the schools are no closer to functionality than they were when state oversight began (Finley, 2015, para. 1-4).

Highland Park and Muskegon Heights public schools closed as traditional districts and reopened as for-profit charter school districts (Spalding, 2013). Despite the General Motors “old company/new company” bankruptcy model applied to address the debt, the charter school models did not improve student achievement. Academically Muskegon Heights was one of the lowest-performing school districts in the entire State of Michigan (Michigan Education Dashboard). The constant decline in Highland Park after emergency management prompted the EM there close its high school in 2015 (Smith, 2015; Smith, 2016).

### **Funding Issues**

Structural funding issues continued as Lansing lacked the political will to adequately fund the state’s K-12 education. In 2016, the Michigan legislature commissioned a school funding adequacy study recommending an increase in the per-pupil funding to \$8,667 from \$7,552 (Addonizio & Arsen, 2016). Michigan’s inequity was apparent in the disparity between one of the most affluent Michigan cities (Bloomfield Hills with \$11,984 per pupil) compared to one of the poorest cities (Detroit with \$7,552 per pupil) (Michigan Education Dashboard, 2016). The latest school funding per-pupil proposal from Michigan’s newest governor, Democrat Gretchen Whitmer, is \$7,871—below the level of the 2016 adequacy study (Addonizio & Arsen, 2016; Egan, 2019). A report from the *Michigan League for Public Policy* revealed how the Michigan Legislature raided the school aid fund (for K-12 education) since 2010 in the amount of \$4.5 billion to fund Michigan universities and community colleges, as general fund tax dollars were stretched thin to cover tax cuts for businesses by then-governor Rick Snyder, a Republican (Ruark, 2018).

Even though two of the three affected local school districts emerged from EM with positive balance sheets, all three had been negatively affected: (a) enrollment decreased significantly (-154.3%), (b) school buildings were closed, (c) teachers were laid off, (d) teacher vacancies were created, and uncertified individuals instructed students, (e) wages for DPS teachers were cut by 10%, (f) student achievement remained elusive, (g) educators who remained became demoralized, and (h) the EMs in DPS routinely made decisions negatively affecting district students and parents. The methods used by EMs and the state to “resolve” the financial emergencies were misleading, as the school districts essentially replicated the General Motors bankruptcy model to retire the debt while ignoring the structural funding issues that had caused the financial emergencies, beginning with the passage of *Proposal A* in 1994. For example, Highland Park and Muskegon Heights were still in deficit three years into emergency management, with Highland Park trimming its deficit from \$12 million in 2012 to \$8 million in 2015, and Muskegon Heights cutting its deficit from \$11.9 million in 2012 to \$1 million in 2015 (Catmony, 2015) even after the change from traditional to charter public schools.

Local school district challenges (e.g., enrollment decrease, charter schools, schools of choice) and structural funding issues for K-12 education caused financial emergencies in the school districts in this study and over 50 other local school districts that were in deficit in 2012 (Spalding, 2013). Education policies such as schools of choice and charter schools created another level of complexity, giving urban parents multiple school choice options and making it difficult for local school districts to budget for upcoming school years adequately.

Finally, the EM law was not in accord with educational research about steps necessary for turning around urban schools, which included maintaining high expectations for students, improving the quality of instruction, implementing and following a strategic plan, applying data to drive instructional change, meeting the social-emotional needs of students living in poverty, and providing strong instructional leadership at school and district levels. Analysis of the actions and strategies undertaken by EMs in Detroit, Highland Park, and Muskegon Heights school districts leads to a conclusion that EMs did not provide the levels of education leadership or expertise required to turn around these three districts academically or culturally, nor could they resolve the financial emergencies for which they were hired without implementing the General Motors bankruptcy model.

### **Conclusion**

Can Michigan's education policy be resolved? It can, according to the late Ronald Edmonds: "We can, whenever and wherever we choose, successfully teach all children whose schooling is of interest to us. Whether or not we do it must finally depend on how we feel about the fact that we haven't so far" (1979, p. 23). The crisis of Michigan's K-12 education system has been shaped by an incomplete vision from policymakers, as the business model approach of the 1990s (choice, competition, and accountability) has not paid dividends and has failed Michigan's schoolchildren, particularly in high poverty urban areas.

The current iteration of the EM law (*Public Act 436 of 2012*) has been portrayed as an effective education policy. Still, it has failed to reform local school districts successfully due to its implementation, which lacks an overall strategy for success, the lack of additional resources, and the lack of expertise among the EMs that served in these school districts. The ineffectiveness of this strategy was compounded by the governors from both political parties and their failures to hire turnaround educators as emergency managers to oversee education reforms in these districts. The EM law remains an example of how Michigan education policies have not been research-based or otherwise proven as promising strategies to strengthen teaching and learning throughout K-12 schools in the state, but more importantly, how the business model approach is unsuited for K-12 education. Simply put, state takeovers in Michigan have not been successful due to the inability of state leaders to resolve complex fiscal issues and academic challenges. Urban schools still lack the policy support to address poverty combined without a comprehensive K-12 policy strategy to facilitate substantive changes (e.g., equitable funding, teacher recruitment, etc.) in urban schools in Michigan.

Education policies enacted in the 1990s (i.e., schools of choice, charter schools, inequitable per-pupil funding, and structural public-school underfunding) were significant contributing factors to the financial emergencies in these three urban school districts. Moreover, the continued failure to make policy changes will ultimately result in future financial crises in similar urban districts if the state government supports quick fixes rather than address root causes, such as inequitable funding in Michigan. For example, the problems surrounding Governor Snyder's plan to close low-performing urban schools provide a stark contrast to the approach of Massachusetts, a leading education state. Massachusetts' turnaround model for low performing schools provides additional grant funding as well as personnel with expertise from the Massachusetts Department of

Elementary and Secondary Education to support school leaders during the turnaround, not the closure of schools and the creation of educational barriers for people living in poverty, which are predominately of color.

The first step to substantive change for Michigan's education policy dilemma is to rise above the business model, focus on choice, competition, and accountability, and apply education research to guide education policy purposefully. Massachusetts was at an education crossroads in the early 1990s. Still, Massachusetts chose to invest in education and develop policies to directly impact the quality of teaching and learning in the *Massachusetts Education Reform Act of 1993 (MERA of 1993)* (Chester, 2014) rather than create a new governance model. Education is a priority in Massachusetts with a comprehensive vision, as reflected in various statistics in the state. For example, Massachusetts spends \$15,000 per pupil (standard allocation), their NAEP scores are the best in the nation, and Massachusetts spends \$355 million less on corrections than Michigan (Black, 2017; Black & Boxley, 2018). The *MERA of 1993* provided significant changes in students' learning, teachers' professionalism, principals' instructional leadership, funding equity, curriculum rigor (standards-based), failing-school reform, and early childhood education funding (Black & Boxley, 2018; Chester, 2014). Inspired investments and prudent political will have been the staples of Massachusetts as both have significantly improved outcomes for children in Massachusetts. Education policies in Michigan during the 1990s were drastically different than those in Massachusetts. The EM law as education policy exemplified Michigan's underdeveloped education policy mindset. A lack of political will in Michigan affects fragile school districts such as DPS more adversely than affluent school districts in Michigan.

### **Implications**

The Emergency Management law was not originally intended to become an education policy; this law was viewed as the only option for rescuing local school districts from deficit operation. The unpopularity of the EM law in urban areas increased exponentially with the discovery that decisions made by EMs put in motion a series of events resulting in the Flint Water Crisis: lead-contaminated water, which caused several deaths from legionaries' disease in addition to countless stories of children suffering brain development issues (Kennedy, 2016). Jim Ananich, a Democratic state senator in Michigan, expressed sentiments that the focus of EM law was a government solution instead of a solution for the problems of people:

We have poisonous water flowing through people's faucets. Unfortunately, the emergency managers in these communities have been failing. . . [Emergency management has] been a failed project. . . There's absolutely no accountability with the government. They are trying to circumvent local democracy and say, "This one individual knows best." (Bosman & Davey, 2016, p. A9)

As an education policy, the EM law failed to attend to the expectations and reality of people of color and people living in poverty. Education policy must be directed toward improving the quality of education for *all* children, eschewing factors that differentially affect white, black, or brown children. Education policy in Michigan was inequitable by race and socio-economic level. For



example, when the Kalkaska school district, a predominantly white school district in northern Michigan, ceased operation in March 1993 due to insufficient school funding (a financial emergency), the state overhauled the entire K-12 funding system (Addonizio & Kearney, 2012; Kang, 2020). Comparable financial crises in mainly black school districts resulted in state takeovers with the underpinnings of racism. Financial emergencies in white school districts were blamed on failed state policy, and policy changes were instituted; however, financial crises in predominantly black school districts were blamed on incompetent leadership at the local school board and superintendent levels, requiring state intervention and oversight.

The racially biased EM law, like other Michigan education policy fads, has disproportionately affected minority students. Implications of Michigan's failure to address the issues documented in this paper include continuation of statistics that should be unacceptable for any elected official: 34% of high school graduates are college-ready; NAEP scores are 45<sup>th</sup> in the nation; \$2 billion must be spent on corrections; the state suffers economic losses due to insufficient talent (e.g., failed Amazon HQ2 bid); and Michigan cities Detroit, Flint, and Saginaw are routinely on the F.B.I.'s top 10 list of most violent cities per capita in the nation (Black & Boxley, 2018). According to Black and Boxley (2018), Lansing's education policies and overall disinvestment in education over the past 25 years directly correlate with "Michigan's status among the lower tier of states in reading proficiency (4th-grade students 32%) and math proficiency (4th-grade students 36%) on the National Assessment of Educational Progress (NAEP) in 2017." The EM law worsened outcomes for students in Detroit, Highland Park, and Muskegon Heights. Without broader support for purposeful research-based attention to teaching, learning, and school leadership, the risks of poorly conceived education policy decisions, such as the EM law, could make Michigan a national leader in the *school-to-prison pipeline* (United States Department of Education, 2016).

In closing, this study highlights considerable deficits in education policy for Michigan. The ineffectiveness of the EM law as an education policy was determined by analyzing qualitative and quantitative data from the three school districts under EM state control. The findings of this study were the following: (a) EM policy caused enrollments to decrease -154% in these districts, (b) education funding Michigan was inequitable, with these districts underfunded, and (c) EMs could not improve academics in these districts. The lack of an overall strategy and resources to support EM school districts exacerbated the fiscal crises in these districts, which resulted in the General Motors "old company/new company" bankruptcy model to finally address the fiscal crisis to avoid the complete closure of these school districts. The implication of this study is the future direction of education policies as they pertain to urban school districts in Michigan. Will future education policies continue to affect urban schools adversely, or will these future policies address the systemic inequities in Michigan's educational system?

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