Michigan’s Talent Crisis: The Economic Case for Rebuilding Michigan’s Broken Public Education System
The Education Trust-Midwest (ETM) is a nonpartisan research and advocacy organization dedicated to improving outcomes for all Michigan students, especially for African American, Latino, American Indian and low-income students. ETM believes in the power of intelligent education policies and practices — informed by data, research, and the successes of other states — to make Michigan a top ten education state for all students.

For more information, visit: edtrustmidwest.org or michiganachieves.com.

TABLE OF CONTENTS

I. The Goal: Becoming a Top Ten Education State 3
II. The Economic Case for Public Education 6
III. Michigan’s Educational Competitiveness 8
   • State of Education Today
   • A Workforce Talent Crisis
   • An Honesty Gap
IV. A Top Ten Plan for Michigan Education 14
   What’s Been Accomplished
   Key Priorities Moving Forward
   1. Strong Reading Skills for All Michigan Third Graders
   2. Committed and Sustained State Leadership
   3. College- and Career-Ready Instruction for All Students
   4. Honest and Reliable Data
   5. Strong Leaders and Excellent Teachers
   6. Fair School Funding
   7. Improved Access and Opportunity for All Students
V. Michigan Achieves Progress Indicators 24
VI. Sources 34
VII. Acknowledgments 35
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Michigan is at great crossroads – a historic moment when our citizens and leaders must choose whether we will take advantage of major new opportunities to become a top state economically and educationally once again – or face a continued and dramatic decline that will relegate the state and its citizens to global backwater status. The path we take during the next five years will be critical in determining which destination we reach.

Clearly, we’re on an upswing economically. After struggling through the Great Recession, the state’s economy is bouncing back. Unemployment is lower than it’s been in years. Many industries are rebounding. State tax revenues also have increased substantially, resulting in a windfall of more than half a billion dollars.

However, our public sector needs are urgent. From pothole-filled roads to tainted water, Michigan’s public infrastructure has been neglected through the Great Recession. Those needs must be addressed – now.

Yet there’s another crisis that’s just as urgent, because it threatens to undermine our economic momentum and derail Michigan’s competitiveness for decades to come: our underperforming public education system. Research shows that the most effective path for a state to boost the long-term economic well-being of its people is to invest in improvements in education. States with a highly educated workforce have high median wages.

Today Michigan’s K-12 system is among the weakest

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in the country and getting worse. In little more than a decade, Michigan has gone from being a fairly average state in elementary reading and math achievement to the bottom ten states. It’s a devastating fall. Indeed, new national assessment data suggest Michigan is witnessing systemic decline across the K-12 spectrum. White, black, brown, higher-income, low-income – it doesn’t matter who they are or where they live, Michigan students’ achievement levels in early reading and middle school math are not keeping up with the rest of the U.S., much less our international competitors.

For example, Michigan ranked 28th for fourth-grade reading achievement in 2003; we’re now ranked 41st nationwide. By 2030, we project to be ranked 48th if we do not change our policies and educational practices. Fixing the many problems in our education system will require thoughtful, sustained and committed leadership – particularly from the business sector. Given that early reading is a leading predictor of children’s future success – whether they graduate from high school, go to college, get a job and even whether they end up incarcerated – it’s clear that early reading must be a priority for intensive – and meaningful – improvement over the next five years.

In a global economy – and an increasingly global talent pool – Michigan’s faltering K-12 system puts students at a huge disadvantage when it comes to mastering the knowledge and skills they need to compete and flourish in the knowledge economy. More than a quarter of all Michigan students are required to take at least one remedial course in college. To make up for what the K-12 system did not do, their families and the state are spending billions on college remediation each year.

The good news is that Michigan has critical new opportunities to advance high-leverage systemic improvement strategies that have catapulted other states’ student achievement in just a matter of several years. Policymakers are on track to invest roughly $50 million in efforts to bolster reading by third grade over the next few years. Michigan lawmakers recently approved legislation that supports the Michigan Department of Education’s implementation of the state’s first statewide educator evaluation and support system. New strategies to empower the state’s top teachers and to support new teachers, especially in high-poverty schools, are within our reach. Michigan also is implementing college- and career-ready standards – an absolutely essential step that leading states took when they began to transform their public education systems.

Indeed, as our organization has documented repeatedly in recent years, change need not take forever: leading states show us the high-impact strategies that produce sustained growth in as quickly as four to five years. Global leaders such as Massachusetts and high student-growth states such as Tennessee illuminate best practices and high-leverage strategies. In both states, business leaders and organizations were critical in galvanizing and focusing improvement efforts.

To learn more about how these states have succeeded, visit edtrustmidwest.org/leading-states.

Unfortunately, there is bad news, too: Michigan’s efforts to date do not reflect a serious commitment to the hard work that’s needed to transform our public schools for students of every kind. Long overdue efforts to raise performance standards for teaching and learning to high levels are at risk of being pushed aside, leaving families with incomplete and dishonest data about student learning. Weak implementation plans are hurting third-grade literacy efforts: indeed, millions are being handed over for literacy improvement efforts without real tracking of impact on student learning. Lack of accountability at every level remains a massive problem. And the absence of thoughtful, sustained support for Michigan’s teachers and principals is profound – especially in high-poverty schools.

Leading states such as Massachusetts and Tennessee have been doing strong work to promote college- and career-readiness for all students. In comparison, as we explore in this report, Michigan has barely begun to do...
the work that these and other leading states have been doing for years.

Thankfully, in recent months business leaders across the state have committed to a new effort to make Michigan a top ten education state by 2030. The Michigan Achieves initiative is designed to make that ambitious and urgent goal happen for all students in our great state. These leaders know with certainty what others in our state are beginning to grasp: that Michigan has Great Lakes and an increasingly strong economy but we cannot be great, by any definition of greatness, if we continue to educate our children in one of the lowest-performing public school systems in the United States.

In this report, we lay out the next steps in a comprehensive plan – initially published last year – to make Michigan a top ten education state for every Michigan student. As promised, we also report on Michigan’s progress toward this goal.

The business community has been an essential voice in systemic change and investment in closing achievement gaps and raising achievement in leading education states. We ask business leaders in every corner of the state to join us in this effort. Michigan students are just as talented, bright and capable of learning at high levels as the children of other states. It’s time for Michigan business leaders to help provide leadership in advancing a thoughtful, research-based agenda to ensure our system is teaching all children at the high levels of achievement that they so deserve.

“These leaders know with certainty what others in our state are beginning to grasp: that Michigan has Great Lakes and an increasingly strong economy but we cannot be great, by any definition of greatness, if we continue to educate our children in one of the lowest-performing public school systems in the United States.”

— Deidre Lambert-Bounds, Chief Operating Officer, Ignite Social Media
Expanding access to high-quality education will expand individual economic opportunity and strengthen the overall state economy. Research continually supports the idea that more educated individuals are more likely to participate in the job market, to work more, and to earn more.\textsuperscript{ix}

The payoff from proper investment in education can be significant for the state economy. Those findings are buttressed by a recent National Bureau of Economic Research report, which included an examination of the economic gain for states that invest in improving the quality of K-12 education. Using data from other countries and the National Assessment of Educational

“The disconnect in Michigan is that we have some of the best higher education in the world, but more and more, we have to fill those seats with students from out-of-state because many of our own students, through no fault of their own, are coming out of high school not prepared for college.

When you look at the numbers and see signs like the recent modest increase in the number of kids who finish high school, that’s great and we need to do more of it, but when you look at the ACT scores, many of our students are graduating not ready to go on to succeed in college. An important question is whether our students are being challenged enough: do they have access to the classes and coursework that will help make them competitive with students from other states?”

—Brian Cloyd, Vice President, Global Corporate Relations, Steelcase Inc.
Progress (NAEP), economists predicted the economic effects of improving education. They found that if all American students were at least meeting basic mastery as defined by NAEP, that there would be dramatic economic benefits: the nation’s gross domestic product would increase by $32 trillion. For Michigan, this would mean the gross domestic product would increase by 15.1 percent or about $860 billion.x

In addition to the economic benefits, of course, a strong education also provides significant social, civic and health-related benefits for individuals and society, creating a better society to live in.

When children read well by third grade, they are more likely to succeed not only in school, but in life. They’re much more likely to go on to college, participate in the job market, and even be paid more. On the other hand, when students are not proficient in reading by third grade, there is much greater risk that society will have to spend more on them for the rest of their lives. They are more likely to drop out of school, require unemployment or other government assistance, and earn much less than students who graduate from high school and college.xi

Without a doubt, a more educated populace increases the knowledge capital of a state as a whole. By investing in today’s students, we invest in tomorrow’s workers and Michigan’s economy.xii

“Most people agree that all kids deserve a good education. It is so much the right thing to do. But there’s also a hard-nosed business case for making education a top priority.

First, we have good jobs going begging because we don’t have enough qualified people to fill them. That makes it difficult for businesses to grow and makes it tough for the state to attract new businesses, especially the ones that pay higher wages.

And second, the return on investment is huge: improvements in education save big spending on social costs all down the road, for years to come. Children who can read by third grade are more likely to graduate from school, go to college, find a good job and become productive citizens. The flip side can be a disaster in welfare and incarceration costs. Education is the best investment we can make.”

— Ken Whipple, Former CEO of CMS Energy and Executive Vice President of Ford Motor Company

“Leaders of the business community care about education in Michigan not just because we’re trying to be good corporate citizens. It’s also because we are connecting the dots between investment in education and its impact on the economic climate of the state. High quality public education is linked to the other things that matter to companies doing business in Michigan. Getting all children in Michigan up to speed, compared with their peers in other states, is key to our long-term capacity to attract and retain talented employees. And it also will help us create an environment that will encourage businesses to locate here and expand operations, and ultimately create good jobs for our customers.”

— David Mengebier, Senior Vice President of Governmental & Public Affairs of CMS Energy Corporation and Consumers Energy Company
For decades, Michiganders prided themselves on having among the best public schools in the nation. As recently as 2003, Michigan was among the top states for white student achievement in fourth-grade reading compared to other states. Even while some minority and low-income students performed poorly compared to others, many Michiganders told themselves that most of our children were doing just fine.

That Michigan is long gone. Today Michigan’s K-12 system is among the weakest in the country, and falling behind, according to new national assessment data in key indicators. White, black, brown, higher-income, low-income – it doesn’t matter who they are or where they live, Michigan students’ achievement levels in early reading and middle-school math are not keeping up with the rest of the U.S. and world.

STATE OF EDUCATION TODAY
Over the last fifteen years, Michigan’s relative rank has fallen dramatically in early reading and math student achievement compared to the rest of the country. Gains made by the nation are not being shared in Michigan. Data suggest Michigan’s K-12 education system is witnessing a systemic failure. Indeed, Michigan is on its way to becoming ranked among the worst education states in the country, even worse than traditionally abysmal states such as Mississippi and Nevada.

Two trends are at work behind this decline. First, in fourth-grade reading, instead of making the necessary growth to ensure success, Michigan students’ achievement has largely stalled. Second, several other states – investing in high-leverage strategies and systemic improvements – have produced much stronger gains in student learning. These states have outpaced Michigan’s improvement – in some cases dramatically – leaving Michigan’s rank to fall increasingly behind since 2003. Some states, like Massachusetts, have been on an ambitious track for more than two decades. Others,
such as Tennessee and Alabama, are relative newcomers as education leaders but with strong state, business and K-12 leadership, their public schools are producing strong improvement in learning for their children.

Consider, for fourth-grade reading:

- Michigan students’ national rank has fallen from 38th in 2013 to 41st in 2015 in reading, according to new data from the National Assessment of Educational Progress (NAEP). That’s remarkable, given Michigan’s performance was at about the national average – or ranked 28th – in fourth-grade reading in 2003.

- If current performance trends continue, Michigan’s fourth-graders are projected to be ranked 48th in the country by 2030.xiv

- What’s more, Michigan is one of only five states that has declined in actual performance on the national assessment since 2003.
Michigan student performance has declined across several groups of students, including white, African American and Latino – since the last national assessment in 2013.

For eighth-grade math, the news is still sobering:

- Michigan students’ rank in eighth-grade math has continued to decline from 34th in 2003 to 38th in 2015 compared to other states nationwide.

- Since 2003, Michigan’s low-income students also have fallen in relative rank from 34th to 46th in 2015.

- Similarly, higher-income students have fallen from 34th in 2003 to 41st today compared to their higher-income peers around the country.

- White students show a decline in actual performance on the national assessment since 2013.

For a comprehensive look at Michigan’s education performance, access and opportunity, see the 2016 Michigan Achieves Progress Indicators on page 24 or at michiganachieves.com.
The numbers are particularly devastating for low-income and minority students.

Only 9 percent of Michigan African American students are proficient in fourth-grade reading compared with 32 percent of white students, according to the new national assessment results. And we see an almost 30 percentage point gap in proficiency between low-income and higher-income Michigan students in eighth-grade math.

But our low-income students and students of color don’t just perform below our higher-income or white students: they often perform below low-income students and students of color in other states, falling near or at the bottom in some cases.

Michigan’s African American students – for decades horribly under-served and under-supported by the public education system – are either at or near the very bottom in reading and math compared with their peers across the country. And while the relative rank of Michigan’s Latino students compared to their peers nationwide has been a brighter spot at times over the years, the state still faces steep achievement gaps between white and Latino students. For example, the percentage of white students proficient in eighth-grade math is nearly double that of Latino students in Michigan. Similarly, in fourth-grade math, white student proficiency rates are almost double that of Hispanic students in Michigan, a nearly 20 percentage point gap. This is even more startling given that Michigan’s white students rank 47th in the nation compared to their white peers nationwide in fourth-grade math.

And let’s be clear: those who think that Michigan’s unacceptable educational performance is somehow due to our large numbers of poor and African American students need only look elsewhere around the country, where other states are making enormous progress and learning gains for their vulnerable children.

In our 2015 Michigan Achieves report, we noted Michigan students in all student groups needed to catch up with top states in fourth-grade reading. Since then, Michigan has not produced the necessary gains in performance to reach these top states. If Michigan does not dramatically change its course, becoming a top ten state will become even more difficult by 2030.
For example, Michigan’s low-income students have fallen in relative rank from 37th in 2013 to 45th in 2015 for fourth-grade reading compared with their peers nationally. Indeed, based on the necessary growth needed, if Michigan does not change course, the state could not become top ten for fourth-grade reading for low-income students even by 2051.\textsuperscript{xv}

But the crisis doesn’t just affect students of color. Michigan’s white students now rank 49th in the country in fourth-grade reading compared to their peers – and 42nd in eighth-grade math – according to new national assessment data.

And for those who believe Michigan’s educational woes are due to poverty, the data tell a far different story. In fact, our higher-income students in Michigan rank 48th in fourth-grade reading and 41st in eighth-grade math compared to higher-income students in other states. Indeed, our higher-income students now trail the performance of the combined student population in Massachusetts in both fourth-grade reading and eighth-grade math.

Even Michigan’s white higher-income students now rank 50th in fourth-grade reading, down from 45th in 2013 and 17th in 2003. That is a stark comparison to white higher-income students in Massachusetts, who ranked first in the nation in 2015. Such vast differences in student learning outcomes can result in big differences of knowledge and skills for young adults competing for jobs and college admission.

In Michigan, conventional wisdom often holds that our state’s lower achievement is understandable, given our poverty rates and struggling urban communities in a post-manufacturing, global economy. Poverty alone, however, does not explain the differences separating the performance of our children from those in other states.

For example, despite similar rates of poverty for children, Tennessee students outpace Michigan students in fourth-grade reading, including among low-income African American and Latino students.\textsuperscript{xvi} That’s remarkable, given that Tennessee was a lower-performing education state not so long ago in fourth-grade reading – and is powerful evidence of what we could do if we really focused.

What’s more, many Michiganders think Detroit is the state’s worst performing school district. In truth, other districts – including Grand Rapids, Flint and Pontiac – were performing worse than Detroit Public Schools for African American students in eighth-grade math, according to the 2013 state assessment.\textsuperscript{xvii}

**A WORKFORCE TALENT CRISIS**

The effects of our weak K-12 performance play out when students try to go to college and pursue good job opportunities. Michigan students often are not prepared for the challenges of college coursework – or even have the basic skills to pass the Armed Services Vocational Aptitude Battery, a military entrance exam.
The rate at which African Americans in Michigan are ineligible to enlist in the military is an alarming 43 percent.\textsuperscript{xviii}

Even for those who do go to college, more than a quarter of all Michigan students are enrolled in remedial courses. Among African Americans, more than half take remedial courses in college. These non-credit bearing courses are expensive and time consuming, making the path to a degree longer and the debt burden higher.

Michigan’s talent and skill deficits play out in college completion numbers, too. Only about 37 percent of Michigan adults who are 25 years or older hold an associate’s degree or higher. In addition, Michigan ranks 32\textsuperscript{nd} of 47 states in the percentage of adults 25 or older with at least a bachelor’s degree, at about 27 percent.\textsuperscript{xix}

By 2020, research shows that 70 percent of the jobs in Michigan will require some education beyond high school; Michigan will not be able to fill those jobs if students are not prepared for college or career.\textsuperscript{xx}

What these data make clear is that our talent pipeline is collapsing: beginning with the earliest grades in our state through middle school, to preparation for college or career. We’re losing students and they lose out on opportunities for a lifetime. We need them to succeed and flourish to be a great state economically and educationally.

**AN HONESTY GAP**

It’s not surprising that the state’s educational performance is such a shock for many leaders and citizens, given the state’s long-time “honesty gap.” For many years, most Michiganders simply didn’t know how poorly their schools were performing. Performance standards were set low, declaring students “proficient” even when they scored below even the basic level on the national assessment.\textsuperscript{xxi}

There was little to no accountability or support for school performance. And the state wasn’t honest in its public reporting about K-12 school performance.

Under strong public pressure, that improved in the last few years. Michigan adopted higher standards and started using a more rigorous assessment that tells us how we’re doing compared to other states.

But the old honesty problems are at risk of re-emerging again today. And Michiganders cannot afford to allow that to happen.

For more information about the steps forward to ensure Michigan has reliable, nonpartisan education data, see page 23.

Certainly, no two states are exactly alike. While there are some differences in the paths taken by the fastest improving states, there are also common strategies from which Michigan’s leaders can learn. We don’t need to experiment to figure out what works: we can take a lesson from the experience of these leading states.
A TOP TEN PLAN FOR MICHIGAN EDUCATION

WHAT’S BEEN ACCOMPLISHED

Fortunately, our state already has a start on some important building blocks:

• The Michigan State Board of Education adopted new college- and career-ready standards in June 2010, after years of input from Michigan educators, and have begun implementation efforts. The state also adopted a high-quality, aligned state assessment, administered for the first time in the 2014-15 school year.

• Late last year, Michigan lawmakers approved the state’s first statewide educator evaluation and support system – landmark legislation that took about four years to develop. If implemented well, this system will assure better support for our teachers, utilizing the enormous talents of the state’s top teachers to help other teachers and students.

• To bolster reading by third grade, policymakers are on track to invest roughly $50 million over the next few years.

KEY PRIORITIES MOVING FORWARD

To change our state’s educational trajectory and move Michigan toward becoming a top ten education state, we need to put a much higher priority on quality implementation, learning from what is working and what is not, then using that feedback to get ever smarter in improving our system. Because, in the end, quality implementation is everything: just as it is hard to produce rapid change without dollars to support that change, simply throwing dollars at a problem doesn’t work either.
LEADING EDUCATION STATES’ COMMON STRATEGIES

Top performing states and high student-growth states where educational outcomes are better typically use a few common strategies. Those include:

- **Strong, thoughtful state leadership that puts what is right for students – especially those who are struggling most – at the center of everything they do.**

- **A relentless focus on quality teachers and leaders, with generous investments and strategic use of top teaching and school leadership talent to help bolster their growth.**

- **Regular use of data at every level of the system – school, district, intermediate school districts (ISD), state – to better understand what is working, what is not and who needs more help.**

- **Clear and high standards that are anchored in what students need to be successful after high school, whether that be college or career training, as well as assessments that are aligned with those standards.**

- **An accountability system with clear improvement goals for every school and district, full transparency about progress toward those goals, and action wherever schools are struggling.**

- **A fair basic funding system – which sends extra resources to schools with greater needs – along with strategic investments in tackling high priority problems.**

*For more on leading education states, visit edtrustmidwest.org/leading-states.*
In the following pages, we lay out an action agenda for the state to tackle over the next five years as it works to become a top ten education state.

1. Strong Reading Skills for All Michigan Third Graders

We absolutely must focus on early education and get our students reading on grade level by the time they complete third grade. That’s where Michigan students are most in need of support and where investments in education are most cost-efficient. Moreover, if students don’t master the fundamentals of reading by the end of third grade, they are more likely to drop out of school and less likely to find regular employment that pays a family-supporting wage.

To those outside of education, this may sound easy. But in fact, it’s as bold a move as Michigan has ever made. Moreover, we won’t succeed with the one-off investments that Michigan has long tried, including the relatively generous initial investments that the Governor and the Legislature have already made this year. It’s going to take a series of interconnected changes in both policy and practice, fueled by strategic investments over multiple years. And these have to be combined with a serious focus on quality implementation, a careful monitoring of data to understand what is working and what is not, and a willingness to act on what we learn, recalibrating and trying again.

Getting all Michigan students reading by third grade will require an unprecedented transformation of the state’s early grades’ teaching force; full implementation of the state’s college- and career-ready standards for teaching and learning in early grades’ classrooms; and real accountability and oversight to ensure that this happens. It will require that long outdated and unaccountable delivery systems – including some at the Michigan Department of Education (MDE) – be rethought and overhauled with support from the best leaders in the nation.

We won’t succeed with the one-off investments that Michigan has long tried. It’s going to take a series of interconnected changes in both policy and practice, fueled by strategic investments over multiple years.

But we can do this if we really focus.

As the other priorities below show, there are many interconnected changes in policy and practice that must occur for all Michigan students to be reading at grade level.

Next Steps:

• Michigan needs a robust multi-year plan that takes a holistic, systemic approach to changes in policy and practice – many of which are outlined below – that are needed along with a serious focus on quality implementation. The plan should include the retraining of Michigan teachers on the nation’s most up-to-date reading instructional practices; ensuring students who are behind in reading, according to Michigan’s college- and career-ready standards and aligned assessment, have additional time to learn during the school year and through the summer from well-trained, effective teachers; and to hold schools and districts accountable for improving early literacy achievement, including in the state’s school accountability system.
2. Committed and Sustained State Leadership

Michigan’s educational system is in dire shape, to be sure. Every actor involved in the system – from state, district and school leaders to teachers and parents – has a role to play in its recovery. But that can’t even start without strong, committed state leadership that rises above partisan politics, special-interest agendas and ideological debates. Instead, our state leaders must be guided by research, rigorous analyses of education data and lessons learned from best practices in fast-improving states.

Unfortunately, we’re not even close. Take third grade reading, for example, an important new initiative led by legislative leaders and the Governor to ensure all Michigan students master essential reading skills in the early grades. Roughly $25 million in new state funding was allocated in the state budget last year for this initiative; a comparable amount is likely to come in this year’s state budget.

Yet weak implementation already is undermining the impact of this smart public investment. Leading education states have strong quality controls, data collection and accountability mechanisms in place to ensure the highest-quality implementation of such strategies. In Tennessee, for example, efforts to build schools’ capacity to raise learning levels in early reading look starkly different from those in Michigan. Unfortunately, the MDE’s implementation signals that it’s business-as-usual in Lansing. The MDE is using exactly the same “just spread the money around” approach that Michigan has used for years with little success. Education stakeholders committed to raising early reading levels cannot even evaluate the statewide impact of the state’s investment so far because the MDE has not provided a sound mechanism to collect the data to do so.

Leading education states use high-caliber data to inform and improve their policies and practices, and continually learn. Michigan must, too.

Meanwhile, we also need to rethink how our improvement efforts are structured, and make sure they are systematically building more equitable opportunities to learn. Indeed, MDE needs to consider serious restructuring to move from a bureaucratic organization focused on processing federal education dollars to one that is a leader in supporting statewide transformation efforts. Both Massachusetts and Tennessee have made such organizational changes over time, with Tennessee, in particular, investing time and resources in ensuring its regional delivery centers – equivalent to our intermediate school districts – are more effective, efficient and helpful to local districts and educators, and held accountable for their performance.

Business leaders have a special role in making sure these changes happen. They need to step forward, demand greater performance from our system and assure that routines and structures are in place to support continuous improvement.

To learn more about how high-growth state Tennessee overhauled its equivalent of an ISD system to be more effective and accountable, see ETM’s 2014 report, Stalled to Soaring, at edtrustmidwest.org.
Next Steps:

• State leaders should engage the best experts from inside and outside of the state in re-engineering the state’s improvement structures to provide better support to schools, districts and on-the-ground educators.

• Better use of data and the creation of fast-cycle feedback loops must be at the heart of the new system, so our efforts support continuous improvement and get ever smarter over time.

• New resources should be focused on high-leverage, targeted strategies to improve system performance and student achievement, but quality implementation is essential.

3. College- and Career-Ready Instruction for All Students

Top-performing and high-growth states in the nation started their educational transformation with higher performance standards for students and schools, for good reason. When states set low bars for teaching and learning, that is exactly what they get in return: low achievement.

The good news is Michigan has adopted and begun to implement its first college- and career-ready performance standards, along with an aligned assessment. As they have a chance to work with the standards, teachers and principals have been embracing them as challenging, but absolutely the right stuff. And because the M-STEP assessment was fully aligned with the standards, the state finally has begun to produce truly honest data on where our students really are performing on college- and career-ready standards – exactly the honest data that both parents and students need. But progress on this front is fragile: serious threats may derail this effort and undermine implementation.

And because the M-STEP assessment was fully aligned with the standards, the state finally has begun to produce truly honest data on where our students really are performing on college- and career-ready standards – exactly the honest data that both parents and students need. But progress on this front is fragile: serious threats may derail this effort and undermine implementation.

absence of dedicated funding to support educators in implementing these dramatically different standards is particularly egregious: unlike leading education states, Michigan has not strategically invested in proper training and support.

Yet absence of quality support for educators isn’t the only problem. Just as we finally put a high-quality aligned assessment in place that not only tells our teachers and parents where we are, but also allows us to benchmark with other states, along come opponents arguing that Michigan should somehow build its own assessment – something that we have a weak track record of being able to do well – or purchase a pre-existing off-the-shelf system that likely doesn’t actually align with the full breadth and depth of Michigan’s standards and the highest standards in the nation today. Yet absence of quality support for educators isn’t the only problem. Just as we finally put a high-quality aligned assessment in place that not only tells our teachers and parents where we are, but also allows us to benchmark with other states, along come opponents arguing that Michigan should somehow build its own assessment – something that we have a weak track record of being able to do well – or purchase a pre-existing off-the-shelf system that likely doesn’t actually align with the full breadth and depth of Michigan’s standards and the highest standards in the nation today. xxiv
different, the net effect is to jerk Michigan’s educators and families around, discouraging them from making the rigorous standards a priority.

To build a world-class, globally competitive education system, Michigan needs world-class standards and an aligned, high-quality assessment system that tells us where we are and allows us to benchmark progress both within the state and with other states.

**Next Steps:**

- Michigan should stick with its rigorous college- and career-ready standards. Scores of Michigan teachers and leaders were involved in developing them. Many more, along with higher education leaders in the state, helped vet them. This is the right path for our children and our schools. And we should simply stop jerking educators and families around.

- Similarly, Michigan needs to continue administering a fully aligned, independently reviewed, high-quality assessment like the initial iteration of M-STEP. Such an assessment produces data comparable with other states, and its continuity ensures Michigan will have honest data and information about how its students are performing against the highest performance standards in the U.S. today. The state should, however, buy the whole system, not just the summative tests.\textsuperscript{xx} The state could provide local schools and districts the high-quality diagnostic tools and benchmark assessments they need to tell them in real time how their students are progressing during the year. This has the potential to save districts tens of thousands of dollars every year, and assure a much stronger set of benchmarks than those dollars are currently purchasing.

- Michigan should take standards implementation much more seriously. Michigan must find the resources to support its educators by:
  - Using proven providers from leading states, implementing a “train-the-trainer” model to enlist master teachers to be trainers of all Michigan teachers, and principals – starting with K-3 – on implementing best college- and career-ready and literacy classroom practices;
  - Providing similar training and ongoing support to principals to support them in becoming instructional leaders on the new performance standards; and
  - Supporting efforts to help teachers and administrators analyze the quality of classroom assignments, identifying and correcting problems along the way, including gaps in quality between low- and high-poverty schools.

- Business leaders should lead a statewide conversation about the importance of sticking with the rigorous standards and aligned assessment, ensuring Michigan business, civic and policy leaders and parents understand the high-quality standards and their importance in preparing our young people to thrive and compete in a global economy.

**4. Honest and Reliable Data**

In education, as in other matters, accountability systems are critically important. Good ones set clear goals, and signal to both schools and the public when progress is inadequate. Indeed, good accountability systems are our best means for creating urgency around important education problems. But while Michigan has made important strides toward honest data and better accountability in recent years, we still don’t have an accountability system that will drive and support the improvements we need.
Moreover, if students don’t master the fundamentals of reading by the end of third grade, they are more likely to drop out of school and less likely to find regular employment paying a family-supporting wage.

To be clear, accountability alone doesn’t bring about improvement: educators, in particular, need support and development, and the poorest students often need extra help as well. But if our accountability systems are incomprehensible, award decent marks to schools even when low-income students or students of color in those schools are not progressing, or define as “acceptable” any amount of progress – no matter who makes it – both educators and students are unlikely to get the support they need. Good school and district leaders will lose the leverage essential to driving improvements and no amount of clamoring from communities will be sufficient to dislodge other, ineffective leaders.

With the passage of the Every Student Succeeds Act (ESSA) by Congress last year, Michigan has an opportunity to redesign its accountability system over the next year. This is another place where business leaders can help, by insisting on much clearer goals and public reporting. But we also need the voices of parents and civil rights organizations throughout the state, to make sure that the progress of all students matters in our accountability systems.

Next Steps:

• With advice and participation from business organizations, civil rights groups and improvement-oriented educators, state leaders must redesign Michigan’s school and district accountability system. The new system must set a clear expectation that schools improve academic outcomes for all groups of students, not just some; that schools focus attention and resources on the full range of student needs; and that there is action whenever schools don’t meet expectations for any group.

• Because of the critical role – and poor performance – of charter school authorizers in Michigan, state leaders also must develop policies to ensure Michigan charter authorizers are dramatically higher performing; low-performing authorizers are held accountable for their performance, including facing closure; and the nation’s best operators are attracted to serve the state’s neediest students.

5. Strong Leaders and Excellent Teachers

It was great news when Michigan adopted its first statewide educator evaluation and improvement system in 2015. Without honest feedback and support, our teachers won’t improve in the ways we need them to.

But experience in other states shows that this is another place where investment in implementation – and careful monitoring, with real-time adjustments – matters a lot.

Next Steps:

• State leaders should effectively and fully implement the blueprint developed by the Michigan Council for Educator Effectiveness (MCEE) and plans for a new statewide system of evaluation and support for teachers. State dollars should be invested in external providers with proven track records to ensure key components of the new system are effectively delivered.
• A council of Governor-appointed education, business and nonpartisan leaders should provide oversight of the state agency responsible for the implementation of the new system, and work with external providers including experts in leading states to address gaps in recommendations left undone by the MCEE.

• Longer-term, as part of a comprehensive strategy to improve the teaching and principal professions, Michigan leaders should fully implement a quality statewide educator evaluation and support system based on leading state models, including a vision and common definitions for effective teaching; and greater capacity-building for districts to deliver effective annual evaluations and data-driven feedback to support educators’ professional development.

• Michigan also needs to develop and implement a robust plan for ensuring the state’s most vulnerable students have access to highly effective educators, which is one of the most important levers available today to closing long-standing and unacceptable achievement gaps.

6. Fair School Funding

Michigan ranks an abysmal 42nd of 47 states in the fairness of its funding system, with significantly fewer dollars spent per student in the highest poverty districts than in the lowest poverty districts.xix That is not just an affront to the values of Michiganders, but a recipe for long-term burdens on our state’s taxpayers.

To ensure Michigan becomes a top ten state for all students – including those who enter school behind – Michigan must take the steps necessary to ensure both adequate and equitable funding system, just as Massachusetts did when it started its journey to the top in the early 1990s. Instead of ignoring the fact that it simply costs more to educate low-income students to high standards, we need to act on that knowledge.

One particularly important example related to early reading: Because poor children and English-language learners often enter with limited vocabularies, schools that serve concentrations of such children may need materials beyond the standard curricula – materials that will help build vocabulary and background knowledge – as well as extra learning time.

Next Steps

• Greater resources must be found now for targeted state investments in systemic statewide strategies to improve student achievement levels.

• State leaders must begin the process of overhauling the school funding system as necessary to assure fairness across different kinds of districts.

• Business and civic leaders should work together to help the public understand the need for
investment in systemic improvements and equity in Michigan.

7. Improved Access and Opportunity for All Students

To meet the needs of our students and set them up for lifelong success, we need to be in the top ten in improving the conditions of our schools and classrooms. But experience across the country teaches us that generalized improvement efforts won’t be enough. We have to dig underneath the data to understand the experiences of different groups of students, and act aggressively to close the opportunity gaps that lead to large achievement gaps.

One such gap revolves around access to rigorous coursework in high school, one of the best ways to ensure more students are college- and career-ready. Research shows that just taking Advancement Placement (AP) classes – even if a student does not earn college credit – increases the likelihood that the student will go to college. Unfortunatelty, Michigan currently ranks 29th of 46 states in access to AP courses, and our African American and Latino students get fewer opportunities to take these courses than do their white peers.

Another gap involves the disproportionate assignment of inexperienced, out-of-field and ineffective teachers. As in many states, such teachers are concentrated in high-poverty and high-minority schools in Michigan, dramatically affecting the achievement of their students.

One other problem area that affects the achievement of students of color in our state is the overuse of suspension and expulsion. According to data from the national Civil Rights Data Collection, Michigan has the third highest out-of-school suspension rate of African American students in the country.

So across-the-board improvement efforts aren’t enough. Our state needs to dig underneath the averages and make certain that every child has an equal opportunity to learn and achieve.

Next Steps

• Every student – regardless of where they live, family income, race or background – deserves a great teacher. Our state needs sophisticated data systems more aligned with college- and career-readiness to ensure the right teachers are serving our students and being supported effectively.

• Knowing that a key predictor of student success in college is whether or not they have a rich course of study in high school, we must ensure all students, regardless of race and class, participate equally in rigorous courses that lead to college.

• Ensure student discipline policies are sensible and just – and focused on keeping students in school. There is a lot to be learned from the efforts of leading school districts.

For more information on how Michigan stacks up on critical Opportunity to Learn indicators, see page 24.
Michigan business organizations and leaders can take concrete steps to support better educational outcomes for all children in our state, including:

1. Sign up for our newsletter to learn about what’s really happening in public education in Michigan: michiganachieves.com.

2. Contact your local chamber of commerce and ask that they step up their efforts to make Michigan a top ten education state, including a commitment to honest data, transparency and real quality when they advocate in Lansing.

3. Sign our letter to state leaders saying enough is enough, we demand better at: edtrustmidwest.org/michigan-achieves-letter.
V.

MICHIGAN ACHIEVES PROGRESS INDICATORS

To know whether we’re on track with our goals of becoming a top ten state, The Education Trust-Midwest began tracking Michigan’s performance and progress of our P-16 system last year, in both academic measures and measures of learning conditions that research shows are essential for equitable access to opportunities to learn. In the coming pages we share our progress toward becoming a top ten education state by 2030, as part of our Michigan Achieves initiative.

We use the best available state and national data to show where we are and where we’re headed by 2030 if we continue down our current path.

Student Outcomes metrics represent the key areas Michigan should track to ensure our students are being prepared for college- and career-ready success.

Opportunity to Learn indicators are progress metrics to gauge how well Michigan is providing equitable access to opportunities for learning, including high-performing teachers, rigorous coursework and instruction, and other key factors that reflect school conditions.
In a global meritocracy, young Michiganders need greater access to opportunities and to learn at high levels from early childhood through high school, being college- and career-ready. In addition, they need strong post-secondary opportunities in order to compete.
WHAT IT IS:
A telling indicator of whether Michigan’s students are being prepared for success is how well our young students read. The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America’s students know and can do in various subject areas. The assessment is given every two years and provides necessary information on student performance and growth for several indicators, including fourth-grade reading.

WHY IT MATTERS:
Reading proficiency is tied to all kinds of academic and life outcomes, and improving early reading is much more cost-effective than intervening with older students, when they are many years behind in school, or dropping out. Michigan must drastically improve our early literacy achievement for all students and close the achievement gaps that keep far too many of our low-income children and students of color from fulfilling their significant potential.
**WHAT IT IS:**
The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America’s students know and can do in various subject areas. The assessment is given every two years and provides necessary information on student performance and growth for several indicators, including eighth-grade math.

**WHY IT MATTERS:**
In addition to basic reading skills, math skills are essential for all students. Basic algebra is the foundation for high-level math courses. When students have not mastered this foundation, they are forced to enroll in remedial courses when they begin college. But eighth-grade math skills are not just for those students who are college-bound. A study conducted by ACT found that along with reading skills, math skills are essential for vocational jobs including those as a plumber, electrician or an upholsterer.1

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**Michigan Among the Bottom Five States in the Nation for Low-Income Students in Eighth-Grade Math**

**Average Scale Score, NAEP Grade 8 – Math – Low-Income Students (2015)**

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KINDERGARTEN READINESS

Michigan has recently made the smart investment in early childhood programs meant to increase the number of our students who enter kindergarten ready to learn at high levels.

Data are not currently available because Michigan does not have a statewide kindergarten readiness assessment nor do we participate in a national effort to collect these data. We will track any state or national data on Michigan’s kindergarten readiness when they become available.

COLLEGE READINESS

WHAT IT IS:
Remedial coursework is necessary for students who lack fundamental skills in a subject area – skills that should have been developed in K-12. These courses also are not for credit, meaning they don’t count toward a degree.

WHY IT MATTERS:
A full 27.1 percent of all Michigan students were required to take at least one remedial course in college. That’s more than a quarter of our students who are forced to pay for additional instruction in college before moving on to for-credit courses. The percentage is even more startling for African American students, where more than half are required to enroll in college remedial courses. Enrolling in remedial courses can mean additional costs for students and more time to complete their degrees.

Remediation Rates Continue to Rise for Michigan African American Students
Michigan African American College Remediation Rates (Community Colleges & Four-Year Universities)

Source: CEP College Remedial Coursework Enrollment Trend, 2009-14
Note: Remedial coursework includes math, reading, writing, or science courses. Data is limited to Michigan high school graduates enrolled in college the following fall in a Michigan college or university only. Data for the 2010-11 high school graduation year and before are pilot data.
COLLEGE AND POST-SECONDARY ENROLLMENT

WHAT IT IS:
This measure represents the percentage of high school graduates in each state who attend college anywhere in the U.S. directly from high school.

WHY IT MATTERS:
In order for Michigan’s students to fulfill their true potential and be the leaders of tomorrow, more of them must enroll in post-secondary training, whether that be at a trade school, community college or a four-year university. On this measure, Michigan is near the national average ranking 25th of 46 states, with about 62 percent of high school graduates attending some form of post-secondary training in 2010.

Michigan Near National Average of High School Graduates Enrolling in College
College-Going Rates of High School Graduates - Directly from High School – All Students

COLLEGE ATTAINMENT

WHAT IT IS:
This indicator represents the percent of people 25 years or older in each state and nationally who have completed a bachelor’s degree.

WHY IT MATTERS:
Michigan ranks 32nd of 47 states in the percentage of adults 25 or older who have completed a bachelor’s degree, at 27 percent. Yet, roughly 17 percent of African American or Hispanic Michiganders have completed a bachelor’s degree.

Michigan’s Economy Depends on More Adults Earning College Degrees
Percent of People 25 Years and Older with a Bachelor’s Degree or Greater in 2014

Source: United States Census – American Community Survey – 1 Year Estimates, 2014

Source: NCHEMS Information Center, 2000-10
Note: Since we last reported on this metric, new data has not yet become available.

i. Michigan’s 2030 projected rank is 32nd of 49
TEACHER EFFECTIVENESS

Without a doubt, a child’s academic learning is dependent on many factors. But what research is clear on is that the number one in-school predictor of student success is the teaching quality in a child’s classroom. In leading states, sophisticated data systems provide teaching effectiveness data that are used for many purposes, such as professional development and early student interventions. In Michigan, those data are unavailable at this time.

The Effect of Teacher Quality on Student Learning

Source: Sanders and Rivers (1996): Cumulative and Residual Effects of Teachers on Future Student Achievement
Note: *Among the top 20% of teachers; **Among the bottom 20% of teachers
Analysis of test data from Tennessee showed that teacher quality affected student performance more than any other variable; on average, two students with average performance (50th percentile) would diverge by more than 50 percentile points over a three year period depending on the teacher they were assigned.

ACCESS TO RIGOROUS COURSEWORK

WHAT IT IS:
Access to rigorous coursework is measured by the College Board AP Program Participation and Performance data. The data represent the total number of AP exams administered per 1000 11th and 12th grade students.

WHY IT MATTERS:
One of the best ways to ensure more students are college- and career-ready is to increase access to rigorous coursework in high school, such as Advanced Placement courses. Research shows that just taking these classes – even if a student does not earn credit in a college-level course – increases the likelihood that the students will go to college. Michigan is currently ranked 29th of 46 states.

Michigan Has Seen a Steady Increase in Access to Rigorous Coursework, but Still Lags Nation

AP Exam Participation

Source: College Board AP Program Participation and Performance Data, 2004-15

SCHOOL FUNDING EQUITY

WHAT IT IS:
This measure represents how the highest and lowest poverty districts are funded based on state and local revenues and whether or not it is equitably distributed.

WHY IT MATTERS:
Michigan ranks an abysmal 42nd of 47 states for funding gaps that negatively impact low-income students. On average, Michigan schools serving the highest rates of students from low-income families receive about 6 percent less in state and local funding per student than more affluent schools. This lack of equity can lead to further imbalances in our educational system as a whole.

Michigan’s Funding Gap Between the Highest and Lowest Poverty Districts is 42nd Out of 47 States

Michigian is one of only six states in the analysis that provides substantially less funding to its highest poverty districts than to its lowest poverty districts

Funding Gaps Between the Highest and Lowest Poverty Districts, By State

Source: The Education Trust, Funding Gaps Report, 2015

Note: Hawaii was excluded from the within-state analysis because it is one district. Alaska and Nevada are also excluded because their student populations are heavily concentrated in certain districts and could not be broken into quartiles. Because so many of New York’s students are concentrated in New York City, the analysis sorted that state into two halves, as opposed to four quartiles. Since we last reported on this metric, new data has not yet become available.

TEACHER SALARY EQUITY

WHAT IT IS:
This measure represents the gap in average teacher salaries between Michigan high-income and low-income districts.

WHY IT MATTERS:
Teachers in Michigan’s wealthiest districts are paid about $11,700 more, on average, than teachers in Michigan’s poorest districts. That’s alarming, considering what we know about the importance of high-quality teachers in closing the achievement gap that persists between low-income and higher-income students. To recruit and retain highly effective teachers in the schools that need them most, Michigan must close the gap in teacher pay.

More than $11,700 Gap in Average Teacher Salaries Between Michigan High-Income and Low-Income Districts

Average Michigan Teacher Salary based on Percent of Free and Reduced Price Lunch

TEACHER ATTENDANCE

**WHAT IT IS:**
This measure represents the percent of teachers absent from their jobs more than 10 days at the state level.

**WHY IT MATTERS:**
According to a recent report from the Center for American Progress, about 46 percent of teachers in Michigan were absent from their jobs more than 10 days, on average. That’s about 6 percent of the school year, which is equivalent to a typical 9 to 5 year-round employee missing more than three weeks of work on top of vacation time. This places Michigan 41st of 46 states.

**About 46% of Teachers in Michigan Were Absent from Their Jobs More than 10 Days**

**Average Percentage of Teachers Absent More than 10 Days**

Source: Center for American Progress, “Teacher Absence as a Leading Indicator of Student Achievement,” 2012

Note: Since we last reported on this metric, new data has not yet become available.

STUDENT ATTENDANCE

**WHAT IT IS:**
This measure represents the percentage of eighth-graders absent three or more times in the last month based on the national assessment.

**WHY IT MATTERS:**
Not only are Michigan’s teachers missing too much school, but our students – especially our African American students – are missing far too many days of school, often against their will due to disproportionate rates for out-of-school suspensions. According to the 2015 national assessment, 22 percent of Michigan’s eighth-grade students said they had been absent from school three or more days in the last month. Moreover, Detroit leads the nation for absences among urban districts, with 37 percent of students absent three or more days in the last month.

**More than 20% of Michigan Eighth-Grade Students were Absent Three or More Times in Last Month in 2015**

**Percent Absent Three or More Days in Last Month**

NAEP Grade 8 - Math - All Students (2015)

Source: NAEP Data Explorer, NCES [Reported for 8th Grade Math], 2015

1. In 2015 Michigan ranked 8th of 13 (tied with five other states). The projected 2030 rank for Michigan is 20th of 33 (tied with two others).
OUT-OF-SCHOOL SUSPENSIONS

WHAT IT IS:
Data from the Civil Rights Data Collection measure discipline rates nationally.

WHY IT MATTERS:
One of the most troubling practices in Michigan – and around the country – is the overuse of suspension and expulsion, particularly for students of color. Overall Michigan ranks 40th of 49 states. For African American students, Michigan has the third highest out-of-school suspension rate in the country. A full 21 percent of the African American students in Michigan schools were suspended in 2011-12.

Michigan Has Third Highest Out-of-School Suspension Rate Nationally for African American Students at 21%

African American Out-of-School Suspension Rates

Source: Civil Rights Data Collection, 2011-12
Note: Hawaii produced limited data and is excluded from the analysis. Since we last reported on this metric, new data has not yet become available.

COLLEGE AFFORDABILITY

WHAT IT IS:
This indicator is measured as the percent of family income needed to pay for four-year college. Data represent the net cost as a percent of median family income.

WHY IT MATTERS:
It’s not enough to get into college. Young Michiganders have to be able to afford to stay in school and graduate. Unfortunately, Michigan ranks near the bottom in college affordability - 42nd of 44 - for students overall. And for families in the bottom 20 percent of income in Michigan, the cost of college for one child, after receiving financial aid, is about 77 percent of their annual income.

Michigan Families Pay a Large Percent of Their Incomes for College

Family Income Needed to Pay for Four-Year College

Source: NCHEMS Information Center, 2009
Note: Since we last reported on this metric, new data has not yet become available.


x. The passage of the federal Every Student Succeeds Act (ESSA) in December 2015 establishes a new framework for school and district accountability nationwide – replacing No Child Left Behind. For more information on ESSA, please visit: https://edtrust.org/issue/the-every-student-succeeds-act-of-2015/


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