

STOP THE EAA EXPANSION

MICHIGAN'S CHILDREN DESERVE BETTER

FACTS

ENROLLMENT DOWN

PLANNED FOR **10,000**
NOW **6,600**

FINANCING CHAOTIC

MAJOR AUDIT
DEFICIENCIES

TEACHER TURMOIL

UNACCREDITED TEACHERS,
ADMINISTRATORS

CHURN HURTS STABILITY

SPECIAL EDUCATION FAILURES

STUDENTS REMOVED
FROM SPECIAL
EDUCATION WITHOUT
PROPER PROCEDURES

NO EVIDENCE OF IMPROVED STUDENT ACHIEVEMENT

EAA GETS RED RATING IN
MICHIGAN PUBLIC SCHOOL
SCORECARD

SHODDY
GOVERNANCE

NO EVIDENCE OF
ACHIEVEMENT



ENROLLMENT
DOWN



TEACHER
TURMOIL



SPECIAL
EDUCATION
FAILURE



Massive
Teacher
Flight



EAA

CHAOTIC
FINANCES



Stop the EAA expansion

Loss of students, financial chaos, massive staff turnover, no track record of achievement: Why would we impose the EAA on additional schools?

Rather than make education better for kids, EAA has made things worse. Is it really the change parents are looking for statewide?

The EAA has lost 24 percent of its students – IN JUST ONE YEAR!

- Students have flowed out of the EAA since it opened its doors, and enrollment is down 24 percent, as parents “vote with their feet.” The EAA planned to open with more than 10,000 students from the schools it was assigned. It actually had 8,682 in its 12 direct-run schools in October 2012; that was down to 8,021 by August 2013 and down even more to 6,579 in October 2013.
- Unlike other school districts in the state, has not (as of November 22) officially reported its fall enrollment figures, which are used to determine state per pupil support.¹ Meanwhile, Detroit Public Schools saw a 14% surge in enrollment in its high schools this fall.²

Chaotic finances and lack of accounting safeguards continue to be a problem

- A Plante Moran audit released in June 2013 expressed concern that EAA officials “have the ability to initiate and approve wire transfers directly with the bank without approval of another individual prior to the bank releasing the funds” and that these same people have “full administrative access to the finance system including the ability to . . . add vendors, enter invoices, and enter cash disbursements.” **As a result, the EAA has a limited ability to “reliably prevent or detect fraudulent activity, including misappropriation of cash.”³**
- That audit also found a “significant deficiency: After year end, the authority did not keep up with recording financial activity. The accounting was not completed timely or accurately...Effect: **Information recorded subsequent to June 30, 2012 is not accurate or complete.**”
- FOIA requests have revealed a chaotic financial picture, with district officials scrambling to make ends meet through a combination of a \$6,000,000 revolving line of credit through the financially troubled Detroit Public Schools and State Aid advances from the Department of Treasury.⁴

¹ Jennifer Chambers. The Detroit News. November 22, 2013. “Michigan’s EAA sees 24% drop in students.”

² Jennifer Chambers. The Detroit News. November 1, 2013. “DPS enrollment surges after years of decline.”

³ Plante & Moran: Financial Report, June 30, 2012, issued June 10, 2013

⁴ EAA Requisition Certificate dated March 7, 2013 to cover vendor costs to the Detroit Parent Network, DTE, City of Detroit, and Institute for Excellence in Education; Email from Lee-Gwin to Daniel Hanrahan, “Documentation required for the advance on State allocation for the EAA” dated January 11, 2013.

This financial misadventure was followed by the resignation of Mike Duggan, recently elected mayor of Detroit, from the EAA board.⁵

What else is the EAA hiding?

- “Education Achievement Authority officials **overstated their authority** to take over . . . schools across Michigan in a bid to **win a \$35.4 million** federal grant. The grant application **took liberties with other facts**, claiming to be an IRS-authorized charitable organization and that EAA Chancellor John Covington ‘has been given the mandate and authority to take control of persistently poor performing schools throughout Michigan’ — an issue still being debated in the Legislature.”⁶
- The EAA forces legislators to file FOIA requests rather than answer questions. When asked about the issue, Rep. Bill Rogers, who chairs the House K-12 school aid appropriations subcommittee said, **“I have never had to use a FOIA. In fact I’m offended that he (Hopgood) would have to. We’re elected officials. We’re dealing with these departments,” he added. “We need the information.”**⁷
- The public EAA budgets for the 2012-13 or 2013-14 school years have no mention of the tens of millions of dollars it has received from the “Michigan Education Excellence Foundation”⁸ including a reported \$10 million from The Broad Foundation, and \$10 million from the state’s mortgage foreclosure settlement.⁹
- What is the EAA’s per student spending today – and what plans does it have to continue receiving extra-governmental funding when it takes on additional students?

Fear of mistreatment of students with disabilities

- The EAA has decertified hundreds of students’ special education services, an unusual situation. Decertification means the district does not have to provide often-costly additional services to these students.
- A complaint has been made to the Michigan Department of Education, raising concerns about whether these changes were made with appropriation evaluation and written permission from parents.
- That complain also raises questions about whether the EAA discouraged special education students from enrolling, and whether the special education students who

⁵ Matt Helms and Chastity Pratt Dawson. The Detroit Free Press. May 3, 2013. “Duggan resigns from EAA school board.”

⁶ Chad Livengood. The Detroit News. May, 28, 2013. “Detroit school reform agency embellished bid to get \$35M in funds.”

⁷ Christopher Behnan. The Livingston County Daily Press & Argus. August 19, 2013. “Lawmaker forced to file for info.”

⁸ Chastity Pratt Dawson. The Detroit Free Press. March 14, 2013. “Michigan’s EAA received \$10M grant from Broad Foundation.”

⁹ Press release from Attorney General Bill Schuette’s office. Sept. 25, 2012. “Schuette Announces First National Mortgage Settlement Notifications Mailed to Michigan Foreclosure Victims”

did enroll are being placed into appropriate classroom settings as required by federal law.

- The Michigan Department of Education has declined to investigate this complaint; an appeal process is pending.

Substantial staff turnover

- In its first months, more than 20 percent of the EAA staff left their classrooms, making educational continuity difficult in classrooms. Many of the EAA staff members had little experience teaching, particularly in urban school districts.
- From Aug. 5 to Sept. 3, 20 more teachers left; 40 new hires were made in September, evidence of continued upheaval and a lack of stability at the EAA.
- On Nov. 26, the EAA's web page showed dozens of open positions, including Chief Operations Officer, Executive Director for Public Relations and Communications, and Chief Technology Officer.

Little firm evidence of improved outcomes for students

- The EAA has received its first grades on the state's public school accountability scorecard – a red, or failing rating. Fewer than five percent of high school students met ACT College Readiness Benchmarks. The ACT Composite Score was 13.9. Fewer than five percent of students were judged proficient in math and reading in grades 3-8. There is no proof at this point that the EAA is improving outcomes.
- Excellent Schools Detroit has declined to rate the EAA schools on its report card, noting that it needs at least two years of data before it can make a responsible judgment. In a subsequent blog, an ESD staffer noted that of the 15 schools in the EAA today, only 6 – 40 percent -- received a “promising” grade.

Parents and communities want and deserve improvement in their schools, not another incompetent experiment exported statewide.