

#68 Michigan's School Choice Mess

Have You Heard heads to Michigan to learn about a lesser-known part of the state's free market education experiment: inter-district school choice. More than 100,000 Michigan students attend school in a district other than where they live. The outflow of students has pushed urban districts to the brink and spawned a competition for enrollment among rural and suburban districts.

Jennifer Berkshire: Welcome to Have You Heard, I'm Jennifer Berkshire.

Jack Schneider: And I'm Jack Schneider.

Berkshire: And Jack, you are off on a big adventure and I am freshly back from one.

Schneider: And they could not be more different could they?

Berkshire: No they really couldn't. Now I'm going to suggest, since I see the suitcases piled up outside of the Have You Heard podcast studio, which is conveniently located in Jack Schneider's kitchen, I'm going to suggest that we go ahead and make this episode all about me.

Schneider: Sure. I will take the snorkel mask off and drop the Australian accent for this episode if you really insist. Where are we headed, Jennifer?

Berkshire: we are headed to Michigan. Now as many people know, I am a little bit obsessed with Michigan and one of its most famous daughters, Betsy DeVos. I recently headed there for a week. I drove 1300 miles all over the state. I was particularly interested in an aspect of their free market education experiment that hasn't gotten that much coverage. If you follow Michigan, you know that they have a lot of charters and they have more for-profit charters than any other state. But that is not the end of their free market experiment. For the past quarter century, they've also had an ambitious interdistrict choice policy, and Jack we talked a couple of weeks ago about whether it was time to end the connection between schools and neighborhoods and, well, Michigan has probably gone further down that road than any other state

Schneider: For people who don't know what interdistrict choice is this would be being able to choice out of your district and into another district. So think of it as the opposite of an intra squad game where you play your own team. An inter-squad game is just a regular game where you play other teams. So this is students and families in one district enrolling in schools in another district. Now, this may sound totally innocuous on its surface and certainly there are some things to like about it in terms of opening up choices for low income and historically marginalized groups who oftentimes have been trapped in schools and districts that have been systematically underfunded and deeply segregated.

But there are also some things to be really concerned about here, you know. I think first and foremost is the fact that some families are going to have better access to resources like

transportation as well as information and are going to be the first to opt out of their existing districts, which is going to leave their previous districts poorer and probably more segregated as a result, potentially trapping the most vulnerable students in those districts.

And then rather than investing in those in a way that perhaps would have met the needs of all students, uh, the state can then really wipe his hands of the problem and allow the district to implode in a way that really just hurts, again, the most vulnerable students.

Well, Jack, I feel almost as if you were right there with me driving those 1300 miles all over Michigan's appalling roads.

Listen, Jennifer, I am a big fan of the Mitten and the wolverines and now I've named all the things I knew about Michigan, so I should stop.

[Music]

Berkshire: So let's start with the sunny upbeat version of Michigan's interdistrict school choice policy, or is it's referred to here, schools of choice. This is a little clip from the Mackinaw Policy Center. You may be familiar with them. It looks like Mackinack, but it's pronounced Mackinaw. I learned that lesson the hard way...

Schools of choice is a program where you can send your child to a district outside of the one in which you live. Um, and school districts have to choose to opt in. So initially, very few districts were opting in because they were concerned about students from other districts. This was something new. They didn't, were not supportive of choice. But now more than 80% of Michigan districts are accepting students into their boundaries, which is huge. What we did is we looked at, okay, where are students going? Where do students live and where are they going to school? And we looked at average test scores, average graduation rates, average dropout rates, and incredibly on average, these hundred thousand students that are using schools of choice are choosing districts with higher test scores, higher graduation rates, and lower dropout rates. So on average Michigan parents are making academically better choices.

Berkshire: In other words, Michigan schools of choice policy is a win win, but what about the districts that those hundred thousand students left behind? From their vantage point, inter-district choice looks a little less sunny. It just happened that my visit to Michigan coincided with a period of reckoning for one of these districts: Benton harbor, a small majority African American city on the shores of Lake Michigan. This was the scene when Michigan's new governor, Democrat, Gretchen Whitmer, met with local residents about a plan to shutter the city's only high school.

[Audio clip]

Berkshire: To understand what inter-district choice has to do with the troubles of a district like Benton Harbor, we need a crash course in the way that Michigan funds at schools. Fortunately, I happen to have an expert standing by. David Arsen is a professor of education policy at Michigan State. And as he explains, when Michigan rolled out schools of choice back in the 90s, it also switched to what's often called a backpack model of school funding

David Arsen: In Michigan all the money moves with the students. So it doesn't take account of the impact on the districts and the students who are not active choosers. As a result, there's a sharp drop off when the child leaves all the state and local funding move with that student. The revenue moves immediately and that drops faster than the costs. And so that means for the students left behind, that means that the districts losing students to schools of choice and other charter schools have to either cut back their services for those students left behind or draw down their fund balances. Usually they do both.

Berkshire: That funding change was part of a whole series of policies aimed at restructuring education in Michigan along free market lines. And the state imposed that new framework on top of a system where students were deeply segregated by race and income, what Arsen refers to as the original sin.

Arsen: If you put on top of that choice in finance policies, you know, before you play the game, the direction of the student flows. They'll move away from those difficult circumstances. That's happened in a Benton harbor. They've lost enrollment terrifically. Their primary financial problems are fundamentally due to the loss of enrollment. That's why they're in trouble.

That's like all the other Michigan districts where there've been emergency managers and consent decrees with the state. In every case they are districts that are predominantly African American and poor children and they suffered a terrific losses of enrollment and revenue to both interdistrict choice and charter schools.

Berkshire: It's not just cities like Benton Harbor that are losing students. Because inter-district choice is a competition between school districts, there's always got to be a loser. Jason Davidson is a school board member in Clintondale, a small suburb in central McComb County. The entire district has about 1800 students.

Jason Davidson: Typically, way back when it first started, we'd get a lot of students in from Detroit. But that has shifted over the years. We get students in from East Point, Roseville and Mount Clemens, and our students migrate out to school districts like Fraser and Chippewa. We have a lot of students that move into our district by schools of choice. But then we also have probably more than move out of our district by school of choice.

Berkshire: Clintondale High School has won awards and even been featured on PBS. But it's hard for the district to compete with larger, more affluent districts.

Davidson: So we have districts around our ours that have a lot more money. So people perceive that as, that must be a better school district.

Berkshire: For theater teacher Quinn's Strassel, the winners versus losers aspect of schools of choice is personal. He teaches at Ann Arbor Community High School, but he grew up and attended school in the next town over and it was the theater program at his former high school that set him on his path.

Quinn Strassel: Ipsy is a working class community, but we took a lot of pride in doing what we felt were the best shows in Michigan. We had an incredible choir, a world champion choir before I was ever a part of it, and an amazing theater director and we did these big musicals that we just—I can say as a, as a neighbor to Ann Arbor—we thought we did better shows than Ann Arbor, you know, when I was in high school,

Berkshire: Ann Arbor has come out on top in the schools of choice competition. It's considered a desirable district and lots of students from neighboring communities now go to school there. But Ann Arbor's success has come at the expense of districts like the one next door.

Strassel: I'm really proud to have grown up in Ypsilanti and to have attended school there. But school choice is sort of advertised as this thing that empowers communities. But what's happened is the entire school system in Ypsilanti has fallen apart. There were two school districts that were forced to consolidate because as Ann Arbor engaged in school choice we took a lot of the best students away from Ypsilanti. So my paycheck is bolstered at the demise of my hometown.

Berkshire: Of course, you can't have a free market approach to education without advertising or as we like to call it, on this program, 'edvertising.' And it's everywhere in Michigan these days. Districts like Ann Arbor brand their schools with STEM and art themes and market them to parents and neighboring communities. Rural districts do it too. I talked to a rural superintendent in the northwest part of the state who says he spends about \$40,000 a year to advertise his district's academic success, and it works. Students in nearby towns are leaving their schools to attend schools in his district. And districts in Detroit's inner ring suburbs, like River Rouge, pitch their schools to students in city neighborhoods. Gavin Buckley teaches in the Brightmore neighborhood on Detroit's west side.

Gavin Buckley: The parents in the district just have over the years had kind of like a jaded view of the Detroit public schools. And then the charters in, in the neighborhood often don't accept certain students, especially students with IEPs or behavioral problems in the past, kind of the difficult kids. And so there are these billboards on the west side that say River Rouge, which is a suburb down river from us, "River Rouge school district will take everybody." And people go all the time, the River Rouge buses come through the neighborhood every day. You see more River Rouge buses than you do Detroit public buses,

Berkshire: One of the ironies of inter-district choice in Michigan is that some of the same communities that fought tooth and nail against busing back in the 70s have opened their schools to students from Detroit and other majority black cities. That's basically what's happened in River Rouge.

Buckley: It's a mostly white working class suburb south of Detroit, south west of Detroit. And for whatever reason, people were leaving the public school district, and the school district had to save itself essentially by opening up to schools of choice. Now it's, I think, majority, almost majority or approaching a majority of Detroit students in the River Rouge district. People that live in River Rouge aren't sending their children to the River Rouge public school district. So it's weird. It's still a segregated district in a lot of ways, but it's outside of the city. It's like a satellite public school district for Detroit students.

Berkshire: So what changed in Michigan that communities that fought integration are now putting out the welcome mat for students from Detroit and Benton Harbor and Saginaw? David Arsen says the answer comes down to money. Over the past 25 years, funding for Michigan's public schools has fallen more sharply than in any other state.

Arsen: The main incentive for that is the decline in overall funding for Michigan schools. The suburban districts are able to compensate for that shortfall in state funding by admitting nonresident students. That's the incentive: to fill the seats, and bring the money in, balance their budgets and continue to be able to provide the services that they, that the local residents have expected. So that's the way they sell it to their communities. Yes we'll have more diverse schools, but we get to keep AP calculus and reduce the class size.

They also understand, everybody understands that by doing that they're aggravating the problems, the financial problems and the academic problems of the lower SES districts, usually predominately minority districts from which they are drawing the students.

Berkshire: Okay, so at this point you've got a pretty good handle on how inter-district school choice is playing out in Michigan. You understand the funding angle, how marketing plays into it and which communities are likely to be choice winners and which ones are likely to see crushing enrollment declines. Well now we're going to hit the road and take a closer look, or rather listen, to one of these communities. We're headed to Saginaw, which is about an hour and a half northwest of Detroit and just up the road from Flint. Our destination is a town hall meeting on school finance put on by a community organizing group called the Ezekial Project. Gary Dawkins is one of its co-chairs and I asked him to give us a little historical context for why Saginaw and its schools are struggling today.

Gary Dawkins: Unfortunately, we get caught up in the automotive boom. Back in the early 50's, 60's and 70's, there were at least five automotive plants here, but going into the early 20th century, a lot of them closed. A lot of the jobs left and people were used to just graduating out of high school and going straight into the plant. When they first started the migration from the

south, a lot of the people didn't even have a high school education, but they were able to make \$25, \$30 hour eventually without education. But after the 70s, 80s and 90s, all that changed

Berkshire: Like a lot of Michigan cities where industry has collapsed, Saginaw is shrinking and so as the population of students in its schools, but that enrollment drop is also due to kids leaving to go to schools in other districts. Kathy Stewart is what they call an intermediate school district superintendent here in Saginaw County, which has 12 school districts as well as a handful of charter schools. Because she oversees the whole county, Stewart has a unique perspective on which districts are choice winners and which ones are losers.

Kathy Stewart: What is a true dynamic in our county is Saginaw City Public Schools continues the outflow of schools of choice students, some to charters, some to local school districts. One of our neighboring school districts is 50% schools of choice students from Saginaw city public schools. Not only are we seeing declining enrollment because a lower birth rates in Saginaw county, we also have that schools of choice impact of losing students to some of our neighboring districts and that can really decimate a budget quickly.

Berkshire: Remember way back at the start of this episode when we heard that chirpy upbeat account of how Michigan students are benefiting from schools of choice? Well, there was a key detail that was left unmentioned. Because there's no transportation provided and attending school in another district often requires some significant travel, schools of choice are only an option for kids who have a way to get there.

Stewart: The state promotes and markets it as schools of choice for all families, all children, all parents. One of the dynamics of schools of choice though is that districts do not offer transportation into their district. So it is those families that have the transportation that wished to access another school district that had the means to get their children there every year, every day.

Berkshire: Since students who leave take all of their state and local funding with them, that leaves Saginaw schools and their teachers to try to make up the shortfall. 15 year old Leyla Hernandez goes to the Saginaw Arts & Sciences Academy.

Leyla Hernandez: My school lacks the updated technology and, you know, resources and like new books that we have every year, which is why our teachers like go back to fundraising to like pay for them for us because they care and they generally want us to have a good experience at school and they know that our district isn't able to always give it to us. So they're trying to like, you know, be what a teacher is supposed to do and make you happy at school. And so they implement programs to raise our spirits. Just because we have all these things that we lack, there are ways that we can work around it and it's all become like one big thing that we all have in common. It's like something that connects us. Our bathrooms are out, or we don't have a book, or I'm going to have to do all this homework because sometimes the computers don't

work. And so I'm like loaded with homework and I'm up at like 5:00 AM we all like come together to try and like face this. It's kind of like putting a Bandaid on it, putting a bandaid on something.

Berkshire: Students like Leyla and her friend Briana Pruitt are very aware of why their peers are choosing to leave Saginaw schools, but also why they've opted to stay.

Brianna Pruitt: Most kids that do switch schools are going to more educationally resourced schools that will help them get closer to their goal. So they... I could have went to a Bay City school, but instead I decided to go to a Saginaw-based school because of my knowledge of Saginaw and the people I know and how to react, and the people I know here and how to get along with them.

Berkshire: Now maybe you're thinking at this point, well, why can't Saginaw just do what say River Rouge does and put up big billboards advertising its schools? Or give its schools themes and market them to neighboring districts? I put that question to Saginaw Superintendent Ramont Douglas.

Ramont Douglas: We haven't had to market, we don't understand how to market our selves. We have some great things going on, but we don't understand marketing strategy. And so that's just another aspect that have, that has imposed pressure on school district because now what has happened is they've created a free market system in public education, right? And so there's so much competition and choice that it's free market. And we don't necessarily understand how to deal in a free market, we're a public school system. And so that has become a challenge for us.

Berkshire: The challenge for Saginaw goes beyond just the obvious, like where do you find money for marketing when you're cutting programs? Michigan's education marketplace relies on test scores as its currency. And if you're a regular listener to this show, you know that a certain cohost regularly reminds us that test scores tell us more about demography than they do about school quality. So in order to sell its success, Saginaw also has to overcome perceptions about the city and its schools.

Douglas: Generally speaking, parents make choices about schools based on class. And so when you add those elements to it, parents are left trying to choose not their local school district, but what they perceived to be a better education, which is not always the case. And so when you ignore factors that impact achievement in certain school districts and you don't want to account for those, and then you highlight achievement as being a measure of how a school district is doing and you use that to base choice policies on or highlight choice policies to parents, then it's a recipe for disaster.

And you see what's happening in Michigan. So school districts like ours that have had declines in enrollment for the last 15 years. We are a 5,500 student district and in the year 2000, I believe we were at 12,000 student district. And so you see the rapid decline that has taken

place and it's not simply because there's a better choice or better education, it's because what has been highlighted in the media by a certain agenda that has been pushed.

Berkshire: The sales pitch for inter-district choice is that it gives students the ability to attend better schools than if they had to stay in their own districts. But proponents gloss right over what economists refer to is the negative externalities. When a student leaves Saginaw for another district, the students left behind pay a price and they're not the only ones. Naisha Clark Young thinks that Saginaw as a whole has been harmed by school choice.

Naisha Clark Young: There's only a certain amount of people that can even attend a school of choice school, whether it's in a different township or if it's a charter school. And that depends on transportation. That depends on finances and just all around situations at home. I'm also concerned because when these students leave the district, that school in that neighborhood loses money. Well, when you think about the school in their neighborhood losing money, think of everything else that is surrounded by that. So it's almost like an affect/effect situation when you're dealing with schools of choice and taking kids out of that district.

Berkshire: Just a few miles down the road is a town called Buena Vista. It's a lot like Saginaw, majority African American, majority low income. But there's one big difference: Buena Vista no longer has public schools. A few years ago the state took over the district and dissolved it. For now, Saginaw still has a school district, but Naisha worries that the city's schools are on a downward trajectory that's hurting the whole community.

Clark Young: It's like a dead end cycle. You have a school of choice and then you have public school. Well, the public schools are losing students and they're losing mostly there... They're losing their best students a lot of time because, you know, personal ambition and you do want your child to do best. You know, you hear all these things, 'well if I send my kid to this school in a better neighborhood, then they will get a better education.'

Well, when we lose those students, we are losing not only jobs, some people end up moving, when they go off to different schools. They don't come back to our community. If there is no school, if there aren't good schools in your neighborhood, say for instance, a business may want to come in. Well the first thing they're looking at is the school district because they're thinking, 'okay, we're gonna have employees here. Do we want our employees to go to this school?'

Berkshire: There is a long list of cities in Michigan facing the same problem. Benton Harbor, Muskegon, Pontiac, I could just keep going. School choice has decimated student enrollment, pushing urban school districts to the brink. But the poison pill at the heart of the schools of choice concept affects rural and suburban districts too. It sets up a competition in which the price for losing is paid by entire communities. Naisha Clark Young summed it up better than anyone else I talked to.

Clark Young: The school is a part of our community and if the school fails it will trickle down because what affects the one will affect the whole.

Berkshire: Thanks to all of my friends in Michigan, old and new, who helped out with this episode and to the Network for Public Education for its financial support, and Jack and I will be right back to wrap things up. In the meantime, I'm leaving you with a little message from some students at Benton Harbor High.

[Music]

Berkshire: So Jack, you opened this episode with, I thought, a pretty brisk summation of all the things that can go wrong with inter-district choice. Listening to what I heard in my reporting in Michigan, did I confirm your worst suspicions?

Schneider: Oh, that and more. So when you came back from Michigan, you told me that it was going to make me really sad and you were right about that. And you know, I think one of the points that I just want to echo that I mentioned at the top of the show is, you know, there are some sort of surface level reasons to be interested in something like inter-district choice. And in fact, it could be a very helpful kind of policy if it was controlled in a way that helped us achieve some of our core aims, like school integration. It could be a very powerful tool for that. But unchecked what we see is a real race to the bottom, uh, in some districts. And we even see districts that are not failing in terms of being able to keep their existing students, right? So districts that are actually expanding in enrollment, we see some negative consequences for them as well as they are engaging in contortions to try to attract students in a way that doesn't necessarily align with what is best for young people.

Berkshire: Well Jack, recording a high quality pod wasn't the only reason that I headed to Michigan. I was also working on a story, I'm trying to answer this question: basically how far down the road towards undermining its own schools can a state go before serious backlash is triggered and after seven days and all those miles, I really feel like I got my answer. And I'm going to reveal it on the other side of the paywall.

Schneider: Oh my God. I, I wasn't even ready for that. I was wondering, you know, is it like a week? Or are we talking a year here? And I will probably need to subscribe to the Patreon so that I can hear your answer to this.

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Berkshire: Jack, that was wonderful and moving. And if you are interested in hearing what I've found in Michigan, feel free to jump over the paywall with us. Otherwise we'll see you next time on Have You Heard. I'm Jennifer Berkshire.

Schneider: and I'm Jack Schneider.

Schneider:

Berkshire:

Naisha Clark Young:

Berkshire: