“Michigan charters are like a runaway train”

A conversation with Mary T. Wood, charter schools whistleblower

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11 July 2011

Mary T. Wood became an advocate for charter school accountability in Michigan in 1999. That year, her daughter had enrolled at a new, very promising-sounding charter school, Conner Creek Academy, in her suburban Detroit neighborhood.

After the fifth grader described attending classes in tents on a playfield, Mary learned there was no occupancy approval for the school building. Then she discovered the names, addresses and resumes of the academy’s manager, its school board, were not filed with the state, as the law required.

Finally, she saw that these sorts of violations were commonplace and that parents throughout the state had the same concerns and many others. For example, she was contacted when a Detroit academy, Timbukto, was found to be offering inner-city parents $100 cash for enrolling their children.

Becoming an expert on the State of Michigan’s rules and procedures for Public School Academies (PSAs), or charters, became a life-consuming project for Mary. This was both because of the extremely widespread legal irregularities she found and because of the explosive growth of charter schools in Michigan since the 1990s. She concluded that these violations came at the expense of education and constituted “child abuse.” She took on the role of whistleblower.

It is 12 years since Mary attempted to enroll her daughter at the Conner Creek charter school. Her children are now educators themselves. Since that time, Mary has spent more than 10 years investigating, probing, submitting Freedom of Information inquiries, and testifying to the state board of education regarding Michigan’s charter schools. She has visited schools across the state, attended countless sessions of the state school board as well as the school boards of many charters and is keeping a file on all of them.

“Charters are like a runaway train in the State of Michigan,” Mary began. “There are too many people with their hands in the pot. Corporate America wants their taxes to be cut, cut, cut. I, on the other hand, am more than happy to be taxed if it provides education and services for us all. That money is supposed to be for society. They should not be able to take it and abuse it in the way that these education management companies do.

“The WSWS wrote about Evans Solutions, the new management company to run Catherine Ferguson Academy in Detroit [see “What is Evans Solutions, Inc.?“]. Well, there’s more to the story.

“I looked into the legally required MEAP [Michigan Educational Assessment Program] records, which are public, for Blanche Kelso Bruce [BKB] Academies, the schools run by Blair Evans up to now. It turned out they test one student or maybe three students in a year, per grade, per location—yet the authorizer of the charter [Wayne Regional Educational Services Administration] posts a description of up to 2,000 students annually. The BKB Academies have been already accused in the press of creating fictitious students in order to receive the state funding quotas.

Catherine Ferguson Academy

“There was no competitive process for Evans to be awarded Catherine Ferguson Academy. Suddenly, when a rally is called, this deal is announced. This appears to be a legal violation. Frankly, Evans was handed this business on a silver platter.

“Not only is the entire family involved in the Wayne County and Detroit government, but the original co-owners of Evans Solutions, Blair and Warren Evans [Warren Evans put his stock in a blind trust before becoming Wayne County Sheriff], are related by marriage to Dan Bully, the director of the Detroit Public Schools Charter Office.

“Dan Bully is in charge of approving charter school applications for the City of Detroit, which includes Blanche Kelso Bruce Academies [now owned by Blair Evans] and now Catherine Ferguson Academy. So both Warren Evans and his ex-wife, Ella Bully Cummings, were Detroit Police Chiefs, and Warren’s brother-in-law runs the Charter Office. It’s all in the family.

“This is what I mean, too many hands in the pot. And, while Evans Solutions, Inc. is listed as a for-profit entity and does business only in Michigan, interestingly it has no corporate registration in the State of Michigan.

“Above all, why are children in juvenile detention being grouped in the same set-up as Catherine Ferguson? This is an entirely different population. A charter must outline its educational goals and can only operate at one location—so how is this operation legal?”

Mary then explained the process by which a charter school is set up in Michigan. “The law enabling Public School Academies [PSAs] was enacted in 1995. The law states that there must be ‘an assurance that employees of the PSA will be covered by collective bargaining agents that apply to other employees of the school district employed in similar classifications in schools that are not PSAs.’ So how is it there are no unions in PSAs in Michigan? Each PSA has been given their own ‘school district.’ This is how they get around the law.

“There is also supposed to be a cap on the number of PSAs in the state. However, in effect there is no cap because charters can be authorized by colleges, intermediate school districts or school districts. Detroit Public Schools has a special dispensation to authorize

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15 schools, but they now want to dramatically increase this. This is why I call it a 'runaway train.'

"Every charter has its own school board. These school boards, however, are not elected like public school boards, but are selected by the authorizer of the charter. This is another area of widespread illegality because there are often many unfilled seats on these school boards. For example, Central Michigan University requires its charters to have between five and nine members, but many times there are fewer and there really isn't oversight going on regarding these schools.

"Often, the original charter application is initiated by individuals. They then interview and select a management company. The individuals may be liable to the authorizer, but not the management company itself, but they are the ones actually hiring the teachers and running the schools. These original teachers or administrators are then appointed by the people who oversee them."

Mary pointed to the lack of authority of school boards in the case of National Heritage Academies (NHA). It also should be noted that this business model, tailored to fit within Michigan law, is highly profitable.

National Heritage Academies

"National Heritage," Mary continued, "was developed in view of the inability to get the concept of school vouchers approved." Officially established in 1998, National Heritage became profitable in 2001. The company was established by J. C. Huizenga, the son of Wayne Huizenga, the billionaire who founded Waste Management, Inc. and Blockbuster video.

"The way National Heritage Academies operates is that first they buy the land and/or building. They renovate or build, basically cookie-cutter schools, each one alike. Then they set up the academy and charge rent at $800,000 a year. So in addition to their management fee, they are also creating a wealth stream with the property.

"National Heritage allocates 2 percent of the state funding to the board of directors as a slush, discretionary fund, 3 percent to the authorizers, and then absorbs 95 percent in as a fee. They then pay the teachers, utilities, etc., as they see fit. The school board has no decision-making authority regarding their own budget.

"National Heritage then takes as profit all the remaining funds, with no accountability. Their teachers make about $29,000 a year. Not only are they dismantling the union, I believe this is done illegally. There is a lot of money involved here. The role of these management companies is not transparent, but the money is public."

Mary pointed to the origin and history of National Heritage in extremely conservative, Dutch Reform-dominated western Michigan. "This company is a basically a Christian academy in the western part of the state, which by offering free education, enrolled the white middle-class kids that previously were in private Christian schools. For this reason, not only did they become profitable, but they had a very good track record in MEAP scores and success rates, which then propelled the company into more areas, including now Detroit."

In another notable example of borderline legality, National Heritage schools require daily lessons on morality. There is also a "Virtue of the Month," with each grade level "examining these virtues from a slightly different perspective." In an effort to skirt separation of church and state, the PSA chain touts the "moral basis" of its schools, but were sued successfully in 2000 by the ACLU for teaching creationism with public funding.

Mary showed the WSWS a copy of a resignation letter from a former school board member of National Heritage, to the president of Grand Valley State University, the authorizer of the school chain. The December 2010 letter emphasizes that the management company has been "allowed about as much authority as a student council," stating that the EMO is not accountable to the Board with regard to either instruction or finances.

Detailed financial information is not made available, as required by law, the former board member states. Furthermore, he states that the $1 million annually charged by NHA for rent "not including utilities, maintenance, insurance and taxes" is not justified, but NHA is unwilling to negotiate new terms. In other words, these lucrative financial arrangements come at the direct expense of education. He concludes by pointing out that the school is ranked 2,247 out of 3,542 in Michigan, but has been unable to get NHA to consider improvements.

Mary also shared with the WSWS a memorandum from the State of Michigan dated December 22, 2010, in which it repeated the US Department of Education's concerns about the development of the use of federal grant money to seed charter schools in Michigan.

One passage reads, "It seems that for-profit vendors have excessive influence over such areas as managing the grant, drawing down funds, establishing budget and creating and modifying management plans…. These vendors are controlling the selection of other vendors, including attorneys, accounting professionals and the whole range of school facility functions…. This controlling interest also involves the selection of board members, the development of board policies and the selection of school leaders."

What emerges from her study is that Michigan charters are rife with profit-taking and disregard for the education of young people, a process that is accelerating. The "business model" of Education Management Organizations destroys any independent oversight and offers no recourse even to the nominally independent school boards.

"My personal opinion is that education and profits don't mix. The motive of charter schools, under a different guise, has been to dismantle public education and put it under the control of private enterprise," concluded Mary.

"It really frustrates me that we have so many people who understand so much about the development of children and how they should be educated, but they aren't allowed to work together for the benefit of children. There is not enough money being put into the classrooms that some of it should be taken away as profit. Teachers need to be able to make enough to live on. No one in industry would accept that pay scale."

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