
Benton Harbor Charter School Academy dealt a blow amid statewide educational uncertainty

By Gunjan Banerji
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Benton Harbor Charter School Academy landed on Michigan's list of its lowest-achieving public schools last week, increasing the risk of closure before its authorization expires, said multiple charter school experts.

This list is "one piece of a bigger puzzle in the state's calculus to decide what to do about schools that aren't serving families well," said Ben DeGrow of the Mackinac Institute. Making three consecutive appearances on the list makes a school eligible for closure.

While it's not automatic that a school on the list closes, being on this list makes a charter more susceptible to closure at the end of the school year, added Buddy Moorehouse of the Michigan Association of Public School Academies. It's Benton Harbor Charter School's first year on the list, which compiles academic institutions in the bottom 5% of all public schools, achievement-wise.

Only 16% of the students enrolled for three or more years at Benton Harbor met reading targets as of the spring of 2015, while only 12% met math assessment targets, according to reports from the authorizer, Ferris State University.

"People looking to buy charter school debt need to do a deep dive," warned Joseph Urban of Clark Hill, regarding Michigan schools in particular. The Michigan-based attorney advises school districts and public school academies. Just because a charter is authorized until a certain date, does not mean that there aren't other factors that influence its feasibility until then, Urban said.

Benton Harbor was reauthorized on 30 June 2014 and its contract expires on 30 June 2019, according to its authorizer's website.

"Detroit West Preparatory was a wake-up call," Urban said.

The school defaulted in 2014 after the authorizer, Central Michigan University, terminated the charter because of poor academic performance and financial concerns, according to a Local Initiatives Support Coalition report. It had just issued USD 5.875m in debt.

A USD 4.19m tranche of Series 4.19m certificates of participation issued by Benton Harbor Area Charter School last traded on 15 July at 55 yielding 15.8%, according to *Electronic Municipal Market Access*.

Other statewide tensions

Even if a school on Michigan's list is not closed down, it could see more state intervention, said Charles Moore of C.L. Moore & Associates, who works with charters.

But Michigan released the list as it addresses a series of statewide hurdles regarding educational policy. A group of school districts have sought to block the appointment of a CEO at

struggling schools, while the state's emergency management law through Public Act 436 has come under fire as well, as reported.

The educational landscape in Michigan is "fragmented," Urban said, adding that the Governor Rick Snyder's (R) office and Michigan Department of Education are not necessarily "in lockstep" with each other.

Meanwhile, the state School Reform Office (SRO), which issued the list of low-performing schools, may not be able to close failing mainstream districts in Detroit until 2019 of the restructuring, according to a Miller Canfield memorandum sent to Judge Steven Rhodes, the transition manager for Detroit Public Schools (DPS).

"It shows us that there isn't an even playing field—a poor charter school could close but a poor DPS school wouldn't close," Moorehouse said.

The memo states that because the Detroit Public Schools Community District—the "new" district—did not "operate" the schools outlined for the three preceding years, the SRO is precluded from automatically closing these schools.

"Of course, the state SRO has a range of other actions it can take up to closure to ensure academic improvement is undertaken at failing schools," said a spokesperson for the governor in an email, adding that such legislation that is open to interpretation "is bound to draw differing opinions."

"The law as written and the current opinion are what the governor based his decision on. If the law were to change or another opinion were to be offered, the governor would then take that into consideration as he seeks to follow the law," the spokesperson said.

Ferris State University did not respond to multiple requests for comment. Benton Harbor Charter School Academy did not return a request for comment.