

School Evaluation Services

S&P Observations

Grand Rapids Public Schools

An analysis of district-level data

Spring 2005

Grand Rapids Public Schools
1331 Franklin Street SE
Grand Rapids, Michigan 49501-0117
(616)771-2000

Quick Facts


Enrollment: 22,401
Economically disadvantaged: 74.6%
Students with Disabilities: 24.5%
English Language Learners: 20.9%
Number of schools or attendance centers: 67
Total operating expenditures: \$215,372,211
County: Kent
Locale type: Mid-Size City


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Introduction

What information is in this report?

This report provides a summary of the district's Return on Resources™, followed by a detailed analysis of academic and financial performance in demographic context. Returns are analyzed for the district as a whole, since financial data are not available at the school level. Non-financial information for individual schools can be found on Standard & Poor's website at <http://www.schoolmatters.com>.

The district's academic, financial, and demographic data are compared to the state¹ as a whole, and to a composite of demographically similar peer² districts. Peer selection is based upon total enrollment, percent of students with disabilities and economically disadvantaged backgrounds, and the district's urban, suburban, or rural locale. The data tables on the S&P website also compare the district with county-wide averages, and permit the creation of customized comparison groups. The website also provides dynamic search capabilities and interactive tools to support benchmarking and data-driven decision-making. References to the website's resources are highlighted in this report with this symbol: 

Data from the most recent year available are included in this report, along with five-year trends that are expressed as the average annual change³ between school years. The most recent academic, environmental, and demographic data in this report are from the school year ending in 2004; the most recent financial information is from 2003. This information has been used to calculate a variety of ratios that compare two or more data points at the same time. By analyzing ratios, insights can be gleaned that might otherwise be missed if only raw data were used. Standard & Poor's has created a number of unique ratios for this report that are not available from other data sources at the district, state, or national levels. The most unique ratios, indices, and key terms in this report are highlighted with this symbol: 

Purpose

What is the primary purpose of this report?

This report is designed as a benchmarking and decision-making tool for school districts interested in making continuous improvement. While the district's academic and financial data are compared to various benchmarks, the analysis and language used is non-judgmental. Benchmarking assumes that all schools - whether they are very high or very low on a scale - can get better and better in virtually any area, whether it concerns teaching, learning, assessment, and professional development, or areas like transportation, food services, operations and maintenance.

It is especially important that no single indicator in this report be misconstrued as an overall representation of the district's academic or financial performance. The data in this report are most useful when they are used in thoughtful combinations and analyzed in meaningful context. This report is a tool for examining complex issues that warrant reflection and discussion by district personnel and the wider community. Toward that end, a series of diagnostic questions and considerations are provided to help make the data "actionable" at the local level. Schools and districts are invited to submit additional questions that could be added to future iterations of this annual report.

A school district's return on resources includes all of the student learning, achievement, and personal development produced with available resources. All school districts need significant financial, human, and material resources to effectively educate students. As a result, Michigan's largest expenditure of state and local funds is for public education. This represents an investment in the state's social and economic well-being, so finite resources need to be used as effectively as possible. The question of *how* money is spent is as important as *how much* is spent. By analyzing the relationship between spending and results, school districts are more likely to increase the return on their resources and make continuous improvements that benefit their students.

How does this district's Return on Resources compare to other districts?

Compared with all other K-12 school districts in Michigan, Grand Rapids Public Schools produces exceptionally below average student results with average core spending⁴ per student. When compared with a composite of demographically similar peer districts within the state, the district produces below average results with below average spending per student. The district's proportional enrollment of economically disadvantaged students is well above average.

The analysis of student results is primarily focused on the Michigan Educational Assessment Program (MEAP). The MEAP assesses what students are expected to know and be able to do in a variety of subjects and grade levels. The tests reflect the Content Standards developed by Michigan educators and approved by the State Board of Education. Unlike prior year's reports, this report does not analyze college preparatory results, such as ACT, PSAT, SAT, and AP scores and participation rates, as they were not available to Standard & Poor's at the time of the writing of this report. Additionally, graduation and dropout rate data for 2003-04 were not yet available from the state.

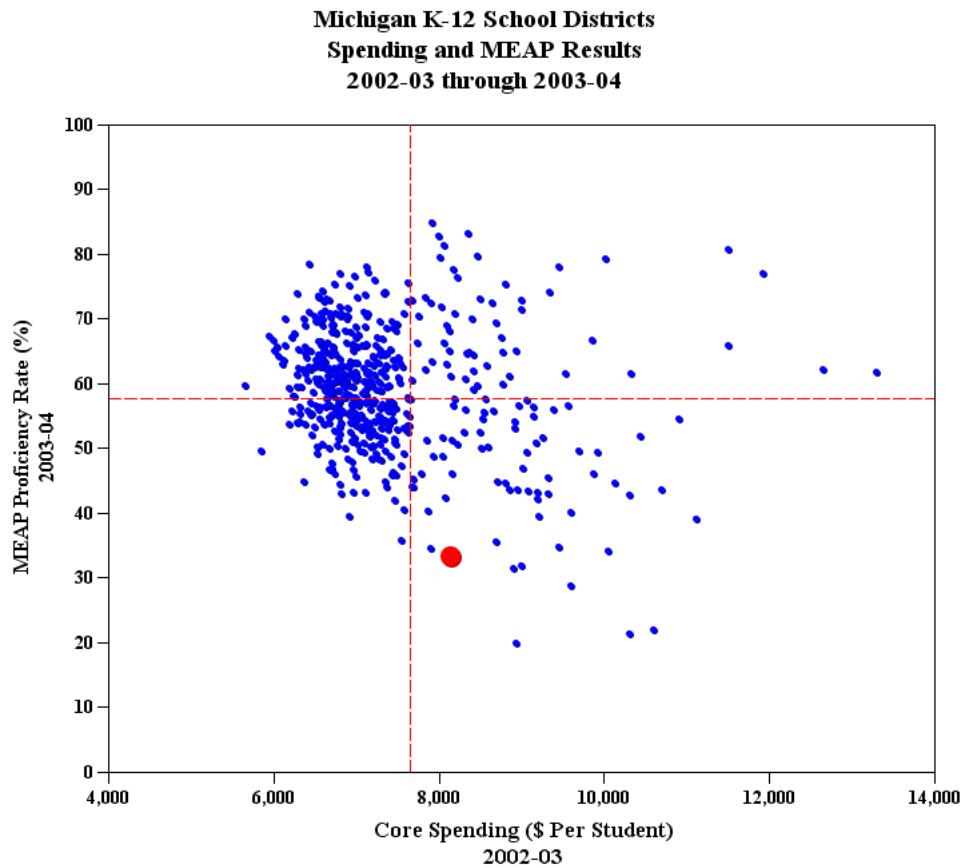
- ① The percentage of the district's MEAP scores that meet or exceed state standards is referred to as the MEAP Proficiency Rate⁵ in this report. During the period observed, the MEAP was used to measure students' performance *levels* at a single moment in time, but not their academic *growth* between two points in time. In other words, the MEAP was not used as a "value added" assessment. This affects the way in which the district's return on educational resources is analyzed.
- ① The district's core spending reflects a subset of the accounting functions that comprise operating expenditures⁶. Core spending includes the functions of instruction, instructional support, administration, student services, operations, maintenance, and assorted "other" costs. Operating expenditures are a broader category that not only consists of all core spending, but also includes transportation, food services, and student activities. Operating expenditures do not include capital expenditures or debt service; those costs are analyzed separately.

Table 1 provides key indicators of the district's academic and financial performance, in the context of its learning environment and the community's demographics.

Table 1: Data Highlights	District	Peer Average	State Average
Student Performance (2004)			
MEAP Proficiency Rate	33.5%	42.3%	57.7%
MEAP Participation	93.3%	87.9%	94.9%
Graduation Rate (2003)	85.5%	78.0%	90.0%
Dropout Rate (2003)	4.0%	6.6%	2.7%
Spending (2003)			
Operating Expenditures (Per Student)	\$8,920	\$9,873	\$8,412
Core Spending (Per Student)	\$8,073	\$9,048	\$7,658
Instructional Spending (Per Student)	\$4,999	\$5,518	\$4,892
School Environment (2004)			
Headcount Enrollment	22,401	12,334	1,715,048
Economically Disadvantaged	74.6%	64.3%	34.5%
Students with Disabilities	24.5%	16.8%	14.3%
English Language Learners	20.9%	n.a.	n.a.
Community Information (2004)			
Median Household Income (est.)	\$39,946	\$35,016	\$48,296
Adult Residents with Bachelors Degrees (est.)	23.4%	14.3%	21.8%
Single Parent Households (est.)	14.3%	18.9%	10.8%

How does the district's spending and performance compare with other districts?

The district's MEAP Proficiency Rate of 33.5% and its core spending of \$8,073 per student are depicted on the following graph, along with data points for other K-12 districts in the state. The graph shows a considerable range of performance at any given spending level. This does not mean that "money doesn't matter." It simply means that spending, by itself, does not determine performance. Many factors, both within and outside a school district's control, affect spending and performance, including the demographic characteristics of students and the communities where they live and learn.



How is student achievement analyzed in light of socioeconomic challenges?

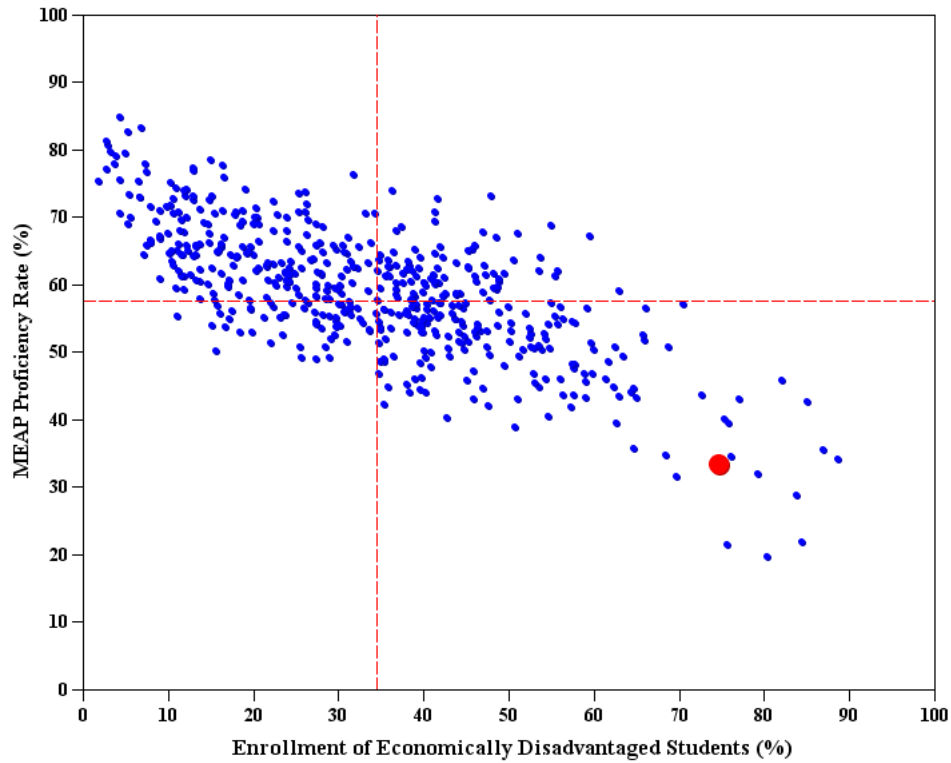
The district's MEAP Proficiency Rate of 33.5% and its disadvantaged enrollment of 74.6% are depicted on the next graph, with data points for other districts in the state. A significant correlation between poverty and performance exists; yet, there is still a significant range of performance at almost any enrollment of disadvantaged students.

Some types of tests, such as value-added assessments, measure achievement while taking into account the frequent correlation between poverty and performance. Although this type of assessment was not used by the State of Michigan during the period examined, Standard & Poor's has developed an alternative technique to analyze MEAP performance in demographic context. This technique analyzes the correlation between poverty and performance to calculate a range of statistically expected MEAP Proficiency Rates for any given concentration of disadvantaged students.

Many school districts across the state fall within the range of statistically expected performance, and some fall below it. However, there are some school districts that have managed to exceed the expected range of performance for each of three consecutive years.

A list of these districts can be viewed online at <http://www.schoolmatters.com>. These school districts may be able to shed light on effective strategies and "best practices" that could be replicated by lower-performing school districts that are focused on making continuous improvement.

Michigan K-12 School Districts
Disadvantaged Enrollment vs. MEAP Proficiency Rate
2003-04

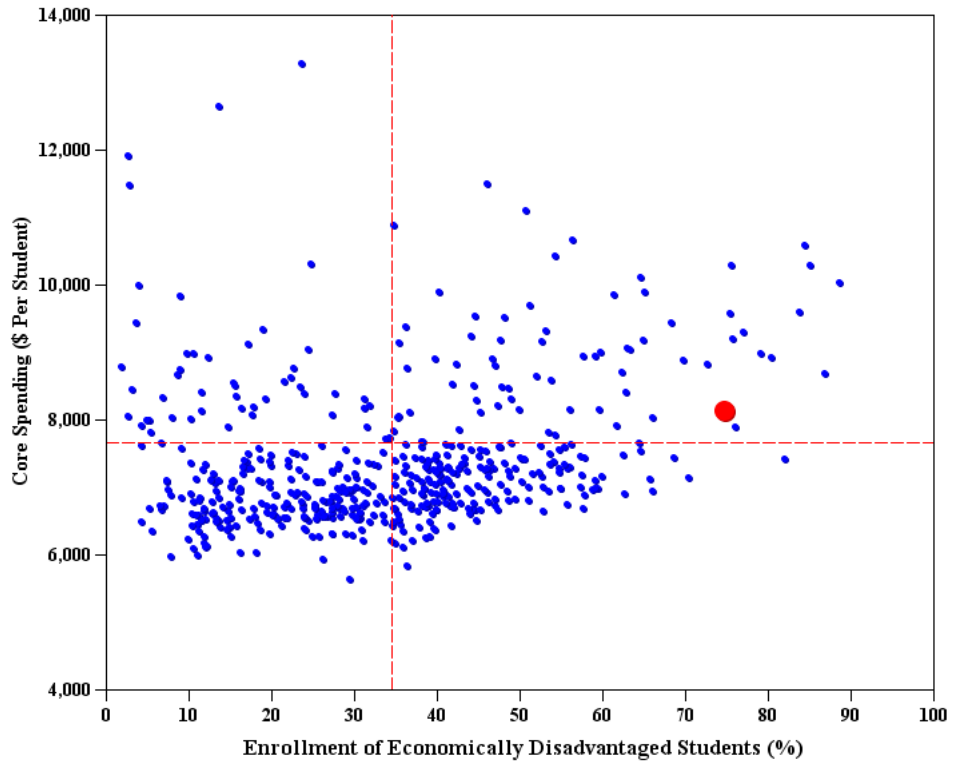


The red dashed lines represent state averages
This district is highlighted by enlarged red dot

How is spending analyzed in socioeconomic context?

In light of the educational resources needed by economically disadvantaged students, it is useful to examine spending in socio-economic context. For 2003, the district's core spending of \$8,073 per student and its economically disadvantaged enrollment rate of 71.8% are depicted on the graph that follows, along with data points for other K-12 districts in the state. The graph shows a considerable range of spending at any given enrollment level of disadvantaged students. Spending levels vary among districts for many reasons, including different configurations of local, state, and federal revenues, as well as each community's local capacity and willingness to finance its educational wants and needs, which vary from one district to another.

Michigan K-12 School Districts
Disadvantaged Enrollment vs. Per-Pupil Spending
2002-03



The red dashed lines represent state averages
This district is highlighted by enlarged red dot

☞ The remainder of this report analyzes the district's academic, financial, and contextual data in greater detail, beginning with student performance indicators. To drill down even further, readers are encouraged to use the data tables on www.schoolmatters.com.

What areas of student performance are examined in this report?

There are many different indicators of a well-rounded education, some of which are more easily measured than others. This report includes student performance measures that are collected across all school districts in the state, including standardized test results and non-test measures such as graduation and dropout rates. While these are by no means the only indicators of learning and achievement, they are widely used in educational decision-making. Some school districts also administer their own standardized tests as part of a local assessment system. Results from these tests are not available from the state for analysis in this report.

State Test Results

To what extent do students meet performance standards on state tests?

The district's overall MEAP Proficiency Rate⁵ for 2003-04 is 33.5%, which is exceptionally below the state average of 57.7% and lower than the peer group average. Statewide, only 1.3% of Michigan's districts report a lower proportion of MEAP test scores that meet or exceed state standards. Five-year trend data for this indicator are not available since 8 of the state's 15 MEAP tests were not administered in all five years analyzed for this report. However, trends are available for the high school tests taken by each graduating class as a cohort. The district's MEAP High School Test proficiency rate for all subjects combined is 37.5%, which is well below the state average of 58.8% and lower than the peer group average. During the period observed, the district's MEAP High School Test proficiency rate has experienced little net change. Statewide, only 4.0% of Michigan's districts report a lower proficiency rates on the MEAP High School Test.

How many students take the state tests?

The district's MEAP participation rate⁷ is 93.3%, which is moderately below the state average of 94.9%, but higher than the peer group average.

How do students perform on specific MEAP tests?

MEAP test results in grades 4, 5, 7 and 8 are shown on the following table for the 2003-04 school year. Five-year trends are not reported because most of these tests were not administered for five consecutive years.

Table 2: MEAP Performance in Grades 4, 5, 7 and 8	District	Peer Average	State Average
	2004	2004	2004
Grade 4 Reading Proficiency Rate	58.5%	70.1%	79.7%
Grade 4 Writing Proficiency Rate	32.2%	42.1%	48.4%
Grade 4 Combined English Language Arts Proficiency Rate	37.4%	53.2%	63.9%
Grade 4 Math Proficiency Rate	39.3%	57.6%	73.0%
Grade 5 Science Proficiency Rate	46.2%	59.9%	78.1%
Grade 5 Social Studies Proficiency Rate	8.8%	19.4%	30.6%
Grade 7 Reading Proficiency Rate	35.1%	42.7%	61.0%
Grade 7 Writing Proficiency Rate	27.0%	32.1%	47.2%
Grade 7 Combined English Language Arts Proficiency Rate	29.7%	37.4%	56.9%
Grade 8 Math Proficiency Rate	33.9%	39.2%	62.9%
Grade 8 Science Proficiency Rate	32.9%	43.4%	65.7%
Grade 8 Social Studies Proficiency Rate	8.0%	16.2%	28.7%

The district's MEAP High School test results are shown on the following table for the 2004 graduating class cohort⁸, along with the average annual change during the five-year period observed.

Table 3: High School Graduating Class MEAP Results	District		Peer Average		State Average	
	2004	Avg Chg	2004	Avg Chg	2004	Avg Chg
High School Reading Proficiency Rate	56.9%	-0.1 pts	67.0%	2.9 pts	76.7%	1.1 pts
High School Writing Proficiency Rate	39.3%	-2.8 pts	45.8%	0.7 pts	58.3%	-0.7 pts
High School Math Proficiency Rate	33.5%	-4.4 pts	38.3%	-1.4 pts	59.3%	-2.0 pts
High School Science Proficiency Rate	38.0%	0.2 pts	42.1%	2.5 pts	63.9%	1.3 pts
High School Social Studies Proficiency Rate	19.8%	0.8 pts	20.6%	1.8 pts	35.4%	2.3 pts

Does performance on state tests vary among student groups?

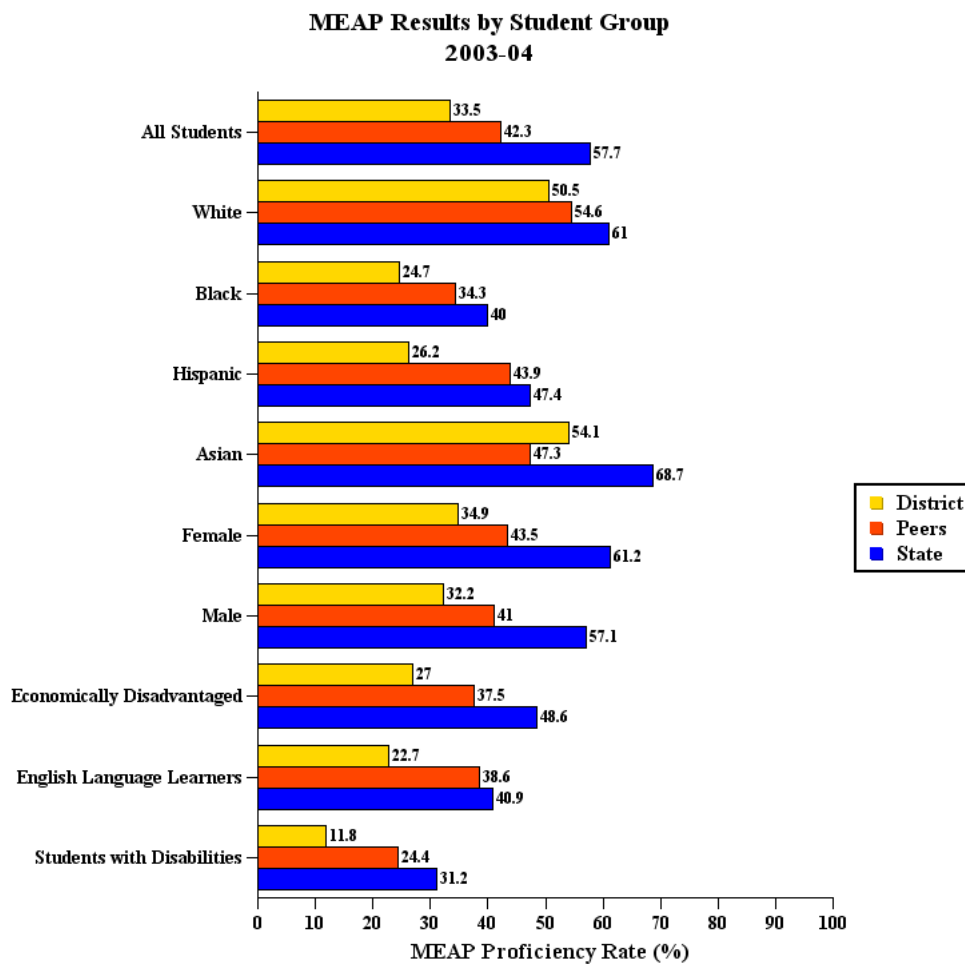
The average MEAP Proficiency Rate for any given district can mask achievement gaps between different student groups, so it is important to disaggregate test results by gender, race, socioeconomic status, and other student characteristics. The chart that accompanies this section of the report shows disaggregated MEAP results for the district, its peers, and the state as a whole.


The accompanying chart shows that 27.0% of the MEAP tests taken by students identified as economically disadvantaged meet state standards, compared with 33.5% for all students. This achievement gap of 6.5 percentage points is moderately below the state average of 9.0 percentage points, but comparable to the peer group average. As a point of reference, the statewide proportion of MEAP scores reported for economically disadvantaged students that meet state standards is 48.6%, compared with 57.7% for all students.

The accompanying chart shows that 24.7% of the MEAP tests taken by students identified as Black meet state standards, compared with 50.5% for white students. This achievement gap of 25.8 percentage points is well above the state average of 19.7 percentage points and higher than the peer group average. As a point of reference, the statewide proportion of MEAP scores reported for Black students that meet state standards is 40.0%, compared with 61.0% for white students.

The accompanying chart shows that 26.2% of the MEAP tests taken by students identified as Hispanic meet state standards, compared with 50.5% for white students. This achievement gap of 24.3 percentage points is well above the state average of 14.3 percentage points and higher than the peer group average. As a point of reference, the statewide proportion of MEAP scores reported for Hispanic students that meet state standards is 47.4%, compared with 61.0% for white students.

Disaggregated achievement data should be interpreted carefully, since the accuracy of student characteristics as reported on test records may vary from one district to another. Note that test results are not publicly disaggregated for certain groups of students if they are very small in number.



 A dynamic search tool on www.schoolmatters.com - called "Better Performers" - enables the identification of higher-performing schools and districts by grade, subject, and student group.

How do students perform in the core subjects of reading and math?

- ① Standard & Poor's has created an index of Reading and Math Proficiency (RaMP) to reflect the percentage of MEAP scores that meet state standards in the core subjects of reading and mathematics. In 2003-04, the district's RaMP score is 42.3% which is exceptionally below the state average of 68.6% and lower than the peer group average. Statewide, only 1.5% of Michigan's districts report a lower MEAP proficiency rates in the core subjects of reading and math. The federal No Child Left Behind Act (NCLB) has established the goal of 100% proficiency by the 2013-14 school year for all school districts. On a pro-rated basis, the district will need to 'RaMP Up' its combined proficiency rate by an average of 5.8 percentage points per year to meet the 100% proficiency goal in ten years. However, the RaMP-Up ratio is cited for illustrative purposes only. Any incremental, annual improvements for which a district is officially held accountable is a function of its performance compared to Michigan's Annual State Objectives under the Adequate Yearly Progress (AYP) provision of NCLB. These proficiency objectives, as shown in the table that follows, are the same for every district in the state.

Michigan's Annual State Objectives for Proficiency in Reading and Math

Year	English Language Arts			Mathematics		
	Elem.	Middle	High	Elem.	Middle	High
2002	38%	31%	42%	47%	31%	33%
2003	38%	31%	42%	47%	31%	33%
2004	38%	31%	42%	47%	31%	33%
2005	49%	43%	52%	56%	43%	44%
2006	49%	43%	52%	56%	43%	44%
2007	49%	43%	52%	56%	43%	44%
2008	59%	54%	61%	64%	54%	56%
2009	59%	54%	61%	64%	54%	56%
2010	59%	54%	61%	64%	54%	56%
2011	69%	66%	71%	73%	66%	67%
2012	79%	77%	81%	82%	77%	78%
2013	90%	89%	90%	91%	89%	89%
2014	100%	100%	100%	100%	100%	100%

As an alternative to meeting Michigan's Annual State Objectives, districts may make AYP by reducing the percentage of students who did not meet state standards on the MEAP in the previous year by at least 10%. AYP determinations also depend upon graduation, attendance, and test participation rates (for example, 95% participation rates in reading and math are required to make AYP). Accountability provisions for districts that do not make AYP depend on the number of years which the school has not made sufficient progress while receiving federal Title I funds, as described online at www.michigan.gov/mde.

Did this district make Adequate Yearly Progress (AYP) in 2003-04 under the federal No Child Left Behind Act?

AYP determinations are made for the district as a whole, and for each of its individual schools. For the 2003-04 academic year, this district did not make Adequate Yearly Progress.

- ☞ AYP determinations for the district's individual schools can be found on the www.schoolmatters.com link that is labeled "Schools in this District."

What questions might the district consider when analyzing its academic performance and MEAP results?

The following diagnostic questions are offered for consideration to support local analysis, planning, and decision-making.

- How much of the district's curriculum and instructional materials are known to be aligned with state standards? Do faculty agree on what student mastery of a given standard "looks like"? Do students?
- How often is the curriculum systematically reviewed and refined? What process is used; for example, have curriculum maps been constructed for each content area?
- How is instructional time allocated across subject areas? Is sufficient time allocated to teach and learn the concepts underlying state standards? Are all relevant standards taught before they are assessed by the MEAP?
- How is class time used? How much time is spent in lecture, laboratory settings, problem solving, critical thinking, research, writing, group work, projects, and other learning strategies? What kinds of tasks are students asked to do? Do they complete the type of work that leads to learning state and local standards?

- Do faculty know what teaching strategies to use to help students learn different standards? Do teachers know which students are having difficulty with certain standards? Are professional development programs linked to student achievement goals?
- How are MEAP results combined with other assessments for diagnostic purposes?

The next section of this report includes an analysis of non-test indicators of student performance.

High School Completion

What is the district's graduation rate?

At the time of the writing of this report, graduation rate data for 2004 were not yet available from the state. For 2003, the districts' graduation rate was 85.5%, compared with the state average of 90.0%. During the time period examined, the district's graduation rate has experienced little net change. *Graduation rates should be interpreted with caution since the state of Michigan has found that data reported by some school districts has been of uneven quality.*


What is the high school dropout rate?

At the time of the writing of this report, dropout rate data for 2004 were not yet available from the state. For 2003, the districts' high school dropout rate was 4.0%, compared with the state average of 2.7%. During the time period examined, the district's dropout rate has experienced little net change. *Dropout rates should be interpreted with caution since the state of Michigan has found that data reported by some school districts has been of uneven quality.*

What questions might the district consider with regard to its dropout rate?

The following diagnostic questions are offered for consideration to support local analysis, planning, and decision-making.

- What types of dropout prevention programs does the district have? What interventions and activities are used? How are family members involved?
- Do any programs offered provide ongoing, rather than one-time, support services? How is their effectiveness determined?
- Are mentor relationships available for at-risk students?
- Does the district proactively monitor early warning signals of potential dropouts, such attendance and discipline patterns, or students who are two or more years over-age for their grade level after third grade?

 *More detailed information concerning Student Performance can be found in the district's data tables at www.schoolmatters.com. This report now turns to an examination of the district's financial performance.*

① Operating Expenditures

The financial portion of this report begins with an analysis of spending patterns. A primary emphasis is placed on "operating expenditures" and its subset of "core spending". Operating expenditures reflect the amounts spent for day-to-day operations, and include the accounting functions of instruction, instructional support, administration, student activities, student services, operations, maintenance, transportation, food services, and certain other costs. As a subset of operating expenditures, core spending excludes the functions of transportation, food services, and student activities. Neither operating expenditures nor core spending includes capital- and debt-related expenditures, adult education, community service, trust and agency funds or internal service funds. They do, however, include expenditures for regional special education centers that are open to students from outside the district, if the district operates such a center but has not elected to report its expenditures separately.

Spending is analyzed on a per-pupil basis by dividing expenditures by full-time equivalent enrollment.¹¹ Enrollment includes special education students, but excludes pre-kindergarten and adult education students.

Spending patterns vary among school districts for a variety of reasons, some of which they can control, and some of which they cannot. School districts typically exercise some discretion in salaries, staffing levels, program offerings, contracted services, and preventive maintenance, for example. On the other hand, districts have no control over geographic differences in the purchasing power of the dollar. Nor can they control the enrollment of students who need additional resources because of disabilities, disadvantaged backgrounds, or English language learners. The particular way in which student needs are met, however, is determined through the local decision-making process. The table that follows shows the allocation of the district's spending for the most recent year available, along with five-year spending trends that are reported in terms of the average annual change between academic years.

	District		Peer Average		State Average	
	2003	Avg Chg	2003	Avg Chg	2003	Avg Chg
Operating Expenditures (Per Student)	\$8,920	5.4%	\$9,873	5.9%	\$8,412	5.8%
Instruction	\$4,999	4.8%	\$5,518	5.7%	\$4,892	5.6%
Instructional Support	\$435	5.9%	\$516	10.9%	\$361	37.9%
Administration	\$1,053	3.4%	\$1,160	7.1%	\$1,019	6.5%
Student Activities*	\$65	7.3%	\$69	12.5%	\$122	11.1%
Student Services	\$697	10.0%	\$757	4.1%	\$477	18.5%
Operations and Maintenance	\$889	6.7%	\$1,097	5.0%	\$910	6.9%
Transportation*	\$459	7.5%	\$389	5.8%	\$349	6.3%
Food Services*	\$324	8.4%	\$367	7.5%	\$281	6.5%

*Note: These functions are not included in Core Spending. For some functions with very small dollar amounts, even small changes may result in very large percentage changes. While accurate, these should not be perceived as material.

How does the district's core spending compare with other districts?

① The district's core spending of \$8,073 per student is comparable to the state average, but lower than the peer group average. During the period examined, the district's core spending per student has increased by an average of 5.2% per year. This is comparable to the average annual state and peer increases over the same time period. Aggregated expenditures can be theoretically adjusted to reflect geographic differences in the purchasing power of the dollar¹² that exist across the state, that are due to variations in the cost of living and labor markets. Spending can also be theoretically adjusted to reflect estimates of the proportionally higher resources many school districts use to educate students with disabilities, economically disadvantaged backgrounds, and English language learners.¹³ When core spending is adjusted to account for such differences, the district's spending of \$4,868 is moderately below the state average of \$5,922 and lower than the peer group average. Since these adjustments are theoretical, however, they are used sparingly in this report (only where mentioned), and are not used to alter the actual financial data in this section of the report. These adjustments are not used again until the Return on Resources section that appears later in this report.

How much is spent on instruction?

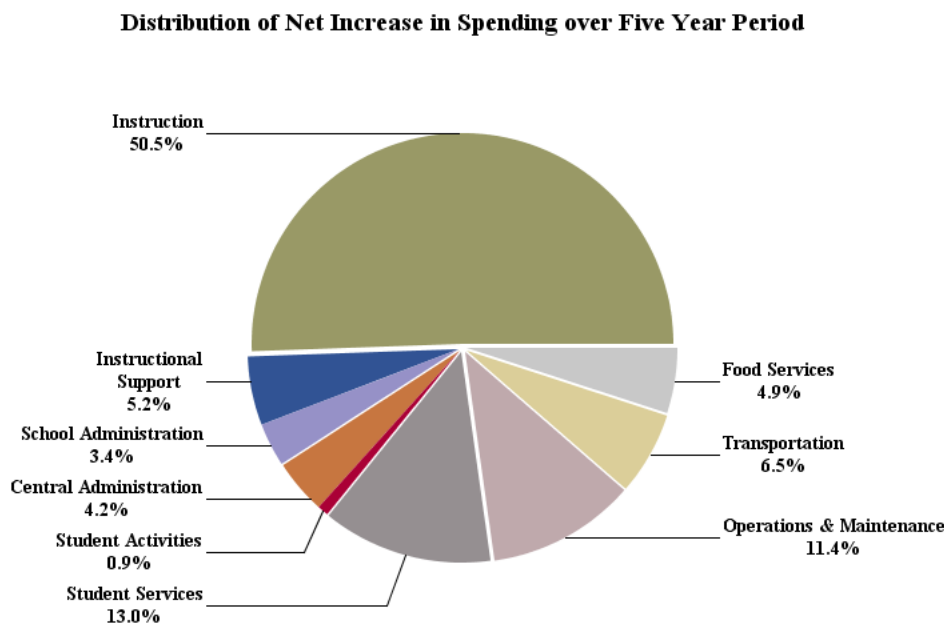
On a per-student basis, the district's instructional expenditures of \$4,999 are comparable to the state average, but lower than the peer group average. As a percentage of instructional dollars, the district spends 63.5% on basic K-12 programs and 19.3% on special education, compared with the state averages of 76.0% and 13.6%, respectively. During the period examined, the district's per-student instructional expenditures have increased by an average of 4.8% per year. This is comparable to the average annual state and peer increases over the

same time period.

Instructional costs per student are driven, in part, by the student-teacher ratio, teacher salaries, teacher experience levels, (dis)economies of scale, and the extent to which additional resources are used to meet the needs of each district's unique configuration of students with special circumstances such as disabilities, economically disadvantaged backgrounds, and English language learners. Data concerning student-teacher ratios and average teacher salaries was not available from the state for analysis at the time this report was prepared.

How much of the net increase in operating spending has been allocated toward instruction during the five-year period observed?

- ① During the period observed, the district's operating spending has increased by \$1,676. At the same time, the district's allocation of operating spending toward instruction has increased by \$847 (or 50.5% of the net change in operating spending). Across the state, operating spending has increased an average of \$1,620, of which \$927 (or 50.6% of the total) has gone toward instruction. The distribution of net new operating spending appears in the following chart. In some cases, allocations may exceed 100%, due to re-allocations of existing spending from other operating functions.



Note: Only net increases are displayed. Totals may exceed 100% due to some functions experiencing net decreases.

How much is spent on administration?

The district's administrative expenditures¹⁴ of \$1,053 per student are comparable to the state average, but lower than the peer group average. Spending on administration represents 11.8% of the district's operating spending, compared with the state average of 12.0%. During the period examined, the district's administrative expenditures have increased by an average of 3.4% per year. This is less than the average annual state and peer increases over the same time period.

Administrative costs per student are driven, in part, by administrative salaries, fringe benefits, and the student-administrator ratio. However, these data were not available from the state at the time this report was prepared.

How much is spent on operations and maintenance?

Operations and maintenance expenditures of \$889 per student are comparable to the state average, but lower than the peer group average. During the period examined, the district's per-student operations and maintenance expenditures have increased by an average of 6.7% per year. This is comparable to the average annual state increase, but greater than the average annual peer increase over the same time period.

What might the district consider when analyzing operations and maintenance costs?

The following diagnostic questions are offered to support local analysis, planning, and decision-making.

- Are operations and maintenance activities analyzed both from the perspective of how much they cost

and how much they save?

- When operations and maintenance activities are contracted with third parties, are competitive bids issued? Are economies of scale possible through volume bidding, by grouping similar items in one bid, or obtaining similar services for more than one site? Are there financial controls on the housekeeping and maintenance programs?
- What strategies exist to minimize energy consumption? Does the utility company offer rebates to reduce consumption during peak loads? Is energy consumption controlled by automated devices and managed by zones? Is the energy consumed by the cafeteria, gymnasium, auditorium, hallways, classrooms, and ventilation systems minimized when not needed?
- Have energy audits or efficiency studies been completed for buildings, major equipment, and fixtures? Are high-efficiency appliances and lighting systems used? Does the local utility company offer demand-side management programs that would pay the district to upgrade its buildings with energy-efficient systems?
- Does the district participate in an energy consortium to reduce utility rates? Is there more than one utility company to choose from? Can the district reduce its electric rates by participating in rate case proceedings before a regulatory agency?
- Does each building have a roof management plan that can reduce prorated annual maintenance costs? Does it include scheduled inspections, an accurate roof analysis, proper design, maintenance, condition reports, record keeping, and assurance of quality workmanship? Are roof repair costs covered by warranty? What physical conditions should be prevented that would void the warranty?

How much is spent on transportation?

Transportation expenditures of \$459 per student are well above the state average of \$349 and higher than the peer group average. During the period examined, the district's per-student transportation expenditures have increased by an average of 7.5% per year. This is comparable to the average annual state increase, but greater than the average annual peer increase over the same time period.

Transportation costs can vary among districts for reasons beyond their control. For example, districts whose students mostly walk to school may spend less than districts with long-distance bus routes. It should also be noted that per-pupil transportation expenditures are based on the district's full-time equivalent enrollment; data are not available from the state to calculate the amount spent per student actually transported. Data are also unavailable to calculate the cost per mile driven by the district's vehicles. Therefore, per-pupil transportation costs are only a starting point when analyzing district operations.

How much is spent on food services?

The district's food services expenditures of \$324 per student are moderately above the state average of \$281, but lower than the peer group average. During the period examined, the district's food services expenditures per student have increased by an average of 8.4% per year. This is greater than the average annual state increase, but comparable to the average annual peer increase over the same time period. It is important to note that some schools and districts serve only lunch, while others serve both breakfast and lunch.

- ① Based on the reported average number of daily meals served, the district's average food services expenditures of \$2.06 per meal served are well below the state average of \$3.02 and lower than the peer group average. During the period examined, the district's food services expenditures per daily meal served have increased by an average of 6.9% per year. This is greater than the average annual state increase, but comparable to the average annual peer increase over the same time period.

What questions might the district consider when analyzing food service costs?

- Does this school district serve lunch only, or breakfast and lunch?
- Are competitive bids issued that result in cost-effective procurements that meet quality guidelines?
- Does the food services program rely on multiple vendors, or a small number of suppliers that may limit the range of quality, service, or price?
- Are product usage records maintained for cost control and forecasting future purchases?
- Are effective inventory controls utilized? Are volume or seasonal purchasing utilized when appropriate?
- Are revenue and expenditure projections established prior to the school year? How well do these projections match actual circumstances on a quarterly basis?

Revenue, Taxes and Debt

Expenditures are best understood in light of the local, state, and federal revenues that are available to the district, and the way in which the district's operations are financed.

How much revenue comes from the state?

The district's state-source operating revenue¹⁵ of \$6,681 per student is comparable to the state and peer averages. Revenue from state sources constitutes 69.8% of the district's operating revenue, compared with the state average of 71.9%. During the period examined, the district's per-student revenue from state sources has increased by an average of 5.0% per year. This is less than the average annual state increase, but greater than the average annual peer increase over the same time period. Statewide, 14.9% of Michigan's districts report higher funding from state sources.

How much revenue comes from local sources?

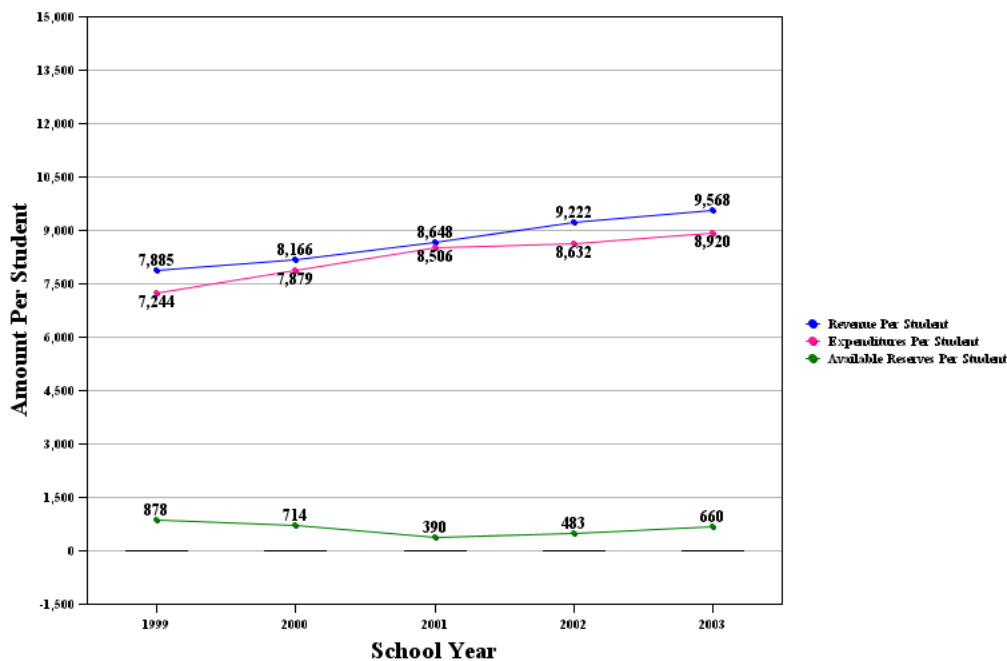
The district's local-source operating revenue of \$1,601 per student is comparable to the state average, but lower than the peer group average. Revenue from local sources constitutes 16.7% of the district's operating revenue, compared with the state average of 21.1%. During the period examined, the district's per-student revenue from local sources has increased by an average of 12.2% per year. This is greater than the average annual state increase, but less than the average annual peer increase over the same time period.

What is the level of available financial reserves?

For 2003, the district's available financial reserves¹⁶ are \$12,517,645. During the five-year period observed, the district's available financial reserves experienced little net change. The district's available financial reserves were the equivalent of 5.9% of general fund expenditures. This ratio is well below the state average of 12.9%, but comparable to the peer group average. As a ratio, the district's available financial reserves have decreased by an average of 1.2% per year. This is less than the average annual state and peer decreases over the same time period.

Financial reserves are driven, in part, by revenue and expenditure trends, which are shown in the following chart:

Five-Year Trends: Operating Revenues, Operating Expenditures, and Available Reserves (\$ Per Pupil)



How much do property owners in the district pay in school taxes?

Property owners in the district pay on average \$1,080 in school taxes on every \$100,000 of residential property value.¹⁷ This is well below the state average of \$1,577, but comparable to the peer group average. During the period examined, the district's residential property tax burden has experienced little net change. This is counter to the state trend, which shows an average annual increase, but comparable to the peer trend over the same time period.

How large is the property tax base?


The district's taxable property value of \$137,117 per student is comparable to the state and peer averages. During the period examined, the district's per-student taxable property value has increased by an average of 6.9% per year. This is comparable to the average annual state and peer increases over the same time period.

How much long-term debt is outstanding?

The district's total long-term debt for 2003 is \$30,639,742. On a per-pupil basis, the district's long-term debt of \$1,269 is well below the state average of \$8,021, but comparable to the peer group average.

How large are the debt payments?

The district's debt service of \$660 per student is the equivalent of 7.4% of total operating expenditures.¹⁸ This ratio is comparable to the state average, but higher than the peer group average. During the period examined, the district's ratio of debt payments to operating expenditures has experienced little net change. This is comparable to the state and peer trends over the same time period.

 *More detailed financial data can be found in the district's Spending, Revenue and Tax tables at www.schoolmatters.com. The next section of this report concerns the district's return on educational resources.*

- ① This portion of the report uses several unique ratios that are useful for comparing the district's academic and financial performance. One of these ratios is the Return on Spending Index (RoSI); the other is the Performance Cost Index (PCI). These ratios examine two sides of the same coin. The RoSI quantifies the average amount of academic achievement produced per unit of money spent. Conversely, the PCI quantifies the average amount of money spent per unit of achievement measured. Conceptually, this is represented by the following:

RoSI = achievement divided by spending

PCI = spending divided by achievement

These ratios should not be used to make overall evaluations about a district's academic and financial performance. Ratios are most useful when they are used in thoughtful combinations across different categories of data in local context, and are compared with appropriate benchmarks to gain a fuller understanding of a district's circumstances.

What is the district's Return on Spending Index™ (RoSI)?

The district's RoSI is 5.2. This represents the district's *average* percentage of MEAP reading and math scores that meet state standards for every \$1,000 the district spends in core expenditures per student. Statewide, only 2.1% of Michigan's districts report lower returns on core spending.

On its own, the RoSI provides limited information about a district's return on resources. However, when a district's RoSI is compared with other school districts' index values, a better understanding of the relationship between spending and results emerges. Since the RoSI is a performance index, higher values are often viewed more favorably than lower values, but there may be exceptions depending on the underlying component values and local circumstances. With this in mind, the district's RoSI of 5.2 is exceptionally below the state average of 9.2, but comparable to the peer group average. It should be noted that comparable levels of performance may be more costly to achieve in districts with proportionally higher enrollments of students with disadvantaged backgrounds, disabilities, and English language learners. In Michigan, the RoSI ranges from a low of 2.8 to a high of 13.9.

What is the district's Return on Spending Index in demographic context?

The spending component of the RoSI can be adjusted to reflect geographic differences in the purchasing power of the dollar¹² that exist across the state, that are due to variations in the cost of living and labor markets. The spending component can also be adjusted to reflect estimates of the proportionally higher resources many school districts use to educate students with special needs¹³ (students with disabilities, economically disadvantaged backgrounds, and limited English proficiency). When these estimates are used to adjust the district's core spending, the district's RoSI becomes 8.7, which is well below the state average of 11.8, but comparable to the peer group average. Statewide, only 5.1% of Michigan's districts report lower returns on adjusted core spending.

What is the district's Performance Cost Index™ (PCI)?

The district's PCI is \$191. This represents the *average* amount of core expenditures spent per point of the district's MEAP Proficiency Rate in reading and math (combined). Statewide, only 2.1% of Michigan's districts report higher costs of student performance.


In Michigan, the PCI ranges from a low of \$72 to a high of \$361. Since the PCI is a cost index, lower values are often viewed more favorably than higher values, but there may be exceptions depending on the underlying component values and local circumstances. With this in mind, the district's PCI of \$191 is exceptionally above the state average of \$120 and higher than the peer group average.

What is the district's Performance Cost Index in demographic context?

Like the RoSI, the spending component of the PCI can be theoretically adjusted to account for geographic differences in the purchasing power of the dollar, and to account for estimates of the additional resources that many districts use to educate students with special needs. When these theoretical adjustments are taken into consideration, the district's PCI becomes \$115, which is well above the state average of \$91, but lower than the peer group average.

The following table provides a summary of key indicators related to the district's return on educational resources.

Table 5: Return on Resources	District	Peers	State
Return Indicators (2004)			
Return on Spending Index (RoSI)	5.2	5.8	9.2
Adjusted RoSI (adjusted for geographic costs and student needs)	8.7	8.5	11.8
Performance Cost Index (PCI)	\$191	\$174	\$120
Adjusted PCI (adjusted for geographic costs and student needs)	\$115	\$120	\$91
Student Performance (2004)			
Reading and Math Performance Index (RaMP)	42.3%	52.3%	68.6%
Spending Per Student (2003)			
Core Spending	\$8,073	\$9,048	\$7,658
Core Spending (adjusted for geographic costs and student needs)	\$4,868	\$6,204	\$5,922
Enrollment (2004)			
Economically Disadvantaged Students	74.6%	64.3%	34.5%
Students with Disabilities	24.5%	16.8%	14.3%
English Language Learners	20.9%	n.a.	n.a.

 More detailed information concerning Return on Resources can be found in the district's data tables at www.schoolmatters.com. The next section of this report concerns the district's learning environment.

The formal education of students takes place in the context of the learning environment. Some environmental factors can be quantified, such as enrollment, number of schools, student demographics, staffing levels, teacher characteristics, and school safety. Other factors, such as school climate, expectations, attitudes, perceptions, and the quality of student-teacher interactions, are critically important, but are not routinely documented with data.

How many students attend the district's schools?

The school district's headcount enrollment¹⁹ is 22,401 students. During the period examined, the district's enrollment has decreased by an average of 2.6% per year. This is counter to the state and peer trends, which show relatively little change over the same time period. Statewide, only 0.4% of Michigan's districts report higher student enrollments.

How many schools are in the district?

The district's students are served by 67 schools and/or "attendance centers". Although enrollments vary by school or building, the overall ratio of students to schools is 334.

How many students are classified as economically disadvantaged?

The percentage of students that receive free or reduced-price lunch²⁰ in the district is 74.6%, which is well above the state average of 34.5%. During the period examined, the district's proportion of economically disadvantaged students has increased by an average of 2.3 percentage points per year. This is counter to the state and peer trends, which show relatively little change over the same time period. Statewide, only 2.8% of Michigan's districts report higher proportions of economically disadvantaged students.

How many students are enrolled in special education programs?

The percentage of students who receive special education instruction on either a full-time or part-time basis is 24.5%. On a full-time equivalent basis, the district's special education enrollment is 13.9% of total enrollment, which is exceptionally above the state average of 3.7% and higher than the peer group average. During the period examined, the district's proportion of full-time equivalent special education students has experienced little net change. This is comparable to the state and peer trends over the same time period. Statewide, only 0.6% of Michigan's districts report higher proportions of students with disabilities.

It should be noted that some school districts operate special education center programs²¹ that enroll students from outside the district. However, the state does not maintain a comprehensive list of these districts for identification purposes.

How many students are English language learners?

The proportion of students who are classified as English language learners²² (as of 2002-03) is 20.9%. The district's enrollment of English language learners is not compared to the state or peer average, because a limited number of districts report this information.

What is the district's cumulative concentration of students with special needs?

- ① Standard & Poor's has created the Student Needs Index to reflect the concentration of students with disabilities, economically disadvantaged backgrounds, and/or English language learners. The index is calculated by dividing the sum of the district's proportional enrollment of students with these special needs, by the sum of the highest proportional enrollments observed in any district in the state. As a result, the index has a theoretical range of 0 to 100; the higher the index value, the greater the concentration of students with special needs.

This district's Student Needs Index is 66.1. This is exceptionally above the state average of 31.3 and higher than the peer group average. During the period observed, the district's Student Needs Index has increased by an average of 3.7 percentage points per year. This is greater than the average annual state increase, but comparable to the average annual peer increase over the same time period. Statewide, only 0.9% of Michigan's districts report higher cumulative concentrations of students with special needs.

What is the average number of students per teacher?

At the time of publication, this information was not available from the State.

- 📄 *More detailed information on the learning environment can be found in the district's data tables at www.schoolmatters.com. The next section of this report concerns community demographics.*

The community and home environment in which children are raised play a crucial role in each student's educational growth, academic achievement, and personal development. With this in mind, the following indicators are provided as demographic context.

What is the median household income within the district's boundaries?


The community's median household income of \$39,946 is moderately below the state average of \$48,296, but comparable to the peer group average. *These data should be considered estimates, as they are derived from 2000 Census data, mapped to school district boundaries, and projected forward to represent 2004.*

How many households in the district's boundaries are headed by single parents?

The community's proportion of lone-parent households²³ with children is 14.3%. This proportion is moderately above the state average of 10.8%, but lower than the peer group average. Statewide, only 6% of Michigan's districts have higher proportions of households with only one parent. *These data should be considered estimates, as they are derived from 2000 Census data, mapped to school district boundaries, and projected forward to represent 2004.*

How many adults residing in the district's boundaries hold a bachelor's degree?

A 23.4% of adult residents in the community have at least a bachelor's degree.²⁴ This is comparable to the state average, but higher than the peer group average. *These data should be considered estimates, as they are derived from 2000 Census data, mapped to school district boundaries, and projected forward to represent 2004.*

 *More detailed demographic information can be found in the district's data tables at www.schoolmatters.com.*

Which districts are included in this district's peer group?

The school districts displayed in the table that follows comprise the peer group in this report. To the extent possible, peer districts are selected based on the comparability of their federally designated "locale type", headcount enrollment, special education enrollment, and disadvantaged enrollment. Although every characteristic of each peer is not an exact match with the characteristics of the school district analyzed in this report, the peer group's composite profile, *in the aggregate*, serves as a more reliable benchmark than any single school or district can provide on its own. In other words, the peer group composite can be viewed as a *virtual* district for comparison purposes.

The SES website permits users to create their own custom comparison groups of one or more school districts, to benchmark this district's academic, financial, environmental, and demographic data. Website users can also build and print their own unique data tables using ratios and comparison groups of their own choosing.

Table 6: Peer Group Members	County	NCES Locale Type	Headcount Enrollment	Special Education (%)	Economically Disadvantaged (%)
Grand Rapids Public Schools	Kent	Mid-Size City	22,401	24.5	74.6
Peers					
Battle Creek Public Schools	Calhoun	Mid-Size City	7,704	15.2	57.5
Flint City School District	Genesee	Mid-Size City	20,028	12.8	69.6
Jackson Public Schools	Jackson	Mid-Size City	7,076	16.0	62.2
Lansing Public School District	Ingham	Mid-Size City	16,780	19.5	61.3
Pontiac City School District	Oakland	Mid-Size City	10,671	16.9	62.9
Saginaw City School District	Saginaw	Mid-Size City	11,745	20.1	72.5

Standard & Poor's cautions readers not to use School Evaluation Services (SES) as the sole source of information when making decisions regarding this school district. Users of this report may link to the Michigan Department of Education website from this school district's home page on the schoolmatters.com website. Users may also "Google" this school district from the home page.

Data Timing:

This report is based on Standard & Poor's independent analysis of five year trends of publicly available data. The most recent academic, environmental, and demographic data in this report are from the school year ending in 2004; the most recent financial information is from 2003. As a result, some of Standard & Poor's analytical findings do not capture information that is more current and should not be interpreted as necessarily reflecting this school district's most recent circumstances or performance.

Data Content:

Any serious analysis of school systems must consider numerous factors related to educational performance and the need for resources. SES assembles hundreds of different data points for each school system. It should be noted that certain important data, such as school facility conditions, parental involvement, school-level financial data, and other indicators are not available from the state. Moreover, there are many important aspects of schooling that are difficult to measure or are not well documented. While these factors should be considered when a community or its leaders are determining the overall value and return of its schools, such factors fall outside the SES framework because they are not readily or uniformly available, and because their criteria vary from one community to another. SES is not an all-encompassing 'final word' on schools, but rather one means of school evaluation to be considered together with other measures, including those of a more qualitative nature.

Data Sources:

Standard & Poor's analysis and observations are based on publicly available data from a variety of sources that provide measures of a school system's academic, financial, and socio-economic profile. Sources of data include state standardized test records, financial records, enrollment and staffing records, and other school system information collected by the state. State agencies include the Center for Educational Performance and Information, the Department of Education, as well as revenue and finance agencies. Some of the data provided by the State of Michigan has been provided by different agencies over different years. Other sources include the U.S. Department of Education; the National Center for Education Statistics; Bureau of the Census; the U.S. Department of Commerce; and Global Insight, Inc.

Data Quality:

In the course of its analysis, Standard & Poor's has identified certain data inconsistencies and omissions and has raised such issues with the sources of those data. Where able, Standard & Poor's has enhanced the integrity of the data by correcting errors, anomalies, and misclassifications. Certain data used in this analysis are self-reported and as a result should be interpreted with care.

Standard & Poor's uses a series of benchmark comparisons in this report to provide insight into variations between the data for each school system and corresponding state and peer comparison group averages. This methodology is based on a statistical analysis of the ranges of each data point.

The terms listed below are used in this report to describe a school system's data relative to key benchmarks. These descriptive terms are applied consistently across school systems based on the distribution of each data point considered.

State comparisons: 1) exceptionally above average, 2) well above average, 3) moderately above average, 4) average, 5) moderately below average, 6) well below average, 7) exceptionally below average.

Peer comparisons: 1) above or higher than the peer group average or composite, 2) comparable to the peer group average or composite, 3) below or lower than the peer group average or composite.

Trend comparisons: 1) greater than comparison group trends, 2) comparable to comparison group trends, 3) less than comparison group trends, 4) counter to comparison group trends.

Key terminology and data items used in *S&P Observations* are defined below. In addition, all terms found in the data pages on www.schoolmatters.com are linked directly to the SES Glossary, where detailed definitions, formulas, applications, and data sources are provided.

¹**State Average**-State data represent weighted averages of all school districts. The district being compared is included in the state average.

²**Peer Average or Composite**-Peer data represent an unweighted average of all peer group members. A school district's peers are determined by the SES system based on grades served, enrollment size, proportions of economically disadvantaged students and special education students, and "locale type" as determined by the U.S. Department of Education's National Center for Education Statistics. Averages are computed by adding the data values for each peer district, and dividing the sum by the number of peer districts. The district being compared is not included in the peer comparison group.

³**Average Annual Change**-The average change in a data value reported over five consecutive academic years. Calculated by averaging the annual changes between school years.

⁴**Core spending (\$)**-A subset of the accounting functions that comprise 'operating expenditures'. Core spending includes the functions of instruction, instructional support, administration, student services, operations, maintenance, and certain 'other' costs. Operating expenditures are a broader category that not only consist of all core spending, but also include transportation, food services, and student activities. Core spending per student is calculated by dividing core expenditures by full-time equivalent enrollment. Enrollment includes special education students, but excludes pre-kindergarten and adult education students. Core spending includes special education center program expenditures if the school district operates a center program but has not elected to report center program expenditures separately.

⁵**MEAP Proficiency Rate (%)**-The percentage of all MEAP tests taken in grades 4, 5, 7, 8, and high school that meet or exceed state standards. Elementary and middle grade tests are combined with the MEAP Proficiency Rates for the high school graduating class.

⁶**Operating Expenditures (\$)**-The amount spent for ongoing, day-to-day operations. Operating expenditures can be accounted for by function or by object. Functions include instruction, instructional support, administration, student activities, student services, operations, maintenance, transportation, food services, and certain other costs. When accounted for by object, operating expenditures include compensation, purchased services, supplies and materials, and other day-to-day costs. Operating expenditures exclude capital- and debt-related expenditures, adult education, community service, as well as trust and agency funds and internal service funds. Operating expenditures per student are calculated by dividing operating expenditures by full-time equivalent enrollment. Enrollment includes special education students, but excludes pre-kindergarten and adult education students. Operating expenditures include special education center program expenditures if the school district operates a center program but has not elected to report center program expenditures separately.

⁷**MEAP Participation (%)**-The proportion of students in grades 4, 5, 7, 8, and in the high school cohort who took MEAP tests, calculated by using a weighted average. The calculation is weighted more heavily in grade levels in which more subject area tests are administered. Participation rate calculations include students who took MEAP tests but whose scores are excluded by the state from school, district, and state summary reports. Enrollment for grades in which MEAP tests are administered includes special education students.

MEAP participation rates exceed 100% for some schools and districts. This anomaly is due in part to timing differences between the reporting of headcount enrollment and the administration of MEAP tests. In addition, certain data elements used to derive MEAP participation rates are missing for some schools. Standard & Poor's does not report MEAP participation data disaggregated by race/ethnicity or economic status for all years observed, due to data quality concerns.

⁸**MEAP Proficiency Rate by Graduating Class Cohort (%)**-The percentage of graduating high school seniors that received Level I or Level II scores on any MEAP subject test at any point during their high school career. Beginning in the 1999-2000 academic year, MEAP High School Test results reported by Michigan represent tests taken by students in the graduating class, regardless of the grade in which the student was enrolled (10, 11, or 12) when the student took the test. If a student in the graduating class took a MEAP High School Test more than once, the state's MEAP reports reflect the student's highest score.

⁹**Graduation Rate (%)**-An estimate of the percentage of grade 9 students who will complete their senior year of school and graduate. Michigan calculates graduation rates by multiplying together the four retention rates

for grades 9, 10, 11, and 12. Graduation rates should be interpreted with caution since the state of Michigan has found that data reported by some school districts has been of uneven quality. Source: Michigan Department of Education K-12 Database.

¹⁰**Dropout Rate (%)**-The percentage of students who left school and did not return during the following school year. In Michigan, students who 'cannot be accounted for' are considered dropouts, and the dropout rate is calculated by subtracting the retention rate from 100%. The dropout rate is a single-year rate that applies to grades 9 through 12. Students who leave secondary school to enroll in adult education programs for General Educational Development (GED) preparation, home schools, private/parochial schools, or charter schools are considered transfers, not dropouts. Dropout rates should be interpreted with caution since the state of Michigan has found that data reported by some school districts has been of uneven quality. Source: Michigan Department of Education K-12 Database.

¹¹**Full-Time Equivalent (FTE) Enrollment**-The total number of students for whom the district provides services on a full-time equivalent basis. Standard & Poor's uses FTE enrollment when calculating per-student financial indicators. In a number of school districts, full-time equivalent (FTE) enrollment exceeds headcount enrollment. Typically, FTE figures can be expected to be smaller than headcount figures, due to the pro-rated and part-time status of certain students. In the past, Michigan officials have been unable to explain this anomaly. It may be due to students in alternative education and juvenile detention programs. If these students are not considered to be in a specific grade, they may not be reported by districts as part of headcount enrollment, and yet may be reported as part of FTE enrollment.

¹²**Cost Adjustments for Geographic Differences**-Adjustments are made using the Normalized Cost of Living Index.

¹³**Cost Adjustments for Students with Special Needs**-A review of published research suggests that across the nation, spending may be an average of 110% higher for disabled students, 35% higher for disadvantaged students, and 20% higher for English language learners. It should be emphasized that these are estimates of what education agencies choose to spend; the estimates are not empirical determinations of the additional resources needed by special-need students to meet or exceed state standards or otherwise perform as well as possible.

¹⁴**Administrative Expenditures (\$)**-The amount spent on administration, including school administration (e.g., principals), central or general administration (e.g., superintendents), and business services, divided by the district's full-time equivalent enrollment.

¹⁵**State-Source Revenue Per Student (\$)**-Revenue received by the school district from the state for operating purposes. Such revenue includes funding allocated according to a state-determined foundation allowance. Revenue per student is calculated by dividing total revenue by full-time equivalent enrollment.

¹⁶**Available Financial Reserves (\$)**-The unreserved general fund balance, or cumulative difference between general fund revenue and expenditures, net of reservations. The available financial reserves balance represents surplus funds that are not set aside or earmarked for any particular purpose and can thus provide a financial cushion against unforeseen losses or expenditures. The total general fund balance includes funds reserved for specific purposes that are not available for general appropriation.

¹⁷**School Tax on \$100,000 of Residential Property (\$)**-The amount of property tax levied for school purposes on residential (homestead) property valued at \$100,000. For Michigan, homestead property tax rates are used to represent the tax burden on residential (homestead) property. This indicator is calculated by multiplying the total school property tax rate (in mills) levied on homestead property by 100.

¹⁸**Debt Payments as % of Operating Expenditures (%)**-Calculated by dividing debt service expenditures by operating expenditures. Debt service consists of principal and interest payments on outstanding bonds and other debt obligations and includes all expenditures accounted for in the debt service fund plus other expenditures classified as debt service in other funds. In Michigan, reported debt service amounts may be inflated as a result of bond refundings or refinancings. In the past, Michigan's financial data system has not enabled districts to segregate refinancings, which can represent large amounts, from regular annual debt service payments.

¹⁹**Headcount Enrollment**-The number of individual students enrolled in the school district. Headcount enrollment includes special education and alternative education students, but excludes pre-kindergarten and adult education students.

²⁰**Economically Disadvantaged (%)**-The percentage of students who receive free or reduced-price lunch under the National School Lunch Program as a result of low family income. This measure of economically

disadvantaged students is an important indicator, due to the frequent relationship between household income and student achievement.

²¹**Special Education Center Programs**-Some local school districts operate regional special education center programs open to out-of-district students. Michigan does not maintain a comprehensive list of school districts with center programs. SES has identified 28 districts that operate center programs based on their choice to report their center programs' financial operations separately. Given the current nature and limited availability of special education enrollment and financial data in Michigan, it is not possible to separate the financial operations for in-district students from out-of-district students who are served by center programs.

²²**English Language Learners (%)**-The proportion of students who speak a language other than English and are limited in their ability to use English. These students may be immigrants or children born in the United States. They typically receive bilingual education or English-as-a-second-language (ESL) instructional services. Education research has indicated that English language learners (ELL) may experience greater difficulty in school and may be more likely to drop out. Source: Michigan Department of Education K-12 Database

In Michigan, enrollment data for ELL students are available only for those districts that operate a federal or state bilingual education program. Moreover, ELL enrollment represents both bilingual and ELL students, as Michigan reporting does not distinguish between the two classifications. Similarly, ELL proficiency data were only provided for a portion of Michigan's school districts.

²³**Lone-Parent Households with Children (%)**-The proportion of households in the district that are occupied by a single adult and one or more children. Source: Global Insight, Inc. *Estimates are derived from U.S. Census Bureau data mapped to school district boundaries, and projected to current levels.*

²⁴**Adults with at Least a Bachelor's Degree (%)**-The percentage of adults residing within the school district with at least a bachelor's degree. Education research has indicated that the educational attainment levels of parents can be a significant factor in influencing student achievement. Source: Global Insight, Inc. *Estimates are derived from U.S. Census Bureau data mapped to school district boundaries, and projected to current levels.*