

# K-12 Funding

MAY 2019



THE HIGHEST-POVERTY DISTRICTS RECEIVE AT LEAST **5% LESS STATE AND LOCAL FUNDS** THAN THE LOWEST-POVERTY DISTRICTS IN MICHIGAN<sup>1</sup>



**1 OUT OF 5 CHILDREN** IN MICHIGAN LIVE BELOW THE FEDERAL POVERTY LINE<sup>2</sup>

Sources:

<sup>1</sup> *An Analysis of School Funding Equity Across the U.S. and Other States*, Education Trust, 2018

<sup>2</sup> "Kids Count", Michigan League for Public Policy, 2019

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## Reason for Action

Michigan's system for K-12 public education funding has sought to equalize per-student funding statewide by establishing a per-pupil funding floor for each district and reducing per-pupil funding disparities across the state.

Talent 2025's K-12 Working Group has long recognized additional resources are necessary to ensure at-risk students achieve at a level equal to their peers from higher-income households. At-risk students face multiple barriers that often impact the quality of their education and their individual performance. These include food and housing insecurity, parents with low education levels themselves, the likelihood they will enter kindergarten developmentally behind their peers statewide, and the difficulty of their schools to attract and retain highly effective teachers and principals.

To increase student performance for all, and at-risk students in particular, Michigan should transition its funding system to one that addresses students' needs by prioritizing equity and effectiveness.

## Current State

Talent 2025's K-12 Working Group has long recognized additional resources are necessary to ensure at-risk students achieve at a level equal to their peers who come from stable, higher-income households.

In 2018, research initiated by K-12 educators in the Oakland Intermediate School District sought to address complaints that Michigan's K-12 system lacked sufficient resources to meet student performance goals. This group identified inequities in the current funding structure and advocated for a baseline per-pupil funding allowance of \$9,590. It also recommended a weighted system of funding allowing for increased funding rates for students who are at risk, English language learners, special education, etc. In 2019, a similar study was commissioned through Michigan State University, whose results differed slightly from the 2018 study but also advocated for increased K-12 funding. Neither study included a cost function analysis. Both studies set their outcome to be achieved as equaling performance of the top performing schools in the state. Today, only 32% of 4th grade students are proficient in reading on the National Assessment of Educational Progress and 31% of 8th grade students are proficient in mathematics on the NAEP.

## Future State

To ensure all Michigan students meet or exceed proficiency in every subject and grade, there must be greater equity in K-12 funding per student, the proportion of funds directed to instructional spending must be maximized, and evidence-based instructional practices must be used in every subject and grade.

## Strategies

Talent 2025 recommends the following to align funding levels and guarantee these are put to best use to ensure all Michigan students meet or exceed proficiency in every subject and grade.

### 1. Direct more resources to educate at-risk students.

Increase equity among Michigan school districts by increasing the foundation allowance for urban and rural districts.

### 2. Help urban and rural schools retain highly effective teachers and principals.

Incentivize high-quality teachers and principals to work in schools where a good portion of the students are at risk.

### 3. Improve the quality of academic instruction.

Require the use of evidence-based strategies in every subject and grade level.