

REBUILDING EQUITABLY: OVERCOMING EDUCATIONAL INEQUITY THROUGH MICHIGAN'S BUDGET



BRIEF ON THE FISCAL YEAR 2022 EXECUTIVE SCHOOL AID BUDGET RECOMMENDATION

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The past year has demonstrated the fragility of Michigan's public education system and longstanding inequities, amid the rapidly evolving global pandemic. One year ago, Governor Whitmer proposed a budget without mention of COVID-19, which had not yet come into the public consciousness.

Just weeks later, schools across the state were abruptly closed as Michigan's first cases of COVID-19 were diagnosed. The past year has seen inequities abound as school closings have been followed by a patchwork of reopenings and a shift to virtual instruction amid a significant [digital divide](#). Some students have returned to in-person instruction in recent months, yet [hundreds of thousands](#) continue to attend virtually, and [thousands](#) remain unaccounted for.ⁱ

It would be easy, in this moment, to focus only on the devastating educational impact of COVID-19. Yet as highlighted in The Education Trust-Midwest's recent report, [The Urgency of Now: Michigan's Educational Recovery](#), we must instead accelerate efforts to reimagine public education and support the broader educational recovery caused by longstanding inequities that have hindered educational opportunity for decades. Whether learning disruption and inequity are the product of a recent crisis or systemic undercurrent, our top priority must be a full recovery for every student.

In the [Fiscal Year 2022 Executive Budget Recommendation](#) and the spending of [Governor's Emergency Education Relief Funds](#), Governor Whitmer outlines investments intended to support the immediate recovery students require, while also making progress on the long-term goal of building a more equitable approach to school funding.

This document is intended to highlight key pieces of Governor Whitmer's [education budget recommendation](#) and how these priorities can advance equity and excellence in Michigan schools.

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LEARNING RECOVERY

The acute need for learning recovery amid the ongoing pandemic should not overshadow gaps in access, opportunity and outcomes that long predated COVID-19; however, unfinished learning during the pandemic can also not be ignored.

Research suggests that school closures may result in Black students falling behind by 10.3 months, Hispanic students by 9.2 months and low-income students by more than a year.ⁱⁱ Furthermore, our own data shows that online virtual instruction is a [significant challenge](#) for hundreds of thousands of Michigan children due to a lack of digital access in their household.ⁱⁱⁱ

Governor Whitmer has proposed \$250 million in one-time funding to address student recovery in the following areas:

- **Academic recovery**, including targeted interventions such as high-dosage tutoring. Effective implementation of tutoring has been shown to lead to significant learning gains.^{iv}
- **Physical and mental health**, recognizing the considerable toll that shutdowns, increased isolation and trauma has had on many students and their families, physically and emotionally.
- **Postsecondary readiness and transition**, to ensure that graduating students are prepared to enter credit-bearing courses as they transition into postsecondary education.

Additionally, Governor Whitmer has proposed one-time funding to support student's educational recovery through:

- **In-person summer learning for two summers** – High-quality summer learning programs help make up for learning lost as a result of school closures and virtual instruction. This research-based practice for learning recovery would be supported through \$120 million over two years.^v
- **Locating missing students** – Students cannot learn if they are not engaged, yet fall enrollment data did not account for more than 50,000 students.^{vi} The Governor has allocated \$2 million in federal emergency aid to find missing students.

Addressing these many needs of students will be important for the educational recovery from COVID-19. As important will be tracking the success of these efforts through common metrics and public reporting so Michigan can learn from these efforts and apply lessons to our broader educational improvement efforts.

FAIR SCHOOL FUNDING

Research shows that Michigan is among the bottom five states for funding equity, spending 5 percent less in its highest poverty districts than its lowest poverty districts.^{vii}

Governor Whitmer's executive budget recommendation moves the state's funding system in the right direction by providing a general increase in funding to all districts as well as targeting resources for districts and students with the greatest need. Below we outline how Governor Whitmer's recommendation measures up to the key equity principles that should be embedded into every state's funding system, outlined in The Education Trust-Midwest's [reports](#).

Governor Whitmer's budget increases the foundation allowance – or the per-pupil base funding – for every district in the state, with a greater increase for districts currently at the minimum foundation allowance. Depending on the district's current funding level, their per-pupil foundation allowance would increase by \$82-\$164. Districts currently at the minimum foundation allowance would receive \$8,275 and districts at the maximum would receive \$8,611. This budget proposal moves Michigan closer to the important goal of having one common foundation allowance by reducing the per-pupil funding gap between school districts at the minimum and maximum to \$336.

The Education Trust-Midwest (ETM) and national research recommend schools and districts should also receive funding in addition to the foundation allowance in order to appropriately serve the additional needs of all students, recognizing that some students need greater support to reach their full potential.^{viii} Governor Whitmer's budget makes progress towards a weighted funding formula based on student need, providing two percent increases in funding for students from low-income families, students with disabilities and English learners:

- **At-Risk Funding** – Governor Whitmer's budget recommendation includes an estimated \$765 per eligible pupil to meet the additional learning needs of students from low-income families and other underserved student groups. While this would be a total increase of \$12.5 million to at-risk funding if adopted, it would still not fully fund at-risk students at 11.5

percent of the statewide average foundation allowance as written in law and would continue the cycle of prorating funding for student groups.^{ix} Even at the proposed increased levels, much more would be needed to close opportunity gaps.^x

ETM applauds this proposed increase and recommends continuing to move toward a system where students from low-income backgrounds receive at least twice as much funding than their non-low-income peers and where the needs of vulnerable students are prioritized.

- **Funding for Students with Disabilities** – The Governor also proposes a statewide increase of funding for special education services by \$20.8 million for reimbursements to districts. This comes on top of a [recent proposal](#) by the Governor to provide additional one-time funding for students with disabilities by more than \$223 million. This is a step in the right direction as Michigan's current funding of special education is grossly inadequate, resulting in many districts resorting to the use of general education funds to fully fund their special education costs.^{xi}

Additionally, Governor Whitmer plans to use \$3 million in one-time federal funding to provide recovery services for children ages 0-3 with disabilities or developmental delays, though Michigan's Early On program.

Michigan has also routinely received poor ratings from the U.S. Department of Education for their implementation of the requirements of the Individuals with Disabilities Education Act (IDEA), with Michigan most recently being identified as "[needing assistance](#)." Michigan should move toward a system that guarantees the full foundation allowance for each student, plus supplemental state funding for students with disabilities that is based on the actual, full cost of additional supports that the student needs.

- **Funding for English learners** – The Governor also proposes a \$260,000 increase in support for English learners, yet still this will be substantially lower than levels research recommends.^{xii} Increasing support for English learners is important and should be continued, as ETM recommends moving toward a system that provides at least 100 percent more funding for English learners compared to students who are not English learners.

All dollars spent in Michigan’s public education system should be spent in the most effective way possible, and this starts with accountability and transparency for spending. For more information on principles around ensuring greater accountability and transparency in Michigan’s school funding system, view our January 2020 school funding [report](#).

IMPROVING LITERACY SUPPORTS

Research clearly demonstrates the impact that high-quality learning experiences can have on students’ success in the long term.^{xiii} When children read well by third grade, they are dramatically more likely to succeed. This is especially true for students from lower income levels.

In recent years, ETM has spearheaded efforts to remove barriers that could hold children back from reading, including successfully advocating for the inclusion of dyslexia screening language in Michigan’s two most recent budgets. This language is also included in the governor’s budget recommendation this year, ultimately making it easier for students to be identified for characteristics of dyslexia early on in their life and to receive the supports they need to help in their learning.

Governor Whitmer’s budget proposal also includes other early literacy strategies, such as supporting literacy coaches and other reading interventions. As our [2018 State of Michigan Education](#) report examined, investing in evidence-based models, including literacy coaches, is good policy, but must also be followed up with best-practice implementation and statewide evaluation of the approach to monitor quality. In many ways, Michigan has left literacy improvement and how dollars are spent up to chance instead of providing meaningful guidance, leveraging innovative delivery systems, and strengthening alignment between the early childhood and K-12 education systems.^{xiv}

Additionally, the governor’s budget recommends focusing on Michigan’s early childhood programs, which is an important part of supporting students in literacy and building a seamless learning continuum for students from early childhood through the early grades. This focus is supported by a recommended increase in the per pupil allotment for the Great Start Readiness Program to \$8,275.

EXPANDING POSTSECONDARY ACCESS

At a time when almost two-thirds of jobs require some form of postsecondary training, and long-term benefits of postsecondary investments are clear, Michigan students must be able to afford enrollment in, and completion of postsecondary education in order to succeed in the 21st century global economy.^{xv}

The need to support students preparing to enter postsecondary education is even more important now, given the harm and expense that pandemic-related disruptions may have on students nearing high-school graduation.

Governor Whitmer’s plan works toward increasing postsecondary accessibility and affordability by:

- **Increasing the number of high school seniors completing the FAFSA (Free Application for Federal Student Aid)** – The FAFSA is the common application that students must fill out to access federal and state aid and, in many cases, institutional aid. In late 2019, Governor Whitmer announced the statewide [“Governor’s FAFSA Challenge,”](#) which includes student incentives and awards to high schools for high FAFSA completion rates. The Governor’s budget recommendation maintains funding for these incentives through partnership with local college access networks. The Education Trust-Midwest aims to ensure every high school graduate either completes a FAFSA or knowingly opts out of completing the form, and this incentive-based program would be a step in the right direction.
- **Maintaining the Michigan Reconnect Grant Program** – Launched earlier this year, Michiganders 25 and older that have not previously earned a postsecondary credential can obtain an associate degree or occupational certificate tuition-free through [Michigan Reconnect](#). The Governor’s budget provides \$120 million to continue funding this program over two years.
- **Continuing Futures for Frontliners** – Recognizing the sacrifices of essential workers throughout the pandemic, [Futures for Frontliners](#) was launched to provide a tuition-free pathway for frontline workers without college degrees to earn an associate degree or skills certificate. First funded using federal relief dollars in 2020, Governor Whitmer proposes to continue and expand the program through \$60.4 million in funding during the current and next fiscal years.

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