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Adequately Funding Low-Income Students: Options for Michigan Policymakers

An Essay for the Learning Curve by Jeremy Singer

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Michigan policymakers and advocates are calling on the state to adopt a new school funding formula that provides additional funding to students with greater educational need, such as students with greater economic need. To adequately fund low-income students, however, policymakers need to answer a basic question: how should Michigan *define* economic need? The answer will affect whether a new funding formula achieves its goal.

Michigan continues to lag behind other states in adequate funding for K–12 education in general and low-income students in particular.[1] Despite recent increases in the state's education budget,[2] an adequacy study from the School Finance Research Collaborative (SFRC) suggests that Michigan still underfunds its students.[3] Given the importance of adequate funding for low-income students' outcomes,[4] the persistence of inadequate funding in Michigan has spurred calls for school finance reform.

[1] David Arsen, Tanner Delpier, and Jessee Nagel, *Michigan School Finance at the Crossroads: A Quarter Century of State Control* (East Lansing: Michigan State University College of Education, 2019); and Bruce D. Baker, Mark Weber, Ajay Srikanth, Robert Kim, and Michael Atzbi, *The Real Shame of the Nation: The Causes and Consequences of Interstate Inequity in Public School Investments* (New Brunswick, NJ: Rutgers University, n.d.).

[2] Jordyn Hermani, "Whitmer Signs $19.6B 'Historic' Education Budget, Contains Highest Ever Per-Pupil Investment," Michigan Live, July 14, 2022, https://www.mlive.com/public-interest/2022/07/whitmer-signs-196b-historic-education-budget-contains-highest-ever-per-pupil-investment.html. Tracie Mauriello, Isabel Lohman, and Koby Levin, "Gov. Gretchen Whitmer Pitches 9 Percent Boost in Michigan School Spending," Chalkbeat Detroit and Bridge Michigan, February 8, 2023, https://www.bridgemi.com/talent-education/gov-gretchen-whitmer-pitches-9-percent-boost-michigan-school-spending.

[3] See Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018). I reference the original adequacy study, which was conducted in 2018 and which discusses the importance of a "high need" weight. An update to the study was published in 2021. See Augenblick, Palaich and Associates, *Update to Costing Out the Base Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2021). Because "high need" was not defined in the original study, it was not reexamined in the update.

[4] C. Kirabo Jackson and Claire Mackevicius, "What Impacts Can We Expect from School Spending Policy? Evidence from Evaluations in the U.S.," *American Economic Journal: Applied Economics* (forthcoming).

Michigan currently provides additional funds for the approximately 50 percent of students who are "economically disadvantaged." Students are identified as economically disadvantaged if they are eligible for free and reduced-price meals; live in a household receiving benefits from the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or Medicaid; or are homeless, are a migrant, or live in foster care.[5] But one problem with definitions like "economic disadvantage" is that they present poverty as a binary category—either you are low income or you are not. The SFRC adequacy study calls for increased funding for Michigan's economically disadvantaged students *as well as* additional funding for students who face greater levels of economic need. Michigan requires additional measures to properly identify these higher-need low-income students.

Defining "High Need" Can Help Ensure Adequate and Equitable Funding

The first step toward adequate funding for low-income students is to implement a higher funding weight for economically disadvantaged students. The SFRC adequacy study recommends that Michigan adopt a 35 percent increase in funding from the baseline per pupil for economically disadvantaged students, which would represent a significant improvement in funding adequacy. For example, if the funding system allocated $10,421 for each student overall—the amount recommended by the SFRC and called for by advocacy groups such as the Launch Michigan coalition[6]—a 35 percent weight would mean additional funding of $3,647 per economically disadvantaged student.

The SFRC adequacy study also suggests an additional 15 percent weight for "students from a poverty background with needs significantly higher than the average poverty student."[7] In other words, districts should receive an additional 15 percent weight for high-need low-income students. Continuing the example above, districts would receive the additional $3,647 per economically disadvantaged student and $1,563 on top of that per high-need low-income student.

Importantly, the adequacy study's authors declined to recommend a specific definition or measure for "high need," deferring to policymakers about who should be identified as high need and how a high-need weight would affect funding.

One way to identify high-need low-income students is to focus on those below the federal poverty level. In Michigan and elsewhere, the share of students in households below the federal poverty level is smaller than the share designated as economically disadvantaged.[8] Although about half of Michigan students are identified as economically disadvantaged, only about 18 percent in 2020 were in a

[5] "Student Enrollment Report Counts," MI School Data, accessed February 6, 2023, https://www.mischooldata.org/student-enrollment-counts-report/. Student counts by economic disadvantage are for the 2021–22 school year.

[6] Launch Michigan, "Launch Michigan Framework Agreement" (Launch Michigan, 2021).

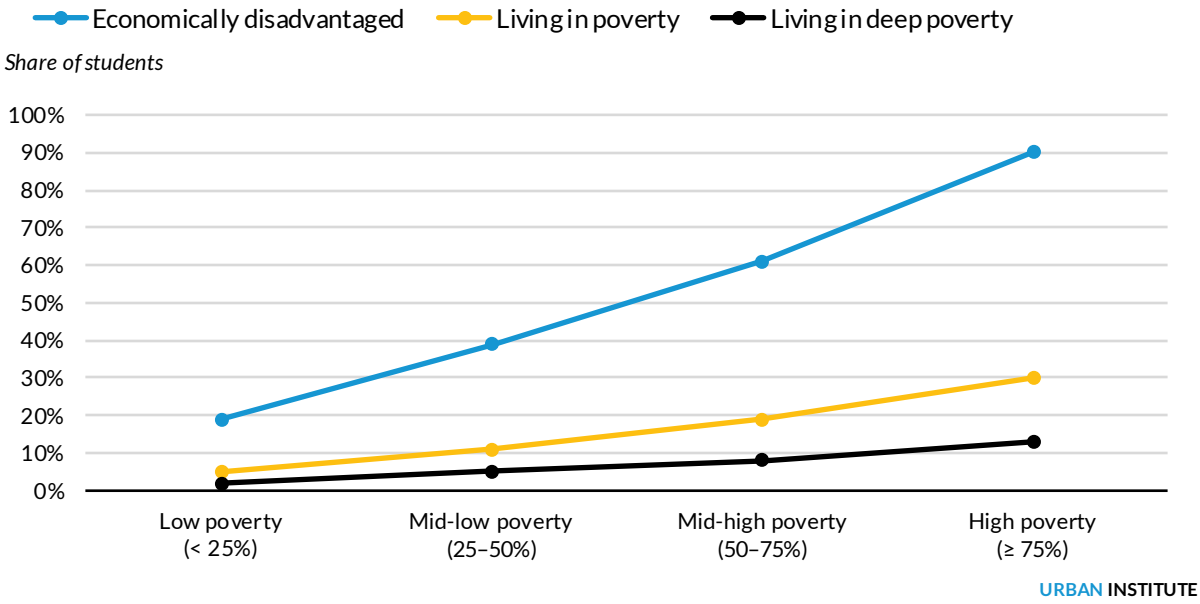
[7] Augeblick, Palaich, and Associates and Picus, Odden, and Associates, *Costing Out the Resources Needed*, appendix J.

[8] Ishtiaqua Fazlul, Cory Koedel, and Eric Parsons, *Free and Reduced-Price Meal Eligibility Does Not Measure Student Poverty: Evidence and Policy Significance* (Arlington, VA: American Institutes for Research, Center for Analysis of Longitudinal Data in Education Research, 2021); and Erica Greenberg, "New Measures of Student Poverty: Replacing Free and Reduced-Price Lunch Status Based on Household Forms with Direct Certification" (Washington, DC: Urban Institute, 2018).

household below the federal poverty level, with 8 percent living in deep poverty (i.e., below 50 percent of the federal poverty level).[9]

FIGURE 1

Economic Disadvantage and Poverty Rates in Districts by Share of "Economically Disadvantaged" Students



Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey.
Notes: Districts were grouped by their share of students who are economically disadvantaged. Groupings align with definitions of concentration of low-income students from the National Center for Education Statistics. See National Center for Education Statistics, "Concentration of Public School Students Eligible for Free or Reduced-Price Lunch" (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020). In Michigan, students are identified as economically disadvantaged if they are eligible for free and reduced-price meals; if they live in a household receiving benefits from the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or Medicaid; or if they are homeless, are a migrant, or live in foster care. Students living in poverty are below 100 percent of the federal poverty level; students living in deep poverty are below 50 percent of the federal poverty level. Students in deep poverty are included in the share of students in poverty; students both in poverty and in deep poverty would be economically disadvantaged.

The distribution of students in poverty and deep poverty across districts highlights the equity implications of defining and funding high-need students (figure 1).[10] In Michigan's low-poverty districts, fewer students live below the federal poverty level, so the baseline 35 percent weight for economic

[9] "B17024: Age by Ratio of Income to Poverty Level in the Past 12 Months," US Census Bureau, accessed February 6, 2023, https://data.census.gov/table?q=B17024&g=0400000US26&tid=ACSDT5Y2020.B17024. 2020 American Community Survey five-year estimates for the state of Michigan. The SFRC adequacy study team recommends "high bar" to categorize low-income students as "high need" (223), and the share of students in poverty (relative to those identified as economically disadvantaged) suggests a poverty-based measure would be a good candidate.

[10] For this essay, I assigned charter school students to the geographic districts in which their schools are located. In that sense, my focus is on geographic districts rather than strictly operating districts. See appendix tables A.2 and A.3 for more details.

disadvantage would be adequate by the SFRC report's standards for most low-income students. In contrast, a more substantial share of students in higher-poverty districts live below the federal poverty level. This means that by the SFRC report's standards, the baseline 35 percent weight for economic disadvantage would be inadequate for a large share of low-income students in those districts. Including the high-need weight is thus necessary to ensure that districts with the most disadvantaged students are adequately and equitably funded to meet those students' needs.

Comparing Definitions of High Need

The number of students in a district living in poverty or deep poverty are two possible definitions for high need, beyond the existing economically disadvantaged measure. If policymakers used one of these measures, then in addition to the 35 percent weight for economically disadvantaged students, students living in poverty or in deep poverty would be assigned the additional 15 percent high-need weight. A third approach could be to blend the poverty and deep poverty definitions, which would involve different high-need weights based on different levels of disadvantage. For example, students in poverty could receive an additional 10 percent funding weight, while students in deep poverty could receive the full additional 15 percent funding weight.

TABLE 1

"High Need" Weighting Options

Measure	Definition	Total "high need" funding	Increase to low-income funding
No "high need"	35% weight for economically disadvantaged students	N/A	N/A
Poverty	Additional 15% weight for students in poverty	$358 million	13.8%
Deep poverty	Additional 15% weight for students in deep poverty	$156 million	6.0%
Blended	Additional 10% weight for students in poverty, plus 5% more for students in deep poverty	$291 million	11.2%

Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey and estimates from Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018).
Note: See the appendix for more information on how these options are defined and calculated.

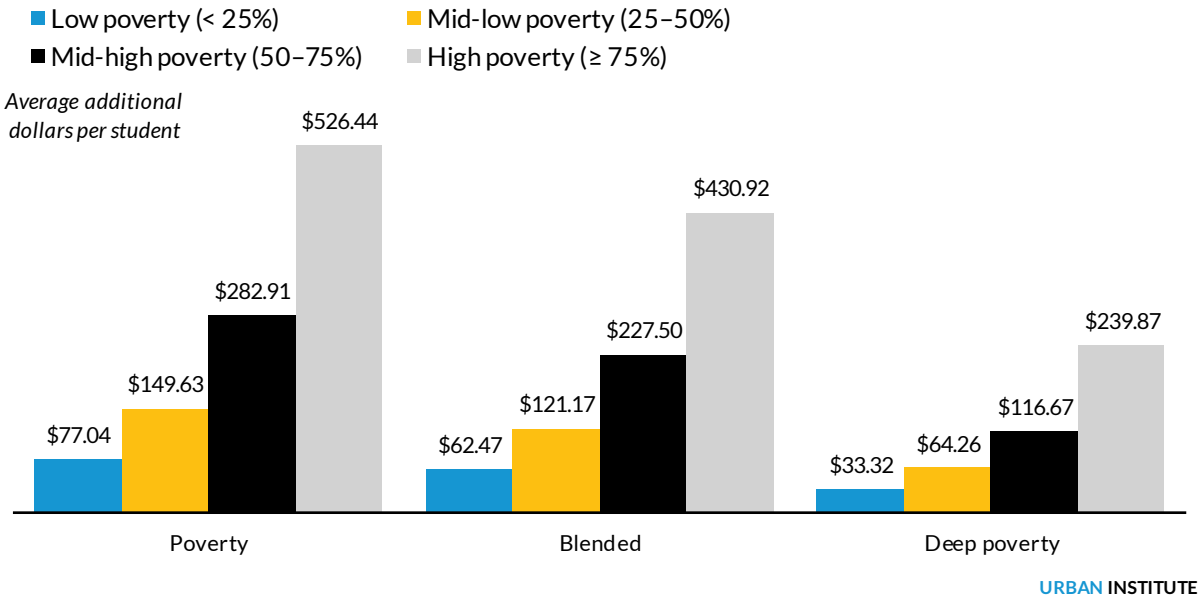
Table 1 reviews these three options for defining a high-need indicator. With a base per pupil funding level of $10,421 (recommended by the SFRC and proposed by Launch Michigan), each option would modestly increase the total amount of funding for low-income students by between 6 percent and 14 percent. (See the appendix for additional details about the funding calculations.)

Figure 2 shows the additional average per pupil funds from the three high-need weight options, across districts with different concentrations of low-income students. The allocation of funding shows how a high-need weight based on poverty or deep poverty rates can ensure an equitable allocation of

this funding.[11] The relative amount of funding provided to low- and high-poverty districts under each measure is similarly progressive. Districts with higher concentrations of low-income students would receive increasingly more additional funding per pupil (appendix tables A.4 and A.5).

FIGURE 2

Additional Per Pupil Funds with a High-Need Weight, by Share of Economically Disadvantaged Students



Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey and estimates from Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018).
Notes: Districts were grouped by their share of students who are economically disadvantaged. Groupings align with definitions of concentration of low-income students from the National Center for Education Statistics. See National Center for Education Statistics, "Concentration of Public School Students Eligible for Free or Reduced-Price Lunch" (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020). The average per pupil funds in this figure represent the additional funding a district would receive from a 15 percent high-need weight in addition to the 35 percent weight for economically disadvantaged students. See the appendix for more details on calculations.

In terms of adequacy, the primary difference between the three options is the total amount of additional funding. The blended approach may be the best option for policymakers because it recognizes that students in poverty and students in deep poverty both need more educational funding, while giving policymakers flexibility to adjust the amount for students in poverty based on budget constraints (while maintaining the full additional funding for students in deep poverty). One drawback to the blended approach is that compared with a single measure (e.g., poverty), it is less simple and straightforward.

[11] In practice, the shares of district students in poverty and in deep poverty are highly correlated ($r = 0.87$).

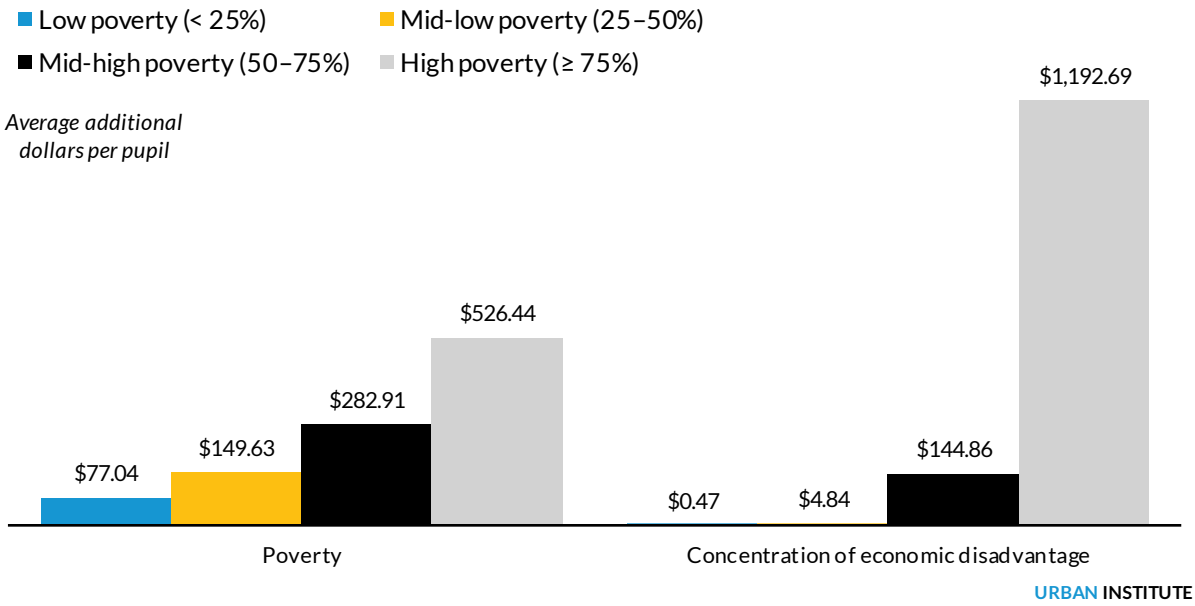
Poverty-Based versus Concentration-Based Measures

In addition to a poverty-based measure, policymakers could take a concentration-of-economic-disadvantage approach by identifying low-income students as high need if they attend a school with a large concentration of other low-income students. For example, policymakers could identify low-income students as high need if they attended a school where more than 75 percent of students are economically disadvantaged. In terms of the number of students identified and additional funding allocated, the concentration-based definition would be similar to the poverty-based definition. In 2021–22, about 20 percent of Michigan students attended a school where more than 75 percent of students were economically disadvantaged (close to the 18 percent of students in poverty), and a 15 percent weight for these students would cost an additional $424 million—a 16 percent increase in total low-income student funding (close to the 14 percent increase for the poverty-based definition).

The main difference between the poverty-based and concentration-based definitions would be the way high-need funds are distributed across districts with different levels of economic disadvantage. The concentration-based definition would prioritize providing additional funding to the districts with the largest shares of students in poverty, rather than a more targeted allocation of funding to individual high-need students. Because the measure would be based on the concentration of economically disadvantaged students, individual students in poverty or deep poverty who are enrolled in low-poverty districts would not receive additional funding, and students who are economically disadvantaged but above the federal poverty level in high-poverty districts would receive additional funding.

FIGURE 3

Additional Per Pupil Funds for Poverty versus Concentration-of-Economic-Disadvantage High-Need Weight, by Share of Economically Disadvantaged Students



Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey and estimates from Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018).
Notes: Districts were grouped by their share of students who are economically disadvantaged. Groupings align with definitions of concentration of low-income students from the National Center for Education Statistics. See National Center for Education Statistics, "Concentration of Public School Students Eligible for Free or Reduced-Price Lunch" (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020). The average per pupil funds in this figure represent the additional funding a district would receive from a 15 percent high-need weight in addition to the 35 percent weight for economically disadvantaged students. The concentration-of-economic-disadvantage measure applies the 15 percent weight to students who are economically disadvantaged and who attend schools where more than 75 percent of students are economically disadvantaged. See the appendix for more details on calculations.

Figure 3 shows how high-need funds would be allocated for the concentration-based measure compared with the poverty-based measure. With a concentration-based measure, the highest-poverty districts would receive substantially more per pupil, on average, whereas mid-high-poverty districts would receive fewer high-need funds per pupil and low-poverty districts would receive almost no high-need funds. This is because in low-poverty districts, few schools have high concentrations of economically disadvantaged students; few students would qualify for the high-need funding in those districts, even if they were living in poverty or deep poverty.

The poverty-based and concentration-based high-need measures therefore present a trade-off for policymakers. With a concentration-based measure, policymakers can provide substantially more funding to the highest-poverty districts at a similar overall cost to the poverty-based measure. The downside of the concentration-based measure is that it is a less targeted allocation of funding to the lowest-income students across all districts. This might be a reasonable trade-off if low-poverty districts

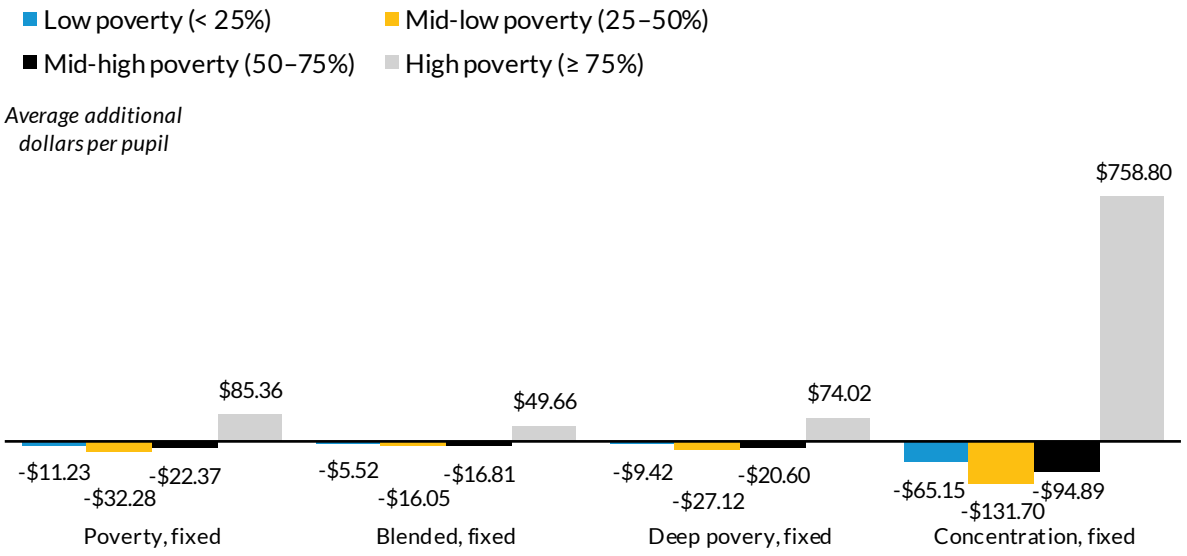
are more equipped to serve their fewer students in poverty or deep poverty with the resources they already have. Yet, allocating "high need" funds to these districts may be important to ensure buy-in and support from political and educational leaders across the state.

Fully Funding versus Partially Funding the High-Need Weight

Budgetary constraints are another potential issue to consider. For example, although the SFRC recommends a 35 percent weight just for economically disadvantaged students, the Launch Michigan coalition has called for a low-income student weight that accounts for multiple levels or concentrations of poverty but "amounts to the total cost of at least a 35% poverty multiplier."[12] Reallocating this fixed set of additional funding could ensure equity for districts with more low-income students but would jeopardize the adequacy of low-income funding overall.

FIGURE 4

Additional Per Pupil Funds with Total Funding Fixed at 35 Percent, by Share of Low-Income Students



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Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey and estimates from Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018).
Notes: Districts were grouped by their share of students who are economically disadvantaged. Groupings align with definitions of concentration of low-income students from the National Center for Education Statistics. See National Center for Education Statistics, "Concentration of Public School Students Eligible for Free or Reduced-Price Lunch" (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020). The average per pupil funds in this figure represent the additional funding a district would receive from a high-need weight allocation within a total 35 percent weight for low-income students. See the appendix for more details on calculations.

[12] Launch Michigan, "Launch Michigan Framework Agreement."

Figure 4 shows the allocation of high-need funding across districts when total low-income funding is restricted to the total cost of a 35 percent weight. (See the appendix for more details.) Although each option equitably distributes high-need funds to the highest-poverty districts, these scenarios that involve a fixed total allocation for low-income students all result in inadequate funding levels.

Under a fixed low-income funding allocation, low-poverty districts would have less to invest in their highest-need students. With a fixed funding allocation for low-income students, implementing a high-need weight would provide no additional funding for most districts and would, in some cases, decrease the amount of low-income funding those districts are supposed to receive. Even though those districts have fewer students in poverty or deep poverty, they might still be stretched thin in their efforts to fully address those students' needs. The lack of additional funding for so many districts could also jeopardize the political feasibility of a high-need weight.

Likewise, for high-poverty districts, the fixed allocation of funding would be inadequate. With a poverty-based measure, high-poverty districts would receive significantly less high-need funding in a fixed allocation scenario than if an additional 15 percent weight were fully funded. Although these allocations would relatively equitably distribute funding to the high-poverty district, they would be inadequate (by the SFRC report's standards) to meet the district's low-income students' needs. Only with the concentration-based measure would these districts still receive a substantial amount of additional funding through the high-need weight, but this option would come at the greatest cost to other districts. In sum, fully funding the additional 15 percent high-need weight (rather than simply reallocating funds) is necessary to achieve adequacy.

Conclusion

For Michigan students who have been identified as economically disadvantaged, at least a 35 percent weight is necessary for schools and districts to support those students' academic progress and material and social-emotional well-being. Yet some of these low-income students face greater economic need, and districts with the highest concentrations of economic disadvantage serve many more students in poverty and deep poverty. A poverty-based measure would require new administrative data linkages to implement, but it would most directly target the highest-need students. If policymakers prefer to more heavily target funds at the highest-poverty districts (or if linking tax and education data is not feasible), a concentration-based measure is an alternative. In either case, a fully funded high-need weight is necessary to ensure adequate funding for these students.

There are other considerations for Michigan policymakers as they specify a high-need weight in its framework. The estimates in this essay provide a general sense of the additional costs and benefits, but policymakers should calculate the total costs of a new funding formula with a high-need weight included. Poverty and deep poverty rates fluctuate with the economy; policymakers could consider something like a multiyear moving average to smooth the allocation of these funds.

To accurately implement a poverty-based high-need measure, states need to identify individual students' household incomes. Michigan can do so by linking existing household tax data with student

records.[13] Although a legislative mandate may be necessary for this kind of data linkage, it is an administratively feasible process because it is similar to how the state currently links data from the health and human services and education departments.[14] (For a concentration-based definition, the state could use the existing economic disadvantage data.)

Finally, in addition to a new high-need measure, the state could use existing indicators that clearly signal greater economic need. Students identified as being homeless, being a migrant, living in foster care, or being in a family receiving Temporary Assistance for Needy Families benefits could be automatically identified as high need, as these all directly indicate adverse economic experiences. For students with missing household tax data (e.g., nonfilers or new residents to the state), local census data such as the median poverty level in the student's neighborhood could be used as a substitute. In addition, indicators of a long duration of poverty or sudden shocks to income (if feasible) might be useful criteria for high need.[15]

Adequate and equitable funding is important, but it is not a panacea. These funds will help districts build capacity and support their most economically disadvantaged students. Yet the inequalities these funds seek to mitigate will still exist. Reducing socioeconomic inequality overall will require bridging education policy with other policy domains (e.g., health, housing, social services and redistribution, transportation, and economic development) and coordinating among state agencies and with the state legislature. As policymakers consider subsequent steps, they should address other school funding issues (e.g., transportation and facilities) and promote cross-sector and coordinated efforts to address the broader inequalities that affect child development and create greater challenges for schools.

Appendix

I used two sources of data for this brief. From MI School Data, Michigan's educational data hub, I used enrollment data—in particular, the total number of students and total number of economically disadvantaged students enrolled in each district—from the most recent school year available (2021–22). From the Census Bureau's American Community Survey, I used measures of poverty levels for school-age children (ages 6 through 17) within Michigan school districts, again using the most recent year of data available (2020). I combined these data to roughly approximate the number of students in

[13] See Kristin Blagg, Emily Gutierrez, Fanny Terrones, and Gabriella Garriga, "Alternative 'At-Risk' Measures for Colorado" (Washington, DC: Urban Institute, 2022). Using this kind of individual-level data, rather than local geographic data (e.g., neighborhood poverty rates), is especially important in Michigan because of the high level of school choice. With a large share of Michigan students enrolling in charter schools or schools in other districts (i.e., interdistrict choice), geographic poverty rates will not as accurately reflect the socioeconomic composition of schools. See Danielle Sanderson Edwards and Joshua M. Cowen, "Who Chooses? Charter and Non-Resident School Enrollment in Michigan" (East Lansing: Michigan State University, Education Policy Innovation Collaborative, 2019). For this essay, the district geographic data I use help illustrate the importance of identifying high-need economically disadvantaged students.

[14] "Direct Certification Report," Michigan Center for Educational Performance and Information, accessed February 6, 2023, https://www.michigan.gov/cepi/pk-12/msds/direct-cert.

[15] Katherine Michelmore and Susan Dynarski, "The Gap within the Gap: Using Longitudinal Data to Understand Income Differences in Educational Outcomes," *AERA Open* 3, no. 1 (February 2017); and Joshua D. Merfeld and Jonathan Morduch, *Poverty at High Frequency* (Bonn, Germany: Institute of Labor Economics, 2022).

each district in poverty (i.e., below 100 percent of the federal poverty level) and in deep poverty (i.e., below 50 percent of the federal poverty level). For charter schools, I assigned the poverty levels for the geographic district in which they are located.

To estimate funding levels, I used the parameters laid out by the SFRC adequacy study and Launch Michigan's framework. I started with Launch Michigan's proposed base funding level of $10,421 per pupil and the 35 percent weight for economically disadvantaged students. For the high-need weight, I used 15 percent, as recommended in the SFRC report.

I calculated total funding and average per pupil funding for each district. I did so using different definitions of high need and under two funding assumptions: (1) that the additional 15 percent high-need weight would be fully funded, and (2) that the high-need adjustment would need to fit within the total cost of the 35 percent weighted funding for low-income students. For the scenarios with a fully funded additional 15 percent high-need weight, I multiplied the base per pupil amount by the total number of enrolled students, and I added the 35 percent and additional 15 percent as applied to the number of economically disadvantaged students and the number of high-need students, respectively.

TABLE A.1

Equations for Determining Funding

Measure	Equation for total low-income funding
No "high need" measure	$10,421 x 35% x economically disadvantaged students
Poverty	$10,421 x 35% x economically disadvantaged students + $10,421 x 15% x students in poverty
Deep poverty	$10,421 x 35% x economically disadvantaged students + $10,421 x 15% x students in deep poverty
Blended	$10,421 x 35% x economically disadvantaged students + $10,421 x 10% x students in poverty + $10,421 x 15% x students in deep poverty
75% concentration of economic disadvantage	$10,421 x 35% x economically disadvantaged students + $10,421 x 15% x economically disadvantaged *if student's school has 75% economically disadvantaged students*

Source: Author's calculations.

For the scenarios with a fixed funding allocation equal to the 35 percent weight for low-income students, I calculated the share of total low-income funding for each district by dividing a district's total low-income funding for each option under the "additional 15 percent" scenario by the total low-income funding for all districts in that scenario. Then, I calculated a district's total low-income funding for each option by multiplying those shares by the total low-income funding for all districts under the fixed funding allocation scenario.

To analyze the potential distribution of funds under these options across districts at different levels of poverty, I first grouped districts based on the share of economically disadvantaged students (less than 25 percent, 25 to 50 percent, 50 to 75 percent, and at least 75 percent), in line with the National Center for Education Statistics' definitions for the concentration of low-income students. See National

Center for Education Statistics, "Concentration of Public School Students Eligible for Free or Reduced-Price Lunch" (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020). I calculated total funding, average per pupil funding, and additional funding levels for each group of districts.

Distribution of Poverty for Michigan School-Age Children across Districts

TABLE A.2

Districts, by Poverty Level

	Economic Disadvantage Level in District			
	Low poverty (< 25%)	Mid-low poverty (25–50%)	Mid-high poverty (50–75%)	High poverty (≥ 75%)
Number (and share) of districts, 2021–22	62 (7%)	217 (25%)	280 (33%)	297 (35%)
Number (and share) of students, 2021–22	230,245 (17%)	457,712 (33%)	390,990 (28%)	305,818 (22%)
Average share of students who are economically disadvantaged	19%	39%	61%	90%
Average share of students living in poverty	5%	11%	19%	30%
Average share of students living in deep poverty	2%	5%	8%	13%

Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey.
Notes: Districts were grouped by their share of students who are economically disadvantaged. Groupings align with definitions of concentration of low-income students from the National Center for Education Statistics. See National Center for Education Statistics, "Concentration of Public School Students Eligible for Free or Reduced-Price Lunch" (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020). In Michigan, students are identified as economically disadvantaged if they are eligible for free and reduced-price meals; if they live in a household receiving benefits from the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or Medicaid; or if they are homeless, are a migrant, or live in foster care. Students in poverty are below 100 percent of the federal poverty level; students in deep poverty are below 50 percent of the federal poverty level. Students in deep poverty are included in the share of students in poverty; students both in poverty and in deep poverty would be economically disadvantaged.

TABLE A.3

School Characteristics, by Poverty Level

	Economic Disadvantage Level in District			
	Low poverty (< 25%)	Mid-low poverty (25–50%)	Mid-high poverty (50–75%)	High poverty (≥ 75%)
Average number of students in district	3,714	2,109	1,396	1,030
Average share of Black students in district	4%	4%	10%	52%
Average share of white students in district	80%	83%	74%	30%
Share of charter schools in district	24%	18%	20%	69%

Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey.

Progressivity of High-Need Funding Options

TABLE A.4

Ratio of District Low-Income Funding to Average District Low-Income Funding

	Low poverty (< 25%)	Mid-low poverty (25–50%)	Mid-high poverty (50–75%)	High poverty (≥ 75%)
No "high need" weight	0.35	0.72	1.19	1.66
Poverty	0.34	0.70	1.18	1.71
Blended	0.36	0.74	1.24	1.78
Deep poverty	0.33	0.68	1.13	1.61
75% concentration of disadvantage	0.30	0.62	1.09	1.98

Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey and estimates from Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018).

TABLE A.5

Ratio of District Additional Funding to Lowest-Poverty District Low-Income Funding

	Low poverty (< 25%)	Mid-low poverty (25–50%)	Mid-high poverty (50–75%)	High poverty (≥ 75%)
No "high need" weight	1.00	2.07	3.43	4.78
Poverty	1.00	2.06	3.46	5.00
Blended	1.00	2.06	3.45	4.96
Deep poverty	1.00	2.07	3.44	4.90
75% concentration of disadvantage	1.00	2.08	3.65	6.61

Source: Author's calculations using data from MI School Data and the US Census Bureau's American Community Survey and estimates from Augenblick, Palaich and Associates and Picus, Odden and Associates, *Costing Out the Resources Needed to Meet Michigan's Standards and Requirements* (East Lansing, MI: School Finance Research Collaborative, 2018).

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