

BUILDING TOWARD EQUITY: PRIORITIZING FAIRNESS & OPPORTUNITY IN MICHIGAN'S EDUCATION BUDGET



BRIEF ON THE FISCAL YEAR 2021 EXECUTIVE SCHOOL AID BUDGET RECOMMENDATION

By Lauren Hubbard

According to one estimate, the lifetime earnings of Michigan's current K-12 students could increase by \$27 billion if their educational achievement matched the national average.ⁱ On the 2019 national assessment, Michigan ranked among the bottom half of states in key grades and subject areas. And the state has low rates of improvement as well; for example, Michigan has not made meaningful improvement in fourth-grade reading for all students on the National Assessment for Educational Progress (NAEP) since 2003. Moreover, on both the national and state assessments, wide performance gaps are seen between students of color and their White peers, as well as between students from low-income families and their higher income peers.

As highlighted in The Education Trust-Midwest's recent report, [Michigan's School Funding: Crisis and Opportunity](#), Michigan's current K-12 school funding system is neither adequate nor equitable – and is falling short for our state's most vulnerable students. While increasing school funding alone will not fix Michigan's educational crisis, it is important for long-term student success – research shows that increases in spending have led to improved educational attainment, higher wages and reduced poverty in adulthood, particularly for students from low-income backgrounds.ⁱⁱ

In the [Fiscal Year 2021 Executive Budget Recommendation](#), Governor Whitmer outlines additional investments to support Michigan schools and particularly Michigan students with additional needs, including students from low-income families, English learners and students with disabilities.

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.

FAIR SCHOOL FUNDING

The Education Trust's recent [report](#) found 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.ⁱⁱⁱ Additionally, the [Education Law Center](#) gave Michigan a 'D' for how well the state targets funding to high-poverty districts, relative to their low-poverty counterparts.^{iv}

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 as outlined in The Education Trust-Midwest's [recent](#) report.

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 \$150-\$225. Districts currently at the minimum foundation allowance would receive \$8,336 and districts at the maximum would receive \$8,679. The total increased investment in the foundation allowance at the state-level would be \$290 million. 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 by \$75.

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. Governor Whitmer’s budget proposes a weighted funding formula based on student need, providing 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 \$829 per eligible pupil to meet the additional learning needs of students from low-income families and other vulnerable student groups. While this would be a total increase of \$60 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.^v Even at the proposed increased levels, much more would be needed to close opportunity gaps.^{vi} ETM applauds this proposed increase and recommends continuing to move toward a system where students from low-income backgrounds receive at least 100 percent more 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 2.1 percent – a total of \$60 million at the state level for reimbursements to districts. 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.^{vii}

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 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’s budget recommendation also includes \$150 to \$950 per English learner based on the student’s English language proficiency level. This additional funding for English learners is an increase of \$50 per pupil, yet still will be substantially lower than what research recommends.^{viii} Increasing support for English learners is important and should be continued, as ETM recommends moving toward a system that provides at least 75 to 100 percent more funding for English learners compared to students who are not English learners based on students’ level of English proficiency.
- **Infrastructure Improvements** – Additionally, ETM is glad to see the Governor’s budget is recommending \$40 million in grants to support schools in improving their infrastructure, working to ensure that all Michigan students are able to learn in a safe and healthy environment.

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 recent [school funding report](#).

IMPROVING LITERACY SUPPORTS

Especially as Michigan’s third-grade students face the possibility of retention if they are not reading within one grade level beginning this school year due to the state’s ‘Read By Grade Three’ Law, it is imperative that all students are supported and receive the services they need to read.

Last year, ETM 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 final FY20 budget. 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 also includes other early literacy strategies, such as increasing the support and professional learning for literacy coaches by \$3 million. 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. As Michigan implements a literacy coaching model, it will be critical for the state to follow best practices by selecting and supporting highly effective educators – who have a demonstrated track record of improving student achievement – in these coaching roles.

Additionally, the governor's budget recommends an increase of \$77.5 million for Michigan's early childhood programs, which is an important part of supporting students in literacy.

SUPPORTING EDUCATORS

By one estimate, Michigan public school teachers spend \$628 of their own money on classroom supplies that they are not reimbursed for, on average.^{ix} This amount places Michigan at second in the country for greatest average spending on this measure, only behind California.^x Stark gaps can also be seen between district type, as teachers in high-poverty districts spend substantially more, on average, than their counterparts in low-poverty districts.^{xi}

Governor Whitmer proposes \$25 million in her budget to reimburse teachers for classroom supplies purchased with their own money – with a \$250 reimbursement maximum per teacher.

Michigan teachers must be well supported to succeed in their classroom, and that starts with providing all teachers with adequate resources. These resources should be available to all teachers through a fair funding system.

EXPANDING POSTSECONDARY ACCESS

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

Governor Whitmer's proposed plan works toward increasing affordability and therefore promoting greater access to a variety of postsecondary options. Specifically, Governor Whitmer's budget proposes two ways to increase access to postsecondary education and reach Michigan's statewide goal of at least 60 percent of Michigan adults holding a postsecondary credential by 2030:

- **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's ultimate goal is ensuring 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.
- **Establishing the Michigan Reconnect Grant Program** – Through this program Michiganders 25 and older that have not previously earned a postsecondary credential could obtain an associate degree or occupational certificate tuition-free. Bipartisan Legislation to start the program has been introduced in both the House ([House Bill 4456](#) – Rep. Frederick, R) and Senate ([Senate Bill 268](#) – Sen. Horn, R). If these bills are passed, the Governor's budget provides \$35 million to fund over a year of this program.

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