

Principles of Education

April 21, 2026

Welcome! *While you wait...*

Please introduce yourself to folks at your table:

- Name
- District
- Your current position

Today's Facilitators:

Karl Paulson
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Who's in the Room?

Representatives from:

- ▶ Local School Districts
- ▶ Urban, Suburban & Rural Districts
- ▶ Lower & Upper Peninsula
- ▶ ISDs & RESAs
- ▶ Charter Schools

What function do you represent?

Administrators and support staff from:

- ▶ Business/Finance
- ▶ Human Resources
- ▶ Curriculum and Instruction
- ▶ Pupil Accounting
- ▶ Administrative Assistants
- ▶ Instructional Technology
- ▶ Transportation
- ▶ Student Services
- ▶ Facilities and Operation



Today's Learning Targets

- ▶ Provide a historical and governance perspective of education in the United States.
- ▶ To share a framework for understanding public education and its funding and governance in Michigan.
- ▶ To identify key trends in our state and nationally with a focus on a few current issues.



The Idea of Public Schools

- ▶ Who is responsible for public education and/or schools?
- ▶ What are its origins?
- ▶ Does politics play a role?

POLL Question #1:

Who creates public schools?

- 1) “We the people...” US Constitution? In other words, the Federal Government
- 2) Individual States
- 3) Local people who created school boards and boundaries



US Constitution – “We the people...”

Bill of Rights

- ▶ Amendment X. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.
- ▶ This Amendment is the basis for each of the states creating their own systems of public education.
- ▶ Most State Constitutions, more recently updated (mid 1900's), elaborate on the idea of a public education for all



In Michigan – Constitution of 1963

Article VIII - Education

- ▶ [http://www.legislature.mi.gov/\(S\(o52yuhye2bk1gy4pzf2grx0p\)\)/mileg.aspx?page=GetObject&objectname=mcl-Constitution](http://www.legislature.mi.gov/(S(o52yuhye2bk1gy4pzf2grx0p))/mileg.aspx?page=GetObject&objectname=mcl-Constitution)
- ▶ Mentions the idea of school districts
- ▶ Establishes State Board of Education
- ▶ Additional legislative action, as well as Supreme Court decisions, have formed who we are today



The Formation of Public Education...

- ▶ With public K-12 education free to every child in the United States, it is hard for modern Americans to imagine a world where public schools did not exist.
- ▶ 150 years ago in many places throughout the country, not even elementary education was provided publicly; in fact, even by the turn of the 20th century, some young people still did not have access to free public high schools.
- ▶ Today, every American can get a free education and obtain a high school diploma, thanks to the efforts of our civic-minded predecessors.

More Recently – Legislative Action

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- ▶ Budget per pupil and categorical money
- ▶ Right to Work
- ▶ Teacher Evaluation
- ▶ Tenure / Prohibited Topics of Bargaining
- ▶ Health Care “Cap” or 80/20 rule
- ▶ School Discipline
- ▶ Special Education
- ▶ Student Behavior / 31aa Mental Health and Safety Grant

Control of the \$\$\$ provides the state government much more control of schools compared to before Proposal A (1993-94)

Research / Question / School Boundaries

- ▶ <https://www.arcgis.com/apps/webappviewer/index.html?id=438dc453faf749d786e0c6e8be731cfd>
- ▶ The link above provides all Michigan school district boundaries by county
- ▶ Find your school district county map

Breakout Session:

- ▶ Examine the boundaries of the various districts in your county.
- ▶ Why do you think these boundaries developed the way they did?
- ▶ What factors probably contributed to the boundary development?
- ▶ Do boundaries matter now?
- ▶ Discuss this in your breakout group (10 minutes) – pick a spokesperson from your group to share

FEEDBACK Research of Boundaries

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- ▶ **QUESTION 1:** What did you come up with about school district boundaries?
- ▶ Answers – lots of things... and more
 - ▶ Legislative action mostly
 - ▶ Economic centers of activity (Saginaw, Flint, Detroit, Lansing, Grand Rapids, etc.)
 - ▶ Major cities – sought legislative authority
 - ▶ One room schoolhouse in a rural county

**We are on BREAK
be back in 10!**



Public School in Michigan

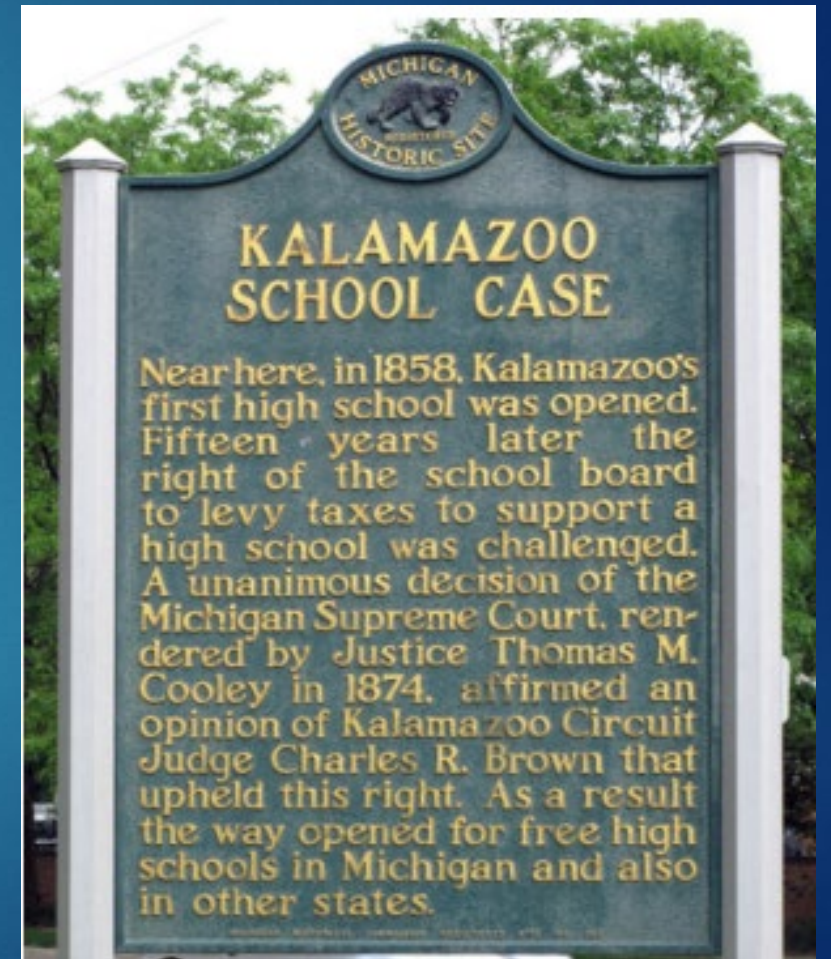
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- ▶ In 1787, Congress enacted the Northwest Ordinance to provide a structure for settling the territories of Michigan, Ohio, Indiana, Illinois and Wisconsin.
- ▶ This is the law that divided Michigan into six-mile-square townships and reserved one lot in each township for a public school.
- ▶ More recent legislative action allowed for the development of “districts”.
- ▶ Many districts formed around the economics of a area

Michigan's First High School

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- ▶ As for public high schools, **Kalamazoo** made the history books by opening a high school funded by property taxes in 1858, only to be challenged by landowners who filed a lawsuit. In 1874, the Michigan Supreme Court ruled in favor of the city and the Kalamazoo school case "became the rule of law throughout the nation, ***paving the way for the widespread acceptance of tax-supported high schools.***"



State of Michigan-Constitution

- ▶ Education is a state function (*We the people...*)
- ▶ Legislation delegated the education function to local authority → “School Districts” (mostly-but follow the \$\$)
- ▶ Statutes (Laws) to define certain aspects on a statewide basis (tenure, bargaining, special education, M-STEP/SAT, literacy, retirement costs, etc.)
- ▶ Leaves other up to local-until about 1985
- ▶ Provides for financing schools through statutory OR statewide proposal from voters (like Proposal A)



Education Governance & Politics

- ▶ Saying—"All politics is local"
- ▶ Board of Education Members
 - ▶ Non-partisan (really?)
 - ▶ 2,4, or 6 year terms (LPS 6 yr)
- ▶ State Senators/Representatives/Governor
 - ▶ Establish legislation further defining role of local Board, Superintendent, Rules/Regulations
 - ▶ Define some expectations State-wide
- ▶ Recent Trend→Local control to more state control (financial, testing, accountability of programs, evaluation (teacher/admin))



How Well Do We Perform? Really?

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- ▶ Recent State proposals taking aim at schools and local government are partly our fault
 - ▶ School “test scores”/history of ranking stories (about a 20-25 yr cycle)
 - ▶ 1985 (A Nation At Risk)-National Debate Starts
 - ▶ Many government interactions with public are poor (customer service in an office, “Bueller...”, Secretary of State, roads, etc.)
 - ▶ Parents/community demand transparency
 - ▶ Now demanding accountability
 - ▶ “Bloat” of many government programs
 - ▶ Schools are actually pretty efficient users of scarce funds

Another National Perspective

- ▶ China→Different perspective: “They” are coming to us to see “how we do it”
 - ▶ **US Economic Output from 1900 to Current→Best world**
 - ▶ **US Creative Output from 1900 to Current→Best world**
 - ▶ **How is this achieved if schools are/have been failing?**
- ▶ How can we have some of the best research universities in the world if education in the US is so bad?
- ▶ Maybe what is being measured is not an accurate reflection of what education is really supposed to be...

Reflect on What Schools Do-TAG

- ▶ Safely Educate ALL students
- ▶ Safely Transport and Feed Students
- ▶ Manage and support student behavior and mental health
- ▶ Safely Employ Train Staff
- ▶ Maintain Buildings/Equipment/Vehicles
- ▶ Provide Technology/Supplies & Materials
- ▶ Research/Review Curriculum
- ▶ Research/Review Best Teaching and Business Practices

\$ SCHOOL FINANCE-101 \$

- ▶ Property Tax Dollars Go To Lansing (collected by local municipalities)
- ▶ Sales Tax Dollars Go To Lansing
- ▶ Lottery Sales Dollars Go To Lansing
- ▶ WHAT'S IN LANSING?
- ▶ Funding Returns in Student Foundation (SFA)
- ▶ Funding Returns in state categorical or federal grants
 - ▶ Special Education, Title I & II, At-Risk, 31aa mental health/safety
- ▶ No Way to Raise Local Operating Funds
- ▶ State Foundation Allowance (1993/Proposal A)
- ▶ Local Money is by Enrollment (\$9,150→\$29,000)

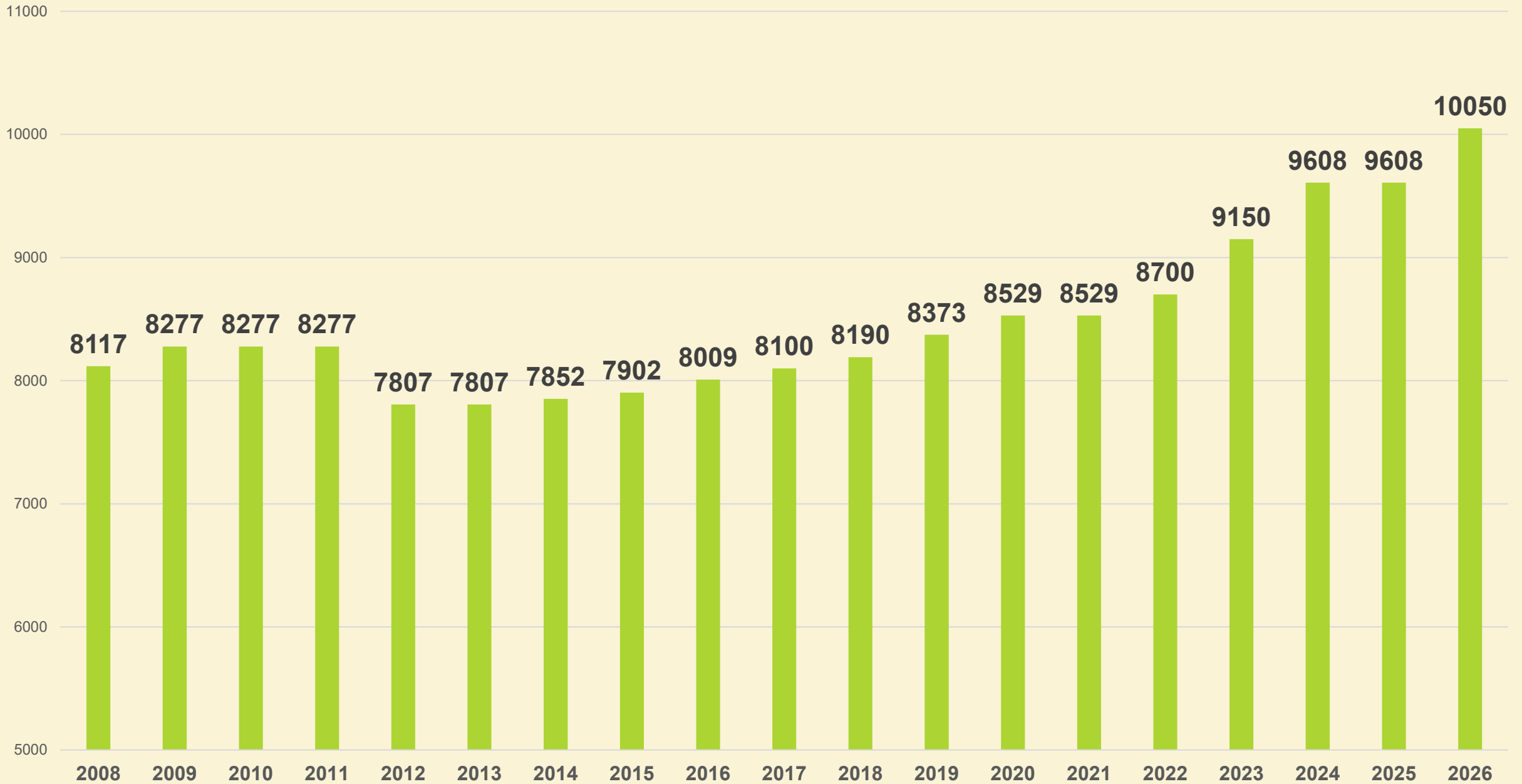
What do you hear about the State, City and School Budgets in Michigan?

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- ▶ Historically flat/Low growth in revenue (money coming in through taxes-income, property, sales, gas, real estate transfer, “sin” taxes, lottery, etc.)
- ▶ Current Status State Cash surplus starting to deplete...How long will it last? Who’s taking “our” money?
- ▶ Increases in Expenses
 - ▶ K-12 Schools
 - ▶ Universities/Community Colleges
 - ▶ City/County Government (shared revenue)
 - ▶ State Government
 - ▶ State Police
 - ▶ State Prisons
 - ▶ Health/Human Services
 - ▶ State Courts



Lakeview Public Schools Student Foundation Allowance History



Lakeview Public Schools Student Foundation Annual Percent Change



Recent Economic Activity

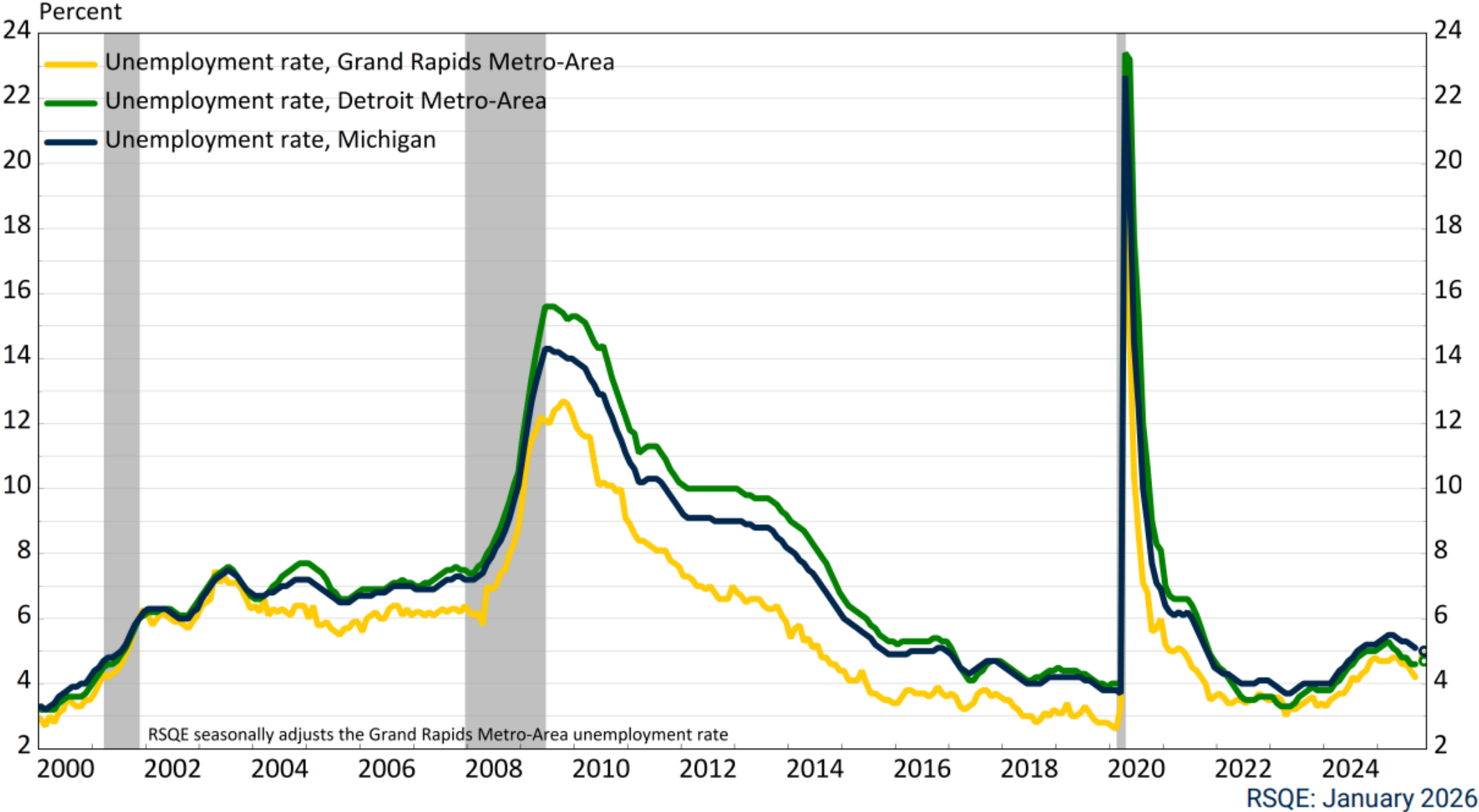
- ▶ Unemployment low, wages going up, but not as fast as the rate of inflation
- ▶ Inflation slowing, but still at high levels
- ▶ All of these contribute to improved tax collections
 - ▶ Income and sales taxes
 - ▶ Real estate taxes
 - ▶ Lottery sales
 - ▶ “Sin” taxes (liquor, beer, wine, cigs, marijuana, etc.)

POLL QUESTION #2

- ▶ What do you think the National Unemployment Rate is today?
- ▶ What do you think the State of Michigan Unemployment Rate is today?



Local Unemployment Rates Generally Improving

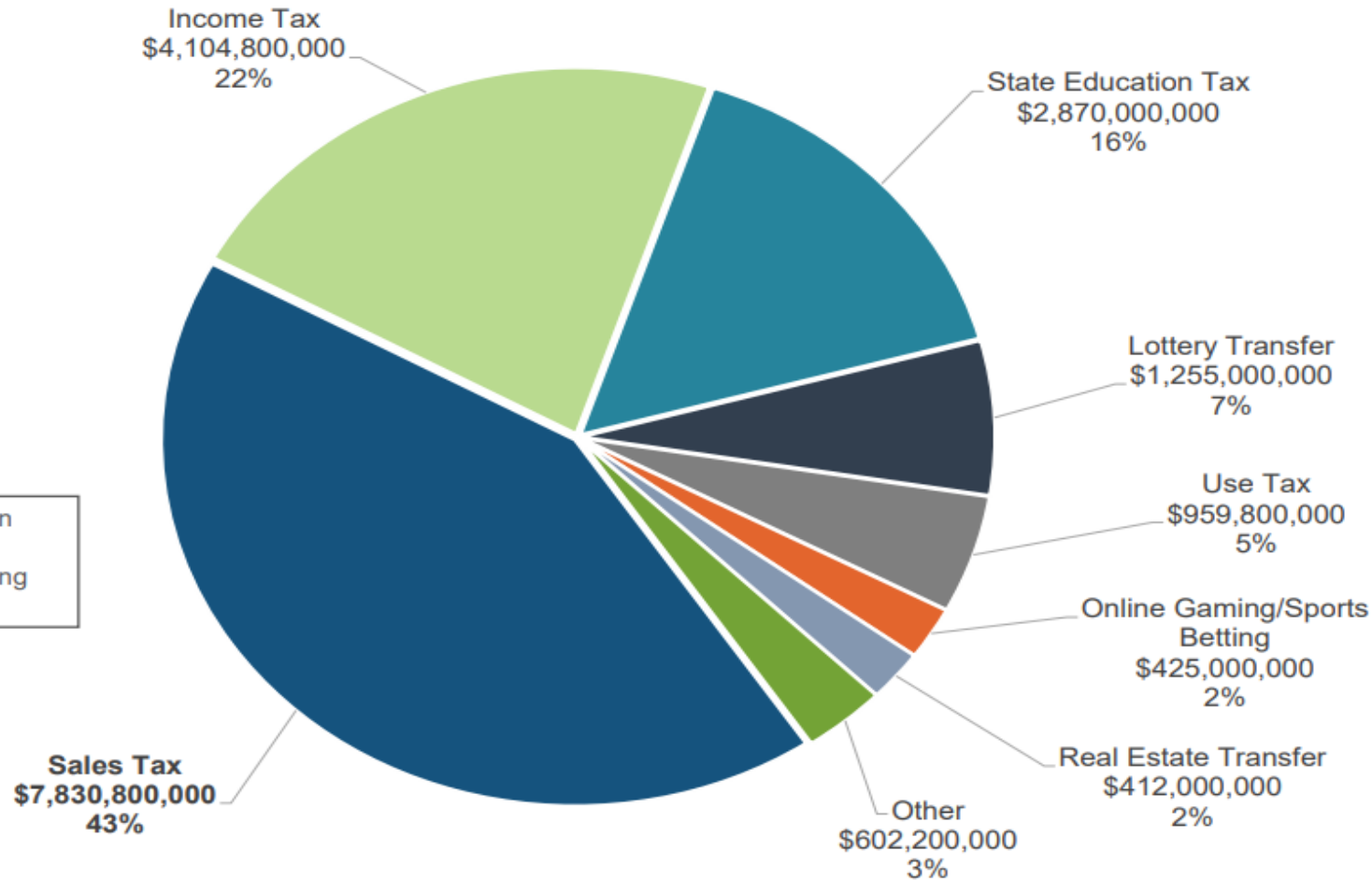


More recently – State revenue strong; Fed funds are gone!

- ▶ Strength of economic activity nationally starting in fall 2020 moving forward through now
 - ▶ Unemployment drop
 - ▶ High Interest rates- Fed fund rate at 4.5%
 - ▶ Federal “grants” to States gone
 - ▶ Consumer spending slowing
 - ▶ “Warm” economic activity still inspite of rates
- ▶ What happens to State tax collections with strong economy? Think for a minute... Weak?

SAF Revenue Sources

Sales tax is the largest revenue source, contributing **43%** of the **\$18.5 billion** in total estimated SAF revenue for FY 2024-25.



* Figures based on January 2025 Revenue Estimating Conference

How do school districts get money (revenue)?

- ▶ Schools primary funding source is the state...State Aid (about 85% of funding) Enrollment x Foundation allowance
 - ▶ Only 11 state aid payments Oct -August
- ▶ Non-homestead property tax revenue (local municipality)
- ▶ State categorical (At Risk, CTE, School Nutrition ,etc.)
- ▶ Federal Grants (Title I, IDEA, CTE, ESSER, ARP, etc.)
- ▶ County Enhancement millage or other local funding
- ▶ Miscellaneous revenue (fines, fees, athletics, rentals, etc.)

Where does the money go to educate kids?

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It takes a village of staff !

- ▶ Teachers
- ▶ Support Staff
- ▶ Food Service, Transportation, Custodial, etc.
- ▶ Principals
- ▶ Administration
- ▶ Security
- ▶ After school and tutoring programs (athletics, clubs)



About 85%-90% of a district's budget is personnel costs

Where does the money go to educate kids?

- Remaining Expenditures (things other than staff working with students or in buildings)
 - ▶ Professional/Technical Services
 - ▶ Transportation
 - ▶ Purchased Services
 - ▶ Technology/Supplies/Materials
 - ▶ Capital Outlay
 - ▶ Transfers to other funds(ex. Food service)

District Transparency shows where the \$ goes?

Michigan Department of Education (MDE) requires transparency reporting on a district's website of specific items, including:

- ▶ Adopted Budgets
- ▶ Financial Statements
- ▶ Collective Bargaining Agreements
- ▶ Operating and Personnel costs pie graphs
- ▶ Other compensation and district cost items



MDE can withhold state aid payments for non-compliance

How does your district information compare?

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L'Anse Creuse Public Schools Website

<https://www.lc-ps.org>

Salaries and Benefits (personnel costs) (87.74%)

- ▶ Professional/Technical Services (3.04%)
- ▶ Transportation (4.40%)
- ▶ Purchased Services (1.448%)
- ▶ Supplies/Materials (4.94%)
- ▶ Capital Outlay (2.58%)
- ▶ Fund Modification (0%)
- ▶ Other (0%)
- ▶ **What is your District's total spending?**



How does your district information compare?

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Lakeview Public Schools Website

<https://www.lakeviewpublicschools.org/>

- ▶ Salaries and Benefits (personnel costs) (81.63%)
- ▶ Professional/Technical Services (1.57%)
- ▶ Transportation (1.03%)
- ▶ Purchased Services (7.56%)
- ▶ Supplies/Materials (2.76%)
- ▶ Capital Outlay (.57%)
- ▶ Fund Modification (3.34%)
- ▶ Other (1.54%)
- ▶ **What is your District's total spending?**



Breakout session and Discussion-” Group Data/Chart Activity

Examine the budget transparency reports for the following school districts and work with your table to answer the questions provided:

- ▶ Lakeview Public Schools (Macomb County)
 - ▶ <https://www.lakeviewpublicschools.org/>
- ▶ Ludington Area School District (Mason County)
 - ▶ <https://www.lasd.net/>
- ▶ Lansing Public Schools (Ingham County)
 - ▶ <https://www.lansingschools.net/>

Poll Question #3: Which item is not required on Transparency reporting?

- 1) Budgets
- 2) Only compensation over \$100,000 and superintendent
- 3) Benefit Plans
- 4) Board of Education Members
- 5) All of above



We are on BREAK Take 10!



Regional, State, & Federal Factors

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- ▶ MISD-shared services for efficiency and economic buying power
- ▶ State-some data distribution, some economic support (MI-Deal Bid)
- ▶ Federal-some financial support (special education, transportation, at risk student funds)
- ▶ MP SER's retirement system
- ▶ Free meals for all – how long?
- ▶ Insurance employee payroll expenses

Here's Where We Are Now?

- ▶ Schools are educating more kids with academic and behavior gaps than ever before (COVID after-effect)
- ▶ Schools are having more trouble finding staff to fill positions than ever before (in our years of experience, at least)
- ▶ Schools have seen the largest increase in funding (State and Federal supports) in more than 40 years – some of that is going to things other than the classroom
- ▶ Schools have to become more flexible and creative to serve families and students than ever before

Districts Facing Major Issues

- ▶ Higher Education taking \$1.4 Billion out of School Aid Fund
- ▶ MPSERS retirement rate increases taking funding off of per pupil (\$10K per student is not \$10K when you take \$2K away for MPSERS)
- ▶ Student behavior and mental health issues rising up (threat assessment, interventions, etc.)
- ▶ Employee insurance contributions for coverage increasing faster than pay
- ▶ General overall inflationary costs impacting spending
- ▶ 31 aa Safety/Mental Health – Waiver required putting districts and employees at higher risk

Are ALL public school services “free”?

Issues with “FREE” ...

- ▶ What challenges have schools faced with this concept?
- ▶ What are some areas where it could be questioned if certain items and/or opportunities should be free?



Poll Question #4

- ▶ Choose those items from the list that students in your district might be paying for to use or participate?
 - ▶ High School parking pass
 - ▶ To participate in athletics (MS or HS)
 - ▶ To attend athletics
 - ▶ To participate in clubs (fee)
 - ▶ To play a musical instrument (any level)
 - ▶ Yearbook
 - ▶ Field Trip
 - ▶ To participate in Marching Band



Question? Hand Raise

It would make sense to adjust per pupil funding according to factors such as special education, poverty, size of district/transportation, etc.:

- ▶ A. Agree
- ▶ B. Disagree
- ▶ C. Unsure

Question?

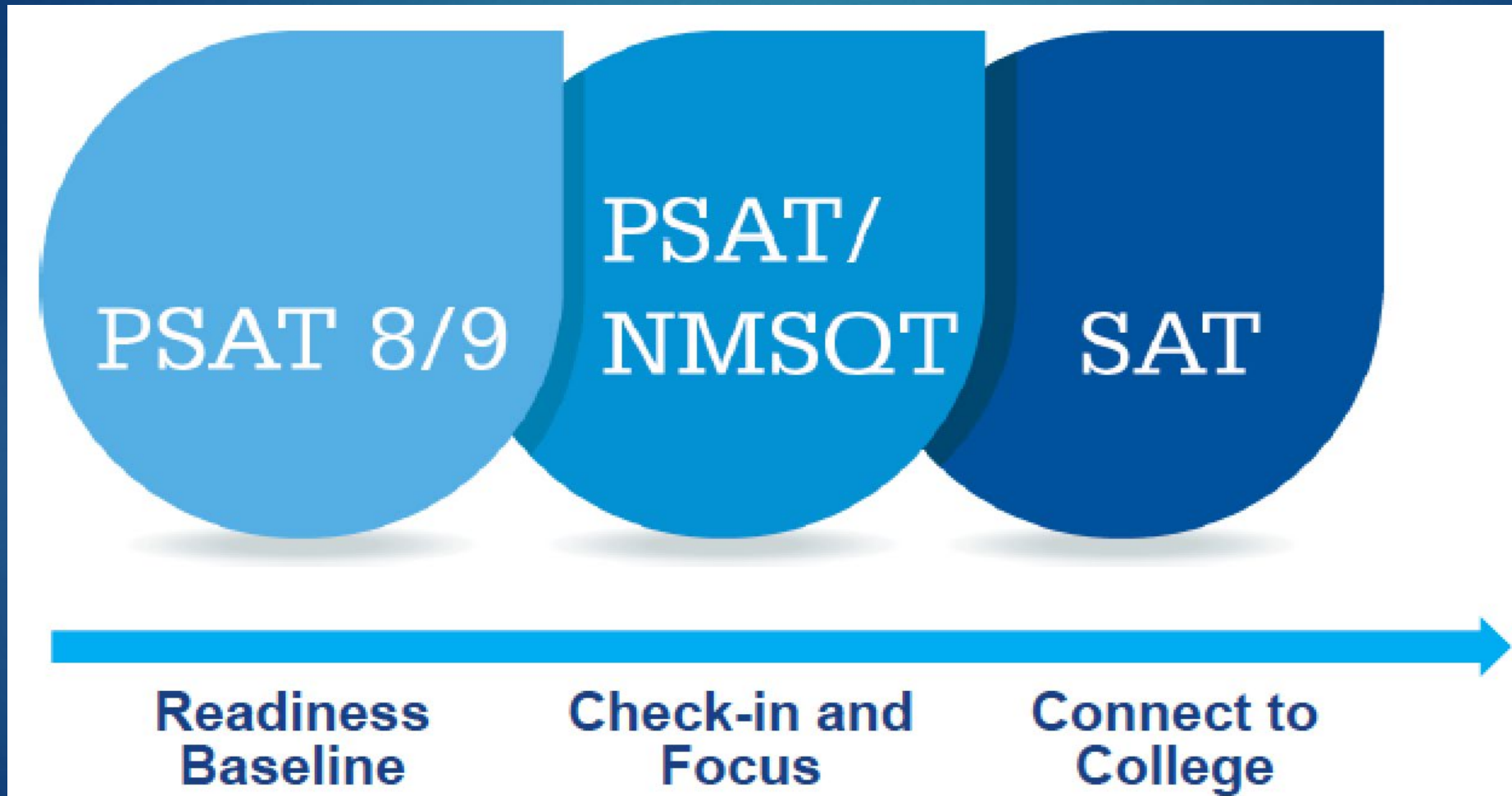
Raise your hand if your district/ISD/Charter School runs a full virtual educational option.



College & Career Readiness

SAT Suite of Assessments

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Question?

Every junior attending a public school in MI gets to take a free college entrance exam:

- ▶ A. True
- ▶ B. False

Question?

Every public high school student taking an advanced placement class in Michigan gets to take the exam from College Board for free:

- ▶ A. True
- ▶ B. False

Stop & Think...

- ▶ “We are preparing kids today for jobs that don’t yet exist.” Your thoughts on the challenge this presents...
- ▶ What may need to be done to better raise awareness of College and Career Readiness?
- ▶ Should schools be geared toward college, career or both?
- ▶ CTE options very limited





Staffing Shortages

STAFF SHORTAGE

- ▶ COVID academic and behavioral gaps
- ▶ Increased Retirements (early and scheduled)
- ▶ Frustrations with Changes (or not) in Instructional Delivery
- ▶ Additional Responsibilities – Safety
- ▶ Stress
- ▶ Public Pressure
- ▶ Political Micromanaging
- ▶ Other

Poll Question #5:

It is becoming less desirable to work in education

- A. Agree
- B. Disagree
- C. Unsure

Our district struggles w/teacher shortages (positions unfilled/sub shortages)

- A. Yes
- B. No



Predictions:

What will education look like in **five** years in Michigan?

What will education look like in **thirty** years in Michigan?



Did we Achieve Our Learning Targets for today?

- ▶ Provide a historical and governance perspective of education in the United States.
- ▶ To share a framework for understanding public education and its funding and governance in Michigan.
- ▶ To identify key trends in our State and Nationally with a focus on a few current issues.

Questions?

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Thank You!