

**Michigan Public Education Finance Project  
Summary of Draft**

The Governor asked Richard McLellan, Mary Kay Shields and Peter Ruddell to propose a new Michigan Public Education Finance Act to replace the existing School Aid Act of 1979 incorporating the policies articulated in the Governor’s Special Message on Education issued April 27, 2011.

The new Michigan Public Education Finance Act of 2013 is aimed at creating a public education funding system that allows a student to learn “Any Time, Any Place, Any Way and Any Pace,” and create the path toward more robust performance-based funding.

1. **Removal of District “Ownership” of a Student.** A student will be allowed to take a course, multiple courses or the student’s entire bundled education package from any public education district in the state. A local school district will maintain its ability to determine whether to participate in open enrollment.
2. **Creation of Online Learning Options with Performance Funding.** Technology is changing the delivery of instruction to students. A student will be allowed to access instruction from across the state using advancing technology. The district providing the online course will immediately receive public funding, based on performance measures. Again, a district will not limit a student’s choices.
3. **Funding will truly follow the Student.** Under the current model, a school receives 90% of its state general education funding based on where a student sits on the first Wednesday in October. We create a dynamic system, where the funding will actually follow the student. 15 other states are already using the Average Daily Membership method for allocating funds.
4. **Framework for Performance-based Funding for all courses.** We are setting the framework for the full implementation of computer-adaptive student growth and assessment tools that are on the horizon. We are maintaining the current growth funding incentives for the next fiscal year until the Smarter Balanced assessment and the recommendations from the Michigan Council on Educator Effectives are complete.
5. **Early Graduation Scholarships.** We are creating an incentive for students – who are ready – to graduate early. \$2,500 will be available for each semester a student graduates early. Former State Superintendent of Public Instruction Tom Watkins characterized the senior year of high school as “state-subsidized dating.” Let’s help those students who are ready to graduate.

**Oxford Foundation**

This draft is for discussion purposes and has not been reviewed or approved by any person in state government.

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