Costing Out the Resources Needed to Meet Michigan’s Standards and Requirements
What We’ll Cover

- What is the School Finance Research Collaborative?
- Who asked for it?
- Who paid for it?
- What are the findings?
- Why is it important?
- Where does the money go now?
- Where will the money come from?
- What do the candidates think?
- What does the public think?
- What do you need from us?
The study was supported by the **School Finance Research Collaborative**, a statewide, diverse and bipartisan group of business leaders and education experts who agree: It’s time to change how Michigan’s schools are funded.
About the Study

- Conducted in fall 2017 by the nation’s top two school finance research firms based on Michigan’s State Standards

- Used the Evidence Based (EB) and Professional Judgment (PJ) approaches
The W.K. Kellogg, Charles Stewart Mott and Skillman foundations called for the study
Those foundations and other nonprofits or associations contributed $357,000.
The Project has an expenditure budget of $900,000, and the fiscal agent for the Project is the Oakland Schools Education Foundation, a 501c3 nonprofit.
Funding contributions and commitments directly received from 32 Michigan ISDs total over $515,000.
The School Finance Research Collaborative has completed Michigan’s first comprehensive school adequacy study to determine the true cost of educating a student.

The report includes Michigan’s first in-depth examination of the cost of delivering services to charter school students.
The base per-pupil cost to educate a regular education student in Michigan is $9,590.

Charter schools should receive the same funding that school districts receive.

It costs $14,155 to educate a preschool student age 3 or 4.
Key Findings

- An additional percentage of the base per-pupil cost should be provided for:
  - Special education
  - English Language Learners
  - Students living in poverty, and
  - Career and Technical Education

- Transportation should be funded at $731 per rider until further study is completed.

- Because small districts lack economies of scale, additional funding should be provided for those under 7,500 students.
## Final Recommendation

<table>
<thead>
<tr>
<th>Final Recommended Per-Student Base Cost and Weights*</th>
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<tbody>
<tr>
<td><strong>Final Recommendation</strong></td>
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<tr>
<td>Base Cost</td>
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<td>Size Adjustment</td>
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<td>WIDA 1-2</td>
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<td>WIDA 5-6/FELS</td>
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<td>Special Education</td>
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<td>CTE</td>
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<td>Preschool</td>
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<td>Isolation</td>
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What’s at Stake

- The world has changed dramatically since Proposal A passed in 1994:
  - Advent of the Internet
  - Expanded global competition
  - Increased automation

- Our school funding system must reflect those changes to help prepare students for college and careers.
What’s changed since Proposal A?

- Google
- iPhone
- Social media
- Netflix
- Uber
A New, Fairer Approach

- Michigan’s school funding system fails too many students
- New, fairer school funding system needed that addresses individual learning needs
- Accountability and transparency measures will be needed
Preparing Kids For Success

- All students deserve an opportunity at successful careers, including those not college-bound.

- Funding our schools fairly will ensure all students get good-paying jobs.

- Without change, Michigan’s students will continue to fall behind.
Education Funding

*FY 18 includes an additional $200 million for one-time MPSERS liability paydown
**Does not include federal funding, adult education funding, or preschool funding
Governor Snyder’s 7 Budgets

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<td>79%</td>
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<td>79%</td>
<td>80%</td>
<td>88%</td>
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## MPSERS Appropriations in K-12

(Dollars in Millions)

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<tr>
<th>K-12</th>
<th>Sec. 147c</th>
<th>Sec. 147a(1)</th>
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<th>Sec. 147d/c</th>
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<tr>
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<td>Rate Cap</td>
<td>Cost Offset</td>
<td>Add'l AROR</td>
<td>Add'l Liability</td>
<td>SB 401 Reforms</td>
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<tr>
<td>2012</td>
<td>$ -</td>
<td>$ 155.0</td>
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Another nearly $64.0 million is appropriated to support MPSERS costs for Community Colleges, Universities, and Libraries.
Protecting the Classroom – Statewide Figures

Between 2008-09 and 2015-16 Michigan school districts cut $856 million in their budgets.

79% of those cuts were made outside of the classroom.

Source: FID Data
Classroom defined as function codes 111 (elementary), 112 (middle), and 113 (high); doesn’t include special education, summer school or adult-ed.
Whitmer:

“My administration will convert to a weighted foundation allowance for school funding – one that accounts for every student’s needs – and change the financing system to address the higher costs of special education, at-risk pupils in urban, suburban and rural communities and English language learners.”
Schuette:

“The Michigan School Finance Research Collaborative has produced a very good examination of what our school funding levels should be for students in all districts, whether urban or rural, large or small.

“They’ve also looked at differentiated funding levels to compensate for certain students’ added needs, like poverty or other factors that put students at risk.”
A new statewide poll commissioned by the School Finance Research Collaborative found that:

- **70 percent** believe Michigan’s schools are underfunded

- **67 percent** support a new school funding system that meets all students’ needs

- **63 percent** believe Michigan’s current school funding system is unfair

Read a summary of the poll at [www.fundmischools.org](http://www.fundmischools.org)
Our Goals

- Reach out to the school community for understanding, support and advocacy

- Ensure the next administration adopts the concepts of the SFRC

- Work with the administration and the legislature to fund the formula
What’s Next?

- Growing grassroots effort underway supporting need to meet students’ individual needs
- Educating policymakers, candidates and residents about the research
- Seeking new Supporters on our webpage, www.fundmischools.org
How You Can Help

- Discuss results of the Collaborative’s study with colleagues, friends and family
- Meet with legislators to tell them how important this new formula is to your students and your district
- Share the Collaborative video and information with your staff, your parents and your community
- Pass resolutions of support and report your board action to the media
Available Resources

- Website
- PowerPoint
- Talking points
- One-page fact sheet
- Letters to the editor
- Op-eds
SCHOOL FINANCE RESEARCH COLLABORATIVE
Creating a roadmap for all Michigan students to succeed and achieve.

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