

The logo for the School Finance Research Collaborative features a stylized pencil with orange rays emanating from its tip, positioned above the text. The words "SCHOOL FINANCE" are in a large, bold, teal font, with the pencil icon integrated into the letter "I" of "FINANCE". Below this, the words "RESEARCH COLLABORATIVE" are written in a smaller, orange, sans-serif font.

SCHOOL FINANCE
RESEARCH COLLABORATIVE



Costing Out the Resources Needed to Meet Michigan's Standards and Requirements

Who We Are

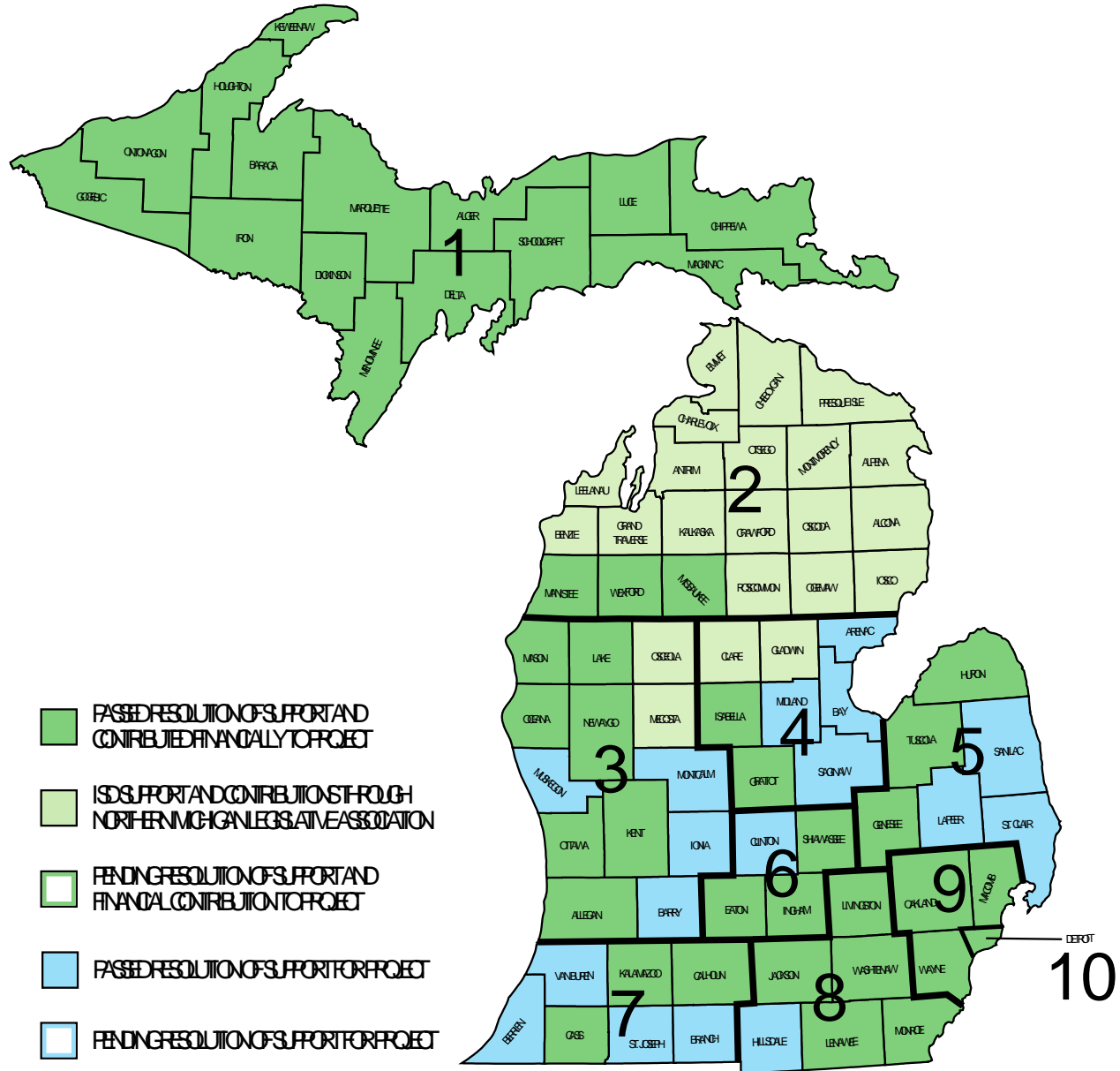
The study was supported by the **School Finance Research Collaborative**, a statewide, diverse and bipartisan group of business leaders and education experts who agree: It's time to change how Michigan's schools are funded.



How the Study Was Funded

- ❑ 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 from W.K. Kellogg, Charles Stewart Mott and Skillman foundations and other nonprofits or associations total \$357,000.
- ❑ Funding contributions and commitments directly received from 32 Michigan ISDs total over \$543,000.

Contributions and/or Resolutions of Support



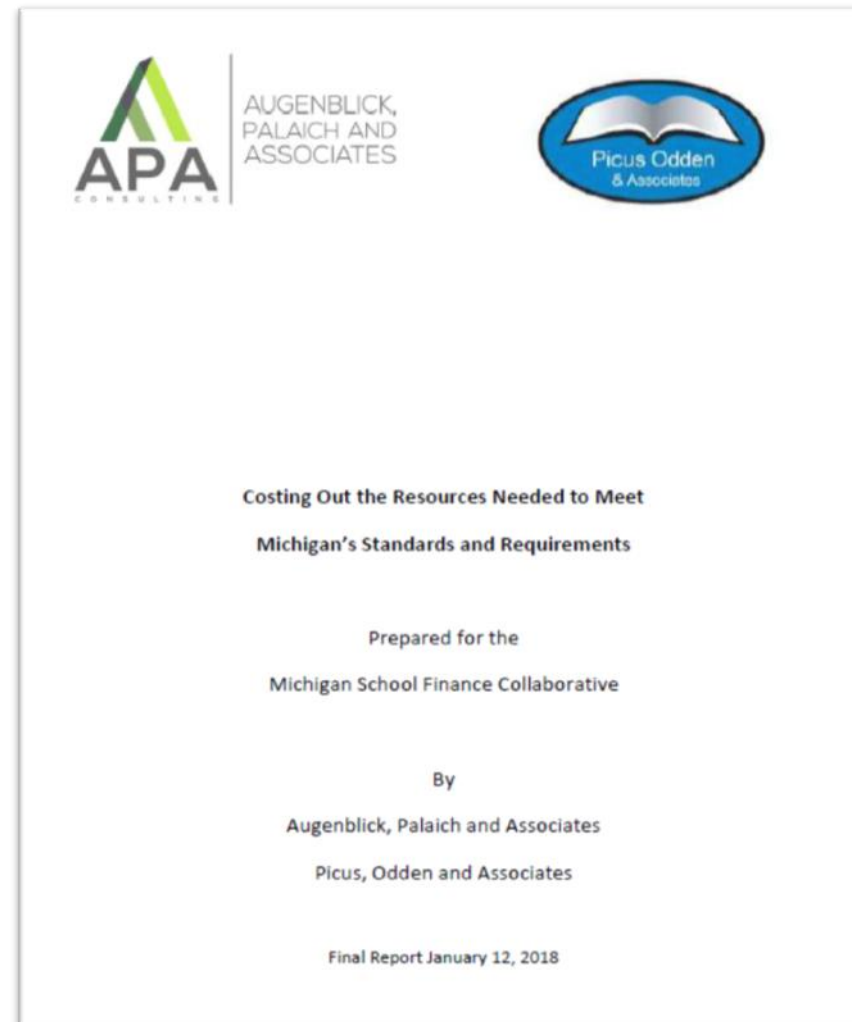
Michigan's Broken School Funding System

- ❑ In 2016, Michigan ranked 24th in per-pupil K–12 spending.
- ❑ Michigan ranked 8th-highest in per-pupil spending as recently as 2000.
- ❑ Since 2000, Michigan's inflation-adjusted per-pupil spending has fallen by \$663 per pupil, while the U.S. average has increased by over \$1,400 per student.



Our Work

- ❑ 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**.



Definition of Adequacy in School Funding

“Utilizing these two approaches allowed the study team to estimate both the cost of meeting the full state standards for all students at a base level along with the additional costs associated with differences in district and student characteristics.”

-“Costing out the Resources Needed to Meet Michigan’s Standards and Requirements”



Definition of Adequacy in School Funding

- ❑ Our school funding system must provide a high-quality education for all students that meets **Michigan's State Standards**, including:
 - New third-grade reading law
 - Executive Directive on Career Pathways
 - Other state-required assessments, such as the Michigan Merit Curriculum, graduation requirements and educator evaluation

Top Six Recommendations

1. The base per-pupil cost to educate a regular education K-12 student in Michigan is \$9,590, which does not include transportation, food service or capital costs, and only includes pension costs at 4.6% of wages.
2. In addition to the base per-pupil cost, a percentage of the base cost should be provided for special education, English Language Learners and students living in poverty, and an additional 10% of the base cost for CTE enrolled students.
3. Enrollment size adjustment in addition to the base to address the absence of economies of scale. Applicability to charter schools is possible. Examples follow:
 - An additional \$1,892 per student in a district with enrollment of 670 students
 - An additional \$717 per student in a district with enrollment of 1,700 students
 - An additional \$364 per student in a districts with 5,020 students

Top Six Recommendations

4. Charter schools should have the same base per-pupil funding for a regular education student and the same adjustments to the base amount that traditional districts receive.
5. It costs \$14,155 to educate a preschool student age 3 or 4.
6. Transportation costs should be funded at \$731 per rider until further study can be carried out.

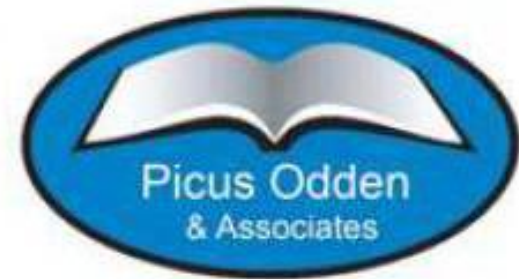
Final Recommendation

Final Recommended Per-Student Base Cost and Weights*

Final Recommendation	
Base Cost	\$9,590
Size Adjustment	Adjusted by Formula
Poverty Weight	0.35
ELL	
WIDA 1-2	0.70
WIDA 3-4	0.50
WIDA 5-6/FELS	0.35
Special Education	
Mild	0.70
Moderate	1.15
Severe	State Reimbursement
CTE	Base cost plus 10% per CTE enrolled student
Preschool	14,155
Isolation	0.04

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



About the Study

- ❑ **PJ Approach:** Gathers leading educators to identify human resources and operating expenses needed to meet student achievement standards.
- ❑ **EB approach:** Uses academic research on student performance to identify needed resources for schools to meet state standards.

Adequacy Study Methodologies

□ PJ Approach:

- Included panels on all grade levels pre-K-12, charter schools, special education, English Language Learners, poverty and Career and Technical Education
- Determined the costs of school personnel, student support services and technology for all students to meet both current and future state standards
- Informed by nearly 300 Michigan teachers, special education directors, principals and other educators

Adequacy Study Methodologies

□ EB Approach:

- Identified needed teacher, specialist, support staff and administrator staffing for core programs, including preschool and full-day kindergarten, for all students to meet state standards.
- Determined the cost of professional development, instructional materials and supplies, student assessments, computers and other technology.

Adequacy Study Methodologies

❑ Successful School District - SSD Approach:

- Assumes that the base cost spent by districts found to be meeting standards could be used for all districts.
- Incorporated from Michigan's 2016 school funding report, which called for:
 - Increasing base per-pupil funding
 - Additional funding for at-risk students and English Language Learners

Adequacy Study Methodologies

- The study included a first-of-its kind panel on charter schools, and additional panels on:
 - Special education
 - Poverty
 - Preschool
 - Districts of varying sizes
 - Geographically isolated districts
 - English Language Learners
 - At-risk students
 - Career and Technical Education
 - Student needs pre-K-12

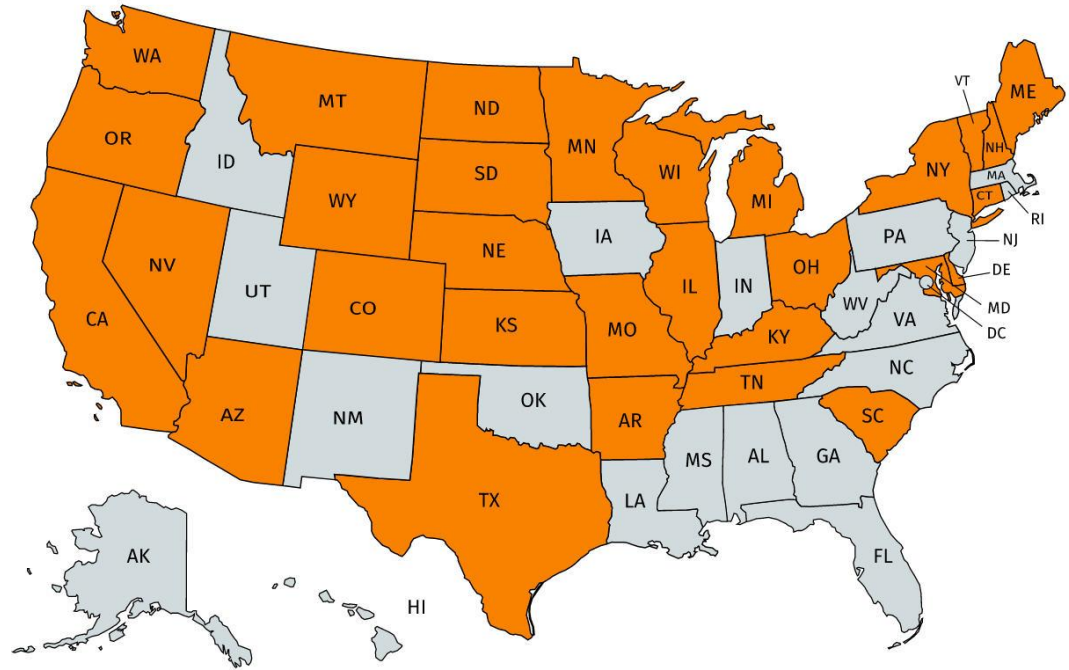
Further Study Needed

Looking to the future, additional research is needed for:

- ❑ Capital costs of both charter and traditional public schools
- ❑ A review of literate and illiterate poverty, and concentration of poverty by district
- ❑ An amount of \$973 per-rider should be provided for transportation costs until a more comprehensive study can be done.

Michigan in Good Company

Michigan now joins more than 30 states that have conducted comprehensive adequacy studies over the past 15 years.



What's Next

- ❑ The report provides the building blocks for a new school funding formula.

- ❑ Policymaker presentations:
 - Governor's Office
 - Legislature

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 at Stake

- ❑ Michigan's economic comeback relies on providing all students with a high-quality K-12 education.

“Michigan test score gains worst in nation”

Detroit News, Feb. 20, 2017

“Michigan has 32nd best public school system, report says”

MLive, Aug. 2, 2017

“State must take action now on schools to make up lost ground”

Detroit Free Press, April 1, 2017

What's at Stake

- ❑ To improve student performance, we must change how we fund Michigan's schools to meet the needs of all students.
- ❑ This report starts the conversation and provides the building blocks for a new school funding formula.



How You Can Help

- ❑ Discuss results of the Collaborative's study with colleagues, friends and family.
- ❑ Show the Collaborative video whenever and wherever possible, and share the video link with your networks.
- ❑ Write op-eds or Letters to the Editor.
- ❑ Monitor the Collaborative website, www.fundmischools.org, and share the link with your networks.

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to succeed and achieve.

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