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REPORT: 90% of Michigan Students Attend Schools Without Sufficient Funding

Lansing, Mich. – School funding in Michigan is inadequate and inequitable. In [a report released today by Education Law Center](#), Tanner Delpier, Michigan Education Association Labor Economist, and Mary McKillip, ELC Senior Researcher, find that most Michigan districts need substantial increases in revenue to reach adequate funding. School funding adequacy refers to the funding necessary to provide students with reasonable opportunities to achieve state standards.

Delpier and McKillip note that 77% of Michigan public school students attend schools in districts that are more than \$2,000 per pupil below adequacy. They add that districts with more low-income students and those in rural areas tend to be further from adequate funding than districts with fewer low-income students and districts in cities or suburbs.

The report, “What Will it Take to Achieve Funding Adequacy for All Michigan Students? \$4.5 Billion Needed to Close Funding Gaps,” [finds](#) it would cost \$4.5 billion to bring districts to funding adequacy based on estimates updated from the 2018 Michigan School Finance Research Collaborative (SFRC) adequacy study. This cost includes an estimated \$1.6 billion to introduce universal, no-cost preschool.

The SFRC adequacy study identified specific school resources necessary to meet the state’s academic proficiency standards, including small class sizes, student supports, and preschool. The study recommended additional funding for students from low-income backgrounds, students with disabilities, and English learners, recognizing that students in these groups need additional in-school resources to have a reasonable chance of achieving state academic standards.

”The chronic underfunding of our schools has resulted in too many teachers paying out-of-pocket for their classroom materials, overcrowded classrooms that deprive students of focused instruction, and too many of our children falling behind their peers in other states,” said **Marta Johnson, Grand Rapids Public Schools parent with children in preschool and second grade.** “These problems have been well-documented, but this report brings them into clear focus.”

For example, Escanaba Area Public Schools in Northern Michigan, serves about 2,500 students, with more than half low-income and 12% students with disabilities. The district is estimated to need \$13 million in additional funding, or about \$5,300 per pupil, to reach adequacy. Online district views [accompanying the report](#) show current and estimated adequate funding levels and funding gaps for Escanaba and other districts throughout the state.

The cost estimates in the report represent the lower limit of the resources needed to best serve Michigan public school students. The SFRC adequacy study made conservative assumptions about the cost of providing necessary school resources and did not account for inefficiencies

imposed by Michigan's expansive school choice policies. When students leave, districts can't reduce staff, facilities, or other costs proportionally in the short run. In practice, districts like Detroit and Flint have experienced significant enrollment declines resulting in inefficiencies unaccounted for in the adequacy estimate.

While a comprehensive reform of Michigan's school finance formula would be ideal, there are certain policy changes that could be enacted within Michigan's existing school finance structure to achieve the SFRC study's adequacy goals:

- Increase base funding and target additional increases in funding for low-income students, English learners, and students with disabilities;
- Expand preschool opportunities to all students, building off the state's Great Start Readiness Program (GSRP);
- Raise additional revenue; state tax revenue has grown in recent years, but it is still not enough to meet the adequacy targets estimated here.

"Michigan has spent decades underfunding its schools as state revenues have recovered from the Great Recession and steadily increased," said **Mary McKillip**. "An increase in funding, while also reworking the way the funding is distributed to districts, is a critical and overdue step."

"Michigan's education funding system is inadequate and inequitable, **said Tanner Delpier**. "In 2018, The School Finance Research Collaborative created a blueprint for a fair school funding system in the release of their adequacy study. Today, policymakers have an opportunity to lay the foundation of equitable and adequate funding."

"This is now the eighth report in eight years to make clear that the system we have built to fund our schools is broken," said **Michigan Education Justice Coalition Executive Director Trina Tocco**. "It's critical that our leaders in Lansing learn these lessons and take immediate steps in this year's budget to address our students' funding adequacy needs while also developing a long-term plan to address the structural issues that got us to this point."

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CONTACT:

Josh Hovey, Martin Waymire
C: 517-712-5829 | E: jhovey@martinwaymire.com

ABOUT EDUCATION LAW CENTER:

Founded in 1973, Education Law Center (ELC) is the nation's legal defense fund for public education rights. ELC is widely recognized for successfully advancing equal educational opportunity and justice in New Jersey and states across the country. ELC pursues advocacy work through litigation, public engagement, policy development, research, and communications.

REPORT AUTHORS:

Tanner Delpier, PhD, is the Labor Economist for the Michigan Education Association. There, he conducts research on Michigan education finance as well as providing policy analysis and support for association bargaining units. He received a PhD in Education Policy from Michigan State University.

Mary McKillip, PhD, is a Senior Researcher at Education Law Center. She leads ELC's research examining the fairness of state funding systems through analyses of resource equity within states. Prior to joining ELC in 2018, Dr. McKillip managed school discipline and health survey data collection and analyses at the New Jersey Department of Education and conducted research on the high school to college transition at the College Board. She has a PhD in Sociology from the University of Illinois and a MEd from Harvard University.