



## MEJC's School Budget Recommendations for 2023-2024

**The Michigan Education Justice Coalition (MEJC) urgently calls on the legislature to do the following to support the funding needs of our students, school staff and communities across the state for the 2023-2024 budget.**

**Raise additional \$4.5 billion in revenue and stop cutting existing revenue** – While state tax revenue has grown in recent years, it is still not enough to meet the adequacy targets estimated [here](#). The amount of revenue required means increases in one or more of the state's income, property, or sales taxes. We need an estimated \$4.5 billion to meet adequacy needs. The state - since January 2023 - has cut close to \$2 billion in taxes.

Ask:

- Work with the Michigan Education Justice Coalition (MEJC) to raise an additional \$4.5 billion in new revenue for Michigan's public education.
- Commit to stop cutting revenue in Michigan for the remainder of your term including corporate tax subsidies.

**Increase base funding to match inflation** – The current budget proposal recommends a 5% increase in the foundation allowance to \$9,608. This is almost the same as inflation which means there is not really an increase for 2023. In FY 2021, the base foundation should have been \$10,420 per pupil to keep up with inflation.

Ask:

- Increase the foundation allowance to at least \$10,420 per pupil.

**Student Safety** – Our schools are prioritizing student mental health over school security. Recently, our youth leaders called on the Governor to expand the use of funding for counselors and mental health staff. The state needs to urgently decrease spending on school security and increase spending on mental health supports for our students.

Ask:

- Decrease the amount of funding in Section 97 by 25% and expand all allowable uses of Section 31aa to be used for Section 97 funds

**Increase funding for low-income students** – Section 31a of the school aid budget currently provides an 11.5% weight for “at-risk” students (a group that is primarily composed of low-income students). That weight should be increased to 35% and fully funded. Actual at-risk appropriations can be pro-rated until this goal is reached.

Ask:

- Increase at-risk funding in FY2024 sufficient to attain an effective weight of 15% (.15) This would cost \$250 million.
- Place School Finance Research Collaborative’s (SFRC) at-risk funding weight (.350 ) in statute (.115 has been for 3 decades).

**Increase funding for English learners** – Section 41 of the school aid budget currently funds English learners in Michigan, but the amount and distribution mechanism is inadequate. The categorical currently provides a low dollar amount based on students’ English proficiency (based on WIDA scores). This categorical should be redesigned as a weight of the base foundation, as recommended by the SFRC, and appropriations should fully fund that weight.

Ask:

- Increase Section 41 funding for ELL students.

**Increase funding for Special Education** – Unlike for students from low-income backgrounds and English learners, the current structure of special education finance makes it very difficult to establish a weighted funding system. This is because intermediate school districts (ISD’s) raise a large portion of special education revenue, and inequality is baked into the difference in taxable value across those districts. To bring Michigan’s special education funding system closer to the total amount and distribution of funds recommended by the SFRC, the state could start by providing a full foundation allowance for special education students, increasing the special education cost reimbursement rate, fully funding high-cost special education students, and improving the Section 56 guaranteed tax base formula that helps equalize funding among districts.

Ask:

- Provide all special education students 100% of their per-pupil foundation grant, up from 75% in FY2023 and 87.5% in the FY2024 executive budget. It would be \$80 million to fund 100% of the per-pupil foundation allowance.

**Transportation** – The SFRC’s May 2022 transportation study is sound. Like other SFRC recommendations, it cannot be fully funded with current revenues. We recommend a three-year phase in. Establish the four school district population-density groups in **FY2024 and allocate ~ \$150 million in the first year primarily to the two lowest-density groups.**

**Ask:**

- Allocate \$150 million to the lowest density groups for transportation.

**\$94 million for DPSCD** – Detroit students are owed \$94 million from the Literacy Lawsuit settlement.

**Ask:**

- Allocate \$94.4 million in this year's budget to Detroit literacy efforts.

**Decrease virtual school funding** – Too many children are being pushed into virtual school placements with inadequate support for their academic and mental health needs, yet schools are getting per pupil allocations as if they are providing them with a higher level of support. Cyber schools have lower facilities, maintenance, school meals, and transportation costs, but even traditional public schools using virtual placements often have reductions in staffing, meals and transportation costs.

**Ask:**

- Support the Governor's proposal to decrease the per pupil allocation for virtual cyber schools and expand a similar reduction for virtual placements in traditional public schools.

**Invest \$2 million to study racial disparities for Black/African American students** - Black/African American students consistently perform worse than their peers in State data in areas of kindergarten readiness, 3rd grade reading, high school competencies in reading, mathematics, and writing, high school retention and graduation rates. Michigan must address this disparity and invest in understanding the underlying root causes. We ask that the legislature invest \$2 million to understand the root causes of Black/African American student disparities and explore possible long term solutions to remediate the negative impacts on Black/African American students.

**Ask:**

- Invest \$2 million to study the racial disparities of Black/African American students.
- Develop a task force, including legislators, experts in the education of Black/African American students, academic leaders, and community members, that will select a vendor for the study and come up with recommendations based on the study.

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