

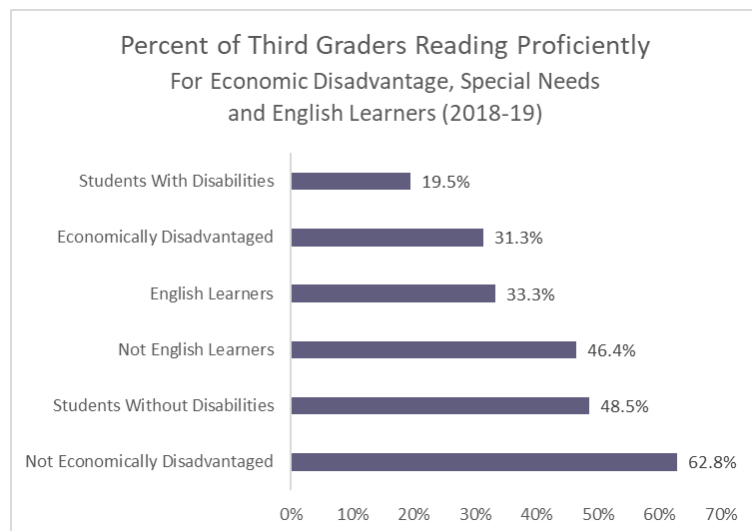
# 2022 BUDGET PRIORITY: PROVIDE MORE STATE FUNDING TO PUBLIC SCHOOLS IN HIGH-POVERTY COMMUNITIES

## LEAGUE RECOMMENDATION:

Provide the resources needed to address the educational challenges faced by children exposed to the stresses of poverty by: (1) adopting a School Aid formula that is weighted by the number of students in poverty, English-language learners and children with special needs; and (2) fully funding the At-Risk School Aid program.

## BACKGROUND:

Numerous studies of school funding in Michigan have shown that the state is failing to provide the resources needed to guarantee a high-quality education for all students, and particularly for students in low-income schools, English-language learners and children with disabilities or special needs. While Michigan has increased per-pupil or formula funding, between 2008 and 2019, per-pupil funding in Michigan fell by 9% when adjusted for inflation.



Source: MI School Data

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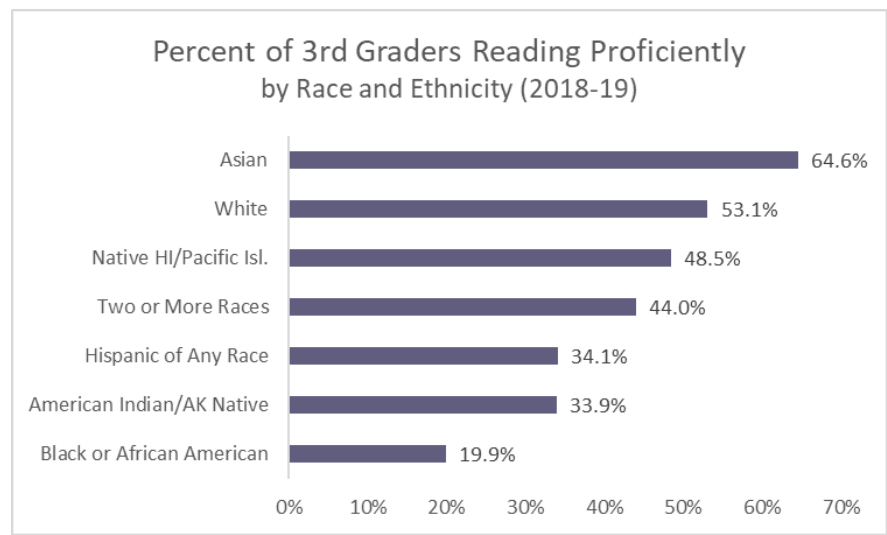
A 2018 report by The Education Trust found that Michigan is among the bottom five states in the country in addressing equity in school funding, meaning that the state's highest poverty districts receive 5% less in total state and local funds than its lowest poverty districts. In her first budget proposal, Gov. Whitmer proposed a weighted school funding formula that significantly increased funding for high-poverty schools, special education and English-language learners. The Legislature rejected that proposal, despite broad support from educators, business leaders and advocates, as well as research demonstrating that increased spending on students from low-income families can improve educational attainment, reduce poverty and ultimately improve lifetime earnings.

The need for a weighted school funding formula became even more evident during the COVID-19 crisis. Prior to this public health emergency, there were deep disparities in achievement for Black and Brown children, as well as children in high-poverty communities. As school moved to online learning, concerns grew that learning loss is likely to be higher for these children for a

number of reasons, including less access to technology and high-speed internet services, and the reality that parents with low-wage jobs are less likely to be working remotely where they could provide needed supervision and learning assistance. As schools begin to reopen safely, additional resources—provided through a weighted formula—would be available to address the growing achievement gap.

**School Aid Formula:** For 2020, the Legislature increased per-pupil payments by between \$120 and \$240, bringing the minimum per-pupil state payment to \$8,111, and the maximum to \$8,529. The final 2021 budget included \$95 million for an estimated per-pupil increase for districts of \$65, based on a blended student count for 2020 and 2021.

**The At-Risk School Aid Program:** The At-Risk School Aid program has been the primary vehicle for providing state funds to schools to serve students who are at risk of failing academically or are chronically absent. After more than a decade of flat funding, when At-Risk payments fell well below statutory levels, the Legislature approved increases of \$70 million in 2016, \$120 million in 2018, and \$5 million in 2020. Funding for the At-Risk program remained flat in the 2021 budget at \$510 million. Despite increases in recent years, the At-Risk program is still not fully funded and payments are prorated at approximately 79%.



Source: MI School Data

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## WHY DOES IT MATTER?

**When funding falls short, schools in high-poverty communities struggle the most.** To improve equity, Michigan needs a school funding formula that addresses the added costs of teaching children who have lived with the stresses of poverty, those with identified disabilities or special needs, and English-language learners—even more so because of the disruptions in learning caused by the COVID-19 public health crisis.

**The barriers faced by families in poverty can affect children’s learning and success.** While family income alone does not keep children from learning, the many stresses faced by those living in poverty can—including, potentially, low parental literacy, poor health, a lack of stable housing, frequent moves, less access to high-quality early education and care, fewer after-school or enrichment programs, and increased exposure to environmental toxins like lead that can affect brain growth and development.

**Children in high-poverty schools are less likely to achieve at their optimal levels or be prepared for college, and the disadvantages start early.** Students whose families are more economically secure are twice as likely to be proficient on standardized tests for reading by third grade, and the advantage continues through to college readiness.