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

[Map of Michigan with state divisions and numbers 1 to 10 indicating different statuses of support and resolutions, with color codes for passed, pending, and financial contributions.]
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.
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.
“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”
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
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:

   o An additional $1,892 per student in a district with enrollment of 670 students
   o An additional $717 per student in a district with enrollment of 1,700 students
   o An additional $364 per student in a districts with 5,020 students
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 $973 per rider until further study can be carried out.
## Final Recommended Per-Student Base Cost and Weights*

<table>
<thead>
<tr>
<th>Final Recommendation</th>
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<tbody>
<tr>
<td><strong>Base Cost</strong></td>
<td>$9,590</td>
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<tr>
<td><strong>Size Adjustment</strong></td>
<td>Adjusted by Formula</td>
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<tr>
<td><strong>Poverty Weight</strong></td>
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<td><strong>ELL</strong></td>
<td></td>
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<tr>
<td><strong>WIDA 1-2</strong></td>
<td>0.70</td>
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<tr>
<td><strong>WIDA 3-4</strong></td>
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<td><strong>WIDA 5-6/FELS</strong></td>
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<tr>
<td><strong>Severe</strong></td>
<td>State Reimbursement</td>
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<td><strong>CTE</strong></td>
<td>Base cost plus 10% per CTE enrolled student</td>
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<tr>
<td><strong>Preschool</strong></td>
<td>14,155</td>
</tr>
<tr>
<td><strong>Isolation</strong></td>
<td>0.04</td>
</tr>
</tbody>
</table>
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.
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
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
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
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 now joins more than 30 states that have conducted comprehensive adequacy studies over the past 15 years.
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.
Connect

FundMIschools.org
Facebook.com/FundMIschools
Twitter.com/FundMIschools
School Finance Research Project
“Determining the Cost for Funding Educational Achievement for all Michigan Students (PK-12)”

Executive Summary

The W.K Kellogg Foundation awarded a $100,000 grant to the Oakland Schools Education Foundation on June 30, 2016. The purpose of the grant was to support the School Finance Research Project (SFRP or The Project), which would work to ensure that the cost of student achievement for all students in both traditional school districts and charter schools, including at-risk and vulnerable students, students in geographically isolated districts, students in districts of all different enrollment sizes are determined.

The first step in the project was to fully analyze the 2016 state commissioned adequacy study for K-12 education in Michigan and make reports available to all about the strengths and weaknesses of that effort.

A road map was then developed to guide the project work to build on the state funded study results, improving both the validity and reliability of the cost information produced. A 15-member Steering and Technical Committee, a 9-member Advisory Committee and a statewide non-partisan and 22-member Collaborative representing the private sector, K-12 educators, higher education, and policy experts inclusive of former legislators from all across the state were formed.

See this link for information: http://www.fundmischools.org/members/

An RFP was issued in February 2017 for a new Adequacy study using multiple methodologies: “Determining the Cost for Funding Educational Achievement for all Michigan Students (PK-12)”. A contractor was selected and the new adequacy study commenced on May 16, 2017. The Study was completed with the report issued on January 17, 2018. Byrum and Fisk Advocacy Communications were engaged to provide expertise to the development of a comprehensive communication plan to educate stakeholders statewide. The plan was promptly developed and implementation began in Fall 2016 and will continue throughout the Spring 2018. The Project considers the Communication effort regarding the need for the additional research and the results of the research to be as important as the research itself.

The total project budget, excluding the approximate $500,000 of in kind services provided by the 15 member Project Steering and Technical Committee and the Advisory Committee, between July 1, 2016 and June 1, 2018 (23 Months) is $900,000. Funding was obtained from the Kellogg, C.S. Mott and Skillman Foundations, four educational non-profits associations and from 32 Intermediate School districts from all across the state.

Rationale

The Michigan Education Finance Report issued in June of 2016 was based on a “state funded” Adequacy Study which used only the Successful School District Methodology (SSD). The SSD is one of four commonly accepted methodologies for Adequacy Studies which have evolved over the past 30 years. The Report was a good start but had several weaknesses as a result of contract requirements established by the State of Michigan, particularly in that the study used only one methodology and furthermore a Successful School District was defined primarily as a district with state test scores above the Michigan average with little emphasis on student growth.

This study did not examine charter schools, preschool, geographically isolated districts, the concentration of special needs students, Transportation or Career and Technical Education (see a review of the Michigan Education Finance Study and an Analysis of Notably Successful School Districts at http://www.fundmischools.org/resources
What was clear from the study is that the School Finance System in Michigan is broken and in need of major reform. Subsequently, in March of 2017, the Governors 21st Century Education Commission report also identified the investment level for PK-12 education to be a serious problem which urgently needed to be addressed. See this link: [http://www.fundmischools.org/wp-content/uploads/2017/03/Executive-Summary-The-Best-Education-System-for-Michigans-Success.pdf](http://www.fundmischools.org/wp-content/uploads/2017/03/Executive-Summary-The-Best-Education-System-for-Michigans-Success.pdf)

The Project’s objectives were to build on the State funded study by conducting an Adequacy study using multiple methodologies to identify the cost of student achievement for all students PK-12 and then to communicate the results broadly to stakeholders and policy makers across the State. As a result of this Project, Michigan will now have information from three methodologies representing “the very best practice in the United States.” The best possible information must be available to support major School Finance Policy reform. This Project has met that need.

From 2003 to 2014, 25 states conducted Adequacy Studies to guide policy reform and in 23 of the 25 states multiple methodologies were used. Types of Adequacy Studies conducted in 25 states from 2003 to 2014:

<table>
<thead>
<tr>
<th>Adequacy study Methodology used</th>
<th># of studies[^1]</th>
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<tbody>
<tr>
<td>Successful School Districts (SSD)</td>
<td>17</td>
</tr>
<tr>
<td>Professional Judgment (PJ)</td>
<td>29</td>
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<tr>
<td>Evidence-Based (EB)</td>
<td>19</td>
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<tr>
<td>Statistical (SA)</td>
<td>-</td>
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<tr>
<td>Multiple approaches</td>
<td>23</td>
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[^1] This column does not total 39 because 23 of the studies used more than one type of study.

The two methodologies currently being used are the Professional Judgment and the Evidence Based methods, and are the most frequently used approaches by States in America. The Contractor selected to conduct the research is Augenblich, Palaich and Associates (APA). This firm was also selected by the State for the 2016 study, and is a firm that has worked in all 50 states. APA is the nationwide leader in implementing the Professional Judgment method.

The ten member research team doing the study also included another leading school finance research firm, Picus, Odden and Associates (POA), the firm who actually developed the Evidence Based (EB) Methodology over 20 years ago.

The adequacy study required 20 educator panels (16 professional judgment and 4 evidence based) to be established to work with the ten member research team. The total number of Michigan educators and panel composition by position was designed by the research team. In total, 266 educators served on panels representing 146 educational entities statewide, and included teachers, principals, superintendents, business officials, technology experts and instructional experts from all across the state. The panels include Preschool, Poverty, English Language Learners, Special Education, Career and Technical Education; districts which are geographically isolated, very small, small, moderate and large school districts and a first time in the nation panel just on charter schools. The impact of high concentrations of special needs students will also be closely examined. The results of the Study delivered in January of 2018 will be communicated to stakeholders and policymakers all across the state.

The Study report provides the building blocks of information needed to develop a new school finance funding formula designed to bring all students to the state standard for achievement and to be responsive to constantly changing demographics in all school districts and charter schools. Achieving the Projects objective is imperative to informing school finance policy reform, an essential element necessary to improve equity and prosperity for all of Michigan.
The Governors 21st Century Education Commission report in March of 2017 recommended that State determine the base funding amount for K–12. The Commission further recommended that Michigan adopt performance outcomes that are benchmarked against the highest-performing states and nations. If the state is going to be successful in meeting these benchmarks, schools need to be provided with the resources necessary for success. Michigan needs to efficiently distribute resources, and efficient distribution requires a transparent calculation of what it costs to meet established performance standards.

The Southeast Michigan Council of Governments and the Metropolitan Affairs Coalition recently issued a report “Providing Quality Education for All Students”. This report calls for full support to the efforts of the School Finance Research Project.

Furthermore, the State Superintendent of Public Instruction established the “Top 10 in 10 years” plan which identified seven strategic goals including reducing the impact of high-risk factors, including poverty, and providing equitable resources. The School Finance Research Project provided some of the information essential to reaching this goal.

The school funding system in Michigan has been broken for quite a while. We all know students who have been shortchanged at some point because the school could not provide the resources needed to impact the learning process to best meet their needs. Now Michigan has the research, conducted by two highly respected firms that specialize in school funding, which tells us what level of funding our schools should have based on the outcomes expected by the state. This research looks at a new model of funding that is based on the individual needs of the students and the uniqueness of the districts, not a one-size-fits-all funding model that has allowed Michigan to drop further behind compared to other states.
FACT SHEET:
COMPREHENSIVE STUDY PROVIDES BUILDING BLOCKS TO REFORM MICHIGAN SCHOOL FUNDING

A comprehensive statewide study examining school funding in Michigan, conducted by the School Finance Research Collaborative and released in January 2018, clearly demonstrates the need to reform Michigan’s school funding system and provides policymakers with building blocks to begin the process. The School Finance Research Collaborative worked in concert with the nation’s two leading school funding research firms to develop the report, which provides the most complete data available on the cost of student achievement in Michigan.

HERE ARE THE KEY FINDINGS OF THE NEW REPORT:

✓ 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.
✓ 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.
✓ It costs $14,155 to educate a preschool student age 3 or 4.
✓ In addition to the base per-pupil cost, a percentage of the base cost should be provided for special education, English Language Learners, students living in poverty and programs to provide Career and Technical Education.
✓ Transportation costs should be funded at $973 per rider until further study can be carried out.
✓ Because Michigan’s school district sizes vary widely and small districts lack economies of scale, district size must be taken into account, with funding increases provided for all districts under 7,500 students.

Additional research will be needed in several areas, including a full capital study to examine district costs; a review of literate and illiterate poverty, and concentration of poverty by district; and a full transportation cost study.

“*This one-of-a-kind, comprehensive report reflects the input of nearly 300 educators throughout Michigan, giving policymakers clear direction on how much it costs to educate a child and how best to reform Michigan’s broken school funding system.**

– Bob Moore, School Finance Research Project Director

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VISIT FUNDMISCHOOLS.ORG TO VIEW THE FULL REPORT AND LEARN MORE.
January 2018 Adequacy Study
Determining the Cost of Funding Educational Achievement for ALL Michigan Students PK-12

CORE MESSAGES

The School Finance Research Collaborative has completed Michigan’s first comprehensive school adequacy study, providing a roadmap to fixing Michigan’s broken school funding system.

- The nation’s top two school finance research firms determined the true cost of educating a student, informed by nearly 300 Michigan educators from across the state.
- The final report provides a base cost for student achievement in Michigan, with additional funding considerations for special education, English Language Learners and poverty.
- The study was supported by the School Finance Research Collaborative, a diverse group of business leaders and education experts, from Metro Detroit to the U.P., who agree it’s time to change the way Michigan’s schools are funded.

The study proves that per-pupil funding must be increased to provide all students with a high-quality, 21st century education that addresses their wide-ranging learning needs.

- The study concluded that it costs a minimum $9,590 to educate a child in Michigan, regardless of location, income, learning challenges or other circumstances.
- Recognizing that all children are unique and many learn differently, the study calls for additional funding weights for special education, English Language Learners, Career and Technical Education and students living in poverty.
- The study concluded that Michigan’s school funding system also must take into account district size, districts in geographically isolated areas, and differing transportation costs.
- Districts and charter schools should get the same base cost for each regular education student, and the comparable wage index should be used to account for cost of living differences.
- Districts and charter schools in the state pension system should have those legacy costs and other costs fully funded in addition to the base cost per pupil.
- Further study is needed on capital needs and funding for school districts and charter schools, high-needs poverty and student transportation costs.

With the true cost of educating a student in hand, Michigan policymakers can adopt a new approach that helps improve student achievement, reflects varying student needs, and prepares students for the ever-changing modern workforce.

- Every child learns differently, and to improve student performance we must change how we fund Michigan’s schools to address the individual needs of all students.
- The world has changed dramatically since Proposal A passed in 1994, including the advent of the Internet, expanded global competition and increased automation, and our school funding system must reflect those changes.
- Michigan ranks at the bottom in student performance nationwide, and our students will only continue to fall behind if our school funding system doesn’t address their wide-ranging needs.
Sample Social Media Posts for Facebook and Twitter

How much do you think it costs to educate ONE child in #Michigan? No guesswork needed – now we know. Find out here: fundmischools.org

It’s time to change the way #Michigan #education is funded. The findings of @fundMIschool’s adequacy study show just what it takes for all children to succeed. Read the report: fundmischools.org

New research by two nationally renowned research firms provides the building block of a school funding formula which is student centered and considers district and charter school characteristic. See the new report by @fundMIschools. Learn more: fundmischools.org

So much as changed since the beginning of the 21st century: how we read the news, the cars we drive and even the way that we communicate. Know what else has changed? The cost of #education in #Michigan. Thanks to a new research from the @School Finance Research Collaborative, we now know what it costs to equip all #Michigan children with a quality #education. Learn more: fundmischools.org

It’s time to change the way we fund #education in #Michigan. With the help of a new study from the @School Finance Research Collaborative, we now know what it truly costs to educate a child in #Michigan so all students can reach state standards. Nearly 300 educators from across the state came together to participate in the study and the hope is that policymakers will use this research to build a new system that will allow all children to succeed. Read the report: fundmischools.org

It’s time to change the way we fund #education in #Michigan. But how do we do it? A new report from the @School Finance Research Collaborative provides a framework for moving Michigan schools forward and providing all Michigan children with a quality education. Read the report here fundmischools.org
“Determining the Cost for Funding Educational Achievement for all Michigan Students PK-12”

PRIMARY STRENGTHS OF THE MICHIGAN ADEQUACY STUDY

- The researchers used multiple methodologies to improve validity and reliability of Study. Michigan now has the benefit of three different methodologies for determining the cost of student achievement for All Michigan students.

- The methodologies selected are the Professional Judgment Method and the Evidence Based Method. These are the most often used methodologies in the United States.

- A review of the 39 school finance adequacy studies conducted in 24 states and the District of Columbia between 2003 and 2014 identified seven “best practices” for the design of adequacy studies. All of these best practices were used:
  - Clear focus on improvement of student performance
  - The potential value of case studies in future work
  - Importance of state policy makers and local stakeholders in the process
  - Combining multiple methods in each state study
  - How professional judgment panelists were selected
  - Number of professional judgment panels (Michigan had 16 separate panels, which is more than other states)
  - Accurately representing compensation in the analysis

- The experience and qualifications of the ten member research team from two nationally renowned research firms is beyond comparison. The research team for the Michigan Adequacy Study conducted 26 of the 39 studies conducted in the United States between 2003 and 2014.

- The researchers worked with 266 Michigan educators from all across the state who served on 20 separate panels and who came from 146 separate educational entities served by 42 different ISD’s. The composition of this group of educators mirrored the student population in terms of gender, race and geographic location.

- The researchers were required to address the cost of serving special needs populations, and other student needs and district characteristics including:
  - Preschool
  - Poverty (both rural and urban)
  - Special education
  - Career and technical education
  - English language learners
  - How high concentrations of special needs changes cost
  - Charter school educational delivery model differences
  - How costs differ per pupil for school districts of different enrollment sizes
  - How cost is impacted by geographic isolation
  - To what extent regional cost of living impacts the cost of educational delivery
  - How student transportation cost varies and why

- Transparency....the details of the research methodology, the staffing ratios, instructional supports and intervention strategies and staff wage information are available to all within the report.
ADEQUACY STUDY PANEL COMPOSITION SUMMARY

October 20, 2017

• All 20 of the Adequacy Study panels have now been finalized and panelists have confirmed.
• A total of 266 Michigan Educators are involved.
• 146 separate educational entities located within 42 ISD’s (out of a total of 56 ISDs) are represented in the final panel composition

Adequacy Study Panel Representation (Professional Judgment and Evidence Based Methodologies)

• 266 panelists
• 20 panels
• 25 PSA representatives
• 46 ISD representatives
• 195 LEA representatives

Regional Representation

• MASA Region 1 – 14 panelists
• MASA Region 2 – 8 panelists
• MASA Region 3 – 41 panelists
• MASA Region 4 – 9 panelists
• MASA Region 5 – 24 panelists
• MASA Region 6 – 26 panelists
• MASA Region 7 – 11 panelists
• MASA Region 8 – 13 panelists
• MASA Region 9 – 110 panelists
• MASA Region 10 – 10 panelists
• Total Regions 1 to 8: 146 panelists or 54.9%

Region 9/10 Analysis

• Macomb: 32 panelists
• Oakland: 48 panelists
• Wayne: 30 panelists Note: DPS has 10, so a total of 40 for Wayne County combining Regions 9 & 10
• Total Region 9 and 10: 120 panelist or 45.1%

Gender & Race Demographics Representation

• 188 Caucasian - 70.7%
• 78 Minority - 29.3%
• 148 Female - 55.6%
• 118 Male - 44.4%

Position Composition Summary

• 36 Business Office Administrators
• 9 CTE or Curriculum Directors
• 20 Special Ed or Student Services Directors
• 29 Unclassified Instructional Leader
• 52 Principals
• 46 Superintendents
• 60 Teachers
• 7 Instructional Coaches and Tutors
• 7 Technology Administrators
1. What is an Adequacy Study and why is it important?

- Adequacy studies determine the true cost of providing a quality education to all students, regardless of their income, location or other circumstances.

- These studies often include geographic cost differences, labor cost differences and analysis of geographic isolation, among other factors.

- The School Finance Research Collaborative study was done based on Michigan’s State Standards for student achievement for all students in both charter and traditional public schools.

2. Who is the School Finance Research Collaborative?

- The School Finance Research Collaborative is a diverse, broad-based and bipartisan group of business leaders and education experts from all corners of Michigan that formed in 2016.

- The group comes from a variety of backgrounds, but all of its members agree:

- It's time to change the way Michigan’s schools are funded.
3. How was the study paid for?

- Funding for the study came from the W.K. Kellogg, Charles Stewart Mott and Skillman foundations, as well as other nonprofits and associations.
- Additional funding came from 32 ISDs across Michigan.

4. Isn’t this study just about more money?

- This study calls for research-based decisions as a best practice to help all Michigan students achieve and succeed.
- Adequacy studies have proven nationwide to be a critical first step toward any meaningful education reform that has resulted in improved student achievement.
- Michigan’s current school funding system is broken, and this study provides the building blocks for a new school finance formula that serves the widely varying needs of all students.

5. What were the report’s key findings?

- Simply put, the study identified a base cost for educating a student, and also identified several factors that deserve additional funding for student characteristics including poverty, special education, English Language Learners and Career and Technical Education.
• The study also identified costs in related areas response to school district or charter school characteristics including: transportation of students, geographic isolation, state pension system costs and enrollment size.

• The study found the base cost of a regular education student is $9,590 for both traditional public schools and charter schools.
  o That amount excludes transportation, food service and capital costs, and only includes pension costs at 4.6% of wages.
  o In addition to the base per-pupil cost, a percentage of the base cost should be provided for special education, English Language Learners, students living in poverty and programs to provide Career and Technical Education, and to account for geographic isolation. See below.
  o All school districts and those charter schools in the state pension system (MPSERS) should receive funding in addition to the base for the payment required by law. Currently, the required additional payment is equal to approximately 21.1% of all wages.

6. How should we fund special education?

• Students in need of special education services should be identified by the amount of time spent in the classroom, and by severity:
o **Mild-level severity**: Students should be funded at an additional funding weight of 0.70 (70%) of the base per-pupil cost.
  - Students are in a regular education classroom 80% or more of the time.

o **Moderate-level severity**: Students should be funded at an additional funding weight of 1.15 of the base per-pupil cost.
  - Students are in a regular education classroom 40% to 80% of the time.

o **Severe-level**: The State of Michigan should reimburse costs incurred at 100%.
  - Students are in the regular education classroom 20% or less of the time they are in school.

7. **How should we fund English Language Learners?**

- The WIDA language assessment tool should be used to determine a student’s proficiency in language.

  o **WIDA levels 1 and 2**: Students should be funded at an additional 0.7 (70%) of the base per-pupil cost.

  o **WIDA levels 3 and 4**: Students should be funded at an additional 0.5 (50%) of the base per-pupil cost.

  o **WIDA 5 and 6**: Students should be funded at an additional 0.35 (35%) of the base per-pupil cost.
If a student is eligible for ELL and is in poverty, Only the ELL weight should be applied.

8. How do we address student poverty?

- Poverty students should be funded at an additional 0.35 (35%) of the base per-pupil cost.
- More study is needed to determine the impact of literate and illiterate poverty and concentrations of poverty across Michigan.

9. How should we fund Career and Technical Education?

- In addition to the base cost, an additional 10% of the base cost per CTE enrolled student should be applied for the increased cost of equipment, supplies and other costs.

10. What about students in smaller districts and remote areas?

- Additional student funding for certain school district characteristics should be added because district expenses operate on economies of scale.
- Isolated school districts should receive an additional .04 (4%) of the base per-pupil cost.
• The state definition of an isolated district should be amended to include **all areas of the state**, not just the U.P.

  o Because Michigan’s school district sizes vary widely and small districts lack economies of scale, **district size** must be taken into account, with funding increases provided for all districts under 7,500 students.

  o There are 196 school districts with less than 1,000 students, and 210 school districts with enrollment between 1,000 and 3,000 students.

  o Smaller districts with fewer students incur greater charges per student as a result.

  o The study examines how cost differentials can be applied to account for this effect on public school districts.

11. **What did the research say about pre-K for 3- and 4-year-old children?**

• The base cost for preschool is **$14,155** with no additional funding weights.

• More intense resources are needed due to low teacher-to-student ratios.

• Significant returns on investment for preschool require high-quality pre-K programs.
• To best educate our youngest students, Michigan should make preschool for all students a goal.

12. **What did the research say about student transportation?**

• A per-rider (not per student) amount of $973 should be allocated above the base per-pupil cost.

• An additional study is needed that designs a more specific transportation-cost formula.

13. **What did the research say about school personnel wages?**

• The study recommends using a Comparable Wage Index (CWI) for Cost of Living (COL) differences due to geographical location.

14. **What was not studied by the researchers?**

• Alternative education, adult education and cyberschools
15. **What was recommended by the researchers for additional study?**

- **Capital costs:** The researchers recommend the state conduct a full capital study that examines the costs faced by districts and charter schools.

- **Transportation:** The researchers recommend additional study for the transportation needs of all districts.
  - This study should include the needs of isolated districts, and determine if a separate funding source is needed.

- **Poverty:** The researchers recommend additional study for “high-needs poverty” and possible additional funding to serve those students. These include students who are from illiterate families, have been abused and/or neglected or are homeless, and students who have been affected by parental loss due to death, divorce, incarceration or military service. See the footnote on the first page of Chapter 2 of the study report.

16. **Who did the research?**

- This study was conducted by Augenblick, Palaich and Associates and Picus Odden & Associates, the nation’s top two school finance research firms.
The research team has over 100 years of combined experience.

- APA has conducted this type of research in all 50 states.

17. How was the research done?

- The study used the Evidence Based (EB) and Professional Judgment (PJ) approaches to determine the true cost of student achievement in Michigan.

- The PJ approach gathers leading educators to identify human resources and operating expenses needed to meet student achievement standards.

- The EB approach uses academic research on student performance to identify needed resources for schools to meet state standards.

- Nearly 300 Michigan educators informed the study.

  - They served on panels focused on all grade levels, preschool, special education, English Language Learners, poverty and Career and Technical Education.

- The study included a first-of-its kind panel on charter schools, and also examined districts of varying sizes and geographically isolated districts.
The report incorporated findings of Michigan’s 2016 school funding report, which called for increasing base per-pupil funding and additional funding for at-risk students and English Language Learners.

The state’s report used the Successful School District (SSD) approach, which assumes the base cost spent by districts found to be meeting standards could be used for all districts.

18. Why was this study needed?

- Michigan lacked a comprehensive school funding study and policymakers need a clear roadmap to make decisions about school funding in Michigan.

- In 2016, Michigan ranked 24th in per-pupil K–12 spending, and the state 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.

- This report represents the most comprehensive school adequacy study in Michigan in at least 50 years.

- The report creates a new roadmap for best practices, student achievement and preparing all students for the future.

- Michigan now joins more than 30 states that have conducted comprehensive adequacy studies over the past 15 years as the first step toward improving student achievement for all students.
19. **Who supports this study?**

- All 56 Michigan Intermediate School Districts have passed resolutions of support, contributed financially to the project or both.

- There is growing support across Michigan for a new school funding approach that improves student achievement and helps prepare all students for college and careers.
  - This includes widespread support in the business community, which views a high-quality pre-K-12 education as critical to Michigan’s ongoing economic comeback.

20. **What does this study say about the cost of pre-K-12 in Michigan?**

- The answer is not yet known.

- Additional work is needed to analyze the numbers and any additional funding beyond the base per-pupil cost.

- The only purpose of this study was to determine the true cost of educating all students to Michigan’s State Standards.
21. What are the next steps?

- This first-of-its-kind study will be provided to Michigan policymakers.
  - It is now up to our leaders in the Legislature to take action on these recommendations.

- The School Finance Research Collaborative will make numerous presentations on the report across Michigan.

- To view the report and stay up to date on the Collaborative’s work, visit fundmischools.org.
How You Can Help

- Follow School Finance Research Collaborative on Facebook and Twitter.
- Pass a resolution of support at a board meeting and post the adopted resolution on district website.
- Post the School Finance Research Collaborative logo on linking to www.fundmischools.org on district website.
- Post and share the study results video https://tinyurl.com/fundmischoolsvideo on district website.
- Send press inquiries to Byrum & Fisk (517) 333-1606.
- Share articles and press releases featuring the School Finance Research Collaborative using #fundmischools.
- Share the one page fact sheet and core messages.
- Talk with legislators:…

  Ask them if they have read the research based report on what it costs to fund educational achievement for ALL Michigan students PK-12. If not…why not? Shouldn’t we have a school finance system which is based on meeting the needs of every student so ALL can achieve state standards no matter their circumstances? The comprehensive research and results in the study provides legislators with the building blocks for school finance reform.
- Visit the website www.fundmischools.org regularly to stay updated.