# Michigan School Finance at the Crossroads

A Quarter Century of State Control

# David Arsen, Tanner Delpier, and Jesse Nagel

Twenty-five years ago, the passage of Proposal A shifted control of funding for Michigan's public schools from local districts to the state. This report provides an accessible primer on how Michigan schools are funded. It then analyzes trends in funding over the last quarter century, compares Michigan's policies to those of other states, identifies a series of key school finance problems, and advances a comprehensive set of policy recommendations.

Compared to other states, Michigan is bottom of the pack



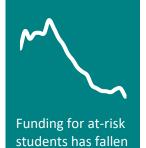
Michigan's education policies are at a Crossroads

Michigan's schools need a coherent

and supportive policy framework as a foundation for student learning

50th

50<sup>th</sup> out of the 50 states in school funding growth since 1995 Real funding continued to fall due to declining tax effort even after the end of the Great Recession



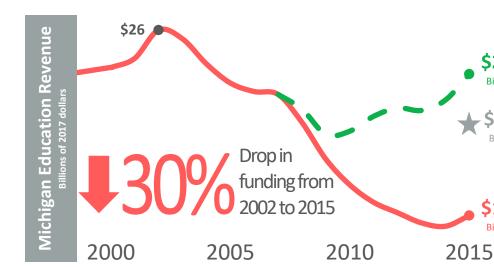
by 60% per-pupil

The state underfunds special education forcing districts to redirect \$500 per general education student to make up the difference

\$24



Facilities funding is unfair for both students and tax payers



#### **Possible Revenue**

Revenue if Michigan maintained constant 2007 level tax effort

## Adequate Revenue

Revenue necessary to meet the adequacy study's recommendations

## Actual Revenue

The actual revenue generated for education from 2000 to 2015

Getting back on the road to **SUCCESS** 

Michigan's experience shows what happens when schools are overburdened and underfunded

Effective
accountability and
choice policies
require adequate
funding

Michigan should follow the guidance of the landmark 2018 Adequacy study and Crossroads report Adequate, equitable and efficient school funding is an essential first step to improving student learning and is well within reach

https://education.msu.edu/ed-policy-phd/forum/