

School Equity Caucus

Senate Appropriations K12, School Aid & Education Sub Committee

Testimony, Re: Proposal A, School Funding and Equity

March 13, 2013

Chairman Walker and Members of the Committee

Thank you for providing time for me to address you today.

My name is Jerry Peregord, Executive Director of the School Equity Caucus.

The Equity Caucus was formed in 1987 by public school superintendents who wanted to participate in the school funding debate going on at the time and during every budget cycle since. The Equity Caucus today represents about 200 Michigan public school districts nearly all of which are funded below the Foundation Base.

I am pleased that this Committee will take up the issue of school equity. My organization stands ready to help your efforts in whatever way possible.

As you know, Proposal A of 1994 had as one of its primary tenants the closing of the school funding gap that existed prior to the Proposal A formula. In the early years immediately after the Proposal gained voter approval, the funding gap was narrowed and eventually eliminated. In 2007 the Base was "re-set" and the funding gap re-emerged. Today, a significant funding gap remains.

Only since the advent of the 2X plan in 2008 was the new gap again narrowed. Today, however, the gap between the Base Foundation level and Minimum Foundation level remains at about \$1,053 per pupil ($\$8,019 - \$6,966 = \$1,053$).

I ask that this Committee consider several things relative to school funding and equity.

First: The 2X funding plan and rebasing the Minimum Foundation works very well helping to close the school funding gap. The \$120 per pupil increase for the Minimum Foundation districts this year was a significant help. Unfortunately, though, Base increases or 2X are not always included in school funding budgets. The Equity Caucus feels that a Base increase and 2X should be included every year until the school funding gap is negligible.

Second: When school funding increases or funding cuts are flat across the board, low funded districts are negatively impacted. The Equity Caucus would like to see every increase and every necessary decrease be based on the 2X plan. 2X going up helps close the equity gap. 1/2X going down helps maintain the narrowing of the gap that has already been accomplished and is a fairer decrease for the lowest funded districts.

Third: School Aid Fund transfers, tax expenditures, and tax eliminations and adjustments negatively affect school funding.

For the current year, programs formally funded from the General Fund and Program Transfers from other departments now paid for from the School Aid Fund amounts to \$650,911,700. In the Governor's 2013-14 proposal the amount from the SAF grows to \$652,017,500.

Finally: Every school funding bill, every piece of legislation that affects schools, and every state and federal rule and procedure for schools bears an equity burden. When all schools must follow the same procedures, provide the same educational experience, and are held to the same standards and expectations Those that have the lesser resources are at a significant disadvantage.

As one Senator said to me a couple of weeks ago, *"The imposition of equal student achievement expectations while providing schools unequal resources is not a rational or reasonable plan for success. It needs to be corrected soon."*

I hope this hearing today will be only the beginning of further conversations on the subject of school funding and equity.

Thank you.

Gerald Peregord

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