

School Equity Caucus Membership Talking Points

Thank you for interacting with your legislator on these crucial issues! Below are some suggestions for use during your conversations. Feel free to add your own personal spin on these issues from your own context to make these feel even more “real” to your legislator.

At the conclusion of the conversation, please ask your legislator if they would like a contact from our staff to provide additional information. If they do, please send along the legislator’s name (and/or their key staff person) along with the specific area of information needed to: schoolequitycaucus@gmail.com.

Please contact Dirk Weeldreyer, Executive Director, at (269) 806-6159 with questions, ideas, needed additional information, etc.

The Context

- Every Michigan public school district has identical student achievement expectations and requirements, and is required to operate in a highly competitive environment to attract and keep students. Yet districts have significantly different resources with which to compete and achieve those expectations.
- It is a moral imperative that every student in Michigan, regardless of zip code, be given equitable educational opportunities. We must eliminate, as soon as possible, the significant inequities and inadequacies present in our current school funding system.

Our Goals

Equitable Funding

- Approximately 75% of districts in the state are funded at the Minimum Foundation Allowance level (currently at \$7871 per student).
- *(**For use if your district is at the Minimum Foundation level of \$7871; adjust as necessary if your district’s foundation allowance is higher.**) Even with the increases this year, our district is still \$538 below districts at the Basic (Hold Harmless) funding level. For our district, that equates to \$_____ (multiply \$538 X your number of student FTE’s). That additional revenue would enable us to... (discuss areas that could be restored/improved, etc. with the additional funding.)*

- (***Again, for use if your district is at the Minimum Foundation level of \$7871; adjust as appropriate if your district's foundation allowance is higher.***) Our district is more than \$4000 per student behind the amount allotted to Bloomfield Hills every year (The actual amount is \$4373 behind...\$7871 compared to \$12,244).
- I'm not in favor of reducing Bloomfield Hills or any of the districts receiving more, but I question why students in those districts are worth more than our students. This is an issue of fairness and equity!
- There are also significant equity issues for many other funding areas, some of which are based on property value. These include (*use as applicable*):
 - Special Education costs, which vary according to which ISD our district belongs to
 - Career and Tech Education opportunities, again varying based on the ISD our district belongs to
 - Our facility construction/bonding ability is based on our property value. Compared to our neighbors, we have _____ (a more difficult?) time raising needed funds (or our district residents must support a much higher millage rate to raise the same amount of funding) because of the lack of property value in our district.
- Our district also has very high costs associated with transporting our students, something not shared by all districts in the state. (*Provide detail of your district's average per pupil transportation cost.*)
- Another issue area where important differences exist between districts is with regard to access for students to equitable dual enrollment opportunities. These opportunities vary widely depending on where students live, and the costs passed on to local school districts by community colleges vary greatly. The concept of "districting" community colleges should be removed as it applies to dual enrollment.
- Starvation-level school funding has led some ISD's in desperation to seek enhancement millages from their residents over the last few years. These millages are being utilized as an alternative funding source, and are recreating the pre-Proposal A condition of "haves" and "have nots". Areas of the state with higher property values and/or that are more affluent are gaining more revenue, in some areas equating to more than \$600 per student. This is yet another issue of equity! Why should those students have more or better funding than students in my area?

Adequate Funding

- Schools have become desperate for additional funding. Even with the increase provided last year due to the strong economy, new revenues barely kept pace with increased costs. In fact, according to an August 2017 House Fiscal Agency report, inflation-adjusted School Aid Fund revenue was 10.6% less in 2017-18 than it was in 1999-2000.

- The ongoing issues with long-term MPERS liabilities have resulted in more than \$1.25 billion (for 2018-19) being allocated from the School Aid Fund for the purpose of buying down retirement rates to the statutory level required. The explosion of these costs have diverted more dollars from the classroom every year.
- The School Finance Research Collaborative brought in two of the nation's leading research firms to conduct a study of school funding in Michigan. The study concluded that the per pupil funding necessary to meet the requirements of Michigan's curriculum was \$9590 per student, with additional per pupil amounts for students receiving services in special education, at risk, English language learner programs, and career/tech education.

Additionally, the base figure did not include retirement costs beyond 4.6% of payroll. The study also recommended additional per pupil allocations at cost for transportation, and recommended an additional study to examine infrastructure needs and costs.

- These figures clearly demonstrate the dire state of school funding in Michigan – a situation that must be addressed immediately. This adequacy study should be used as part of an in-depth revision of the school funding structure in our state.

Protecting the School Aid Fund

- At the same time districts have been receiving grossly inadequate allocations, higher and higher levels of School Aid Fund dollars have been diverted to cover expenses that were previously part of the General Fund. For instance, more than \$900 million are being used to support community colleges and universities this year. If those dollars had remained dedicated to K-12 schools, it would have meant more than \$600 more for every student in the state.
- After Proposal A was implemented by the voters of Michigan, net General Fund support of education was well in excess of \$600 million. Today the flow of dollars has reversed, with the School Aid Fund now supporting a net of more than \$800 million in expenditures originally covered by the General Fund. Voters in the state did not intend for this type of raiding of the dollars intended for K-12 education when they approved Proposal A.
- New legislative proposals to further cut taxes are unconscionable given the current state of revenues in Michigan. Proposal A was approved by voters with the specific intent that a set percentage of sales tax revenues were to be dedicated for the School Aid Fund. Current proposals being floated to divert internet sales tax revenue fly in the face of this dedicated percentage.
- Additionally, a proposal being touted by Speaker of the House-Elect Chatfield to eliminate the sales tax on gasoline has been estimated that, if enacted, would result in another cut to school revenues of \$725 million (nearly \$475 per pupil). Fixing our roads is important,

but cannot be done on the backs of our students. The voters spoke about the importance of school funding when Proposal A was enacted.

Background Information on the School Equity Caucus

1. The School Equity Caucus was formed in 1987 by Michigan public school superintendents who were frustrated with the inadequacy and inequity of school funding and educational opportunities for their students. Today the Caucus includes approximately 200 member districts, most of which are funded below the Basic Foundation level.
2. The Caucus believes that every school funding proposal, every legislative initiative, and every state and federal rule and procedure affects lesser-funded schools – especially those below the Basic Foundation level – more profoundly than they do higher-funded districts.
3. The Caucus is the only statewide education organization that advocates with legislators, the governor’s office, MDE, and other school associations almost exclusively based on the unique circumstances and needs of low-funded districts and the consequences of resource inequity.
4. The Caucus played a key role in the development, implementation, and ongoing utilization of the 2X Foundation equity formula used to help close the equity gap. The organization is recognized with providing the impetus for continuing to close the Foundation gap between the Minimum and Basic levels.