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Article 1

## **Whitmer Calls For End To K-12 Funding Gap**

The nearly 30-year effort to equalize per pupil funding in K-12 education would finally reach the finish line under **Governor Gretchen Whitmer's** proposal Thursday to use unanticipated revenue growth to boost per pupil funding overall by 4 percent and spend another \$262 million to bring the lower-funded districts up to the same funding level as the higher ones.

The maximum foundation allowance that some districts receive is \$8,529 per pupil in the current fiscal year with the minimum \$8,111, a difference of \$418. That is down from a gap of \$2,300 in the 1994-95 fiscal year.

Under Ms. Whitmer's proposal, \$402 million would be spent to raise the lower-funded districts by \$326 per pupil and the higher-funded districts by half of that, \$163 per pupil. That would bring the lower-funded districts to \$8,437 per pupil and the higher ones to \$8,692. Then another \$262 million would be allocated to the lower-funded districts, or another \$255 per pupil for those districts to bring everyone to \$8,692.

"This is almost 30 years in the making to get to this point," Ms. Whitmer said during a news conference in Bay City. "Thanks to this surplus we now have the ability to close this gap once and for all."

The per pupil increases more than triple the increase Ms. Whitmer recommended for per pupil funding in her 2021-22 fiscal year budget recommendation in February.

The approximately 40 hold harmless districts that are already above the maximum foundation grant as a result of local property tax millages in place prior to Proposal A would still remain at higher funding levels. These are the wealthiest areas in the state who had their high funding levels preserved by Proposal A though that has meant smaller per pupil funding increases than other districts for many years. These are districts that currently get as much as \$12,000 per pupil.

Ms. Whitmer outlined her proposals on how to spend the \$1.74 billion in unanticipated revenues to the School Aid Fund identified at Friday's Consensus Revenue Estimating Conference. The administration also declared Thursday there is an additional ongoing balance in the fund of \$927.3 million.

The governor, speaking at a high school in Bay City, also outlined what she calls weighted foundation payments, additional money to districts based on the number of at-risk students, special education students, English language learners, career and technical education students and students in small, rural and isolated districts they have.

Ms. Whitmer proposed a 4 percent increase for at-risk students, up from her original 2 percent recommendation. She also proposed doubling the special education increase from 2 percent to 4 percent and the same for students in small, rural and isolated districts as well as intermediate school districts. There would be a 4 percent increase for English language learners and career and technical education spending would go from \$35 per pupil to \$140 per pupil.

The governor's proposal also boosts the increase to help districts that have seen enrollment declines amid the COVID-19 pandemic. Instead of \$200 million to pay districts for 70 percent of their lost pupils between the 2020-21 and 2021-22 fiscal years, now there also would be \$150 million set aside for the 2022-23 fiscal year as well.

Ms. Whitmer also proposed significant new spending to increase resources available to students:

- \$450 million over three years for districts to hire more school psychologists, social workers, counselors and nurses in their buildings. Year one costs would be supported wholly by the state with districts sharing costs in years two and three and districts covering the full cost in year four.
- \$50 million in one-time funding to subsidize the cost of college credit and pay for student loan debt to address the shortage in the availability of school psychologists, social workers, counselors and nurses with incentives to work in high-need districts.
- Boosting funding for literacy coaches from \$31.5 million to \$41.5 million, raising the number of funded coaches from 280 to 369.
- A \$50 million increase in ongoing funding for mental health programs to be distributed through the existing formula, nearly doubling the \$55.6 million now spent.

There would be a one-time \$500 million pot of money set aside to offset school district capital improvement costs. Details on how this would work were not yet available.

There would be \$35 million in one-time funds to forgive the debt for the closed Inkster schools and \$17.6 million in ongoing funds for intermediate school districts and community colleges to offset Michigan Public School Employees Retirement System costs, \$12 million for ISDs and \$5.6 million for community colleges.

Ms. Whitmer also outlined how she would spend the discretionary K-12 funds the state is received from the American Rescue Plan Act:

- Doubling funding for state-funded career and technical education, vocational education and skilled trades by adding \$50 million;
- Making payments to districts for the full cost of dual enrollment options by adding \$55 million;
- Expanding advanced placement and international baccalaureate programs by adding \$10 million;
- Increasing funding for guidance and career counselors by adding \$100 million;
- Making available \$50 million to support year-round school efforts;
- Subsidizing the cost of college credit in teacher preparation programs with \$50 million; and
- Reimbursing teachers for student debt if they work in high-need districts or subject areas (\$50 million).

One pitfall of all the new funding for psychologists, counselors and nurses is whether there are enough available professionals to fill those positions. Ms. Whitmer, speaking to reporters in Bay City, acknowledged it

would take some time to get people in the pipeline to fill those jobs but thought there could be meaningful action by the fall.

Democrats and education groups praised Ms. Whitmer's proposal.

**Sen. Dayna Polehanki** (D-Livonia), minority vice chair of the **Senate Education and Career Readiness Committee**, said on Twitter that the governor's proposal reflects the priorities of schools across the state as they emerge from the coronavirus pandemic.

"I applaud @GovWhitmer for crafting a bold plan to utilize the unexpected surplus in the School Aid Fund to support our schools and to eliminate the funding gap that has existed between schools for years." Ms. Polehanki said.

**Sen. Rosemary Bayer** (D-Beverly Hills) said in a statement that for years, the state has "left much to be desired," when it came to equitable school funding.

"It should not matter whether a family lives in Pontiac or Petoskey, or Clarkston or Calumet when it comes to giving every child a fair shot at academic success," Ms. Bayer said. "As someone who has prioritized this issue since first arriving in the Senate, I am thrilled to see the opportunity exist for such unparalleled investments and look forward to providing my full support."

**Sen. Wayne Schmidt** (R-Traverse City), chair of the **Senate Appropriations K-12 and Michigan Department of Education Subcommittee**, said he only caught wind of the announcement shortly before the governor delivered her proposal.

"Once again, I have said it before, it's governing by press conference," Mr. Schmidt said. "It's present, not converse."

He said it was disappointing to not be involved in such conversations, noting that since he was elected to the Legislature a goal for him has been to work toward eliminating the funding gap for K-12 schools.

Mr. Schmidt said his focus is the beginning of work with his counterparts on the education subcommittee and produce a strong policy and student-oriented budget, adding that "June is going to be a long month," ahead of the July 1 budget deadline.

**House Appropriations Committee Chair Rep. Thomas Albert** (R-Lowell) in a statement did not touch on the specifics of Ms. Whitmer's plan but stressed the K-12 budget should prioritize in-person schooling and pension debt.

"Support for our kids should always be a shared top priority – and it is particularly important after the challenges of the past 15 months. My primary focus is on helping students catch up on learning lost during the COVID-19 pandemic and making sure that in-person instruction is prioritized moving forward," he said. "Most kids learn better in the classroom, and the school setting is also critically important to their social and emotional growth. I hope the governor shares that priority. The House budget prioritizes mental health, special education and continuing to close the funding gap between districts. I am encouraged to see the governor recognize these

priorities and build upon them. However, as we move forward, I hope the governor will recognize structural concerns to school finance in regard to pension costs."

AFT Michigan President David Hecker and Michigan Education Association President Paula Herbart both praised the proposal in separate statements.

Ms. Herbart called the current funding available a "massive opportunity to address decades of underfunding in our schools, and we cannot squander it."

Mr. Hecker said Ms. Whitmer's proposal shows she is a strong advocate for students and teachers.

"Students and educators deserve a budget that reflects their needs and provides schools across the state with the resources needed to set them up for success," he said. "We applaud Gov. Whitmer's leadership and are grateful for her commitment to making decisions based on evidence and the lived experiences of educators and students. The changes she's proposing are long overdue, and we urge the legislature to strongly consider the governor's recommendations to benefit our students and teachers."

Matt Gillard, president and CEO of Michigan's Children, said the group enthusiastically supports the governor's funding strategy.

"Michigan's K-12 students come from various backgrounds – half are economically disadvantaged – and tens of thousands are experiencing homelessness, foster care, or a diagnosed disability. A weighted formula allows for additional funding to pay for these costly and specialized education needs," Mr. Gillard said in a statement. "Likewise, we applaud the governor for doubling the funding for Early On, a state program that addresses developmental delays in Michigan's infants and toddlers, by offering critical evaluation and services to mitigate future learning issues. This sizable investment will dramatically help reduce disparities in early special education outcomes, helping put more young children on the road to success in school and later, work and life."