

Report: Fund charter schools equally, boost funding for all Michigan schools

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Michigan's charter schools should receive the same amount of funding as traditional public schools and the state must invest more overall in its schools, according to a report released Wednesday that examines school funding in the state.

It's among the key recommendations made in the report released by the Michigan School Finance Research Collaborative, which launched an effort more than a year ago to determine how much money Michigan schools need to meet state standards.

The overall goal of the research was to determine what school should look like for all students, said Randy Liepa, superintendent of the Wayne Regional Educational Service Agency, the intermediate school district for Wayne County.

"We've all recognized that the system which started in 1994 with a promise is now just stale, outdated and really needs to be corrected," Liepa said, referring to Proposal A, the current system for funding schools that was enacted that year.

"The study ... is the most comprehensive study of K-12 school funding in Michigan in at least 50 years," said Mike Addonizio, a Wayne State University professor and school finance expert.

Liepa and Addonizio are members of the research collaborative and spoke Wednesday during a news conference about the report's findings.

Charter schools currently receive a per-pupil funding amount that is similar to or less than the traditional public school districts in which they're located. The maximum they can receive is \$7,631 — an amount equal to the lowest-funded school districts in the state.

Per-pupil funding varies widely in the state. In metro Detroit, for instance, a number of districts receive the bottom amount and the two highest-funded districts — Birmingham Public Schools and Bloomfield Hills Schools — receive slightly more than \$12,000 per pupil.

The report outlines a number of recommendations and findings. Among them:

The researchers say the base funding amount for school districts should be \$9,590. That number can't be compared to current state school funding levels because it includes all sources of funding — local, state and federal. And, it doesn't include transportation, food service or capital costs.

The base cost would be the same for both charter schools and traditional schools.

Liepa said legislative fiscal agencies will have to sort out, and determine how what's being recommended compares with current state funding.

Additional funds are recommended for students who are more costly to educate: Special education students, high-poverty students, English language learners and students enrolled in career and technical education programs. A high-poverty student, for instance, would receive 35% more of that base amount — or about \$3,400.

The researchers recommend the state cover 100% of the cost of special education students with severe disabilities. Currently, the state only reimburses 28% of special education costs, regardless of the severity of the disability.

Transportation should be funded at \$973 per rider. However, the researchers said more study is needed into transportation costs. Transportation was separated from the base amount for good reason, Liepa said.

"Transportation in the Upper Peninsula looks a whole lot different than it does in Grosse Pointe," Liepa said.

The smallest school districts — those with fewer than 7,500 students — in the state should receive a funding boost.

The School Finance Research Collaborative is a group of business and education experts, including representatives of traditional public school districts, intermediate school districts, charter schools as well as school funding experts. It is bipartisan and includes people from across the state.

"We all agree that it's time to change the way we fund Michigan's schools," said Wanda Cook-Robinson, superintendent for Oakland Schools, Oakland County's intermediate school district.

Their next step: convincing lawmakers that the state needs to pump more resources into schools. The collaborative has already shared some of the findings with Republicans and Democrats in the House and Senate.

The group hired two firms known nationally for conducting school finance studies for a number of states: Augenblick, Palaich and Associates (APA) and Picus, Odden and Associates. The research was funded by the W.K. Kellogg Foundation, Charles Stewart Mott Foundation, Skillman Foundation and more than 22 Michigan intermediate school districts and nonprofit organizations across the state.

APA conducted an earlier study commissioned by the state and released in 2016. The state paid APA, a Denver-based research firm, \$399,000 to conduct a comprehensive analysis of school funding.

But there were some limitations in that earlier analysis. Their study, for instance, excluded charter schools, which get about \$1 billion annually in state funding. And they said the state needs a better system of tracking special education spending in order to provide an accurate analysis of spending in that area.

The study released Wednesday was built as a continuation of the earlier study.

The research company used two different approaches to studying school finance in Michigan. One is called the “evidence-based approach” and uses research to determine the resource needs of a typical school or district to ensure they can meet state standards.

The second approach, called the “professional judgment” approach, relies on the experience and expertise of educators in the state to identify the resources needed, according to the report.

Both approaches yielded a similar optimum base funding amount — the \$9,590 the researchers recommended was based on the professional judgement approach, while a base amount of \$10,136 was derived from the evidence-based approach.

A large part of the difference in the two numbers: The latter based its number on a 15-1 class size ratio in grades K-3, while the former used a class size ratio of 20-1.

Tonya Allen, president and CEO of the Skillman Foundation, said the report “tells us we can no longer try and change public policy and expect changes to happen in the classroom without giving the right financial supports to match those policies.”

She and others noted that Michigan’s academic status has declined.

“As a state we’re ranking in the bottom 10,” Allen said. “I would just tell you that’s not acceptable.”