Michigan School Finance at the Crossroads
A Quarter Century of State Control

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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 50th out of the 50 states in school funding growth since 1995

50th

- 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

- Real funding continued to fall due to declining tax effort even after the end of the Great Recession
- Funding for at-risk students has fallen by 60% per-pupil
- The state underfunds special education forcing districts to redirect $500 per general education student to make up the difference
- Facilities funding is unfair for both students and taxpayers

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Possible Revenue
Revenue if Michigan maintained constant 2007 level tax effort

- $24 Billion

Adequate Revenue
Revenue necessary to meet the adequacy study’s recommendations

- $22 Billion

Actual Revenue
The actual revenue generated for education from 2000 to 2015

- $18 Billion

Drop in funding from 2002 to 2015

30%

- Michigan’s schools need a coherent and supportive policy framework as a foundation for student learning
- 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

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

Effective accountability and choice policies require adequate funding

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Getting back on the road to success

$26

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