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.

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

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

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

50% Drop in funding from 2002 to 2015

Possible Revenue
Revenue if Michigan maintained constant 2007 level tax effort

$26 Billion

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

$24 Billion

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

$18 Billion

Getting back on the road to success

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

Effective accountability and choice policies require adequate funding

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

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