

Michigan: Equal Aid Cuts Follow Pattern of Ignoring Higher Needs in Poor Districts

By Mary McKillip and David Sciarra

Michigan schools have struggled with reductions in funding over the last decade. The State’s overall funding level is below the national average, earning a “C” on Education Law Center’s [Making the Grade 2019](#). Michigan school finance also follows a “flat” pattern, with all districts, from the poorest to the wealthiest, funded at almost the same levels. The state’s fiscal effort is also lagging at 4% of state GDP, earning a “C,” or about the national average.

In July, the Michigan Legislature approved a state aid cut of \$175 per pupil, totaling \$256 million. The cut was applied equally to all districts, from those with low poverty to those intensely segregated by poverty and race, such as Flint, Detroit and Benton Harbor.

At the same time, the Legislature approved \$512 million for K-12 public education from the total statewide allocation of \$ 3.9 billion from the Coronavirus Relief Fund (CRF), a separate funding stream for state budgets in the CARES Act. Lawmakers also decided to distribute these funds to districts equally (\$350 per pupil), ignoring the greater need for resources in the state’s high poverty, racially isolated districts, especially in terms of mitigating the impacts of COVID-19.

The CRF funds are in addition to the \$351 million in emergency relief funds allocated to Michigan districts through the Elementary and Secondary School Emergency Relief (ESSER) Fund under the CARES act. Congress expressly required these funds be allocated using the Title 1 formula, which provides more funding to the poorest districts.

Figure 1: Michigan State and Local Per Pupil, with Cut, and with Cut and CARES Funding Estimates

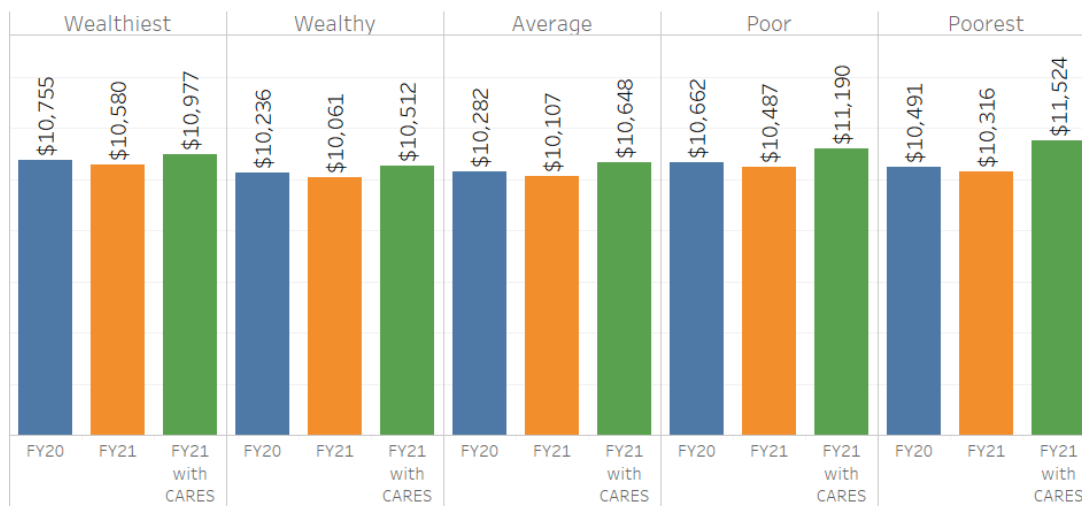


Figure 1 shows “flat” school funding in Michigan. In 2018-19, the state’s poorest districts were funded at \$10,491 per pupil, compared to \$10,755 per pupil in the wealthiest districts.¹ Figure 1 also shows the impact of the Legislature’s across-the-board \$175 per pupil cut in state school aid. This decrease has a greater impact on the poorest districts given their increased need for resources and inability to make up for cuts by raising local property taxes.

Figure 1 further shows the allocation of the CARES Act funds to districts. Districts will see a one-year increase in overall funding, with an average of \$10,977 per pupil in the wealthiest districts and \$11,524 in the poorest for 2020-21. The slight increase for the poorest districts is the result of ESSER funding distribution under the Title 1 formula.

District-level details are available for Michigan [here](#)

A bright spot in Michigan is that the Legislature did not tie cuts in state aid to equivalent amounts of federal emergency funds, as New York and Texas did. Yet, Michigan lawmakers missed a crucial opportunity to correct their longstanding failure to provide more funding to districts with the greatest student need. The cuts to state aid and the distribution of CRF federal funds treated all districts the same, following the pattern of flat school funding over the last two decades. The state continues to fail students in the poorest districts by not providing more funding to address the increased resource needs generated by entrenched patterns of school segregation by race and poverty across the state, a challenge greatly heightened by the pandemic.

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¹ Michigan’s funding estimates are based on 2018-19 district, state and local funding. Due to a lag in the public release of the data, this will not match actual FY20 and FY21 state and local funds.