

Michigan School Organization & Finance

State Board of Education

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National Assessment of Educational Progress (NAEP)

- Made state comparisons possible, since 1990
- Nationally representative samples of students, aged 9, 13, and 17
- High-quality assessments of broad domain of math skills
- Not high stakes, so scores not product of teaching to the test
- General indicator of performance

Figure 2. NAEP Composite Scale Score Gains by State, 2003–2011, Grades 4 and 8, Reading and Math, All Students

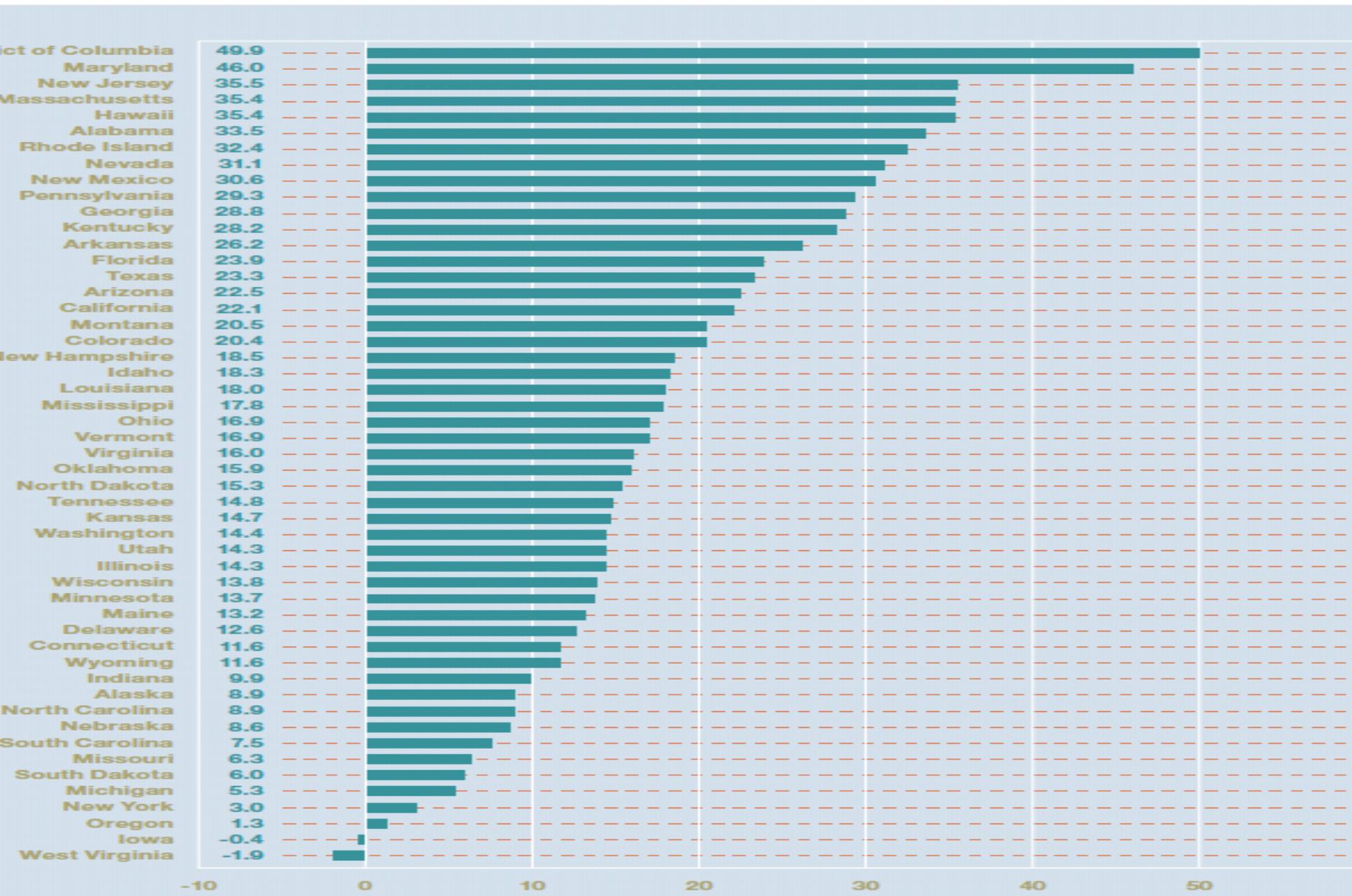


Figure 3. NAEP Composite Scale Score Gains by State, 2003–2011, Grades 4 and 8, Reading and Math, Free-and-Reduced-Priced-Lunch Eligible Students Only

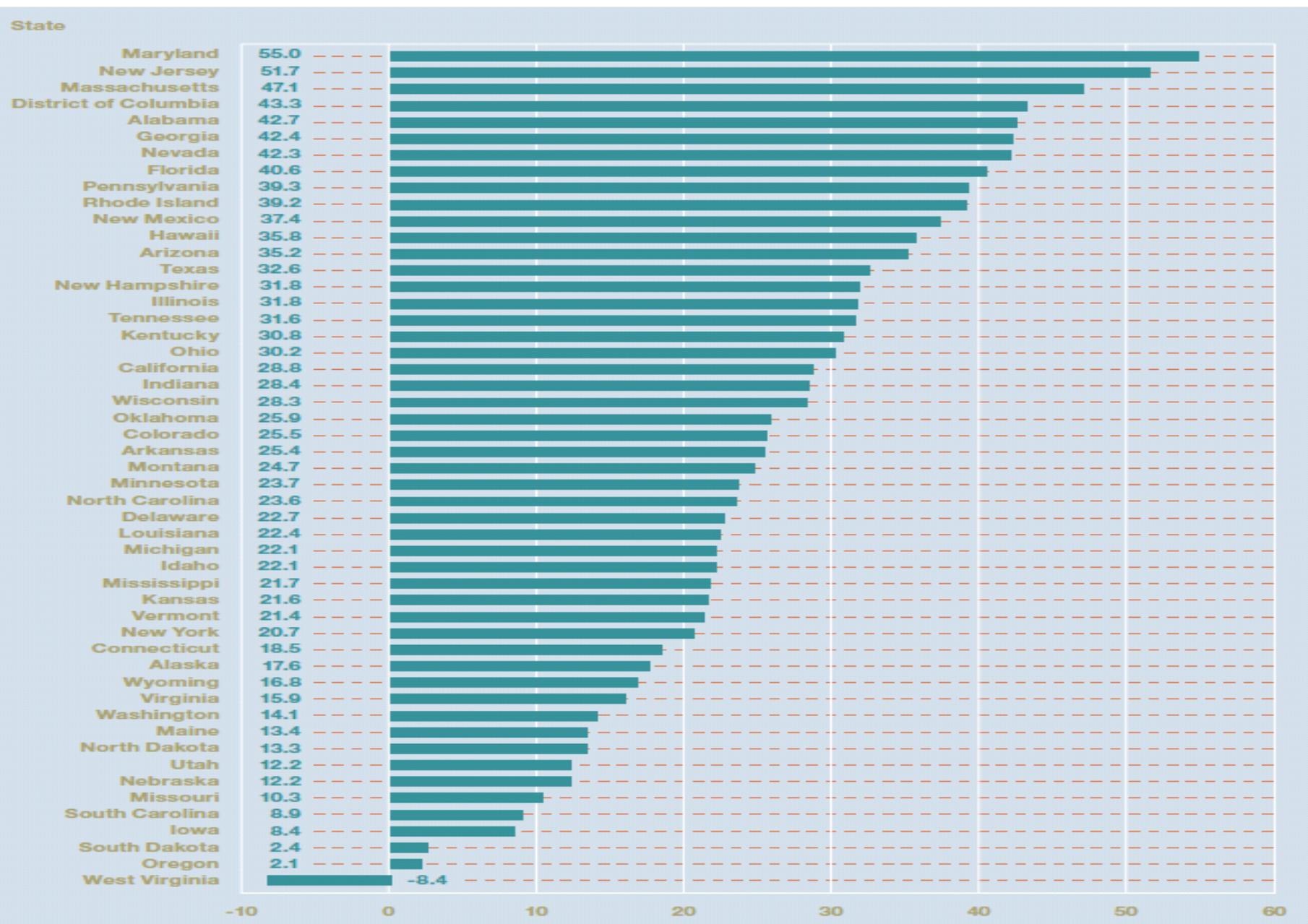
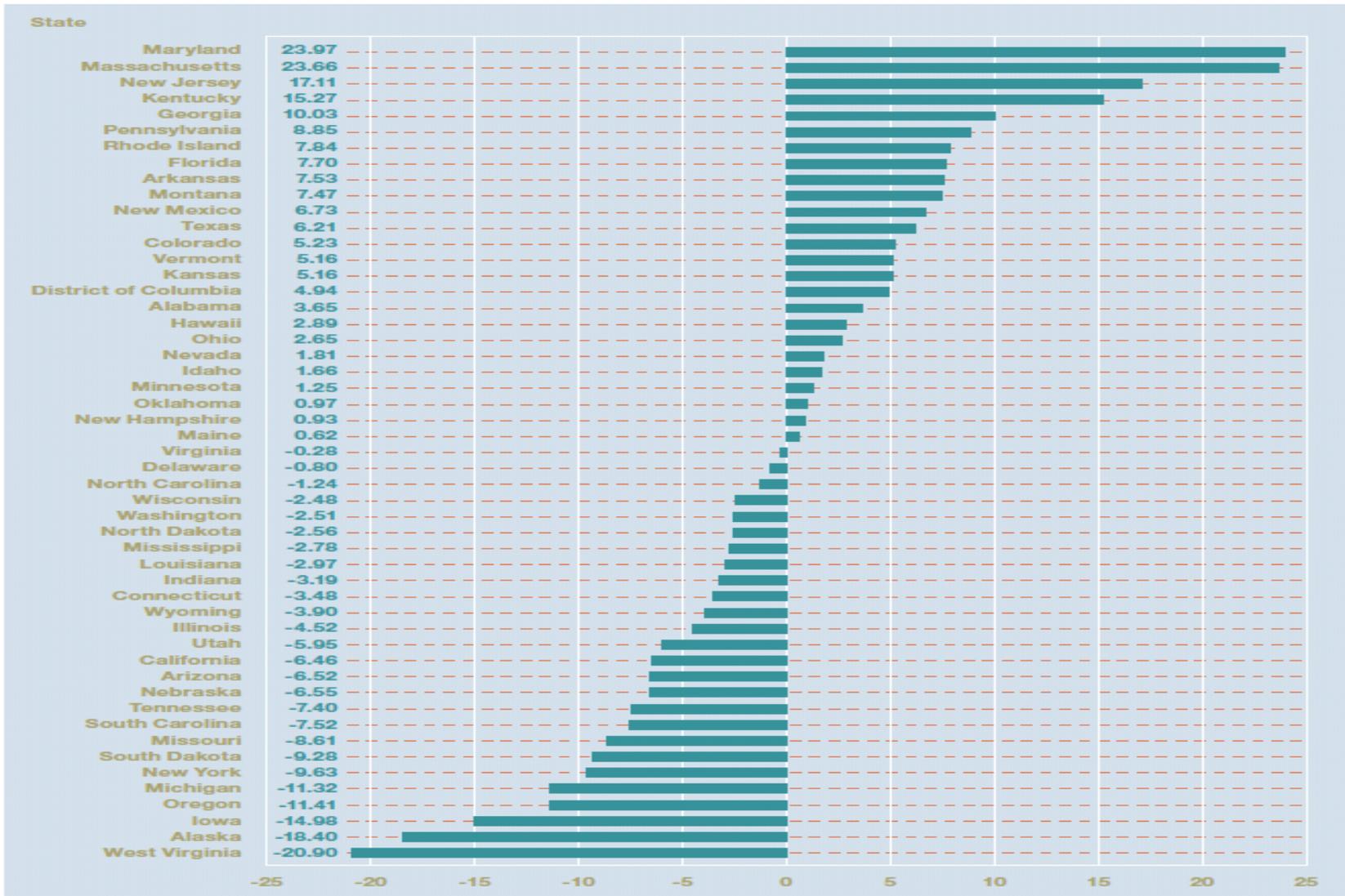
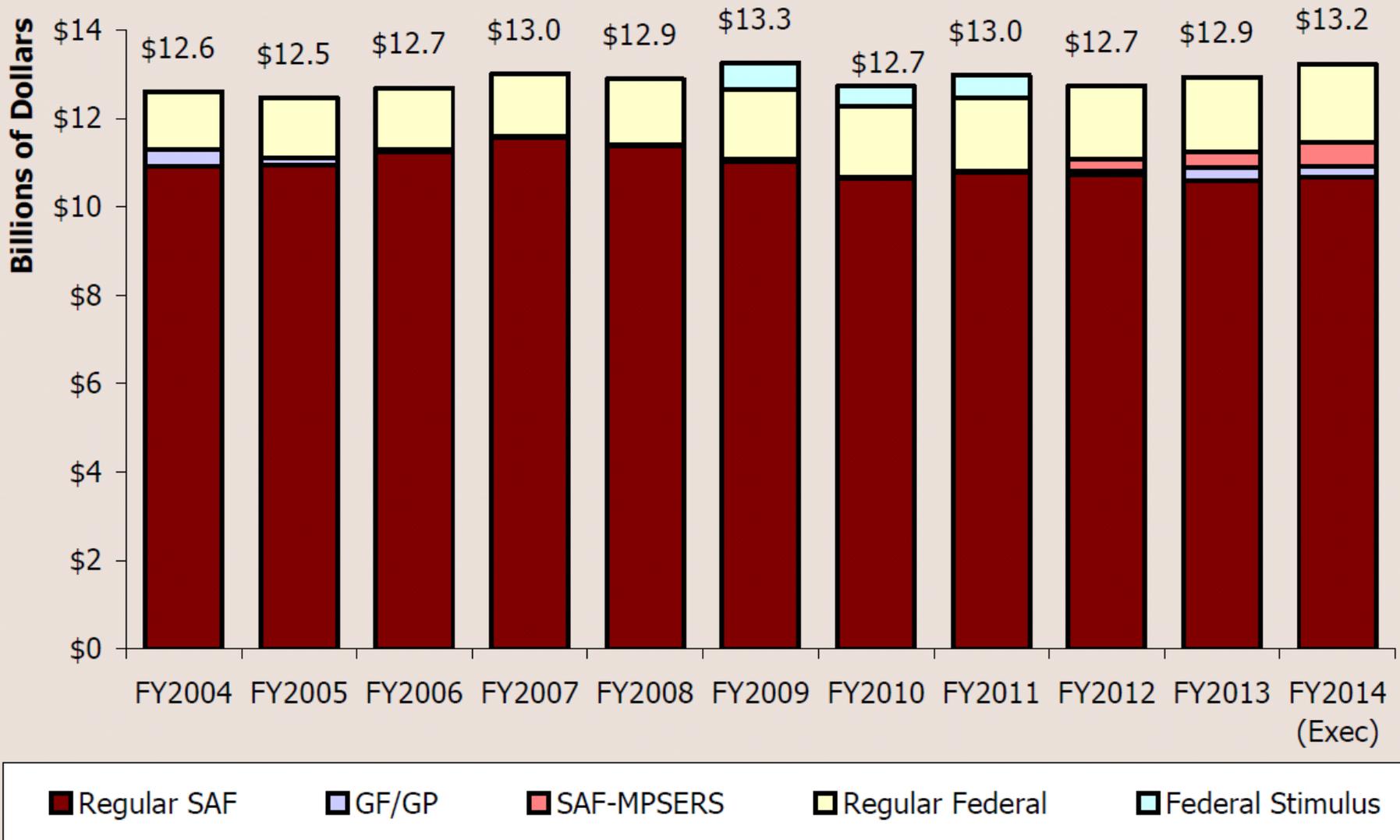


Figure 5. Deviations from Expected NAEP Composite Scale Score Gains, 2003-2011, Grades 4 and 8, Reading and Math, All Students, Controlling for Free-and-Reduced-Priced-Lunch Eligible

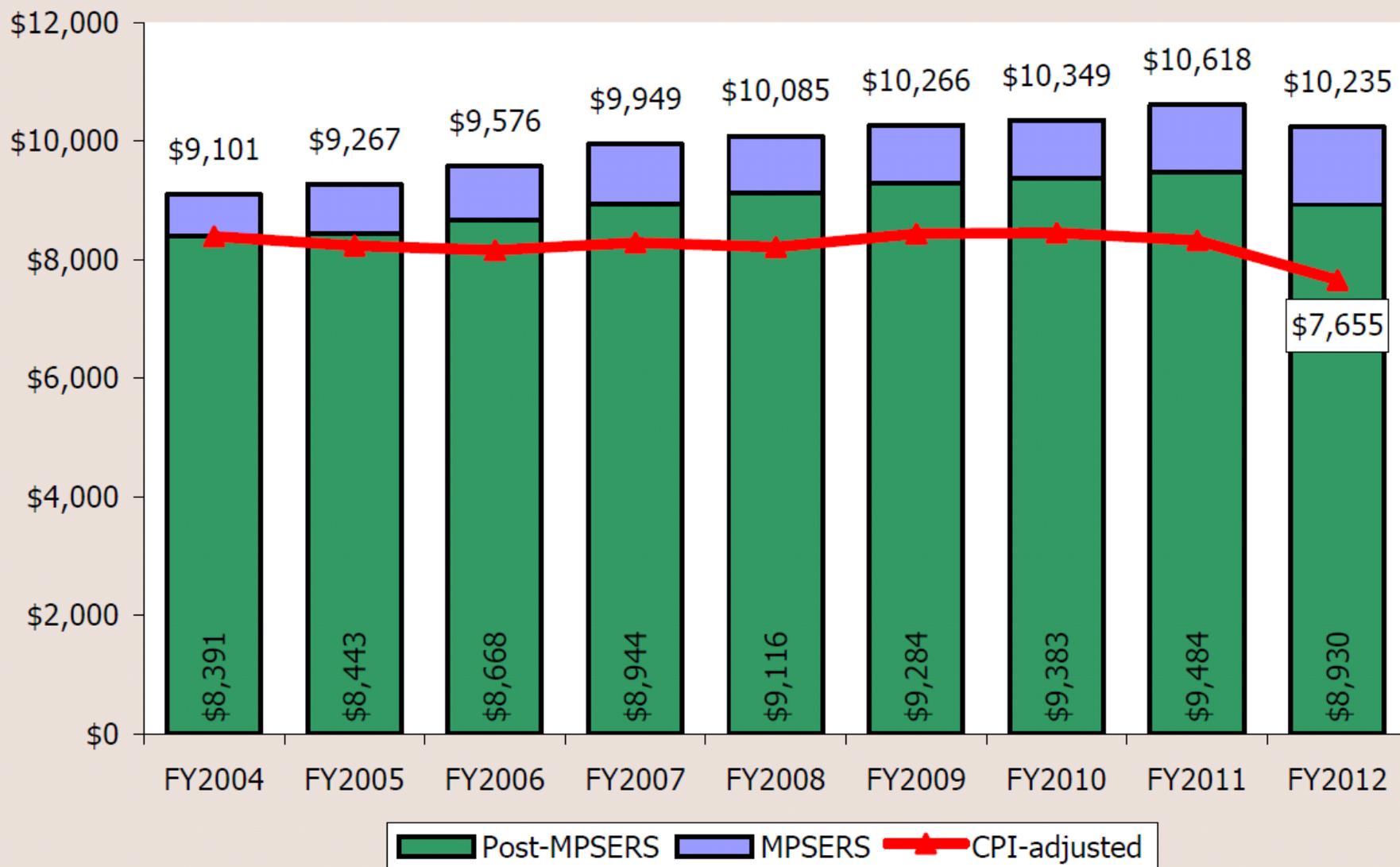


Appropriations for K-12 Education, FY2004-FY2012

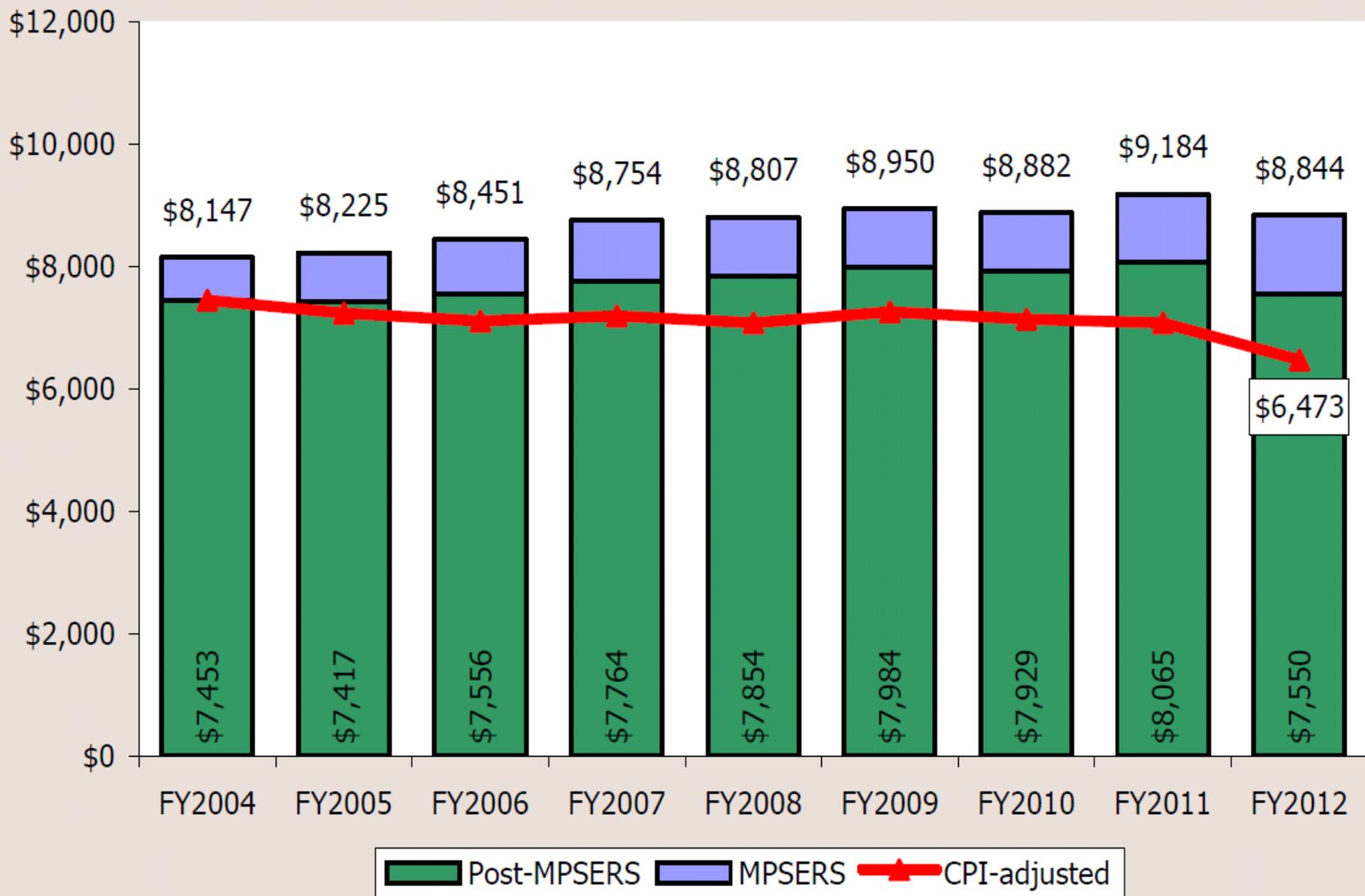


Source: Senate Fiscal Agency and House Fiscal Agency reports

Total Per-Pupil Revenues to Public Education: Impact of MPSERS Costs, FY2004-FY2012

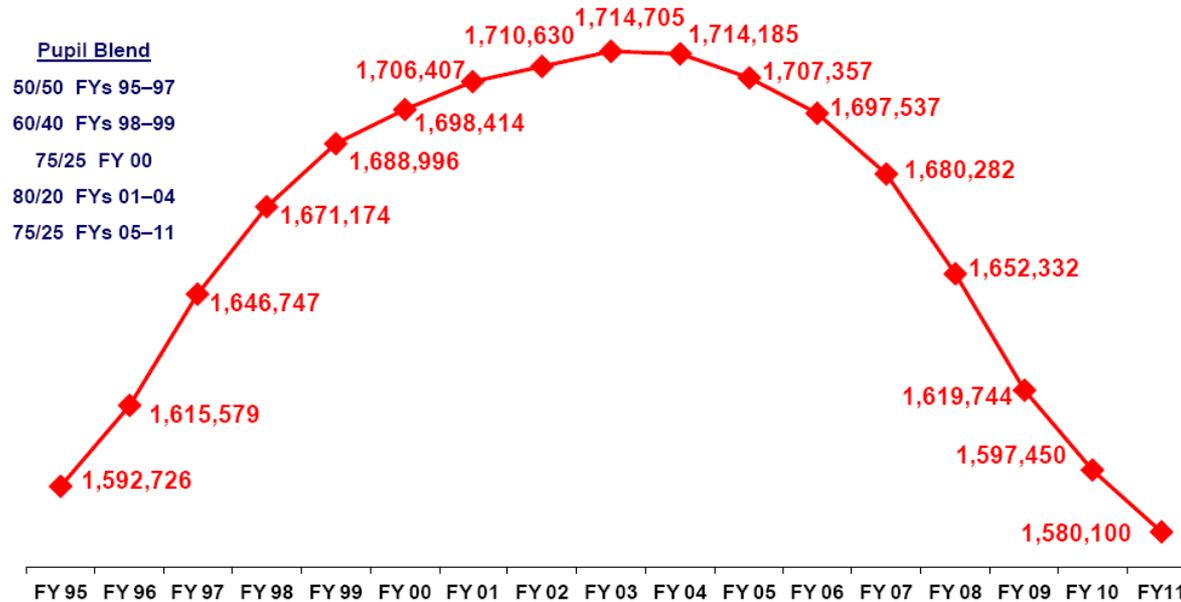


Total Per-Pupil Revenues to Traditional K-12 Districts: Impact of MPSERS Costs, FY2004-FY2012

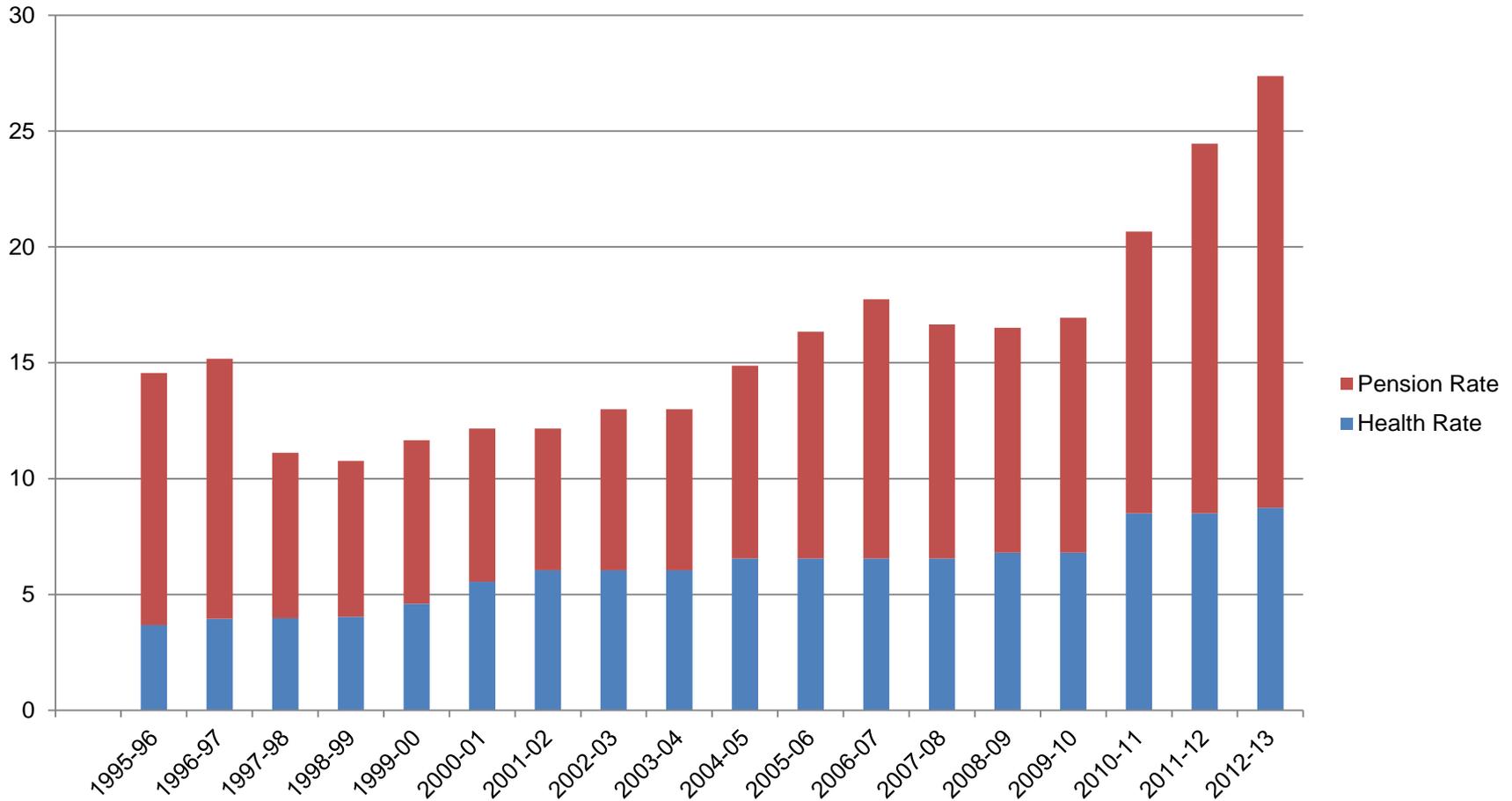


K-12 Membership History, updated

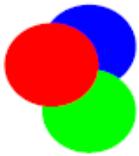
Issue: Declining Enrollment Total Pupil Membership Counts



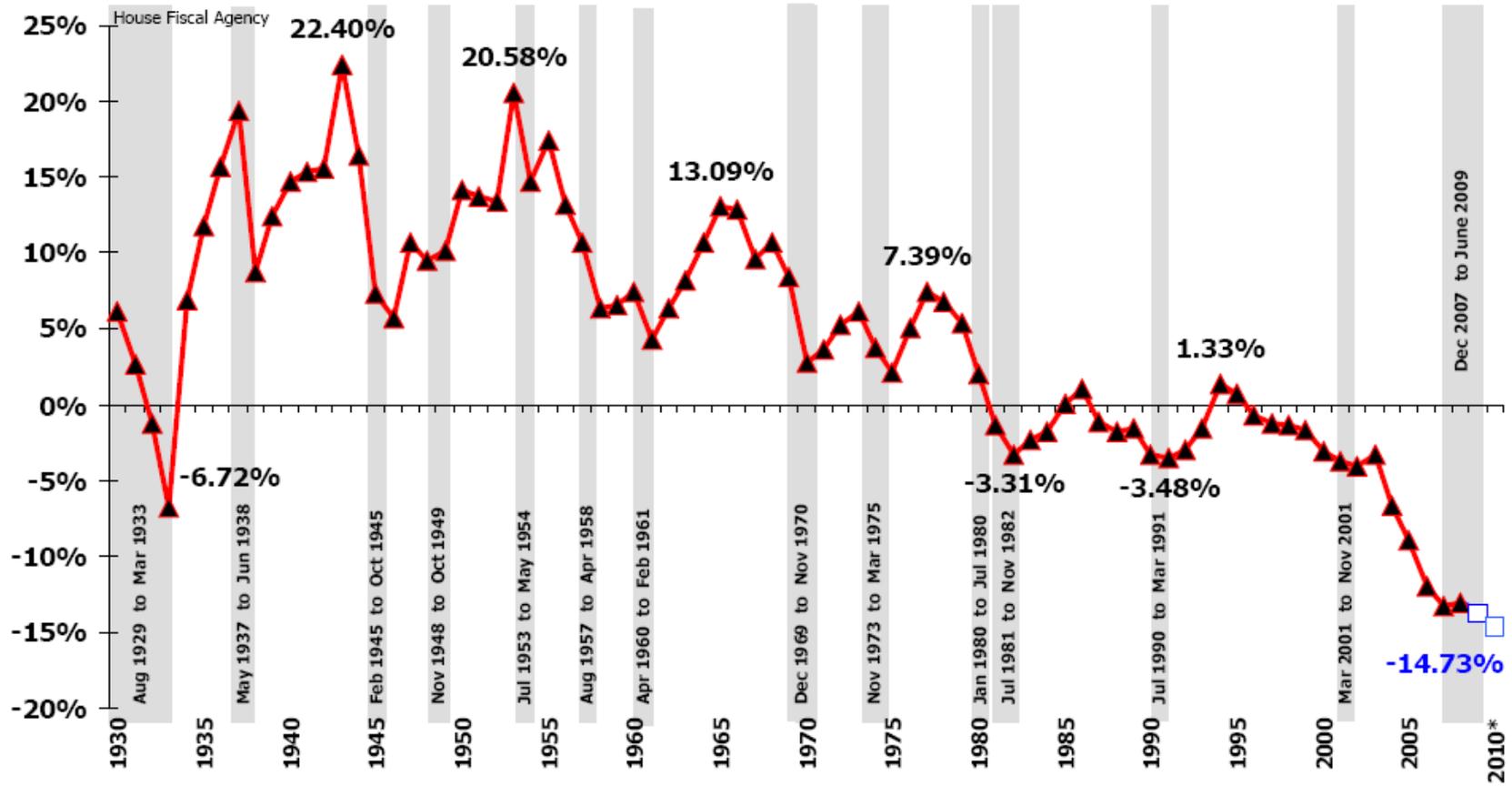
MPSERS School Contribution Rates FY 1995-96 through FY 2012-13



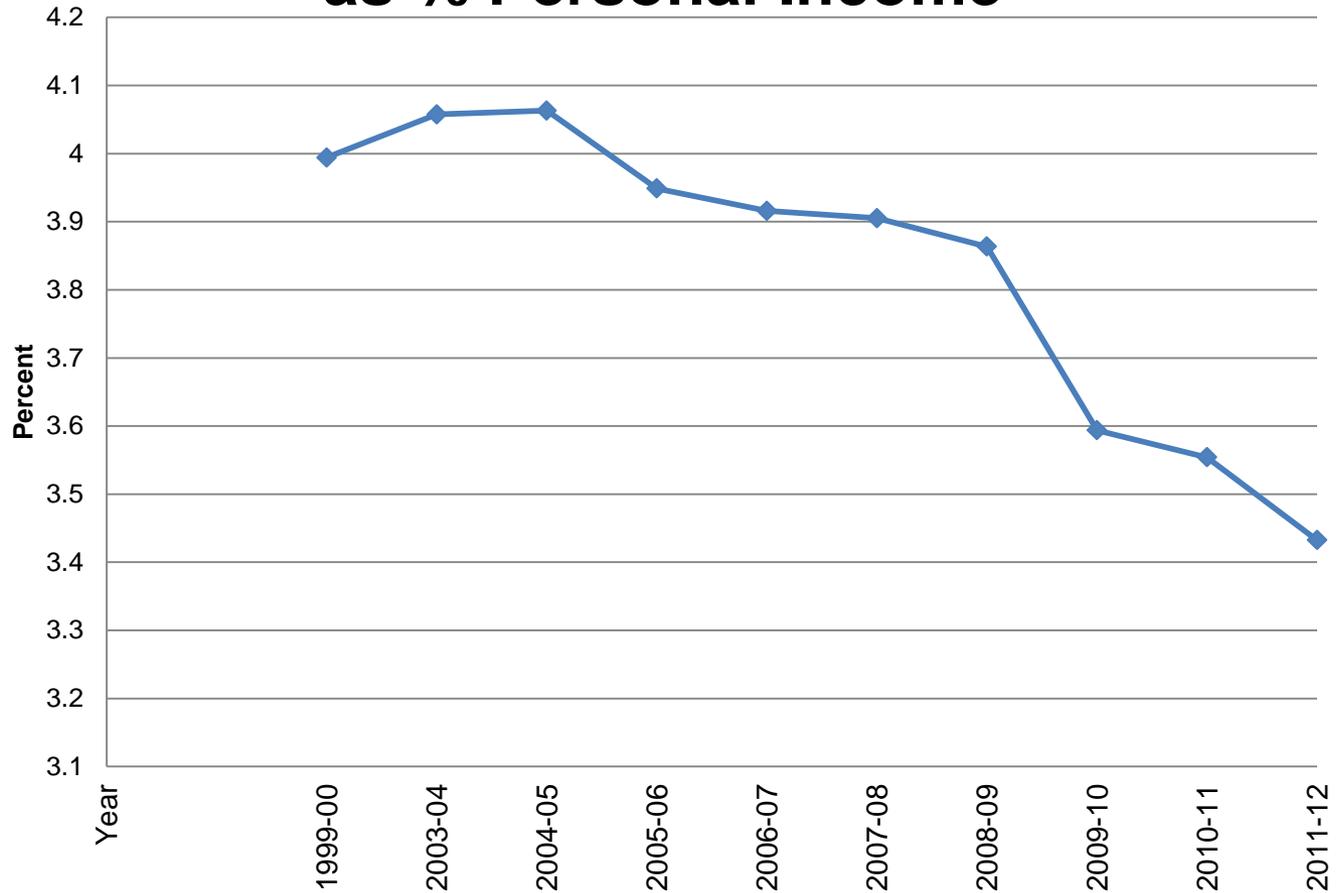
Source: Office of Retirement Services



Michigan Per Capita Income Deviation from National Average



State & Local K-12 Revenue as % Personal Income



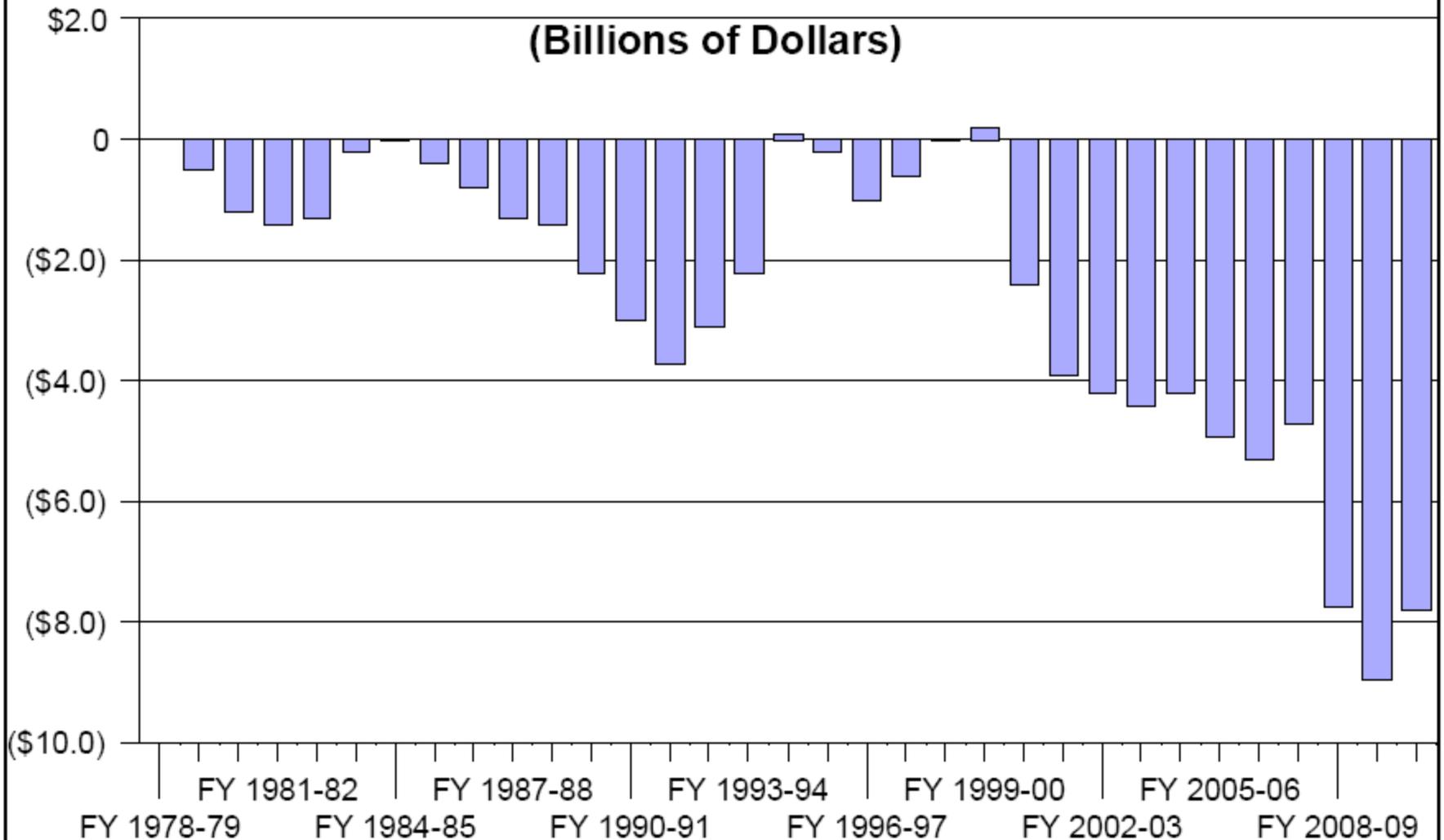
Source: HFA, SFA and author's calculations

To Match FY 2004-05 Effort

- For FY 2010-11:
 - Additional \$1.84 billion in revenue, or approximately \$1,200 per pupil.
- For FY 2011-12:
 - Additional \$2.34 billion in revenue, or approximately \$1,520 per pupil.

State Revenue and the Constitutional Revenue Limit

\$ Amount Under or Over Limit



Source: Michigan's Office of the State Budget; January 2010 consensus revenue estimates for FY 2008-09 through FY 2010-11.

Constitution of Michigan of 1963

Article IX – Finance and Taxation

- Sec 3

...A law that increases the statutory limits in effect as of Feb. 1, 1994 on the maximum amount of ad valorem property taxes that may be levied for school district operating purposes requires the approval of $\frac{3}{4}$ of the members elected to and serving in the Senate and in the House of Representatives.

- Sec. 7

- No income tax graduated as to rate or base shall be imposed by the state or any of its subdivisions.

Recommendation 1

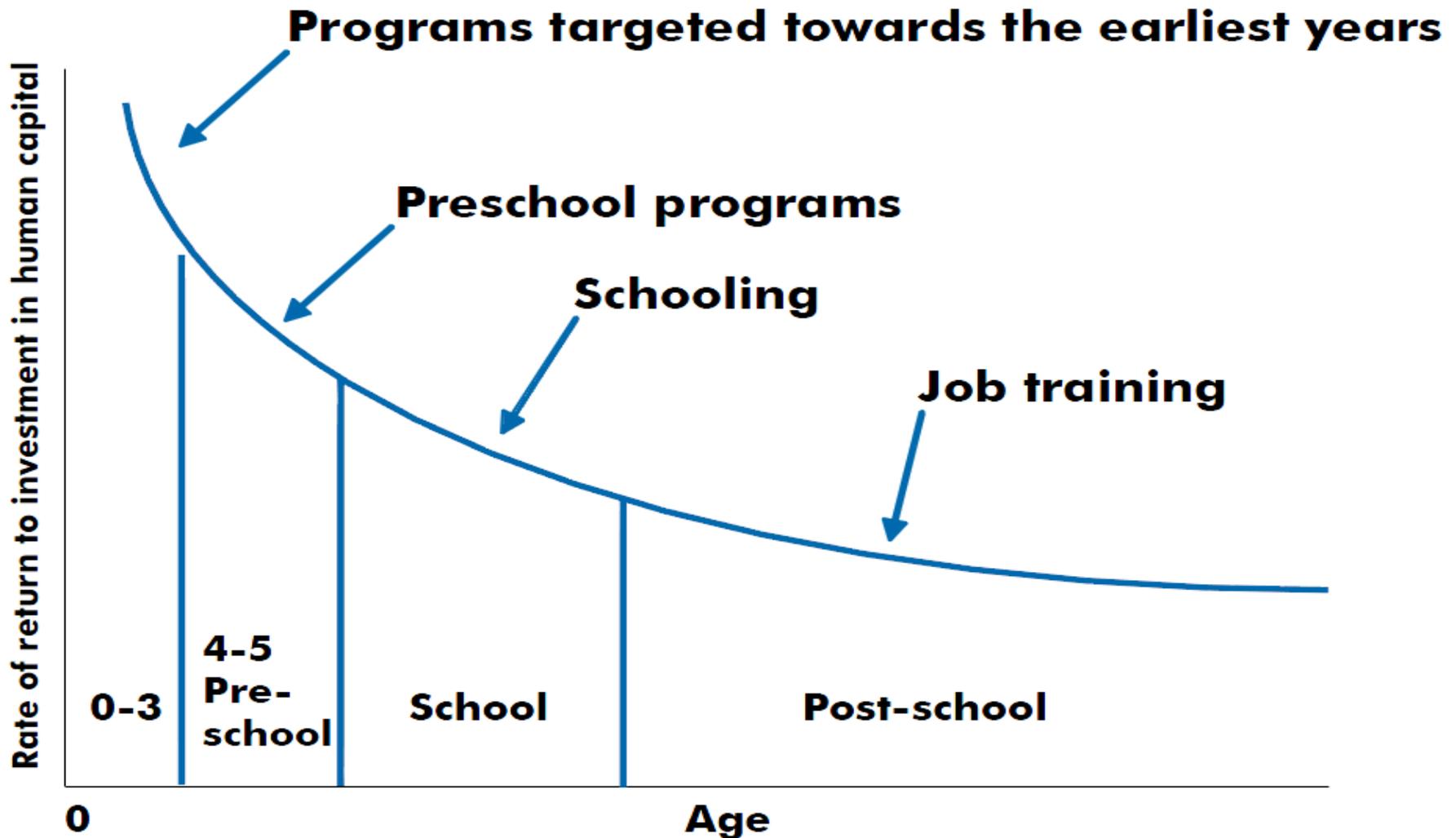
- Reinststate Local District Enhancement Millage
 - State equalization at 80th percentile (approx.)
 - Tax levied on all local property (homestead & nonhomestead)

Recommendation 2

- State Equalization of Local District Capital Outlay Millage
 - Michigan is one of only twelve states that provides no aid to local districts for capital projects.
 - 2005 CRC/MSU study estimates unmet capital needs at \$8.9 billion, with one-fourth in five low-income, central city districts: Battle Creek, Detroit, Flint, Muskegon and Saginaw.
 - Property-poor districts lose enrollments & revenue to schools of choice

Returns to a Unit Dollar Invested

(a) Return to a unit dollar invested at different ages from the perspective of the beginning of life, assuming one dollar initially invested at each age



Recommendation 3

- Further expand the Great Start Readiness Program (GSRP).
 - FY 2014 funding increased by \$65 million, from \$109.3 million to \$174.3 million.
 - Set FY 2015 funding at \$239.3 million, another \$65 million increase.
 - Expand program to three-year-olds

Recommendation 4

- Restore Michigan Earned Income Tax Credit to 20% of the federal credit.
 - “Family stresses and the lack of learning resources that accompany poverty reduce children’s cognitive skills. These effects are particularly severe for children who live in areas of concentrated poverty...” William Julius Williams, *The Truly Disadvantaged*, 1987.