

# EDUCATIONAL RECOVERY AND ACCELERATION THROUGH EQUITABLE FUNDING:



## HOW MICHIGAN'S BUDGET CAN IMPROVE OUTCOMES FOR ALL STUDENTS

### BRIEF ON THE FISCAL YEAR 2025 EXECUTIVE SCHOOL AID BUDGET RECOMMENDATION

All students deserve access to a high-quality education and the resources they need to thrive. However, in Michigan this has not been the reality for far too long, particularly for students who are the most underserved. Longstanding inequities have persisted and worsened since the beginning of the pandemic, and Michigan has fallen further and faster than leading states since 2019. Further, our pandemic recovery as of 2023 has been woefully inadequate.<sup>i</sup> To improve our outcomes for all Michigan students, ETM outlined [10 evidence-backed recommendations](#) as part of the [2023 State of Michigan Education Report](#).

In the Fiscal Year 2025 [Executive Budget Recommendation](#), Governor Whitmer includes several key investments for students' educational recovery and acceleration that align with those recommendations.

This document is intended to highlight these key pieces of Governor Whitmer's education budget recommendation and explore how these priorities, as well as other strategies, can advance equity and excellence in Michigan schools.

## EDUCATIONAL RECOVERY

Governor Whitmer has proposed investments to address student recovery largely by maintaining funding for existing programs. Given the ongoing academic impact of the pandemic, we should invest urgently beyond the status quo.

- **MI Kids Back on Track Program**, funding is renewed at \$150 million, the same amount as the FY24 budget. This item addresses unfinished learning through evidence-based practices. Practices could include high-dosage tutoring, which with effective implementation, can lead to significant learning gains.<sup>ii</sup> Funding for MI Kids Back on Track is currently nonrecurring, but learning recovery should continue to be prioritized in future years.
- **Before and After School Programs**, funding is also renewed at \$50 million for before and after school programs, with no increase in the level of funding for FY25. Importantly, with high a quality workforce and a supportive environment, out-of-school learning can be a vital resource for students.<sup>iii</sup>

Addressing the many needs of students is imperative for Michigan's

continued educational recovery from the pandemic, as well as closing longstanding opportunity gaps. Also important is tracking the effects of these budget items through common metrics and public reporting to ensure we best direct resources and supports to students in the future.

## FAIR FUNDING

Michigan has a long history of inequitable funding, and even ranked 36th out of 46 states in funding gaps based on income, with the students in the highest-poverty districts receiving about 6% less than students in the wealthiest districts according to 2018-2020 data.<sup>iv</sup> While the state has made recent historic investments to close longstanding gaps through the Opportunity Index, far more remains to be done.<sup>v</sup>

Governor Whitmer's executive budget recommendation includes a **2.5% increase to the base foundation allowance**, bringing it up to \$9,849 per pupil. The recommendation also includes increases in funding for English Learners, funding for students with disabilities, and At-Risk funding.

- **At-Risk Funding**, \$23.8 million for weighted funding for students from low-income families and other underserved student groups through the Opportunity Index. The recommendation allows for 30% of funds received through this section to be spent on teacher recruitment and retention in the Partnership districts with poverty rates of 90% or higher. While this represents a step in the right direction, we should invest more deeply into the Opportunity Index in order to achieve the goal weights set in statute last year. Further, ETM recommends accelerating movement toward a system where students from low-income backgrounds receive at least 100% more funding in addition to the base foundation allowance.

The budget also includes \$90 million in new funding for competitive grants to address the academic, social-emotional, and physical needs of students from low-income backgrounds.

- **Funding for Students with Disabilities**, \$432.5 million increase to the current allocation continues providing 100% of the base foundation allowance, in addition to legally required

reimbursements. The budget also includes \$50 million in new funding for the equalization of local revenue for special education services. While continuing to provide students with disabilities with the full foundation allowance is a positive, Michigan's inadequate funding of special education has resulted in many districts resorting to the use of general education funds to fully fund their special education costs.<sup>vi</sup>

ETM supports Michigan moving toward a system that guarantees supplemental state funding for students with disabilities based on the actual, full cost of additional supports that those students need.

- **Funding for English Learners**, an increase of \$3 million in support for English learners, which brings the current per pupil funding to the equivalent of weights ranging from 1.8% to 16.1%. Providing additional funding for English learners is critical to meet their needs, but this proposed increase is still substantially lower than levels research recommends<sup>vii</sup> and the intended weights currently in statute.

ETM recommends fully funding the target weights of 35-75%, and ultimately moving toward a system that provides 80%-100% additional per-pupil funding for English learners.

All dollars spent in Michigan's public education system should be spent in the most effective way possible, which starts with accountability and transparency for spending. For more information on principles around ensuring greater accountability and transparency in Michigan's school funding system, view [recommendation number 4](#) of the Opportunity 10.

## IMPROVING LITERACY SUPPORTS

Governor Whitmer's budget proposal includes important funding to support early literacy, a foundational skill important for learning in upper grades and myriad life outcomes:

- **Curriculum and Training Improvement**, \$155 million to create a committee for literacy achievement and allow districts to adopt the most effective literacy tools and practices.
- **Early Literacy Grants**, an \$8.3 million dollar increase to early literacy grants, bringing the total to \$86.2 million. Of this, \$45.3 million is allocated for literacy coaches, which is estimated to provide funding for 332 coaches in total across the state.
- **LETRS**, renews \$10.0 million, the same amount as FY24, for this item to provide professional development to early childhood and special education personnel through LETRS.

As our [2018 State of Michigan Education](#) report found, investing in evidence-based models including literacy coaches is good policy. However, we should also ensure alignment and coherence for effective implementation of literacy improvement strategies.<sup>viii</sup> Notably, the budget does not include new language around supports for identifying or assisting students with dyslexia.

## EARLY CHILDHOOD

Recommendation number 10 of ETM's Opportunity 10 was to strengthen early childhood for students who are underserved. We should strengthen the five foundational elements of quality, access and affordability, funding structure improvement, data, and workforce recruitment, compensation, and retention strategies.

The governor's budget recommendation focuses on access by moving toward universal pre-k through the **expansion of the Great Start Readiness Program**. This expansion includes a total increase of \$159.8 million for FY25. Under this recommendation, funding per full-day students increases by 7.6%, to \$10,342 and income eligibility is removed, meaning that all students will be eligible regardless of family income. This budget also includes GSRP transportation and startup and expansion grants.

## STUDENT HEALTH AND SAFETY

The Executive budget recommendation includes several items intended to ensure that students are safe and healthy at school, notably the following:

- **Nutrition**, \$200 million (an increase of \$40 million) in addition to federal reimbursement to provide all students with free breakfast and lunch at school.
- **Mental Health and School Safety**, a \$28 million decrease this year in funding for discretionary mental health and school safety funding.
- **Transportation**, renews funding for transportation at \$125 million, the same amount as was included in the FY24 budget.

## EDUCATOR RECRUITMENT AND RETENTION

ETM strongly supports evidence-based strategies to recruit, retain and support teachers, particularly for students who have long been underserved. As such, we are pleased to see that the governor's proposed budget continues funding educator recruitment and retention investments.

- **Educator Pipeline**, renewal of the MI Future Educator Fellowship and Student Teacher Stipends, with funding

renewing at \$25 million and \$50 million respectively, as well as the renewal of \$50 million for Grow-Your-Own programs.

- **New Employee Support**, renewal of \$50 million for mentoring and support for new teachers.

## EXPANDING POSTSECONDARY ACCESS

Finally, Governor Whitmer’s budget works toward increasing postsecondary accessibility and affordability by investing in the following:

- **Michigan Reconnect Grant Program**, allows Michiganders 25 and older that have not previously earned a postsecondary credential to obtain an associate degree or occupational certificate tuition-free through [Michigan Reconnect](#). The Governor’s budget renews this item at \$62 million - the same level of funding as the current-year budget.
- **FAFSA Completion**, an increase of \$30 million is included for school districts to improve FAFSA completion rates. This is an important investment, as research shows that completion of the Free Application for Federal Student Aid (FAFSA) leads to higher postsecondary enrollment.<sup>ix</sup>

## REFERENCES

<sup>i</sup> Reardon, S. and Kane, T. (2024). Michigan – Education Recovery Scorecard. <https://educationrecoverycorecard.org/states/michigan/>

<sup>ii</sup> Matt Barnum, “What If Every Struggling Student Had a Tutor? It Won’t Be Cheap, but it Might Be Worth It,” *The 74 Million*, February 2017. <https://www.the74million.org/article/what-if-every-struggling-student-had-a-tutor-it-wont-be-cheap-but-it-might-be-worth-it/>

<sup>iii</sup> Frazier SL, Chou T, Ouellette RR, Helseth SA, Kashem ER, Cromer KD. Workforce Support for Urban After-School Programs: Turning Obstacles into Opportunities. *Am J Community Psychol*. 2019 Jun;63(3-4):430-443. doi: 10.1002/ajcp.12328. Epub 2019 Apr 19. PMID: 31002394; PMCID: PMC7147944.

<sup>iv</sup> The Education Trust-Midwest. (2023). Beyond The Pandemic State of Michigan Education Report 2023. <https://midwest.edtrust.org/wp-content/uploads/2023/01/2023-State-of-Michigan-Education-Report-FINAL.pdf>

<sup>v</sup> William D. Duncombe and John Yinger, “How Much More Does a Disadvantaged Student Cost?” (Syracuse, NY: Center for Policy Research, July 2004). <https://surface.syr.edu/cgi/viewcontent.cgi?article=1102&context=cpr>

<sup>vi</sup> David Arsen, Tanner Delpier and Jesse Nagel, “Michigan School Finance at the Crossroads: A Quarter Century of State Control,” (Lansing, MI: Michigan State University, January 2019). <http://education.msu.edu/ed-policy-phd/pdf/Michigan-School-Finance-at-the-Crossroads-A-Quarter-Center-of-State-Control.pdf>

<sup>vii</sup> William D. Duncombe and John Yinger, “How Much More Does a Disadvantaged Student Cost?,” (Syracuse, NY: Syracuse University Center for Policy Research, July 2004). <https://surface.syr.edu/cgi/viewcontent.cgi?article=1102&context=cpr>

<sup>viii</sup> The Education Trust-Midwest. (2023). Beyond The Pandemic State of Michigan Education Report 2023. <https://midwest.edtrust.org/wp-content/uploads/2023/01/2023-State-of-Michigan-Education-Report-FINAL.pdf>

<sup>ix</sup> National College Attainment Network. (n.d.). *National FAFSA completion rates for high school seniors and graduates*.

<https://www.ncan.org/general/custom.asp?page=NationalFAFSACompletionRatesforHighSchoolSeniorsandGraduates&msslkid=890957fda6ec11ecbca215454952ea82>