



FY 2017 SCHOOL AID BUDGET | MARCH 2016

Roughly 80% of state and local discretionary operational funding (\$11.2 of \$14.0 billion) is being invested in the foundation grant, resulting in 940,000 students (62%) at the Minimum (\$7,391 per pupil) and 393,000 students (26%) between the Minimum and the Basic (\$8,169 per pupil); and 182,000 students (12%) at \$8,170+ per pupil, creating an equity gap of up to \$778 per pupil.

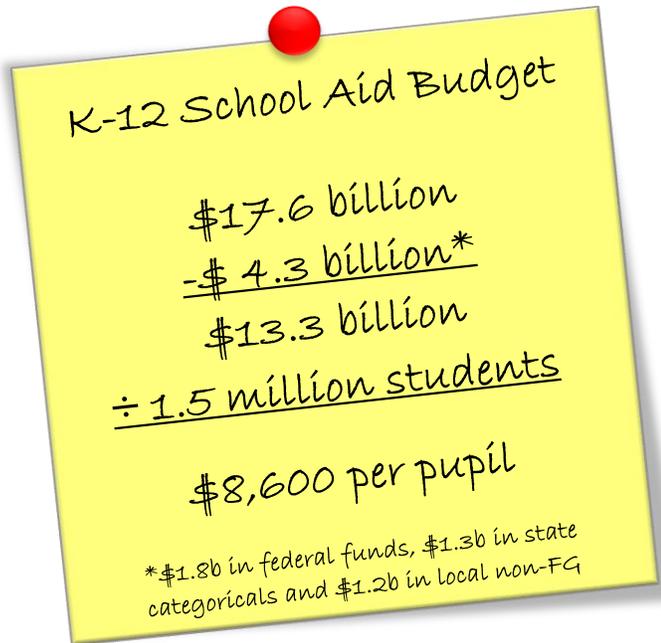
Long Term Recommendation

With appropriate changes in statute, invest at least 90% of state and local discretionary operational funding (\$13.1 of \$14.6 billion) in the foundation grant by redistributing \$1.3 billion in state categorical spending. This would result in a uniform foundation grant of \$8,600 for over 90% of students in the state, virtually eliminating the funding equity gap, and still providing over \$4 billion for targeted special needs.

FY '17 Recommendations

- Invest an additional **\$250 million** in the foundation grant
 - **\$150 million** from Governor Snyder's foundation grant increase
 - **\$100 million** from MPSERS cost offset (section 147a)
- Increase the MINIMUM foundation grant by \$240 per pupil, which would raise the lowest funding level to \$7,631 per pupil, reducing the funding equity gap to \$538 per pupil.
- In the alternative, this increase could be done via the 2x formula:
 - Minimum: \$200 increase to \$7,594 per pupil
 - Basic: \$100 increase to \$8,269 per pupil
- Eliminate the "charter max" foundation grant level, or return it to \$300 above the minimum.
- Continue \$379 million of Section 31a "at risk" funding and \$24 million in targeted investments to improve 3rd grade reading proficiency through screening and interventions.
- Support a next-generation testing assessment that measures individual student growth.
- Eliminate Higher Education from the SAF but pay all state costs for Community Colleges.
- Move towards "Average Daily Attendance" rather than count days for enrollment.
- Support \$10 million reimbursement for health and safety mandates at non-public schools.

Equity Gap:
\$675 per pupil



If you would like additional information about this issue, contact Gary Naeyaert, Executive Director, at gnaeyaert@glep.org

Supporting quality choices in public education.