



MODERNIZE MI SCHOOL FUNDING

Smarter funding. Better outcomes.

Modernizing Student-Centered Funding for Better Outcomes

A Smarter Way to Fund Michigan Schools



The Challenge

Michigan's school funding system was designed more than 30 years ago – before today's classrooms, student needs, and expectations existed.

Since Proposal A passed in 1994:

- More than half of Michigan students are now economically disadvantaged
- Schools serve a higher percentage of students with disabilities
- English learner enrollment has more than doubled
- Districts face rising costs with fewer tools to plan long-term

While recent budgets have increased education spending, how funding is distributed has not kept pace with changing student needs, creating instability for districts and inefficiencies in the system.

The Common-Sense Solution: Weighted Student Funding

A weighted student funding formula ensures funding follows students – not programs – by:

- Providing a consistent base amount for every student
- Directing additional funding to students with greater needs
- Reducing reliance on dozens of short-term categorical grants
- Giving local school boards flexibility to meet community priorities
- Allocating predictable budgets through a three-year rolling enrollment average

This approach modernizes Michigan's School Aid Fund while decreasing bureaucracy.

Why This Approach Works for Michigan

Local Control

- Decisions made closer to students and families
- Fewer state-directed grant restrictions
- Empowers school boards

Predictability & Stability

- Enables multi-year budgeting
- Supports responsible staffing and program planning

Efficiency & Accountability

- Ensures funding is clearly aligned with student needs and easier to track
- Maintains accountability for student outcomes—not inputs
- Streamlines separate grant programs

Proven, Not Experimental

- Weighted student funding is already used successfully in states such as Mississippi, Colorado, Massachusetts, and Tennessee, delivering stronger outcomes and more stable finance systems.



A Responsible Path Forward

Modernize MI School Funding supports a common-sense, fiscally responsible transition, including:

- A multi-year roadmap to fully implement a weighted student funding formula
- Evidence-based student weights grounded in research
- Streamlining existing categorical grants to increase flexibility

This approach prioritizes better use of existing funding.

Grounded in Research

This proposal is informed by national and Michigan-specific, nonpartisan studies, including:

- National evidence, such as demonstrated in Mississippi, showing targeted investment improves results
- The School Finance Research Collaborative adequacy studies
- Education Policy Innovation Collaborative (EPIC) at Michigan State University and the Citizens Research Council of Michigan (CRC) analyses of student costs and outcomes

According to EPIC, even with recent increases, Michigan spends less per student, adjusted for inflation, than a generation ago, while educating students with greater need.

The Bottom Line

Michigan doesn't need a bigger system. It needs a smarter one that invests to meet the needs of students and drive academic outcomes.

Modernizing school funding:

- Aligns funding with real student needs
- Brings predictability to school budgets
- Strengthens local control
- Respects taxpayers

It's the right next step for Michigan.

About the Coalition

Modernize MI School Funding is a statewide coalition committed to evidence-based, student-centered solutions that improve outcomes while supporting local decision making and fiscal responsibility.

