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# Principles of Education

## MPAAA Fall 2024 Conference

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## Today's Presenters

Tracy Clawson  
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Carrie Haubenstricker  
Business Services Administrator  
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## Who's in the Room?

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Representatives from:

- ▶ Local School Districts
- ▶ Urban, Suburban & Rural Districts
- ▶ Lower & Upper Peninsula
- ▶ ISDs & RESAs
- ▶ Charter Schools



## Who's in the Room?

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Administrators and Support Staff From:

- ▶ Business/Finance
- ▶ Human Resources
- ▶ Superintendents
- ▶ Curriculum and Instruction
- ▶ Pupil Accounting
- ▶ Administrative Assistants
- ▶ Instructional Technology
- ▶ Transportation
- ▶ Student Services
- ▶ Facilities and Operation



## Today's Learning Targets

- ▶ Provide a historical and governance perspective of education in the United States.
- ▶ To share a framework for understanding public education and its funding and governance in Michigan.
- ▶ To identify key trends in our state and nationally with a focus on a few current issues.

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## The Idea of Public Schools

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- ▶ Who is responsible for public education and/or schools?
- ▶ What are its origins?
- ▶ Does politics play a role?





## In Michigan – Constitution of 1963 Article VIII - Education

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- ▶ [http://www.legislature.mi.gov/\(S\(o52yuhye2bk1gy4pzf2grx0p\)\)/mileage.aspx?page=GetObject&objectname=mcl-Constitution](http://www.legislature.mi.gov/(S(o52yuhye2bk1gy4pzf2grx0p))/mileage.aspx?page=GetObject&objectname=mcl-Constitution)
- ▶ Mentions the idea of school districts
- ▶ Establishes State Board of Education
- ▶ Additional legislative action, as well as Supreme Court decisions, have formed who we are today

## The Formation of Public Education...

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- ▶ With public K-12 education free to every child in the United States, it is hard for modern Americans to imagine a world where public schools did not exist.
- ▶ 150 years ago in many places throughout the country, not even elementary education was provided publicly; in fact, even by the turn of the 20th century, some young people still did not have access to free public high schools.
- ▶ Today, every American can get a free education and obtain a high school diploma, thanks to the efforts of our civic-minded predecessors.

## More Recently – Legislative Action

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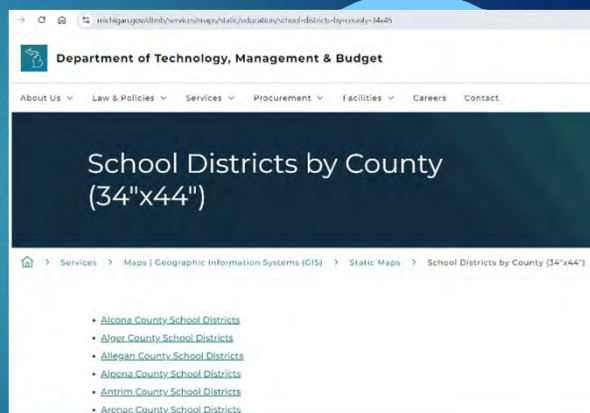
- ▶ Teacher Evaluation - July 1, 2024 (Effective/Highly Effective every 3 years)
- ▶ Teacher Certification - BOTH Grade-level & Subject Area Certified
- ▶ Tenure / Prohibited Topics of Bargaining
- ▶ Health Care "Cap" or 80/20 rule
- ▶ School Mental Health 31n
- ▶ Per-pupil Mental Health & School Safety 31aa

Control of the \$\$\$ provides the state government much more control of schools compared to before Proposal A (1993-94)

## Research Your County

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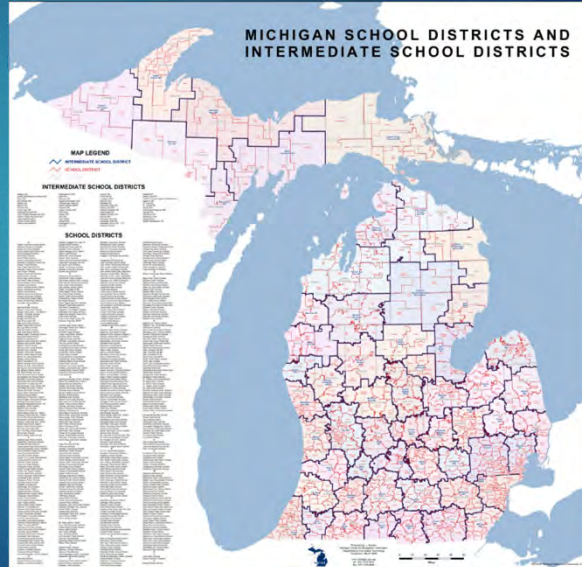
- ▶ <https://www.michigan.gov/dtm/b/services/maps/static/education/school-districts-by-county-34x45>
- ▶ The link above provides all Michigan school district boundaries by county



# Education in Michigan

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- ▶ On January 26, 1837, Michigan became the 26<sup>th</sup> State of the Union
- ▶ [https://en.wikipedia.org/wiki/Michigan\\_Department\\_of\\_Education](https://en.wikipedia.org/wiki/Michigan_Department_of_Education)



## Did You Know!

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- ▶ In 1787, Congress enacted the Northwest Ordinance to provide a structure for settling the territories of Michigan, Ohio, Indiana, Illinois and Wisconsin.
- ▶ This is the law that divided Michigan into **six-mile-square townships** and reserved one lot in each township for a **public school**.
- ▶ More recent legislative action allowed for the **development of "districts"**.
- ▶ Many districts formed around the economics of a area



## Did You Know!

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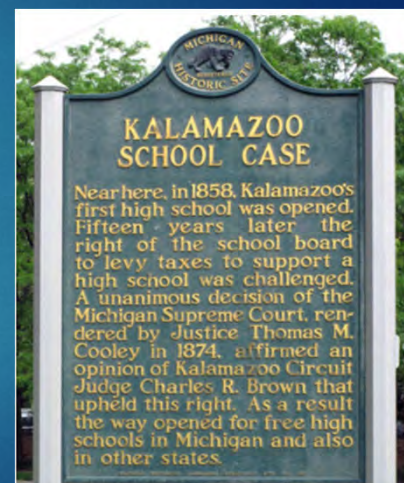
- ▶ The University of Michigan was founded in 1817 in Detroit as part of the new territory's burgeoning school system
- ▶ Michigan also had the first land-grant college, which is now Michigan State.



## Did You Know!

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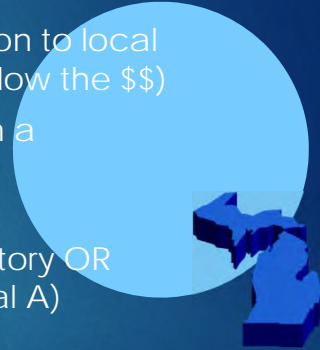
- ▶ In 1874, the Michigan Supreme Court ruled in favor of the city and the Kalamazoo school case "became the rule of law throughout the nation, *paving the way for the widespread acceptance of tax-supported high schools.*"



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## State of Michigan-Constitution

- ▶ Legislation delegated the education function to local authority→ “School Districts” (mostly-but follow the \$\$)
- ▶ Statutes (Laws) to define certain aspects on a statewide basis (tenure, bargaining, special education, M-STEP/SAT, etc.)
- ▶ Provides for financing schools through statutory OR statewide proposal from voters (like Proposal A)



<https://www.legislature.mi.gov/Publications/MIConstitution.pdf>

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## Education Governance & Politics

- ▶ Saying—“ All politics is local”
- ▶ Board of Education Members
  - ▶ Non-partisan (really?)
  - ▶ 2,4, or 6 year terms (LPS 6 yr)
- ▶ State Senators/Representatives/Gov
  - ▶ Establish legislation further defining role of local Board, Superintendent, Rules/Regs
  - ▶ Define some expectations Statewide
- ▶ Recent Trend→ Local control to more state control (financial, testing, accountability of programs, evaluation (teacher/admin))






## Reflect on What Schools Do

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- ▶ Safely Educate ALL students
  - ▶ Safely Transport Students
  - ▶ Safely Feed Students
  - ▶ Safely Employ Staff
  - ▶ Maintain Buildings/Equipment/Vehicles
  - ▶ Provide Technology/Supplies & Materials
  - ▶ Research/Review Curriculum
  - ▶ Research/Review Best Teaching and Business Practices
  - ▶ Train Staff
- 

## \$ SCHOOL FINANCE-101 \$

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- ▶ Property Tax Dollars Go To Lansing (collected by local municipalities)
  - ▶ Sales Tax Dollars Go To Lansing
  - ▶ Lottery Sales Dollars Go To Lansing
  - ▶ WHAT's IN LANSING?
  - ▶ Funding Returns in Student Foundation (SFA)
  - ▶ Funding Returns in state categorical or federal grants
    - ▶ Special Education, Title I & II, At-Risk
  - ▶ No Way to Raise Local Operating Funds
  - ▶ State Foundation Allowance (1993/Proposal A)
  - ▶ Local Money is by Enrollment (\$9,608 → \$14,000)
- 

# MiSchool Data Resource

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## Foundation Allowance History

MiSchoolData  
<https://www.mischoolsdata.org/foundation-allowance>

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Table 2: History of Foundation Allowance Growth

Fiscal Year	Minimum	Basic/Target	State Max	Change in Minimum	Change in Basic/Target & State Max	Difference Between Minimum & State Max
1994-95	\$4,200	\$5,000	\$5,500	NA	NA	\$2,300
1995-96	\$4,506	\$5,153	\$6,431	\$306	\$153	\$2,147
1996-97	\$4,814	\$5,308	\$6,808	\$308	\$155	\$1,992
1997-98	\$5,124	\$5,462	\$6,962	\$308	\$154	\$1,838
1998-99	\$5,170	\$5,462	\$6,962	\$46	\$0	\$1,792
1999-00	\$5,700	\$5,700	\$7,300	\$530	\$0	\$1,600
2000-01	\$6,000	\$6,000	\$7,500	\$300	\$0	\$1,500
2001-02 <sup>1</sup>	\$6,500	\$6,500	\$7,800	\$500	\$0	\$1,300
2002-03	\$6,700	\$6,700	\$8,000	\$200	\$0	\$1,300
2003-04	\$6,700	\$6,700	\$8,000	\$0	\$0	\$1,300
2004-05	\$6,700	\$6,700	\$8,000	\$0	\$0	\$1,300
2005-06	\$6,875	\$6,875	\$8,175	\$175	\$175	\$1,300
2006-07 <sup>2</sup>	\$7,108	\$7,108	\$8,385	\$233	\$233	\$1,277
2007-08 <sup>3</sup>	\$7,204	\$8,433	\$8,433	\$96	\$48	\$1,229
2008-09	\$7,316	\$8,489	\$8,489	\$112	\$56	\$1,173
2009-10 <sup>4</sup>	\$7,316	\$8,489	\$8,489	\$0	\$0	\$1,173
2010-11 <sup>5</sup>	\$7,316	\$8,489	\$8,489	\$0	\$0	\$1,173
2011-12	\$6,846	\$8,019	\$8,019	(\$470)	(\$470)	\$1,173
2012-13	\$6,966	\$8,019	\$8,019	\$120	\$0	\$1,053
2013-14 <sup>6</sup>	\$7,076	\$8,049	\$8,049	\$110	\$30	\$973
2014-15 <sup>7</sup>	\$7,251	\$8,099	\$8,099	\$175	\$50	\$848
2015-16	\$7,393	\$8,168	\$8,168	\$142	\$70	\$776
2016-17	\$7,511	\$8,229	\$8,229	\$120	\$60	\$718
2017-18	\$7,631	\$8,289	\$8,289	\$120	\$60	\$658
2018-19	\$7,871	\$8,409	\$8,409	\$240	\$120	\$538
2019-20 <sup>8</sup>	\$8,111	\$8,529	\$8,529	\$240	\$120	\$418
2020-21	\$8,111	\$8,529	\$8,529	\$0	\$0	\$418
2021-22	\$8,700	\$8,700	\$8,700	\$589	\$171	\$0
2022-23	\$9,150	\$9,150	\$9,150	\$450	\$450	\$0

<sup>1</sup> The Minimum includes an equity payment of \$200, which was officially rolled into foundations in FY 2002-03.

<sup>2</sup> In FY 2006-07, districts with a foundation below \$7,460 received an equity payment of up to \$23 per pupil, which was officially rolled into foundations in FY 2007-08.

<sup>3</sup> In FY 2007-08, the Basic was raised to the state maximum and the original Proposal A (2x) formula was reestablished to increase foundations below the Basic at a faster rate than those at or above it.

<sup>4</sup> While the statutory foundation allowance was not changed, the budget included a \$154 per pupil reduction under Sec. 114.

<sup>5</sup> While the statutory foundation allowance was not changed, the budget included a \$170 per pupil reduction under Sec. 114.

<sup>6</sup> The minimum foundation included an equity payment of \$50, which was officially rolled into foundations in FY 2014-15.

<sup>7</sup> The minimum foundation includes an equity payment of \$125, which was officially rolled into foundations in FY 2015-16.

<sup>8</sup> While the statutory foundation allowance was not changed, the budget included a \$350 Federal per pupil increase, as well as a \$175 SAF per pupil reduction under Section 114, for a net increase of \$175 per pupil.

# Foundation Allowance and Your School

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The screenshot shows the 'Foundation Allowance' report page on the michigandata.org website. The page has a dark header with the title 'Foundation Allowance' and a 'Share' button. Below the header, there are tabs for 'Foundation Allowance' and 'Fund Balance'. A section titled 'About this Report' is expanded, showing 'Location and Report Settings'. This section includes a 'Select Locations' area with a search bar and a 'District, ISD name or code' dropdown. Below this is a 'School Year' dropdown set to '2023-24'. A 'Download File' button is visible. The bottom of the page shows a 'Foundation Amount' section with a scale from \$9,000 to \$10,000.

## What do you hear about the State, City and School Budgets in Michigan?

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- ▶ Historically flat/Low growth in revenue (money coming in through taxes-income, property, sales, gas, real estate transfer, "sin" taxes, lottery, etc.)
- ▶ Increases in Expenses
  - ▶ K-12 Schools
  - ▶ Universities/Community Colleges
  - ▶ City/County Government (shared revenue)
  - ▶ State Government
    - ▶ State Police
    - ▶ State Prisons
    - ▶ Health/Human Services
    - ▶ State Courts





## Recent Economic Activity

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- ▶ Unemployment going down, wages going up, however not keeping up with high inflation, property values up
- ▶ All of these contribute to improved tax collections
  - ▶ Income and sales taxes
  - ▶ Real estate taxes
  - ▶ Lottery sales
  - ▶ "Sin" taxes (liquor, beer, wine, cigs, etc.)

## More recently – State revenue strong; Federal funding fluctuates

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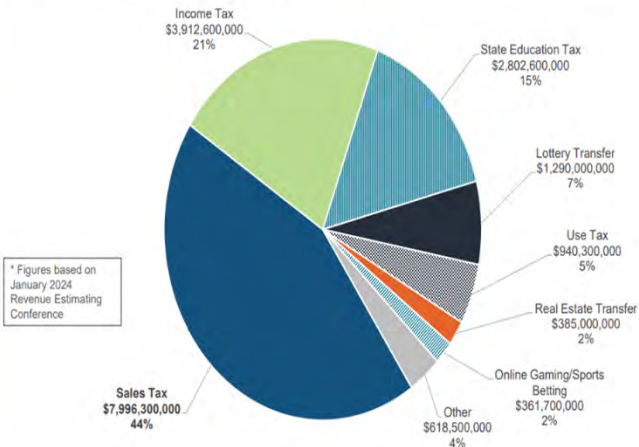
- ▶ Strength of economic activity nationally starting in fall 2020 moving forward through now
  - ▶ Unemployment drop
  - ▶ High Interest rates- Fed fund rate over 5%
  - ▶ Federal "grants" to States winding down
  - ▶ Consumer spending strong
  - ▶ "Heated up" economic activity still in spite of rates
- ▶ What happens to State tax collections with strong economy? Think for a minute...

# SAF Budget FY 2024-25

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## SAF Revenue Sources

Sales tax is the largest revenue source, contributing nearly half of the **\$18.3 billion** in total estimated SAF revenue for FY 2024-25.



State of Michigan  
School Aid Fund Tax and Lottery  
Revenue  
By Source  
Estimated FY 2024-25

Revenue Source by Distribution

House Fiscal Agency January 2024

## We are on BREAK!

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Did You Know! There are approximately 23 one-room schools left in Michigan

We will take a 15 minute break

Please share one thing that you have learned about the history of Michigan education on your social media page and tag

@Michigan Pupil  
Accounting &  
Attendance Association  
- MPAAA

## How do school districts get money (revenue)?

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- ▶ Schools primary funding source is the state...State Aid (about 85% of funding) Enrollment x Foundation allowance
  - ▶ Only 11 state aid payments Oct -August
- ▶ Non-homestead property tax revenue (local municipality)
- ▶ State categoricals (At Risk, CTE, School Nutrition ,etc.)
- ▶ Federal Grants ( Title I, IDEA, CTE, ESSER, ARP, etc.)
- ▶ County Enhancement millage or other local funding
- ▶ Miscellaneous revenue

## State Aid Payments

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STATE OF MICHIGAN 2023-2024 State Aid Financial Status Report Payment Dated: 08/20/2024				
District: XXXXX ISD: XX	State Aid Membership			1,023.61
XXXXXX Public Schools	General ED K-12			997.33
	Supplemental 2023 Includes 1.00 Transfers			982.12
	Fall 2023			999.02
	Special ED K-12 Sec 52			26.28
	Supplemental 2023			32.62
	Fall 2023			25.57
	Special ED K-12 Sec 53			0.00
	Supplemental 2023			0.00
	Fall 2023			0.00
	Special Ed. Costs			1,344,137.00
	Special Ed. Transp. Costs			0.00
<b>CURRENT YEAR ALLOWANCES</b>				
	Amount	Pct to Date	Previous Amts	Current Amt
22a PROP A OBLIGATION (State PP \$3,948.52)	4,041,744.06	100.00%	3,673,945.81	367,798.75
51c SPEC ED HEADLEE OBLIGATION	384,608.67	100.00%	349,609.28	34,999.39
22b DISCRETIONARY PAYMENT	4,761,272.69	100.00%	4,327,996.87	433,275.81
29(7) ENROLLMENT STABILIZATION PAYMENTS	68,511.17	100.00%	62,145.49	6,365.68
31A AT RISK	1,397,721.30	100.00%	1,270,528.66	127,192.64
61d CTE PER PUPIL INCENTIVE	2,025.19	100.00%	1,844.53	184.66
22i DISTRICT TRANSPORTATION COSTS	26,218.77	100.00%	25,650.86	5,667.91
35a(5) EARLY LITERACY TARGETED INSTRUCTIO	16,059.00	100.00%	14,597.63	1,461.37
27i EDUCATOR COMPENSATION PROGRAM	52,706.24	100.00%	47,913.50	4,792.74
99h FIRST ROBOTICS	5,700.00	100.00%	5,700.00	0.00
152a HEADLEE OBLIGATION FOR DATA COLLEC	29,921.15	100.00%	27,200.65	2,720.50
31j LOCAL PRODUCE IN SCHOOL MEALS	5,764.60	100.00%	5,764.60	0.00
313a MENTAL HEALTH GRANT - PER PUPIL	240,016.04	100.00%	215,591.24	24,424.80
147i MPSERS 0.5 UAL RATE REIMB	39,130.12	100.00%	35,593.28	3,560.84
147a(1) MPSERS COST OFFSET	90,564.75	100.00%	82,323.59	8,241.40
147a(3) MPSERS COST OFFSET - ISDS AND DISTRI	0.00	0.00%	0.00	0.00
147a(2) MPSERS NORMAL COST OFFSET	327,625.28	100.00%	251,246.20	76,379.08
147e MPSERS REFORMS - DEFINED CONTRIBUT	45,967.69	100.00%	36,545.44	9,422.15
147c(1) MPSERS UAL RATE STABILIZATION	1,503,080.65	100.00%	1,366,300.31	136,780.34
1100 REIMB FOR SCHOOL BOARD MEM TRAININ	594.00	100.00%	594.00	0.00
31d SCHOOL LUNCH	39,676.61	100.00%	35,975.14	3,601.47
27k STUDENT LOAN REPAYMENT PROGRAM	25,600.00	100.00%	23,270.40	2,329.60
	\$13,106,442.41		\$11,860,313.28	\$1,246,129.13



## How is blended FTE calculated for foundation allowance revenue

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State Aid Membership	Membership Equals =	→	2,013.32
General Ed. K-12			1,940.75
Supplemental 2023 Includes 1.00 Transfers	10% of the prior year Supplemental	→	1,861.26
Fall 2023	90% of the current year Fall	→	1,949.58
Special Ed. K-12 Section 52			72.57
Supplemental 2023	10% of the prior year Supplemental	→	60.84
Fall 2023	90% of the current year Fall	→	73.87
Special Ed. K-12 Sec 53			0.00
Supplemental 2023			0.00
Fall 2023			0.00

## Where does the money go to educate kids?

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It takes a village of staff !

- ▶ Teachers
- ▶ Support Staff
- ▶ Food Service, Transportation, Custodial, etc.
- ▶ Principals
- ▶ Administration
- ▶ Security
- ▶ After school and tutoring programs (athletics, clubs)



About 85% of a district's budget is personnel costs

## Where does the money go to educate kids?

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-Remaining Expenditures (things other than staff working with students or in buildings)

- ▶ Professional/Technical Services
- ▶ Transportation
- ▶ Purchased Services
- ▶ Technology/Supplies/Materials
- ▶ Capital Outlay
- ▶ Transfers to other funds(ex. Food service)

## Regional, State, & Federal Factors

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- ▶ ISD-shared services for efficiency and economic buying power
- ▶ State-some data distribution, some economic support (MI-Deal Bid)
- ▶ Federal-some financial support (special education, transportation, Title funds to support students and PD)
- ▶ Aftermath of COVID-State support for student mental health, learning loss and safety and security grants, etc.

## Here's Where We Are Now?

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- ▶ Schools are educating more kids with academic and behavior gaps than ever before (COVID after-effect)
- ▶ Schools are having more trouble finding staff to fill positions than ever before
- ▶ Schools have seen the largest increase in funding (State and Federal supports) in more than 40 years
- ▶ Schools have to become more flexible and creative to serve families and students than ever before



## District Transparency shows where the \$ goes?

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Michigan Department of Education (MDE) requires transparency reporting on a district's website of specific items, including:

- ▶ Adopted Budgets
- ▶ Financial Statements
- ▶ Collective Bargaining Agreements
- ▶ Operating and Personnel costs pie graphs
- ▶ Other compensation and district cost items



MDE can withhold state aid payments for non-compliance



## Don't forget Social Media !

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- ▶ Facebook, Twitter, Instagram, Snapchat, etc.
- ▶ Students, parents, community can post pictures and comment real time.... Even if it's not true or they don't have accurate information
- ▶ District resources to manage and monitor website, FB page, etc.
- ▶ Days of old school paper communication out.....Real Time Social Media in....

**Look how far education has come in over 100 years!**

## Did You Know!

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The Michigan Pupil Accounting and Attendance Association was organized in 1935.

In 2025, MPAAA will celebrate 90 years of service!



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## Are ALL public school services “free”?

## Issues with “FREE”...

### Turn and Talk Activity

- ▶ What challenges have schools faced with this concept?
- ▶ What are some areas where it could be questioned if certain items and/or opportunities should be free?

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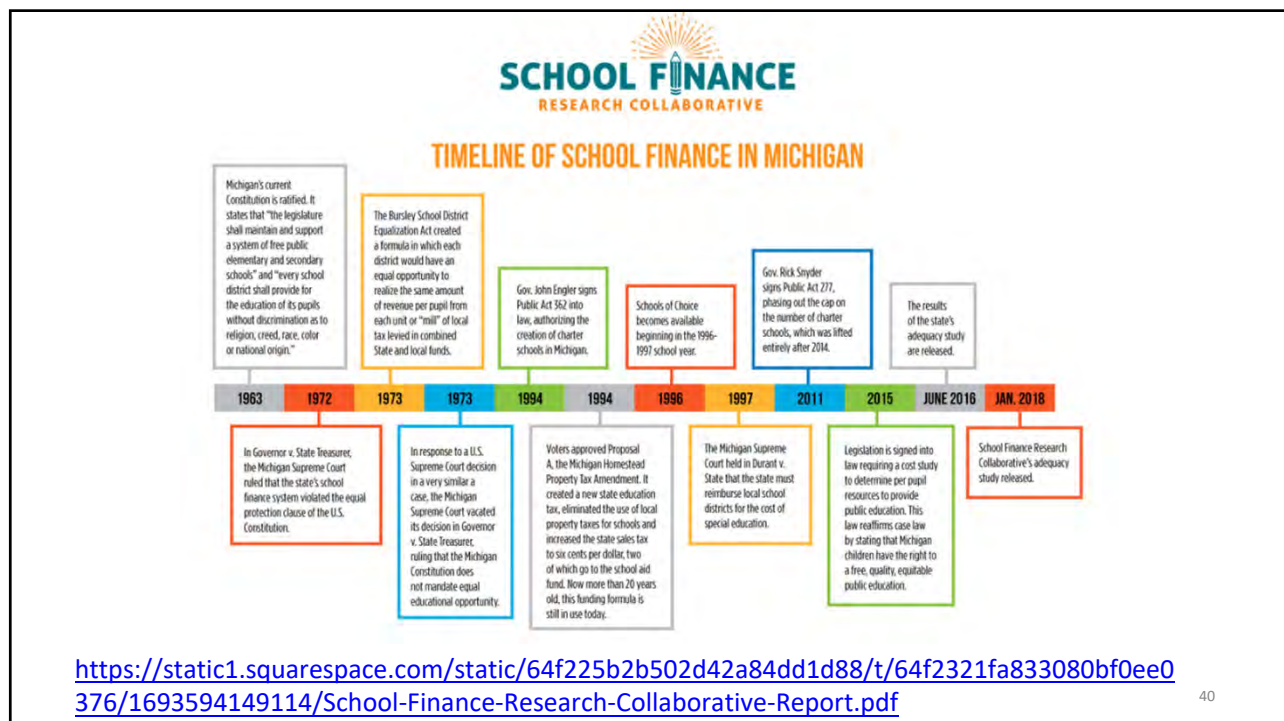


39

The School Finance Research Collaborative is a diverse group of business leaders and education experts, from Metro Detroit to the U.P., who agree it's time to change the way Michigan's schools are funded.

The Collaborative is bringing together top industry experts to reexamine our approach to school funding so we can fully prepare ALL students for jobs and success.

Website: [www.fundmischools.org](http://www.fundmischools.org)



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## Michigan Career & Technical Education Facts

Slide 42 displays the "Michigan Career and Technical Education Facts 2022-2023" infographic. The infographic includes a vision statement, a collage of images showing students in various CTE programs, and three key statistics:

- 108,874** students were enrolled in 2,173 secondary Career and Technical Education (CTE) programs.
- 1,590** students were enrolled in 204 CTE Early Middle College (EMC) programs.
- 113,940** students participated in Michigan postsecondary institutions in 378 CTE programs.

The infographic also features the Michigan CTE logo and the Michigan Department of Education logo.

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## Education = Income

### MICHIGAN RANKS

**37th**

for postsecondary  
educational attainment

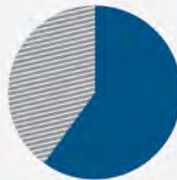
**33rd**

for household  
income

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## Ed Attainment Goal

### OUR GOAL

**60% of Michiganders**

achieving postsecondary credentials **by 2030** (compared with current 43.7% who go beyond high school).

Our plan will increase the earning potential of Michiganders and their quality of life by closing the talent gap Michigan residents and companies face.

## Stop & Think...

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**“We are preparing kids today for jobs that don’t yet exist.” Your thoughts on the challenge this presents...**

- ▶ What may need to be done to better raise awareness of College and Career Readiness?
- ▶ Should schools be geared toward college, career or both?



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Staffing  
Shortages



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## Staff Shortage

- ▶ Increased Retirements (early and scheduled)
- ▶ Frustrations with Changes (or not) in Instructional Delivery
- ▶ Additional Responsibilities
- ▶ Stress
- ▶ Public Pressure
- ▶ Political Micromanaging
- ▶ Other

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## Predictions:

What will education look like in **five** years in Michigan?

What will education look like in **30** years in Michigan?



## Did we Achieve Our Learning Targets for today?

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- ▶ Provide a historical and governance perspective of education in the United States.
- ▶ To share a framework for understanding public education and its funding and governance in Michigan.
- ▶ To identify key trends in our State and Nationally with a focus on a few current issues.

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*Thank  
You*