

May 4, 2020

Federal Cash is Coming for Michigan Schools - We Need to Use It Fairly and Smartly

By Ben DeGrow

Summary

Michigan will receive at least \$478 million in extra federal funding that can be used for K-12 education. Here are some ways it can put that money to use.

Main text word count: 720

Michigan schools will soon be able to tap into extra money from Congress to address the fallout from the COVID-19 pandemic. As these funds become available, state officials should focus as much as possible on the needs of students, without regard to what kind of school they attend.

The federal CARES Act, signed into law on March 27, has opened up multiple new streams of emergency funding for public schools across the nation. The largest K-12 funding stream of the CARES Act will come from a \$13.2 billion relief fund, of which Michigan expects to receive about \$390 million. At least \$350 million of that must pass through the state education department to local districts and public charter schools, based on how much a school already receives from the Title I federal poverty funding formula.

Public district and charter schools that serve larger concentrations of low-income students will benefit the most from the \$350 million cash infusion. Meanwhile, the department could use some of the remaining funds to provide tests for local districts to identify what individual students need to learn when the next school year begins.

The next stream, the Governor's Emergency Education Relief Fund Grants, could be doled out for more creative purposes. Gov. Gretchen Whitmer can design Michigan's application for how to spend \$89.4 million from that source on various K-12 and higher education needs. State leaders should take advantage of that flexibility to address some of the educational needs that the new distance learning plans of Michigan's schools may miss.

A share of the federal grant dollars should be set aside to offer scholarships to young learners who were already a year behind on their latest reading assessment. Florida's Reading Scholarship Accounts provide a model, allowing families to direct funds for tutoring services, curriculum materials or summer school programs that suit their student's needs. Similar accounts in Michigan, administered through a nonprofit organization, could underwrite in-person learning options that will be safely available in future months.

Whitmer's April 2 executive order suspended a newly implemented requirement designed to give extra help to students who aren't reading proficiently by the end of third grade. Even if schools reopen under less-than-ideal circumstances, the state should focus on helping those students



New federal funding for education should be used to promote a diversity of learning options.

who lost the most by not being enrolled in a classroom setting at the end of the school year.

Funds from the Governor's Relief Fund Grants could also be used for other purposes. They could, for example, help defray the costs of remedial education for 12th-graders who move on to college in the fall and find that they fell through the cracks of their district's distance learning program.

Applying for the third and smallest stream of CARES Act money would come without a guarantee. The \$300 million competitive grant program is tilted toward states that have experienced a greater burden from the novel coronavirus, and it is designed to reward innovative proposals. The U.S. Department of Education specifically encourages proposals that would give students access to more online courses outside their assigned district, or even direct microgrants to families so they can purchase needed educational services.

The intent behind this last program points to the most truly helpful and profitable approach federal lawmakers could undertake. That approach would be to give parents a greater say over education dollars and decisions. Congress should unlock 529 education savings accounts so families can use the funds for at-home learning without penalty, and expand federal tax write-offs for private school tuition payments or donations to K-12 scholarship organizations.

Tuition relief that allows more private schools to remain open would not only give their students greater continuity of learning but also ease the state's fiscal strain by limiting the number of transfers into the public system. Granting such relief would cause the state to spend less, on a per-student basis, than it would have to pay school districts that enrolled students who left a private school. Significant cuts to sales and income tax revenue mean the state already will have to roll back school aid. An exodus of private school students to public schools would leave even fewer dollars to educate each pupil.

With political will and foresight, state leaders ought to direct anticipated federal funds to support different educational choices. Michigan should embrace a flexible approach that elevates local decision-making and promotes diverse options to best create the conditions for student success.

#####

Ben DeGrow is the director of education policy for the Mackinac Center for Public Policy, a research and educational institute headquartered in Midland, Michigan. Permission to reprint in whole or in part is hereby granted, provided that the author and the Mackinac Center are properly cited.

As these funds become available, state officials should focus as much as possible on the needs of students, without regard to what kind of school they attend.

Attention Editors and Producers

Viewpoint commentaries are provided for reprint in newspapers and other publications. Authors are available for print or broadcast interviews. Electronic text is available for this Viewpoint at mackinac.org/pubs/viewpoints.

Please contact:

Holly Wetzel
Communications Coordinator
989-698-1927
wetzel@mackinac.org

140 West Main Street
P.O. Box 568
Midland, Mich. 48640

Mackinac.org
Facebook.com/MackinacCenter
Twitter.com/MackinacCenter