



Is more money the answer to learning loss in Michigan?

Michigan schools have struggled to translate more money into better outcomes.

By Molly Macek | February 2023

In its latest report, Education Trust-Midwest calls for “solution-based, research-based strategies” to address the disparate learning losses experienced by low-income students during the pandemic. One of Ed Trust’s top priorities for increasing test scores is to significantly increase the amount of money schools receive on behalf of their low-income students.

Specifically, the report recommends that Michigan schools get double the minimum foundation allowance for each low-income student they enroll. That translates to more than \$18,000 per student.

School districts in Michigan already receive an extra 11.5% of the foundation allowance for each low-income student. That cost taxpayers over \$747 million in the last fiscal year. Increasing this to 100% would cost roughly another \$6.5 billion. That represents a 38% increase to what the state currently spends on public schools.

The Ed Trust-Midwest report does not say where lawmakers should get this extra money, but there are only two options: raise taxes or cut other government programs.

Pouring billions more into public schools now would not be fiscally responsible. For one thing, school districts are still trying to find ways to spend the unprecedented sums they received in COVID relief funding in 2020 and 2021.

They cannot easily ramp up their spending to provide extra services for students who need more help.

Schools should not establish new programs or hire new employees unless the new revenue is sustainable.

Even if schools could immediately start spending all this new money, it is doubtful it would have a direct impact on student achievement. The best evidence from Michigan shows that highly funded schools struggle to turn the additional cash into better student outcomes.

Giving schools that serve low-income students more money has been tried, over and over again, for the last several decades. It’s why schools in Flint, Benton Harbor, Detroit and Pontiac are — when counting all their revenue — some of the best-funded in the state.

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If all it took was more money to raise test scores, Michigan's students of today would be performing significantly better than previous generations of students. That's clearly not the case.

That said, if policymakers decide to spend more on schools, increasing payments on behalf of low-income students should still be considered. Research generally finds that it is more challenging to educate students from low-income backgrounds. Doubling funding, however, is likely to waste money without improving education. A more sustainable goal would be a small increase to the current 11.5% bonus. That would encourage districts to make strategic investments in ways to serve these students better.

For example, as the Ed Trust-Midwest report states, there is clearly a need to improve early literacy skills, especially among low-income and minority students. The number of third grade students eligible to be held back based on reading proficiency increased by 20% in 2021-22. Even so, many of these students were promoted to fourth grade, unprepared and in jeopardy of falling further behind.

These students need more focused reading support and a chance at improving their scores. This is the purpose of the Read by Grade Three Law: to create incentives for schools and parents to get every third grader proficient in reading. The strategic use of data and resources to improve reading proficiency before promoting a student to the next grade level would be a wise investment.

Improving teacher quality is another wise investment, and a priority identified in the Ed Trust-Midwest report. The value added by a quality teacher is well-documented.

But placing quality teachers in the classroom requires taking into consideration a teacher's impact on student achievement growth, rigorously evaluating teachers and providing them with meaningful ways to improve. Despite a state law requiring teacher evaluations, most schools do not effectively evaluate their teachers. In 2021-22, for instance, 99% of teachers statewide were rated as "effective" or "highly effective," even in schools with failing report cards. Teacher quality will not improve if schools continue to pretend that all teachers are equally great.

Improving reading proficiency and teacher quality would go a lot further than piling more money on top of existing school programs. Based on the initial signals coming from the new Legislature, these goals will be even harder to accomplish.

Policymakers have called for repealing the state's third grade reading law and watering down teacher evaluation standards, making those goals their top priorities. Ed Trust's recommendation of significantly boosting state funding of schools will have even less of a chance of improving school quality if those things happen.

Available online at: www.mackinac.org/v2023-06



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