



News Release

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STATE BOARD CALLS FOR ACTION TO ADDRESS STRUCTURAL ISSUES WITH MICHIGAN SCHOOLS

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LANSING – The State Board of Education will actively engage Governor Jennifer M. Granholm, the state Legislature, and educational stakeholders to address funding and operational efficiencies surrounding Michigan’s educational structure.

The action followed several months of concerned input to the State Board from education and business leaders from urban, suburban, and rural communities across the state that three consecutive years of flat school aid funding coupled with steeply rising costs for health care and retirement are putting school districts in financial peril.

As a result, State Board of Education President Kathleen N. Straus asked State Superintendent of Public Instruction Tom Watkins to develop an action plan that addresses school funding issues. Watkins developed a report for Straus entitled: *Structural Issues Surrounding Michigan School Funding in the 21st Century* (at www.michigan.gov/mde) that outlined the issues and called for “intense dialogue and action among Michigan policy makers to help move toward a long-term solution” to the challenges facing Michigan schools today and into the future.

“There is a structural funding challenge facing Michigan’s system of public education,” Watkins stated. “Yet additional revenue without unprecedented change in the fundamental structure of our public education system is not enough. Boldness and candor are required to identify the challenges as well as to make recommendations that address them.”

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At its monthly meeting Tuesday, the State Board unanimously approved a motion to have Straus (D-Bloomfield Hills) and Board members Carolyn Curtin (R-Evart) and Reginald Turner (D-Detroit):

- meet with Governor Granholm to gain her input and support;
- meet with legislative leadership to gain bi-partisan support, conceptually and financially, to develop action steps and recommendations addressed in Watkins' report, *Structural Issues Surrounding Michigan School Funding in the 21st Century*; and
- direct Watkins to seek business, labor and foundation support, both conceptually and financially, to support the expenses associated with implementation of the recommendations from his report.

“There are clear structural problems with the funding and delivery of education here in Michigan,” Straus said. “These are urgent matters and we need a comprehensive review and strategy to solve them.”

These points were reinforced Tuesday in presentations by Tom Clay from the non-partisan Citizens Research Council (www.crcmich.org); David Plank from the Michigan State University's Education Policy Center (www.epc.msu.edu); and Flint Schools Superintendent Dr. Felix Chow and other suburban Genesee County school superintendents who stressed that they soon will be facing severe operational and financial challenges.

Watkins illustrated to the State Board that just adding money to the current structure won't solve the school funding problems. He showed that with a hypothetical \$300 per pupil increase in the state aid foundation grant, while highly unlikely given the Michigan's overall structural budget deficit, \$250 of it would only cover the districts' mounting retirement and health care obligations with only \$50 left to address the multitude of other instructional and structural needs of every public school in Michigan.

In recognizing the state's fiscal constraints and legislative discussion on re-designing the state's tax structure, but on a revenue neutral basis, Turner acknowledged that any review in school funding will have to consider the limited financial resources the state will have to work with.

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“We need more stability in funding education,” Turner said. “We have to find how to create a structure that’s functional and do what we want it to do, within our limited resources.”

Board member John Austin (D-Ann Arbor) echoed the themes in the report, saying, “We need to look at the whole structure and enterprise of education. We cannot keep re-filling the potholes in funding, we need to re-design the highway.”

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Access *Structural Issues Surrounding Michigan School Funding in the 21st Century* by logging on to the Michigan Department of Education website www.michigan.gov/mde
The public is welcome to offer input on the report to the State Board of Education at MDEWeb@michigan.gov

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