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# The Road Toward K-12 Excellence in Michigan

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# The Road Toward K-12 Excellence in Michigan

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Kevin M. Hollenbeck

Presentation to:

Michigan State Board of Education  
Michigan Department of Education  
Lansing, MI 48909

August 11, 2015

# Background

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Remarks based on:

“The Road Toward K-12 Excellence in Michigan: How an Upgraded Financing System Can Better Support Enhanced Student Achievement,” Kevin Hollenbeck, Timothy Bartik, Randall Eberts, Brad Hershbein, and Michelle Miller-Adams

url: <http://research.upjohn.org/reports/215/>

# Background

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- Intent of the Study
  - Effect of Proposal A on student achievement, especially gap between economically-disadvantaged and non-economically-disadvantaged students
  - After 20 years, is it time to “tweak” proposal A, especially given what is known about its impact on declining enrollment districts?
- Funders: W.K. Kellogg Foundation, Skillman Foundation, Steelcase Foundation

# Background

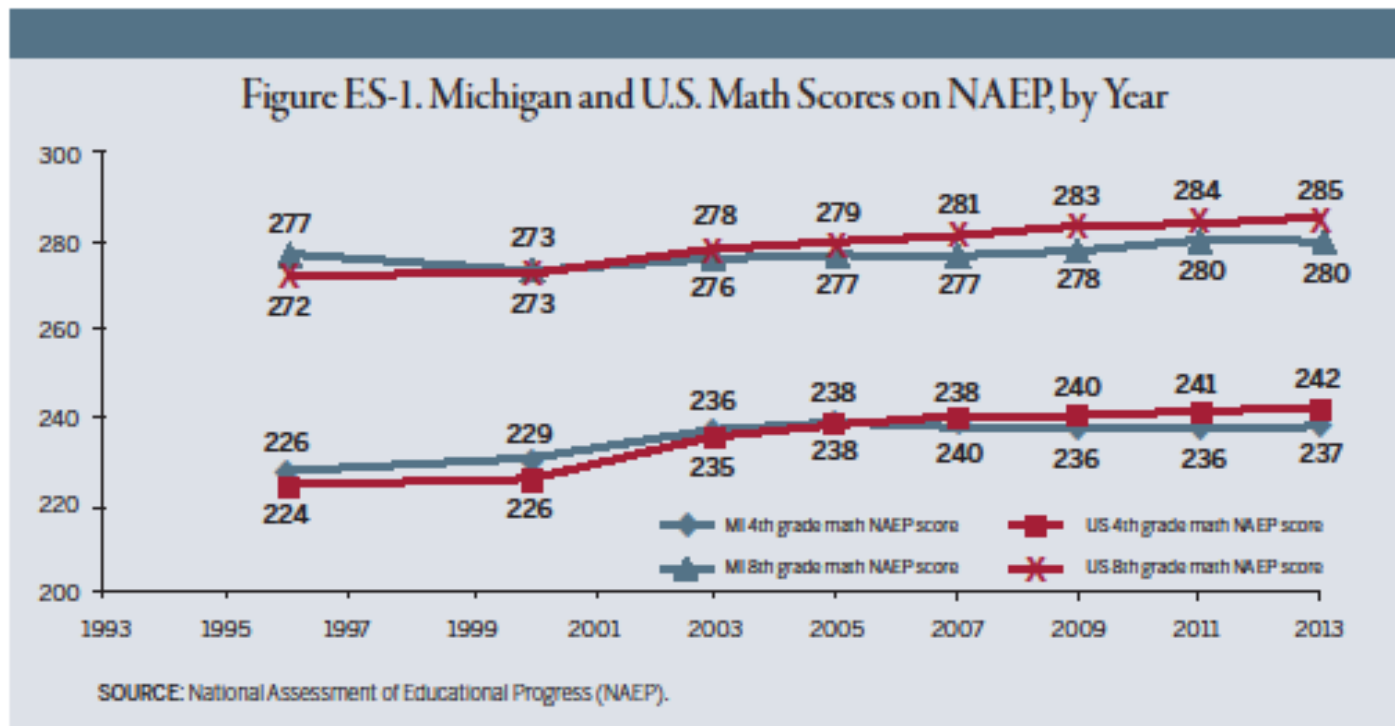
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Three *a priori* assumptions:

1. Michigan has a legacy of strong educational support, but now we may have slipped to the middle of the pack
2. Some states have systems that have narrowed the gap between poor and non-poor students
3. Michigan has wherewithal to invest significantly more into K-12 if it so chose

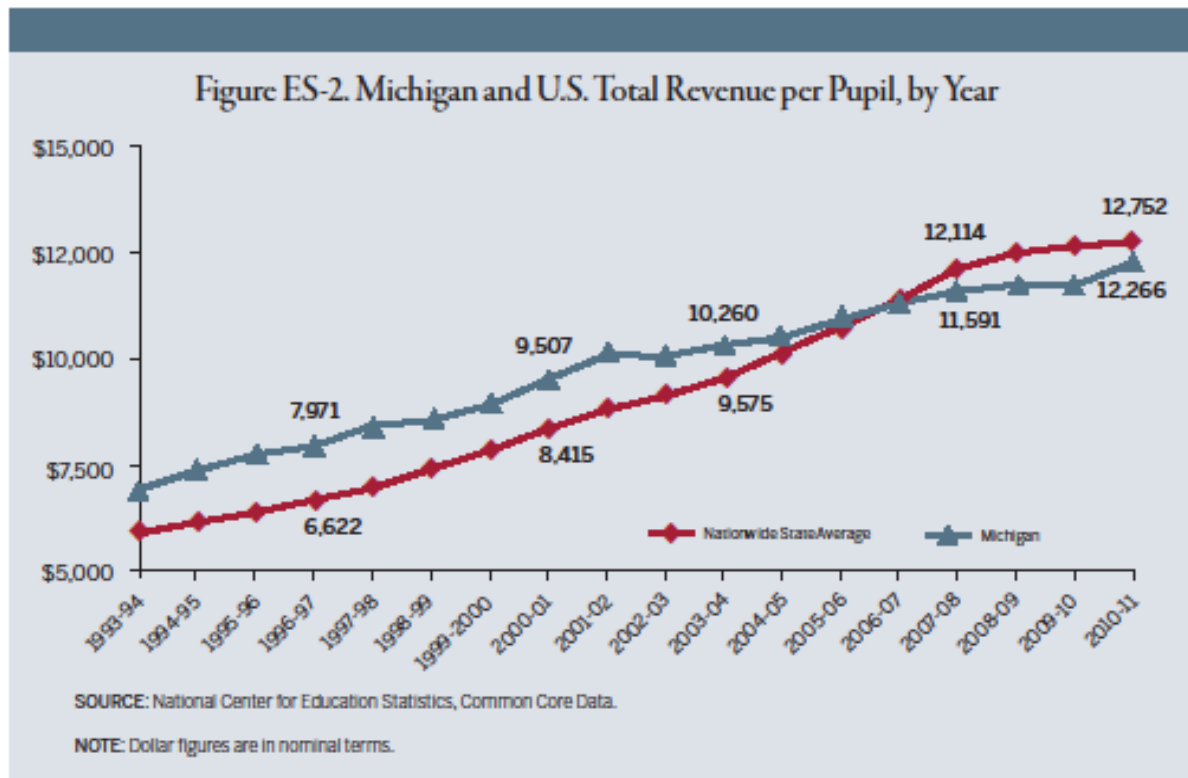
# Student Achievement

- Quickly discovered that MI got surpassed by U.S. average (achievement)



# Student Achievement

- Quickly discovered that MI got surpassed by U.S. average (funding)



# Student Achievement

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- Economic significance: 2%; \$18,000; \$27 billion
  - According to national study using conservative assumptions, the raw score differential between the average MI and average U.S. student suggests that lifetime earnings will lag by about 2%.
  - On average, discounted lifetime earnings average \$900,000; 2% is \$18,000.
  - 1.5 million students in MI \* \$18,000 = **\$27 billion**



# Student Achievement

## Gap, by Economic Disadvantage (Data)

		<u>2003</u>	<u>2013</u>
MI	Low-income	231.3	237.3
	Non-low-income	257.7	262.9
	Gap	26.4	25.6
U.S.	Low-income	232.3	240.3
	Non-low-income	257.8	266.3
	Gap	25.5	26.0

# Student Achievement

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## Gap, by Economic Disadvantage (Analysis)

- Difference between MI and U.S. for low-income grew from 1.0 to 3.0 points
- Gap between low-income and non-low-income got smaller in MI, but larger in U.S.
- Glass half-full? Maybe only one-quarter full — low-income students fell behind; non-low-income students fell even further behind.

# Student Achievement

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- (Insidious) Feedback between Poverty in District and Low-Income Student Achievement
  - Average low-income student in a district with a high percentage of low-income students has lower achievement than predicted. That is, higher levels of poverty in a district seem to dampen low-income student achievement. (District or school effects)

# Student Achievement

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- Many metrics can be used to compare student achievement across states
  - We used a metric based on average (NAEP) score levels for low-income and for non-low-income students in 2013 and changes in average score levels for those two groups between 2003 and 2013.

# Student Achievement

Table 3-3. Ranking of States on NAEP Academic Performance Index

Rank	State	Index of State Academic Performance, 2013 Levels and 2003-13 Changes
1	New Jersey	1.29
2	Massachusetts	1.24
3	Maryland	1.21
4	Florida	0.86
5	Pennsylvania	0.86
6	New Hampshire	0.83
7	Indiana	0.80
8	Georgia	0.58
9	Vermont	0.54
10	Washington	0.46
11	Colorado	0.43
12	District of Columbia	0.43
13	Minnesota	0.40
14	Tennessee	0.35
15	Hawaii	0.34
16	Wyoming	0.25
17	Nevada	0.24
18	North Carolina	0.19
19	Texas	0.19
20	Maine	0.15
21	Rhode Island	0.11
22	Ohio	0.09
23	Wisconsin	0.08
24	Kentucky	0.03
25	Delaware	0.02
26	Kansas	0.00
27	Idaho	-0.03
28	Montana	-0.06
29	Arkansas	-0.10
30	Oregon	-0.13
31	Utah	-0.16
32	Nebraska	-0.21
33	Arizona	-0.24
34	California	-0.27
35	Virginia	-0.28
36	Connecticut	-0.33
37	Missouri	-0.34
38	Illinois	-0.36
39	Iowa	-0.45
40	North Dakota	-0.51
41	New York	-0.54
42	New Mexico	-0.55
43	Alabama	-0.61
44	Oklahoma	-0.62
45	Michigan	-0.64
46	Louisiana	-0.84
47	Mississippi	-0.89
48	West Virginia	-1.03
49	South Carolina	-1.06
50	South Dakota	-1.07
51	Alaska	-1.07

NOTE: The index is calculated using four inputs for each state: 1) the simple mean of average test score levels for low-income students in 2013 for 4th graders and 8th graders in reading and math; 2) the same simple mean of average test score levels but for non-low-income students; 3) the simple mean of average test score changes between 2003 and 2013 for low-income students, again for 4th and 8th graders in reading and math; and 4) the same simple mean of average test score changes for non-low-income students. Each of these inputs is expressed in standard deviation units relative to the national mean, where the standard deviation is across the 51 state observations of each input. The index then calculates a weighted average of these four inputs, with a double weight put on the test score levels and trends of low-income students. An equally weighted average yields similar rankings. SOURCE: National Assessment of Educational Progress (NAEP).

# Conclusion: Michigan student achievement lagging considerably further than expected

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- Why?
  - State funding effort lagged? Ans.: Not really
  - Expenditures not directed to instruction? Ans.:  
Data suggest this is the case, but not primary cause
  - Taxable resources have shrunk? Ans.: Yes
    - Real GSP per capita (2013) = \$44,670 (41<sup>st</sup>)
    - Growth in GSP per capita (1992-2011) (49<sup>th</sup>)

# Recommendations (Short-Run)

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**Recommendation #1:** Four-year competitive grant program for districts (traditional and charter) to offer services/interventions that have been shown to be highly effective at increasing student achievement.

–Smart Educational Expenditure Demonstration (SEED) initiative

# Recommendations (Short-Run)

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**Recommendation #2:** Local district enhancement millage.

- Capped at 3.0 mills for 5 years
- State equalized (at 80<sup>th</sup> percentile of property value per capita)



# Recommendations (Short-Run)

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**Recommendation #3:** Adequacy study should include econometric analyses of cost data as well as qualitative data on best practice.

# Recommendations (Short-Run)

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**Recommendation #4:** Increase funding level and institute a progressive funding structure for aid for at-risk students.

# Recommendations (Short-Run)

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**Recommendation #5:** For districts that decline in enrollment by more than 2%, provide declining enrollment support (suggested level: one-half foundation grant per net student loss).

# Recommendations (Short-Run)

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**Recommendation #6:** Adjust per student foundation grant by grade level — suggest higher support in grades 1–3 and 9–12.

Comments or questions are welcome.

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