



MI Special Education Finance Reform Blueprint



Michigan Special Education Finance Reform Blueprint — Appendix

Appendix A: Legislative Authorization for Sec. 51h, H.B. 5507 (P.A. 120 of 2024)

Sec. 51h. (1) From the general fund money appropriated in section 11, there is allocated for 2024-2025 only \$500,000.00 to Clinton County RESA to partner with an independent entity that has extensive experience in school finance, including the Opportunity Index, to conduct research, interviews, data collection, analysis, and financial modeling to develop an implementation framework that outlines the cost of fully providing special education services and supports to students with disabilities through the application of an equity-driven model.

(2) The study described in subsection (1) must include key areas of school finance related to the education costs of students with disabilities. The study must provide objective guidance to the legislature regarding both of the following:

(a) Modeling analysis of a weighted funding formula related to students with disabilities to determine accurate cost estimates to fully fund special education according to consensus-built weighted multipliers.

(b) Policy and implementation recommendations based on an equitable framework that considers the intersection with the Opportunity Index and that will improve how this state funds students with disabilities.

(3) Within 30 days after the completion of the study, the independent entity shall issue a report with its findings to the department, the house and senate fiscal agencies, the state budget director, the senate appropriations subcommittee on pre-K to 12, the house appropriations subcommittee on school aid and education, and the house and senate standing committees responsible for education legislation.

(4) Within 60 days after the completion of the study, the independent entity shall make its findings available on a publicly available website.

(5) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department

Appendix B: Technical and Planning Committee Meetings Overview

February 10, 2025, Planning Group Meeting

Attendees:

- Blueprint Project Team: Max Marchitello, Heather Eckner, Alayna Ohneck, Sarah Himes Greer
- John Andrejack—Financial Manager, Office of Special Education, Michigan Department of Education
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Abby Cypher—Executive Director, Michigan Association of Administrators for Special Education
- Jen DeNeal—Director of Policy and Research, The Education Trust–Midwest¹⁵²
- Arlyssa Heard—Deputy Director, 482 Forward, Michigan Education Justice Coalition
- Diane Heinzelman—Member, Education committee, AAoM Board
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Alexandra Stan—Education Policy Analyst, Michigan League for Public Policy
- Peri Stone-Palmquist—Executive Director, Student Advocacy Center
- Craig Thiel—Research Director, Citizens Research Council
- Punita Dani Thurman—Vice President of Strategy, Skillman Foundation¹⁵³

Topics:

- Project background and initiation
- Current special education funding approach
- Project timeline, premise, and approach
- Facilitated meeting expectations
- Reflective discussion
 - Local levy cap
 - Survey topics and distribution
 - Weighted student model
 - Collaboration with ongoing efforts and initiatives
 - Stakeholder input
 - State and local share

¹⁵² No longer in this position at time of publication

¹⁵³ No longer in this position at time of publication

May 6, 2025, Technical Advisory Group Meeting

Attendees:

- Blueprint Project Team: Max Marchitello, Heather Eckner
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Craig Thiel—Research Director, Citizens Research Council
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Tanner Delpier—Labor Economist, Michigan Education Association

Topics:

- Review methodology to analyze Michigan's current funding system
- Analysis of Michigan's current funding system
- Introduction to AIR's special education cost study

May 21, 2025, Technical Advisory Group Meeting

Attendees:

- Blueprint Project Team: Max Marchitello, Heather Eckner
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Craig Thiel—Research Director, Citizens Research Council
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Tanner Delpier—Labor Economist, Michigan Education Association

Topics:

- Weighted student funding structures
- Research and special education cost estimates
- Preparation for June large stakeholder convening
- Preliminary discussions about high-cost funds

June 12, 2025, Technical Advisory Group Meeting

Attendees:

- Blueprint Project Team: Max Marchitello, Heather Eckner, Sarah Himes Greer
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Venessa Keesler—President and Chief Executive Officer, Launch Michigan
- Peri Stone-Palmquist—Executive Director, Student Advocacy Center
- Jeff Cobb—Director of Government Affairs, The Education Trust–Midwest
- Alexandra Stamm—Education Policy Analyst, Michigan League for Public Policy
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Tanner Delpier—Labor Economist, Michigan Education Association
- Arlyssa Heard—Deputy Director, 482 Forward, Michigan Education Justice Coalition

Topics:

- Debrief from June 4, 2025, Blueprint facilitated meeting
- Determining the foundation allowable as the basis for calculating the weights for students with disabilities
- Basing the weight on the FA as recommended by the School Finance Research Collaborative report to align with the rest of the SFRC recommendations
- Considering good educational outcomes as connected to increased funding levels
- Discussing the approach that a coalition for adequately funded public education will be broader than a coalition focused on special education funding

June 24, 2025, Technical Advisory Group Meeting**Attendees:**

- Blueprint Project Team: Max Marchitello, Heather Eckner
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Tanner Delpier—Labor Economist, Michigan Education Association

Topics:

- Comparing Ohio and Michigan
- Discussion and analysis of multiple proposed WSF models
- Preliminary discussions and analysis of a high-cost fund
- Discuss state and local share funding structures

July 10, 2025 Data Discussion**Attendees:**

- Blueprint Project Team: Max Marchitello, Heather Eckner, Sarah Himes Greer
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Chris Frank—Assistant Superintendent/Business Officer, Macomb ISD
- John Severson—Executive Director, Michigan Association of Intermediate School Administrators
- Naomi Norman—Superintendent, Washtenaw ISD
- Rachel Fuerer—Director of Special Education, Eastern UP ISD/MAISA
- Paul Bodiya—Recently retired, Macomb ISD

Topics:

- Accountability to avoid overidentification
- Limitations to current MI data system
- Teacher retirement costs
- Using a head count versus an FTE approach for service numbers
- State and local share

July 16, 2025, Technical Advisory Group Meeting

Attendees:

- Blueprint Project Team: Max Marchitello, Heather Eckner
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Craig Thiel—Research Director, Citizens Research Council
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Tanner Delpier—Labor Economist, Michigan Education Association

Topics:

- Refining and improving preferred WSF model
- Identifying choices and trade-offs for state and local share funding decisions
- Considering MPSERS UAAL

August 1, 2025, Data Discussion

Attendees:

- Blueprint Project Team: Heather Eckner, Sarah Himes Greer,
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Chris Frank—Assistant Superintendent/Business Officer, Macomb ISD
- John Severson—Executive Director, MAISA
- Naomi Norman—Superintendent, Washtenaw ISD

Topics:

- Approaching the legislature to fund the project
- High-cost fund discussion
- Managing schools of choice with funding approach
- Discussion regarding a webinar for ISD Superintendent with an overview of the project, encourage collaboration, offer examples of how a high-cost fund would impact their ISDs

August 27, 2025, Technical Advisory Group Meeting

Attendees:

- Blueprint Project Team: Max Marchitello, Heather Eckner
- David Arsen—Emeritus Professor of Education Policy, Michigan State University
- Craig Thiel—Research Director, Citizens Research Council
- Scott Koenigsknecht—Superintendent, Clinton County RESA
- Tanner Delpier—Labor Economist, Michigan Education Association

Topics:

- Finalizing the MI Blueprint WSF Model and high-cost fund
- Finalizing state and local share choices and trade-offs

Appendix C: Facilitated Stakeholder Meeting Materials

The following appendix contains the meeting materials for all four facilitated stakeholder sessions, including agendas for all four sessions, interim findings summaries, and a cumulative attendee list for the sessions.

Agenda: MI Blueprint April 9 Facilitated Meeting

Wednesday, April 9, 2025 | 2:30–4:00 p.m.

The Big Room (Lower Level)
Public Sector Consultants
230 N. Washington Square
Lansing, MI 48933

Time	Agenda Item
2:30 p.m.	Welcome and Introductions • Introduce concept of principled struggle • Review agenda • Introduce meeting goals: • Bring key stakeholders together in a shared space to engage in the process to envision a new future • Align on the opportunity this work presents • Build commitment to bring about the best funding model to serve Michigan’s children • Facilitate attendee introductions
2:55 p.m.	Meeting Norms • Participant agreements • Topic acknowledgments • Parking lot ideas

Time	Agenda Item
3:00 p.m.	Project Background • Introduce project goal • Review project phases and timeline • Stakeholder feedback • Finance analysis • Report to legislature
3:10 p.m.	Discussion Activity Envision the Future • Focus question: What does a successful special education funding approach look like?
3:20 p.m.	Discussion Activity Current Reality • Focus questions: • What are the strengths and weaknesses of our current special education funding system? • What threats and opportunities do we have to be mindful of in planning for the future?
3:55 p.m.	Wrap Up and Next Steps • Follow-up email with today's meeting materials • Next meeting on Wednesday, June 4, 2:00–5:00 p.m. • Continuing analysis of survey findings, SWOT findings, and other state model research

Agenda: MI Blueprint June 4 Facilitated Meeting

Wednesday, June 4, 2025 | 2:00–5:00 p.m.

The Big Room (Lower Level)
Public Sector Consultants
230 N. Washington Square
Lansing, MI 48933

Time	Agenda Item
2:00 p.m.	Welcome and Introductions • Revisit concept of principled struggle • Review agenda • Introduce meeting goals: • Review and react to the problem statements • Learn about and reflect on other state models • Review meeting norms and project progress
2:10 p.m.	Discussion Activity Thematic Problem Statements • Focus questions: • How well does this problem statement represent your experience? • What part, if any, of this problem statement challenges you? • What changes or additions would you make to this problem statement to be more reflective of the issues?
3:00 p.m.	Break
3:05 p.m.	Presentation Leading Ideas in Special Education Finance Reform • Explore weighted student funding
3:50 p.m.	Discussion Activity Responding to Research • Focus questions: • What stands out to you about this research? • How might this approach respond to the problem statements we've discussed? • Based on the problem statements and research presented, what approach might you propose?

Time	Agenda Item
4:55 p.m.	Wrap Up and Next Steps • Follow-up email with today’s meeting materials • Next meeting on Tuesday, July 22, 2:00–5:00 p.m. • Problem statement feedback: Adding precision and clarity to the understanding of the issues to ensure responsive solutions • Research responses: Fueling the considerations around recommendations and implementation

Agenda: MI Blueprint July 22 Facilitated Meeting

Tuesday, July 22, 2025 | 2:00–5:00 p.m.

The Big Room (Lower Level)
Public Sector Consultants
230 N. Washington Square
Lansing, MI 48933

Time	Agenda Item
2:00 p.m.	Welcome and Introductions • Revisit concept of principled struggle • Review agenda • Introduce meeting goals: • Review the draft MI Blueprint WSF Model • Discuss implementation considerations • Review meeting norms and project progress
2:10 p.m.	Presentation Exploring Weighted Student Funding for Special Education in Michigan • Review Michigan’s special education finance challenges • Connect data to the problem statements • Preview the proposed MI Blueprint WSF Model • Review funding considerations
3:10 p.m.	Discussion Activity Data Reflection • Focus questions: • What elements of what we just heard make a compelling case for structured finance reform? • What additional analysis would help bolster the case for why urgent reform is needed? • What questions do you still have?
3:30 p.m.	Break
3:40 p.m.	Discussion Activity Key Considerations for Implementing a Michigan Model • Focus question: What are the most important considerations to keep the model accountable to the core values and principles?

Time	Agenda Item
4:55 p.m.	Wrap Up and Next Steps • Follow-up email with today’s meeting materials • Next meeting on Thursday, September 11, 9:00 a.m.–12:00 p.m. • Employ considerations to refine the model and begin the report • Continue technical, research, and modeling discussions • Reflect and share the draft MI Blueprint WSF Model and report

Agenda: MI Blueprint September 11 Facilitated Meeting

Thursday, September 11, 2025

Agenda Item

Welcome and Purpose

- Welcome, framing, and acknowledging the collective labor of the project.
- Review agenda

What We Built: Deep Dive Into the Model

- Review the projects' purpose: To replace a broken system that falls short of what students deserve with a chance to do something truly different.
- Overview core problems and five key perspectives of the model
- Contributions of the planning committee
- Overview the weighted student formula and highlight the key features: student-centers, needs-based, predictable, flexible, and transparent
- Explain four tier components, cost estimates, distribution and weights
- Outline financial investment, policy options for cost sharing, and ISD levy cap barrier
- Reiterate the purpose of the work, noting ISD funding gaps and how it will impact families

5 Minute Break

Our Moment to Lead: Looking Outward

- Provide national perspective: detail similar shifts to weighted, student-based funding in states like TN, MS, and TX
- Identify common drivers for change: need for investment, growing SWD population, and uncertainty over federal funding
- Assert that Michigan is leading by making special education finance the central focus of reform

Finishing Strong: What We Need to Finish this Work

- Moving from technical design to collective momentum and implementation
- Reiterate timeline: Final refinements in September and Legislative report delivery on October 30th
- Collect group feedback on alignment and final messaging for legislators
- Introduce Ambassador Toolkit

Interim Findings: MI Blueprint April 9 Facilitated Meeting

Initial SWOT Themes

On April 9, 2025, the Michigan Blueprint for Special Education Finance Reform (MI Blueprint) hosted a stakeholder engagement session for attendees to learn more about the MI Blueprint project, meet other stakeholders, and participate in a facilitated activity to discuss the strengths, weaknesses, opportunities for improvement, and threats to the current Michigan special education finance system (a SWOT analysis). Sixty stakeholders attended the meeting, either in person or online.

The themes included in these results are the initial findings documented during the meeting. The project anticipates, and has asked for, additional feedback from participants on the same questions discussed in the meeting via the post-event survey. At the survey's completion, all feedback will be reviewed in the same manner to identify any additional themes which the stakeholders identified.

Key:

- **Main theme phrases** are listed in bold sub-headers for each quadrant discussed (e.g., strengths, weaknesses, opportunities, threats). These are the main categories which the personal statements presented when analyzed.
- **Sum-up statements** are included below the theme phrase, with yellow bullet points to offer additional context.
- **Personal statements** captured during the meeting are documented in quotation marks and black bullet points. Statements with an asterisk were noted more than one time.

Strengths

Student-Centered Commitment

The system is anchored by dedicated, student-centered professionals, which is essential for driving meaningful change and maintaining focus on student outcomes.

Improved Funding

The system has achieved **major progress** in funding.

Strengthened Advocacy and Legislative Engagement

Advocacy has become:

- More aligned, strategic, and inclusive, helping build a stronger collective voice
- More visible and active in the legislative space, increasing influence and awareness of special education issues

Enhanced Collaboration

There's a notable rise in collaboration among key stakeholders, which is tied directly to measurable outcomes and a shared sense of accountability, enhancing system effectiveness.

Transparency and Knowledge Sharing

The Michigan Department of Education finance team's openness in sharing financial insights boosts transparency, trust, and informed decision-making across districts and partners.

Weaknesses

Inadequate and Inequitable Funding

There's a widespread concern that **special education funding is insufficient**, both federally and at state and local levels. Local funding is **unequally distributed**, depending on **property wealth or capped levies**, reinforcing geographic inequities.

- Programs and services, including Early On and high-cost services, are underfunded.
- The reimbursement model causes financial strain, especially when districts must pay upfront.

Burdensome Financial Structures and Reimbursement Challenges

Cost structures and reimbursement policies are complex:

- High service-cost students can overwhelm a district's budget.
- Transportation costs and special education reimbursement levels are insufficient.
- Financial structures and requirements restrict flexibility.

Staffing Capacity and Data Limitations

Schools lack the **staffing capacity to collect necessary student data**, which in turn weakens funding justification and service planning.

- Retention is low due to inadequate pay and high expectations, compounding this issue.

Policy and Governance

- Federal instability and unfulfilled commitments from the U.S. Department of Education cause confusion and inaction.
- Tension between statewide efforts and local autonomy creates inconsistency in service provision.

Service Delivery Challenges

Some services are **expensive to provide at a small scale**, which limits their availability in less populated or rural areas.

- Cost structures vary significantly by region, and one-size-fits-all solutions don't work.

Opportunities

Policy Alignment and Systemic Accountability

There is an opportunity to **create a more unified education system** by:

- Aligning policy and funding across local, state, and federal levels to reduce internal competition and conflicting priorities

- Promoting mutual accountability among the state, ISDs, and local districts, ensuring all parts of the system work toward shared goals
- Redefining services for children from birth to age 3 by expanding access and support during a critical developmental window
- Broadening eligibility for reimbursement, potentially increasing funding for early intervention and special education services

Funding Reform and Resource Optimization

There is potential to **redefine how money flows** through the system by:

- Finding flexibility to meet different student needs
- Investing in high-quality teachers and evidence-based practices
- Framing education as a return on investment
- Studying and replicating successful models from other states

Inclusion and Equity in Early Learning

Building upon **Pre-K for All** offers the chance to prioritize **inclusion of students with disabilities** from early learning stages and to customize services based on the **individual needs** of children.

Innovation in Service Delivery

More **flexible funding** could help schools **innovate service delivery** methods for students with disabilities.

Public Engagement and Advocacy Messaging

There is an opportunity to **educate the public and policymakers**:

- Improve storytelling about the realities of special education finance.
- Emphasize that everyone is impacted—not just students with disabilities.
- There is growing political will and momentum for change.

Threats

Fragmentation and Lack of Unified Advocacy

Without **coordinated messaging** and **shared priorities**, the risks include:

- Losing momentum in legislative advocacy
- Becoming ineffective as a coalition with too many competing interests
- Creating unnecessary internal competition for limited funds

Economic Uncertainty and Fiscal Scarcity Mindset

There is strong concern about **economic instability** and a **scarcity-driven mindset**:

- People may be hesitant to reallocate existing education funds to cover new special education needs because they don't want other services to be affected.
- A decline in tax revenue and recession worries make it difficult to advocate for new investments.

- Shifting current costs without expanding the funding pool causes tension and stifles innovation.

Political Climate and Resistance to Change

Threats include:

- Protection of the status quo, making reforms difficult
- A national anti-DEI trend that could reduce inclusivity efforts
- Potential policy shifts toward vouchers, which may divert resources from public education
- Resistance to new models of service delivery

Distrust and Public Perception

There's a general **lack of trust and understanding**:

- Skepticism about state spending and fear of waste
- Difficulty demonstrating how more funding will translate into better outcomes, which undermines support

Capacity, Workforce, and Time Constraints

Systemic threats also include:

- A decline in the teaching workforce affects program quality and stability
- Lack of time and bandwidth to engage in long-term reform planning
- Not enough focus on data-driven decisions, which weakens credibility and reform momentum

Interim Findings: MI Blueprint June 4 Facilitated Meeting

Problem Statement Activity Summary

On June 4, 2025, the Michigan Blueprint for Special Education Finance Reform (MI Blueprint) hosted a stakeholder engagement session for attendees to participate in a facilitated activity to discuss problem statements about the current Michigan special education finance system. Fifty-two stakeholders attended the meeting, either in person or online. The themes included in these results are the initial findings documented during the meeting.

Problem Statement 1

Overall levels of special education funding in Michigan have not kept pace with the latest research on what it costs to provide the services necessary for students to access the curriculum and meet state expectations.

Discussion Themes

- Funding for special education is not adequate to meet student needs
- Individualized student needs are being missed and oversimplified
- There needs to be a greater focus on research and best practices
- Meeting student needs should be prioritized over funding concerns

Suggested Changes

- Remove: “Does not keep pace” almost suggests at one point it was adequate – and that is not the case, almost seems misleading
- Add/consider: Districts/schools are not consistently setting high enough expectations/goals for students with disabilities
- Add/consider: Reverse focus to start with emphasis in increasing/growing knowledge base
- Add/consider: Naming the impact on the general education fund at the district level
- Add/consider: “...for students **to participate fully**, access the curriculum, and meet state expectations...”
- Add/consider: Better define what “meeting state expectations” means

Original Problem Statement 1

Overall levels of special education funding in Michigan have not kept pace with the latest research on what it costs to provide the services necessary for students to access the curriculum and meet state expectations.

Suggested Problem Statement 1 Adjusted

The latest research on what it costs to provide the services necessary for students to participate fully, access the curriculum, and meet state expectations highlights that the overall level of special education funding in Michigan is insufficient.

Problem Statement 2

Michigan's system is structurally out of step with the best practices other states have found to ensure predictable and equitable special education funding. Michigan's partial reimbursement system is complex, administratively burdensome, and insufficiently transparent. It can incentivize spending on services and interventions that are more easily reimbursable. Moreover, Michigan funds special education based on students' time receiving services rather than a measure of student need.

Themes

- A reimbursement model is predictable and can make it easier to identify reimbursable interventions
- Reimbursement poses several challenges
- There was disagreement over the system's degree of transparency
 - The current system is not transparent and is difficult to understand
 - The system is somewhat transparent in certain areas
- Administrative burden is significant and may not be fully addressed through a different model

Suggested Changes

- Move: Make last sentence of the problem statement the first sentence
- Add/consider: To what degree is parent voice and satisfaction considered? What about parent engagement?
- Add/consider: How are we equipping parents to advocate for and support their children?
- Remove: "It can incentivize spending on services and interventions that are more easily reimbursable"
- Remove: "Lack of transparency" (unless it can be clarified)

Original Problem Statement 2

Michigan's system is structurally out of step with the best practices other states have found to ensure predictable and equitable special education funding. Michigan's partial reimbursement system is complex, administratively burdensome, and insufficiently transparent. It can incentivize spending on services and interventions that are more easily reimbursable. Moreover, Michigan funds special education based on students' time receiving services rather than a measure of student need.

Suggested Problem Statement 2 Adjusted

Michigan's current special education funding structure is based on students' time receiving services rather than a measure of student need and is out of step with best practices other states have found to ensure predictable and equitable special education funding. Michigan's partial reimbursement system is complex and administratively burdensome.

Problem Statement 3

Disparities in local wealth lead to inequitable special education funding per student. Indeed, many districts do not have sufficient special education revenue, leading them to draw down their general funds to cover special education costs.

Themes

- Property tax- and millage-based funding results in student needs being met inequitably
- Drawing on general education funds to support special education poses issues
- Any funding system updates should maintain/restate the focus on special education students succeeding

Suggested Changes

- Add/consider: “Directly impacts the quantity and quality of the services students receive”
- Add/consider: “Districts’ zip code(s) matter”

Original Problem Statement 3

Disparities in local wealth lead to inequitable special education funding per student. Indeed, many districts do not have sufficient special education revenue, leading them to draw down their general funds to cover special education costs.

Suggested Problem Statement 3 Adjusted

Disparities in local wealth lead to inequitable special education funding per student—the difference in districts’ zip codes directly impacts the quantity and quality of the services students receive. Indeed, many districts do not have sufficient special education revenue, leading them to draw down their general funds to cover special education costs.

Interim Findings: MI Blueprint July 22 Facilitated Meeting

Key Considerations Discussion

On July 22, 2025, the Michigan Blueprint for Special Education Finance Reform (MI Blueprint) hosted a stakeholder engagement session for attendees to participate in a facilitated activity to review the draft Michigan model for weighted student funding, connect supporting data to problem statements, and discuss key implementation considerations. The themes included in these results are the initial findings documented during the meeting

Focus Question

- What are the most important considerations to keep the model accountable to the core values and principles?

Discussion Themes by Core Values and Principles

Equity and Fairness

- Establish a clear and **consistent definition of equity and fairness** that ensures funding for all children's education, not solely special education, to fully address the issue of encroachment.
- Define a **reliable and balanced financial structure** by maintaining the special education millage, establishing a floor rate for millages, and ensuring the model replacing reimbursement is equally dependable.
- Clearly define the **fair distribution between state and locals**, emphasizing that the state must contribute in areas where local revenue cannot be raised.
- Ensure funding weights and distribution are **applied consistently across all ISDs** and are not determined by a district's current foundational amount.

Shared Responsibility and Sustainability

- Establish **shared accountability and sustainability** by creating a **balanced cost-sharing model** between state and local districts, with clear metrics, peer learning, and legislative safeguards to ensure consistency and fairness.
- Use **data-driven monitoring** and **feedback loops** with credible third-party analysis to guide decisions, track outcomes, and refine funding models over time.
- Promote **stability and collaboration** by maintaining ISD cohesion through shared goals, **sustainable funding weights**, and a **standing state line item** to support districts unable to raise local millages.

Predictability and Stability

- Move toward a **state-level, formula-based funding model** that ensures **consistent, predictable support** while reducing reliance on unsustainable local sources and maintaining transparency.
- Build a **sustainable and equipped workforce** by supporting staff capacity, facilities, and morale to ensure long-term stability in service delivery.
- Strengthen **coordination and communication** among ISDs, LEAs, and stakeholders; use student and budget data to promote informed decision-making, stability, and accountability.

- Secure **legislative buy-in and long-term commitment** by enshrining the model in state law, linking funding to outcomes, and establishing an ongoing process to **review, monitor, audit, and recommit**.

Transparency and Simplicity

- Prioritize **transparent communication and public awareness** through a phased-in approach to explain the model's implementation stages, progress, and fundamental mechanics to policymakers, advocates, and the public.
- Increase **accessibility and understanding** of the funding formula by utilizing public dashboards and other quantitative indicators so that parents, teachers, and voters can easily comprehend how the system works.
- Ensure **implementation fidelity** by identifying and sharing research-backed best practices to inform the process and guide schools, parents, and districts in the proper execution of the new model.

Responsiveness to Local Context

- Prioritize **public education and outreach** to voters and the general public, explaining the rationale and necessity for updating the funding model, especially given the challenging legislative environment.
- Introduce structural and data **flexibility** by assessing local conditions through millages rather than rigid line items, while ensuring the new model can accommodate multiple eligibility pathways and fit within the existing state system (like MARSE).

Attendee List: MI Blueprint Facilitated Meetings

- 482 Forward | Arlyssa Heard
- 482 Forward | Molly Sweeney
- AECOM | Michael Griffie
- Autism Alliance of Michigan | Colleen Allen
- Autism Alliance of Michigan | Diane Heinzelman
- Autism Alliance of Michigan | Dave Meador
- Ballmer Group | Rinia Shelby-Crooms
- Black Family Development Inc. | Alice Thompson
- Citizens Research Council | Craig Thiel
- Clinton County RESA | Christy Callahan
- Clinton County RESA | Scott Koenigsknecht
- Council of Michigan Foundations | Kyle Caldwell
- Detroit Academy of Arts and Sciences | Megan Forster
- Detroit Disability Power | Kaci Pellar
- Detroit Parent Network | Angela Hood
- Detroit Parent Network | Jametta Lilly
- Detroit Parent Network | Anthony Young
- Detroit Public Schools Community District | Lohren Carter Nzoma
- Detroit Public Schools Community District | Jeremy Vidito
- Disability Network Michigan (DNM) | Alex Gossage
- Education Trust-Midwest | Jeff Cobb
- Executive Office of the Governor | Meghan Valadr
- Executive Office of the Governor | Emma Young
- Genesee Intermediate School District | Steven Tunnicliff
- Hope Network – Michigan Education Corps (MEC) | Holly Windram
- Ionia Intermediate School District | Cheryl Granzo
- KConnect | Mark Woltman
- Launch Michigan | Venessa Keesler
- Mackinac Center for Public Policy | Molly Macek
- Macomb Intermediate School District | Chris Frank
- Macomb Intermediate School District | Justin Michalak
- Michigan Alliance for Families | Michelle Driscoll
- Michigan Association of Administrators of Special Education (MAASE) | Abby Cypher
- Michigan Association for Public School Academies (MAPSA) | Kerri Barrett
- Michigan Association of Administrators of Special Education (MAASE) | Abby Cypher
- Michigan Association of Intermediate School Administrators (MAISA) | John Severson
- Michigan Association of School Boards (MASB) | Don Wotruba
- Michigan Center for Youth Justice (MCYJ) | Jason Smith
- Michigan Department of Education | Michele Harmala
- Michigan Department of Education | Olivia Ponte

- Michigan Department of Education – Office of Special Education | John Andrejack
- Michigan Department of Education – Office of Special Education | Teri Rink
- Michigan Department of Lifelong Education, Advancement, and Potential (MILEAP) | Mark Kuipers
- Michigan Department of Lifelong Education, Advancement, and Potential (MILEAP) | Sophia Lafayette Lause
- Michigan Department of Lifelong Education, Advancement, and Potential (MILEAP) – Early On | Janet Timbs
- Michigan Education Association (MEA) | Tanner Delpier
- Michigan Education Association (MEA) | Chandra Madaffer
- Michigan Education Justice Coalition (MEJC) | Rachelle Crow-Hercher
- Michigan Education Justice Coalition (MEJC) | Susan Campbell
- Michigan League for Public Policy (MLPP) | Alex Stamm
- Michigan Parent, Advocate and Attorney Coalition (MIPAAC) | Marisa Brizzolara
- Michigan Parent, Advocate and Attorney Coalition (MIPAAC) | Sara Miller
- Michigan Partnership for Equity and Opportunity | Mike Jandernoa
- Michigan School Business Officials | Robert Dwan
- Michigan State Budget Office | Beth Bullion
- Michigan State Budget Office | Alex Holmden
- Michigan State University (MSU) | David Arsen
- Michigan's Children | Heather Bomsta
- Michigan's Children | Lindsay Huddleston
- Montcalm Area Intermediate School District | Kathleen Flynn
- Montcalm Area Intermediate School District | Kim Iverson
- OPTIMISE Michigan | Laurie VanderPloeg
- Jen DeNeal | Skillman Foundation
- Skillman Foundation | Kyra Hudson
- Small Business Association of Michigan (SBAM) | Brian Calley
- Student Advocacy Center | Peri Stone-Palmquist
- Teach Michigan | Cortney Segmen
- Teach Michigan | Jordan Cross
- Teach Michigan | Armen Hratchian
- Teach Michigan | Denina Williams-Goings
- Teach Plus | Ben Locke
- Unaffiliated | Punita Thurman
- Washtenaw Association for Community Advocacy | Kristen Columbus
- Washtenaw Intermediate School District | Cherie Vannatter
- Wayne State University | Amanda Miller

Appendix D: Survey Instrument and Summary

The following appendix includes the survey instrument distributed by the MI Blueprint project team and a survey findings summary.

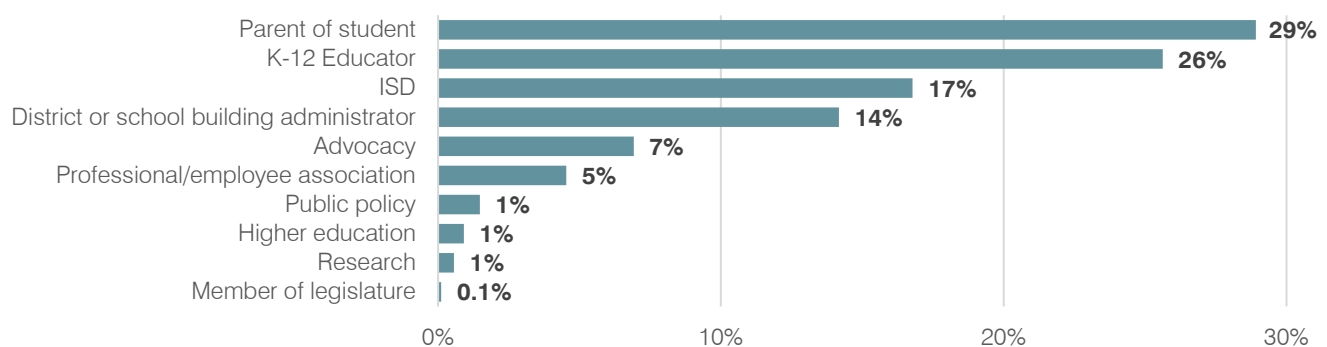
Introduction

The MI Special Education Finance Reform Blueprint aims to ensure that Michigan adequately and equitably funds public education in Michigan. In 2025, the Autism Alliance of Michigan, with the help of Public Sector Consultants (PSC), engaged stakeholders to develop an implementation framework that outlines an equity-driven model to provide services and support for students with disabilities. As part of this work, PSC fielded a stakeholder survey asking them to contribute their insight into the current structure of Michigan's education finance approach. The survey link was shared with stakeholders beginning March 6, 2025, and the survey remained open for response collection until April 14, 2025, receiving 882 responses.

Survey respondents were asked to share their views on what is going well in special education in Michigan and what issues need to be addressed to strengthen special education. They also provided information on what most impacts schools' ability to provide high-quality education and what changes they would like to see made to support special education should more resources become available. Additionally, respondents offered feedback on the cost reimbursement funding formula that the State currently uses to distribute special education funding and the regional property tax levies collected by ISDs. The findings below are organized by question number, with an accompanying exhibit. The main themes exhibited in these open-ended responses are noted per question in the summary below.

1. Please choose the stakeholder role that best applies to you.

EXHIBIT D1. Respondent Stakeholder Roles



N = 882

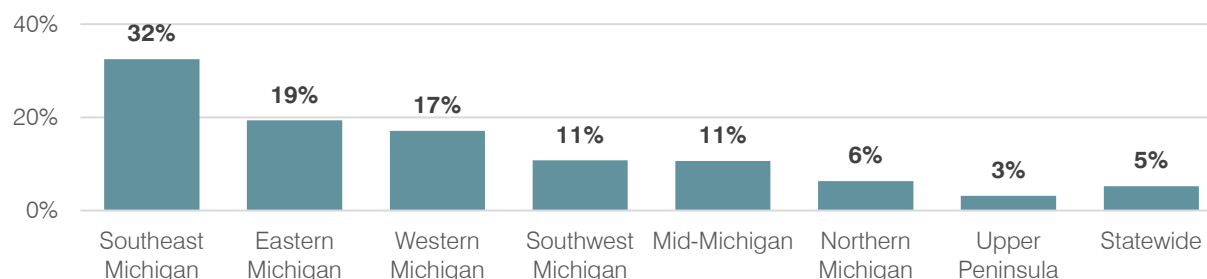
Note: Percentage may not total 100 due to rounding

Source: MI Special Education Finance Reform Blueprint Survey

2. Please select the region in which you focus your work.

Select all that apply.

EXHIBIT D2. Respondent Regions



N = 631

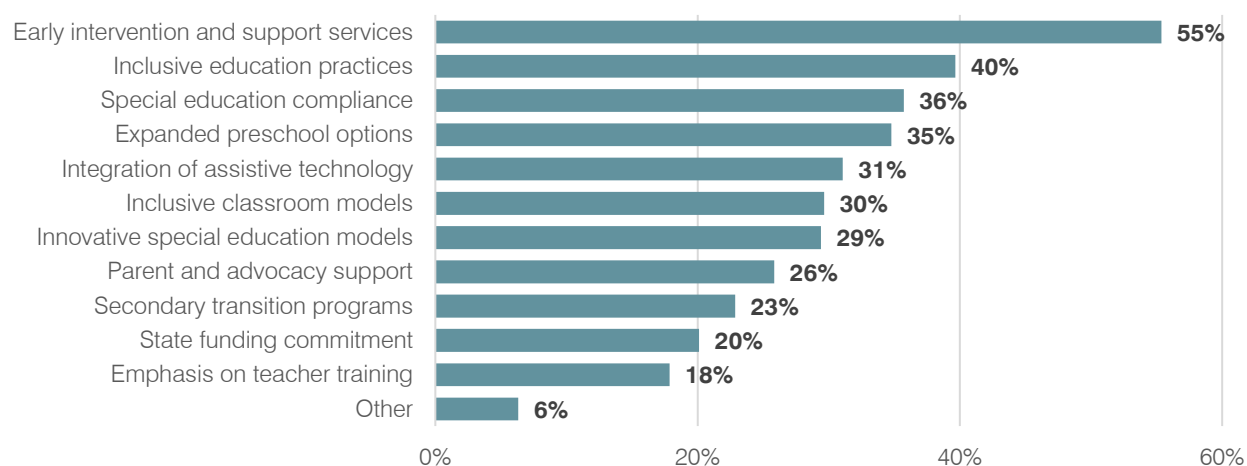
Note: Percentages total more than 100 because more than one response could be selected.

Source: MI Special Education Finance Reform Blueprint Survey

3. What do you think is going well for special education in Michigan?

Select all that apply.

EXHIBIT D3. What is Going Well for Special Education in Michigan, Multiple Choice Responses



N = 840

Note: Percentages total more than 100 because more than one response could be selected.

Source: MI Special Education Finance Reform Blueprint Survey

The main themes found in the open-ended responses to question three included:

- Inclusion and access
- Dedicated and caring staff
- Early intervention and support services
- Individualized accommodations
- Efforts to improve workforce and training

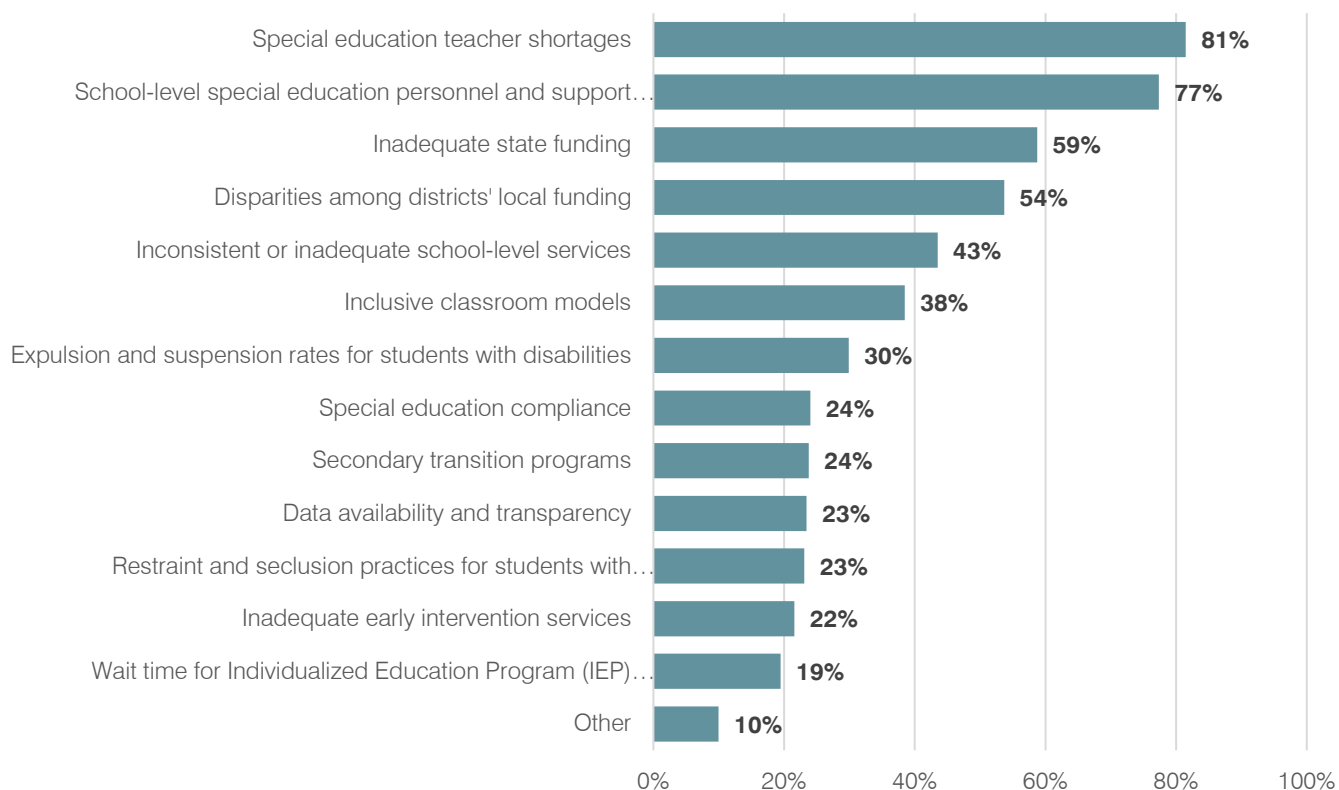
Additionally, many open-ended responses to question three voiced mixed or negative sentiment in the following categories:

- Systemic inequity and inconsistency
- Under-resourcing and staffing issues
- Negative personal experiences
- Lack of data use and accountability

4. What issues should be addressed to strengthen special education?

Select all that apply.

EXHIBIT D4. What Special Education Issues Should Be Addresses, Multiple Choice Responses



N = 853

Note: Percentages total more than 100 because more than one response could be selected.

Source: MI Special Education Finance Reform Blueprint Survey

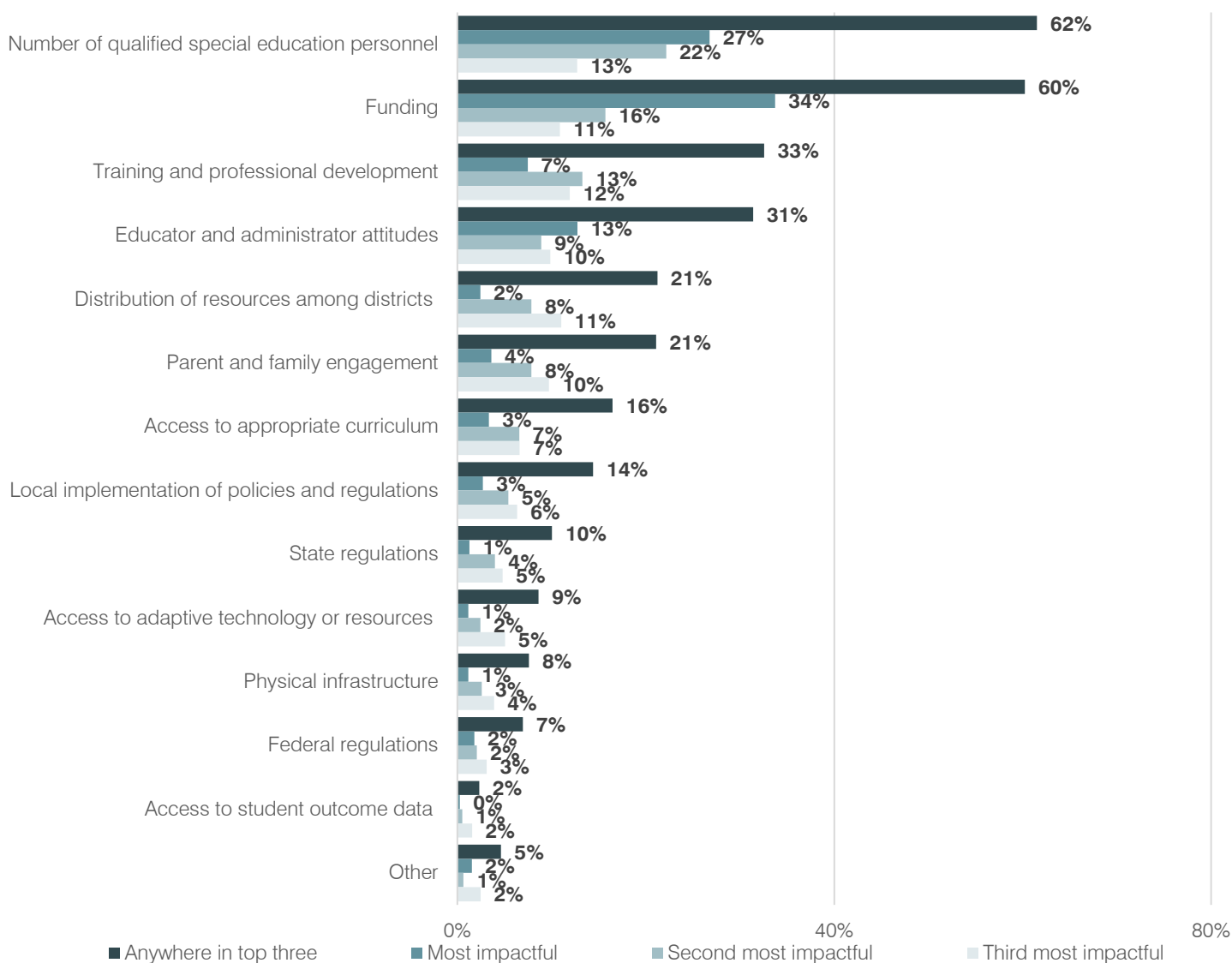
The main themes found in the open-ended responses to question four included:

- Early childhood and preschool access
- Teacher and staff training and preparation
- Funding and staffing
- Curriculum and instruction
- Least restrictive environment and inclusion
- Behavioral support and mental health
- Communication and parent involvement
- Legal, administrative, and system-level issues
- Eligibility and identification processes
- Specialized classrooms, services, and access
- Cultural and philosophical shifts

5. What elements most impact the ability of school buildings and districts to provide a high-quality education for students with disabilities?

Please number your top three choices from 1 to 3, with 1 being the most impactful.

EXHIBIT D5. Impactful Elements, Average Ranking by Resource, Multiple Choice Answers



N varied: Anywhere in top three (N = 777); Most impactful (N = 777); Second most impactful (N = 776); Third most impactful (N = 771)

Note: Anywhere in top three percentages total more than 100 because more than one response could be selected; other percentages may not total 100 due to rounding.

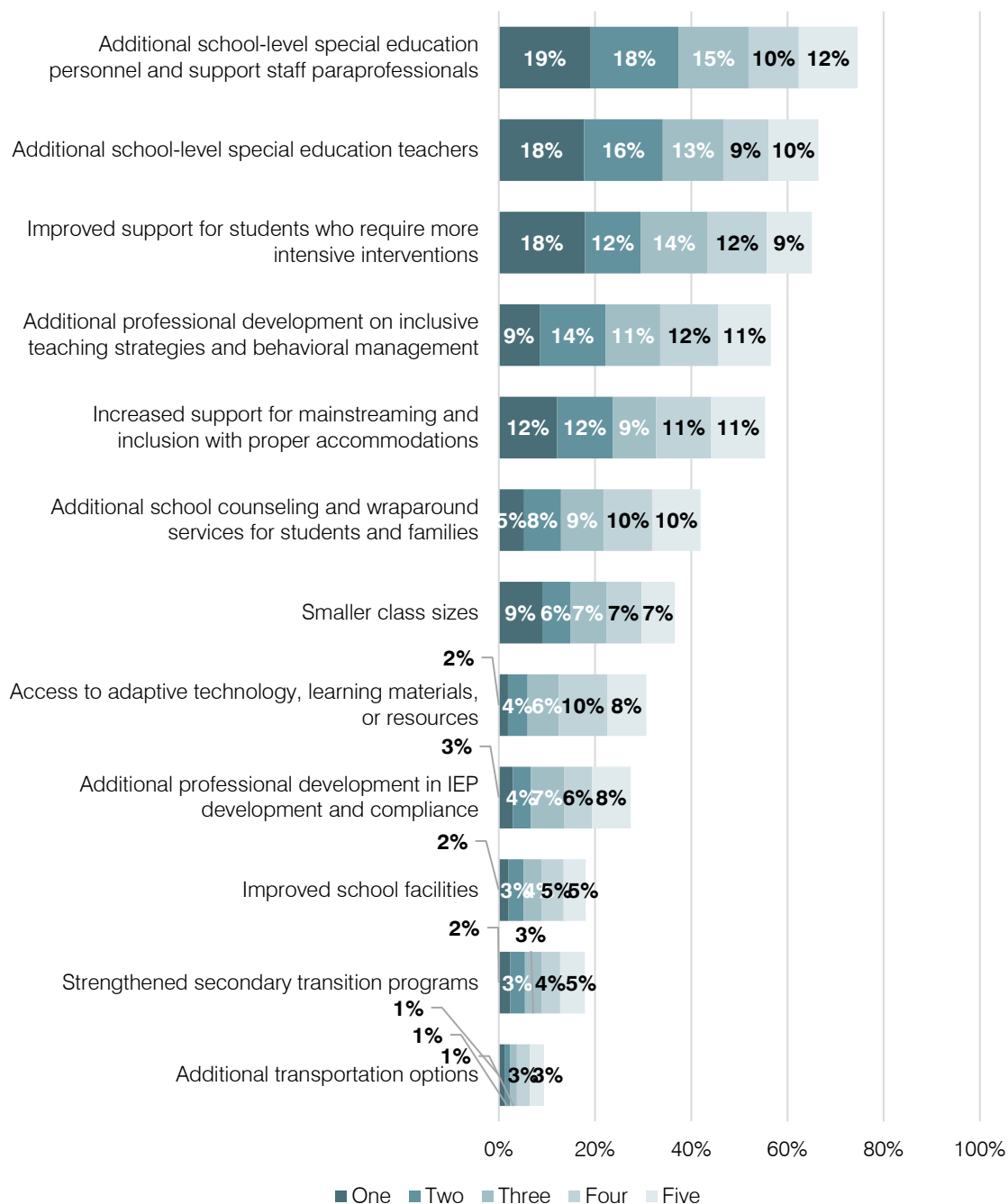
Source: MI Special Education Finance Reform Blueprint Survey

The main themes found in the open-ended responses to question five included:

- Systems-level leadership and administration
- Staffing, training, and support
- Services and program access
- Resource availability and infrastructure
- Philosophical or ideological issues

6. If additional resources were made available to your school/ISD/district to support special education services, the highest priority changes would include:
please drag and drop the options below to rank them in order of importance in your school/isd/district.

EXHIBIT D6. Priority Changes, Percentage of Top Five Responses

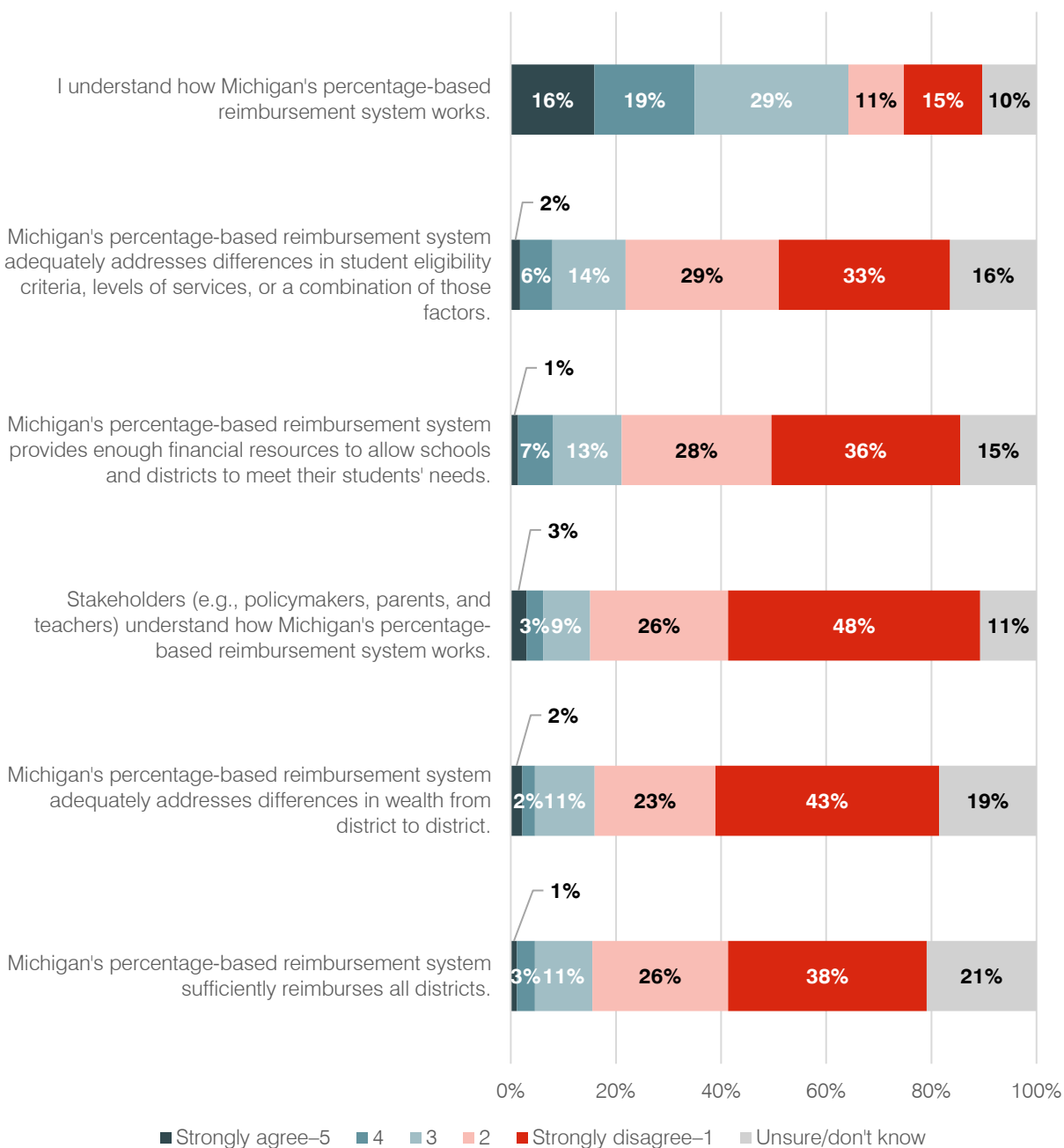


N = 587

Source: MI Special Education Finance Reform Blueprint Survey

7. Please rate your level of agreement with the following statements on a scale from 1 to 5, with a 1 being strongly disagree and 5 being strongly agree.

EXHIBIT D7. Michigan's Percentage-based Reimbursement System, Levels of Agreement



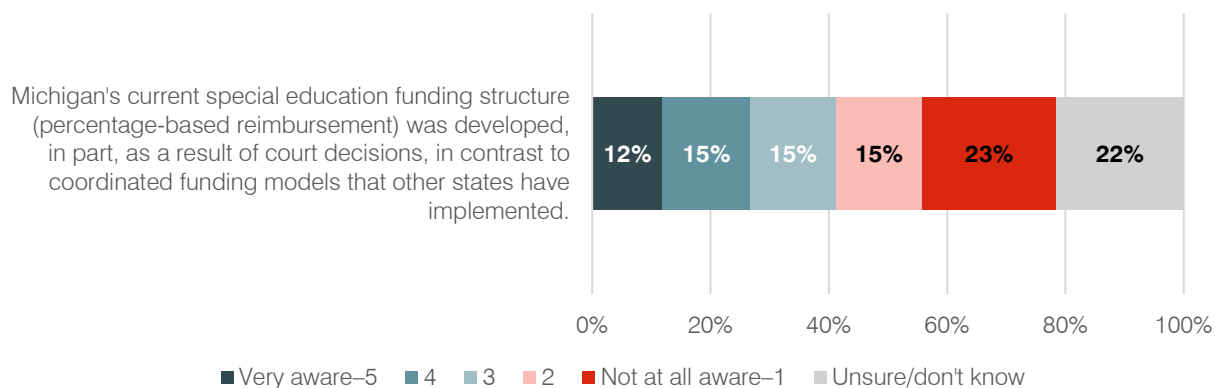
N varied from 501–504

Note: Percentages may not total 100 due to rounding.

Source: MI Special Education Finance Reform Blueprint Survey

8. Please rate your level of awareness of the following statement on a scale from 1 to 5, with a 1 being not at all aware and 5 being very aware.

EXHIBIT D8. Michigan's Funding Structure Development, Levels of Awareness



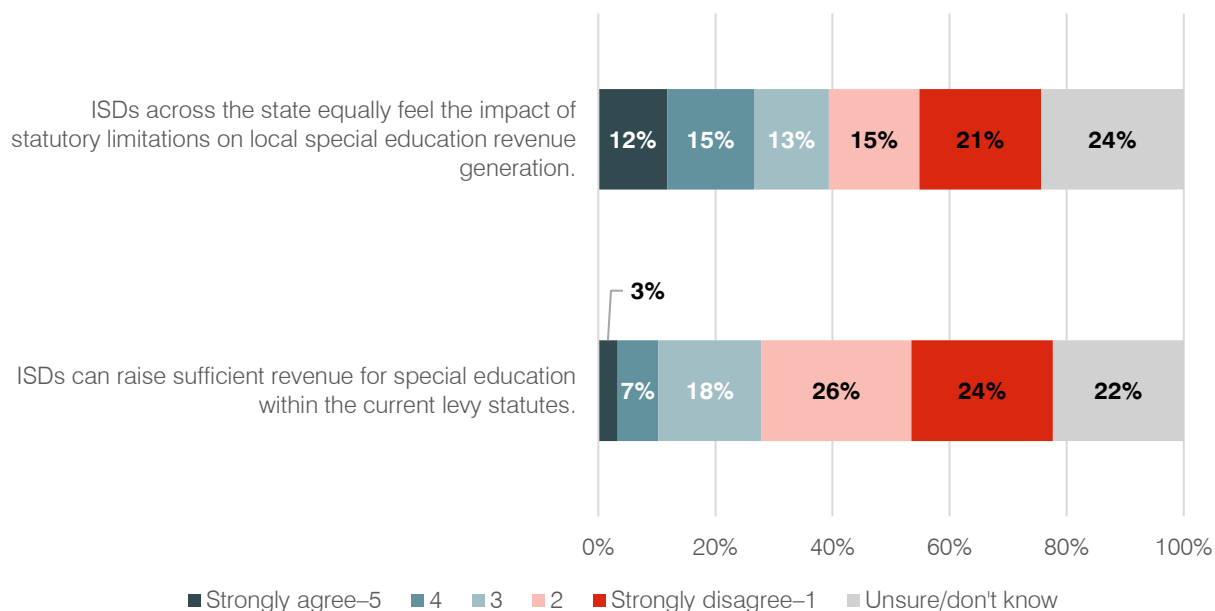
N = 502

Note: Percentages may not total 100 due to rounding.

Source: MI Special Education Finance Reform Blueprint Survey

9. Please rate your level of agreement with the following statements on a scale from 1 to 5, with a 1 being strongly disagree and 5 being strongly agree.

EXHIBIT D9. ISD Revenue Generation, Levels of Agreement



N varied from 485-488

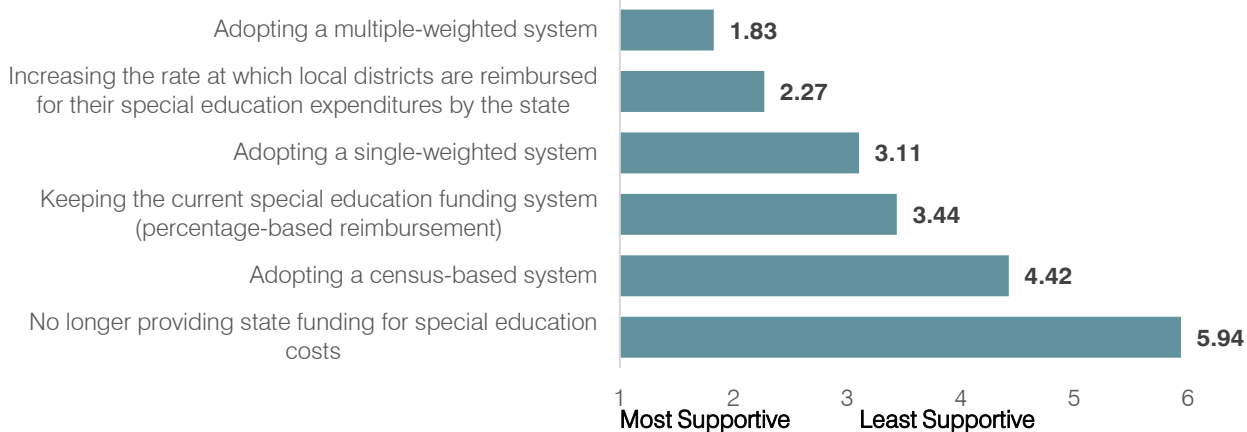
Note: Percentages may not total 100 due to rounding.

Source: MI Special Education Finance Reform Blueprint Survey

10. Students with disabilities and the special education system are best supported by Michigan:

Rank the following options to determine which funding model would best support students with disabilities.

EXHIBIT D10. Potential Supportive Funding Structures, Average Ranking by Funding Model

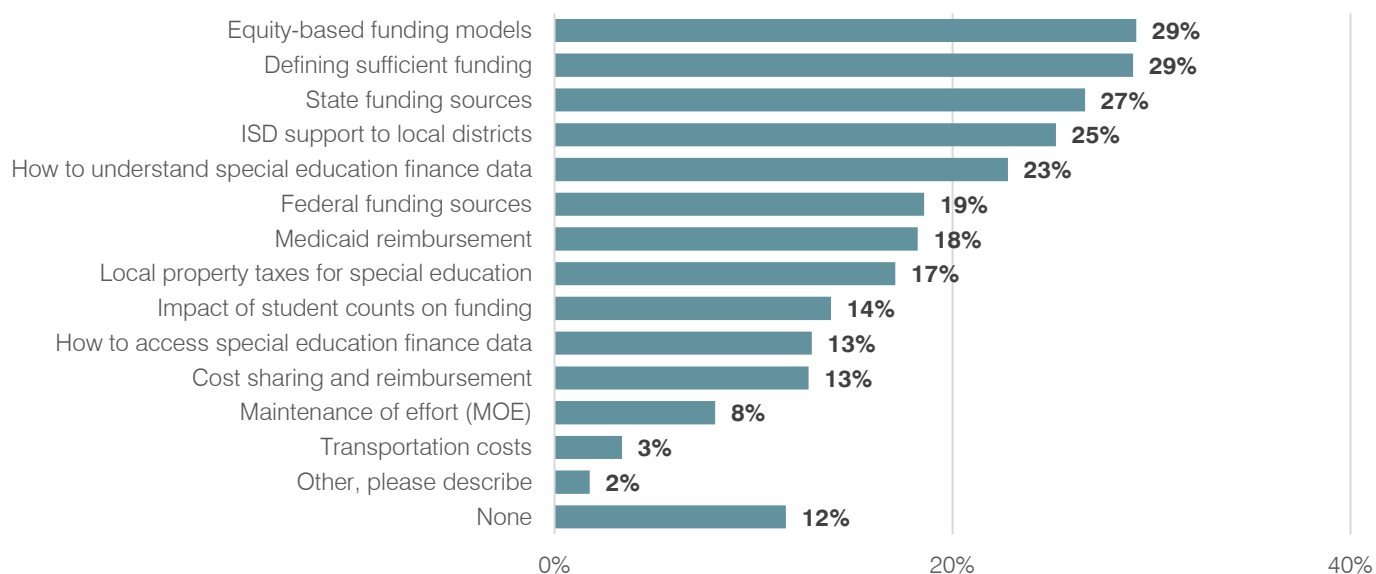


N = 379

Source: MI Special Education Finance Reform Blueprint Survey

11. What areas of special education funding and finance would you like to learn more about?

EXHIBIT D11. Special Education Finance Topical Areas Identified, Multiple Choice Answers



N = 619

Note: Percentages total more than 100 because more than one response could be selected.

Source: MI Special Education Finance Reform Blueprint Survey

The main themes found in the open-ended responses for question 11 included:

- Funding equity and distribution
- Use and oversight of funds
- Funding gaps and specific needs

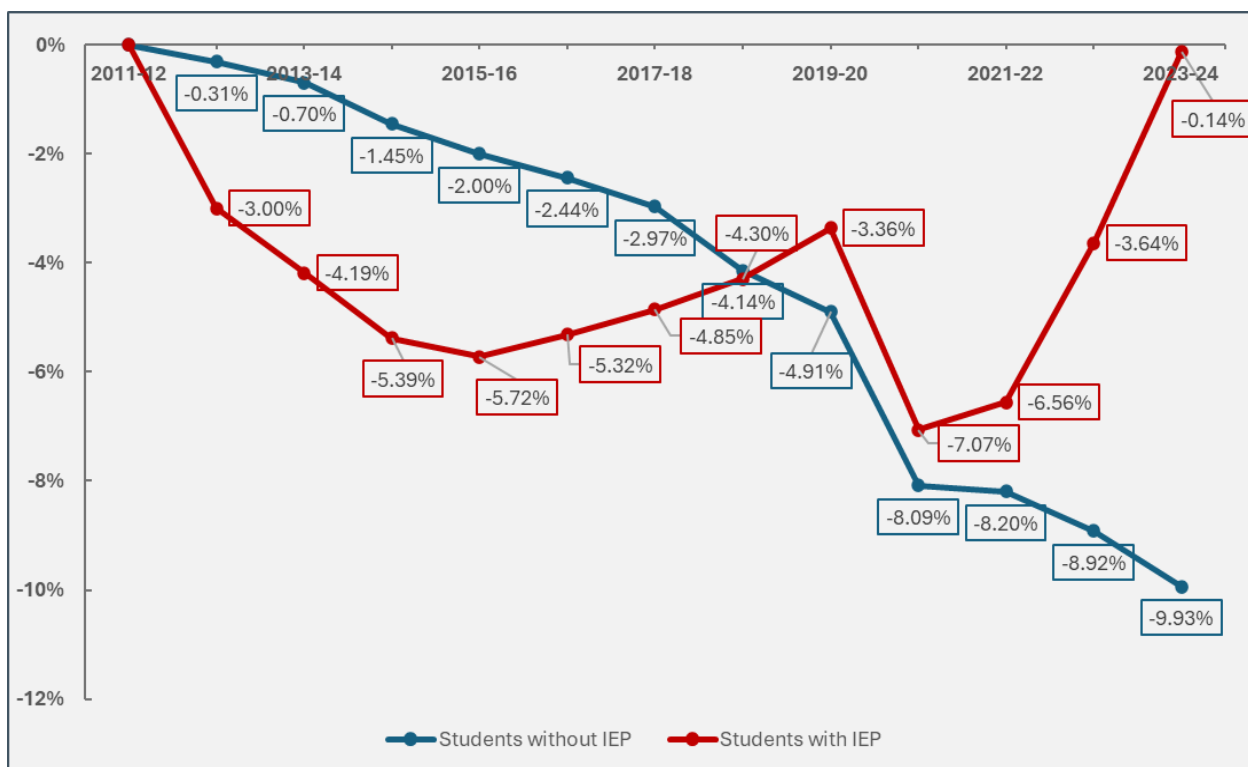
Appendix E: A Deeper Dive into Enrollment, Achievement, and Graduation Trends for Students with Disabilities in Michigan

The following appendix is a more in-depth review of Michigan's trends for enrollment, achievement, and graduation for students with disabilities.

Enrollment

While overall enrollment in Michigan has dropped year-over-year for more than a decade, the enrollment of students with disabilities has been increasing steadily since 2016, excluding the COVID-19 school year of 2020-2021. As shown in Exhibit E1, the state's enrollment of students with disabilities initially decreased at a greater rate than overall enrollment. However, that pattern reversed beginning in the 2016-17 school year. After the COVID-19 pandemic, the enrollment of students with disabilities rebounded quickly and in 2024 reached the same level as 2012, 14.5 percent of public school enrollment.

EXHIBIT E1. Michigan's Total Public School Enrollment by IEP Status, 2011–12 through 2023–24

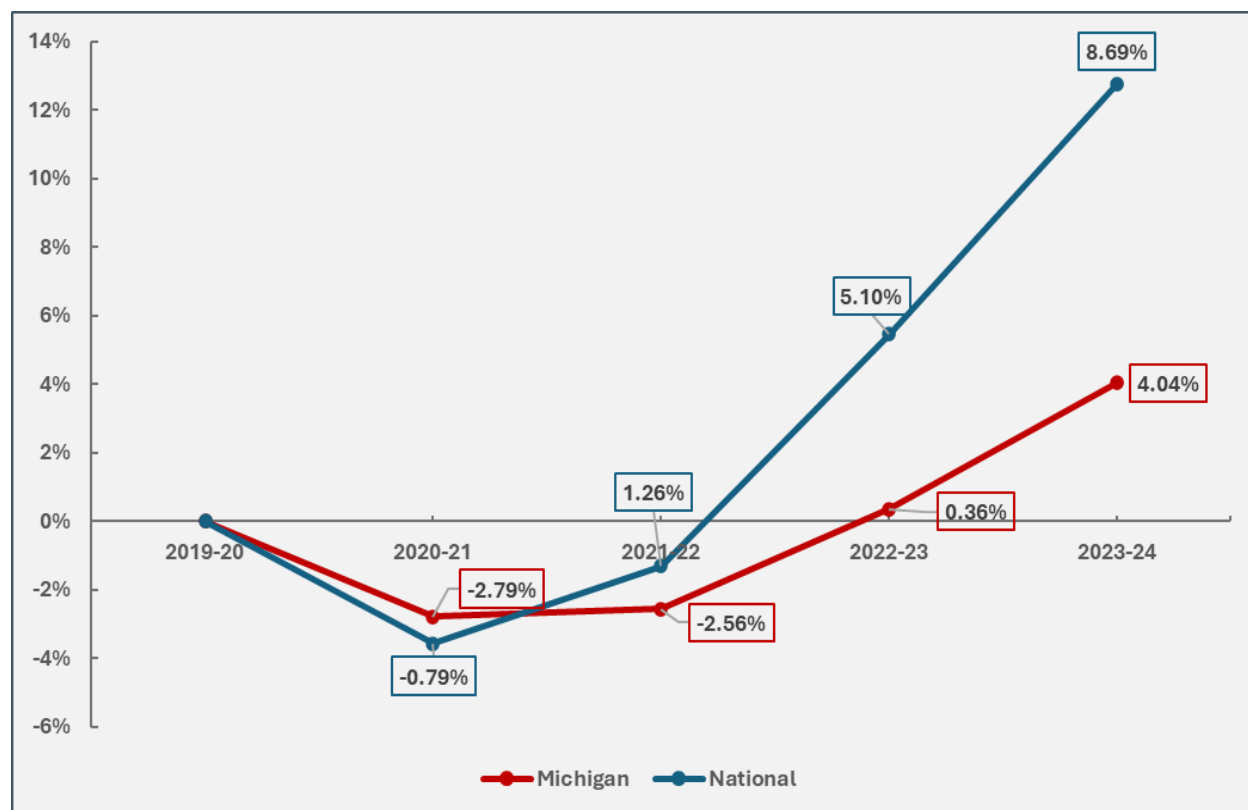


Source: Special Education Counts, MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-counts-data-files/>.

Due to these trends, students with disabilities comprise a larger share of the state's overall enrollment. In the 2011–2012 school year, students with disabilities made up 13.3 percent of Michigan's student body. The enrollment rate decreased slightly to 12.9 percent in 2016 before

gradually increasing to 14.6 percent in 2024. The enrollment of students with disabilities varies significantly by district. In some districts only about 5 percent of students have an IEP, while in others the share can reach 25 percent. See Exhibit E2 for details on the percentage change in public school enrollment of students with disabilities.

EXHIBIT E2. Percent Change in K–12 Public School Enrollment of Students with Disabilities (aged 3–21) from 2020 to 2023

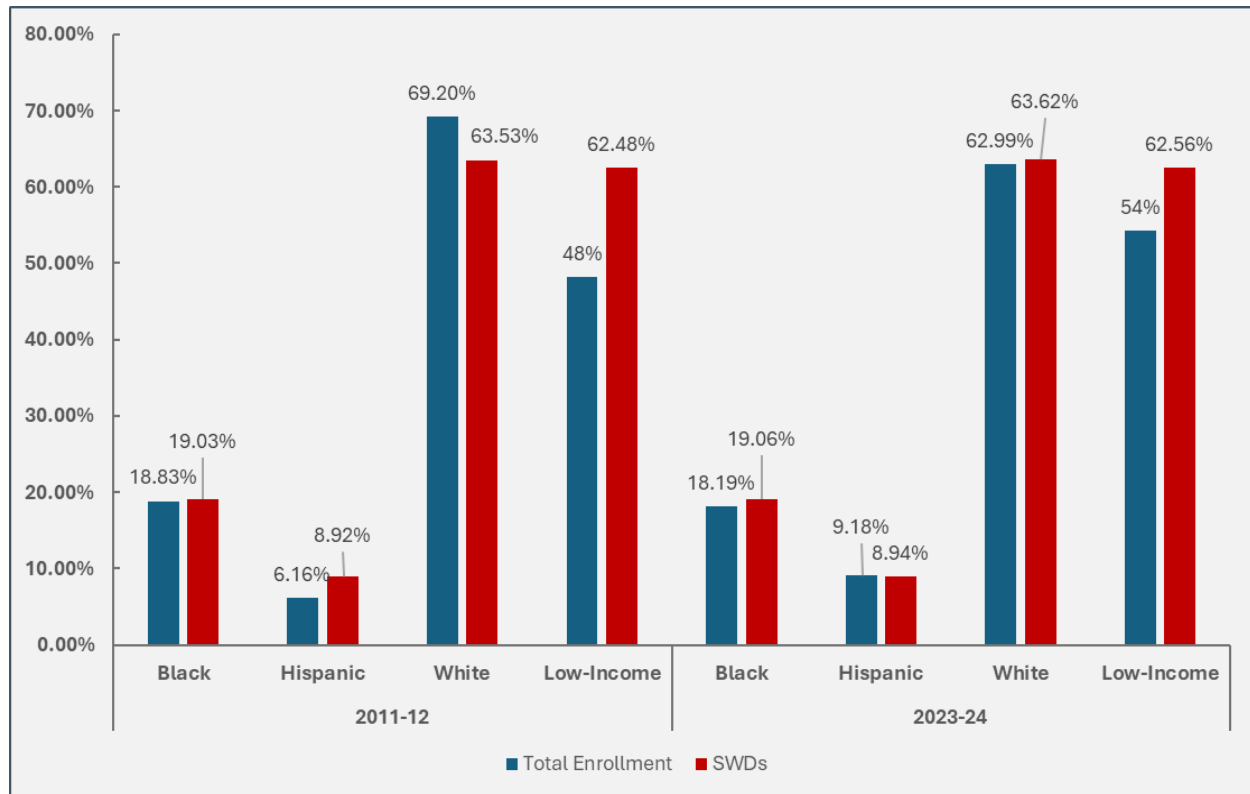


Source: IDEA Section 618 State Part B Child Count and Educational Environments, U.S. Department of Education, retrieved from <https://data.ed.gov/dataset/idea-section-618-state-part-b-child-count-and-educational-environments/resources?resource=c49009eb-a269-4131-9bbe-7d8a3f67f649>.

Note: Data based on 3-to-21-year-olds receiving services under IDEA. Data was missing for New Mexico in the 2023-24 school year, and for Wisconsin in the 2019-20 school year. National data includes the 50 states and the District of Columbia.

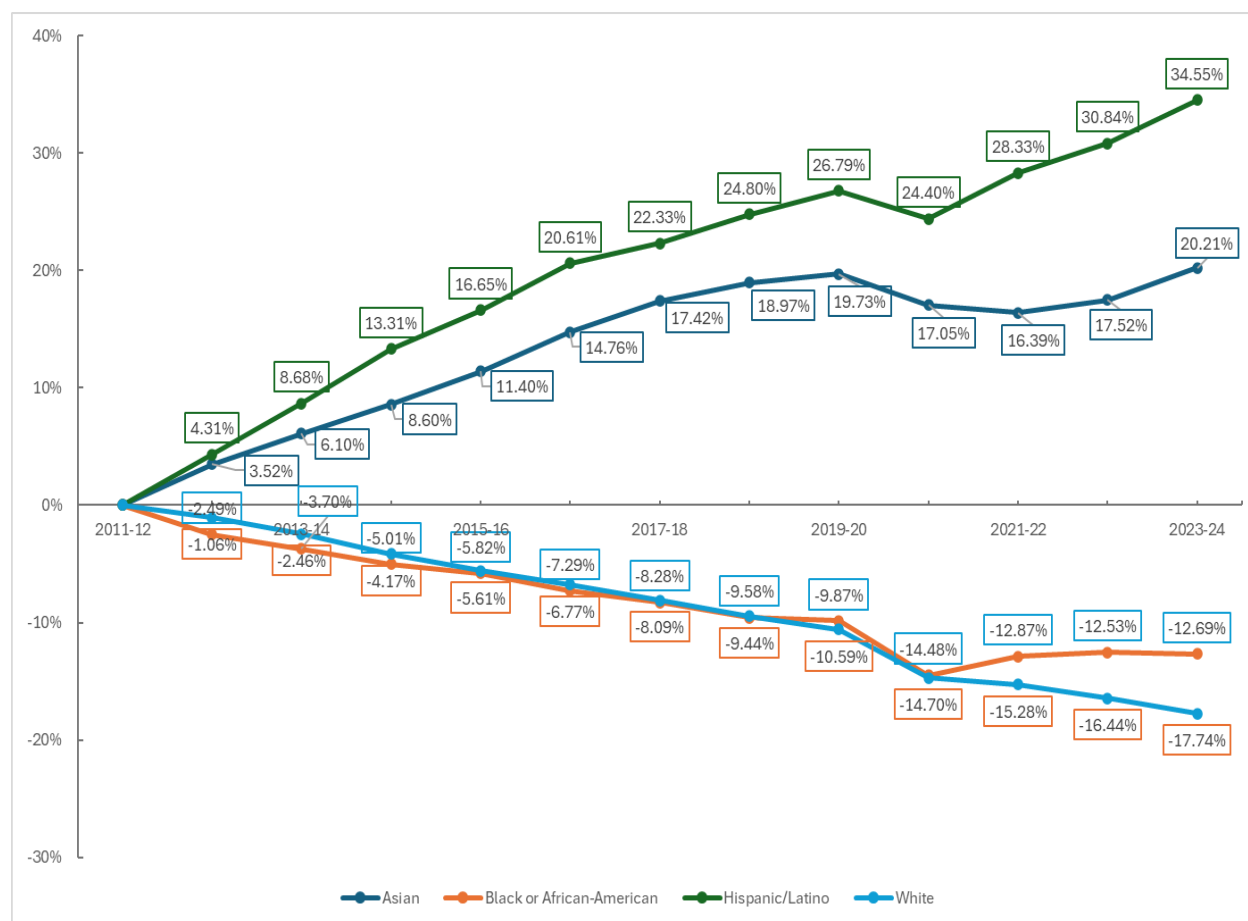
Beyond differences in overall enrollment, the demographic composition of Michigan's students with disabilities also shifted over time. As shown in Exhibit E3, the composition of Michigan's students with disabilities has remained relatively consistent. Nevertheless, students with disabilities are slightly over-and under-represented among certain student groups. In 2012, Hispanic and low-income students accounted for a larger share of students with disabilities than of total enrollment. Conversely, white students accounted for a slightly smaller share of students with disabilities than their total enrollment predicted. By 2024, the racial composition of Michigan's enrollment of students with disabilities closely matched each group's overall enrollment.

EXHIBIT E3. Public School Student Demographics and Disability Status, 2011–2012 and 2023–2024



Source: Special Education Counts, MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-counts-data-files/>.

EXHIBIT E4. Change in Michigan's Public School Enrollment by Race/Ethnicity, 2012–2024



Source: MI School Data Report Builder – K–12 and Student Enrollment Counts Report, MI School Data, MDE, available at: <https://www.mischooldata.org/report-builder/>; MI School Data; <https://www.mischooldata.org/student-enrollment-counts-report/>.

Under the Individuals with Disabilities Education Act (IDEA), students with disabilities must be educated in the least restrictive environment (LRE). In practice this means students with disabilities should learn alongside their peers in a general education setting whenever possible. Michigan has made steady progress on this measure. In 2012, 67.8 percent of Michigan's students with disabilities spent at least 80 percent of the school day in a general education setting, while 13 percent spent less than 40 percent in that setting. By 2024, the share of students with disabilities in a general education setting at least 80 percent of the day increased by ten points to 77 percent, and the share who spent less than 40 percent of the day in a general education context fell slightly to 10.9 percent.¹⁵⁴

¹⁵⁴ Special Education Counts, MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-counts-data-files/>.

These trends in educational placement represent only part of the changing picture of Michigan’s enrollment of students with disabilities. There are also shifts in how the enrollment is distributed among disability type.

The IDEA groups students with disabilities into 13 disability eligibility categories. Between 2012 and 2024, the distribution of Michigan’s students with disabilities shifted somewhat among those categories. As shown in Exhibit E5, most students qualified under the Speech and Language Impairment or Specific Learning Disability categories. However, the combined share of students in those categories declined from 60 percent in 2012 to 53 percent in 2024. Meanwhile, the share of students eligible under autism spectrum disorder grew the most, increasing by 5.4 points—from 7.3 percent in 2012 to 12.7 percent in 2024.¹⁵⁵

EXHIBIT E5. Eligibility Categories for Michigan’s Students with Disabilities 2011–2012 and 2023–2024

Eligibility Category	Share of Enrollment in 2011-2012	Share of Enrollment in 2023-2024	Percentage Point Change
Cognitive impairment	9.88%	7.70%	-2.18
Emotional impairment	6.07%	4.76%	-1.30
Deaf or hard of hearing	1.06%	0.99%	-0.07
Visual impairment	0.18%	0.32%	0.14
Physical impairment	1.00%	0.58%	-0.42
Speech and language impairment	25.53%	27.60%	2.07
Early childhood developmental delay (ages 3–7)	3.07%	4.20%	1.13
Specific learning disability	34.33%	25.43%	-8.90
Severe multiple impairments	1.79%	1.24%	-0.56
Autism spectrum disorder	7.26%	12.68%	5.42
Traumatic brain injury	0.09%	0.18%	0.09
Deaf-blindness	0.00%	0.02%	0.02
Other health impairment	9.74%	14.30%	4.56

Source: Special Education Counts, MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-counts-data-files/>.

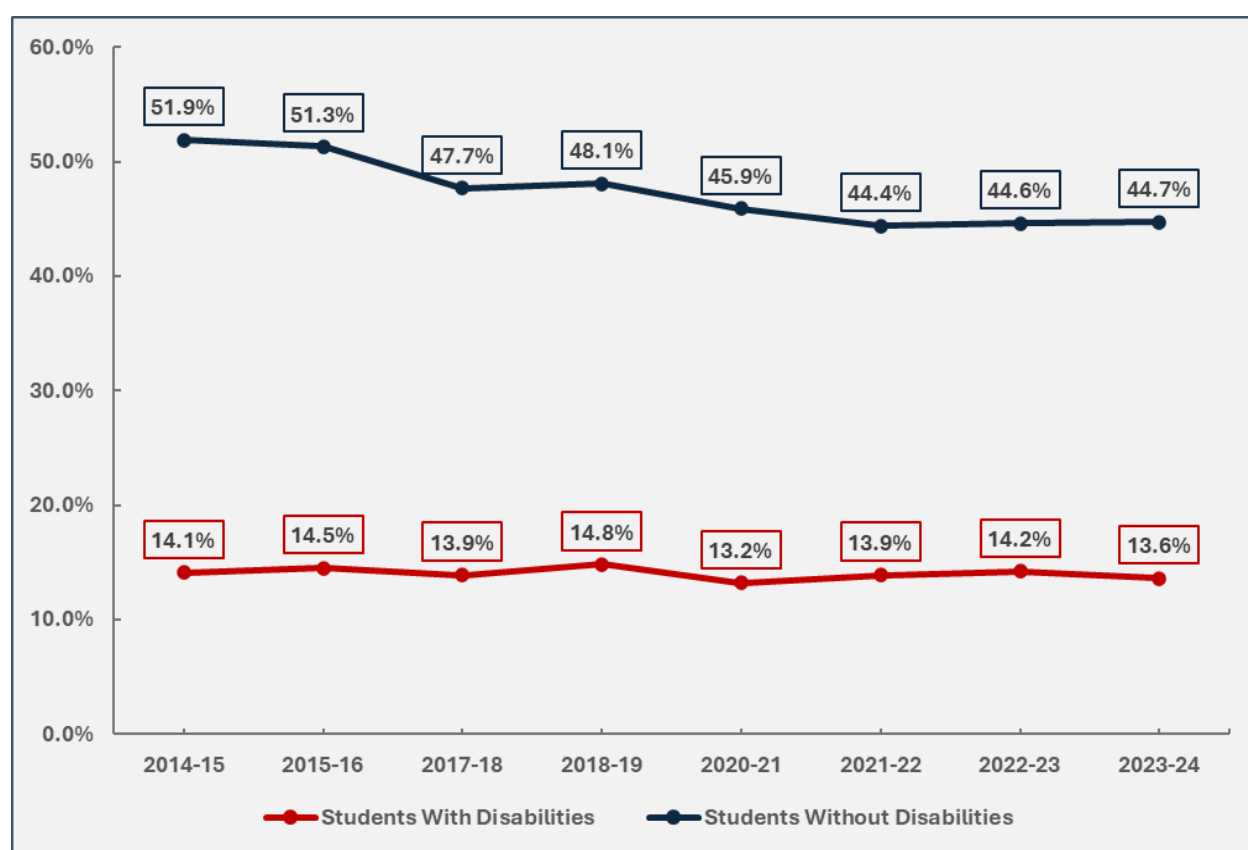
¹⁵⁵ Special Education Counts, MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-counts-data-files/>.

Michigan Achievement Trends

On Michigan's own terms, students with disabilities are struggling academically. Students with disabilities consistently perform poorly on the M-STEP, the statewide assessment aligned with state academic standards. Additionally, there are large and persistent achievement gaps.

Over the past eight years, the performance of Michigan's students decreased across all grades on the English Language Arts (ELA) M-STEP. As shown in Exhibit 8 below, the share of students with disabilities who reached state benchmarks dipped slightly from 14.1 percent in 2015 to 13.6 percent in 2024. Over the same period, the performance of students without disabilities decreased more significantly, from 51.9 percent to only 44.7 percent.

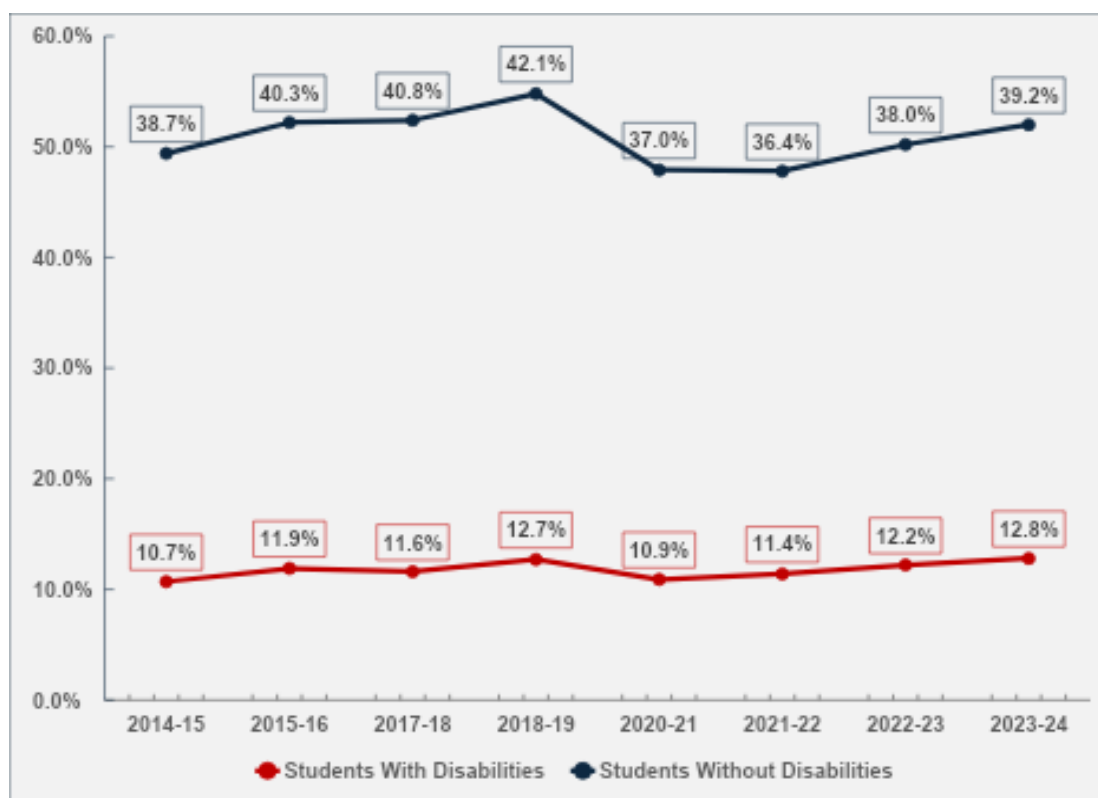
EXHIBIT E6. Percent Met M-STEP ELA Benchmarks (All Grades)



Source: MI School Data Report Builder – K-12, MI School Data, MDE, available at: <https://www.mischooldata.org/report-builder/>.

There is a clear and troubling pattern: The ELA proficiency rates of students with disabilities are consistently and alarmingly low, and their achievement rates are steadily and significantly behind their peers. Indeed, students without disabilities meet state expectations at more than three times the rate of students without disabilities. Achievement on the Math M-STEP also follows this trend, as demonstrated in Exhibit E8.

EXHIBIT E7. Percent Met M-STEP Math Benchmarks (All Grades)



Source: Mi School Data Report Builder–K–12, MI School Data, MDE, available at: <https://www.mischooldata.org/report-builder/>.

Graduation Rates

As was discussed previously, Michigan’s students with disabilities have a 4-year graduation rate that is consistently below 60 percent. To put that into greater context, in 2023, the graduation rate for all Michigan students was 82 percent. The graduation rate for students with disabilities was 12 points below economically disadvantaged students in 2023.

While graduation rates are stagnant and low, the dropout rate for Michigan’s students with disabilities is high. In 2023, 14 percent of students with disabilities dropped out of high school compared with a statewide rate of 8 percent. Put another way, the dropout rate for students with disabilities was 71 percent greater than the rate for all students and more than four times that of students who are not economically disadvantaged (3.4 percent).

Adjusted Cohort Graduation Rate

Under the Every Student Succeeds Act (ESSA), states are required to include the Adjusted Cohort Graduation Rate (ACGR) as a part of their statewide accountability plans. The ACGR is calculated

by dividing the number of students who graduate with a “regular high school diploma” within four years by the adjusted ninth-grade cohort.¹⁵⁶

A regular high school diploma is “the standard high school diploma awarded to the preponderance of students in a state that is fully aligned with the state’s standards.” A regular high school diploma does not include:

- General Equivalency Diploma (GED)
- Certificate of completion
- Certificate of attendance
- Any lesser credential, such as a diploma based on meeting IEP goals¹⁵⁷

A ninth-grade cohort is the number of students who enter ninth grade for the first time adjusted to account for students who transferred in and those who transferred out, including transferring to a juvenile facility, or passed away.

There is a slight caveat for students with disabilities. Under the Elementary and Secondary Education Act (ESEA), the state may administer alternative assessments to at most 1 percent of the total number of students assessed in each subject. Therefore, students who take the alternative assessments and graduate within four years with a state-defined alternative diploma are counted as an on-time graduate.

Michigan does not offer alternative diplomas but does use alternative assessments for some students with the most severe cognitive disabilities. Thus, it is possible that Michigan’s ACGR is depressed a marginal amount compared with states that do include the maximum number of students who were assessed with an alternative assessment and awarded an alternative diploma.

Additionally, in Michigan students with disabilities are eligible to receive special education services through age 26. Under the Individuals with Disabilities Act (IDEA), states are required to provide these services through age 21. However, according to Michigan’s Center for Education Performance and Information, students with disabilities who graduate high school after more than four years are considered “off-track.” These students count in the cohort but not as graduates.¹⁵⁸

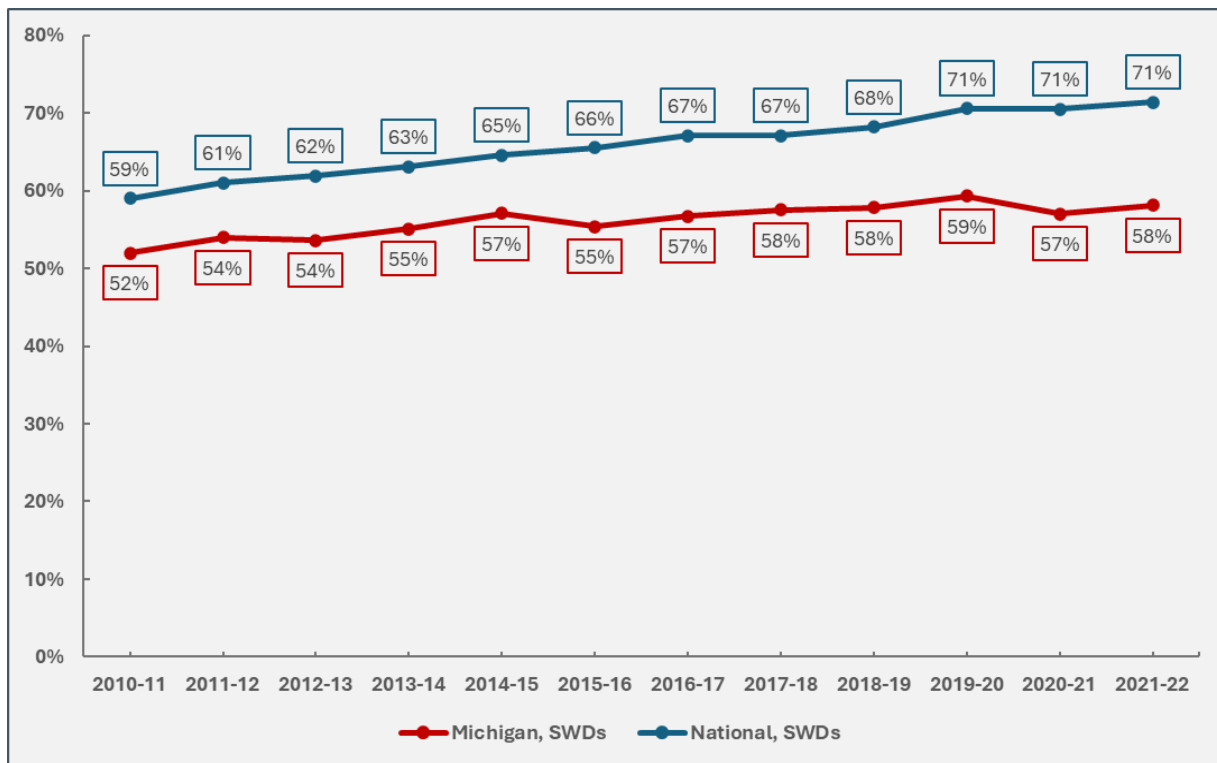
Although these policies complicate the picture slightly, Michigan’s consistently poor graduation rate for students with disabilities cannot be explained away by either its lack of alternative assessments or by its policy of providing special education services to qualifying students beyond age 21.

¹⁵⁶ U.S. Department of Education, *Every Student Succeeds Act: High School Graduation Rate Non-Regulatory Guidance* (January 2017), <https://www.ed.gov/sites/ed/files/policy/elsec/leg/essa/essagraterguidance.pdf>

¹⁵⁷ U.S. Department of Education, *ESSA Graduation Rate Guidance*.

¹⁵⁸ Michigan Center for Educational Performance and Information, *FAQs of Michigan’s Cohort Graduation and Dropout Rates*, <https://www.michigan.gov/cepi/-/media/Project/Websites/cepi/MSDS/FAQs-of-Michigans-Cohort-Graduation-and-Dropout-Rates.pdf>

EXHIBIT E8. Growth in the ACGR for Students with Disabilities, 2010–11 through 2021–22



Source: Four-Year ACGR, SEA level, Ed Data Express, U.S. Department of Education, available at: <https://eddataexpress.ed.gov/>.

Appendix F: State Special Education Funding—Example

The following appendix offers an example of how the state special education resulting from the *Durant* case shifted reimbursement payments. This reform was critical and marked a significant improvement in Michigan’s special education finance system. Exhibit F1 below illustrates how the separating the foundation allowance (FA) and the *Durant* percentages improved funding for special education.

The dollar amounts shown in purple represent the state’s share of the student’s special education cost, their *Durant* percentage. Prior to the reform, the *Durant* reimbursement for Student A was subsumed by the FA. Thus, she did not receive any additional funding. For student B, he received an additional \$392 on top of the FA. After the reform, each student received their full FA and their full *Durant* reimbursement.

EXHIBIT F1. Separating FA and *Durant* Payments in Special Education: Example

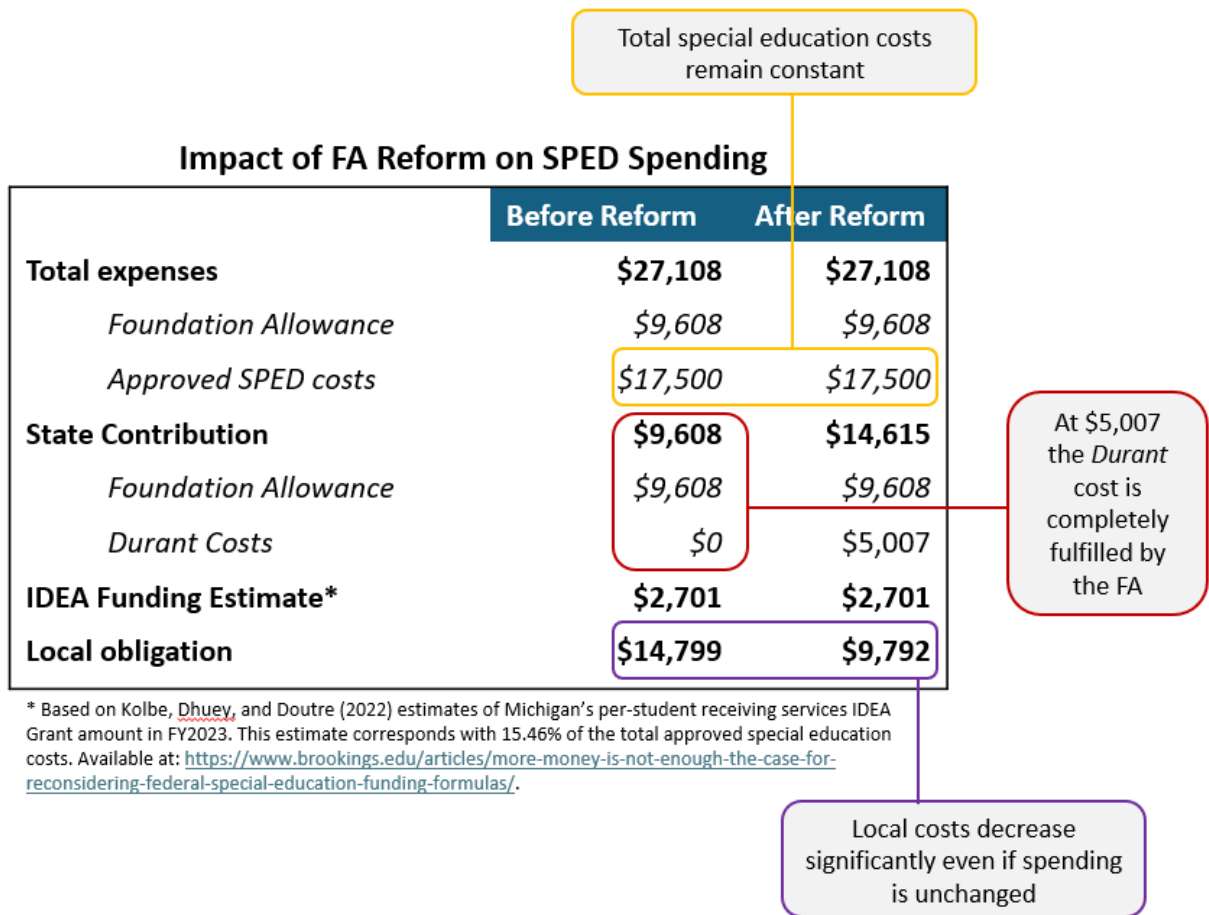
Student A: \$17,500 Approved Special Education Costs			
		Prior to Reform	After Reform
	Foundation Allowance	\$9,608	\$9,608
28.6138% of costs	<i>Durant</i> payment via FA	\$5,007	\$0
	Additional <i>Durant</i> payment	\$0	\$5,007
	Total District Payment	\$9,608	\$14,608
An additional 52% in funding			
Student B: \$35,000 Approved Special Education Costs			
		Prior to Reform	After Reform
	Foundation Allowance	\$9,608	\$9,608
28.6138% of costs	<i>Durant</i> payment via FA	\$9,608	\$0
	Additional <i>Durant</i> payment	\$407	\$10,015
	Total District Payment	\$10,015	\$19,608
An additional 96% in funding			

Source: Adapted from: https://www.house.mi.gov/hfa/PDF/Alpha/Fiscal_Brief_Special_Education_Dec2023.pdf

Ensuring all students with disabilities receive the full foundational allowance as well as the state’s 28.6 percent *Durant* commitment created greater funding flexibility for ISDs and shifted some of the cost of providing special education services to the state.

Exhibit F2 below illustrates this point. Consider Student A from the previous example. She received \$17,500 in special education services resulting in a *Durant* cost of \$5,007. Critically, these services are supplemental and should be layered on top of the base funding to which all students are entitled. After the reform, the financial obligation on local districts was lessened considerably since the State provides the full FA in addition to the *Durant* percentages. As a result, the district accounts for 56 percent of special education costs compared with 85 percent previously.

EXHIBIT F2. Impact of Foundation Allowance Reform—Example



Appendix G: Special Education Millages by ISD

The following appendix lists each Michigan ISD, their millage rate from fiscal year 2023 - 2024, the corresponding special education millage cap, and the resulting percentage of the millage cap which the ISD levied.

EXHIBIT G1. ISD Special Education Millages

ISD Name	ISD Code	FY24 Millage Rate	SE Millage Cap	Percent of Cap in FY24
Allegan	03	2.9783	5.3375	56%
Alpena-Montmorency-Alcona	04	1.9603	3.5	56%
Barry	08	2.1063	2.1875	96%
Bay-Arenac	09	2.8305	5.25	54%
Berrien	11	2.1934	4.375	50%
Branch	12	3.7828	7.7875	49%
Calhoun	13	4.4925	7.875	57%
Heritage Southwest Intermediate School District	14	2.0028	4.375	46%
Charlevoix-Emmet	15	2.1053	3.78	56%
Cheb-Otsego-Presque Isle	16	1.474	1.75	84%
Eastern UP	17	1.7455	1.75	100%
Clare-Gladwin	18	1.6175	3.5	46%
Clinton	19	2.5733	2.625	98%
Delta-Schoolcraft	21	1.3502	2.625	51%
Dickinson-Iron	22	1.4775	1.75	84%
Eaton	23	2.6712	5.25	51%
Genesee	25	2.3514	4.375	54%
Gogebic-Ontonagon	27	2.2821	4.025	57%
Traverse Bay	28	2	3.5	57%
Gratiot-Isabella	29	4.2	4.2	100%
Hillsdale	30	2.9503	5.25	56%
Copper Country	31	1.9155	3.5	55%
Huron	32	3.2886	3.5	94%
Ingham	33	4.7384	8.3125	57%
Ionia	34	4.6961	5.25	89%
Iosco	35	0.7476	1.3125	57%
Jackson	38	6.2392	9.625	65%
Kalamazoo	39	4.3604	5.25	83%
Kent	41	3.5474	5.25	68%

ISD Name	ISD Code	FY24 Millage Rate	SE Millage Cap	Percent of Cap in FY24
Lapeer	44	0.7945	1.75	45%
Lenawee	46	4.0868	8.3125	49%
Livingston	47	3.1391	5.7925	54%
Macomb	50	2.5962	3.5	74%
Manistee	51	1.9713	3.5	56%
Marquette-Alger	52	3.5	3.5	100%
West Shore	53	2.3726	4.375	54%
Mecosta-Osceola	54	3.2984	4.375	75%
Menominee	55	1.8376	3.5	53%
Midland	56	0.9797	1.75	56%
Monroe	58	3.4778	6.3	55%
Montcalm	59	3.4145	4.375	78%
Muskegon	61	2.2597	4.375	52%
Newaygo	62	2.9179	5.25	56%
Oakland	63	2.3925	3.0625	78%
Ottawa	70	4.1731	4.375	95%
Crawford, Oscoda, Ogemaw, and Roscommon (C.O.O.R.)	72	0.7431	1.3125	57%
Saginaw	73	3.5	3.5	100%
St. Clair	74	2.3026	4.375	53%
St. Joseph	75	2.7308	4.8125	57%
Sanilac	76	0.7298	1.575	46%
Shiawassee	78	4.126	6.70775	62%
Tuscola	79	2.4502	4.55	54%
Van Buren	80	4.1969	7	60%
Washtenaw	81	5.1452	6.125	84%
Wayne	82	3.3443	3.5	96%
Wexford-Missaukee	83	3.1416	6.125	51%

Source State Aid Financial Status Reports. ISD Special education millage caps shared by the Michigan Education Association.

Appendix H: ISD Enrollment and Taxable Property Value

The following appendix provides additional detail on the comparison of Michigan ISDs when considering taxable property value and enrollment, as well as the differences in revenue generated when calculating the yield of a one-mill revenue per student with disability tax.

The table below offers a comparison of ISDs, detailing their enrollment figures, the total taxable property value within their boundaries, and the calculated taxable property value per student.

EXHIBIT H1. ISD Taxable Value

ISD Name	ISD Code	Enrollment (<i>pupilcnt</i>)	Taxable Property Value (<i>sev</i>)	Taxable Property Value per Student
Allegan	03	13,388.43	\$3,876,542,926	\$289,544
Alpena-Montmorency-Alcona	04	4,997.74	\$2,277,376,124	\$455,681
Barry	08	3,602.06	\$1,391,873,203	\$386,410
Bay-Arenac	09	14,313.54	\$3,862,881,098	\$269,876
Berrien	11	25,002.72	\$9,928,735,492	\$397,106
Branch	12	5,226.92	\$1,539,967,817	\$294,622
Calhoun	13	20,787.26	\$4,555,991,939	\$219,172
Heritage Southwest Intermediate School District	14	5,990.52	\$2,182,338,889	\$364,299
Charlevoix-Emmet	15	7,695.42	\$7,056,882,070	\$917,024
Cheb-Otsego-Presque Isle	16	7,291.82	\$4,138,537,856	\$567,559
Eastern UP	17	6,188.38	\$2,801,798,305	\$452,751
Clare-Gladwin	18	6,344	\$2,442,695,182	\$385,040
Clinton	19	10,659.13	\$2,632,411,441	\$246,963
Delta-Schoolcraft	21	5,971.41	\$1,866,821,143	\$312,627
Dickinson-Iron	22	4,943	\$1,646,679,295	\$333,134
Eaton	23	12,567.36	\$3,611,008,174	\$287,332
Genesee	25	58,042.71	\$12,702,513,119	\$218,848
Gogebic-Ontonagon	27	1,952.5	\$953,597,127	\$488,398
Traverse Bay	28	20,067.44	\$15,042,707,377	\$749,608
Gratiot-Isabella	29	11,476.12	\$3,620,942,897	\$315,520
Hillsdale	30	5,233.21	\$1,501,867,611	\$286,988
Copper Country	31	6,256.12	\$1,601,277,121	\$255,954
Huron	32	3,734.45	\$2,684,265,602	\$718,785
Ingham	33	41,193.94	\$11,258,947,255	\$273,316

ISD Name	ISD Code	Enrollment (<i>pupilcnt</i>)	Taxable Property Value (<i>sev</i>)	Taxable Property Value per Student
Ionia	34	8,947.6	\$2,335,934,895	\$261,068
Iosco	35	3,526.5	\$1,904,396,260	\$540,024
Jackson	38	21,728.81	\$5,646,013,015	\$259,840
Kalamazoo	39	34,252.04	\$9,633,201,017	\$281,245
Kent	41	100,250.6	\$31,553,068,301	\$314,742
Lapeer	44	10,825.98	\$3,387,442,947	\$312,899
Lenawee	46	14,003.63	\$4,381,025,781	\$312,849
Livingston	47	27,813.82	\$10,294,611,448	\$370,126
Macomb	50	117,604.1	\$35,777,162,227	\$304,217
Manistee	51	5,858.68	\$1,359,119,790	\$231,984
Marquette-Alger	52	8,834.68	\$3,287,947,022	\$372,164
West Shore	53	6,995.19	\$4,091,355,781	\$584,881
Mecosta-Osceola	54	7,728.83	\$2,594,754,604	\$335,724
Menominee	55	2,835.58	\$871,884,995	\$307,480
Midland	56	11,263.48	\$3,668,572,930	\$325,705
Monroe	58	19,133.3	\$6,864,333,648	\$358,764
Montcalm	59	12,021.19	\$3,138,540,154	\$261,084
Muskegon	61	25,328.43	\$5,736,343,692	\$226,478
Newaygo	62	6,870.43	\$1,842,767,700	\$268,217
Oakland	63	17,8371.5	\$74,091,480,823	\$415,377
Ottawa	70	47,848.99	\$17,108,536,487	\$357,553
C.O.O.R.	72	7,103.7	\$3,901,810,567	\$549,265
Saginaw	73	25,876.76	\$6,074,381,901	\$234,743
St. Clair	74	19,273.32	\$7,012,345,245	\$363,837
St. Joseph	75	9,815.25	\$2,848,629,258	\$290,225
Sanilac	76	5,480.19	\$1,882,487,306	\$343,508
Shiawassee	78	9,856.07	\$2,620,819,422	\$265,909
Tuscola	79	7,208.21	\$2,511,977,547	\$348,488
Van Buren	80	15,549.65	\$4,890,417,233	\$314,503
Washtenaw	81	43,125.81	\$20,951,124,162	\$485,814
Wayne	82	26,1499.6	\$53,301,564,014	\$203,830
Wexford-Missaukee	83	11,100.47	\$2,465,662,190	\$222,122

Source: State Aid Financial Status Reports. ISD Special education millage caps shared by the Michigan Education Association.

Note: The parentheses (*pupilcnt* and *sev*) correspond with the variables from the School Aid Fund Statutory Reporting.

The table below presents a comparison highlighting the differences in revenue generated by various ISDs when calculating the yield of a one-mill revenue per student with disability tax.

EXHIBIT H2. One-Mill Revenue Yield per Student with Disability

ISD Name	ISD Code	Taxable Property Value (sev)	1 Mill Yield	Total Special Ed Count	1 Mill Revenue/SWD
Allegan Area Educational Service Agency	3	\$3,876,542,926	\$3,876,543	1,800	\$2,154
Alpena-Montmorency-Alcona ESD	4	\$2,277,376,124	\$2,277,376	837	\$2,721
Barry ISD	8	\$1,391,873,203	\$1,391,873	731	\$1,904
Bay-Arenac ISD	9	\$3,862,881,098	\$3,862,881	2,390	\$1,616
Berrien RESA	11	\$9,928,735,492	\$9,928,735	3,659	\$2,714
Branch ISD	12	\$1,539,967,817	\$1,539,968	914	\$1,685
Calhoun Intermediate School District	13	\$4,555,991,939	\$4,555,992	3,812	\$1,195
Heritage Southwest Intermediate School District	14	\$2,182,338,889	\$2,182,339	1,051	\$2,076
Charlevoix-Emmet ISD	15	\$7,056,882,070	\$7,056,882	1,325	\$5,326
Cheb-Otsego-Presque Isle ESD	16	\$4,138,537,856	\$4,138,538	1,042	\$3,972
Eastern Upper Peninsula ISD	17	\$2,801,798,305	\$2,801,798	1,248	\$2,245
Clare-Gladwin Regional Education Service District	18	\$2,442,695,182	\$2,442,695	1,282	\$1,905
Clinton County RESA	19	\$2,632,411,441	\$2,632,411	1,423	\$1,850
Delta-Schoolcraft ISD	21	\$1,866,821,143	\$1,866,821	1,034	\$1,805
Dickinson-Iron ISD	22	\$1,646,679,295	\$1,646,679	927	\$1,776
Eaton RESA	23	\$3,611,008,174	\$3,611,008	2,053	\$1,759
Genesee ISD	25	\$12,702,513,119	\$12,702,513	9,383	\$1,354
Gogebic-Ontonagon ISD	27	\$953,597,127	\$953,597	452	\$2,110
Northwest Education Services	28	\$15,042,707,377	\$15,042,707	3,396	\$4,430
Gratiot-Isabella RESD	29	\$3,620,942,897	\$3,620,943	2,433	\$1,488
Hillsdale ISD	30	\$1,501,867,611	\$1,501,868	969	\$1,550
Copper Country ISD	31	\$1,601,277,121	\$1,601,277	901	\$1,777
Huron ISD	32	\$2,684,265,602	\$2,684,266	849	\$3,162
Ingham ISD	33	\$11,258,947,255	\$11,258,947	6,821	\$1,651
Ionia ISD	34	\$2,335,934,895	\$2,335,935	1,678	\$1,392
Iosco RESA	35	\$1,904,396,260	\$1,904,396	610	\$3,122
Jackson ISD	38	\$5,646,013,015	\$5,646,013	4,028	\$1,402
Kalamazoo RESA	39	\$9,633,201,017	\$9,633,201	4,866	\$1,980

ISD Name	ISD Code	Taxable Property Value (sev)	1 Mill Yield	Total Special Ed Count	1 Mill Revenue/SWD
Kent ISD	41	\$31,553,068,301	\$31,553,068	14,414	\$2,189
Lapeer ISD	44	\$3,387,442,947	\$3,387,443	1,858	\$1,823
Lenawee ISD	46	\$4,381,025,781	\$4,381,026	2,327	\$1,883
Livingston ESA	47	\$10,294,611,448	\$10,294,611	3,434	\$2,998
Macomb ISD	50	\$35,777,162,227	\$35,777,162	19,334	\$1,850
Manistee ISD	51	\$1,359,119,790	\$1,359,120	1,043	\$1,303
Marquette-Alger Regional Education Service Agency	52	\$3,287,947,022	\$3,287,947	1,809	\$1,818
West Shore Educational Service District	53	\$4,091,355,781	\$4,091,356	1,403	\$2,916
Mecosta-Osceola ISD	54	\$2,594,754,604	\$2,594,755	1,385	\$1,873
Menominee ISD	55	\$871,884,995	\$871,885	553	\$1,577
Midland County Educational Service Agency	56	\$3,668,572,930	\$3,668,573	2,490	\$1,473
Monroe ISD	58	\$6,864,333,648	\$6,864,334	3,270	\$2,099
Montcalm Area ISD	59	\$3,138,540,154	\$3,138,540	1,991	\$1,576
Muskegon Area ISD	61	\$5,736,343,692	\$5,736,344	4,499	\$1,275
Newaygo County RESA	62	\$1,842,767,700	\$1,842,768	1,214	\$1,518
Oakland Schools	63	\$74,091,480,823	\$74,091,481	25,179	\$2,943
Ottawa Area ISD	70	\$17,108,536,487	\$17,108,536	7,025	\$2,435
C.O.O.R. ISD	72	\$3,901,810,567	\$3,901,811	1,118	\$3,490
Saginaw ISD	73	\$6,074,381,901	\$6,074,382	4,692	\$1,295
St. Clair County RESA	74	\$7,012,345,245	\$7,012,345	3,233	\$2,169
St. Joseph County ISD	75	\$2,848,629,258	\$2,848,629	1,539	\$1,851
Sanilac ISD	76	\$1,882,487,306	\$1,882,487	1,034	\$1,821
Shiawassee Regional ESD	78	\$2,620,819,422	\$2,620,819	2,007	\$1,306
Tuscola ISD	79	\$2,511,977,547	\$2,511,978	1,258	\$1,997
Van Buren ISD	80	\$4,890,417,233	\$4,890,417	2,550	\$1,918
Washtenaw ISD	81	\$20,951,124,162	\$20,951,124	6,834	\$3,066
Wayne RESA	82	\$53,301,564,014	\$53,301,564	36,244	\$1,471
Wexford-Missaukee ISD	83	\$2,465,662,190	\$2,465,662	1,829	\$1,348

Source: State Aid Financial Status Reports

Note: The parentheses (pupilcnt and sev) correspond with the variables from the School Aid Fund Statutory Reporting.

Appendix I: Calculating Revenue Methodology

Calculating Federal Revenue

While the MI Blueprint project focus does not concern federal funding, accurately accounting for it (to the extent possible), is necessary to identify funding shortfalls across the state and to determine the combined state and local share of the MI Blueprint WSF Model formula amount. To build the federal funding dataset, the project team relied on the Financial Information Database (FID) Revenue Data. The approach was modeled on Dr. Jesse Nagel’s analysis in “Special Education Finance in Michigan: Implications for Equity,” 2021.¹⁵⁹ Project analysis followed the steps below:

1. Restrict to Suffix Code ‘0120’
2. Within that, further restrict to the following Major Class Codes:
 - a. 413
 - b. 414
 - c. 415
 - d. 417
 - e. 419
3. Organize districts into ISDs and LEAs
4. This allows us to clearly differentiate district codes representing LEAs and those representing ISDs.
5. For state-level analysis, aggregate all ISD-specific revenues and all LEA-specific revenues.
6. To identify ISD-specific funding, subtract the corresponding LEA revenues.
 - a. Note, unadjusted ISD funding includes the funding for their member LEAs.

EXHIBIT I1. Michigan 2024 Federal Special Education Revenue Estimate

LEA	\$232,308,719
ISD	\$222,525,066
Total	\$454,833,784

Calculating State Revenue

To construct the state revenue dataset, the MI Blueprint project team relied on the State Aid Financial Status Reports (SASRs). Specifically, CYData, CYAllowance, and CYOther. The analysis included only special education operations revenue and excluded specialized transportation

¹⁵⁹ Nagel, Jesse. Special Education Finance in Michigan: Implications for Equity. Michigan State University Dissertation, 2021, available at: <https://www.proquest.com/docview/2572571208>

revenue. That said, we attempted to be as inclusive as possible to fully capture special education operations funding. Note, for this analysis, we separated special education funding from special education foundation funding.

The analysis used the following formulas based on conversations with MDE. The formulas include the section numbers as well as their corresponding International Classification of Diseases (ICD) codes red.¹⁶⁰

For ISDs

Special education—

- *Durant* + Deaf/Blind + Sec. 56 + Court-involved + Other Sped
- [51a (36)] + [54 (440) + 51a1 (400)] + [56(8) (449) + 56 (450) + 56(7) (451)] + [53a5 (430) + 24 (171)] + [51a6 (380)]

Special education foundation –

- 51e (351) + 51a11 (40)

For LEAs

Special education –

- *Durant* + Court-involved + Other
- [51c (33)] + [25K (854) + 53a5 (430) + 24 (171)] + [51a6 (380)]

Special education foundation –

- 51e (351) from CYOther
- Do not include (36) from CYOther.

EXHIBIT I2. Michigan 2024 Special Education State Revenue Estimate

	Special Education	Special Education Foundation
LEA	\$789,659,196	\$387,543,447
ISD	\$437,057,280	\$113,173,016
Total	\$1,235,716,376	\$500,716,464

Calculating Local Revenue

We calculated this strictly at the ISD-level. This is because available data makes it difficult to determine how much of the revenue generated by ISD special education millages is retained at the

¹⁶⁰ ICD codes for special education relate to specific learning or intellectual disabilities.

ISD-level and what is distributed to the ISD member LEAs. Appendix G details local revenue by ISD.

To calculate the total revenue by ISD we use the following formula based on data in the SASRs:

$\text{Sev} * (\text{millspeced}/1000)$

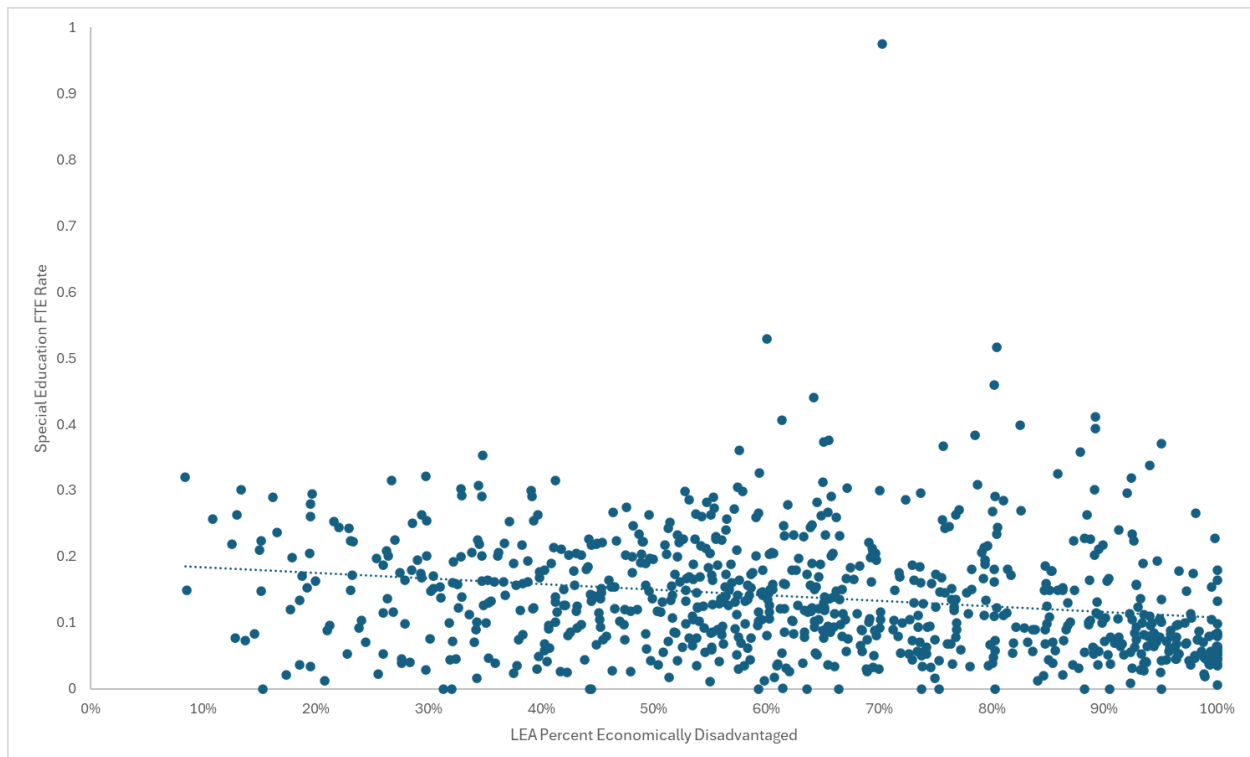
Appendix J: Student with Disabilities Headcount Versus Full-Time Equivalency (FTE)

In Michigan, special education accounting is conducted by full-time equivalents (FTEs). The FTE is based on service time. For example, a student with a disability who receives services for 20 percent of their time translates to 0.2 FTEs. As such, the enrollment of students with disabilities is greater than the number of special education FTEs. One would expect that the level of services – or FTEs – provided would reflect student need. To test this, we created a simple calculation:

FTE rate = special education FTEs / headcount of students with disabilities. This simply reports the number of students per FTE for each LEA. In this analysis 787 LEAs were included and ISDs themselves were excluded.

As shown in the graphic below, the FTE rate decreases as an LEA's enrollment of economically disadvantaged students increases. In other words, districts provide services at a lower rate in higher-poverty contexts. This suggests that local fiscal capacity plays a role in the provision of special education services.

EXHIBIT J1. District Special Education FTE Rate by Enrollment of Economically Disadvantaged Students



Source: Special Education Counts, MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-counts-data-files/>. State Aid Financial Status Reports, 2024.

Appendix K: Comparing Special Education Enrollment in Michigan and Ohio

The MI Blueprint WSF Model relies on American Institutes for Research's (AIR) estimates of the costs associated with implementing best practices by students with disabilities eligibility categories. Ohio's special education system organizes disability categories slightly differently and small differences in naming conventions. Below is a crosswalk of how Ohio's categories mapped to Michigan's.

EXHIBIT K1. Crosswalk of Disability Eligibility Categories between Ohio and Michigan

Ohio	Michigan
Specific learning disability	Specific learning disability
Speech or language impairment	Speech or Language Impairment
Emotional disturbance	Emotional impairment
Intellectual disability	Cognitive impairment
Developmental delay	Early childhood developmental delay
Other health impairment OHI-minor OHI-major	Other health impairment
Autism spectrum disorder	Autism spectrum disorder
Deaf-blindness	Deaf-blindness
Hearing impairment	Hearing impairment
Multiple disabilities	Severe multiple impairment
Orthopedic impairment	Physical impairment
Traumatic brain injury	Traumatic brain injury
Visual impairment	Visual impairment

The table below presents a breakdown of the three-year enrollment of students with disabilities by eligibility category between Michigan and Ohio. The enrollment rates are generally comparable. Although the precise makeup differs, 53 percent of students with disabilities are categories under either SLI or SLD and 48 percent of students in Ohio fall into those categories. Additionally, Ohio has had a weighted student funding system in place for special education for years. The comparable distribution of students among the 13 eligibility categories suggests Michigan moving to a WSF should not dramatically change how students are categorized.

EXHIBIT K2. Michigan and Ohio Three-Year Enrollment Comparison

MI Eligibility Category	Michigan	Ohio
Cognitive impairment	7.87%	6.58%
Emotional impairment	4.90%	4.79%
Hearing impairment	1.05%	0.69%
Visual impairment	0.34%	0.31%
Physical impairment	0.63%	0.43%
Speech or language impairment	27.35%	12.20%

MI Eligibility Category	Michigan	Ohio
Early childhood developmental delay	3.99%	2.74%
Specific learning disability	25.98%	36.08%
Severe multiple impairment	1.31%	3.80%
Autism spectrum disorder	12.01%	11.61%
Traumatic brain injury	0.19%	0.52%
Deaf-blindness	0.02%	0.03%
Other health impairment	14.35%	20.22%

Source: MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-data-portraits-disability>. Ohio Department of Education & Workforce, Enrollment by Student Demographic (State) - Overview, available at: <https://reports.education.ohio.gov/report/report-card-data-state-enrollment-by-student-demographic>.

The table below demonstrates the MI Blueprint WSF Model applied to Michigan and Ohio. The model functions similarly.

EXHIBIT K3. Michigan and Ohio Enrollment Comparison Applied to the MI Blueprint WSF Model

Weighting Categories	Enrollment		Percentage	
	MI	OH	MI	OH
Tier 1	336,578	403,271	53.33%	48.28%
Speech or language impairment				
Specific learning disability				
Tier 2				
Other health impairment	90,565	168,925	14.35%	20.22%
Tier 3	68,673	96,337	10.88%	11.53%
Physical impairment				
Severe multiple impairment				
Cognitive impairment				
Hearing impairment				
Deaf-blindness				
Tier 4	135,275	166,809	21.44%	19.97%
Emotional impairment				
Visual impairment				
Early childhood developmental delay				
Autism spectrum disorder				
Traumatic brain injury				

Source: MI School Data, Michigan Department of Education, available at: <https://www.mischooldata.org/special-education-data-portraits-disability>. Ohio Department of Education & Workforce, Enrollment by Student Demographic (State) - Overview, available at: <https://reports.education.ohio.gov/report/report-card-data-state-enrollment-by-student-demographic>.

Calculating Combined Other Health Impairment Cost Estimate and Adjusting Estimates to 2025 and Michigan

In Ohio, the Other Health Impairment (OHI) eligibility category is divided into OHI-minor and OHI-major. The cost estimates are significantly different. The MI Blueprint project team used three years of enrollment data from Ohio to generate a single OHI cost using a weighted average. The analysis used Ohio's enrollment rather than Michigan's to be consistent with the source data.

EXHIBIT K4. Generating an OHI Cost Using a Weighted Average

	Cost Estimate 2022-23	Inflated Cost Estimate 2024-25	Three Year Avg. Enroll Percentage	Proportional Cost
OHI MAJOR	\$55,107	\$57,569	0.010726654	\$618
OHI MINOR	\$15,313	\$15,997	0.989273346	\$15,826
OHI COMBINED				\$16,443

To adjust the 2022-23 cost estimate we used the S&L IPD and CREC. The S&L IPD is the same inflation adjustment tool used by the SFRC for its 2021 report that updated their original 2018 recommendations. The analysis used the CREC for 2025 because the S&L IPD figures were not yet published.

EXHIBIT K5. Adjusting the Cost Estimate for Inflation

	Assumed Inflation Rate	Measure
2024	1.92%	S&L IPD
2025	2.50%	CREC May 2024

Sources: Federal Reserve Bank of St. Louis. Government Consumption Expenditures and Gross Investment: State and Local (Implicit Price Deflator). Federal Reserve Bank of St. Louis. Government. September 25, 2025, available at <https://fred.stlouisfed.org/series/A829RD3A086NBEA>; Economic and Revenue Forecasts Fiscal Years 2024, 2025 and 2026. Michigan Department of Treasury, May 17, 2024, available at: <https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/Uncategorized/2024/May-2024-Consensus-Documents/Consensus-Executive-Summary-May-2024.pdf?rev=4c518039058c475e810f818d57c59abe&hash=6FBC9D0EC0DB36D125815ACB5717F8AF>

Appendix L: Calculating Tier-Level Costs of the MI Blueprint WSF Model

To determine the tier-level costs, the MI Blueprint project team calculated a weighted average. We multiplied the per student cost estimate for each disability category by that category's share of total enrollment and then summed the resulting contributions. Specifically, the three-year enrollment average was used to determine each category's proportion of students within the tier. For example, students identified with speech and language impairment represent 51.28 percent of the total three-year enrollment in Tier 1, while students identified with specific learning disabilities account for 48.72 percent. Applying these shares to their respective cost estimates produces weighted contributions of \$4,892 and \$5,104. Together, these contributions total \$9,996.

EXHIBIT L1. Determining Tier-level Costs Using a Weighted Average

	FY25 Cost Estimate	Three-Year Enrollment	Tier Weight	Cost Contribution	Adjusted Cost
Speech & Language Impairment	\$9,539	172,598	51.28%	\$4,892	
Specific Learning Disability	\$10,477	163,980	48.72%	\$5,104	
Tier Total		336,578		\$9,996	\$10,996

The MI Blueprint Project team adjusted the cost estimates by 10 percent for three reasons:

- The cost estimates from the AIR study are “lower-bound.”
- Education costs are slightly greater in Michigan than in Ohio.
- To build in flexibility to provide buffer for future changes in cost and best practices.

To determine the weights for each tier the analysis divided the tier cost by a \$10,421 foundation allowance recommended by the SFRC in its 2021 report. In the example above: $\$10,996 / \$10,421 = 1.055$, which we rounded to 1.1.

