

March 12, 2026

To: Michigan Legislators

From: Teach Plus Michigan Teacher Policy Fellowship  
Equitable Funding Working Group



We are a group of educators from across Michigan and members of the Teach Plus Michigan Teacher Policy Fellowship, a highly selective leadership opportunity for outstanding Michigan teachers deepening their knowledge of education policy and gaining a voice in decisions that affect their students and the teaching profession. We want to highlight the needs of students with complex needs like William, a non-verbal 6th grader with autism who spends his school day learning to communicate. When frustrated or overwhelmed, William experiences physical outbursts requiring specialized support, assistive devices, and dedicated staff to ensure safety and academic focus. However, not every district can afford the kinds of resources that students like William need to succeed in school.

## Policy Goal

By June 2026, the Michigan Legislature will implement the [Michigan Special Education Finance Reform Blueprint \(MI Blueprint\)](#), which aligns funding with the intensity and complexity of the supports students need, as well as modernizes the state's special education funding system.

## Why This Issue Is Important

Individual student funding is based on [local community wealth](#), rather than student need, causing large inequities across districts. Michigan has one of the [lowest graduation rates for students with disabilities and one of the nation's highest rates of dropouts](#).

- + Students with disabilities in Michigan consistently [achieve lower scores](#) on national assessments compared to their peers from other states.

*"It is heartbreaking to see students with disabilities receiving inadequate services within my district, while students with disabilities in wealthier districts receive all of the support and services that they need and deserve."* **Teach Plus Michigan Policy Fellow Lauren Vandebossche, Grand Rapids Public Schools**

## What the Evidence Shows

- + Federal funds provide just 12-13 percent of Michigan's special education funding, far below the 40 percent that the [Individuals with Disabilities Education Act](#) suggests.
- + Districts, on average, divert \$500 per pupil, sometimes consuming up to 15 percent of general education funds, to cover special education costs, leading to cuts in classroom resources, staffing, and programs.
- + Michigan's current funding system was designed decades ago and [reimburses districts for only 28.6 percent](#) of special education costs, forcing schools to rely heavily on local funding sources that vary widely across communities.

## We Recommend

- + **Implement** the Michigan Special Education Finance Reform Blueprint (MI Blueprint), a comprehensive system designed to align funding with student needs.
  - o **Allow** for incremental phase-in of the MI Blueprint framework.

- + **Ensure** funding is based on student needs rather than labels and an outdated reimbursement structure. Funding allows districts to hire, buy, and fund necessary specialists, technology, and training.
- + **Mandate** proportionate but fair weights to Tiers 1-4. Tier level will be based on the complexity of the needs of students in a disability group.
- + **Establish** a High-Cost Fund to ensure districts can support students with the most intensive needs without destabilizing local budgets.
- + **Update** outdated Intermediate School District millage caps that currently limit local capacity and contribute to funding disparities across communities.
- + **Increase** Special education spending by \$213 million annually over a period of six years.

## Potential Impacts

- + **Promotes fiscal equity** by decoupling special education service levels from local wealth, ensuring resources are allocated based on student necessity.
- + **Reduces disparities created by outdated millage caps** and helps create a more stable and fair funding structure across communities.
- + **Improves student outcomes** through consistent access to services, early intervention, and inclusive supports across the state.

Together, the Blueprint's components create a more transparent and predictable funding system that allows districts to plan, staff, and serve students effectively.

## Potential Costs

The MI Blueprint outlines a framework for aligning funding with student needs. According to the MI Blueprint models, special education funding would need to increase by 39 percent, for a total of \$1.28 billion in additional state and local spending. Implementation could be phased in over time to allow districts and the state to transition smoothly to a new funding model.

While the MI Blueprint does not dictate the source of revenue, it suggests different cost-sharing formulas that factor in state and local revenue generation, as well as formulas that would more equitably distribute funds to lower-wealth ISDs.

Respectfully submitted,

### **Teach Plus Michigan Teacher Policy Fellowship Equitable Funding Working Group**

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