Bridging the Distance: Unintended Consequences of Centralized, Per-Pupil Educational Funding in a Central Michigan Suburb

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“My name is Kyle Jay Allison… I’m, eh, sixty-three years old. Graduated in 1975 from Grand Ledge High School in Grand Ledge, Michigan,” my dad said proudly as he looked at me, making sure that he had gotten out all the proper identification that I needed. My father was the second of seven children, six boys and one girl. My family is big; we have cousins all across the United States, and even one that lives in Australia. Despite this, most of my family remained in close contact, making it a point to see each other several times a year.

 My dad and I just spent the last hour hunched over my computer looking at scans of his senior yearbook, picking out familiar faces and lamenting on his glory days. I have heard a lot of my father’s stories from high school, and yet he somehow continued to recount memories with students on nearly every spread of the nearly 400-page yearbook. My father had, at one point at least, thick, dirty blonde hair similar to my own that stretched over past his ears. His hair has been a close-cropped, speckled salt-and-pepper for as long as I can remember, a constant reminder that he was older than most fathers with kids my age. Despite being sixty-three with a bad back, my father has a certain youthfulness to him – almost like he never completely grew up. Essentially, my father is a teenager with a lot of life experience and even more crows’ feet.

“So, dad – what was high school like?”

1974 The Ledge, pg. 80 1

Kyle’s eyes glazed over at the question. “Oh, I loved it. I made some of my best friends there. Met the boys’ mom and had two great kids.”

“Do you think Grand Ledge is a lot different than what you grew up with 45 years ago?” I asked. My father considered this for a moment, glancing down again at the yearbook page we had pulled up on my computer. It was a single page spread of the wrestling team, his absolute favorite part of high school. The grainy picture of his varsity team looks up at us from the screen as my dad attempts to pick himself out of the crowd.

“It’s nothing like when I was in school, but that’s not a bad thing. Lansing has definitely creeped farther into town to the point that it’s hard to see where one stops and the other one starts. There’s a lot more people, too.”[[1]](#footnote-1)

He was right, of course. According to US census data, in 1970 Grand Ledge had a population of 6,032. In 2010, that number had grown to 7,786[[2]](#footnote-2). My father had seen Grand Ledge go through a lot of changes, shifting from a majority farming town to a true Lansing suburb. As the town went through a gradual urbanization, the Grand Ledge School District has also changed in the forty-five years since my father was a student. So have, in fact, a lot of other school districts. One of the biggest changes to have happened regarding Michigan education since my father was in high school was the 1993 passage of Proposal A, a ballot proposal that changed how school funding is allocated. Up until 1993, Michigan schools were funded like most other states were doing at the time: property taxes. Because wealthier districts had higher property taxes, those schools received more money to fund their school, outraising and outspending schools in low-income neighborhoods filled with majority students of Color. The goal of Proposal A was to eliminate the advantage that living in wealthier neighborhoods gave students, shifting from property taxes strictly to per-pupil funding. The more students in a school, the more funding that district got – with a few exceptions.

The initial results of this switch show that the ballot proposal was successful in multiple aspects of the legislation, reducing the amount of property taxes that could be used as a revenue source for school operation[[3]](#footnote-3). Based off the initial results of the ballot initiative, the change to per-pupil funding did allow for the most underfunded schools in the state to receive more money as long as they had the students enrolled in the district. This is important to consider, especially because the language in Proposal A also made it easier for parents and guardians of students to choose where they would go to school, even if the school was out of their current district. Based on the research and analysis by scholars like Henry Prince, lax regulation around school of choice gave parents the new ability to shop for schools, taking their per-pupil funding with them – and away from the very schools that were underfunded in the first place.

This speculation under Proposal A was only one of the unforeseen consequences of the bill. Because the change to per-pupil funding short-changed the wealthier districts, those who were benefiting off of the old system needed a way to make up the difference. To be fair, some districts did need the funding – there were several districts around the state that require substantially large budgets to run their schools and facilities; the way that Proposal A allowed for schools to make up the difference, however, left an easy way for schools and communities to circumvent restrictions and take advantage of their per-pupil dollars. In towns and neighborhoods that could afford it, local millages that raised local property taxes to fund public schools actually expanded their allowance from what the previous funding system provided them[[4]](#footnote-4). Essentially, the underfunded schools were finally getting the money they needed to compete with what other schools allocated, and then the wealthier districts added a significant amount on top of that. In the process of trying to equalize school funding, the gap in spending between poor and wealthy districts expanded even further. In 1994, not even a full year after the proposal was passed, nearly all school districts that had lost funding with the fall to $6500 per-pupil voted for at least three mill enhancements, eliminating the deficit created by the new allocation system and actually increasing their spending budget[[5]](#footnote-5).



Effectively, this shift in funding actually did the opposite of its initial intention. Instead of equalizing the playing field, the amount of money was increased without closing the gap among school districts. In addition, it gave greater importance and choice to the pupil for determining where they wanted to attend school. The money per-student followed them outside of their neighborhood school down the block, and into schools that were doing well initially. This capitalized market structure of school shopping that was created was an unintended consequence of the proposal’s passage, and it drastically impacted how districts try and motivate families into moving schools[[6]](#footnote-6). As the power to choose where to go to school was clearly laid out, the unconscious racism that dictated who could actually take advantage of that power became more and more apparent.

For some families, this funding change meant that their school was no longer getting the same amount of funding as it previously had been. Students began to leapfrog around a variety of different schools, from public, to private, to charter. Wealthy, majority white families had the incentive to put their kids into private schools instead of searching for another wealthier public school. In addition, this made students of Color more likely to seek education outside of their districts and into the white suburban schools, as well as the numerous charter schools that have been established in the past three decades[[7]](#footnote-7). This change in position of wealthy white students and students of Color looking for a better educational opportunity outside of their district left the initially underfunded schools in a bad position, seeping students from their neighborhood and taking their pupil funding right along with them.

School consolidation is not a new concept, and in some districts it is necessary to close a school if the district is no longer large enough to fill its building. In 2019, the Lansing School District (LSD) closed Eastern High School, absorbing those students into the district’s other high schools throughout the city. Less than ten miles away in Grand Ledge, they have been faced with the opposite problem; as more students enter into the district, more schools are necessary to house new pupils that come from out of district or move into the neighborhood. Currently, Grand Ledge School District (GLPD) has two early childhood/preschools, one kindergarten building, four elementary schools, one middle school, and a high school. There are a lot of students in a district, with some grades being comprised of anywhere from 400 to 600 students[[8]](#footnote-8). To house and teach such a large number of children effectively and efficiently requires space large enough to grow into.

I learned a little bit more about the persistent urban sprawl of Grand Ledge from nearby Lansing by speaking with my older brothers who went there as well. Tyler and Brandon graduated in 2001 and 2003 respectively, about a decade after this switch in school funding took place in 1993. Brandon’s partner, Sara, graduated in 2004 after transferring her 9th grade year from a private school in Lansing. Much like our father, my siblings have lived in and around Grand Ledge most of their lives; even though they graduated in the early 2000s, they are still familiar with the district and people that live there. Now, I remembered as I was sitting with my father looking through his yearbook, it is hard to forget the faces that are not among the hundreds of pages of high school experiences – students of Color. After asking my father if he ever had any classmates that were not white, he can only ever recall one student.

“Denise… something. I can’t really remember her name, but I think she was the only Black student we had in our class throughout… shoot, throughout all of high school.”[[9]](#footnote-9)

I was not surprised by this fact as my father told me. Lansing, like the majority of other large cities in the 20th century had fallen victim to redlining by the Home Owners Loan Corporation (HOLC). People of Color were limited in where they could move as lending agencies and banks refused housing loans to non-white citizens. As the middle class grew, the neighborhoods that separated whites and People of Color became more and more clear. Disparities in school funding became exacerbated as years and years of institutional racism sewed divisions among the different neighborhoods and their respective schools. Grand Ledge and the western side of Lansing received relatively good ratings by the HOLC, while giving lower scores to neighborhoods where majority Black and Brown people lived. Looking back at maps available from the HOLC, it can be seen that those schools in low-scored neighborhoods were the same ones that were underfunded under the old system of budget allocation, and those in the higher scored areas that only benefited were mostly white – areas like Grand Ledge.

In addition to a plethora of other institutional barriers that have kept people of Color from white schools, the discrepancies between those HOLC scores were in part a reason my father did not have a lot of classmates that were students of Color. As he describes it, Grand Ledge was still a majority farming town when he was in high school, but the suburbs were expanding and soon became the place where the majority of students lived. Because he lived in Wacousta, the small township northeast of Grand Ledge, my father’s elementary school was filled with majority farm kids and other blue-collar families – school that nearly two decades later would house my brothers, who recounted a similar elementary experience. The boys had gone to Wacousta Elementary, like our father, which is decently far removed from the other elementary schools, much father north in a more rural area.

“Did you guys have any non-white kids in your elementary school?” I asked them. The response that I got from them confused me at first, because my oldest brother chuckled.

“You have to understand that all the kids that went to Wacousta were kids that… that grew up like us. We didn’t live in neighborhoods like the other kids in town, we were all kind of country kids. Not a lot of Black kids lived out near us, so I don’t think I had any non-white classmates until we got to middle school.” As we were talking, Sara had gotten out her old yearbooks and we were slowly flipping through them. There were definitely more students of Color that were in school with my siblings in the early 2000s than compared to my dad, but the sheer number of white students was still overwhelming.[[10]](#footnote-10)[[11]](#footnote-11)

I asked them if they had ever considered that their school could have been segregated, and it took them a second to consider. They said it was not exactly what you might think, but there was definitely a difference when they were in elementary school because there were not a lot of non-white kids living in the country. There proved to be some truth behind their rationalizations; according to the National Center for Education Statistics, in the 2018-2019 school year Wacousta Elementary had 6 Black and 44 Hispanic students. At Delta Center Elementary, a school located on the west side of Lansing, they had 31 Black and 45 Hispanic students. The same divide within the district that was there nearly three decades ago between the elementary schools continues to exist today, much like my siblings described.[[12]](#footnote-12)

As urbanization moved towards Grand Ledge, students on the west side of the city then had the freedom to choose to go to a school, even if it was out of district, because it was close to their homes and provided educational opportunities that were better than what was currently being offered to them. As predicted, a portion of these students left their home districts in Lansing, Waverly, Holt, etc. in favor of Grand Ledge, taking their per-pupil funding with them into an already financially sound district. High schools became highly incentivized to “sell” their school to potential students, launching off what is referred to as a “space race” of a school-choice market environment in metropolitan areas, Lansing included. The “amount of money being passed by districts in Michigan for capital construction has soared since 1994”, and yet the “gap in average need in Michigan’s poorest districts is more than twice as large as in Michigan’s richest districts”[[13]](#footnote-13).

At the district level, the data shows a lot of movement following the passage of Proposal A in 1993. In Lansing and nine other surrounding districts, changes in student enrollment changed dramatically. From 2000-2004, Lansing School District lost 5% of its total enrollment, while Grand Ledge experienced a 5% increase[[14]](#footnote-14). Grand Ledge also increased its total expenditures by 14%, a nearly $1000 increase on spending per-pupil that surpassed what would be needed to compensate for the number of students moving into the district[[15]](#footnote-15). In short, Proposal A has not been kind for the LSD, and students that were once a part of the district continue to stream to wealthier schools nearby, draining the funding from schools that have been deteriorating for decades.

Because several schools in the Lansing area underwent some sort of upgrade since Proposal A was passed, the “space race” extended out of the schools and into the surrounding community, incentivizing cities to improve their own neighborhoods to attract new families to the area. A constant increase in enrollment would be difficult without available housing in the area, so capital asset spending spiked in the early 2000s at the same time that my brothers were in high school. This increase in enrollment at GLPS in the 1990s and early 2000s can be seen in the comparison of my father’s 1975 yearbook to Sara’s 2004. More people of Color were and continue to enter into the district at a pretty consistent rate, because of this change. Grand Ledge has relatively decent test scores, impressive sports programs, and is close to the state’s capital. There are many opportunities at Grand Ledge – but are these opportunities available for everybody?

“There was a pecking order in town, for sure. It’s typical small-town things – if you worked at Sundance and your son was wanting to get onto the baseball team, then you’d better believe that dad gave Coach a hell of a deal on a new car,” Tyler said. He assured me that he was not bitter just because he had been cut from the varsity team; if you were well known in Grand Ledge, that gave you an automatic leg up into athletics and other clubs in the school. “Those baseball coaches knew who were going to make varsity when the kids were in 6th grade.”[[16]](#footnote-16) The favoritism is well known.

Brandon and Sara agreed. Well-established families that had been apart of the town for generations had a significant advantage over newer families in extracurricular activities, and those families were more than likely to be white and upper-middle class. However, that is not an easy subject to casually bring up, especially if you were in high school like my siblings were at the time. There, they just adapted to it. But these actions reflect a type of unconscious racism, one that is “reflective of implicit attitudes… which are outside of typical awareness.”[[17]](#footnote-17) By not talking about this advantage that established white families had in the community, aspect of this unconscious racism can “shape policy and programming decisions in organizations and communities in various ways.”[[18]](#footnote-18)

 Now, it seems like a little bit of a stretch to say that well-established white families can have so much power over a community that is experiencing this creeping urbanization, but these fears are well founded. As discussed earlier, school districts that lobby for potential students sell more than just the school itself. The surrounding community is becoming more and more important, and many communities are experiencing a shortage of affordable housing[[19]](#footnote-19). Districts looking for funding need there to be places for families to live, but the kinds of housing available makes a huge difference to the people already living in the area. The influence of white families on the future of a potential new neighborhood versus a multi-family housing complex *is* a racialized issue, since systemic barriers often keep families of Color from being able to purchase single-family homes. Ignoring these facts and injustices inherent in the system makes it easy for unconscious racism to continue.

 Unconscious racism is just one aspect of what allows segregation to continue to operate nearly seven decades after the decision of *Brown v Board*. While Proposal A was meant to help Michigan schools overcome the stark difference in school funding through property taxes, it created more unintended consequences that continue to harm low-income schools. While per-pupil spending did increase overall expenditures in the lowest-funded districts, districts in wealthier, white neighborhoods levied their privilege and expanded millages to continue funding their schools. The emergence of the school “space race” continued to widen the divide as students of Color were given the opportunity to leave LSD and other districts for whiter ones, like Grand Ledge, DeWitt, and Holt. As a result of LSD’s loss of students to the surrounding communities, those communities have continued to grow. Grand Ledge Public Schools continues to add students into the district every year as they change schools or move into the neighborhood. This continued growth and overall sustained success of Grand Ledge as a city is in part because of Proposal A but is merely one of the many factors that affect the racial demographics of a particular school district.

 Michigan was one of several states to make the switch to a more centralized system of educational funding throughout the 1990s and early 2000s, and they have all been met with similar unforeseen consequences. While Proposal A did its job in making the system more equitable for lower-income districts, its stipulations allowed for districts to circumvent their restrictions on allocating funding. Districts like Grand Ledge have continued to thrive under this per-pupil system, just as they were under the old system. The freedoms that wealthier districts were able to take advantage of for increasing their budgets through mills and larger class sizes continued to widen the gap between the highest and lowest funded schools in the state, essentially scaling the difference back to zero.

 The issues that keep Proposal A from reaching its full potential and intent are highly localized and are a result of the disconnect between these very different communities. Individual motivations drive each and every parent in each and every neighborhood across the state, and in many situations the parents who decide where their children attend school do not understand the implications behind their decisions. The past two decades has been particularly hard for the education sector, both in regards to changes in curriculum and the crumbling of existing school infrastructure. As educational funding continues to be cut at both state and national levels, it seems logical that schools would turn to their local towns and neighborhoods to make up the difference. However, the responsibility of funding schools as they should stretches farther than the physical boarders of a district, and the solution should not rest solely on the shoulders of a school’s residence. It effectively becomes an act of unconscious racism that allows for the continuation of de facto school segregation, because of the wealth inequality between people of Color and whites[[20]](#footnote-20).

 While Proposal A did not meet the expectations that one may have hoped for, those unforeseen consequences did expose one of the more important aspects of how institutionalized racism operates within the educational structure. Knowing the consequences of this system of funding, progress must be prioritized to remedy these flaws on the continued fight to fund more equitable schools. If the system as it now stands continues into the future, it will continue to grow the divide between Michigan’s best and worst funded districts. While regional autonomy should not be excluded from the conversation, the discrepancies between poor and wealthy, white districts and their ability to contribute more to their budgets cannot and should not be ignored.

 While the repercussions of the switch to per-pupil funding have been known for over twenty-five years, the additional research into the unconscious racism that exists in the towns and communities that financially benefited adds a new layer of complexity to the issue at hand. Parents want what is best for their children’s education, but the result of white parents having a substantial weight to decisions involving districts exacerbate the inequities that were already imbedded into the educational system. The reciprocal relationship between schools and the surrounding communities makes decisions like Proposal A incredibly racialized and crucial to the future of students of Color. In making future decisions to bridge the divide between these districts, taking into account how unconscious racism factors into systems in inequality will help in creating a more equitable system for students of Color to thrive.

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