

# TAKE ACTION FOR OKEMOS STUDENTS

## *Why Michigan must increase K-12 funding*

Okemos Public Schools depend almost entirely on state funding for day-to-day expenses like paying salaries, utilities, purchasing instructional materials, etc. State law sharply limits what our community can raise locally. This means decisions made in Lansing directly shape our students' classroom experience. Districts, including Okemos, rely almost entirely on the funds provided by the state. This fact sheet provides the information you need to advocate for stronger funding for OPS.

### HOW IS OKEMOS PUBLIC SCHOOLS FUNDED?

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In Michigan, districts are generally not permitted to raise money through local property taxes for day-to-day expenses such as paying our staff, covering utilities, purchasing instructional materials, providing student transportation, etc. Bonds and sinking funds are voter approved taxes that provide crucial resources to help maintain our facilities and build new ones, but we are legally prohibited from using those funds for day-to-day expenses. Funds for our day-to-day expenses are set by the state through the annual budget process, which typically occurs in late spring and early summer.

OPS receives two main sources of funding from the state. The first is called the foundation allowance, which is an amount of money, set by the state, that a district receives on a per-pupil basis, meaning districts get that amount for each enrolled student. Districts have a lot of discretion in how funds from the foundation allowance are spent, so this serves as the backbone of the district budget to determine what programs can be funded and the salaries and raises we can provide to employees. For the 2025-2026 school year, the foundation allowance is \$10,050. The second main source of state funding OPS receives is called categorical funding, which comes from scores of different grant programs funded by the state. These funds come with restrictions, meaning that they have to be used in certain ways or for specific purposes. OPS receives categorical grants for things like supporting our English learners/Multilingual learners, transportation, student mental health and safety, and universal meals, among others. While categorical grants help to provide important services, the resources a given grant provides can change significantly from year to year, which makes long-term budgeting harder.

### HOW HAS FUNDING IN OKEMOS CHANGED OVER TIME?

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Adjusting for inflation, OPS receives a much lower level of funding now than in the past. In 2024, OPS's total per-pupil funding (adjusted for inflation) was roughly 20% less than it was in 1998. However, **the purchasing power of OPS' foundation allowance fell by even more, declining by roughly 40%**. Considering OPS enrolls roughly 4,700 students, that means our district would receive more than \$28 million more every year if the foundation allowance had simply kept pace with inflation.

### HOW HAVE OTHER PRIORITIES REDUCED FUNDING FOR EDUCATION?

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The School Aid Fund is the main source of revenue the state uses to fund education in Michigan. Through 2010, that funding went exclusively to K-12 schools. Since then, the state has used the School Aid Fund for programs that were previously funded by the state's General Fund. For instance, for the 2025-2026 school year [\\$1.3 billion](#) from the school Aid Fund was used for higher education.<sup>1</sup> If that amount were instead directed to K-12 schools, as was historically the

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<sup>1</sup> This includes Section 201 (Community Colleges) and Section 236 (Higher Education).

case<sup>2</sup>, Okemos would receive over \$4 million in additional funding – meaning OPS could better sustain deeply valued student supports and programs rather than facing annual budget cuts.

### IS EDUCATION BEING FUNDED AT RECORD LEVELS?

Policymakers often claim that Michigan has seen record funding for education. Those claims are often based on selected figures that do not account for inflation or that do not focus on funding to support student learning. For instance, for the 2025-26 school year, the foundation allowance OPS received for each student was \$10,050, which is higher than it has ever been. However, due to inflation, that amount buys less now than in the past. In 1998, Okemos’ foundation allowance was \$6,928. Adjusting for inflation, OPS’ foundation allowance in 1998 was the equivalent of roughly \$16,500 today.<sup>3</sup> Claims of record funding may also be based on the total state education budget rather than the resources going into K-12. For 2025-2026, roughly 10% of the state education budget (\$2 billion), is directed to higher education and early childhood education.

Looking at the revenues districts receive for regular operations (paying salaries, purchasing instructional materials, maintaining facilities, etc.), funding for districts like Okemos has grown more slowly than other districts. The table below shows total revenues from Michigan’s Bulletin 1014 from the 2019-2020 school year through 2024-2025 (the latest year available) in both nominal terms (the amount received) and inflation-adjusted terms (the purchasing power of that amount). In 2019-2020, Okemos received about the same level of funding per-pupil as the state average. In the most recent year, however, OPS received almost \$1500 less per pupil than the state average. Accounting for inflation, in 2024-2025, Okemos’ per-pupil funding was \$800 (5%) less than it was in 2022-2023.<sup>4</sup>

		Average Total Revenues Per-Pupil					
		2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Nominal	State Average	\$11,648	\$12,989	\$14,202	\$15,669	\$16,948	\$16,712
	Okemos	\$11,658	\$12,703	\$13,465	\$15,341	\$15,465	\$15,269
Inflation-Adjusted (2025)	State Average	\$14,310	\$14,964	\$15,125	\$16,373	\$17,365	\$16,712
	Okemos	\$14,322	\$14,635	\$14,340	\$16,030	\$15,845	\$15,269

Source: Total revenues from Michigan Bulletin 1014. State average calculated by taking the simple average of all districts’ total revenues. Figures adjusted for inflation using the Implicit Price Deflator for State and Local Governments from the U.S. Bureau of Economic Analysis to constant 2025 dollars.

Claims of record funding also ignore the fact that districts face additional costs now relative to the past. The most significant of these costs are related to “debt” that has accumulated in the Michigan Public School Employees Retirement System (MPERS), the retirement system for K-12 employees in Michigan.<sup>5</sup> Importantly, virtually all decisions made regarding MPERS are made by the state.<sup>6</sup> Over time, a large “debt” accumulated in MPERS, meaning that

<sup>2</sup> From 1954, when the School Aid Fund was established, through 2010, the School Aid Fund was used exclusively for K-12 education. Since then, use of the School Aid Fund for higher education has increased more than six-fold.

<sup>3</sup> Inflation adjustment here uses the Implicit Price Deflator for State and Local Governments from the U.S. Bureau of Economic Analysis. Data for this price deflator are only currently available through 2025, so figures are adjusted to constant 2025 dollars.

<sup>4</sup> For reference, inflation-adjusted total revenues (per pupil) for 2024-2025 are also approximately \$4,000 less than they were at their peak in 1998.

<sup>5</sup> This “debt” is formally known as unfunded actuarial accrued liabilities.

<sup>6</sup> Regarding MPERS, the state sets the benefits that are offered to employees in retirement, how much districts are required to contribute into the system, and assumptions around how liabilities accumulate and the rate at which assets in the system are expected to grow.

additional funding was needed to cover the promises made to employees in retirement. The state's plan to address this issue is that, in addition to payments for current employees' retirement benefits, districts pay an amount equal to a percentage of their payroll to reduce MPERS' debt. In the early 2000s, this [rate](#) was less than 1%, in 2025 the [rate](#) was 31.54%.<sup>7</sup> In 2024-2025, OPS had a payroll of \$34.8 million, meaning the district was required to pay \$11 million toward MPERS debt.<sup>8</sup> In other words, OPS was forced to pay \$11 million to help the state pay their retirement debt instead of using it on programming for our students or salaries of our employees. For perspective, that amounts to roughly \$2,300 per-pupil and means that OPS was legally required to pay over 15% of the revenues it received for regular operations solely to address issues the state created in the retirement system. This leaves OPS with less money to serve today's students.

These issues are not unique to Okemos Public Schools. A September 2025 report from Michigan State University's Education Policy Innovation Collaborative (EPIC), titled [Funding Michigan's Future: Three Decades of School Finance and the Policy Questions Ahead](#), analyzed three decades of statewide school finance data and reached findings that mirror what Okemos is experiencing:

- Adjusting for inflation, per-pupil revenues across Michigan **declined more than 20% from their early-2000s peak** and have not recovered.
- The foundation allowance (adjusted for inflation) has declined over time, by as much as 40% in some districts.
- The foundation allowance once accounted for roughly 95% of districts' state and local revenues. It now accounts for approximately two-thirds, meaning that districts now have restrictions on how they spend a large share of their revenues.
- Required payments into Michigan's educator retirement system leave less funding for districts to spend in classrooms.
- The bottom line from that report: *"Michigan's schools have been asked to do more with less purchasing power than they had a generation ago."*

## **MICHIGANDERS WANT SCHOOLS PRIORITIZED**

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A recent statewide poll of 600 likely Michigan voters released by [The K-12 Alliance of Michigan](#) finds broad, bipartisan agreement that **K-12 funding ranks as voters' top legislative priority**.

## **THE CURRENT BUDGET PICTURE AND OUR ASK**

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Budget proposals from the Governor, House, and Senate for the next fiscal year each include a \$250 per-pupil increase to the foundation allowance, bringing it from \$10,050 to \$10,300. That increase doesn't even keep pace with inflation, let alone close the gap that has accumulated over the past generation.

**OUR ASK:** Champion a foundation allowance increase for the next fiscal year (2026-27) that goes beyond the rate of inflation; one that begins to restore the ground Michigan's public schools have lost. Ask policymakers to keep K-12 funding at the forefront of every budget decision and floor vote this cycle.

## **HOW TO TAKE ACTION**

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**1. Personalize the companion sample letter** with your information and a short personal note, then email or mail it to your state legislators. Constituent letters carry the most weight, so include your full Okemos-area address.

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<sup>7</sup> This rate includes the pension UAAL rate and the MPERS UAAL stabilization rate. Notably, required UAAL ("debt") payments are more than three times what districts pay to fund MPERS benefits for current employees.

<sup>8</sup> Covered payroll retrieved from GASB 68 report, Table N5 for 7/1/2024-6/30/2025.

<https://www.michigan.gov/psru/administration-and-compliance/gasb/gasb-68-pension>

## 2. Find your legislators using the official lookup tools:

- Michigan House: **house.mi.gov** (use the "Find Your State Representative" lookup by address tool)
  - If your representative is Penelope Tsernoglou, their contact information is:

Representative Penelope Tsernoglou  
P.O. Box 30014  
Lansing, MI 48909-7514  
(517) 373-2668  
[PenelopeTsernoglou@house.mi.gov](mailto:PenelopeTsernoglou@house.mi.gov)
  - If your representative is Penelope Julie Brixie, their contact information is:

Representative Julie Brixie  
P.O. Box 30014  
Lansing, MI 48909-7514  
(517) 373-0218  
[JulieBrixie@house.mi.gov](mailto:JulieBrixie@house.mi.gov)
- Michigan Senate: **senate.michigan.gov** (use the "Find Your Senator" lookup by address tool)
  - If your senator is Sam Singh their contact information is:

Senator Sam Singh  
P.O. Box 30036  
Lansing, MI 48909-7536  
(517) 373-3447  
[senssingh@senate.michigan.gov](mailto:senssingh@senate.michigan.gov)
  - If your senator is Sarah Anthony, their contact information is:

Senator Sarah Anthony  
P.O. Box 30036  
Lansing, MI 48909-7536  
(517) 373-6960  
[sensanthony@senate.michigan.gov](mailto:sensanthony@senate.michigan.gov)

**3. Consider also writing to budget decision-makers:** the chairs of the House and Senate Appropriations Committees, the K-12 School Aid subcommittee chairs in each chamber, and legislative leadership. These offices set the agenda and shape the final budget conference.

**4. Share this fact sheet** with neighbors, friends, and family in the district. The more constituent voices legislators hear, the more weight this issue carries.

## SOURCES

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Burns, J. & Guzman, M. (September 2025). *Funding Michigan's Future: Three Decades of School Finance and the Policy Questions Ahead*. Education Policy Innovation Collaborative (EPIC), Michigan State University. [epicedpolicy.org](http://epicedpolicy.org)

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House Fiscal Agency. (October 2025). *Programs Funded with School Aid Fund (SAF): Programs Formerly funded from the General Fund and General Fund Program Transfers from Other Departments*.

[https://www.house.mi.gov/hfa/PDF/SchoolAid/SchAid\\_Data\\_Programs\\_Funded\\_with\\_SAF.pdf](https://www.house.mi.gov/hfa/PDF/SchoolAid/SchAid_Data_Programs_Funded_with_SAF.pdf)