




Michigan Association of Superintendents & Administrators

# MASA Legislative Update

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## Summary

While it's quiet at the Capitol as legislators campaign ahead of the general election on November 8, we have a few updates to share with you as the summer winds down. If rumors are accurate, we don't expect the Legislature to be too busy in September, but we'll see.

As always, please [contact MASA](#) with any questions or concerns.

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## Committee Update

On Wednesday, the House Appropriations Committee heard testimony on and reported out [House Bill 5735](#) (Albert), which was just introduced this week. The bill would require that **universities unfunded actuarial accrued liability contribution be equal to the actuarially determined contribution**, and that for all other reporting units, the pension and retiree health care payroll growth assumption rate must be 1.75%.

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## Governor Proposes Sales Tax Holiday on School Supplies

On Tuesday, the governor announced a **proposal to temporarily suspend the sales tax on school supplies**. The proposal was panned by the GOP Legislature as too little too late. Given this reaction, and the light schedule we are expecting next month, there is little chance of this proposal going anywhere. That said, we continue to call for caution when entertaining any proposals, no matter how well-intentioned, that would potentially reduce revenues in the long term.

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## Public Act 184 – Retirement Rule Changes and No More Critical Shortage List

As a reminder, Public Act 184 of 2022 **makes significant changes to the retirement system – streamlining requirements and removing the critical shortage list and pension caps, in exchange for a nine-month sit-out period**. We know there have been many questions regarding the implementation of this new law, especially in the short term, and wanted to highlight some of these common questions, as well as resources that the Office of Retirement Services has put together below.

Additionally, MASA, MASSP, MASB, MAISA, and the Michigan Alliance for Student Opportunity (formerly known as the Middle Cities Education

Association) issued a press release on Thursday **encouraging retirees to review the changes to the law** and highlighting the opportunities for them to return to our schools. [Click here](#) to read the full press release.

#### **Common Questions and Answers:**

- **If I return to work before 9 months have elapsed after I have retired, do I have to pay the insurance premium and temporarily forfeit my pension?**
  - Yes. "If you return to work, either directly or indirectly, before you've been retired for nine consecutive months you will temporarily forfeit your pension and insurance premium subsidy. This means if you're receiving an insurance premium subsidy, you will have to pay the entire insurance premium until you end your employment at the reporting unit."
- **If I was already working as a retiree, am I grandpersoned in?**
  - Yes. "Retirees who are working at a Michigan public school reporting unit when PA 184 of 2022 went into effect will be able to continue working, will have no earnings limit, and any suspended pension or insurance premium subsidy will automatically resume."
- **Am I allowed to coach or do other volunteer work before 9 months?**
  - Yes. "If, following a bona fide termination, you volunteer to coach before you have been retired nine consecutive months, you can continue to receive your pension and insurance premium subsidy while volunteering as long as you are not compensated now or in the future for that time you volunteered."
- **If I have newly retired teacher "volunteer" in the classroom and then hire them after 9 months for a similar position, would that meet the requirement of a "bona fide termination?"**
  - Highly unlikely. "If you return to a Michigan public school reporting unit as a volunteer at the same district you retired from before nine consecutive months of retirement, doing the same or similar job to the one you left, this brings into question whether a bona fide termination existed. Especially if you are reemployed after nine months, a bona fide termination would be in doubt."

#### **ORS Resources**

- An FAQ provided by ORS is available [here](#) and continues to be updated.
  - Additionally, ORS has an [updated section on working after you retire](#).
  - An [infographic](#) explaining the requirements is also available on the ORS website.
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## Reminder on COVID Reporting Requirements

We have received several questions about COVID reporting requirements and plans for the 2022-23 school year.

It is important to note that **federal requirements for *Continuity of Learning Plans* are still valid and require an update or feedback every six months.** We suggest you start the school year off with a review and/or public update of your current *Continuity of Learning Plan* and revisit it again in the spring.

The **collection and sharing of Benchmark Data** are also still required for the 2022-23 school year.

98B requires the following:

- By the first board meeting in **February 2023** and again by the last day of the 2022-23 school year, **the district superintendent must present to the school board results from benchmark assessments administered under Sec. 104a and each school's progress toward meeting educational goals under this section.**
- Disaggregate results of assessments by grade level, student demographics, and mode of instruction.
- Compile results of assessments into a report on the district's website. **By September 15, 2022**, ensure that each school building leader, in conjunction with all teachers and school administrators, **establishes educational goals for the middle and the end of the 2022-23 school year.**
- Ensure compliance with Sec. 104a. (2), which requires MDE to create a statewide template for districts' educational goals by June 30, 2023.

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## ***Let MI Kids Learn* Voucher Update**

Last week, the *Let MI Kids Learn* initiative turned in more than 500,000 signatures for one of their two ballot proposals dealing with “learning scholarships.” They have missed the deadline to qualify for the 2022 ballot, but as we’ve said previously, **their true goal has been to get the measure in front of the Legislature to circumvent Governor Whitmer’s veto.** However, the petition must be certified before it can go to the Legislature, and right now **we do not have a firm indication of when the state would get to the petition** since they have other ballot proposals to review that are to be on the 2022 ballot. For now, things are status quo, but if the petition does get approved this year the Legislature would have 40 days to act, and MASA would immediately engage.

As a reminder, this **two-part proposal** would:

1. **Allow tax write-offs** for contributions to scholarship-granting organizations, and
2. **Create “student opportunity scholarships”** that parents could apply for to use for educational purposes.

**These programs would divert hundreds of millions in tax revenue away from public schools.** The amount taken away would increase by 20% every year for five years, meaning **up to \$1 billion could be taken away annually.**