




Michigan Association of Superintendents & Administrators

MASA Legislative Update

Brought to you by: 

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In This Update

- Summary
 - [House and Senate Education Committees](#)
 - [Appropriations Subcommittees](#)
 - [Pension Tax Repeal Goes to Conference Committee](#)
 - [Income Tax Trigger Goes Public](#)
 - [Supplemental Goes to the Governor](#)
 - [This Week's Introduced Bills](#)
-

Summary

It was a big week for the Legislature, with the **first bill of the session sent to the governor's desk**, and both **the House and Senate Education Committees began taking testimony on early literacy**. As the Legislature begins to ramp up, budget season is also on the horizon, starting with the **governor's Executive Budget Recommendation** – set to be presented next **Wednesday, February 8**. **Be on the lookout for a special Legislative Update after the administration's budget recommendations are shared next week.**

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

House and Senate Education Committees

The House Committee on Education, chaired by Rep. Koleszar (D-Plymouth), and Senate Committee on Education, chaired by Sen. Polehanki (D-Livonia), held their first substantive meetings this week.

In both the House and Senate Committees on Education, we heard **presentations on the state's Read by Grade 3 law** from State Superintendent Dr. Michael F. Rice, and Dr. Katharine Strunk, professor of education policy at Michigan State University.

Dr. Strunk's presentation outlined data that showed how **ineffective the retention component in the law has been for students throughout the country but noted it was still too early for conclusive results from Michigan**. She also explained that some states have seen gains following retention policies, but those gains were short-lived. However, **evidence was presented that intervention tools such as 1:1 coaching and literacy tutors have proven beneficial** for students who have struggled to read by the end of third grade.

Dr. Rice testified that **MDE remains strongly opposed to the retention component of the law and remains committed to expanding the literacy interventions provided to students in law**.

In the Senate Education Committee, we heard specific testimony on [Senate Bill 12](#), introduced by Sen. Polehanki. Alongside the presentation from Dr. Rice and Dr. Strunk (see above), advocates spoke in favor of repealing the retention component.

The bill was voted out of committee with a 5-1 vote and now moves to the Senate floor where it awaits action.

Repealing third-grade reading retention is one of MASA's legislative priorities for the year. We will continue to keep you updated as the bill makes its way through the legislative process.

Appropriations Subcommittees

State Superintendent Dr. Michael F. Rice presented MDE's legislative priorities to the House Appropriation Subcommittee on School Aid and Education.

We expect the House Appropriation Subcommittee on School Aid and Education and Senate Appropriations Subcommittee on PreK-12 to ramp up after the Executive Budget Recommendation next week.

Pension Tax Repeal Goes to Conference Committee

Retirees with public pensions and a few other retirement accounts **could potentially see tax relief** under legislation moving through the Legislature.

[House Bill 4001](#), introduced by Rep. Witwer (D-Lansing), is headed to a conference committee after both chambers non-concurred with the bill. Going to a conference committee means we could see significant changes in the final language.

The House-passed version of the bill phases in exemptions over four years, with retirees able to claim deductions under the tier system.

Income Tax Trigger Goes Public

A mechanism was put in place as part of a 2015 road funding package requiring the income tax rate to fall if General Fund revenues rose to a specific threshold. Both the House and Senate Fiscal agencies have reported **the income tax rate could fall from 4.25% to 4.05% because of the surplus this year in General Fund revenue**.

It is being reported that Democrats could use House Bill 4001 to pass legislation which would redirect **\$800 million in income tax revenues to the SOAR fund** that would otherwise go to the General Fund. The SOAR fund was

created for economic development investments in Michigan and requires yearly appropriations from the Legislature.

If what is being reported is accurate, it would create a funding source for the SOAR fund with a \$500 million yearly earmark from Corporate Tax Revenue. The plan would then reduce General Fund revenues by enough to avoid an automatic income tax cut trigger.

We will keep you all up to date on any developments as they are made available.

Supplemental Goes to the Governor

The first bill of the 102nd legislative session was signed this week by Governor Whitmer. The supplemental, [Senate Bill 7](#) introduced by Sen. Anthony (D-East Lansing), puts **\$1.1B in various investments throughout the state.**

Some investments include:

- \$200 million for an Escanaba paper mill in the Upper Peninsula
- \$150 million for the state's economic growth fund, Strategic Outreach and Attraction Reserve (SOAR)
- \$150 million to build a program to give tax credits for affordable housing
- \$100 million for community revitalization grants
- \$75 million for small businesses most impacted by the COVID-19 pandemic
- \$75 million for blight elimination
- \$20 million for law enforcement training

The supplemental also includes \$150 million for the closing of books for fiscal year 2022. The bill was signed by the governor with immediate effect.

This Week's Introduced Bills

[House Bill 4057 \(Stone\)](#) requires satisfaction of the 1/2-credit economics requirement for high school graduation through completion of 1/2-credit course in personal finance

[House Bill 4058 \(Stone\)](#) modifies retention of certain grade 3 pupils

[House Bill 4059 \(Stone\)](#) requires children at least age 5 to attend kindergarten in a public school

[House Bill 4064 \(B.Carter\)](#) creates model program of instruction in cursive handwriting and makes it optional for public schools