




Michigan Association of Superintendents & Administrators

MASA Legislative Update

Brought to you by: 

July 1, 2022

In This Update

- Summary
 - [2022-23 Budget Completed](#)
 - [HB 4375 Heads to the Governor](#)
 - [Kennedy v Bremerton School District](#)
 - [This Week's Introduced Bills](#)
-

Summary

This week in Lansing, **the budget process came to an end** with the Legislature sending the FY 2022-2023 K-12 budget to Governor Whitmer for her signature. The final budget bill is detailed below.

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

2022-23 Budget Completed

The Legislature finalized the 2022-2023 budgets early this morning, sending to the governor Senate Bill 845 (Schmidt) – the School Aid Fund omnibus which contains the final K-12 budget. The budget was negotiated between the House, Senate, and State Budget Office, and **Governor Whitmer is expected to sign the legislation**. SB 845 passed on a 99-7 margin in the House and 35-2 in the Senate. Overall, the budget comes in at **\$19.6 billion** and was a true compromise amongst lawmakers. The final budget is \$500 million less than the House, \$1.7 billion more than the Senate, and \$1.3 billion more than the Executive recommendations respectively.

The major highlight is the **foundation allowance increase of \$610 million**, which is a **\$450 per pupil increase over last year** and **brings the foundation allowance to \$9,150 per pupil**. Just like last year, the foundation allowance is the **same for all districts** and the “gap” between districts is once again gone.

Alongside the foundation allowance increase, the final budget allocates significant dollars to **At-Risk, increasing program funding by \$223 million** and **fully funding all eligible students at 11.5% of the foundation allowance**, following the governor’s recommendation. (This contrasts with the original House and Senate budgets, which did not recommend an increase.)

Additionally, **Special Education saw its biggest ever increase** while also changing the funding formula, settling at **75% of the base foundation, plus a 28% reimbursement rate**. Overall, this is a **\$312 million increase** – larger than both the Executive recommendation and the House’s proposed increase (the Senate’s budget did not include any increase). **This was a priority for both MASA and MAISA, and while we believe the formula should be at 100% of the foundation, plus the reimbursement rate, this is a very good first step**. This will equal a higher Special Education disbursement, while also implementing a simpler, more fair system for funding special education.

The final budget also made **significant investments to address the teacher shortage**, allocating resources for recruitment, including teacher fellowship programs. Specifically, the budget appropriates **\$25 million for the MI Future Educator Fellowship Program** and **\$50 million for MI Future Educator Student Teacher stipends**, which will pay eligible student teachers **\$9,600 per semester**. Also included was **\$175 million for Grow Your Own programs**, allowing districts and ISDs to provide no-cost pathways for support staff to

become certified teachers. The final budget also included **\$15 million for the Troops to Teachers program** which was initially funded at \$50 million in the House budget. The budget also spends **\$280 million** in supplemental appropriations (2021-2022) for an Educator Fellowship Public and Private Provider fund to improve recruitment efforts for public and private educator prep programs.

Also included in the budget were:

- **\$250 million for mental health initiatives**, including:
 - \$150 million in per pupil payments to improve mental health– this is meant to be **flexible spending** for the district and can be used for hiring support staff, implementing screening tools, providing consultations with behavioral health clinicians, and any other mental health service or product.
 - \$50 million for the **tools for teachers to support wellness**(“TRAILS”) program
 - \$25 million to **increase existing ISD grants** (now up to \$62.8 million)
 - \$25 million increase for **school-based health centers**, bringing the total to \$33 million.
- More than **\$200 million for school safety funding**, including:
 - \$168 million for safety needs – this is meant to be **flexible spending** for the district
 - \$25 million for **SROs**
 - \$15 million to fund **cross-system intervention supports**
 - The budget also establishes a **School Safety and Mental Health Commission**.
- **\$1 billion** into the **Michigan Public School Employee Retirement System (MPERS)** for unfunded actuarial accrued liability (UAAL) contributions. Also included is a \$425 million deposit into the reserve fund, in case growth does not meet expectations.
- **\$500 million for consolidation and infrastructure improvements**
 - This is broken down into \$475 million for infrastructure and consolidation needs, \$20 million for an infrastructure study, and \$5 million for feasibility studies for schools to explore consolidation. (The Senate originally proposed \$500 million just for consolidation grants.)

- **\$10 million for Career and Technical Education** reimbursements to districts and ISD's for vocational education programs.
- **\$10 million to recruit and retain CTE teachers.**
- **\$34 million increase for the Great Start Readiness Program** and increases the allocation per child for a full-day program to the standard foundation allowance (\$9,150).
- **A 5.2% increase for ISD Operations**, bringing total funding to \$75.6 million.
- **\$25 million for before and after school programs** using federal funds.
- **\$1.3 million increase** (\$26.5 million total) for **English Language Learners** services.
- **\$5 million for a “learning pod” grant** program where ISD's would be able to offer up to 2 summer programs for each interested student.

A pair of **problematic boilerplate provisions from earlier versions of the budget were fortunately not included**. First, the Senate language that would allow the City of Detroit to be a direct GSRP provider was not included in the final budget. Secondly, the House boilerplate prohibiting biological females from competing in men's sports was also not included in the final budget.

The final budget **did not fund the following categoricals**, which were in earlier versions of the budget:

- Did not fund the rural transportation categorical (House budget)
- Did not fund the critical incidence mapping funding (Senate budget)
- Did not fund the \$1.5 billion staff bonus structure (proposed by the Governor for the 2021-2022 supplemental appropriation)
- Did not fund the SMART Internship Grant program, which was in both the House and Senate budgets.

Notable boilerplate provisions that **were** included in the final budget:

- Section 8c: Prohibits MDE from requiring a cyber school pupil to participate in all educational hours and prohibits MDE from tracking a pupil's participation through attendance. The section contains intent language that is retroactive to July 1, 2021.
- Section 98a: This section requires instruction under an Extended COVID-19 learning plan but is not updated for the 2022-2023 fiscal year.

Overall, the budget is a **positive step forward for our students and classrooms across the state and meets many of MASA's funding**

priorities, including substantial increases in At-Risk, Special Education funding, and MPSERS. However, **billions of dollars were left on the balance sheet**, presumably to leave room for a potential tax cut agreement. We recognize the concern that there is still much uncertainty regarding the record School Aid Fund revenue. We will **continue to advocate for investing as much revenue in the classroom as the state can afford**, especially in this time of increasing inflation and numerous challenges our schools are facing head-on.

HB 4375 Heads to the Governor

HB 4375 (Johnson) passed the Senate 37-1 and changes were concurred in the House on a 105-2 vote. The bill now heads to Gov. Whitmer's desk for her signature. HB 4375 revises the law to **allow retirees to return to work nine months after retirement and simultaneously draw their pension**. The bill also **removes the requirement for the retiree to be hired in a critical shortage position**. The bill would **exempt from the provisions of the bill any existing retiree who currently is working at a reporting unit**, which would remove any earnings limitations or sunsets limiting how long that retiree could work during retirement. The concurred version of the bill also clarifies that a school district means any district, not just the original district of the employee.

Kennedy v Bremerton School District

The U.S. Supreme Court, in a 6-3 decision, held that a **school district violated the First Amendment of the Constitution** by prohibiting a High School football coach from **holding a prayer on the 50-yard line after the end of football games**. According to the case documents, the school offered the coach the ability to pray in a private area, but he declined. He eventually received a poor evaluation and was suspended for not following the school's directive. The school district had argued that the prayers were a "ritual" held in

full view of the public, but the Court found that students were not expected or coerced into participating, and **the Court held that the prayers amounted to free speech**. The Dissent took issue with the Majority's characterization of the factual record, disputing that the prayers at issue were done quietly while students were occupied elsewhere.

We are still working through the potential impact of this ruling and will send an update when we have more concrete information.

This Week's Introduced Bills

[Senate Bill 1105 \(Polehanki\)](#) would allow for stipends while student teaching.

Also, while not formally introduced at the time of this update, on Thursday, House Republicans unveiled a legislative proposal that claims to address **the “over-sexualization of children in schools,”** including legislation to ban drag queens from school.

MASA, along with other education organizations in Michigan, have encouraged elected officials to focus on the very real issues schools face, such as school safety, student and staff mental health, and the growing education staff shortage. We will keep you posted should this proposal move forward.