

Legislative Update

Michigan Association of School Administrators | February 9, 2018



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We hope that you are enjoying your snow day, or at least staying safe in this weather!

This was a big week in Lansing: Governor Rick Snyder gave his final budget presentation and work began on yet another school accountability system.

Our Government Relations and Policy Committee meets next week, so be on the lookout for an update from your region representative shortly after.

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

This week, Governor Snyder presented his final budget recommendation to the joint Committee on Appropriations. In the budget were a number of high points and a few concerning issues. Overall, the proposed investment in K-12 education is strong considering the realities of lagging revenue growth. We have not had a chance to go line-by-line in the full budget bill, but below are a few key takeaways for you to consider.

FY 19 School Aid Fund Highlights:

Foundation Allowance

Gov. Snyder has proposed a foundation increase of \$312 million. Using the 2X formula to distribute this new money, this results in a \$120-\$240 increase to the foundation allowance bringing the minimum and base foundations to \$7,871 and \$8,409 respectively.

Cyber School Foundation

The governor has proposed reducing the cyber school foundation allowance by \$25 million and capping cyber school foundations at 75% of the foundation allowance.

Shared Time

The proposal includes a limited reimbursement for shared time pupils to 5% of the number of public school students enrolled in the district, and returning to a policy that limits participation to students in grades 1 to 12. Further, the recommendation includes an increase in transparency related to shared time programs.

CTE Premium

The proposal includes a premium of \$25 per pupil enrolled in K-12 CTE programs and a further premium of \$25 for pupils enrolled in CTE programs related to high-demand career fields. Of the approximately 110,000 CTE students in the state, 70,000 would be eligible for the full \$50.

Section 81

The governor has proposed level funding for Section 81 (ISD) funding.

At Risk Funding (Sec. 31a)

At Risk Funding is maintained at \$499 million and includes some performance metrics associated with the dollars, the details of which are not yet clear.

Income Tax

Governor Snyder proposed, again, a massive shift in tax policy, suggesting that the state change how income tax refunds are calculated and would shift hundreds of millions of dollars away from the School Aid Fund.

Recall that we fought this [issue in the last lame duck session](#). At the time, the shift from gross to net for income tax revenue cost the School Aid Fund \$433 million. We believe that number will be much higher this time around given all the new hits to the income tax that are circulating in the Legislature.

This year we will keep our website updated with pertinent information as it becomes available. For more information, visit MASA's [FY19 Budget Resource Center](#).

HB 5526 sponsored by Rep. Tim Kelly (R-Saginaw) was introduced this week and establishes a letter grade system for ranking public schools. The legislation will create a school report card without a summative label. Beginning in 2019, the state superintendent will publicly release a list of public schools that have been identified as comprehensive support and improvement schools before September 1st each year. The bill creates an education accountability policy commission to develop a statewide system of accountability measurements. By September of each year, a letter grade will be assigned to schools in each of the following categories:

- Student proficiency in math and English
- Percentage of students who achieve adequate growth in math and English scores on the state assessment
- Pupil growth, the number of students that achieve and maintain a minimum score of proficient on the state assessment
- Percentage of students who are proficient in English
- Graduation rate
- Chronic absenteeism
- State assessment participation rate

MDE will assign a ranking of significantly above average, above average, average, below average or significantly below average to each school in the following areas:

- State assessment performance in comparison to schools serving a similar student population
- Pupil subgroup performance compared to statewide subgroups

The education accountability policy commission created by this bill would be made up of the following:

- 3 members appointed by the governor
- 2 members from school administrator nominees submitted by statewide organization
- 2 members from intermediate school administrator nominees submitted by statewide organization
- 2 members from school administrator nominees submitted by charter statewide organization
- 1 member appointed by nominees representing urban school districts
- 1 member appointed by the Senate Majority Leader
- 1 member appointed by the Speaker of the House
- Superintendent of Public Instruction or designee

The commission will develop standards for identifying schools as failing, based on performance and adequate achievement. These labels will be developed every three years. These schools will be labeled as a Comprehensive Support and Improvement School, Additional Targeted Support School, Targeted Support and Improvement School, and Reward School.

A Comprehensive Support and Improvement School cannot exceed 5% of all schools in the state and also meets the following standards:

- High school that graduates less than 2/3 of the students
- Receives the lowest letter grades in proficiency and growth
- Meets any other criteria determined by the commission

A Reward School is a high school that graduates at least 99 percent of its pupils, receives the highest designation on proficiency or growth, or meets other criteria determined by the commission. A Targeted Support and Improvement School will be identified once determined by the commission. Additional Targeted Support and Improvement will be defined by the commission. Per ESSA, schools unable to meet exit criteria within a defined number of years must be designated as “comprehensive support and improvement” schools. MASA does not, at this time, have a position on the bill. The association has historically opposed any system that would include a summative letter grade for school accountability—this proposal does not include a summative grade, but still presents a few issues that will be discussed with the Government Relations and Policy Committee.

The House Education Reform Committee reported out bills that create the Enhanced Michigan Education Saving Program (E-MESP). SBs 544-549 expand the MESP to allow for tax-free accounts to pay for non-core educational expenses including extracurricular activities at public K-12 schools and some private institutions. The legislation calls on MDE to spell out what expenses would be eligible for expenditures in the following five categories: core instruction, non-core instruction, extracurricular activities, support activities, course materials.

The Democratic members of the committee proposed a number of failed amendments to House Bill 5428, the bill in the package that allows contributions made to E-MESP to be tax deductible. Rep. Bill Sowerby (D-Clinton Twp.) proposed amendments that would provide credits to volunteer firefighters and EMS members, a credit for 50% of student loan payments and a \$5,000 deduction for students while enrolled in higher education. Rep. Darrin Camilleri (D-Brownstown Twp.) proposed a repeal on the tax increases on retirement incomes and several different increases to the earned income tax credit. Rep. Stephanie Chang (D-Detroit) proposed a sliding refundable tax credit for child care costs, an employment compensation deduction and a credit for teachers' expenditures on supplies. Rep. Winnie Brinks (D-Grand Rapids) proposed to expand these same deductions for education costs for parents without E-MESPs. Rep. Adam Zemke (D-Ann Arbor) proposed a refundable credit on student loans for teachers in at-risk districts, increase to the personal exemption and a graduated income tax system. All amendments proposed received a straight party vote during committee and therefore were not adopted to the package.

MASA opposes this package of bills for many reasons, chief among them is the shift in funding burden these bills create. The association argues that instead of asking parents to fund these five expenses, the state should be investing in education to ensure equitable access to educational services. The E-MESP is incredibly expensive to implement. Additionally, the tax deductions that are outlined in the legislation will reduce General Fund and School Aid Fund revenue.

The Senate Judiciary Committee heard testimony on a bipartisan package of bills to revise the do-not-resuscitate (DNR) procedure. The package of bills is sponsored by Sen. Rebekah Warren (D-Ann Arbor) and Sen. Rick Jones (R-Grand Ledge). The bills allow parents or guardians to sign a DNR order on behalf of a child under age 18. The form must be signed by both parents in the presence of two witnesses. A copy must be provided to the child's school. School administrators would be required to make sure that a student's DNR is incorporated in their individualized education program (IEP). School districts must develop a filing and notice system for DNRs. The bills also authorize the guardian of a minor appointed by a court under the state Estates and Protected Individuals Code to sign a do-not-resuscitate order on behalf of the child.

Several stakeholder groups testified in support of the bill. The chair indicated that additional work is still being done to make some technical changes to the bill but that this package is a priority.