




Michigan Association of Superintendents & Administrators

MASA Legislative Update

Brought to you by: 

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In This Update

- Summary
 - [School Aid Fund Complete; Heads to Governor](#)
 - [Prohibited Subjects of Bargaining Legislation Passes; Heads to Governor](#)
 - [ORS Legislation Moves to Senate](#)
 - [This Week's Introduced Bills](#)
-

Summary

The Legislature is officially on summer recess! As we updated you earlier in the week, we finally have a comprehensive School Aid Budget, and **we expect the governor to quickly sign it into law**. We are pleased to see necessary increases in School Aid dollars and applaud the House and Senate Education Appropriations Subcommittee Chairs for their work on the budgets. A full breakdown of the budget is below.

The Legislature also made its final move on the prohibited subjects of bargaining legislation that we have been tracking for months. Despite many attempts to reach some middle ground on the bill package in both chambers, we were unsuccessful. We know the importance of district leadership having the ability to make decisions that are in the best interest of students and schools – especially when it comes to teacher placement and discipline/discharge. As the state faces a growing educator shortage, these policies will make it more difficult to attract and retain new talent. We look

forward to the opportunity to work with the Legislature in the months ahead on other policy that will positively impacts our schools and students.

Just a friendly heads up that **our weekly Friday Legislative Updates will be on pause since the Legislature is on break.** Unless we have important updates to share, we will return to our regular schedule with the new school year.

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

School Aid Fund Complete; Heads to Governor

We have a final School Aid Budget, and it includes record funding for Michigan classrooms!

The Legislature finalized the 2023-24 budgets this week passing [SB 173 \(Camilleri\)](#), the School Aid Fund (SAF) Omnibus, which contains the K-12 budget. This budget is a culmination of negotiations between the House, Senate, and the State Budget Office. The final budget represents **a 9.4% increase in state spending of the School Aid Fund balance** bringing the **total appropriation to \$21.4B for FY 23-24.**

The final budget is \$46M less than the House, \$648M more than the Senate, and \$568M more than the Executive recommendations respectively. The budget passed in the House with a vote of 58-50, in the Senate with a vote of 29-8, and now awaits a signature by Gov. Whitmer, which we expect soon.

Also of note – the bill was granted immediate effect, which means it will take effect when it is signed. There had been some talk around Lansing that immediate effect would not be granted in the Senate, which could have complicated when the budget would take effect. Thankfully that did not happen.

A major highlight of the SAF is the **foundation allowance increase of \$611M**, providing a 5% increase, bringing the **total to \$9,608 per pupil** (up from \$9,150 in FY 22-23). Other notable highlights:

- **\$71 M Enrollment Stabilization Fund** – for districts with declining enrollment an amount equal to the difference between a two-year average blend and the district's FY 2023- 24 pupil count

- **\$310.3M increase for Special Education** – a 100% reimbursement of the foundation allowance
- **\$204.5M increase in At-Risk funding**
 - An opportunity index was included, and all districts will receive 11.5% to 15.3% of the foundation allowance
- **\$100M for universal free breakfast/lunch** with a \$60.0 million School Meals Reserve Fund and encourages, but doesn't require districts provide meals for students with dietary restrictions
- **\$125M for a School Transportation fund**
- **\$215.8M MPSERS reserve fund** and \$373.9M for cost adjustments
- **\$48.5M MPSERS payroll** one-time offset for an estimated 1% of unfunded liability costs
- **\$90.9M increase for Great Start Readiness Program** expansion
- **\$25M one-time funds** for the MI Future Educator Fellowship Program
- **\$50M one-time funds** for the MI Future Educator Student Teacher Stipend
- **\$2.5M for one-time Free School Lunch debt forgiveness** for FY 22-23
- **\$318M increase of on-going funding for School Safety and mental health**
- **\$1.8M increase for small, isolated districts**
- **\$150M** for the governor's **MI Kids Back on Track program** – includes ISD's and expands allowable uses to include summer school
- **\$66.4M for Talent Together** Grow Your Own program – includes \$10M one-time funding for the Talent Together Coalition
- **\$450M** deposit in the **School Rainy Day Fund**
- Two notable boilerplate changes:
 - A new section was added which adds that **approval of snow days must not take into consideration whether the district counting professional development** days as days of instruction (Section 101).
 - Removal of language from last year's budget requiring ISD's to not exclude Public School Academies from certain activities was removed (Section 81)

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 the foundation allowance, At-Risk,

Special Education funding, and MPSERS. We are eager to continue working with the Legislature to ensure that our public schools across the state receive the resources and tools they need to adequately serve our students.

Prohibited Subjects of Bargaining Legislation Passes; Heads to Governor

The collective bargaining bills we have been working to negotiate for months reached the final stages of the legislative process this week. Despite our vocal opposition and countless attempts to reach a middle ground, **the bill package is headed to the governor for her signature.**

After testimony in the Senate Labor Committee on Tuesday, the bill package was sent to the Senate Floor on Wednesday evening and passed the chamber shortly after.

A refresher on the bills:

[House Bill 4820](#), introduced by Rep. Skaggs (D-Grand Rapids), was an attempt to address concerns with seniority-based placement. Our team worked tirelessly – even after the bill was reported to the Senate floor – to reach a negotiation. Sen. Polehanki (D-Livonia) introduced a substitute on the Senate floor without input from MASA, in an attempt to ease our concerns. The substitute **made changes to language including the requirement for teacher effectiveness to be used as a factor for personnel decisions, that a teacher’s disciplinary record may be used as a factor, and reference to the term seniority as being “length of service.”** The bill passed 20-17, and the House concurred in a vote of 56-52.

[House Bill 4354](#), introduced by Rep. Weiss (D-Oak Park), is the main piece of legislation to **restore several prohibited subjects of bargaining for public school employees, including placement, discipline and discharge, and layoff and recall.** We attempted to amend the legislation to allow teacher placement to become a permissive subject of bargaining, but **our language was rejected.** The bill passed the Senate on a vote count of 20-17.

Finally, [House Bill 4044](#), introduced by Rep. Koleszar (D-Plymouth), **repeals Public Act 54 of 2011.** The bill **prohibits the freezing of certain benefits and wages during contract negotiations for public school employees and**

prohibits retroactivity when an agreement is reached. We continued efforts to reach common ground with the sponsor to address issues like the rising cost of healthcare as a negotiating tool but were unsuccessful. The bill passed the Senate, again on a vote of 20-17.

Three other labor bills included in this package also passed the Senate this week: [House 4356](#), introduced by Rep. Carter (D-Detroit), **removes restrictions on collective bargaining negotiations between schools and employees for noninstructional support service contracts.** [House Bill 4357](#), introduced by Rep. Hood (D-Grand Rapids), **removes the current prohibitions on payroll deduction of union dues.** [House Bill 4233](#), introduced by Rep. Churches (D-Wyandotte), **allows a public school employer to deduct union dues or service fees from an employee's paycheck.** All three passed the Senate with a vote of 20-17.

All six of these labor-related bills have been sent to the governor's desk for her signature, and we expect her to sign. Although we didn't achieve our desired outcome, **we appreciate your support and advocacy throughout this marathon session.** Our members are the best asset for our work at the Capitol, and your voice has made a difference.

ORS Legislation Moves to Senate

The House Education Committee discussed a bill that would **revise the retirement sit-out period** this week.

[House Bill 4752](#), introduced by Rep. Koleszar (D-Plymouth), would **change the sit-out time to nine months and limit compensation to \$10,000 per calendar year.**

Rep. Koleszar introduced a substitute in committee to **allow retired employees to return to work before the 9-month sit-out period without forgoing their retirement benefits if their compensation does not exceed \$10,100 per calendar year.** The bill was reported out of Committee unanimously and later passed on the House floor with a vote of 56-52. **The bill now moves to the Senate Education Committee, and we expect movement in the Fall.**

This Week's Introduced Bills

[House Bill 4854 \(Scott\)](#) permits indigenous individuals to wear traditional regalia and bring traditional objects in a school building