

September 18, 2020

In This Update

- Summary
- House Elections and Ethics
- Sales Tax Exemptions for PPE
- House Acts on Language Acquisition Legislation
- Governor Signs Bills into Law
- ICYMI: MDE Updates

Summary

A deal was reached this week between Republican leadership and the Governor that brought pretty good news for schools. A prepared statement released said the upcoming budget "ensures no reduction in funding to K-12 public schools" and "stipulates no cuts to revenue sharing for local governments." While this certainly is encouraging news for us and your district, we remain cautious as the details are always important. We expect the finer details to become available early next week and action sometime later in the week or the following. Lawmakers must approve a budget by Oct. 1, 2020.

Beyond budget and the articles below, the House Education Committee met to discuss a pair of bills that would modify tuition grants for higher education institutions. HB 6171 and HB 6172 would allow undergraduate students

enrolled in private colleges and universities for the 2020 spring term and the 2020-21 academic year to have two extra semesters of eligibility for the grants under the Tuition Grant Act. The committee also reported HR 234, the resolution addressing Pell Grant eligibility for prison-based education that we detailed in prior Legislative Updates.

Additionally, the House versions of the COVID liability bills were reported out of the House Judiciary Committee on Wednesday. HB 6030, HB 6031, and HB 6101 were reported with amendments and without support from democratic committee members. We will continue to monitor these bills.

As always, please contact MASA with any questions or concerns.

House Elections and Ethics

On Tuesday, the House Elections and Ethics Committee heard testimony on legislation regarding the removal or suspension of school board members. HB 5665, sponsored by Rep. Jeff Yaroch (R-Richmond), amends the Revised School Code to allow the governor to suspend a school board member or intermediate school board member for certain reasons.

Currently, the governor may take action against a school board member if presented with submitted evidence that the member is guilty of gross neglect of duty, corrupt conduct, or any other misfeasance or malfeasance while in office. HB 5665 requires that before this removal occurs, charges must be submitted to the governor along with any evidence and an affidavit from the person making the charges. The bill also states that a copy must also be served to the member, and they must be given an opportunity to respond.

The meat of the legislation is related to codifying into statute a uniform process for how this should occur procedurally. HB 5665 would require that within 60 days of receiving the charge, the governor must review them and decide if the evidence supports the finding as well as notification of the person being charged.

During committee, the sponsor testified that the need for the bills arose after a local official needed to be removed in his district following an incident. After

consulting statute on how the process should occur, he found discrepancies between the School Code and Michigan Election Law on the topic and wanted to better align the two for clarity. Further, he stated that this legislation does not increase or remove any of the governor's powers.

Sales Tax Exemptions for PPE

The House Tax Policy Committee took testimony on HB 6033, HB 6034, and HB 6035. This legislation exempts personal protective equipment (PPE) and supplies from sales and use taxes for certain employers. The qualified PPE under the bill includes plexiglass barriers, disinfecting products, antibacterial soap, hand sanitizer, and protective items like shields, gloves, and safety glasses. To qualify for an exemption, an employer must adopt and maintain a COVID-19 safety protocol plan.

Substitutes to the bill would apply the credits retroactively to March—the beginning of the pandemic. **Effectively this would exempt PPE purchased from March 10, 2020, to December 31, 2021.** The new substitutes would also sunset the tax relief in September 2021.

While we understand the unforeseen added costs that businesses had to endure as a result of the COVID-19 pandemic, this is another example of the continued erosion of revenue sources for schools and ultimately hits the classroom. Supporters of the bills indicated that the dollars that would go to schools from PPE purchases would not ordinally have been realized without the pandemic, so it's not a true cut to our budgets. Further, committee discussion included an argument that schools received CARES Act dollars to contribute towards our added pandemic related costs, while businesses had limited grant opportunities. In response to these points, it's very important also to consider while we may have unanticipated revenues from PPE, there is at the same reductions in other areas from which schools receive revenues.

According to the House Fiscal Analysis for the bills, if passed, these changes would reduce sales and use tax revenue by an estimated \$4-\$5 million in FY 2019-20, \$8 -\$10 million in FY 2020-21, and \$3-\$4 million in FY 2021-22. About

73% of all sales and use tax revenues are dedicated to the school aid fund, so if passed, this would be a large hit to our funding.

House Acts on Language Acquisition Legislation

The House Committee on Families, Children, and Seniors passed HB 5836 this week. The bill amends the Revised School Code to require the Michigan Department of Education (MDE) to develop and provide resources, tools, and assessments for parents and educators to assess and assist the language acquisition and development of children who are deaf or hard of hearing.

The legislation is sponsored by the committee chair, Rep. Kathy Crawford (R-Novi), and only applies to children who are five and younger. The bill also creates an advisory committee within MDE that consists of 15 volunteer members appointed by the state superintendent. Additionally, HB 5836 requires MDE to adopt existing tools and assessments to be used by local school districts, intermediate school districts (ISDs), public school academies (PSAs), and the Michigan School for the Deaf to assess language and literacy development.

Governor Signs Bills into Law

On Thursday, Governor Whitmer signed the following school-related bills into law.

<u>SB 473</u> updates references in the Revised School Code concerning the calculation of the number of mills to be levied for school operating purposes to **reflect a change in terminology to "target" foundation allowance.**

<u>SB 475</u> changes reference in the Management and Budget Act from "basic" foundation allowance in revenue estimating conference to "target" foundation allowance.

HB 5502 and HB 5503 complement Public Act 45 of 2020, which passed earlier this year. While the earlier legislation allowed for the use of temporary door locking devices on classroom doors and certain other types of door locks, these bills make clear that such locks do not violate the fire and building codes when used in accordance with that Act

SB 171 allows for students to take vocational training or visual or performing arts to fulfill part of the foreign language requirements students must meet to obtain a high school diploma.

ICYMI: MDE Updates

MEMO #084-20

New State-Approved Observation Tool for Teacher Evaluation
The Michigan Transformative Framework for Professional Growth has been added to the list of state-approved educator evaluation tools for teachers. Read the full memo.

MEMO #085-20

Important Registry of Educational Personnel Fall Data Request

The Michigan Department of Education is requesting that local education agencies (LEAs), both traditional public and public school academies, ensure that field 12 (Funded Position Status) and field 25 (Employment Status) are being reported accurately during the fall 2020 registry of educational personnel (REP) collection. Read the full memo.

MEMO #086-20

The Michigan Department of Education is Accepting Nominations for the 2021-22 Michigan Teacher of the Year

Nominations for 2021-22 Michigan Teacher of the Year (MTOY), an annual program that recognizes outstanding teachers in our state, are now open. Each year, 10 regional teachers of the year are selected, with one of those named

Michigan Teacher of the Year. Nominations may be made online using the online form until Sunday, October 18, 2020, at 11:59 p.m. Read the full memo.

MEMO #087-20

2020 Immunization Requirements for Children Entering Kindergarten and 7th Grade, or Enrolling in a New School District in Grades 1-12

Act Now: add to your registration and back to school information packets. Please share this important information with all staff who will be working with child immunization records at your facility.

Immunizations are one of the most effective and scientifically proven measures to protect children from harmful diseases and death. Since 1978, Michigan law has required that each student have an up-to-date certificate of immunization at the time of registration (or no later than the first day of school) for entry into kindergarten and 7th grade, and for enrollment into a new school district, grades 1-12. Read the full memo.