Summary

Happy summer! It's been a while since our last Legislative Update—and that's because the Legislature has been on an extended recess during which no progress has been made on the budget. While conversations continue between Gov. Whitmer, Speaker Chatfield, and Majority Leader Shirkey, the Legislature and the governor appear to miles apart on road funding and the state budget.

As you're aware, the state budget runs from October 1 to September 30 every year, so there is still some time (46 days, to be exact) until the state runs out of money. The latest news from the Capitol is that lawmakers and Gov. Whitmer are looking to adopt a continuation budget for the month of October to avoid a government shutdown. This effectively continues current year appropriations for the duration of negotiations, likely one month. This is not unprecedented as it was done in 2007 and 2009 during protracted budget negotiations under Michigan's last bout of shared power under the dome.

What this means for schools is flat funding for the foreseeable future. This is certainly not ideal. But we want you to know that this is a very real possibility and that you should begin making plans for a flat budget through October or perhaps November. As far as boilerplate language and requirements in the School Aid Act go, districts should plan to follow current laws while we work to seek more clarity from lawmakers and the governor on what policy issues might be addressed in a continuation budget.
In non-budget news, the Michigan Department of Education (MDE) announced this week that they would not meet the September 1 deadline for assigning all schools a letter grade under Michigan's new A-F accountability system. This should not be a surprise to anyone given the fact that MDE warned that this was a possibility during lame duck when the legislation was rushed through to passage. This will likely start a contentious hearing process in both the House and Senate, so stay tuned.