

# LegislativeUpdate

Michigan Association of Superintendents & Administrators | March 1, 2019



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### Summary

Gov. Whitmer will present her initial FY 2019-20 budget next Tuesday at 11 a.m. Although we don't yet have specific details on what this budget will look like, we anticipate a substantial investment in public education to be announced. We are keeping an open mind, and in early discussions with the administration, we have reason to suspect a very different looking budget than what we are used to. We encourage members to dive into the details when it's released so that we can

understand the full implications for the bottom line of school districts.

Be on the lookout for an email from MASA detailing the budget on Tuesday afternoon. Additionally, we will update our Budget Resource Center with summaries and documents. You can find this information at [gomasa.org/budget](http://gomasa.org/budget).

We mentioned at the Midwinter Conference that a new law regarding cyberbullying will come into effect in late March. To answer your questions, we have partnered with Thrun Law Firm to present a webinar. Sticking with our “just in time professional development” mantra, we have it planned for March 21, during the lunch hour. We encourage all members to participate to learn how the new law will impact schools. Non-members may also participate if there are others in your district or leadership team who should receive the material. Visit [MASA's website](http://MASA's website) for more information.

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

### **Snow Day Forgiveness**

Next week, the House Education Committee will start the discussion on snow day forgiveness. We understand this is a huge issue for many members and that time is of the essence. We've been working with lawmakers, the Department, and the Governor's Office to articulate our concerns and craft legislation.

The MASA/MAISA Government Relations and Policy Committee met in an unscheduled session this afternoon to discuss the MASA position on this issue. The group has decided to support forgiveness of days declared as a state of emergency by the governor and to support a one-time allowance for districts with extenuating circumstances to deliver instruction through 1098 hours instead of 180 days. Additionally, we are asking for the attendance threshold for makeup days in the middle of the year to be lowered to 60 percent rather than 75 percent. This creates parity with days that are added in June. The position has yet to be confirmed by the MASA Council.

MASA will be testifying next week to articulate our concerns and the urgency of addressing this issue sooner rather than later so that districts can begin adjusting calendars accordingly.

### **House Debates Ban on E-Cigarettes for Minors**

The House Regulatory Reform Committee heard testimony on HB 4164, legislation intended to address the increasing number of minors using e-cigarettes and vapor products. The bill is sponsored by Rep. Thomas Albert (R-Belding) and amends the Youth Tobacco Act to prohibit “vapor products and alternative nicotine products” from being sold or provided to minors. Currently, the U.S. Food and Drug Administration prohibits shops from selling to minors, but there is not a federal regulation or law against minors in possession of e-cigarettes. The bill would implement a state statute against buying and possessing the products. These restrictions would be comparable with those currently in place for tobacco products. The changes would take effect 90 days after enactment of the legislation.

If passed, individuals found guilty of selling or providing those products to a minor would be guilty of a misdemeanor punishable by a fine of up to \$100 for a first offense, \$500 for a second offense, or \$2,500 for a third or subsequent offense. Minors that are found guilty of purchasing, possessing or attempting to do so, as well as using the product in a public space or attempting to use a false ID to do any of the previously described offenses would be charged with a civil infraction and required to complete community service for a first or second instance. Any additional offense would be a misdemeanor. Additionally, the court could also require the individual to participate in a health promotion and risk assessment program, if such a program is available, pursuant to a probation order. The individual would be required to pay the cost of the program.

Committee discussion included testimony on the prevalence of these e-cigarette

and vapor products in schools. Rep. Albert testified that the U.S. Centers for Disease Control and Prevention reported one in five high school students said in 2018 that they used e-cigarettes in the past 30 days. Additionally, the products are not easily identifiable and can be concealed in lockers and clothing.

The committee's discussion revisited the debate on the definition of tobacco. In 2014, legislation was passed but ultimately vetoed by Gov. Rick Snyder (R) that would have banned e-cigarettes for minors. Gov. Snyder vetoed the bills based on the notion that these products should be regulated as tobacco products. Tobacco products are already illegal for minors to buy and this would allow e-cigarettes to be taxed.

Representatives from the e-cigarette and vaping product industry testified that their products are a healthy alternative to nicotine and are often times used by those wanting to quit cigarettes. Several commented that smoking cessation tools like the patch, gum and lozenges also contain nicotine but aren't considered to be tobacco products.

We are likely to see additional testimony on both sides of the issue. We will continue to monitor this issue and update you as necessary.

### **House Moves Income Tax Exemption for Pensions**

The House Tax Policy Committee discussed HB 4006, legislation that would exempt pension income from Michigan's income tax. Currently retirement income is taxed in a three-tier system based upon the date of birth of the taxpayer. The bill, sponsored by Rep. Joe Bellino (R-Monroe), would repeal the age-based limitations and restrictions on income tax deductions for retirement and pension benefits. Under HB 4006, public pensions would be exempt and private pensions would have higher deductibles for state income taxes. Social security income would be exempt.

In 2011, Governor Rick Snyder signed legislation that eliminated Michigan's business tax and removed the income tax exemption for pension income while added an age-based system so that individuals over the age of 67 qualified for a senior tax exemption. Prior to this change, there was an exemption for individuals with public pensions and those with private pensions were subject to a large exemption.

This policy change would equate to a \$330 million-dollar tax cut for retirees. This shift would cause a reduction in the school aid fund to the tune of \$75 million dollars.

Rep. Donna Lasinski (D-Scio Township) proposed an amendment that would have clarified the legislative intent that the School Aid Fund be held harmless. It failed on nearly a party line vote.

The legislation was reported from the House Tax Policy Committee to the Ways and Means Committee where it will see another round of discussion and testimony. This issue is likely to be debated in the coming weeks as it will have a large impact on the budget. Gov. Whitmer campaigned heavily on this issue. MASA opposes this measure. We don't have an opinion on the merits of the concept, but without replacement revenue, the general fund and the school aid fund will see increased pressures and cuts are inevitable.

We encourage lawmakers to look for a grand bargain, so-to-speak, for taxes and revenue that will satisfy the policy aims of the tax discussion while investing in education and vital state services.