

# LegislativeUpdate

Michigan Association of Superintendents & Administrators | May 3, 2019



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### Summary

This week in Lansing, we did not see a House K12 Budget, but we are expecting it to be released next week.

The May Consensus Revenue Estimating Conference (CREC) will be on May 17 at 9 a.m. Recall that CREC is when state officials come together to determine how

much money the state has to spend in the fiscal year. In January we heard that state revenues show some growth, but the trend is slowing and is definitely not favoring the School Aid Fund. We expect that the news out of CREC will color the budget negotiations into the summer.

You probably heard that Gov. Whitmer signed the bills that will keep the percentage of student growth and assessment data at 25 percent for teacher evaluations for the current school year only.

The budget will consume our time over the next few weeks, so standby for news on that front.

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

## Snow Day Freeze Thaws

Here's a quick recap of what went down this week.

- On Tuesday the House's version of a snow day fix HB 4206, sponsored by Rep. Ben Frederick (R-Owosso) was before the full Senate. Here's where it starts to get complicated.
  - In the House, this bill was amended on the floor to add language to ensure hourly workers will be paid if their contract with the education entity is silent on the issue. This was a sticking point for many Democrats.
  - When this bill got to the Senate, compensation for hourly workers was removed.
  - *One proposed amendment would have required all schools to be done on June 14 every year. The amendment was not adopted.*
- Later Tuesday, the bill passed unanimously out of the Senate, but Senate Democrats didn't give it immediate effect, meaning that it would not be able to apply to this school year, rendering the fix useless. This was the first time this session that Democrats in the Senate exercised their slightly larger caucus to block immediate effect.

- Because changes were made to the bill, another vote was needed in the House. On Wednesday the bill went back to the House and barely passed on a 56-53 vote.
- Thursday the Senate passed the bill unanimously and had the necessary 26 votes for immediate effect. It was returned to the House and sent to the governor for signature.

So what does this mean ultimately?

This effectively helps districts that have more than nine (9) snow days. The bill allows districts to apply to waive any days that a district canceled due to the State of Emergency declared by Gov. Whitmer between January 29 and February 2. It's worth noting that the state of emergency went from Tuesday to Saturday, but obviously, schools can only waive days on which school was scheduled. The Department of Education must now develop a process for that waiver, but the bill requires the State Superintendent of Public Instruction to waive any days in that period for which a district applies.

We expect that Gov. Whitmer will sign the bill soon.

### House Ed Discusses MMC Changes

On Tuesday, the House Education Reform Committee heard testimony on a number of proposed changes to the Michigan Merit Curriculum (MMC). These bills are a reintroduction from bills that passed the House last session but did not see a vote in the Senate, one of the many casualties from lame duck. They were introduced generally in the same form, with a few noteworthy changes mentioned below.

- [HB 4269](#) and [HB 4270](#) are both sponsored by Rep. Griffin (R-Mattawan) and would revise the MMC to require three credits of "21st Century skills". Currently, students must take at least one credit in the visual, performing, or applied arts and at least two credits in a language other than English. The bills would replace those three credits. The 21st Century skills could be:

- A grade-appropriate language other than English any time between kindergarten and twelfth grade, or coursework or other learning experiences that are substantially equivalent to credits in a language other than English, based on Michigan Department of Education (MDE) guidelines.
- Visual, performing, or applied arts, as defined by MDE.
- Computer science, computer coding, or a combination of the two.
- An MDE-approved formal career and technical education (CTE) program

Additionally, the bills maintain the current practice of counting the American Sign Language (ASL) as a language other than English. The foreign language requirement could continue to be satisfied with online coursework; and a district or public school academy (PSA) is strongly encouraged to offer visual arts and performing arts courses.

- [HB 4271](#) sponsored by Rep. Howell (R-North Branch) would retain the current four credit math MMC requirement but allows students to take statistics or financial literacy as an alternative to algebra II.
- [HB 4282](#) sponsored by Rep. Hauck (R-Mount Pleasant) would allow a student to fulfill the health education graduation requirement by completing at least 30 hours of qualifying training provided by the Occupational Safety and Health Administration (OSHA). Currently, a student must complete at least one credit in subject matter that includes both health and physical education or at least one half-credit in health and one half-credit awarded by the school district or public school academy (PSA) for approved participation in extracurricular athletics or other extracurricular activities involving physical activity.

The committee heard testimony only on the bill package, and we anticipate a vote next week. MASA is supportive of the legislation.

**Internet Gaming**

The House Ways and Means Committee held a hearing on the Internet Gaming package on Thursday. As we shared in previous updates, if enacted, this legislation would have an adverse impact to the School Aid Fund. MASA testified with MASB in opposition to the detrimental effects this will impose on school funding.

The proposed bills seek to legalize and regulate online gaming in Michigan. HB 4311, sponsored by Rep. Brandt Iden (R-Kalamazoo) creates the Lawful Internet Gaming Act which promulgates rules as well as imposes a tax on online gaming. HB 4311 would subject internet gaming licensees to an 8 percent tax. Currently, brick and mortar casinos are subject to a 15 percent tax.

Discussion on this legislation included comments on how the legalization of online gaming will affect revenue at traditional casinos. Any reduction in revenues for brick-and-mortar casinos would cause reductions in the School Aid Fund (SAF). There would need to be significant new revenue generated from internet wagering in order to offset this cost. Currently, a wagering tax of 19 percent is levied on casino adjusted gross receipts (AGR). Of that amount, 42.6 percent (\$0.081) is distributed to the SAF. Under HB 4311, internet gaming AGR would be taxed a rate of 8 percent and 5 percent of that total amount or \$.004 of the tax revenue would be deposited in the SAF.

The House Fiscal Agency stated that for every dollar of AGR lost at a brick-and-mortar casino due to internet gaming would result in a \$.077 loss to the School Aid Fund. For example, a reduction of 1 percent wagering loss at Detroit Casinos would translate to a \$1,169,721 loss to the School Aid Fund. In order to hold the SAF harmless, profit generated by internet wagering would need to be \$2,436,918,384. Another area of concern is that internet gaming may reduce lottery sales, specifically instant ticket or iLottery sales, because many individuals may find them to be similar.

MASA does not have a position on the gaming policy, rather the tax parity concerns. We are working with stakeholders to attempt to take care of our concerns.

## ICYMI: Counselor Professional Development Requirements

### **MEMO #057-19**

#### *School Counselor Professional Development and Renewal Requirements Reminder*

The purpose of this memo is to remind districts, school counselors, and stakeholders of the upcoming changes to school counselor professional development and license renewals that will take place February 6, 2020 per state law.

[http://www.michigan.gov/documents/mde/School\\_Counselor\\_653385\\_7.pdf](http://www.michigan.gov/documents/mde/School_Counselor_653385_7.pdf)