




Michigan Association of Superintendents & Administrators

MASA Legislative Update

Brought to you by: 

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Summary

On Wednesday, **Gov. Whitmer signed the budget** ahead of the October 1 deadline. **There were no surprise vetoes this fiscal year, and we are pleased to see that Ms. Whitmer struck Sec. 152b, the line-item that allocates public dollars to private schools.** This issue is currently being litigated in a suit that awaits oral arguments before the Michigan Supreme Court. As you know, **MASA has been instrumental in that lawsuit and we continue to attest that public dollars are for public schools.**

Many have asked about the **upcoming deadline related to COVID reporting requirements** and schools. **We anticipate the guidelines to be**

out soon. MASA and MAISA will provide guidance on those requirements as soon as we are able.

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

Senate Finance Talks MORE Property Tax Exemptions

Despite one of the most unpredictable revenue years in memory, the drumbeat of tax exemptions continues. This week, the Senate Finance committee heard testimony on SB 1105 and SB 1106, **a pair of bills that create the "Renewable Energy Facilities Payment in Lieu of Tax Act."** Solar energy facilities and energy storage systems qualify for this latest tax dodge. A solar energy facility is defined as "a proposed or existing facility that uses solar energy as the sole fuel source for the generation of electricity, including any battery energy storage devices systems that store energy primarily from the solar facility, and all other equipment and materials that comprise the facility." An energy storage facility is defined as "commercially available technology that, by chemical, thermal, mechanical, or other means, is capable of storing energy for a period of time before returning the energy in the form of electricity."

This legislation details many different aspects on how this act would operate, but what you need to know is that **as introduced, the bills reduce state revenues and increases costs to the school aid act.** Instead of paying property tax, under the proposed act, an owner or lessee of a qualified renewable energy facility, for which a certificate was issued, would have to make an annual payment in lieu of tax in the amount of \$3,500 per megawatt of nameplate capacity, unless the owner or lessee and the local governmental assessing authority agree to a lesser amount per megawatt of nameplate capacity.

This exemption also includes school operating millages and the State Education Tax. As with other PILT programs, we lose future opportunities to capture revenue growth. **Thus, continuing the cycle of underfunding schools and stagnating school revenue growth.** Unsurprisingly, supporters of the bill trotted out the familiar and tired refrain, "This is what other states are doing." While that may be true, our tax structure in Michigan does not

look like those states. The future of renewable energy is undoubtedly filled with growth, and this legislation would be detrimental to our funding streams and any potential wins Michigan children might experience from this growth. We are not alone in our opposition to the bill, as written there may be very serious impacts on local governments as well.

We will continue to monitor these bills and report back as necessary.

Senate Economic Development Hears Meijer Exemption Bills

This week the Senate Economic Development committee is considering six bills SB 1149, SB 1150, SB 1153, SB 1178, SB 1179 and SB 1180. Together, this legislation would provide tax exemptions for micro-fulfillment centers. As you read above, **these types of exemptions and tax cuts are not good for Michigan school revenue, yet they persist in today's legislature.** The legislation aims to update the tax code to reflect how some retailers are now using a distribution model which includes larger warehouses where highly automated sorting and packing lines can take in orders submitted online and load up boxes either for in-store pick up or home delivery.

The bill sponsors and other **supporters of this legislation argue that these bills are necessary to “modernize the tax code.”** We don't disagree that there are areas of the tax code that need updating, and we should be talking about how and what transactions are taxed (like services). But this is cherry-picked approach changes pieces of the system rather than truly updating it. It was stated in committee that this legislation if enacted has the potential to become the “new dark stores,” an issue we are continuously fighting, and could have devastating effects on taxes in the local communities that house these facilities.

Statewide, the impacts are not estimable at this time, but will assuredly lower School Aid and General Fund revenue.

Promise Zone Evolution Continues

The Senate Appropriations Committee met on a timely issue for Promise Zones. SB 1052 is sponsored by Sen. Jon Bumstead (R-Newaygo) and would **amend the Michigan Promise Zone Act to allow fees, books, supplies, and equipment required for courses of instruction to be included as a "qualified educational expense"** if those expenses were provided for in a promise zone's development plan.

This bill is necessary in order to correct a drafting error that required Promise Zones to cover all book costs. Currently a promise zone is obligated to cover qualified educational expenses in order to receive financial assistance from the State Education Tax revenue. SB 1052 would reinstate the original intent of the legislation and make it an optional fee that can be covered. Without this change and the ever-rising cost of textbooks, it will be difficult for Promise Zones to continue in the future. The bill was reported to the Senate Floor.

AASA's National COVID-19 School Response Dashboard: Enroll Your District Today!

This month, AASA, NASSP, NAESP, and Brown University Professor of Economics, Emily Oster, released their **COVID-19 school response data dashboard to provide educational leaders and policymakers with information on how schools are reopening, and what factors contribute to safe reopening.** Specifically, the effort will collect baseline information on schools as the year progresses, and then follow them over time to record enrollments, staffing, and COVID-19 cases. You can access the preliminary findings from the dashboard by clicking [here](#).

In talks with AASA, they are committed to making the data entry straightforward and simple. As such, **we ask for your help, please complete [this survey link](#) and enroll your school district in the dashboard.** All you need to do to make an impact is complete the baseline survey, which should take no more

than 10-20 minutes, and then sign-up to participate in the five-question, bi-weekly follow-up survey.

MASA is committed to this work as we believe it's one way best practices can be shared and school leaders can learn from one another. Thank you for the help in advance, and feel free to reach out with questions to Noelle Ellerson Ng at nellerson@aasa.org.

ICYMI: MDE Updates

MEMO #090-20

Michigan Department of Education 21st Century Community Learning Centers (21st CCLC) Federal Waiver Proposal for PUBLIC COMMENT

Due to the extraordinary circumstances created by the COVID-19 pandemic, and the unprecedented challenges that schools, teachers, students, and their families are facing as the 2020-2021 school year begins, the U.S. Department of Education (USED) is offering flexibility to states regarding the federal 21st Century Community Learning Centers (21st CCLC) program. [Read the full memo.](#)