
LegislativeUpdate

Michigan Association of School Administrators | December 8, 2017



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Summary

The big story out of Lansing this week centers on the municipal retirement benefits bills that resulted in a marathon session. Although they don't impact schools, they definitely affected the agenda this week, resulting in many committee and meeting cancellations.

The workforce/CTE bills are still a work in progress and MASA will continue to advocate for changes on behalf of the membership.

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

House Debates Energy Choice Expansion for Schools

The House Energy Policy committee heard testimony this week on a bill that would allow all schools to purchase their energy from an alternative source. HB 4708 sponsored by Rep. John Reilly (R-Oakland) would allow for all public schools, PSAs, private schools, ISDs, community colleges and universities to participate in the choice market.

Although the state spent some time last year revising our energy standards, a 10 percent cap for choice remains. HB 4708 would exempt school buildings from contributing to the 10 percent cap, allowing for all schools to have choice in their energy supplier. Although MASA does not have a formal position on the bill at this time, the Michigan Schools Energy Cooperative (MISEC) supports the legislation and MASA is a member of the coalition. The legislation has potential to result in large savings for school districts that opt to purchase energy in the choice market.

Unsurprisingly, the incumbent (DTE and Consumers) carriers testified in opposition to the legislation arguing that the change in policy would result in increased costs to other non-school rate payers. The bill did not move out of the committee and it's unclear as to whether or not a vote is imminent.

Senate Passes School Savings Account Bills

Early this week the Senate passed the majority of bills in a package to create the Enhanced Michigan Education Saving Program (E-MESP). As reported in previous updates, SB 544-549 expands the MESP to allow for tax-free accounts to pay for non-core educational expenses including extracurricular activities at public K12 schools and some private institutions. The legislation calls on MDE to spell out what expenses would be eligible for expenditures in the following five categories; core instruction, noncore instruction, extracurricular activities, support activities, course materials.

MASA opposes this package of bills for many reasons, chief among them is the shift in funding burden these bills create. Supporters argue that parents and companies could infuse dollars into schools to help fund other activities. The association argues that instead of asking parents to fund these five expenses,

the state should be investing in education to ensure equitable access to educational services.

In addition to the above concern, the program is incredibly expensive to implement. The Senate Fiscal Agency estimates that the state will have to spend between \$60 and \$100 million to create the program. Additionally, the tax deductions that are outlined in the legislation would reduce the General Fund and School Aid Fund revenue by a significant amount.

The Senate did not take action on SB 549, the portion of the package that would allow for tax deductions for E-MESP contributions. Without the tax deductions, the bills only setup savings accounts with no tax incentive for investment. It's anticipated that the Senate will revisit this bill in 2018.

Senate Committee Seeks Legislative Fix for Deed Restriction Lawsuit

The Senate Education committee heard testimony on a bill this week to clarify deed restrictions on property sold by a local governmental body. SB 702 sponsored by Sen. Phil Pavlov (R- Saint Clair) prohibits a local government offering property for sale, lease or rent from refusing to sell, lease or rent property to an educational institution or private school solely because that entity intends on using the property for a lawful educational purpose.

This bill intends to clarify the legislative intent of another bill passed earlier this year, SB 249 sponsored by Sen. Shirkey (R-Hillsdale). SB 249 created the Educational Instruction Access Act which prohibited local governments (including school districts) from implementing deed restrictions for the above purposes. MASA opposed SB 249 and opposes SB 702.

The bill was introduced in response to ongoing litigation between the Detroit Public Schools Community District (DPSCD) and the Detroit Preparatory Academy where a deed restriction exists. By passing SB 702, legislators are seeking to clarify intent under SB 249 of earlier this year.

House and Senate Pass Municipal Retirement Bills

Both the House and Senate passed legislation that requires additional reporting from local governments regarding the funding of their other post retirement

retirement benefits (OPEB) systems. The bills aim to address the nearly \$18 billion in unfunded municipal post-retirement benefits.

The introduced versions of the bills were supported by Gov. Rick Snyder and designed to allow for increased state intervention in local communities—they were dubbed the “emergency manager light” proposal as they included a committee that would essentially result in a state takeover of the system should serious underfundedness occur.

As typically happens, police and fire unions came out strongly against the bills and both chambers failed to garner enough votes for the package. Instead the House and Senate amended their respective bills to reflect the [report](#) generated this summer by the Responsible Retirement Reform for Local Government Task Force.

The passed legislation will require local communities to generate reports on the fiscal health of their retiree benefit programs and undergo fiscal stress tests to find solutions to any financial problems. Additionally, communities will be required to prefund retiree health costs for new employees.

The bills have swapped chambers and quick action is expected next week. MASA does not have a position on this legislation.

Department of Education News and Bulletins

MEMO #131-17—Recertification Reminder

Michigan Administrative Rule R 390.1121 indicates that educator certificates expire on June 30 of the expiration year. Educators can begin applying for renewal on January 1 of the expiration year and should begin preparing application materials now. Educators do not lose time on a certificate by applying before it expires.

http://www.michigan.gov/documents/mde/Recert_Reminder_608061_7.pdf

MEMO #132-17—Bulletin 1022 – Change Notice #26

The purpose of this correspondence is to transmit Michigan Public School Accounting Manual Change Notice 26. The following attachment gives the detail for pages in the manual that have been changed. You may print those pages from the website. Please communicate these changes to others in your district

that may be in possession of the Michigan Public School Accounting Manual to ensure that all school district accounting manuals remain current.

http://www.michigan.gov/documents/mde/Change_Note_26_608062_7.pdf

MEMO #135 -17–Meeting the Michigan Merit Curriculum Graduation Requirements Through Career and Technical Education

The Michigan Merit Curriculum (MMC) gives local school districts or public-school academies the flexibility to specify which courses or programs will earn the required credits towards graduation. The MMC specifies that student credit is based on proficiency with the content. Legislation specifically allows for alternative delivery methods of the academic content.

http://www.michigan.gov/documents/mde/MMC_CTE_reqs_608068_7.pdf