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Partners in building full potential

COLLABORATION INTEGRITY INNOVATION SERVICE ACCOUNTABILITY DATA-DRIVEN

Board Report — October 8, 2026

- **Out of State Travel:** We have two requests for approval for out of state travel. The first request is for approval for Mr. Paton, Mr. Griffith, Mrs. Brooks and Mr. Ebenstein to attend the national career technical education conference December 2-5. Mr. Griffith and Mrs. Brooks have been asked to present at the national conference regarding their collaborative efforts on projects combining the Plant & Animal Science program and Culinary Arts program. Federal grant funds earmarked for this purpose cover the majority of costs.

Second, approval is recommended for Mr. Tanguay to attend an upcoming speech and language conference in Indiana. He will be driving to this conference. For future consideration, it may be worthwhile for the board to consider authorizing the superintendent or designee to approve out of state travel for professional conferences or training in contiguous states to Michigan not involving air travel or students.

- **Renovation Update and Bid Approvals:** Construction bids for the administration building renovation were received September 24. Bids came in under projected budget. Low bidders have been vetted through Triangle Construction and PURE Architects with no concerns. It is the recommendation of administration to approve the bids as presented. Impacted staff have been relocated in preparation of work beginning. The project timeline will extend through the end of the calendar year and finish up in early 2027.
- **Superintendent Mid-Year Progress Review:** Under Michigan law (MCL 380.1249b), school boards are required to complete a midyear progress report for the superintendent during any year in which the superintendent is being evaluated. This report is to serve as a supplemental tool to gauge progress from the previous evaluation and provide any actionable support requested to assist the superintendent in meeting annual goals.

The three goals identified within the previous superintendent evaluation were as follows:

1. Passage of the ICISD Special Education Millage renewal and restoration
2. Completion of an ICISD-led School Safety training activity
3. Creation of an About Us/At-A-Glance ICISD document

The countywide renewal and restoration of the special education millage was approved in August 2026. The ISD planned, hosted and administered a school safety training activity for all local districts in June 2026 in conjunction with Ionia County Emergency Management. An About Us/At-A-Glance document for the ICISD will begin development this Fall for estimated

completion in May 2027. No additional board support is requested at this time.

- **Legislative Update:** With approximately four weeks to go before election day, expect a few days of legislative sessions in October. There was discussion in the Senate regarding a gas tax holiday with election day approaching and voter anger rising over gas prices. However, after receiving a flurry of opposition from groups noting that such a proposal could cost the state hundreds of millions in revenue, the Senate did not act on anything at this time.

There was some new information that came forward on Scholarship Granting Organizations (SGO). Below find some bullet points of where this currently sits:

- **Federal tax credit begins in 2027.** Individuals may receive a dollar-for-dollar federal income tax credit of up to **\$1,700** for qualified contributions to an approved SGO. The proposed regulations also contemplate married couples filing jointly potentially receiving up to **\$3,400** when each spouse makes a qualifying contribution.
- **Michigan must elect to participate.** For the first year, Michigan must make an advance election by **January 1, 2027**, and then submit its list of approved SGOs by **February 15, 2027**. This makes the next several months particularly important for organizations hoping to participate in 2027.
- **New SGOs can qualify.** The proposed regulations contain transition provisions specifically for newly created SGOs without an operating history. The State may evaluate these organizations based on their bylaws, governing documents, policies, procedures, and evidence that they are prepared to comply with the federal requirements.
- **An SGO must be a 501(c)(3) public charity.** It cannot be a private foundation. The proposal also provides a pathway for an organization whose 501(c)(3) application is still pending, assuming the other requirements are satisfied.
- **Qualified federal contributions must be segregated.** An SGO will need a separate §25F account for qualified contributions, along with appropriate accounting controls and records.
- **At least 90% of income must be spent on scholarships.** The proposed regulations also include an **85%** scholarship-activity safe harbor. Activities such as administration, compliance, fundraising, governance and outreach can count toward scholarship-granting activity when they support the scholarship program.
- **The SGO must serve multiple students and schools.** An SGO must provide scholarships to at least **10 students annually**, and those students cannot all attend the same school.
- **Donors cannot designate an individual student.** Contributions cannot be earmarked for a particular child. The SGO must maintain control over scholarship selection and awards.
- **Student income eligibility is relatively broad.** Generally, household income may be up to **300% of area median gross income**, adjusted for family size. The proposed regulations provide several methods for verifying income and also allow categorical eligibility through certain public assistance programs.
- **There are significant compliance and reporting requirements.** SGOs will register with the IRS, issue each donor a unique donor number, provide donor acknowledgments by January 31, and report qualified contributions to the IRS by February 28.
- **SGOs will undergo an annual financial and programmatic audit.** Organizations with receipts over \$500,000 generally will require an independent external audit. The proposal provides a different audit option for smaller SGOs.
- **Board membership and conflicts of interest will matter.** Officers, directors, scholarship-selection participants, substantial contributors, and certain family members can be considered disqualified persons for scholarship purposes. SGOs will need strong conflict-of-interest and scholarship-selection policies.