

April 30, 2025

Dear Colleagues,

Greetings from the School Equity desk. I hope you are safely buckled in and ready for the rapidly approaching end of another school year. How time flies.

It's been another relatively slow month in Lansing, with various items being discussed in committees and Senate Subcommittee's recommended School Aid Budget hot off the press, but we anticipate a quickening pace of business as we enter May and its much-anticipated Consensus Revenue Estimating Conference (CREC) updates and increasing discussions on the respective chamber budgets.

Federal Scene

The jockeying in Washington continued this month between the Trump administration, legislature, lobbyists, and various courts. At this point, the only thing certain is the uncertainty from one day to the next. As new orders are given, many are quickly blocked or removed, and we are left with more questions than answers. Potential cuts to Title, Medicaid, and PreK funds are still up in the air, as are the impacts of cuts to federal programs and staffing for us at the state level.

At this moment, it sounds most Title funding will make it through, with Medicaid and PreK/Head Start likely taking a larger hit. But again, this can change quickly.

State Scene

While we await a full Recommendation from the House, the Senate Subcommittee Chair's Recommendation was shared out this week, with the follow highlights:

1. **Requirements for Foundation Allowance Increases**. Adds a new section that requires districts to use 50% of the foundation allowance increase for increases in educator compensation (Sec. 18d).

- Small Class Sizes. Changes rules for at-risk funding to allow any district to use up to 30% of at-risk funds to reduce class sizes in grades K to 3 (Sec. 31a).
- 3. **Virtual Classes**. Lowers the number of days that a district could hold class virtually from 15 to 7 (Sec. 21f).
- 4. **Great Start Readiness Program**. Removes income eligibility thresholds from the program and removed various prescriptive requirements, giving more discretion to MiLEAP regarding the administration of the program (Sec. 32d). Also restructured payments around the concept of a "GSRP foundation allowance" and modified the distribution formula to be more aligned with requested enrollment (Sec. 39).
- 5. **Tuition for Nonresident Pupils**. Eliminates the ability for districts to charge tuition for nonresident pupils (Sec. 111).
- Nonpublic Schools. Removes nonpublic schools from the list of eligible recipients for mental health and school safety grants (Sec. 31aa) and robotics funding (Sec. 99h).
- 7. **Infrastructure Funding**. Includes significant funding for school consolidation and infrastructure in the amount of \$283,400,000 and commissions Launch Michigan to conduct a statewide consolidation and efficiency study.
- 8. **SMART Plan.** The new Sec. 16 accountability program from the Governor's proposal is NOT included in the Senate recommendation.
- Categoricals. Maintains Executive Recommendations Transportation, School Meals, MPSERS and GSRP reserves, Cyber Charter Reduction, and Enrollment Stabilization.

Upcoming Events

- 1. **May 20 School Equity's Legislative Day** in Lansing is official on the clock and we are excited to restore this tradition. Our partners at Karoub are working hard to line up legislators and other presenters on topics that matter to you in your districts.
- 2. New Event: "Small but Mighty" one-day conference to be held at Treetops Resort in Gaylord on Tuesday, July 16, 2025. The day will include a variety of speakers on topics related specifically to our small and rural districts, which was a high priority in our recent member survey. Discounted lodging and golf will also be available to attendees. The registration link is below, and will be sent again in a separate email. We hope to see you there!

https://forms.gle/V6RhyHKxonvSSKk68

That's all for this month's Newsletter. If there is a specific topic related to school equity that you would like to see addressed as a special feature in a future Newsletter, standalone mailing, podcast, or Town Hall Zoom, please let me know. We are here to serve!

Best regards,

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