



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

121 W Allegan • Lansing, Michigan 48933
www.schoolequitycaucus.org
schoolequitycaucus@gmail.com
517.227.0774

CAUCUS INFORMATION / ACTION ALERT

February 9, 2017

Re: 2017-18 SAF Budget Executive Recommendation

Colleagues:

Yesterday morning the Governor kicked-off the 2017-18 School Aid Budget cycle by introducing his executive recommendations. Below is a description of some of the major elements, prepared by Emily Laidlaw, the Caucus lobbyist.

Please remember, this is only the first of many steps towards the development of the final budget. It is likely that the more-conservative legislature will have other ideas that will be unveiled as the House and Senate make their proposals.

- **Foundation Allowance** – Increase the Foundation by \$50 per pupil. The Minimum Foundation would increase by \$100 per pupil using the 2X formula ($\$50 \times 2 = \100 pp). The new Minimum Foundation would be \$7,611 and the Base, \$8,279.
- **At-Risk (Sec 31a)** – Increase by \$150 million, from about \$673 to \$778 per eligible pupil. Eligibility would be expanded to include all economically disadvantaged students, regardless of school or district. The expansion would add about 131,000 students.
- **Cyber Schools** – School of Excellence cyber schools would receive 80 percent of the charter school foundation. The maximum charter school foundation is \$7,611.
- **School Reform Office (Sec 21)** – Funded at the current level of \$5 million.
- **Partnership Districts (Sec 21h)** – New categorical of \$3 million would use the A-F accountability score to identify districts in need, develop intervention plans, and partner with public, private, and non-profit organizations to coordinate resources and improve student achievement.
- **High School Increase (Sec 22n)** – Would increase funding for students in grade 9-12 by \$50 pp. Therefore, Minimum Foundation districts would receive \$150 pp for high school students:

$$\$50 \text{ [Foundation]} + \$50 \text{ [2X]} + 50 \text{ [high school]} = \$150 \text{ pp}$$

- **Declining Enrollment (Sec 29)** - \$7 million for districts with declining enrollment. Eligible districts would receive 1/3 of the foundation allowance multiplied by the difference between a 2-year average membership blend and the district's actual membership blend. A district is eligible for this payment for two years.
- **Shared Time Agreements** – Shared time agreements would be funded from a categorical with a \$60 million maximum.
- **MPSERS** – State funding for MPSERS would total \$1.1 billion, including \$960.8 million for the amount above the statutory cap of 20.96 percent of payroll, reduce the assumed rate of return on investments from 8 to 7.5 percent, and the state to pay for both the increase in UAL costs and anticipated increase in normal costs, which would otherwise be paid by the districts.
- **Literacy Coaches (Sec 35a [5])** – Increase allocation from \$3 to \$6 million.
- **Early Literacy Categoricals** - Funding maintained at current levels.
- **GSRP (Sec 39)** – Provides for a new formula based on a workgroup convened by MDE.
- **CTE Equipment Upgrades (Sec 61c)** – Would include one-time funding of \$20 million for equipment upgrades.
- **ISD General Operations (Sec 81)** – Maintains funding at current levels.
- **Educator Evaluations (Sec 95)** – Would provide \$7 million for local educator evaluations.
- **Transportation (Sec 74)** – Increases funding for school bus inspections from \$3.32 million to \$3.33 million.
- **Cyber School / Special Education (Sec. 51a (14)(15))** – Remains unchanged from current language.

Jerry