



# SCHOOL EQUITY CAUCUS

*Making a difference for the public school children of Michigan*

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Dear Colleague:

## **1. Systemic School Reform Committee Rolls Out a Preliminary Report**

The days of the educational status quo are over, replaced by an extensive assortment of reforms. Because educators have *not* set the agenda or led the way, the reforms have been legislated and imposed by those much less qualified and without educators' child-centric focus and pedagogy.

Not all of the reforms have been unwelcome. Some have been appropriately considered and overdue, had meaningful input from the education community, and have provided improvements. Many, however, are based on political dogma, designed to address ideological, isolated, or personal issues, cite vague, inconclusive, anecdotal or misapplied evidence, and are often counterintuitive and counterproductive.

Rather than continuing to *react* to the school reform agenda set by others—a role that we have too often accepted and even embraced—we now have good reason to hope that school leaders are ready to set their own school reform agenda.

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The Systemic School Reform Committee (SSRC) wants to put educators at the head of the school reform effort and is developing a plan to do so. Last month during the MASA conference, Karen McPhee (Ottawa Area ISD) provided a look at the work done thus far by the Committee. She said it was their intent to restore educators' right to lead.

A few of the Committee's work targets include:

- Define what is a high quality education
- Insure that all 1.6 million Michigan students meet key learning targets
- Have all students graduate college or job ready
- Improve teacher training
- Move to regional or state teacher contract negotiations
- Develop a school funding model that creates greater equity
- Make regional centralization of services a viable option
- Provide a school board self-evaluation tool and require board training

Many of the experienced school leaders with whom I've spoken regarding the SSRC readily recall the multiple school community's attempts over the last several decades to set the education reform agenda. We also recall the multiple times organized opposition, our own divisiveness, distractions, or indifference has scuttled the attempts.

This time there's a different feel. The Committee's organization and purpose seem better focused than were some previous attempts. Further, there is a growing realization among education practitioners that we may be permanently losing any say about how education is delivered or schools operated, that not only marginalizes the state's education professionals but is a disservice to the state's 1.6 million children and youth.

The SSRC report represents an incomplete product and much work lies ahead, including completing the reform recommendations, garnering the buy-in of the various school organizations and their constituent professionals, and the very daunting task of developing the necessary support of legislators and voters.

The Caucus currently has no official position on any of the preliminary proposals presented by the SSRC. We do however, strongly support the process and hope that this is a step towards education professionals becoming the Michigan school reform leaders.

Once the Committee's final recommendations are made, we will evaluate them with our goals, focus, and advocacies in mind. For our part, the Caucus will remain in contact with the Committee and assist whenever and however appropriate.

## **2. Report by MSU Policy Center Shows Further School Funding Declines**

Studies and reports are accumulating that show in stark numbers what we have known for years – school funding in Michigan is in serious decline and the effects are being felt in every district.

In June, the House Fiscal Agency reported that since 2007, appropriations for School Aid have been reduced by \$404 million, excluding funding to pay down MPSERS liabilities and Federal Stimulus dollars. In the September *Caucus Newsletter* I reported on the Center on Budget Policy Priorities study that showed a 9 percent decline since 2008 in Michigan's spending on education.

Now, in a presentation to the State Board of Education earlier this month, Meg Jalilevand of Michigan State University's Policy Center reports that reduced state funding, increased MPSERS rates, student population decline, and school choice has created an average per district funding decrease of about 12 percent (adjusted for inflation) with some districts experiencing an up to 25-30 percent reduction over the last decade.

The report shows the conditions that have befallen public schools to be a "perfect storm" of funding declines, demographic shifts, and structural flaws that have combined to put 55 districts into deficit and some existentially at-risk.

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While one major reason for school funding declines is the transfer of \$650.9 million from the School Aid Fund to other programs (community colleges, higher education, early childhood education, and many others), a long list of tax expenditures, including tax credits, deductions, and exemptions, reduces the dollars flowing to the Fund and greatly exacerbates the situation.

In an apparent disregard for the school funding consequences, legislators have put forth an array of tax cut proposals that would further negatively affect the SAF, and could amount to several hundred million dollars, including:

- Eliminate the requirement on foreclosed properties to pay school millage.
- Exempt taxes on the purchase of vacant school property.
- Eliminate sales taxes on motor vehicle, recreation vehicle, and boat trade-ins.
- Exempt over-the-counter medications from sales tax.
- Eliminate sales tax on aviation fuel.
- Change taxes on forestry industry.

It is inaccurate to say school funding could be restored and sustained, but the money is not there. Sufficient dollars would be available with a more prudent approach to tax cuts and guarantees to keep the SAF whole.

Clearly, our effort to adequately and equitably fund schools has little chance for success if we don't first advocate for the end of SAF transfers and the ongoing erosion of dollars generated through taxes. This needs to be the first thing said when school funding is discussed.

### **3. School Bond Loan Program Millage Pop-up and Other Issues May Be Addressed**

When the School Bond Loan Program reforms were enacted, the Caucus and others warned that not only would the legislation severely restrict access to state help for school infrastructure needs, but would create significant millage increases among some districts already in the program.

This afternoon, three bills were introduced that would address some of those issues. **House bills 5098, 5099, and 5100** would, among other things: require school boards to have financial literacy training regarding the loan program if their district hoped to access the fund, allow the required millage pop-ups to be increased over three years, and allow certain districts to refinance their loan without significant Treasury involvement.

Don Olendorf has been directly involved in the movement of these proposed fixes. He reports that of the 144 districts currently in the Program, 69 are projected to be unable to repay their loans by the mandatory final loan repayment date, the current average computed millage for these districts is 8.01, and that without the recalculated millage the average rate would be increased to 10.39, but with the recalculation, it would be 9.04.

### **4. The Fall General Membership Meeting is Well Attended**

Eighty-eight members and guests of the School Equity Caucus and Michigan Small and Rural Schools Association participated in the Fall Joint Membership Meeting during the MASA conference. Participants heard from Tom White (MASB) about small and rural school issues, our lobbyist Don Olendorf (ESALG) for a legislative update, and me on the Caucus and school funding adequacy and equity. An excellent lunch was provided by our Business Associates: Oak Pointe Group, Hutchison Shockey Erley & Co, and American Fidelity.

For many attendees, the Caucus meeting is their conference kick-off and for some the information provided helps guide their thoughts and attitudes as they participate in the rest of the conference. Our next General Membership Meeting will be held during the Mid-Winter Conference at the Amway Grand Plaza in Grand Rapids, January 22, 2014. I hope you can be there.

Sincerely,

*Jerry*

Gerald Peregord  
Executive Director