



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
269-806-6159

April 30, 2018

Dear Colleagues:

It has been a busy time for the state legislature following their two-week Spring Break! Here's the latest from Lansing:

1. **Budget Proposals Continue to Progress**

All three parties to the state budget discussion (the governor, House, and Senate) have now moved forward their suggested plans for 2018-19, and things are beginning to come into focus. Here are some of the key items, and how each budget recommends addressing them:

- Foundation Allowance – The governor, Senate, and House have all proposed increases according to the 2X formula. Both the governor and House have established that amount as \$240/\$120, while the Senate is slightly less at \$230/\$115.

The Caucus applauds this continued closure of the gap between districts funded at the minimum level and those who are above. If the \$240/\$120 increase is enacted, the gap between Minimum Foundation Districts (at \$7871) and the Maximum State-Guaranteed Districts (known as the Basic Foundation Allowance at \$8409) would be down to \$538. While there still be some forty districts above the maximum level, this rate of gap closure could mean that more 90% of districts in the state will be at the minimum funding level within the relatively near future (by the middle of the next decade).

- High School Per Pupil Bonus – All of the proposals maintain the allocation that provided an additional \$25 for high school students in the current year.
- At Risk (31a) – Funding for At Risk programs remains as it was this year. However, under language in the current law, the coming year would see implementation of accountability measures resulting in drastic changes in the way the money could be spent. Few districts would be spared according to recent analysis done. The Senate is currently retaining that language, but the Chair of the Senate K-12 Budget Subcommittee has opened the door to potentially altering that language.

The governor's proposal, on the other hand, pushes out penalty provisions until 2020-21, and sets targets which may more realistically be reached than those

contained in current law. While it still requires some more work, it is vastly preferable to the language in current law. The House version lies somewhere in between, adopting many of the governor's proposals, but holding on to some items from current law.

This area will be a key focus in upcoming conference committee discussions, with the potential for enormous impact on local district programming. Be sure to watch this closely.

- Per Rider Transportation Payment – The House has included a placeholder line item (with no real money attached yet) to begin helping district with general education transportation costs. The language would provide \$25 per rider to districts providing transportation. Neither the Senate nor governor have this line item.

The Caucus supports this move as a small step in the right direction. Perhaps its inclusion reflects the School Finance Research Collaborative's adequacy study (see related item below) and the identification of transportation as one of the myriad areas in which the costs borne by districts are widely divergent.

By including this as a placeholder, this item would be on the table during conference committee negotiations for potential funding. It is estimated that this line item would cost \$14-\$16 million to fund at the \$25 level.

- Shared Time – While the governor proposed significant limitations and reductions in this area, the Senate's reductions were far smaller with the largest savings coming from the proposed elimination of shared time for kindergarten. The House has proposed no change from current law and a maintenance of current funding in this area.
- Cyber Schools – The governor has proposed funded cyber schools at only 75% of the minimum foundation allowance; however, neither the House nor the Senate concur and keep funding at 100%.
- Isolated Districts – Both the governor and the House maintain funding at the current \$5 million. The Senate has proposed increasing to \$6 million and slightly expanding the definition to include districts with 7.7 students or less per square mile (up from the current 7.3 students per mile).
- Marshall Plan – The governor's Marshall Plan proposal is set up as competitive grants, leading to significant concerns from an equity standpoint.
- ISD Funding – The Senate plan would provide a 1% increase in base funding to ISD's, an item not included in the governor's or House budgets. Additionally, ISD's would also receive \$5 million in MPERS cost offsets for their employees in the Senate plan (roughly 45% of what K-12's receive comparatively for their employees). Neither the governor's plan nor the House plan included any such funding.
- CTE Per Pupil Funding – The governor's plan calls for an allocation of \$25 per student for those in CTE programs (with an additional \$25 per student for those in high demand fields). Neither the House nor the Senate include this proposal.

- Funding for Non-Public Schools to “Meet State Mandates” - The governor and Senate have proposed removing the section of law enacted last year that allocated state funding to private schools for “reimbursement” of the cost of state mandates. The House, however, has maintained the \$2.5 million allocation so far. Given the ruling of the Court of Claims this week that last year’s allocation was unconstitutional, one would hope that this item will be removed during the conference committee process.

There are certainly a host of other items, but these are many of the major items (particularly as they differ from the current year).

Ultimately though, the underlying issue of inadequate funding remains. This is exacerbated by the ongoing raid of the SAF to prop up the state’s General Fund. There would be hundreds of more dollars available per pupil if the transfer of SAF dollars would be stopped.

The impact of this raiding can be seen in the fact that the January Consensus Revenue Estimating Conference (CREC) estimated that SAF revenues for 2018-19 will increase by 2.9%, but this budget only provides 1.1% (Senate version)/1.6% (House version) in increased expenditures for K-12.

2. May Consensus Revenue Conference Scheduled

Speaking of the Consensus Revenue Estimating Conference, the May CREC will be held on Wednesday, May 16, and will provide the “final” numbers upon which the budget will be based. Currently, there is guarded optimism that the numbers may come in slightly higher than what was predicted in January. Time will tell...

Following the CREC, budget negotiations will take place in earnest. Given the fact that the three different proposals are relatively similar at this stage of the process makes it seem likely that a final SAF budget will be approved sometime in June.

3. School Finance Research Collaborative Moving to Next Steps

Earlier this year, the School Finance Research Collaborative released its report that looked at the true cost to adequately educate a Michigan student. Now the Project’s Public Education Committee is working toward educating the public about the report, with the following goals:

- Alter public perception that equal funding is equitable funding. One size does not fit all.
- Help stakeholders recognize that failing to adequately meet the needs of different learners puts them at risk of permanent disadvantage by failing to provide them with the tools necessary to achieve at the levels of their more fortunate peers.
- Improve understanding about the resources needed for all students to reach state standards.
- Create a campaign to change perception, policy and practice.

In response to the increasing volume of requests of those looking to help the effort, the Committee has developed a “Supporters” page on the project website. Supporters will serve as volunteers helping to implement the Committee’s statewide, broad-based public education campaign. Activities may include attendance at town halls and candidate meetings, authoring op-eds, social media posts and more. Supporters will also receive periodic updates and other information and materials from the committee.

Those interested can sign up using the link below:

<http://www.fundmischools.org/contact/become-a-supporter/>

We encourage your participation in these activities to help build momentum for the systemic change necessary in Michigan’s school funding system.

4. Nassar Bills Debated in House Committee

In last month’s newsletter, there was an extensive summary of the bills put together in response to the Larry Nassar case. These were passed the Senate before Spring Break and the House versions of the bills are now before the House Committee on Law and Justice. Thankfully, so far the committee is taking a more studious and measured approach to this legislation than their Senate counterparts did.

Among the bills discussed in the past week, review began on the House bill (HB 5659) which would expand the list of mandated reporters of suspected child abuse/neglect to include coaches, assistant coaches, and athletic trainers whether paid or volunteer. This includes coaches in K-12 or postsecondary athletics as well as coaches in youth recreation programs. Several concerns were raised, and the bill sponsor has indicated that revisions may be forthcoming.

Please continue to urge your representative to take the necessary time to properly analyze and understand the potential impacts of all of these pieces of legislation.

5. School Safety Legislation

Bills are now working their way through both houses that seek to address school safety needs as a result of the Parkland, Florida shooting and subsequent student demonstrations.

The Senate has passed SB 601 which would provide \$18.65 million in funding in the current fiscal year. Among the items would be \$15 million in funding for competitive grants for school safety projects, and \$3 million for the Michigan State Police to develop a new school emergency notification system with a “panic button” app. Additionally, \$500,000 would be allocated to further support the operations of the OK2SAY program. This bill has passed the Senate and has moved on to the House.

A series of bills in the House (HB’s 5828-5830 and HB’s 5850-5852) create a new commission under the authority of the State Police that would be tasked with establishing school safety standards, oversee the inspection of all school buildings in the state, and require new safety features for all school buildings built after January 1, 2019 (including

metal detectors). Among other initiatives, the bills would also make some grant funding available for meeting school safety standards.

Concerns have been raised that the commission would not begin its work for more than a year, and that many of the safety requirements in these bills are overly prescriptive. Work is scheduled to continue on these bills through the coming weeks.

The legislature has not shown any inclination so far to provide funding for the hiring of additional School Resource Officers, and the amounts being allocated in these bills will barely scratch the surface in adding the security measures being discussed. In order to make our schools measurably safer, the legislature will need to commit many more resources than they have shown an inclination to do to this point.

6. Other Legislation Being Monitored

While the items discussed above are grabbing most of the attention at this point in the legislative calendar, other pieces of legislation remain in the queue. The closer we get to summer and the start of the campaign season, the less likely it is that controversial bills will move. Here is a partial list of items still in the mix:

- **SB 882** – Under this bill the Open Meetings Act would be amended to permit school boards to enter into closed session for the purposes of planning for school security. It has passed the Senate Committee on Oversight and remains on the Senate floor.
- **HB 5526** – Rep. Tim Kelly’s bill to introduce yet another school accountability system, including a 13-member Education Accountability Policy Commission and a reinstated A-F grading system remains on the House floor.
- **HB 5139-5142 & 5145** – The “Workforce Preparation Package,” a series of CTE-related bills, remains in the Senate Committee on Economic Development and International Investment.
- **HB 5598-5605** – These bills, discussed in last month’s newsletter, bring additional requirements into the teacher preparation process, particularly targeting teacher preparation institutions. The package has passed the House Education Reform Committee and is on the House floor.

That’s all for this lengthy update! I hope you are enjoying the long-delayed arrival of spring!

As always, please be in touch with questions or concerns.



Dirk Weeldreyer
Executive Director
(269) 806-6159
schoolequitycaucus@gmail.com