

# GOVERNMENT RELATIONS POLICY BRIEF

Michigan Association of School Administrators  
p: 517.327.5910 f: 517.327.0779

1001 Centennial Way, Suite 300 – Lansing, MI 48917  
www.gomasa.org

## **ISSUE: 2013-14 School Aid Budget; House Committee**

### Foundation Allowance Calculation

- *Foundation Allowance (Sec 20)*: The basic foundation remains \$8,019 and the minimum foundation is \$6,966.
- *Equity Payment (Sec 22c)*: Provides a *one-time* equity payment of up to \$34 per pupil.
- *Cyber School Allowance (Sec. 20(8)(9))*: Beginning in FY 14-15, the foundation allowance for cyber schools and online seat time waiver programs shall be equal to 80% of the foundation of the district in which it is located.
- *Small Class Size (Sec. 20(14))*: Reduces funding to 70% of each district's FY13 appropriation. Clarifies the foundation allowance of a district shall not fall below the minimum foundation allowance of \$6,966 due to the reduction or elimination of the small class size adjustment.
- *District Consolidation (Sec 20(10))*: For districts created by consolidation or annexation, the calculation of the foundation allowance is changed to be either the highest foundation of the affected districts or the sum of the per pupil weighted average foundation of the affected districts plus \$100, whichever is less.

Best Practice Grants (Sec. 22f): The House budget reduces the Best Practice grant from \$25 million, recommended by the Executive, to a \$100 placeholder. For districts receiving the Best Practice grant this year, the cut will result in a \$52 per pupil decrease in funding.

Student Centric Grants – EAA (Sec. 22k): The House provides \$7 million dollars in competitive grants to districts that align instruction with individual student learning styles and pace and advance students based on individual mastery of subject area. The EAA offers student centric learning and would be the most likely recipient of these grants.

District Performance Grants (Sec. 22j): The House recommends increasing support for Performance Funding by \$16.4 million. This brings total funding for this categorical to \$46.4 million in order to fully fund eligible districts.

Online Course Vouchers (Sec. 21f): Requires that a district allow a pupil in grades 7-12 to enroll in up to 2 online courses (of the student's choice) per semester and caps the amount a district has to pay for an online course to 1/12 of the district's foundation allowance per semester.

Michigan Virtual University (Sec. 98): The House does not include the \$10 million increase for MVU.

Position: *OPPOSE*

Concerns:

1. **Restore the Cuts.** There is enough revenue in this budget to restore budget cuts and provide stability to districts.
2. **Fund the Foundation.** Put the limited resources that we have back into the foundation rather than new categorical programs.
3. **No Vouchers to Vendors (OPPOSE Section 21f).** This is the first attempt of the Oxford foundation infiltrating the School aid budget. There are also no quality requirements or requirements that courses align with the Michigan Merit Curriculum. Michigan public schools will be held academically accountable for vendor-driven curriculum and instruction that they have no control over.
4. **Eliminate Unnecessary Categorical Programs.** Attaching strings to categorical funds and pet projects will only punish schools without giving them an opportunity to implement the reforms the legislature claims they want.

# GOVERNMENT RELATIONS POLICY BRIEF

Michigan Association of School Administrators  
p: 517.327.5910 f: 517.327.0779

1001 Centennial Way, Suite 300 – Lansing, MI 48917  
www.gomasa.org

**Technology Grants (Sec 22i):** The House increases the funding from \$13.5 million in Executive Recommendation to \$50 million. The House adds language limiting the uses for these grants to technology infrastructure, shared service consolidation of technology and data, and hardware.

**Right to Work:** The House adds additional eligibility requirements based on (RTW) criteria in order to qualify for District Performance Grants and/or Technology Grants. The criteria specifies that a district or ISD is ineligible to receive grants if, (1) It renews or extends a contract between Dec. 10, 2012 and March 28, 2013 that would NOT have already expired until after September 30, 2013 and (2) It renewed, extended or entered into a contract between Dec. 10, 2012 and March 28, 2013 that exceeded the length of the previous contract that it replaces. The language also grants eligibility waivers provided that the district meets certain cost savings benchmarks.

The language also prohibits eligibility if a district enters into a contract between Dec. 10, 2012 and March 28, 2013 and that contracts sole purpose is to extend a union security agreement, closed shop provision or requires that an individual obtain union status in any way as a condition of employment.

**MPSERS:** The House concurs with the Executive recommendation and increases funding for the state's share of MPSERS costs in accordance with the reform measures passed last year. The appropriation is increased by \$273.3 million for a total of \$403.3 million.

**Great Start Readiness Program (Sec.32d):** The House recommends an increase of \$50 million compared to the Executive recommendation of \$65 million in increased funds. The House agrees with the increased allocation per slot to \$3,625 and estimates an increase in half day slots of 11,800. The House reduces enrollment criteria and recommends 80% of participants must live in families with income less than 250% of the federal poverty level. The language directing an ISD to contract 20% of its slots with eligible community based providers is amended to allow an ISD to keep those slots if MDE verifies the ISD tried and was unable to fill the slots.

**Intermediate School Districts (Sec. 81):** Eliminates \$2 million in funding allocated to best practices grants and all associated criteria.

**Pupil Transfer Process (Sec. 25e):** Requires CEPI to work with MDE, LEAs and ISDs to develop a pupil transfer application and process. Prescribes new criteria for counting student transfers and additional enrollment.

**Pupil Membership (Sec. 6(4)):** Changes the pupil membership blend to 80/20.

***\*Important Note on Sequestration:*** Please note that this budget does not include imminent cuts to the 2013-14 budget due to sequestration.