



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

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INFORMATION ALERT

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Re: Governor Recommends Equity Increases for Minimum Funded Schools.

During his budget proposal yesterday, the Governor recommended school funding increases that include a \$34 per pupil **Equity Payment** for districts that currently receive \$6,966; improving the 2013-14 Minimum Foundation to \$7,000 (districts below the Base Foundation but above the Minimum would receive an adjusted equity payment). He also recommended \$16 per pupil for **Best Practices** and up to \$100 per pupil for districts that meet **Performance Standards**. His budget would also increase **Early Childhood** payments by \$225, bringing the total to \$3,625 per pupil.

Legislators are already declaring the school funding recommendation to be either insufficient or excessive, depending on their political and ideological perspectives. Some want more money dedicated to education while others want the entire available pot directed to the rainy day fund, not just the \$75 million the Governor currently proposes.

As an educator you may agree with those who say the proposed increase is insufficient because of schools' ever rising costs and the significant school funding cuts of recent years. Even with these recommended improvements, school funding levels will remain below the dollars received in the 2010-11 school year.

However, it was just a few weeks ago that some were predicting an immediate \$150 per pupil proration because of the less than anticipated 2012 revenues and even deeper cuts next year as a result of weak revenue growth predicted for 2013 and 2014.

Further, it was only last year that we predicted a MPSERS contribution rate of more than 27%, with exponential rate growth in succeeding years. The Governor's recommendation includes \$403.3 million to maintain the MPSERS rate cap which saves schools about 2% on the contribution rate.

While the Governor's proposal is not a very large step forward, it is nevertheless a step forward and should be received as a positive development. The budgeting process is just beginning and will now be taken up in the legislature where most think the 2013-14 budget bill will be voted on by June 1st. The Caucus will continue to work with legislators to ensure Foundation stability, maximum equity, categoricals that are important to our members, and an overall school fund budget that recognizes the escalating needs of local and intermediate districts.

Jerry