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Fwd: MASA Legislative Update - May 5, 2017

1 message

Charlie Glaes <cglaes@vicksburgschools.org>
To: Karen Hill <khill@vicksburgschools.org>

Fri, May 5, 2017 at 9:42 AM

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From: Peter Spadafore <pspadafore@gomasa.org>

Date: Fri, May 5, 2017 at 9:14 AM

Subject: MASA Legislative Update - May 5, 2017

To: cglaes@vicksburgschools.org



Michigan Association of School Administrators | May 5, 2017



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Summary

This week in Lansing was pretty eventful, but not a lot happened. Both the House and Senate passed out their respective budgets, paving the way for conference committees and a final budget deal as early as the end of this month. We told you last week about possible action on MPSERS and now it appears we will be looking at a proposal, it's all just a matter of time. In cooperation with MASB, we held our annual Legislative Conference and we're very pleased with the feedback so far–thank you for attending! Neither Education Committee met this week, but the subcommittee on the Merit Curriculum did hold its third hearing.

The direction of the MMC committee is beginning to take shape with lawmakers focusing in on competency based education and codifying flexibility in the curriculum for CTE and other programs outside the core classes prescribed in law.

As always, please contact <u>MASA</u> with any questions or comments. Have a great weekend!

MPSERS - Always MPSERS

We survived another week without a MPSERS bill being introduced in the Legislature. But the rumors are ramping up and legislators are getting briefed by leadership on the broad strokes of the plan to alter school employee retirement. So it appears that it's only a matter of time before something materializes.

Earlier this week, MASA released a report from the Anderson Economic Group that confirmed what we already know, closing down the hybrid system is a costly mistake and delivers very little value to the state, to schools, or to employees. The evidence continues to grow against closing out the retirement system, but it appears this conversation might be shifting from facts to beliefs (as if it hadn't gone that route already).

Currently, Gov. Snyder's administration is sending signals that Snyder is still not convinced that closing out the hybrid makes financial sense. Despite his desire to pay down debt, we believe the governor sees the hybrid as a responsible way to control costs and manage retirement benefits for new employees. House and Senate leadership have teamed up to assuage him of his concerns and the Senate has even found \$542 million in the budget to pay for the first

year of transition costs. It's important to note that this money is one time money and next year, the costs won't go away, but the revenue will. Further, it's not entirely clear that amount is the right amount to cover the costs. The State Budget has indicated that amount identified by the Senate equates to \$363 per pupil—an amount that could do a lot of good in the classroom, or paving roads, or fixing sinkholes.

We will continue to monitor the discussions and alert members when it's time to engage. For now, please continue to relay to your legislators why the current system works and going any farther down the defined contribution pathway is an unnecessary and wasteful use of billions of dollars that could better be spent in the classroom. We've created our MPSERS Action Center to keep the latest news and resources for members. Visit www.gomasa.org/mpsers for more information.

Budget

As mentioned above, the House and the Senate have passed their budgets out of their respective chambers. Up next, they'll both reject the other's proposal and send them to conference committees. We don't expect much substantive action on the budget until after the May 17 Consensus Revenue Estimating Conference (CREC). We anticipate not-so-great news coming out of CREC as revenues are expected to be less than estimated in January, but not drastically so.

The biggest issues for schools remain constant:

- Foundation allowance—what will be the final number and what formula will be used?
- At-Risk-how much of an increase will schools see for at-risk and just exactly what formula for eligibility will be used to distribute that increase?
- MPSERS-will anything happen on MPSERS?

Next week will bring more information on the budget and once the revenue estimates are released at CREC, we'll be off to the races and looking at another on-time budget (as with any prediction, this one comes with an asterisk and is subject to change).

Sec. 152 - Update

As we've previously reported, both the House and Senate have included money for private schools and as you're aware MASA has joined in a lawsuit to remove this money from last year's money and prevent future expenditures and appropriations.

We have some news on that front from MASA Executive Director, Chris Wigent.

- 1. The Michigan Catholic Conference, the Michigan Association of Non-Public Schools, and the Immaculate Heart of Mary recently filed a motion to join the State of Michigan as defendants in this case. This motion was denied by the judge in this case, which is somewhat unique, but is extremely good news for us at this point.
- 2. We have been informed that four Republicans in the state Legislature Sen. Phil Pavlov of St. Clair, Sen. Patrick Colbeck of Canton, Rep. Tim Kelly of Saginaw Township, and Rep. Kim LaSata of Bainbridge Township have now sought to sign on as defendants in the case. Our legal consortium has taken a formal position of opposition to this action and we hope that the judge will take the same position of denial with the request of these legislators as was taken with the three above mentioned organizations.
- 3. The State has filed a motion requesting that the judge dismiss this case for a number of reasons. We have filed a brief against this motion and strongly anticipate that the judge will decide against the State and that this case will indeed move forward.
- 4. We recently filed a motion for summary disposition, seeking entry of a judgment holding that Section 152b is indeed unconstitutional. That hearing is scheduled for 11:00 am on May 22 in Detroit.

As we have previously discussed, this is a high stakes case for public education and all of us in the legal consortium are working extremely hard to ensure that we prevail. I will continue to provide you with updates as further details unfold, but please do not hesitate to contact me if you have further questions regarding this matter. We continue to be appreciative to MASB, MAISA, MSBO, MASSP, MEMSPA, Middle Cities, Kalamazoo Public Schools, ACLU, MEA, AFT, and all others who are partnering with us in this critical legal action.

Federal Update

USED Study Finds DC Vouchers Have Negative Effect on Student Achievement

This week, a study came out from USED finding that the DC voucher program, the only federally funded voucher program, has a negative effect on student text scores. Voucher recipients were found to have significantly lower math scores than applicants who did not receive a voucher and remained in public schools. More information on this study and Secretary DeVos's reaction here.

US House Passes American Health Care Act

This week the US House of Representatives Passed (217-213 with 20 Republicans joining all the Democrats to vote against it) the American Health Care Act (AHCA). AASA has urged our lawmakers to reject the proposal because of its impact on schools and children. The AHCA would undermine the critical healthcare services a district provides to children. It would also lead to layoffs of school personnel, the potential for new taxes to compensate for the Medicaid shortfall, and shifting general education dollars to special education programs to compensate for these cuts. Currently, 4-5 billion dollars flow to school districts every year, so they can make sure students with disabilities who need the help of therapists can learn and that students who can't get to a doctor regularly can receive the basic medical care they need to learn and thrive. It's estimated that children represent 46% of all Medicaid beneficiaries yet represent only 19% of the costs.

The bill heads to the US Senate where drastic changes are expected. Visit AASA's <u>Legislative Action Center</u> for more information.

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