



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

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Dear Colleague:

1. School Aid Budget Passes and is Sent to Governor

Last week the Senate and House approved the 2017-18 School Aid Budget and sent it to the Governor for his expected signature. Among others, some of the key elements of the budget include:

- **Foundation Allowance** – Increased by \$60 per pupil (pp) for Base Foundation districts (\$8,289) and \$120 pp (\$7,631) (2X) for Minimum Foundation districts.
- **High School Students** - \$25 pp for students in grades 9-12 due to increased costs of providing high school curriculum.
- **Shared Time** - Caps shared time for non-public school students at .75 Full Time Equivalent (FTE).
- **At Risk** – Increases allocation by \$120 million and expands eligibility to include students in Hold Harmless and Out-of-Formula districts, capped at 30 percent. Current eligible students would see a total of about \$777 pp for at risk programs and services.
- **School Reform Office** – Defunds SRO.
- **Isolated Districts** – Maintains current \$5 million funding.
- **Declining Enrollment** – Not funded.
- **Dual Enrollment** – Maintains \$1.75 million incentive allocation.
- **ISDs** – Maintains current operational funding.
- **Non-Public School Reimbursements** – Allocates \$2.5 million to reimburse non-public schools for the cost of complying with state requirements.
- **MPSERS Debt** – Allocates \$200 million from the School Aid Fund (SAF) to pay down debt due to closing the Hybrid System.
- **MPSERS Reserve Fund** - Deposits \$55 million in MPSERS Reserve Fund and allocates \$23.1 million to reimburse district's first year costs due to closing the Hybrid System.
- **MPSERS Cost Offset** – Maintains current \$100 million funding to help reduce district MPSERS costs.
- **MPSERS Rate of Return** – Reimburses districts for costs due to reduction of Assumed Rate of Return (AROR) from 8 percent to 7.5 percent.

- **Cyber Schools** – Requires an ISD with a cyber school within its boarder to flow appropriate special education (IDEA) funds to the cyber school and provide compliance monitoring.
- **Legal Action** – Provides a penalty equal to the cost if a district uses School Aid funds to sue the state.
- **Collective Bargaining** – Provides a penalty of 5 percent of state aid if a district enters into an agreement that is in violation of state law.
- **Pre-Labor Day Start** – Requires a district seeking a pre-Labor Day start waiver to hold a public hearing.
- **Membership Count** – Blend of 90 percent of the current student count and 10 percent of prior year count.

Once again schools have the new state budget in June – a good thing as districts firm up plans and staffing for the new school year. However, this time around, the wrapping up of the budget comes at a cost to schools and employees of the old, well functioning MPSERS Hybrid System – the deal the legislature made with the Governor to have the budget done before July 1st.

2. **New Student Code of Conduct to be Implemented this Fall**

The student zero-tolerance discipline rollback legislation signed into law by the Governor late last year will take effect beginning at the start of the coming school year. The law ends mandatory expulsion when students bring a weapon to school. The new law requires that other factors now be considered in determining consequences, including the student's age, disciplinary history, and other extenuating circumstances.

In a completely unscientific survey (based solely on anecdotal conversations with a few superintendents and others) it seems that some districts may not have made the necessary student code of conduct and policy revisions necessary to comply with the new guidelines.

3. **Fall Conference General Membership Meeting is Scheduled**

It is not too early to plan on participating in the Caucus General Membership meeting. We are scheduled to begin at 11:15 a.m., Wednesday, September 20th during the MASA Fall Conference in Traverse City. Lunch will be provided by our business partners.

4. **Most Legislation will Now Wait Until Fall**

Although the legislature has a few session days scheduled during the summer, most expect that further legislation will now wait until regular sessions begin again after Labor Day. Among others, we will be monitoring legislation that deals with school calendar as a prohibited subject of bargaining, Common Core repeal, ISD board by popular election, tax shifts, rollbacks, and repeals, student truancy, no rules stricter than federal, pre-Labor Day start, and sinking fund use expansion to include buses.

Jerry

Gerald Peregord
Executive Director