



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

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Dear Colleagues:

Welcome to the 2022-23 school year! Hopefully this newsletter finds your district either in full swing, or well prepared to be!

It's been a very light summer in Lansing following completion of the state budgets for the upcoming year, and it would appear that trend will continue for the next few weeks. Neither chamber has met for any truly substantive work since adjourning in the wee hours of July 1. Both the House and Senate have sessions scheduled for next Wednesday, but with the election looming on the horizon and legislators figuring out new district boundary lines, the month of September is expected to have a light schedule. With this "slow news cycle", there are only a few items to pass along this month:

1. State Revenue Numbers Continue to Do Well

As has been the case over the last several months, July's state revenue numbers again exceeded the expectations projected at the May Consensus Revenue Estimating Conference (CREC). While not at the same extraordinary levels as last year, these numbers are still quite encouraging.

For the fiscal year that began in October, the School Aid Fund (SAF) is nearly \$170 million ahead of where May's CREC expected, while the state's General Fund is doing even better with revenues running some \$470 million ahead of expected for the year to date. When compared to last July's revenue, receipts for this past month were a strong 8.9% higher than a year ago.

Particularly notable were sales tax collections that posted their second highest month in history, pulling in over \$1 billion in July (the second consecutive month with sales tax receipts over \$1 billion). This total was 15.6% higher than July 2021!

This revenue report continues to provide optimism as we head into the 2022-23 fiscal year beginning on October 1.

2. "Let MI Kids Learn" Campaign Submits Signatures

Earlier this month, the "Let MI Kids Learn" initiative campaign submitted more than 500,000 signatures for their proposals that would create "student opportunity scholarships" and tax credits for those who make contributions to scholarship-granting

organizations. The “student opportunity scholarships” would be able to be used for a variety of educational expenses including private school tuition, home-school materials, transportation, tutoring, other private services, and more.

To be able to receive funds, students must be a student with a disability or be from a family at or below 200% of the free/reduced lunch eligibility line (currently about \$120,000 for a family of five—two parents and three children). The campaign estimates that more than one million children in Michigan would be eligible to participate in the program.

Students attending public schools would be eligible for scholarships of up to \$500 per year, with special needs students in public school eligible for up to \$1100 annually. On the other hand, private school and homeschool students would be able to receive far more—up to 90% of the per pupil grant annually (at the current level of \$9,150 per student this would equate to \$8,235).

Scholarship-granting organizations would receive funds from taxpayers that opt to contribute a portion of their individual or corporate income tax bill to the program. The total able to be withheld from state coffers would be capped at \$500 million in the first year and go up from there by 20% per year. The total drain from tax revenues could be \$1 billion after five years—crucial revenue being diverted from public schools year after year.

The petition campaign ran behind its initial schedule, and as was demonstrated in the Republican gubernatorial race, there have been numerous problems with the validity of petition signatures this year. However, with only some 340,000 signatures needed to send the initiative to the legislature, there may potentially be enough valid signatures collected to clear certification.

By turning in the signatures in mid-August, the initiative has missed the deadline to qualify for the November ballot. However, it has long been suspected that organizers had little desire to meet the deadline, preferring instead the other mechanism available—namely that of taking the measure directly to the legislature in order to circumvent a gubernatorial veto. Under Michigan law, if an initiative has been passed by the legislature and vetoed by the governor (as this was), it can be brought back to the legislature for consideration upon the collection of the required number of signatures for a simple majority vote and passage without returning to the governor.

The next step is for the petitions to be reviewed for certification by the Michigan Bureau of Elections and the State Board of Canvassers. This process may take some time, particularly because there are other potential ballot initiatives in line before it that must be addressed for inclusion on the November ballot. Depending on when the certification occurs (if it does), the state legislature would have 40 days to act—either later this fall or winter, or perhaps even when a new legislature is seated in January. Obviously, organizers of the petition drive hope that consideration of this initiative happens in front of a Republican-controlled legislature as is currently the case, or that Republicans maintain control of both houses in the upcoming election.

If the required number of signatures are certified, public schools will need to be prepared to immediately contact their legislators urging them not to strip crucial revenue from public schools in yet another attempt to bring a voucher-type program to Michigan.

And even if passed, there is a strong possibility that legal challenges will be raised about the program given Michigan's constitutional prohibition of public funding for private education. We will keep you posted as this process continues to unfold.

3. Coming Soon—Fall General Meeting!

Make plans now to join us for our September luncheon meeting immediately preceding the MASA Fall Conference in Traverse City! As usual, this will take place just prior to the opening of the conference—however with the change of dates for the conference, the luncheon will be on **Tuesday (September 20)** this year.

The location will be in the Michigan Ballroom of the Grand Traverse Resort (just past the hotel registration desks) beginning at 11:30 a.m. Doors will open at 11:15, and the meeting will conclude no later than 12:45 p.m. An email regarding registration for the luncheon will be sent out soon to all members. Look for that in your inbox! It will be wonderful to see everyone in person again!

4. 2022-23 Membership Dues

Also, just a quick reminder to those of you who have not yet submitted your membership dues for 2022-23. Your support of the School Equity Caucus is what keeps the critical cause of equity at the forefront of discussions around the state! Please contact us if you have any questions regarding membership.

As the days get progressively shorter, here's hoping you are able to enjoy some end-of-summer relaxation over the upcoming Labor Day weekend!

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



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