



# SCHOOL EQUITY CAUCUS

*Making a difference for the public school children of Michigan*

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Dear Colleagues:

January is already drawing rapidly to a close! Here are the latest happenings:

## **1. Caucus Luncheon at the MASA Midwinter Conference**

We are looking forward to our next School Equity Caucus General Membership meeting at next week's MASA Midwinter Conference in Detroit! We will be taking a quick look back at last month's lame duck legislative session, and will be looking forward to the prospects for positive change in the upcoming legislature. Additionally, Governor Whitmer will be giving her first State of the State address the night before our meeting, so we will be attempting to read the tea leaves for clues as to where she may head in addressing issues in education.

The luncheon and meeting will be held in the Mackinac Ballroom on the 5th level of the Renaissance Center from 11:15 a.m. to 12:45 p.m. on Wednesday, February 6, 2019 (just prior to the start of the conference).

If you will be attending the conference and haven't yet signed up for the lunch, please do so today by clicking on this link:

<https://goo.gl/forms/VYJVODhHoBHEztDv2>

A special "thank you" goes out to our business partners, American Fidelity, Hutchison, Shockey, Erley & Co., and Williams & Co. for their sponsorship of the luncheon!

## **2. MSU Study Released**

It has been about one year since the School Finance Research Collaborative released its adequacy study and recommendations regarding school funding in Michigan. This past week another potentially significant study was released by researchers at Michigan State University.

Entitled "Michigan School Finance at the Crossroads: A Quarter Century of State Control", the report analyzes the state's K-12 school finance system, and provides recommendations for changes to the current funding system (most of which are based on last year's SFRC report).

Among the report's findings are the following:

- Between 1995 and 2015, Michigan ranked 50<sup>th</sup> in the nation in growth of educational funding. In 2015, funding was only 82% of the amount in 1995 when adjusted for inflation.
- Between 2003 and 2015, Michigan ranked 50<sup>th</sup> in the nation on student proficiency growth on standardized tests.
- Michigan has seen a “historic drop” in tax effort, along with massive shifts in funding away from the School Aid Fund (to line items previously funded by the General Fund).
- Michigan dramatically underfunds special education causing districts to spend \$500 per general education student to meet requirements. In some districts this number is over \$1200 per general education student. The report calls Michigan's special education funding “unusually stingy”.
- Michigan's approach to financing school facilities creates unequal opportunities for students and unequal burdens for taxpayers.
- Funding for at-risk students has fallen by 60% per pupil since the onset of Proposal A.
- Significant problems exist in the state's School of Choice and charter school funding structure.
- In a related report, the authors make a connection between funding and student learning (or lack thereof).

You can access the report and two other related documents through these links:

- Full report (87 pages, Executive Summary on page 1, Full Summary begins on page 78):  
<http://education.msu.edu/ed-policy-phd/pdf/Michigan-School-Finance-at-the-Crossroads-A-Quarter-Center-of-State-Control.pdf>
- Key findings of the report in the form of an infographic:  
<http://education.msu.edu/ed-policy-phd/pdf/Infographic-Michigan-School-Finance-at-the-Crossroads.pdf>
- Related policy brief outlining research on the connection between funding and student learning:  
<http://education.msu.edu/ed-policy-phd/pdf/Does-Money-Matter-Policy-brief.pdf>

These reports can certainly help provide additional impetus for your conversations with legislators leading up to this year's budget preparation cycle.

### **3. January CREC Sees Increased Revenues**

As reported earlier this month, the latest Consensus Revenue Estimating Conference (CREC) provided some encouraging news, at least in the short term.

Revenue for the budget year concluded last September was up significantly over previous projections. This provided both the School Aid Fund (SAF) and the state's General Fund (GF/GP) with higher starting balances than originally projected.

Looking ahead, the SAF is being projected to grow steadily at 1.6% in 2019, 2.8% in 2020, and 2.4% in 2021 – even on top of this year's higher revenue numbers. Meanwhile, the

General Fund will be much more flat in its revenue growth, according to these projections. This will add additional pressure to an already tight budget, and will make for some difficult choices.

The bottom line is that, if current trends continue, there could possibly be room for increases to the foundation allowance in the upcoming budget, but it is impossible to say how large that increase could be at this time. However, the long-term weakness in the General Fund along with numerous spending pressures could cause trouble.

We will get a better idea of where all this is headed in the Governor's budget, expected out in early March, followed by the proposals from the Republican-controlled legislature.

The next CREC will be held in May and will ultimately form the basis for the numbers to be used in the development of next year's state budget.

#### **4. Other Legislative News**

The 100<sup>th</sup> Michigan Legislature has just begun its work and the many new legislators are beginning to get acclimated. The first bills of this new session are just now being unveiled. Now's the perfect time to make connections with your legislator!

In the meantime, here are the recently-announced committees that will have the most impact on education (if your legislator is on one of these committee, your voice can be very helpful!):

##### Senate Education and Career Readiness Committee

Theis (R-Chair)	Polehanki (D-Minority Vice Chair)
Horn (R-Vice Chair)	Geiss
Bumstead	
Runested	
Daley	

##### Senate K-12 and MDE Appropriations Subcommittee

Schmidt (R-Chair)	Bayer
Outman (R-Vice Chair)	
Bumstead	
Daley	

##### House Education Committee

Hornberger (R-Chair)	Camilleri (D-Minority Vice Chair)
Paquette (R-Vice Chair)	Sowerby
Crawford	B. Carter
Vaupel	T. Carter
Reilly	Koeszar
Hall	Stone
Markkanen	
O'Malley	
Wakeman	

## House School Aid & MDE Appropriations Subcommittee

Miller (R-Chair)  
Hornberger (R-Vice Chair)  
Inman  
Albert  
Allor  
Huizenga  
Glenn

Pagan (D-Minority Vice Chair)  
Hood  
Kennedy  
Tate

### **5. Need a Speaker?**

Please contact me if you would be interested in a visit or presentation to your district or county/region superintendents' or board meeting. I truly enjoy these opportunities to interact, and these experiences help me to have more on-the-ground stories with which we can better describe the needs and circumstances of our members.

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That's all for now! As always, please be sure to be in touch with questions or concerns.

See you soon in Detroit!



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