



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

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Dear Colleagues:

I hope your school year is off to a great start! Attention in Lansing is fully focused on the upcoming election, with no significant legislative activity expected until sometime in November at the earliest. However, new categoricals and guidance have begun rolling out for the many programs and changes made as part of the 2022-23 budget – something that will be important to continue to monitor. As always, if you have questions or need more information as these rules and funds are distributed, please do not hesitate to contact us!

With that introduction, here is the latest news:

1. General Meeting Held

The School Equity Caucus Fall General Membership meeting was held last week in Traverse City during the MASA Conference. Thanks to those members who were able to attend! Matt Kurta gave an excellent overview of the upcoming election and its potential political impact. In addition, the 2022-23 goals of the Caucus were reviewed. (Goals for this year are also attached to this email.)

A big “thank you” goes to the MASA conference planning staff who assisted with arrangements, and we also very much appreciate the participation of our outstanding business associates: American Fidelity Education Services, Northland Securities, and the Christman Company. The support of all of these individuals makes this luncheon possible!

We look forward to seeing you all again at the MASA Winter Conference in Kalamazoo!

2. Supplemental Appropriations Bill Approved

SB 842 (sponsored by Sen. LaSata) has passed both chambers and has been sent to Governor Whitmer. This bill provides for a number of cleanups and other elements related to the 2022-23 School Aid Fund budget, including the following:

- **Details of the scholarship program to be created and funded with \$250 million allocated in the 2022-23 state budget.** Scholarships under the title of “Michigan Achievement Scholarships” will be available for students in the Class

of 2023 and following, with estimated family contributions on the FAFSA of \$25,000 or less. For qualifying students, the maximum award would be:

- \$2,750 per year for community college students
- \$4,000 per year students attending private colleges
- \$5,500 per year for students attending public universities

Scholarships would be renewable up to five years. The bill also lays out a number of other details regarding the structure and awarding of these scholarships. These students would not be eligible to also receive a Michigan Competitive Scholarship.

\$10 million of the \$250 million allocation would also be set aside for awards to students choosing to attend a qualified training program after high school. These awards would be \$2,000 for two years.

The bill adds language that the legislature intends to increase deposits into the scholarship fund by \$50 million per year as the program is fully implemented. The initial cost of the Michigan Achievement Scholarship program is estimated to be \$170 million in the first year, increasing each year as new graduating classes become eligible for the program. Full implementation of the program, to occur in the 2027-28 fiscal year, is currently estimated to cost \$560 million per year.

- **\$12 million in General Fund (GF/GP) dollars for a vendor (“Beyond Basics”) to provide literacy tutoring services and enrichment activities over a three-year period.** These services would take place in three different areas of the state, and would be required to serve at least 3,000 students.
- **\$200,000 to Square One to host robotics programs and competitions.**
- **Various technical fixes to ensure correct implementation of special education provisions in Sections 51a and 56 of the budget bill.** This action addresses concerns raised by many in the educational community that the intent of the legislature was not reflected in the language of the budget bill as originally written.

3. School Safety and Mental Health Updates

This week Governor Whitmer announced appointments to the new School Safety and Mental Health Commission. This commission was created during the 2022-23 budget process, and is designed to strengthen student mental health and reduce youth suicides. The commission will be chaired by the Deputy Director of the Michigan State Police, and is made up of individuals appointed by the Governor considering recommendations from the Senate Majority Leader, Speaker of the House, House Minority Leader, and Senate Minority Leader plus individuals connected to the Department of Education, Michigan State Police, and the Department of Health and Human Services. You can read more on this new commission and the appointees be [clicking here](#).

In related news, the House School Safety Task Force provided an update to the House Rules and Competitiveness Committee this week. This bipartisan task force consists of eight members of the House and was appointed in the wake of the Oxford High School shooting. The group has proposed a total of 14 new bills (**HBs 6319 – 6332**) that will now potentially begin their path through the legislature. In their report, the task force also

connected some of these bills to school safety and mental health allocations made in the 2022-23 state budget. We will be watching whether this legislation moves as we head toward the “lame duck” session of the legislature after the November election.

4. Election Date Change Proposed

This week the Senate Elections Committee sent three bills (**HBs 4530/4531 and SB 130**) to the full Senate that would have an extremely negative impact on school elections. The two House bills have already passed in that chamber, so passage in the Senate would mean they are near the finish line.

In short, the bills would eliminate the May election date and would move the August primary date to June. The result would be that would only be two potential election dates on the calendar – June and November. When considering the numerous deadlines for both elections and taxation, this change would present a lengthy list of serious issues for schools and taxpayers. Among those would be potential problems if voters were to not approve their 18-mill non-homestead tax in any given election. It would also cause major challenges with the timing of bond issuance following a successful bond election.

Education organizations are suggesting instead to eliminate the August date, move the May election date to June as a primary date, and make the March presidential primary date a permanent option for bond elections, etc. This would leave three election windows (March, June, and November), and still allow more turnaround time between the primary and general elections (the short time frame between the August primary and the November general election is one of the reasons for the advancement of this legislation).

For more, [this testimony](#) submitted by the Thrun Law Firm to the committee provides extensive background information.

5. In Other Legislative News...

In the limited session days recently, the following bills were among those seeing action:

- **HB 5703** (sponsored by Rep. Glenn) has passed both houses of the legislature on a greater-than-partisan basis (28-5 in the Senate and 84-20 in the House) and is headed to Governor Whitmer where its fate is uncertain. This bill requires the following phrases to be posted in each public school district:
 - “Religion, morality and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.” (Section 1 of Article VIII of the Michigan Constitution of 1963)
 - “It is the natural, fundamental right of parents and legal guardians to determine and direct the care, teaching, and education of their children. The public schools of this state serve the needs of the pupils by cooperating with the pupil's parents and legal guardians to develop the pupil's intellectual capabilities and vocational skills in a safe and positive environment.” (Section 10 of the Revised School Code)

These phrases would be required to be posted in all of the following locations:

- The room or rooms in which the school board holds its meetings.

- An office in the school district's administrative building.
 - The principal's office at each school in the district.
- **HBs 4939/HB 4940** (sponsored by Reps. Damoose and Tate, respectively) have passed the Senate and been returned to the House for final approval (the bills previously passed the House last November). These bills would exempt the amounts of rebates on auto sales from the collection of sales or use tax. The bills also provide that the School Aid Fund would be "held harmless" for any loss of revenue as a result of this exemption (to be made whole by the state's General Fund). The total estimated amount of revenue lost is between \$25 million and \$33 million annually.
 - **SB 184** (sponsored by Sen. Vanderwall) passed the Senate last week and has been sent to the House. This bill would require a drinking water safety plan for every school in the state, and would require that all drinking water be filtered by the end of the 2024-25 school year. The bill also includes a provision requiring that the legislature must fully fund the costs associated with implementing this program.
 - **HBs 5501/5508/5509** (sponsored by Reps. Clements, Carter, and Puri, respectively) make adjustments to the recent legislation permitting cameras to be mounted on school bus stop arms. Among other tweaks, these bills
 - remove the requirement that cameras be able to read a license plate at a distance of 200 feet,
 - changes language to place the responsibility for violations on the owner of the vehicle rather than on the operator as is currently written (due to the fact that in many cases it may be difficult or impossible to determine the operator of the vehicle), and
 - allows (but does not require) the civil fine for violating school bus stop laws to be paid to the school district rather than the local municipality.

These bills passed the House this week and are now headed to the Senate.

- **HBs 6039/6040** (sponsored by Reps. Wendzel and Morse, respectively) provide that students who are enrolled in an early/middle college program, who are in their fifth year of high school, and are ineligible to participate in high school athletics (for reasons other than academic ineligibility), may participate in collegiate athletics at the institution through which they are enrolled for the early/middle college program. This bill passed the House last week and has gone to the Senate.

6. State Revenue Still Looking Good

The next-to-last monthly state revenue report of the 2021-22 budget year once again ran ahead of projections from the May Consensus Revenue Estimating Conference (CREC). As of August 31, with one month to go before the end of the state fiscal year (that ends today), School Aid Fund (SAF) collections for the year-to-date were \$249.2 million above the May projections, while General Fund revenues were \$706.3 million higher than expected. This bodes well for strong carry-over fund balances as we head into the 2022-23 fiscal year beginning on October 1.

For the month of August, the sales tax continued its recent strong performance, while income tax collections ran somewhat behind their expected pace. However, on an annual basis both major revenue sources are running well ahead of where they were a year ago, with the sales tax up 14.7% over 2020-21 and net income tax up 22.0% – those amounts were five and eight percentage points respectively higher than projected by the May CREC.

That's it for this month! As always, please be in touch with questions or concerns.



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