



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

121 W Allegan • Lansing, Michigan 48933
www.schoolequitycaucus.org
schoolequitycaucus@gmail.com
269-806-6159

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Dear Colleagues:

It's hard to believe the month of October is already here! I hope you are successfully finding your way through all of the many new adventures that this school year is bringing.

As we close in on the 2020 election, members of the House of Representatives have been motivated to hit the campaign trail! Work was wrapped up on the budget and things are settling down for the moment. Here's the latest news:

1. 2020-21 Budget Finalized

As was reported last month, the August Special Consensus Revenue Estimating Conference forecast much more money to be available in both the School Aid Fund (SAF) and the General Fund (GF/GP) than had been projected in May. This revision, assisted by the infusion of federal dollars through CARES and ESSER, helped the state's 2019-20 budget end in much better shape than how things had looked some months ago. In turn, this also provided more money for legislators and Governor Whitmer to utilize in preparing the 2020-21 budget.

As a result, the SAF budget, passed by the House and Senate last week and signed into law by Governor Whitmer earlier today, looks relatively positive for schools. Highlights of the budget as passed include the following:

- Foundation Allowance – The foundation allowance for minimum foundation districts will remain at \$8111, with the target (“Hold Harmless”) foundation allowance remaining at \$8529. In so doing, the \$175 cut made to the foundation allowance to balance last year's books has been fully restored. Additionally, the following modifications were made:
 - Student count for purposes of calculating funding received through the foundation allowance will be based on a 75/25 blend of last year's and this year's count to help districts impacted by fewer students this year as a result of COVID-19.
 - An additional \$95 million (approximately \$65 per pupil) was allocated on a one-time basis. This funding will be distributed based on a student count blend of 50/50 (last year vs. this year). Because fears remain about the long-term health of the economy, the legislature chose to allocate this money on a one-time basis rather than rolling it into the foundation allowance.

- A further \$66 million was allocated for districts whose enrollment will show an increase in 2020-21, so that they could be funded at their “would have been” level using the standard pupil funding blend rather than the 75/25 last-year/this-year blend included in this year’s budget. Districts who may qualify for these payments, but whose foundation allowance exceeds the “Hold Harmless” (Target) foundation allowance, will receive the differential payments at the Target foundation allowance level.
- At-Risk (31a) – funding was maintained at the same level as in 2019-20.
- MPERS – An additional \$195 million was allocated to address state obligations to the MPERS system, primarily as a result of a reduced assumed rate of return.
- ISD General Operations – Funding is maintained at current levels.
- Special Education Reimbursement - The new line item included in the 2019-20 budget that provided for additional Special Education reimbursements received a small \$2 million increase this year over current levels. The governor had originally requested an increase of \$60 million to raise the reimbursement from 2% to 4% of costs. This reimbursement is over and above the “required” reimbursements, which also saw an increase due to an increase in costs.
- Hazard Pay – Payments announced last year for teachers were included in this year’s budget. In response to calls from the education community, hazard payments in the amount of \$250 were also included for support staff. More information will be forthcoming on these payments, including direction on how support personnel employed on a contract basis will fit into the program.
- Teacher Retention Incentive – A new program was created to provide incentives for first-year teachers to continue teaching. This amount is set at \$1000 per teacher in districts where at least 70% of students are economically disadvantaged and \$500 for all other districts. To qualify, districts must provide an additional match of \$500.
- Community Colleges & Higher Education – Community colleges continue to be fully funded out of the School Aid fund, this year to the tune of \$425 million. Universities are receiving more than \$343 million in funding from the School Aid Fund for 2020-21.
- School Mental Health Grants – Funding was increased by \$5.6 million to a total of \$35.6 million.
- GSRP – Funding is maintained at current levels. Income eligibility thresholds were waived, but priority is still to be given to students from low-income households.
- Literacy Coaches – Funding is maintained at current levels, with an additional \$3 million allocated for literacy essentials training (\$500,000 of which is set aside for principal training).
- Bilingual Education – Funding is maintained at current levels (the governor had originally called for an increase to this line item).
- School Meal Debt Forgiveness - \$1 million was allocated to reimburse districts that have forgiven all outstanding student meal debt. Applications are due by December 1st.
- Strict Discipline Academies/Dropout Recovery – Current levels of funding were maintained for strict discipline academies and a dropout recovery program.
- Other Programs Receiving Increases
 - Funding for Michigan Virtual University was increased by \$1,187,500
 - Reimbursement for AP testing was increased by \$200,000

- Other Items Newly Included:
 - \$2 million for an attendance recovery program
 - \$2 million for Northern Michigan University and Detroit Public Television to develop an online curriculum
 - \$1 million to support a three-year pupil blend for Benton Harbor Schools
 - \$500,000 for the Orton-Gillingham Dyslexia tool
 - \$500,000 to the Chaldean Community Foundation
 - \$150,000 to fund a study of virtual learning
 - \$150,000 for a Women in Technology program
- Restoration of Programs – Several programs totaling nearly \$8 million that had been vetoed by Governor Whitmer last year were restored, including Imagine Learning (\$1.5 million), Algebra Nation (\$1 million), and Teach for America (\$1 million) among many others.
- Items Not Included – Governor Whitmer’s original pre-COVID budget from last winter had proposed a number of additional items which did not make the cut. In addition to items mention above, this list includes:
 - The proposed classroom supply stipend for teachers
 - A proposed reduction in the foundation allowance (to 80%) for cyber schools

In addition to the dollars allocated, the budget also included a number of modifications to the language of current law. Among the most important changes are:

- Return to Learn -
 - In addition to the student’s teacher, another district employee who has “responsibility for the student’s learning, grade progression, or academic progress” is also able to participate in the two-way interaction required for attendance purposes. Further guidance was released earlier this week, and can be accessed by [clicking here](#).
 - A wording adjustment was made that permits the meetings reconfirming the district’s method of instruction to be made monthly rather than every 30 days as previously stated.
 - Districts will now be required to report on the amount and type of training provided to teachers about how to deliver virtual content.
- Kindergarten Readiness Assessment – The requirement to give the assessment this school year has been eliminated.

The full section-by-section summary of this legislation is available by [clicking here](#).

2. CARES Act Interpretation Dropped

Last month we reported that U.S. District Judge James Donato of the northern district of California had issued a preliminary injunction against a rule promulgated by the U.S. Department of Education (led by Secretary of Education Betsy DeVos) pertaining to the distribution of CARES Act funds to private schools. This rule sought to have CARES Act funds distributed to private schools based on the total number of students that attend each school rather than through use of the standard Title I formula.

Following that injunction, the U.S. District Court for the District of Columbia ordered the rule vacated. As a result, earlier this month the Department of Education said that the

rule “is no longer in effect”. It has been estimated that this reversal will result in an additional \$16 million for Michigan’s public schools.

3. Legislation Watch

As noted above, with the approval of the budget, legislators’ thoughts are turning to the November election. There are only a few session dates scheduled in October. Here is the latest on bills of interest in the legislature:

- **HB 5482**, the “Save Our Students Act” (sponsored by Rep. Schroeder), has now passed both the House and Senate and is on its way to Governor Whitmer. This bill requires a suicide prevention hotline telephone number to be printed on any ID cards issued to students in grades 6-12.
- **HB 4288** (sponsored by Rep. Hoitenga) was reported out of the Senate Committee on Energy and Technology this week. The bill would establish a statewide grant program designed to expand broadband service (not including satellite service) to unserved parts of Michigan. Applicants to the program would be eligible to receive grants of up to \$5 million.

It is obvious that the expansion of broadband is a long-overdue priority for our state, with the current unequal distribution of access a major factor in creating inequities across the state (particularly for rural areas). This particular bill, however, expressly forbids the awarding of funds to governmental entities, and in so doing potentially eliminates public-private partnerships that could bring internet into areas that might not be attractive to corporations. The Caucus, while appreciating this new emphasis on expanding broadband service, believes that that this grant program should be available to all potential applicants whose proposals could be judged on the merits, rather than only allowing corporations to be part of the process.

After moving to the Senate floor, this bill has also now been tie-barred to a House bill (HB 4268) which would exempt broadband equipment from the Personal Property Tax, thereby further reducing tax revenues for school districts and local communities at a time when these revenues are needed more than ever.

- **HB’s 6030 – 6032 & HB 6101** (various sponsors) are a package of bills designed to address issues of liability related to COVID-19.

One of the significant parts of this legislation for employers are changes to MIOSHA that would create the conditions for immunity for an employer whose employee was exposed to COVID-19. The bills would establish that employers are not liable for damages as long as the employer was operating in compliance with federal or state statutes, regulations, executive orders, state agency orders, and public health guidance at the time of the exposure.

Another piece of the package would prohibit an employee from reporting to work if they test positive for COVID-19 or display symptoms, and would also prohibit employers from taking employment action against an employee who was not able to report to work as a result of complying with this prohibition.

These bills passed the House last week, and are now in front of the Senate Committee on Economic and Small Business Development.

4. Virtual General Membership Meeting Being Planned

With the cancellation of this fall's MASA Conference, we were unable to hold one of our two annual General Membership meetings. However, we would still like to get together with you even if it is virtually!

Therefore, planning is underway for a General Membership meeting to be held in early November. Watch for more information in the next few weeks!

That's all for this update! Please do not hesitate to be in contact with any questions or concerns.



Dirk Weeldreyer
Executive Director
(269) 806-6159
schoolequitycaucus@gmail.com