

Charlie Glaes - Legislative Update for the Week of March 1-5

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Michigan Pulls Hamstring in Race to the Top

Michigan did not score well enough to be among the finalists for the federal "Race to the Top" grants, but officials said Thursday they would continue work to implement the reforms enacted as part of the effort to apply for the grants.

The U.S. Department of Education selected 16 finalists for the first round of the competitive grants, and no more than about half of those will actually see any funding when the grants are announced next month, said U.S. Secretary of Education Arne Duncan in a press conference Thursday.

But he said there would still be money available, at least \$2.5 billion, for Michigan and other states that try again during the second round of applications in June. And he said President Barack Obama's proposed budget includes funding for a third round during the 2010-11 fiscal year.

And Michigan will move ahead with its reforms even without the funding, Superintendent of Public Instruction Mike Flanagan said. Michigan was not widely expected to see any funding in the first round of grants. Still, that the state failed to even to make the list of finalists jarred some.

Mr. Duncan said feedback on all the applications would be released in April after the grants are awarded. The federal agency will also schedule a meeting where losing states can discuss programs with the finalists and winners as part of their effort to improve their next applications.

State Department of Education spokesperson Martin Ackley said that while the MDE was anxious to begin work on improving their application for the second round, there was no way to know what additional reforms the state might have to make until it receives feedback on the first application.

Meanwhile, the House Appropriations Committee failed to approve a bill that would spend \$25 million in federal stimulus money for 14 staff positions related to the state's enactment of the education reforms.

The vote on [HB 5405](#), which would allow the Department of Education to develop assessments to measure student knowledge growth, create an alternative teacher certification program and oversee the administrator certification program, failed 12-12.

All 12 Republicans on the panel opposed the bill, while not all of the 19 Democrats were present and a few abstained from the vote.

ORS Director Stoddard Presents to MASA/MAISA Joint Legislation Committee

Michigan Office of Retirement Services Director Phil Stoddard gave a presentation on Governor Granholm's retirement reform proposal to the MASA/MAISA Joint Legislation Committee on Wednesday. Committee members took advantage of the opportunity to ask Director Stoddard several pointed questions about how the proposal would impact Michigan's schools. They received direct answers and, in the end, voted to support the reform proposal in concept, though the committee took a position in opposition to the concept of a multiplier increase because of the cost to the system.

While legislation is not yet available for review, bills are expected soon. MASA/MAISA will continue to follow this issue closely as it moves forward.

In the meantime, copies of Mr. Stoddard's presentation and a list, by district, of the number of eligible retirees currently in the system are available online. The presentation can be accessed by [clicking here](#). The list of numbers of eligible retirees is available by [clicking here](#).

Senate Committee Examines Election Consolidation

Schools would have to hold their elections in November or in August of even-numbered years under legislation examined Thursday by the Senate Education Committee.

The committee did not vote on the bills ([SB 751](#), [752](#), [753](#), [754](#), [755](#) and [756](#)), but could do so next week, said Sen. Wayne Kuipers (R-Holland), the committee chair.

Supporters of the bills said they would save schools that now hold standalone elections on different dates - and thus bear the cost of those elections - money at a time when revenues have fallen for all levels of government.

The bills could save school districts \$7 million, according to the Senate Fiscal Agency. School districts, most of which now hold elections on the first Tuesday after the first Monday in May, would hold their elections either in November or August of even-numbered years. However, they also could hold elections in November of odd-numbered years if at least one city in the district held an election at that time and it contained more than half of the school district's voters.

A number of school groups, including MASA, stated their opposition to the bills.

Community College MPSERS Opt-Out OK'd

Community colleges could opt out of the Michigan Public School Employees Retirement System (MPSERS) and instead offer a 401(k)-style retirement plan under a bill approved by the committee.

The committee approved [SB 802](#) on a 3-1 vote. Community colleges pushed for the bill, saying MPSERS is eating up an ever-rising amount of their state aid. Washtenaw Community College noted that the college's contribution to MPSERS will equal 81 percent of its state aid in the 2010-11 fiscal year compared to 46 percent in the 2005-06 fiscal year.

However, public school officials, including MASA, opposed the bill on the grounds that it will destabilize the system and raise the costs for Michigan's public schools.

Panel Hears Testimony on Health Care Reform

Local officials expressed support Tuesday for the Senate Republican plan to require all public employees to contribute at least 20 percent toward their health insurance costs while unions were predictably opposed. Multiple superintendents testifying before the committee said they supported the plan. But they also urged the Senate to pass new revenue, possibly Governor Jennifer Granholm's sales tax on services.

Also at issue was the question of who would reap the savings from the plan. Top Senate Republicans have said the money saved from their proposal would go toward eliminating the state's budget deficit, but local officials told the Senate Reforms and Restructuring Committee that they support the legislation as a way to get control of deficits at the local government and school district level.

Sen. Mark Jansen (R-Gaines Twp.), sponsor of the plan ([SJR P, SB 1046](#)), said he also sees the legislation as a way to help local governments and school districts get control of their budgets. He said the state would not reduce revenue sharing to local governments and funding to K-12 public schools by a dollar for each dollar saved through his plan.

Mr. Bishop said he would like the committee to vote next week on the package (which also includes [SB 1047](#)). But he also said he would not rush the legislation. The constitutional amendment requires a two-thirds majority, which means 26 of 38 senators must support it - four Democrats and all 22 Republicans.

Senate Panel Approves \$500 K for SRRO

The Department of Education would receive \$492,800 to pay for 13 new staffers, including a State Reform and Redesign Officer (SRRO), to administer the education reforms made when the state passed bills last year as part of its effort to win federal "Race to the Top" funds under a bill unanimously approved Wednesday by the Senate Appropriations Committee.

Superintendent of Public Instruction Mike Flanagan had called on the Legislature to provide the necessary funds, and the committee approved money that would pay for the school redesign officer that would oversee failing schools. The move ([HB 5394](#)) would allow the department to hire that officer by April 1 and the rest of the staff by July 1.

An analysis from the Senate Fiscal Agency indicated the full-year cost in the 2010-11 fiscal year would be \$1.7 million.

The \$492,800 approved for the current year would come from the state's general fund.

Senate Appropriations Approves New Buffalo Scholarship Bill

American Indian-run casinos can give directly to a local school district's scholarship fund under legislation that unanimously moved out of the Senate Appropriations Committee today.

SB 1097, sponsored by Sen. Ron Jelenik (R-Three Oaks), came at the request of the New Buffalo School District, which hoped to replace the now-extant state-sponsored Promise Scholarship Grant with their own scholarship program funded by an allotment given to the schools by the new Four Winds casino.

Mark Westerburg, the superintendent of the New Buffalo School District, testified that at a time when the district has lost a quarter of a million in revenue, it now has the opportunity to recreate the Promise Grant at a local level with money set aside through the 20-year gaming compact with Four Winds.

In New Buffalo, 47 percent of the students qualify for free or reduced lunches and their parents are struggling to get by, let alone put their children through college. Recreating the \$4,000 scholarship for four successful years of higher education could help these families, Westerburg said.

The plan is to create a fund that could be self-sustaining if the payments stop after the gaming contract expires.