

MASA

**Michigan Association of
Superintendents & Administrators**

Board of Education Update

September 26, 2018



Special Thanks to Mr. Peter Spadafore – Associate Executive Director Government Relations

Service • Leadership • Collaboration • Excellence

Millage Proposals

- 96.3% of millage requests were passed by voters
- School Bonds - 9 of 11
- Sinking Funds - 14 of 18
- Public safety tax increases - 86 of 90
- 88% of those that were actual increases over renewals were passed
- Road Millages - 33 of 41
- Senior Services - 28 of 28
- Parks and Rec - 8 of 10



General Election November 6, 2018



General Election

- 75/152 (49%) of statewide executive and legislative offices
- 28/38 Senate seats (71% of chamber and roughly the same percentage of each caucus)
- 43/110 House seats (39% of the chamber roughly the same percentage of each caucus)*
- 4/4 (100%) of statewide executive offices



State Board of Education

State Board of Education

- 2/8 (25%) State Board members (both GOP) up for election
- One sitting member (Eileen Weiser) not returning
- Statewide election, 8 year term
- No straight party voting!





State Board of Education Candidate Forum

Wednesday, October 17, 2018
6:00 PM at the Kellogg Center

<http://gomasa.org/SBEforum>



School Aid Erosion

School Aid Erosion

PA 158 of 2010 – COMMUNITY COLLEGES

Sec. 301. It is the intent of the legislature that the state school aid fund revenues appropriated under part 1 for community colleges for the fiscal year ending September 30, 2010 shall be considered a loan from the state school aid fund to the state general fund and shall be repaid from the state general fund to the state school aid fund over a period of 5 fiscal years beginning in the fiscal year ending September 30, 2012.

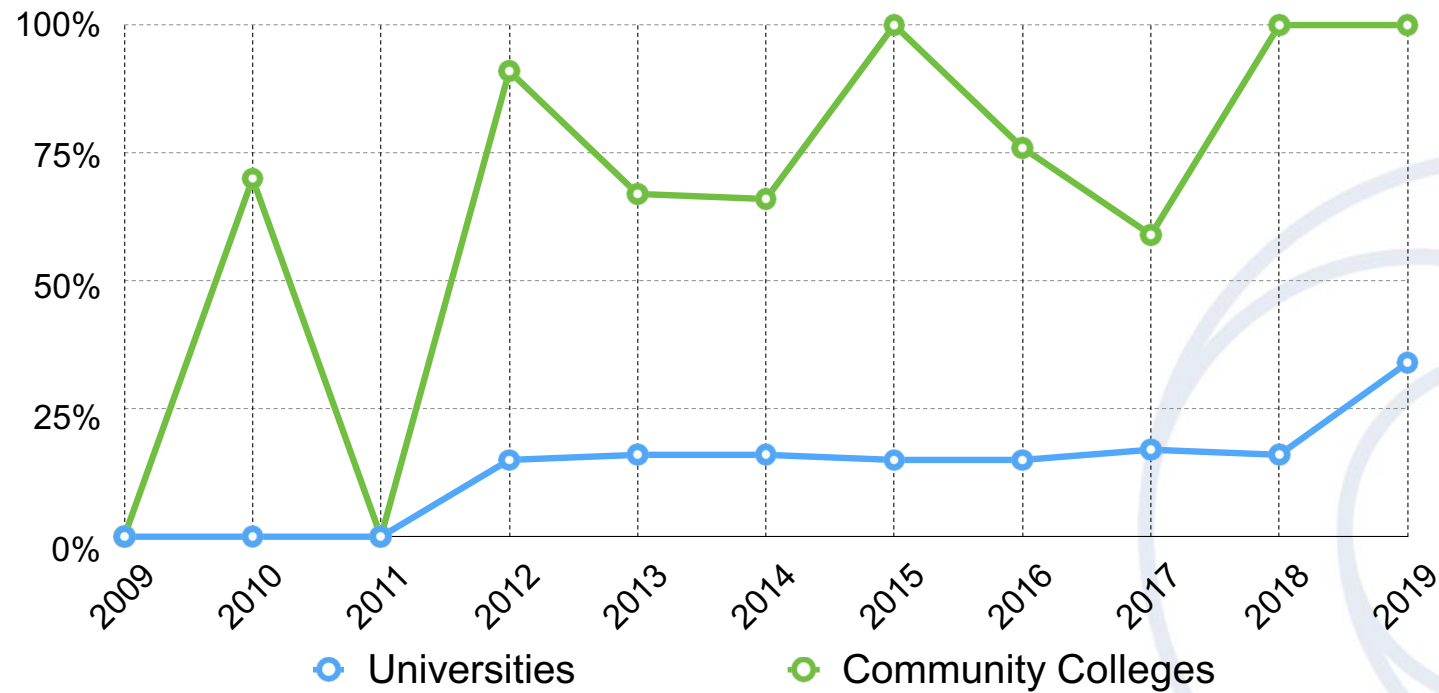
- \$4.5 billion since 2010
- Started out as a loan
- Foundation still 2012 levels

School Aid Erosion

| Budget Year | School Aid Fund Dollars | | Percent of Operations from SAF | | Total SAF Dollars |
|--------------|-------------------------|------------------------|--------------------------------|--------------------|------------------------|
| | Universities | Community Colleges | Universities | Community Colleges | |
| 2009 | \$0 | \$0 | 0% | 0% | \$0 |
| 2010 | \$0 | \$208,400,000 | 0% | 70% | \$208,400,000 |
| 2011 | \$0 | \$0 | 0% | 0% | \$0 |
| 2012 | \$200,019,500 | \$259,629,400 | 15% | 91% | \$459,648,900 |
| 2013 | \$200,465,700 | \$197,614,100 | 16% | 67% | \$398,079,800 |
| 2014 | \$200,465,700 | \$197,614,100 | 16% | 66% | \$398,079,800 |
| 2015 | \$206,467,900 | \$364,724,900 | 15% | 100% | \$571,192,800 |
| 2016 | \$205,179,500 | \$256,714,800 | 15% | 76% | \$461,894,300 |
| 2017 | \$237,109,500 | \$260,414,800 | 17% | 59% | \$497,524,300 |
| 2018 | \$238,343,500 | \$398,301,500 | 16% | 100% | \$636,645,000 |
| 2019 | \$500,088,300 | \$418,215,500 | 34% | 100% | \$918,303,800 |
| Total | \$1,988,139,600 | \$2,561,629,100 | | | \$4,549,768,700 |

School Aid Erosion

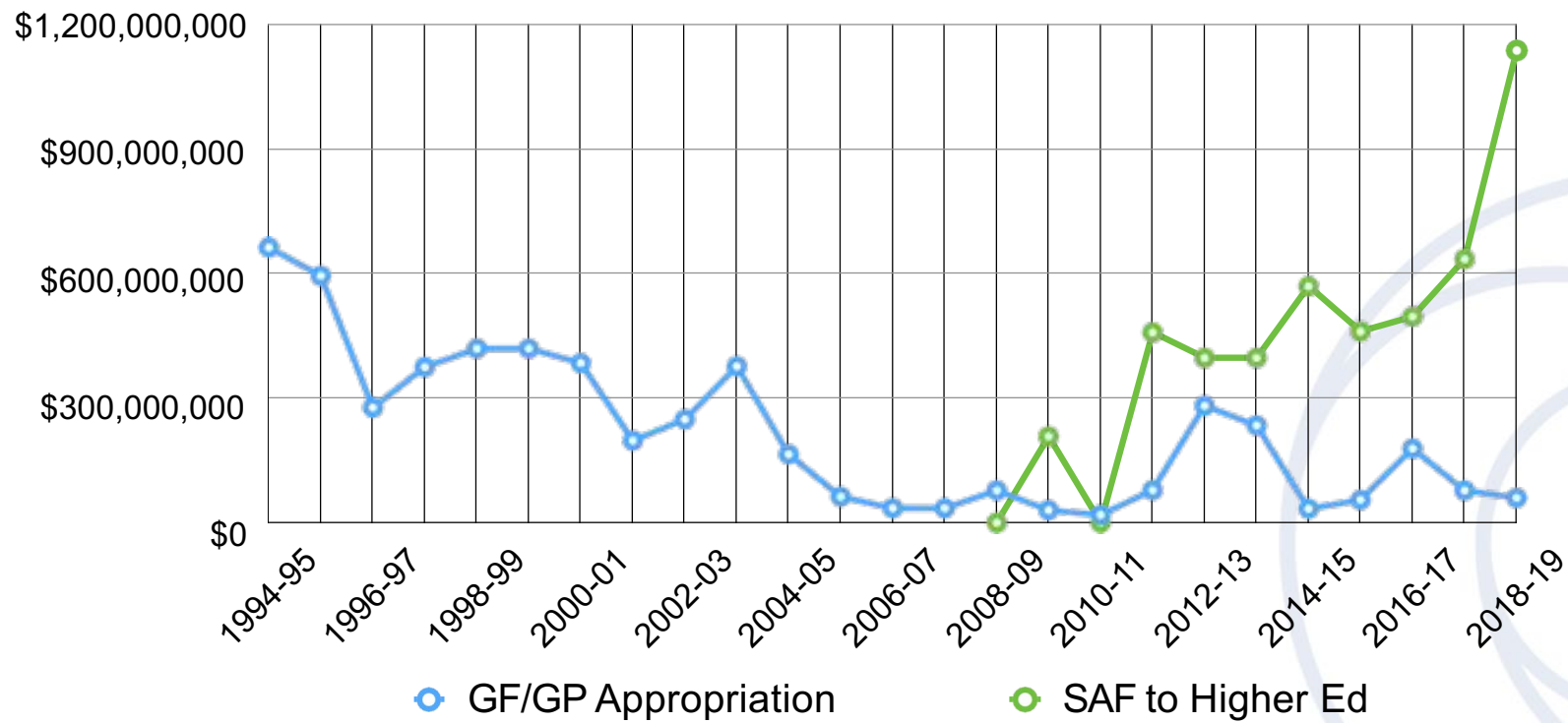
Percent of Operations Funded by SAF



Source: Michigan League for Public Policy

School Aid Erosion

General Fund and School Aid Swap



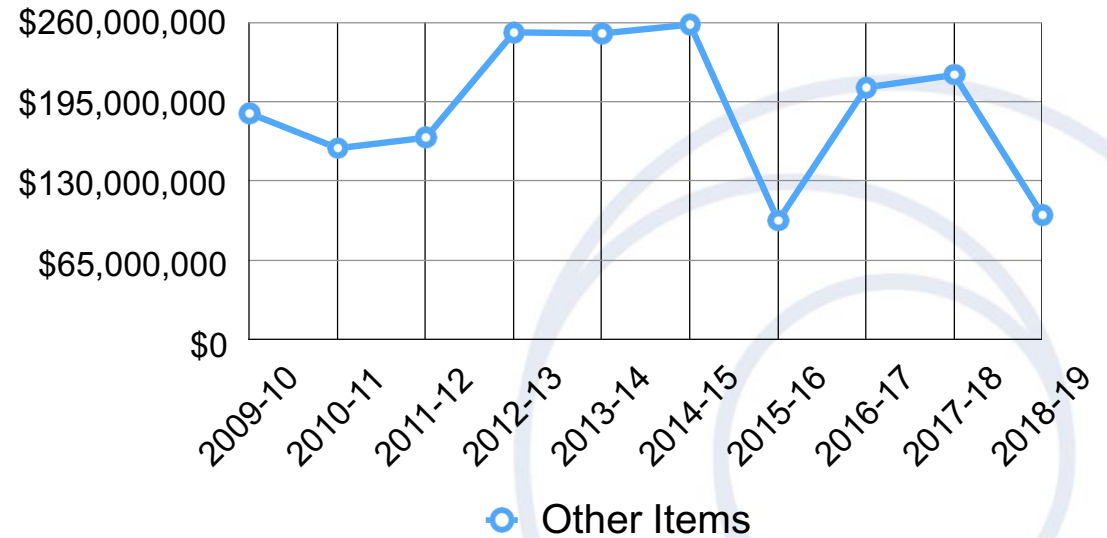
Source: Michigan League for Public Policy

School Aid Erosion

Other Expenditures

| Fiscal Year | Amount |
|-------------|---------------|
| 2010 | \$186,140,200 |
| 2011 | \$157,490,700 |
| 2012 | \$166,155,400 |
| 2013 | \$252,831,900 |
| 2014 | \$251,937,700 |
| 2015 | \$259,221,500 |
| 2016 | \$97,807,600 |
| 2017 | \$207,503,000 |
| 2018 | \$217,849,200 |
| 2019 | \$102,548,700 |

Stop the Bleeding



Source: House Fiscal Agency

School Aid Erosion

| Sec. | Program | FY 2006-10 | FY 2010-11 | FY 2011-12 | FY 2012-13 | FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|--------------|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| | | YTD | YTD | YTD | YTD | YTD | YTD | YTD | YTD | YTD | YTD |
| 11g | Duram - Debt Service | \$39,000,000 | \$39,000,000 | \$39,000,000 | \$39,000,000 | \$39,500,000 | \$39,500,000 | \$39,500,000 | \$0 | \$0 | \$0 |
| 11j | School Bond Redemption Fund | \$40,900,000 | \$5,167,800 | \$93,575,300 | \$129,390,000 | \$131,460,000 | \$126,000,000 | \$10,500,000 | \$128,500,000 | \$125,500,000 | \$125,500,000 |
| 11m | Cash Flow Borrowing Costs | \$12,000,000 | \$15,000,000 | \$2,500,000 | \$3,200,000 | \$4,000,000 | \$4,000,000 | \$1,000,000 | \$5,500,000 | \$18,000,000 | \$24,000,000 |
| 24a | Juvenile Detention Facility | \$1,751,300 | \$1,440,000 | \$2,114,800 | \$2,135,800 | \$2,987,500 | \$2,195,500 | \$1,301,000 | \$1,328,100 | \$1,338,000 | \$1,355,700 |
| 24c | Challenge Program | \$942,300 | \$742,300 | \$765,900 | \$1,500,000 | \$1,500,000 | \$1,500,000 | \$1,497,400 | \$1,632,400 | \$1,523,400 | \$1,545,400 |
| 25e | Renaissance Zone Costs | \$35,900,000 | \$26,300,000 | \$25,137,500 | \$27,800,000 | \$26,300,000 | \$26,300,000 | \$20,000,000 | \$17,000,000 | \$15,000,000 | \$15,000,000 |
| 26a | P/I,T Reimbursement | \$2,400,000 | \$2,400,000 | \$3,000,500 | \$3,169,500 | \$4,009,500 | \$4,210,000 | \$4,276,800 | \$4,405,100 | \$4,405,100 | \$4,405,100 |
| 31a(6) | Adolescent Health Centers | \$3,557,300 | \$3,557,300 | \$3,557,300 | \$3,557,300 | \$3,557,300 | \$3,557,300 | \$3,557,300 | \$3,557,300 | \$6,037,000 | \$6,957,000 |
| 31a(7) | Hearing and Vision Screening | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 | \$5,150,000 |
| 31f | School Breakfast Program | \$9,625,000 | \$9,625,000 | \$9,625,000 | \$9,625,000 | \$9,625,000 | \$9,625,000 | \$2,500,000 | \$4,500,000 | \$4,500,000 | \$4,500,000 |
| 32f | School Readiness - Concessions | \$7,875,000 | \$7,875,000 | \$8,875,000 | \$8,875,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 65 | Precollege Engineering Grants | \$905,100 | \$905,100 | \$0 | \$0 | \$0 | \$0 | \$340,000 | \$340,000 | \$340,000 | \$400,000 |
| 74 | School Bus Inspectors | \$1,403,900 | \$433,900 | \$1,000,900 | \$1,634,900 | \$1,674,000 | \$1,691,500 | \$1,690,700 | \$1,695,700 | \$1,705,300 | \$1,729,900 |
| 104 | MEAP Tests - State only | \$26,630,700 | \$49,156,400 | \$75,194,400 | \$26,094,400 | \$26,094,400 | \$41,394,400 | \$43,994,400 | \$33,894,400 | \$29,709,400 | \$32,509,400 |
| 20f | Community Colleges | \$206,400,000 | \$0 | \$195,880,100 | \$197,614,100 | \$197,614,100 | \$364,724,900 | \$299,714,800 | \$280,414,800 | \$396,301,500 | \$418,215,500 |
| 23d | Higher Education | \$0 | \$0 | \$200,219,100 | \$200,505,700 | \$200,505,700 | \$204,505,700 | \$205,179,500 | \$237,109,500 | \$238,343,500 | \$200,268,300 |
| Total | | \$384,548,200 | \$107,496,700 | \$425,804,100 | \$656,911,700 | \$656,917,500 | \$836,414,300 | \$339,791,900 | \$795,827,300 | \$849,679,200 | \$1,140,456,300 |

Source: House Fiscal Agency

Precollege Engineering Grants

Adolescent Health Centers

PILT Reimbursement

Juvenile Detention Facility

Durant - Debt Service

School Readiness - Competitive

Challenge Program

Renaissance Zone Costs

School Breakfast Program

School Bond Redemption Fund

Cash Flow Borrowing Costs

Bus Inspections

Hearing and Vision Screening

School Aid Erosion - What Did We Get?

- Swapped Michigan Business Tax with the Corporate Income Tax
 - Total Cost: \$1.5 Billion
- Legacy business tax credits
- Repeal of the personal property tax
- Triggered income tax rate cuts
- Small property and sales tax exemptions
- Increase in the personal exemption



Report: Michigan's school funding cuts among deepest nationwide

By REBECCA KRUTH • DEC 10, 2015

Michigan's new education budget could mean looming school closures

Alice Yin, Associated Press Published 7:52 a.m. ET June 30, 2018

MICHIGAN POLITICS & ELECTIONS

Michigan House approves massive education funding cut, critics say it 'balances the budget on the backs of our children'

Updated May 5, 2011 at 9:07 PM; Posted May 5, 2011 at 8:42 PM

Detroit Free Press

PART OF THE USA TODAY NETWORK

HOME NEWS SPORTS BUSINESS AUTOS LIFE ENTERTAINMENT EVENTS OPINION Slider JOBS USA TODAY SUBSCRIBE MORE

Study: Michigan special education is underfunded by \$700M

Leri Higgins, Detroit Free Press Published 11:37 a.m. ET Nov. 22, 2017 | Updated 4:55 p.m. ET Nov. 22, 2017

43 Michigan school districts' credit ratings cut

Shawn D. Lewis, The Detroit News Published 12:05 a.m. ET Aug. 31, 2015 | Updated 10:00 a.m. ET Aug. 31, 2015

The Detroit News

HOME NEWS SPORTS BUSINESS AUTOS LIFE + HOME ENTERTAINMENT OPINION PHOTO + VIDEO SUBSCRIBE

Mich. Senate approves charter school millage shift

Jonathan Oosting, Detroit News Lansing Bureau Published 1:36 p.m. ET Oct. 18, 2017

Why would Snyder seek \$430M cut in Mich. school aid?

Nancy Kaffer, Detroit Free Press Columnist Published 3:35 p.m. ET Dec. 8, 2016 | Updated 9:22 a.m. ET Dec. 9, 2016



SCHOOL FINANCE
RESEARCH COLLABORATIVE

SFRC – Recommendations

1. The base per-pupil cost to educate a regular education K-12 student in Michigan is \$9,590, which does not include transportation, food service or capital costs, and only includes pension costs at 4.6% of wages.
2. In addition to the base per-pupil cost, a percentage of the base cost should be provided for special education, English Language Learners and students living in poverty, and an additional 10% of the base cost for CTE enrolled students.
3. Enrollment size adjustment in addition to the base to address the absence of economies of scale. Applicability to charter schools is possible. Examples follow:
 - An additional \$1,892 per student in a district with enrollment of 670 students
 - An additional \$717 per student in a district with enrollment of 1,700 students
 - An additional \$364 per student in a districts with 5,020 students

SFRC – Recommendations

4. Charter schools should have the same base per-pupil funding for a regular education student and the same adjustments to the base amount that traditional districts receive.
5. It costs \$14,155 to educate a preschool student age 3 or 4.
6. Transportation costs should be funded at \$731 per rider until further study can be carried out.



The School Finance Research Collaborative brought together top industry experts to reexamine our approach to how we fund Michigan's schools to fully prepare all students for jobs and success.

Here's what they found:

[READ THE REPORT](#)

