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To: Council about Parochiaid  
From: Cara Marie Dobie  
Date: June 7, 2013  
Re: Legislative Update

### **Education Omnibus Budget Bill Sent to Governor**

Last week, the Senate passed the education omnibus budget bill that funds k-12 schools, community colleges and universities. The Senate approved the conference report, which now heads to Governor Snyder's desk to sign the bill into law. The budget was passed on mostly party lines, with Senator Rick Jones (R-Grand Ledge) crossing over to side with the dissenting Democrats, and Senator Coleman Young II (D-Detroit) not voting, as he was not present in session that day.

The \$15 billion budget (House Bill 4228), includes a 3.2 percent total increase to k-12 education, for a total budget of \$13.36 billion. However, many districts will get increases of only \$5 per pupil. The budget also gives the Great Start Readiness Program a \$65 million increase, which will allow 16,000 more students to enroll in the program for next school year. Community colleges in Michigan will see increases that average 2 percent, for a total budget of \$335.97 million. State universities will see average increases of 2 percent, for a total budget of \$1.43 billion.

While the majority leader, Senator Randy Richardville (R-Monroe), and the chair of Senate Appropriations, Senator Roger Kahn (R-Saginaw Township) praised the budget's balance and focus on education, Senate Democrats are upset with the use of School Aid Fund money in other non-education budgets. Sen. Jones, the only Republican to vote against the budget with Democrats, did so because of a promise he made to his constituents to oppose any budget using School Aid Funds for anything other than k-12 education. To defend their support of the budget, Senate Republicans drew attention to the \$230 million of the General Fund being put back into the School Aid Fund, for a net outflow of \$170 million.

Democrats also take issue with some language in the higher education portion of the budget. The boilerplate language still includes requirements to report on embryonic stem cell research and efforts to accommodate religious beliefs of students in counseling degree programs. There is also an intent statement that universities not provide health insurance/benefits for any co-resident of a university employee who is not a spouse or dependent.

### **What's Next**

Majority Leader Randy Richardville expects some pretty heavy issues to be decided upon in the last two weeks of session now that the budgets are out of the way. Healthy Michigan (Medicaid expansion with limitations plan) and road funding will at the very least be ready for serious discussion in the fall if not before the Legislature breaks for summer recess.

### **School Aid Rewrite Project Ends Without Final Report**

The group Governor Snyder commissioned to rewrite public school funding has concluded its work without issuing a final report on the project, despite releasing a draft bill last November. After Lansing attorney Richard McLellan and attorney-lobbyist Peter Ruddell released the draft bill, they planned to assemble a final proposal along with a report. However, on March 25, McLellan turned over his notes, the draft bill, and other work to Gov. Snyder's office and work on the project ended.

The project was deemed a success because Gov. Snyder wanted a draft bill and the project produced one. It appears unlikely that officials will embrace the entire proposal; however, pieces of it could move forward.

### **Snyder Answers Transparency Questions Over Skunk Works, NERD Fund**

Gov. Snyder defended his NERD (New Energy to Reinvent and Diversify) Fund and the creative process behind the "Skunk Works" education reform after *The Detroit Free Press* criticized him for not disclosing the donors or expenses of the fund. When asked if he understood why people were curious about who contributed to the fund, Snyder said it is something he's 'looking into.'

'Skunk-works' began as a behind the scenes group whose goal was to develop a low-cost model for classroom success in Michigan schools. The group proposed a plan, with a 'voucher-like' funding mechanism, which would lower costs and increase technology in the classroom. Skunk works was made up of the state's chief information officer, government employees, and private businessmen.

After Richard McLellan, a key architect, called Skunk Works a dead effort, Snyder reasoned that 'Skunk Works' was a genuine effort at rethinking the education system and encouraging more technology in school. Public opinion was mainly negative, and the group has since stopped meeting.

### **Bills of Interest to CAP**

**SJR R For-Profit Public Schools**-Sen. Rebekah Warren (D-Ann Arbor) would prohibit operation of public school on for-profit basis in state constitution. Introduced on 4/10/13 and referred to the Committee on Education.

**HB 4032 Cyber Schools**-Rep. Doug Geiss (D-Taylor) requires cyber schools post materials on website and submit to Department of Education. Introduced on 1/22/13 and referred to the Committee on Education.

**HB 4369 Education Achievement Authority**-Rep. Lisa Lyons (R-Alto) establishes the Education Achievement Authority as part of public education system and provide for its power and duties. Received in the Senate on 4/09/13 and referred to the Committee on Education.

**HB 4625 School Districts**-Rep. Pete Lund (R-Shelby Township) modifies criteria for establishment of compensation levels or adjustments. Reported in the House on 5/22/13; Substitute H-1 adopted and referred to a second reading on 5/22/13.

**HB 4797 Financially Insolvent Schools**-Rep. David Rutledge (D-Ypsilanti) provides for criteria and procedures for providing education to residents of a financially insolvent school district. Introduced on 5/30/13 and referred to the Committee on Education.

**HB 4798 Financially Insolvent Schools**-Rep. Bill Rogers (R-Brighton) considers pupils residing in district that is not financially able to provide education to residents of educating district for school aid purposes. Introduced on 5/30/13 and referred to the Committee on Education.

**HB 4813 Dissolving School Districts**-Rep. David Rutledge (D-Ypsilanti) provides for criteria and procedures for dissolution of a school district. Introduced on 6/6/13 and referred to the Committee on Education.

**SB 83 Conversion Schools** Sen. Dave Robertson (R-Grand Blanc) provides for conversion schools for public school academies. Introduced on 1/29/13 and referred to the Committee on Education.