

**To:** Council About Parochiaid  
**From:** Cara Marie Dobie and Courtney VanCamp  
**Date:** June 14, 2019  
**Re:** Legislative Report

### **Charter School Grant Vote Denied**

Much to the chagrin of the Great Lakes Education Project, (GLEP) the Democrat-controlled State Board of Education (SBE) failed to approve a \$47 million federal grant to open new charter schools. The SBE deadlocked 3-3-1, with all Republicans and one Democrat voting in favor. The GLEP alleges that the SBE rejected the grant because the money was explicitly allocated to charter schools, a move described by Beth DeShone, director of GLEP as “callous.” Democrat Casandra Ulbrich, a “no” vote, said she couldn’t sanction investing in more schools when public school enrollment is already declining. Ulbrich also said that in the past, such money was used inefficiently, and that the Department of Education tried to preempt the SBE by applying without consulting the Board.

### **'Innovative Districts' could be a 'Backdoor Voucher' Program**

Through spokesman Dave Crim, the MEA (Michigan Education Association) has come out in opposition to bills HB 4626, sponsored by Rep. Brad Paquette (R-Niles), and HB 4627, sponsored by Rep. Kathy Crawford (R-Novi). These bills would allow school districts to apply to the Michigan Department of Education for approval to waive requirements to make way for innovative programs, while keeping funding intact. Crim stated that many of the aspects in the bill are things that school districts are currently allowed to do, pending Dept. of Education approval. Crim concluded by saying that “this appears to be a backdoor voucher program to get money into private and religious schools, which we have always and will always oppose. The money following the student thing exists now in the charter school and cyber charters, both miserably failed experiments in terms of student achievement. But these bills go even further and attempt to get public tax dollars into private and religious schools through their cafeteria voucher program.”

However, the proposals for innovative schooling gained positive reviews in the committee hearing. Paquette argued that “an innovative school district shifts emphasis away from seat time to learning career and college readiness skills in line with community and stakeholder desires. It gives flexibility on customized instruction, pace and learning objectives along with the assessment of those objectives. Two specific things within this -- it allows a district to bypass the yearly paperwork that districts have to plug through to apply for each year with many of these random waivers that are out there.” Crawford contended that “some students don't learn well while sitting behind a desk 1,098 hours a year. Some educational ideas don't get conveyed well from a speaker in front of the classroom, so there are lots of ways districts can be innovative.” Crawford also described how an entrepreneurial program in the Novi schools has yielded products sold at Macy’s. Dexter superintendent Chris Timmins posited that schools have not changed in the last 100 years in how they teach students, and in many ways have regressed.

Timmins thought that the innovative programs have potential in teaching students real world, outside of the classroom skills, such as beekeeping, construction, or acting.

Timmins also thinks that these programs could help depressed children. Timmins said that “every year we have an alarming number of kids suffering from depression and anxiety. I can't even begin to share the number of families that while their child is in a day treatment center or in a full-time residential center they are worried they are falling behind on school. This bill I imagine could help us set up some kind of unique opportunity and these kids wouldn't be worried about keeping up while they are tending to their mental health. We can set a reset, and change the clock and allow them to work, maybe over the summer or when they are mentally ready to learn the academics.” Rep. Hornberger, (R-Chesterfield Twp.) offered an amendment that would treat the programs like pilot programs. She stated she was surprised at the resistance to the bill, as all aspects of it are optional.

### **Time to Fix Michigan's Education System**

A recent report published by The Education Trust – Midwest stated that unless Michigan takes immediate action, by 2030 Michigan would fall from 35<sup>th</sup> place to 45<sup>th</sup> place in fourth grade reading. A related poll of parents put fixing the state's education system as the most pressing issue facing the state, above hot-button issues such as fixing the roads. Amber Arellano, executive director of The Education Trust, said that Michigan would get the most return on investment for focusing heavily on boosting the rates of students capable of reading in the state. Arellano cited studies showing that students who can read at their grade level by third grade are not only less likely to become impoverished, but also more likely to attend college. Arellano compared Michigan to states like Louisiana and Florida. Once equitably ranked in terms of reading proficiency, a recent campaign (which was made possible by a large amount of new funding) to boost student literacy has vaulted Florida ahead of Michigan. Arellano said that if Michigan has undertaken a similar campaign as Florida, it would now be ranked third nationally for reading comprehension. However, the Florida campaign was

Arellano contended that the report shows chronic underinvestment in marginalized groups, including lower income students. Arellano took issue with the policy of holding back third grade students who do not read at an appropriate grade level because the stigma of being held back has been linked to higher rates of dropping out of high school. Governor Whitmer has called for a large increase in K-12 funding for the 2020 fiscal year.

### **Revised Social Studies Standards Passes**

On June 11<sup>th</sup>, the State Board of Education voted 6-2 to pass revised Social Studies standards that contain reference to “core democratic values,” and refer to America as a “constitutional democracy” rather than a “constitutional republic.” The Social Studies curriculum has sparked controversy in recent years. The newest curriculum has been decried by some as being too liberal, glorifying socialism and not focusing on America's role as the world's preeminent superpower. Conversely, last year's proposed new curriculum was seen by many as too conservative, with limited references to the LGBTQ rights movement, the KKK, NAACP, and *Roe v. Wade*.

## **Special Education Severely Underfunded**

Data was recently presented to the State Board of Education that showed that in 2017 Michigan's special needs students were underfunded by \$459 per child, for a total of \$629.3 million. Deputy Superintendent Scott Koenigsnecht estimated the current shortfall is likely over \$700 million. This underfunding is not breaking news, as a recent University of Michigan study shows that out of the five states that reimburse local districts for special needs education costs, Michigan is easily the lowest. Governor Whitmer's proposed budget contains an extra \$120 million in special needs education.

## **Detroit Literacy Lawsuit Continues**

The saga of the lawsuit filed by the Detroit Public Schools (DPS') alleging that the state denied students the attainment of literacy because of their race entered a new stage when the Attorney General's Office asked the Sixth Circuit Court of Appeals to deny DPS' appeal. The filing from Deputy Solicitor General Eric Restuccia argues that DPS' appeal is moot, as the state is not responsible for the comparative disparities in the quality of education received by the students in the Detroit Public School Community District. Pamela Pugh, the vice president of the Michigan State Board of Education disagreed, claiming that the DPS students required special compensation for the subpar quality of their education. The initial suit, filed in 2016 contended that DPS students were racially discriminated against because the quality of the education in their district is so poor. District Court Judge Stephen Murphy ruled that literacy was not a fundamental right, and that the law does not contain an avenue for legal recourse against the state.

## **Rice Elected New Superintendent**

Michael Rice, superintendent of Kalamazoo Public Schools, was selected to lead the Department of Education as the Superintendent of Public Instruction. Rice was elected over Randy Liepa, Wayne Regional Education Agency Superintendent, by a 5-3 vote. Members of the State Board of Education lauded all candidates, but stated that Rice's breadth of experience as a teacher, building administrator, district superintendent, and education professional in multiple states set him apart. Mr. Rice's contract has yet to be negotiated, but it is assumed he will start work on July 1.

## **Benton Harbor School Saga Continues**

Don Weatherspoon, a former emergency manager for Muskegon Heights and Highland Park, and a former consultant for Benton Harbor Schools, did not mince words when describing Benton Harbor School's situation: "the numbers don't work." Benton Harbor Schools are wracked with \$18 million dollars in debt, a poor academic environment, and a huge drop in enrollment. Benton Harbor has also been forced to take out additional state loans to pay off previous such loans. In response to these issues, Governor Whitmer had put forth an ultimatum for Friday, June 7, for the Benton Harbor school board to decide on the state's proposal to close Benton Harbor's high schools. According to Treasury spokesman Ron Leix, the state proposal adequately addresses the dual academic and financial crises.

The plan would send Benton Harbor students to one of eight other local high schools, and allow technical education at Lake Michigan College. Leix warned that if the district doesn't adopt the state proposal, other less favorable options (namely dissolution) would be explored. However, if the board approves the state plan, Leix has pledged transitional support funding. Sen. Majority Leader Mike Shirkey (R-Clarklake) supports the state proposal, stating that "the alternative is dissolution." In considering all options, Weatherspoon stated that the enrollment was too low to warrant a bailout, and consolidating the school district into just one building would not lower costs enough. Weatherspoon also acknowledged the difficult nature of the situation, describing Benton Harbor's school buildings as a symbol of the community that many want to hang on to.

Benton Harbor has pushed back hard against the state proposal, which resulted in the June 7 deadline being extended to June 14. Stephen Mitchell, president of the Benton Harbor school board, said he felt "backed into a corner" by the Friday deadline. At a June 5 town hall in Benton Harbor, a crowd of people pushed back against Whitmer's allegations of the lack of literacy in Benton Harbor schools. Governor Whitmer was roundly castigated by a group of Benton Harbor community leaders and supporters during a June 11 press conference outside of the Romney Building.

The common theme was that Whitmer benefitted from the largely black voters in Benton Harbor during her efforts to be elected, and has now hung them out to dry. Some demonstrators suspected the state wants to sell the land the school is on for development. Benton Harbor Mayor Marcus Muhammad compared Whitmer's proposal to suspend the school district's operations as an extension of Governor Snyder's "draconian policies," and called for further investment into the school district. Muhammad also hinted at wanting debt forgiveness and other "restorative" measures.

If the issue gets to the Legislature, there will be many swirling political winds to navigate. The Michigan Legislative Black Caucus opposes the closure of Benton Harbor schools. Sen. Kim LaSata (R-Bainbridge Twp.) proposed legislation keeping Benton Harbor students' Promise Scholarship eligibility intact. Mayor Muhammad urged Democrats to stand against Whitmer's proposal. Additionally, there is the possibility of Republican support for Whitmer's proposal. Senate Majority Leader Mike Shirkey (R-Clarklake) said that he thought Whitmer had "the correct position", and that "[Benton Harbor] should not count on any new special funding from the Legislature."

In preparation for the June 14 deadline, staff representing Governor Whitmer and the State Board of Education met with Benton Harbor School officials and attorneys to hear their proposed plan on June 12. The meeting has been described as "productive."

### **Does the State Budget Give Cause to Raise Taxes?**

The 1978 Headlee Amendment mandates that the state must send rebate checks if state taxes make up over 9.49% of the average taxpayer's personal income. Currently, Michigan is over \$10 billion under the cap set by the Headlee Amendment. According to Budget Director Chris Kolb, this \$10 billion dollar cushion would enable the legislature to raise money for a brand new general fund, and/or the \$2.5 billion dollars desired by the Governor for roads, education, and the environment.

Michigan has only ever exceeded the 9.49% limit three times, most recently in 2000. The reason for this, according to David Zin, Senate Fiscal Agency economist, is that in the last two decades, many state taxes

and fees have lagged behind personal income, as people spend more on untaxed services than on taxed tangible goods. Additionally, increases in personal and homestead exemptions have decreased the state's tax revenue.

Jim Stamas (R-Midland) believes that the existence of the \$10 billion tax "cushion" does not warrant an increase in taxes. Noting that Michigan's economy is at 72% of where it was prior to the Great Recession, Stamas is concerned that a boost in taxes (such as Whitmer's proposed 45 cent gas tax) would harm the vitality of the state's economic recovery. Kolb, on the other hand, contends that if taxes had kept up with inflation, the legislature would have an additional \$5.5 billion for next fiscal year. Kolb is concerned that the costs on taxpayers will be higher if taxes are *not* raised, manifested through car damage on subpar roads, or the costs of drinking contaminated water. Kolb also indicated that in the coming fiscal year, two of the administration's largest priorities will be to allot \$5 million to the Secretary of State for the redistricting commission, and \$10 million for people who have been wrongfully imprisoned.

### **Revenue for Roads Necessary in Final Budget**

Budget Director Chris Kolb expects the final budget to include new revenue for roads, in spite of Republican efforts to find new funds by cutting costs and programs. Kolb contended that after eight years of complete Republican control, if the roads could be fixed with current funds, they would have been. Whitmer's proposed 45-cent gas tax has so far failed to garner much support, particularly on the Republican side. House Republicans prefer a plan where the sales tax is not applied to fuel, and a revenue-neutral fuel tax of a corresponding amount would be added. The plan would use \$800 million dollars from schools and local governments, a condition Kolb refuses to consider. Kolb states that it is an established fact that \$2.5 billion is needed to repair the roads, and that it is necessary that this is reflected in the budget. Kolb also decried cutting funding to vulnerable schools or communities, as well as short term "gimmicks" like selling the Blue Water Bridge.

### **Adequate Education is a Fundamental Right According to Nessel**

AG Dana Nessel thinks that federal courts should recognize a "right to a minimally adequate education." This comment comes in response to a lawsuit that alleges Detroit Public School students were denied a quality education and literacy because of their race. Nessel acknowledges that the right to a public education is not present in the Constitution, but Nessel argues that many of the rights seen as intrinsic human rights are not explicit in our founding documents. Nessel's position is opposite of that of Governor Whitmer's administration, which is that the state is not the "proper" place for a legal remedy for subpar education to be found.

### **Sports Betting Could Affect School Aid Fund**

Brandt Iden (R-Oshtemo Twp.) and Governor Whitmer are "miles apart" concerning their stances on online sports betting, with Whitmer wanting to collect a 40% tax on internet bets and a 15% tax on

sports betting. Iden prefers an 8% tax. Budget Director Chris Kolb is concerned that sports betting could reduce lottery revenue, reducing the School Aid Fund.