

To: Council About Parochial Board of Directors

From: Justin Allen and Cara Marie Dobie

June 16, 2017

Legislative Report

MPSERS Overhaul

At the time of this writing, the MPSERS overhaul had passed on the Senate side (SB 401) and was being debated before certain passage on the House side (HB 4647). The bills will be exchanged for final passage and sent on to the Governor's desk next week.

After rumors and negotiations for the better part of two months, Speaker Tom Leonard (R- DeWitt) and Majority Leader Arlan Meek (R-West Olive) were able to reach a compromise with Governor Rick Snyder (R-Ann Arbor) to overhaul the Michigan Public School Employee Retirement System.

Currently, new teachers have the option of enrolling in either the hybrid pension or 401(k) plan. Under the compromise, new teachers will still have this choice, but the conditions of both plans will be drastically different. The new hybrid pension plan will cost employees a greater percentage of their salary to participate in, up to 6.2% from the current 5%, and if the plan falls below 85 percent funded for two consecutive years, the hybrid system will be closed to new employees. The total state contribution for the 401(k) system will now be raised to 7% for both new enrollees and teachers already participating in the 401(k) option; broken down as a 4% state contribution and a 3% employee contribution match. This is a mirror of the current plan for state employees.

The change does not address the existing \$29 billion unfunded liability in MPSERS. Although the assumed rate of return for the new hybrid plan will be reduced to 6%, required a greater annual contribution by the State.

K-12 Budget

The School-Aid budget conference report was signed by the School-Aid conference committee on June 8th, prior to the passage of the MPSERS compromise and remains subject to change.

As passed, the minimum foundation allowance would see a \$120 per pupil increase, while the highest-spending districts would receive a \$60 per pupil raise. This represented a middle ground between the proposed increases in the original House and Senate proposals and the executive recommendation.

The Governor's original budget recommendation had decreased funds for cyber charter schools, provided a higher level of funding to high school students, and eliminated funds sent to nonpublic schools. These changes were thrown out in the conference report agreed upon by the House and Senate.

Every Student Succeeds Act (ESSA)

The State Board of Education's new accountability system policy for public schools has been adopted, but the dashboard itself will not be launched until later this year. Questions remain about compliance with the federal government's Every Student Succeeds Act, and the U.S. Department of Education still needs to review Michigan's ESSA submission. Some of the biggest challenges with the new plan includes developing a system to differentiate schools, as required under federal law, including a requirement to have a grading system for schools. This is not a feature the new accountability dashboard will have, but instead shows state averages for each measure and also averages for similar schools statewide. For the first year, the dashboard will display existing data, but other potentially useful measures may be included.

Another challenge to solve before the dashboard's launch in late fall is how to identify schools that need assistance. The dashboard will not use a Top to Bottom List because "you're always going to have a bottom 5 percent," according to Superintendent of Public Instruction, Brian Whiston. Deputy Superintendent, Vanessa Keelser, also noted that rankings depend on everyone's performance instead of one's own.

Board members still had recommendations for the dashboard, such as access to art, special education, and more, at their latest meeting.

Rep. Kelly To Leave House for U.S. Department of Education

Rep Tim Kelly (R-Saginaw Township) will resign his house seat to become a deputy in the U.S. Department of Education, likely at some point this summer. He would become the assistant secretary for career, technical, and adult education. He is currently the chair of the House Education Reform Committee and the House Appropriations K-12 School Aid Subcommittee.

Pavlov Pushes STEM Education Bills

Senator Phil Pavlov (R-Saint Clair) is pushing SB 343, a bill that would create a new STEM endorsement on high school diplomas. Students in 7th and 8th grade would be provided the opportunity to create an education development plan that would push STEM related jobs determined to be in-demand.

The bill passed the Senate Education committee last month over objections from school groups, including MASB, that in-demand jobs change over time and may not be the same by the time middle school students actually graduate from high school.

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MICHIGAN'S HOME FOR POLICY & POLITICS

Bill Status Report
Capitol Services
Tracking group: CAP

[HJR D](#) SCHOOL FUNDING ([Barrett](#))

Ensures equal amount of funding for all local school districts by certain date.

[Text/Analysis](#)

Introduced (2/2/2017; To [Appropriations](#))

[HJR E](#) SCHOOL AID FUNDS ([Barrett](#))

Revises permissible uses of School Aid Fund.

[Text/Analysis](#)

Introduced (2/2/2017; To [Appropriations](#))

[HB 4142](#) TEACHER SHORTAGE ([Kosowski](#))

Creates teacher shortage prevention act.

[Text/Analysis](#)

Introduced (2/1/2017; To [Education Reform](#))

[HB 4145](#) SCHOOL DISTRICTS ([Sheppard](#))

Allows qualified volunteer patrol officer on school premises.

[Text/Analysis](#)

Introduced (2/2/2017; To [Education Reform](#))

[HB 4166](#) SPECIAL EDUCATION EMPLOYMENT PREFERENCES ([Whiteford](#))

Repeals provisions providing employment preferences for certain personnel in special education programs and services.

[Text/Analysis](#)

Received in Senate (5/2/2017; To [Education](#))

[HB 4192](#) COMMON CORE ([Glenn](#))

Requires implementation of certain curriculum standards and assessments in place of common core curriculum standards and assessments in this state.

[Text/Analysis](#)

Committee Hearing in House [Michigan Competitiveness](#) (3/15/2017)

[HB 4254](#) SCHOOL AID FUNDING ([Hammoud](#))

Provides for per-pupil funding formula based on greater of current year or prior year pupil count.

[Text/Analysis](#)

Introduced (2/21/2017; To [Appropriations](#))

[HB 4314](#) SCHOOL BOARD ([Hornberger](#))

Requires popular election of intermediate school board members.

[Text/Analysis](#)

Committee Hearing in House [Education Reform](#) (3/30/2017)

[HB 4315](#) CURRICULUM ([Griffin](#))

Provides for 21st century skills credit requirements for high school diploma.

[Text/Analysis](#)

Received in Senate (4/18/2017; To [Education](#))

[HB 4316](#) CURRICULUM ([VanderWall](#))

Modifies foreign language and certain other requirements for high school diploma.

[Text/Analysis](#)

Received in Senate (4/18/2017; To [Education](#))

[HB 4317](#) CURRICULUM ([Hauck](#))

Allows Michigan occupational safety training and health administration safety training as alternative to health credit requirement for high school diploma under certain circumstances.

[Text/Analysis](#)

Received in Senate (4/18/2017; To [Education](#))

[HB 4318](#) CURRICULUM ([Howell](#))

Revises mathematics requirement for Michigan merit curriculum.

[Text/Analysis](#)

Received in Senate (4/18/2017; To [Education](#))

[HB 4647](#) TEACHER RETIREMENT ([Albert](#))

Provides for defined contribution retirement system for new school employees.

[Text/Analysis](#)

Reported in House (6/14/2017; With Substitute H-1; By [Education Reform](#))

[SB 79](#) INTERIM TEACHERS ([Pavlov](#))

Modifies provisions relating to interim teaching certification and to teaching of certain courses by non-certificated non-endorsed teachers.

[Text/Analysis](#)

Introduced (1/31/2017; To [Education](#))

[SB 81](#) COMMON CORE STANDARDS ([Pavlov](#))

Requires implementation of certain curriculum standards and assessments in place of common core curriculum standards and assessments in this state.

[Text/Analysis](#)

Introduced (1/31/2017; To [Education](#))

[SB 102](#) (PA 38) MICHIGAN COMMUNITY FOUNDATION ([Schmidt](#))

Creates Michigan Community Foundation Act.

[Text/Analysis](#)

Signed by the Governor (5/23/2017; Signed: May 23, 2017; Effective: August 21, 2017)

[SB 130](#) OMNIBUS BUDGET ([Hildenbrand](#))

Provides fiscal year 2017-2018 omnibus budget appropriations.

[Text/Analysis](#)

Conferees Named in House (5/30/2017; Reps. Cox, VerHeulen and Durhal)

Conferees Named in Senate (5/30/2017; Hildenbrand, Meekhof and Gregory; earlier non-concurred in House Substitute)

[SB 131](#) SCHOOL AID OMNIBUS ([Hildenbrand](#))

Provides for fiscal year 2017-18 omnibus appropriations for school aid, higher education and community colleges.

[Text/Analysis](#)

Introduced (2/9/2017; To [Appropriations](#))

[SB 138](#) HIGHER EDUCATION ([Schuitmaker](#))

Provides fiscal year 2017-18 higher education budget.

[Text/Analysis](#)

Received in House (5/4/2017; To [Appropriations](#))

Passed in Senate (5/4/2017; 22-15)

[SB 147](#) EDUCATION ([Hansen](#))

Provides fiscal year 2017-18 department of education budget.

[Text/Analysis](#)

Received in House (5/4/2017; To [Appropriations](#))

Passed in Senate (5/4/2017; 37-0)

[SB 149](#) SCHOOL AID FUND ([Hansen](#))

Provides fiscal year 2017-18 school aid appropriations budget.

[Text/Analysis](#)

Received in House (5/4/2017; To [Appropriations](#))

[SB 173](#) CHARTER SCHOOL TERMINATION ([Ananich](#))

Provides certain requirements for charter schools and authorizing bodies upon termination or revocation of contract.

[Text/Analysis](#)

Introduced (2/21/2017; To [Education](#))

[SB 174](#) ACCREDITATION SYSTEMS FOR SCHOOLS ([Knollenberg](#))

Revises state accreditation system for public schools.

[Text/Analysis](#)

Committee Hearing in Senate [Education](#) (3/14/2017)

[SB 175](#) HIGH SCHOOL REQUIREMENTS ([Stamas](#))

Modifies certain requirements for high school diploma.

[Text/Analysis](#)

Introduced (2/21/2017; To [Education](#))

[SB 217](#) SCHOOL AID OMNIBUS ([Hildenbrand](#))

Provides omnibus appropriations or school aid, higher education and community colleges.

[Text/Analysis](#)

Introduced (3/7/2017; To [Appropriations](#))

[SB 218](#) EXECUTIVE OMNIBUS ([Hildenbrand](#))

Provides omnibus executive recommendation bill.

[Text/Analysis](#)

Introduced (3/7/2017; To [Appropriations](#))

[SB 271](#) SCHOOL START ([Knollenberg](#))

Modifies restrictions on days when school is in session and school start date.

[Text/Analysis](#)

Reported in Senate (3/28/2017; Substitute S-1 adopted; By [Education](#))

[SB 401](#) SCHOOL RETIREMENT ([Pavlov](#))

Provides for defined contribution retirement for certain school employees.

[Text/Analysis](#)

Passed in Senate (6/15/2017; 21-17; earlier advanced to Third Reading with committee substitute S-1 adopted; immediate effect)