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To: Council About Parochiaid
From: Cara Spagnuolo
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Re: Legislative Update

Constitutional Convention 2011?

Most state government insiders say they believe that Michigan voters will shoot down a 2010 ballot question that would call for a 2011 constitutional convention, while 55 percent said they don't believe a con-con is needed. Michigan's Constitution requires that voters be given a chance every 16 years to rewrite the state's governing document. If it is approved in 2011, 148 delegates representing each state House and Senate district would be elected to come to Lansing to review and propose changes to the Constitution.

Henry Woloson of Clarkston, a guest speaker at CAP's December meeting, had a hand in the past attempts to make the Legislature part time. Woloson will be supporting a constitutional change at the convention to require the Legislature to conclude its regular session by June 1. Woloson is a strong proponent of, and calling for, moving the fiscal year from October to July 1.

He began his presentation by giving members a brief background on the Constitution and providing a chart of both full time and part time Legislatures from various states comparing the average job time, compensation and staff size. Woloson pointed out that the major issue of a constitutional convention is a divide of the left and right; one side is always worrying about the other. He offered that instead, why not open the process and discuss it? Woloson noted that even if people don't feel comfortable with the process, they should still have good delegates in place and ready to run if the process becomes a "yes."

There was some discussion of this perspective after Woloson's presentation. It was concluded that this notion was something that CAP members had not considered in past discussions. It was noted that finding ways to be prepared and proactive would be in everyone's best interest.

According to Ed Sarpolus, Director of MEA Government Affairs, the average voter does not realize that if the Michigan Constitution were opened up, it becomes a blank sheet of paper in the sense that nothing would have to be carried over from the current constitution. The estimated cost of opening the constitution is \$40 million, including room, board, salaries and elections for the 148 people to run as delegates. Sarpolus also cautioned that spending millions

of dollars for the election opens the door for out of state influence to pay the cost for changing our constitution.

U.S. Rep. Pete Hoekstra (R-Holland), a Republican gubernatorial candidate, opposes the ballot proposal, claiming that the uncertainty would damage Michigan's already-hurting business community.

The Michigan Catholic Conference also came out in opposition to the proposed constitutional convention. According to a September 3 [Gongwer News Service](#) article, the organization's board of directors released a statement saying that it worried that the costs associated with a constitutional convention would further add damage to the state's financial ability to help the poor. The board went on to add that the Constitution isn't perfect and that amendments are needed, especially in terms of providing financial aid to non-public schools.

Michigan Not a Finalist for Federal Race to the Top (RTTT) Funding

Michigan was not among one of the 16 finalists for the first round of RTTT funding, despite passing a sweeping package of reforms in December. This means that there is no federal money to implement the education reforms until at least this September. Even then, the chances that Michigan's application will be successful are not guaranteed.

On March 4th the U.S. Department of Education announced the 16 finalists for the first round of RTTT funding. Out of 41, applicants the following states have a shot at \$100 billion in federal money: Colorado, Delaware, the District of Columbia, Florida, Georgia, Illinois, Kentucky, Louisiana, Massachusetts, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina and Tennessee. The winners will be chosen in April and a second round of applications in June. State Superintendent Mike Flanagan said that despite not making the cut in this first round of RTTT, his team will continue to implement the recently enacted education reform laws in Michigan.

Michigan had hoped to receive a \$400 million award, of which, \$200 million would have gone directly to the schools and another \$200 million to the Department of Education (MDE) to implement the changes needed for the education reforms the federal government was looking for.

HB 5405, introduced by Rep. George Cushingberry (D-Detroit) recommended \$25 million and 14.0 FTEs supported by potential RTTT funding to implement changes in the education reform package including developing assessments to measure students' knowledge growth in each grade and correlation of student achievement to individual teachers. HB 5405 has passed the House and was referred to the Senate Appropriations Committee. However, the bill to implement the educational reforms will be HB 5394.

HB 5394, sponsored by Rep. Shanelle Jackson (D-Detroit), would appropriate 13.0 FTEs and \$492,800 General Fund/General Purpose. This partial year funding would support State activities enacted as part of the general package of RTTT legislation. The bill passed the House and was referred to the Senate Appropriations Committee where it was reported favorably with Substitute S-1. The House concurred in the Senate Substitute and the bill has now been ordered enrolled and soon will be on the way to the Governor.

School Aid Budget Bill Moved Quickly in Senate

During the Governor's presentation of her budget, she had indicated that she would veto any K-12 budget bill that reduces schools' funding below the current level. Senate Appropriations K-12 Chairman Ron Jelinek (R-Three Oaks) had indicated very early on that there might need to be cuts, and despite the infusion of general funds, that proved to be the case.

The K-12 budget bill has moved out of the Senate K-12 Subcommittee and has been approved by the Senate Appropriations Committee and the full Senate. Senator Jelinek, who also chairs the full Senate Appropriations Committee, had said that he would like to see all budget bills out of conference committees (where differences between the House and Senate budget bills are resolved) and ready for full action by the House and the Senate by the end of May. The Senate approved its portion of the budget bills this week, which is the final week before a two week legislative recess.

Governor's K-12 Budget Proposal Reduced by Senate

The Governor's proposal for school aid was embodied in [SB 1193](#) (Sen. Mickey Switalski, D-Roseville), but the K-12 bill that the Senate has moved is [SB 1163](#). The Executive recommendations had included the following:

- The same foundation allowance as the current year, which would maintain the current \$165 per pupil reduction;
- An increase in federal funding for special education and school lunch grants;
- A \$4.5 million increase in federal funds to support ongoing data costs of reforms enacted in the Race to the Top legislation, in anticipation of the state succeeding in one of the federal grant applications;
- A requirement that districts and isd's compute per pupil costs of providing various services (purchasing, food, pupil transportation, payroll, accounting, facilities maintenance, human resources technology) and to use the most cost-efficient method based on these computations or face financial penalties. These service consolidation plans would have had to be implemented the first school day in 2011-12; and
- \$433,800 to support three positions in the State Police to randomly audit locally inspected school buses.

At Risk funding (Section 31A) was maintained at the current \$308,988,200 level. Also, public school's Great Start Readiness funds were maintained at their current level, including continuation of a longitudinal study of their effectiveness. Unfortunately, the 50% funding reduction in the current year's budget for the Great Start Readiness programs run by non-profit organizations was maintained, meaning fewer at-risk four year olds will have access to these programs before they enter schools.

The Senate K-12 Subcommittee made a number of changes to the Governor's proposals, and these were sustained by the full Appropriations Committee when they reported the bill to the full Senate last week. These included:

- A per pupil reduction of \$118 per pupil. Added to last year's \$165 per pupil reduction, the total reduction per pupil would be \$283;
- The per pupil reduction would be largely offset by reductions in the retirement rate charged by districts, based on the assumption that the Governor's proposed changes to public pensions are passed by the legislature and enacted;
- A service consolidation requirement that does not include what the Governor had proposed but instead requires a report from districts on their implementation of service consolidation plans submitted this year to the Michigan Department of Education;
- New language requiring that districts that provided at least 170 hours of instruction in 2009-10 cannot provide less in 2010-2011; and
- Repeal of the \$20 million in declining enrollment grants that the Governor had maintained.

On the Senate floor, an amendment was added by Sen. John Pappageorge (R-Troy), to restore half of the \$52 million eliminated in the current fiscal year to the higher property tax districts, the 20j districts. His amendment also distributed the other half of this funding to all other school districts, which would result in a per-pupil increase to \$10 to \$20. He found the revenue by tie-barring the bill to SB 884, a tax amnesty bill that the Senate passed last fall. The school aid bill was approved by the Senate and now goes to the House for consideration.

Bills Introduced of Interest to CAP

HB 4609, introduced by Rep. Kim Meltzer (R-Clinton Township), would require expenditure reporting requirements for school districts and public school academies including:

- amount of the school district's or PSA's total budget
- number of full time equated pupils served by the school district or PSA
- number of employees

- names and positions of the board or board of directors
- each member of the school board of directors or school administrator of the school district of PSA who have travel expenses during the school fiscal year totaling more than \$3,000 paid for with school district or PSA funds

This bill has been referred to the House Committee on Education.

SB 564, introduced by Sen. Gerald Van Woerkom (R-Norton Shores), would allow charter school enrollment priority to the following pupils: a sibling of a pupil enrolled in the PSA or a pupil who transfers to the PSA from another PSA pursuant to an agreement between the PSAs that provides for this enrollment priority. This bill has been referred to the Senate Committee on Education.

SJR A, introduced by Sen. Mike Bishop (R-Rochester) would provide for limitation of legislative session and repeal of term limits for legislators first serving in 2011 or later.

HJR W, introduced by Rep. Tim Moore (R-Farwell) proposes an amendment to the Constitution to provide for a part-time legislature, revise the session calendar, reduce legislative salaries, and limit extraordinary sessions.

House Public Employee Healthcare Reform Committee Members 2009-2010

Chair, Pam Byrnes (D-Chelsea)
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