



Offering MEA members weekly updates of events and happenings in Michigan's Capitol.

# Capitol Comments

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Compiled by MEA lobbyists. Contact MEA Government Affairs Department at 800/292-1934.

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## Education Flexibility Contracts Proposed

Sen. Wayne **Kuipers** (*R-Holland*), chair of the Senate Committee on Education, has introduced two bills that allow school districts to apply for an "Ed-Flex" contract. In essence, this would allow the state superintendent of public instruction to waive statutes and rules within the School Aid Act and the Revised School Code.

SB 70 amends the State School Aid Act to make the provisions of the act subject to waiver under an Educational Flexibility and Empowerment ("Ed-Flex") Contract proposed under SB 71, to which this bill is tie-barred.

SB 71 creates the "Educational Flexibility and Empowerment Law" within the Revised School Code to permit school districts to apply for an Ed-Flex contract, which allows the state superintendent to waive for a district, for up to five years, state statutes and rules that are a part of a performance-based contract with clearly defined and measurable performance goals, or certain federal requirements in accordance with federal law allowing educational waivers. Except for health and safety requirements, any requirement placed on a school district under the Revised School Code or the State School Aid Act, or any rule promulgated under the code or act, is subject to waiver under an Ed-Flex contract.

These two bills are very broad. The bills allow for waiver of sections of the State School Aid Act and the Revised School Code, as well as all promulgated rules under these acts. These acts and rules have

been legislated for good reason and that is to give the citizens of Michigan a means of knowing how their tax money is being spent and that school districts are providing all children with a quality education. Thus, MEA is in opposition to SB 70 and SB 71.

## New Charter School Bill Is Introduced

A new charter school bill, HB 4148, was introduced early this month by Rep. Brian **Palmer** (*R-Romeo*). This bill amends the Revised School Code by revising the current provisions concerning charter school authorization to encourage more oversight by authorizing bodies; to allow Bay Mills Community College, a tribal community college, to be a statewide chartering agency; to remove the charter school cap for state public universities; to allow a community college to charter public schools in academies in Detroit; to allow enrollment priorities in limited circumstances; to specify how charter schools borrow money and issue bonds, as well as allow legal agreements to finance operations; and to provide for more disclosure by educational management organization corporations when they operate public schools or public school academies. The bill also requires school districts and intermediate school districts when converting programs to charters to assure that employees are included in the districts' collective bargaining agreements.

This bill contains many of the issues supported in the McPherson Report of last session. The big difference between last session's charter bill and HB 4148 is that it eliminates a charter school cap completely for state university-authorized charter schools and allows for one community college to authorize an unlimited number

of charter schools statewide.

MEA believes that charter schools remain an experiment and must continue only by limited growth. Thus, we must have a growth cap on the number of charter schools authorized by state universities and Bay Mills Community College. Also, there must be a mechanism to make sure that the authorizers of charter schools do the appropriate oversight. This bill does not provide for these assurances. MEA will oppose HB 4148 in its present form.

## New House Higher Education Committee

This new legislative session includes a return of a committee in the House to address all higher education issues that do not directly involve budgetary bills. When the Democrats were in the majority in the House, Deb Cherry (*D-Flint*) chaired the House Committee on Colleges and Universities. This committee was abandoned by the Republicans during the last session of the Legislature; however, it is now replaced by the House Committee on Higher Education. Chairing the new committee is Rep. Joanne Voorhees (*R-Grandville*).

The first order of business for the Higher Education committee is HB 4070. This bill, sponsored by Rep. Doug Spade (*D-Adrian*), would create a new College and University Electronic Textbook Act.

Testimony was heard last week indicating a publisher of a textbook adopted by a college or university would be required to furnish the school with an electronic version of the textbook if the textbook was for a literary subject. For a textbook for a

nonliterary subject, the publisher would be required to convert the textbook directly to a format compatible with Braille translation software if the technology was available. A publisher could not charge a price for this electronic version exceeding the price for the print or electronic media version of the textbook.

## FY 03-04 Budget Proposal Set for March 6

Budget Director Mary Lannoye will present Gov. Granholm's FY 03-04 Proposed Executive Budget to a joint session of the Senate and House Appropriations Committees on Thursday, March 6, 2003. With revenues projected at approximately \$1.8 billion less than last year, and no new sources of revenues identified by the Legislature, it is anticipated that this budget will provide for deep cuts in essential services to Michigan citizens.

The proposed budget will be reduced to bill form and presented to the individual legislative subcommittees for hearings and appropriations approval. When asked by MEA members about the timeline for an approved K-12 State Aid Budget, one legislator has indicated that an approved State Aid Budget by the 4th of July may be "ambitious."

MEA lobbyists continue to monitor the appropriations process and will keep you informed of the progress as these bills pass through the Legislature.

## Legislature Approves Executive Order Cuts

On Feb. 19, both the Senate and House Appropriations Committees approved \$158.3 million Executive Order Budget Cuts. These reductions are needed in order to bring the FY 02-03 budget (Oct. 1, 2002 – Sept. 30, 2003) into balance. When questioned by members of the Appropriations Committees concerning whether or not these would be the final cuts in the 02-03 budget year, Budget Director Mary Lannoye replied by saying that these would be the last as long as the revenue projections upon which the budgets are based hold.

In other words, if the economy performs in the manner predicted at the January Revenue Estimating Conference, we'll be OK. Just so that you know, we have already learned that the January revenue estimates were too high — the economy did not produce the anticipated growth. Our next Revenue Estimating Conference is scheduled for May, and MEA will continue to closely monitor actions of both the legislative and executive reactions to the potential revenue shortfalls.

## Areas of public education impacted by the Executive Order cuts are as follows:

Community Colleges	\$4,788,100
Alpena	\$79,700
Bay de Noc	\$76,900
Delta	\$222,200
Glen Oaks	\$37,300
Gogebic	\$65,500
Grand Rapids	\$279,500
Henry Ford	\$340,600
Jackson	\$188,600
Kalamazoo Valley	\$192,400
Kellogg	\$151,200
Kirtland	\$45,900
Lake Michigan	\$81,400
Lansing	\$483,300
Macomb	\$515,700
Mid-Michigan	\$68,800
Monroe	\$66,900
Montcalm	\$48,400
Mott	\$244,400
Muskegon	\$139,100
North Central	\$47,100
Northwestern	\$141,900
Oakland	\$325,300
St. Clair	\$109,000
Schoolcraft	\$190,900
Southwestern	\$102,500
Washtenaw	\$194,100
Wayne	\$258,400
West Shore	\$35,700
At-Risk	\$55,400

Department of Education	\$1,084,184
Unclassified positions	\$59,800
State Board/Superintendent	\$565,800
Field Services Operations	\$114,300
School Excellence Operations	\$181,300
IT Operations	\$44,484
Workers Comp	\$25,000
Central Support	\$45,900
Govt Services Operations	\$1,000
Safe Schools Operations	\$3,000
Admin. Law Operations	\$21,400
Education Options Operations	\$22,200

Higher Education	\$25,497,600
Central	\$1,350,100
Eastern	\$1,314,600
Ferris	\$832,800
Grand Valley	\$901,400
Lake State	\$214,000
MSU	\$4,889,700
Tech	\$828,600
Northern	\$780,200
Oakland	\$785,800
Saginaw Valley	\$410,900
U of M-Ann Arbor	\$5,453,400
U of M-Flint	\$361,000
U of M-Dearborn	\$419,900
Wayne	\$3,804,700
Western	\$1,885,200
Ag Experiment Station	\$552,700
Cooperative Extension	\$476,700
Japan Center	\$4,600
Higher Ed Database	\$3,800
Select Student Support	\$32,600
College/Univ. Partnership	\$9,800
Hood Educator Program	\$2,500
Dental Grad Grants	\$75,800
General Degree Grants	\$92,800
Allied Health Grants	\$14,000

## Non-education cuts are as follows:

Agriculture	\$1,326,900
Attorney General	\$560,017
Capital Outlay	\$14,715,300
Career Development	\$515,300
Civil Rights	\$408,000
Civil Service	\$480,800
Community Health	\$16,957,288
Consumer and Industry	\$2,176,436
Corrections	\$7,861,269
Environmental Quality	\$3,568,539
Executive Office	\$252,500
FIA	\$26,875,221
History, Arts & Libraries	\$1,261,064
Management & Budget	\$3,688,089
Strategic Fund	\$1,273,100
Military & Veterans	\$1,539,492
Natural Resources	\$2,199,853
State	\$668,639
State Police	\$5,353,152
Treasury	\$2,430,303

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