



**Driving Education Policy
Without Hitting the Dashboard**

*Michigan Association of School
Administrators
FALL CONFERENCE 2011*

*Brad Biladeau
Associate Executive Director
MASA / MAISA*






AGENDA


- Looking Back... *The past 8 months in the Michigan Legislature*
- Looking Forward... *The next 4 months in the Michigan Legislature*
- Engaging with your lawmakers.....






Looking back - the past 8 months....


- EMERGENCY FINANCIAL MANAGER ACT (Public Act 4 of 2011)
- FINANCIAL BEST PRACTICES INCENTIVE GRANT (Section 22f)
- WAGE AND BENEFIT FREEZE (Public Act 54 of 2011)
- POLICY HOLDER – CLAIMS DATA (Public Act 95 and 93 of 2011)
- ISD-LEA JOINT SUPERINTENDENCY (Public Acts 104,105 and 106 of 2011)
- TEACHER QUALITY AND TENURE REFORM (Public Acts 100,101,102 and 103 of 2011)
- HEALTH INSURANCE SPENDING LIMIT (Senate Bill 7)






EMERGENCY FINANCIAL MANAGER ACT
(Public Act 4 of 2011)

- Effective date: Contracts that expire after March 16, 2011
- The emergency manager (appointed by the governor) would be able to revoke labor contracts, suspend collective bargaining for up to five years, become the sole trustee of an underfunded pension system, and suspend the power and authority of city managers and local elected officials.
- *Each collective bargaining agreement entered after the effective date (March 16, 2011) would be required to include a provision that allowed an emergency manager appointed under the Local Government and School District Fiscal Accountability Act to reject, modify, or terminate the collective bargaining agreement as provided in that act.*







FINANCIAL BEST PRACTICES INCENTIVE GRANT
(Section 22f)

- Effective Date: October 1, 2011; Deadline June 1, 2012
- On June 21, 2011, the Governor enacted legislation under Section 22f of the State School Aid Act, 2011 PA 62, that appropriates \$154 million to provide \$100 per pupil allocations for the FY 2011-2012 school year to local school districts and public school academies meeting 4 out of 5 of the following financial best practices.


1. Charge employees at least 10% of the health care premium
2. Hold policy on medical benefit plans (if directly employed by district)
3. Develop and implement a Service Consolidation Plan
4. Obtain competitive bids on non-instructional services
5. Provide a dashboard or report card with specific indicator






Policyholder Status....


- *The district is the policyholder for each of its insurance policies.... Michigan Legislature (PA 63 of 2011)*
- *The school board must certify that it is the policy holder on all of the health care benefit policies it covers on behalf of employees. An example of evidence for this would be each district insurance policy or employer participation agreement showing that it is the designated policy holder. – MDE Guidance (7/30/11)*
- *MESSA was advised that because the question requires a legal opinion, the Department is unable to provide legal advice on this issue, nor can it give any approvals as to the form or content of the proposed agreement. The Department further recommended that MESSA seek legal advice from a private attorney. - MDE via Michigan Attorney General*
- *No definition of policyholder on record...Michigan Office of Financial and Insurance Regulation*
- *School attorneys will NOT advise clients...*
- *Legislature concerned defining policyholder will jeopardize VEBAs*






Assessing Risk....

- District must attest via resolution
- No health/carrier information accompanies a districts resolution
- No audit will be conducted by MDE
- There legislature does not intend to define policyholder prior to expiration
- Absent state definition - risk can't be eliminated




WAGE AND BENEFIT FREEZE
(Public Act 54 of 2011)

- Effective date: Contracts that expire after June 8, 2011
- The bill would amend the public employment relations Act to do the following:
 1. Cap wages and benefits at the level in effect when a collective bargaining agreement (CBA) expired until a new CBA took effect.
 2. Require employees to pay increased costs of maintaining benefits after a CBA expired.
 3. Prohibit CBAs from retroactively increasing wages or benefits




POLICY HOLDER – CLAIMS DATA
(Public Acts 95 and 93 of 2011)

- Effective Date: Contracts that expire after July 15, 2011
- If a school district, ISD, or PSA had 100 or more employees in a medical benefit plan, or participated in an arrangement or letter of intent described in the Public Employee Health Benefits Act (involving two or more public employers that together have 100 or more employees) for a medical benefit plan for 100 or more public employees, the board of the district, ISD, or PSA could not enter into a contract for that plan unless it provided for one of the following:
 - That the district, ISD, or PSA was a policyholder for the plan and, at all times during the period of the contract, would have access by electronic means to at least all of the claims utilization and cost information described in the Public Employee Health Benefits Act.
- OR-
- That, within 10 business days after making a written request, the district, ISD, or PSA would be given access by electronic means to at least all of that claims utilization and cost information.



ISD-LEA JOINT SUPERINTENDENCY
(Public Acts 104,105 and 106 of 2011)

- Effective date: July 19, 2011
- Allows an intermediate school district (ISD) superintendent to serve simultaneously as superintendent of a local school district, or allow an ISD to contract with another person to serve as superintendent of a local school district.




TEACHER QUALITY AND TENURE REFORM
(Public Acts 100,101,102 and 103 of 2011)

- Effective Date: Varies based issue
- Modifications to tenure, evaluation system and PERA


Tenure Changes:

- Probationary Teachers
- Continuing Tenure
- Appealing to the Tenure Commission
- Evidentiary Standard and Demotion
- Suspension Procedures
- Leave of Absence
- Personnel Decisions



Evaluation System Changes:

- Performance Evaluation System (PES) Changes - Teachers:
- Performance Evaluation System (PES) Changes - Administrators:
- Governor's Council on Educator Effectiveness




Possible District Courses of Action

- *Districts must first review requirements of mcl 380.1249 (1) to determine prior evaluation requirements.


New Evaluation Requirements:

- Option 1: Develop a robust, rigorous system now that meets the requirements in legislation and notify by November 1, 2011. [mcl 380.1249 (7)]
- Option 2: Partner with a district that is further along than you, have them get their system approved, and then use it exactly "as is." [mcl 380.1249 (8)]
- Option 3: Begin developing a robust system that aligns with the various requirements throughout the law, use it until 2013-2014, then adopt the state system and modify your system as necessary. [mcl 380.1249 (2/3)]
- Option 4: Implement a system that meets the basic requirements of 1249 and wait to see what is legislated.



Public Employment Relations Act:

- Effective Date: Contracts that expire after July 19th, 2011
- Collective bargaining between a public school employer and a bargaining representative of its employees shall NOT include any of the following subjects:
 - Any decision made by the public school employer regarding the **placement** of teachers.
 - Decisions about the development, content, standards, procedures, adoption and implementation of the public school employer's policies regarding **personnel decisions** when conducting a reduction in force or any other personnel determination resulting in the elimination of a position or a recall from a reduction in force or any other personnel determination resulting in the elimination of a position or in hiring after a reduction in force or any other personnel determination resulting in elimination of a position.
 - Decisions about the development, content, standards, procedures, adoption and implementation of a public school **employer's performance evaluation system**.
 - Decisions about the development, content, standards, procedures adoption and implementation of a policy regarding **discharge or discipline** of an employee.
 - Decisions about the format, timing or **number of classroom observations** conducted.
 - Decisions about the development, content, procedures, standards, adoption and implementation of **method of compensation** required and decisions about how an employee performance evaluation is used to determine performance-based compensation of an individual employee.
 - Decisions about the development, format, content and procedures of the **notification** to parents and legal guardians.




HEALTH INSURANCE SPENDING LIMIT
(Senate Bill 7)

- Implementation date: (Waiting enrollment and signature)
The legislation effects medical benefit plan coverage beginning on or after January 1, 2012, but does not affect labor contracts currently in place unless they are modified or expire. Contracts being negotiated between September 15, 2011 and January, 2012, can't contain provisions that run counter to the maximum spending threshold requirements.
- All school districts, intermediate school districts and charter schools will be subject to a maximum spending threshold for their employee's health insurance. Districts shall negotiate the type of threshold (80/20 or Hard Cap), however a hard cap of \$15,000 for family coverage, \$11,000 for couples and \$5,500 for individuals is the default requirement. School districts can choose to split the cost of health insurance 80/20 with their employees, but that requires a majority vote of the local board.



Looking forward - the next 4 months...

- Personal Property Tax Repeal
- School Choice
- Right to Teach
- Retirement Reform
- Reporting Requirements
- Superintendent Salary Cap




Personal Property Tax Repeal

- Personal Property Tax Exemption SB 34 (Noffs)
 - The bill would amend the General Property Tax Act to exempt all personal property from the collection of taxes levied after December 31, 2011
- Political Timeline...
 - “Will take months to finalize” – Sen. Noffs
 - “On a fast-track – late October” – Top Senate Aide
 - “Possible partial repeal - phase in” Sen. Richardville
- Data

Personal Property Tax Exemption (Senate Bill 34)

FY 2010-11 Estimated PPT Revenue Collected for School Funding

	Commercial and Industrial	Utility	Total
State Education Tax	\$56,965,968	\$48,124,378	\$105,090,346
LEA			
Operating			
Non-Homestead	\$56,381,245	\$141,824,534	\$198,205,779
Non-Operating			
Debt	\$94,945,069	34,348,268	129,293,337
Sinking Fund	\$7,673,139	2,684,588	10,357,728
	\$102,618,208	\$37,032,857	\$139,651,065
ISD			
Operating	\$3,362,423	1,446,529	4,808,952
Special Education	\$59,685,111	22,305,505	81,990,616
Vocational Education	\$10,437,971	4,714,541	15,152,512
Enhancement	\$2,031,611	527,693	2,559,304
Debt	\$246,431	57,303	303,733
	\$75,763,547	\$29,051,573	\$104,815,119
TOTAL	\$291,728,968	\$256,033,343	\$547,762,311



Personal Property Tax Repeal

- The Political Spin!
 - Lansing using statewide data only
- Communication Strategy...
 - Communicate early and often
 - Tell your local story.. Not just the statewide numbers coming out of Lansing


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Parent Empowerment Reform Package

This month the Senate Republicans introduced the much anticipated legislation to carry out the sweeping changes called for in Governor Snyder’s Special Message on Education

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Parent Empowerment Reform Package (Charter Cap)

Senate Bill 618 -Sen. Pavlov (Uncapping Charter Schools)

- Delete numerical and geographical limits on the issuance of contracts for PSAs, urban high school academies, and SOEs.
- Allow two or more authorizing bodies to issue a contract for a PSA or an SOE under an interlocal agreement.
- Delete requirements for a PSA or SOE to comply with a school district’s collective bargaining agreement.
- Exempt property of a PSA, urban high school academy, or SOE from real and personal property taxes.
- Allow the board of a school district to contract with a person or entity to furnish qualified teachers, and would require a contract to include specific assurances


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**Parent Empowerment
Reform Package (Cyber Schools)**

Senate Bill 619 – Sen. Colbeck (Uncapping Cyber Schools)


- Delete the limit on the number of contracts that may be issued for schools of excellence that are cyber schools.
- Delete requirements that cyber school pupils previously be enrolled in public school, and that a cyber school offer all of grades K through 12.
- Revise the requirement for experience that an entity applying for a cyber school contract must demonstrate.
- Delete limits on the number of pupils enrolled in a cyber school and requirements pertaining to the enrollment of dropouts



**Parent Empowerment
Reform Package (Conversion Schools)**

Senate Bill 620 – Sen. Roberston (Conversion Schools)

- Create conversion schools - public schools previously operated by a school district and converted under a contract issued by an authorizing body.
- Require a petition to convert a school to be signed by at least 51% of the teachers at that school or at least 51% of the parents or guardians of pupils at the school.
- Require an application to convert a school to be submitted to the board of the school district that included the school and, if that board did not approve the application, allow it to be submitted to another authorizing body.
- Require the goals to include demonstrated improved academic achievement for all groups of pupils, as well as a graduation rate and average attendance of at least 80% by the last year of the contract.
- Allow a conversion school to limit admission to pupils within a particular age range or grade level, but require it to include all of the grades offered before the conversion.




**Parent Empowerment
Reform Package (Enrollment)**

Senate Bill 621 – Sen. Hansen (Enrollment Permission)

- Allows home school students and non-public student to enroll in programs that are provided within ISD and contiguous ISDs without permission.

Senate Bills 622 & 623 – Sen. Emmons (Dual Enrollment / CTE Eligibility)


- Senate Bills 622 and 623 would amend the Postsecondary Enrollment Options Act and the Career and Technical Education Act, respectively, to broaden the guidelines for students eligible to participate in dual enrollment.
- Remove the requirement that a student be in at least grade 11 to participate in dual enrollment.
- Remove the requirement that a student achieve a qualifying score in a subject area, before being allowed to enroll in a course of that subject area at the postsecondary institution.
- Include in the definition of "eligible student" a student enrolled in a State approved nonpublic school.



Parent Empowerment Reform Package (School Choice)


Senate Bill 624 – Sen. Pavlov (Open Enrollment / School Choice)

- Require a district participating in schools of choice to determine whether it has capacity to accept applications, rather than whether it will or will not accept applications.
- Require (rather than allow) a district to enroll nonresident applicants from a waiting list, if any positions become available due to the failure of accepted applicants to enroll or the addition of more positions.
- Add to Section 105 language that currently is in Section 105c, pertaining to the enrollment of nonresident special education pupils, both within the resident intermediate district (ISD) and outside of the resident ISD.



RIGHT-TO-TEACH


- Allow ALL employees the option to join school unions
- Legislation NOT introduced – Sponsor Sen. Meekhof (R-West Olive)
- Political Dialogue –
 - “I don’t think teachers unions understand where we are...”
Senate Majority Leader Randy Richardville
 - “I don’t view Right-To-Teach” as being constructive “ –
Governor Rick Snyder



Retirement Reform


SB 593 – Sen. Jones (Defined Contribution)

- Transition all prospective employees to a defined contribution system
- Does not provide a solution for unfunded liability
- Legislation is coming!




Reporting Requirements

- MASA/MAISA reporting requirements subcommittee found more reporting requirements than actual school days
- MDE compiled a list of burdensome reporting requirements
 - Over 80 unnecessary/redundant reports
- Legislative action pending



Superintendent Salary Caps


- Legislation has been introduced
- Michigan superintendents among lowest compensated in nation - ERS
- “You have to pay for the best and the brightest” - Governor Rick Snyder



Engaging with your lawmakers.....

- That light at the end of the tunnel isn't lame duck.... It's a legislative train


1. Engage Your Grassroots Networks NOW!
2. Communicate with you lawmakers
3. Participate in Political Action



Thank you
Please contact us with questions....

Brad Biladeau
Associate Executive for Government Relations
Michigan Association of School Administrators
Michigan Association of Intermediate School Administrators
Office: (517) 327-9265
Fax: (517) 327-0779
Cell: (517) 899-0367
bbiladeau@gomasa.org

David Randels
Legislative Liaison
Michigan Association of School Administrators
Michigan Association of Intermediate School Administrators
Office: (517) 327-9265
Fax: (517) 327-0779
Cell: (517) 712-5110
drandels@gomasa.org



Full Conference 2011
