

**MSBO School Finance Committee Minutes**  
**MSBO Office**  
**Lansing, Michigan**

**October 18, 2019**

The meeting opened at 09:30 a.m. with Michael Boensh giving a welcome.

**Bob Kefgen, MASSP (Legislative Update):**

Talked about small isolated districts getting a hit on foundation allowance. Most years there is a supplemental budget. It will most likely happen this year again. What will be in there is the question? Governor with State Administrative Board will move funds around within the budget. Isolated Districts may not be able to maintain operations without supplemental.

The House, with the Michigan Merit Curriculum, has a proposal to change High School graduation requirements. Looks to change credits to allow an elective block and not require the two foreign languages and change from taking out Algebra 2 to a Financial Literacy class. The change from Algebra 2 to Financial Literacy is what is stalling this.

The Senate is looking to overhaul the Michigan Merit Curriculum. More electives to replace Algebra 2, such as PE/Gym, etc. Options could include Financial Literacy, Accounting, and others. Teacher evaluation will be 40% of student growth for 19-20 school year. Continued debate on this percentage. Most teachers (95% approx..) are rated effective or highly effective. Others states that use teacher ratings for teacher layoff have these types of percentages. Highly effective rated teachers are only evaluated bi-annually, so there is an incentive to rate a teacher that way.

By 2020, 70% of jobs will require post-secondary credential. Only 46% of statewide workforce has post-secondary credentials. By 2045, billions of dollars of lost wages with this issue.

**Samuel Christensen and Jacqueline Mullen, House Fiscal Agency (School State Aid Budget Update):**

1.8% increase in school aid budget. Foundation allowance increased made up a lot of the increase. Declining enrollment makes it easier to fund this. Less pupils to fund.

Lots of changes from the 2018-2019 appropriations.

At Risk: Total allocation increased. Some districts could see a lower funding for 31A At Risk.

CTE: \$25.00 per pupil in CTE. \$25.00 per pupil in critical skills. This has been currently vetoed.

GSRP: \$5 million in increased funding.

Early Literacy Teaching Coaches. Increased funding will allow statewide an increase in literacy coaches.

Summer School Literacy: Funding vetoed but in a supplemental budget.

School Security: Funding vetoed but in supplemental.

Small Isolated Districts: Funding vetoed but in supplemental.

School Mental Health: Funding maintained.

English Language Learners: Funding increased.

Some funding changes to line items from 18-19 are just adjusted for costs.

District PD needs to be approved by MDE so PD can be used for teachers and their recertification.

**Robert Dwan, Michigan School Business Officials (MSBO Update):**

Fiscal year 19-20 budget page on MSBO Website. MDE/MSBO workshop next week. MDE approached MSBO on the topics it wants to present. Annual conference planning is underway. Financial Strategies conference is upcoming in January.

**Roundtable:** Talked about meeting dates, how often to hold meetings, etc. November and December meetings will not occur unless a hot topic item comes up.

Meeting adjourned at 11:44 a.m.

Submitted by:

Michael Klosowski (Secretary)  
Chief Financial Officer for Elkton-Pigeon-Bay Port Laker Schools