

FISCAL BRIEF



K-12 EDUCATION DURING COVID-19: RETURN TO LEARN AND FUNDING PROVISIONS

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FAST FACTS

- Due to the COVID-19 pandemic, pupil membership for FY 2020-21 is calculated with a new "super blend," which puts a 75% weight on the prior year pupil count.
- Requirements for instruction, assessments, days and hours, and attendance are also revised for FY 2020-21.
- The FY 2020-21 school aid budget provides \$95.0 million for a one-time payment to districts on a per-pupil basis and \$66.0 million for a one-time payment to districts with increasing enrollment.

INTRODUCTION

The "Return to Learn" bill package revises the pupil membership blend and education requirements for FY 2020-21 to accommodate changes due to the COVID-19 pandemic. Originally comprising 2020 PAs 147 to 149¹ and then revised by 2020 PA 165², the package amends the school funding calculation and requirements related to instruction, assessments, days and hours, and attendance in the State School Aid Act. 2020 PA 165 also appropriates funds for the foundation allowance, a one-time additional per-pupil payment, and a payment to districts with increasing enrollment. This fiscal brief summarizes the revisions to funding and requirements in the State School Aid Act for FY 2020-21.

PUPIL MEMBERSHIP

The "Super Blend"

Generally, the pupil enrollment, or membership, for a school year is determined based on a blend of two count days—the prior school year's spring count and the current school year's fall count.³ The proportional weight given to each count date has changed over time, but since FY 2015-16 has been equal to 10% of the prior spring count plus 90% of the fall count. For example, in a typical year such as FY 2019-20, the membership blend is equal to 10% of the spring count (February 2019) plus 90% of the fall count (October 2019).

The long-term effects of the ongoing COVID-19 pandemic on school enrollment are unknown but, due to the possibility of a one-time decline in membership for districts (which include public school academies, or PSAs) and intermediate school districts (ISDs), the Return to Learn package determines membership for FY 2020-21 only using a "super blend" equal to the following:

- 75% of the prior year blend (10% of the spring 2019 count plus 90% of the fall 2019 count); plus
- 25% of the current year blend (10% of the spring 2020 count plus 90% of the fall 2020 count).

¹ House Fiscal Agency analysis of 2020 PAs 147 to 149 (House Bills 5911 to 5913): <http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-5911-A4400871.pdf>

² House Fiscal Agency conference report summary of 2020 PA 165 (Senate Bill 927): <http://www.legislature.mi.gov/documents/2019-2020/billanalysis/House/pdf/2019-HLA-0927-D45EB0BC.pdf>

³ Spring counts occur on the second Wednesday in February, and fall counts occur on the first Wednesday in October.

Pupils Engaged in Pandemic Learning

Because a district or ISD may provide instruction virtually for FY 2020-21, the revised membership calculation allows districts and ISDs to count “pupils engaged in pandemic learning” in their fall 2020 count. This term applies to students who are enrolled in a district (except a district operating as a cyber school, which continues to operate under existing pupil accounting provisions for cyber schools) or ISD and to whom any of the following apply:

- For a student not learning sequentially, any of the following occur for each of the student’s scheduled classes on count day:
 - Attendance at a live lesson from at least one of his or her teachers.
 - Documented login to an online or virtual lesson or lesson activity.
 - Engagement in a subject-oriented telephone conversation with at least one of his or her teachers.
 - Documented email dialogue between the student and at least one of his or her teachers.
- For a student using sequential learning, any of the following occur for each of the student’s scheduled classes on count day:
 - Documented attendance of a virtual course where synchronous, live instruction occurs with at least one of his or her teachers.
 - Documented completion of a course assignment.
 - Documented completion of a course lesson or lesson activity.
 - Documented access to an ongoing lesson.
- At a minimum, one two-way interaction (see “Two-Way Interaction,” below) has occurred between the student and at least one of his or her teachers or a qualifying district employee during the week (defined as Wednesday to Tuesday) on which the count day falls and during each week for the three consecutive weeks after the week on which count day falls.
 - These interactions may apply toward the district’s monthly attendance requirement (see “Days, Hours, and Attendance Requirements,” below).
- The student does not fall into the above categories and was not excused from completion or participation in the activities, but participated in or completed an activity on the sequential or non-sequential learning lists in the 10 school days immediately following count day.
- The student does not fall into the above categories and was excused from completion or participation in the activities, but participated in or completed an activity on the sequential or non-sequential learning lists in the 30 calendar days immediately following count day.
- The student meets the criteria of students in grades K to 12 actually enrolled and in regular daily attendance (the language currently used to determine membership).

TWO-WAY INTERACTION

A two-way interaction is defined as a communication that occurs between a student and at least one of the student’s teachers or another district employee who has responsibility for the student’s learning, grade progression, or academic progress. The interaction must be relevant to course progress, course content, or the student’s overall academic progress or grade progression. The communication may be initiated by the teacher or employee or by the student. The communication may occur through, but is not limited to, email, telephone, instant messaging, or face-to-face conversation.

Two-way interactions may be used to count a pupil engaged in pandemic learning, as described in the preceding section, and are also included in the requirements described under “Extended COVID-19 Learning Plan” and “Days, Hours, and Attendance Requirements,” below. A district may apply the two-way interactions used to count pupils or to fulfill the extended COVID-19 learning plan requirements toward the 75% monthly attendance requirement.

APPROPRIATIONS

Foundation Allowance

2020 PA 165, which appropriates funds for the FY 2020-21 school aid budget, reduces by \$45.0 million to a total of \$9.4 billion the amount appropriated for foundation allowances to maintain the Minimum foundation of \$8,111 and Target foundation of \$8,529. Due to year-over-year declining enrollment, the baseline costs were originally projected to decrease by \$94.0 million. The membership revision to include a weight of the prior year blend and revisions to taxable values made in the August Consensus Revenue Estimating Conference (CREC) cost an estimated \$49.0 million, resulting in a smaller net reduction than originally projected. These estimates may change as the impact of COVID-19 on pupil membership is better understood after the fall 2020 count day.

Per-Pupil Payment

While foundation allowances are maintained at FY 2019-20 levels, 2020 PA 165 provides \$95.0 million School Aid Fund (SAF) for a one-time per-pupil payment to districts. Payments are based on the following calculation:

- 50% of the prior year blend (10% of the spring 2019 count plus 90% of the fall 2019 count); plus
- 50% of the current year blend (10% of the spring 2020 count plus 90% of the fall 2020 count).

Districts will receive an estimated \$65 per pupil under this appropriation.

Increasing Enrollment

2020 PA 165 provides \$66.0 million SAF for payments to districts with increasing enrollment in order to offset at least part of the inclusion of a weight of the prior year blend. Districts are eligible if their FY 2020-21 blend as normally calculated (including pupils engaged in pandemic learning) exceeds their FY 2020-21 “super blend.” Payments are equal to the difference in pupils multiplied by the lesser of the district’s foundation allowance or the Target foundation allowance. Payments may be prorated if funds are insufficient. The Michigan Department of Education (MDE) has indicated that the first payment of this appropriation will go out in the December 2020 payment, after fall 2020 pupil count numbers are received; however, it is likely that this payment will be adjusted throughout the pupil auditing process.

Distance Learning Study

2020 PA 149 states the legislature’s intent to appropriate funding to a higher education institution for a study that does all of the following:

- Assesses distance learning programs used in Michigan that were effective at meeting educational goals and attainment.
- Assesses how the effective distance learning programs operated.
- Assesses the best practices implemented by the effective distance learning programs that should be replicated by schools engaged in distance learning.
- Notes distance learning models that were ineffective in achieving educational goals.

2020 PA 165 appropriates \$150,000 General Fund/General Purpose (GF/GP) to conduct this study.

EXTENDED COVID-19 LEARNING PLAN

The Return to Learn package requires districts to provide instruction under an extended COVID-19 learning plan that has been approved by an ISD or by a PSA authorizer, as applicable, in order to receive state aid for FY 2020-21.

An extended COVID-19 learning plan must include all of the following:

- A statement indicating why an extended COVID-19 learning plan is necessary to increase student engagement and achievement for the 2020-2021 school year.

- The educational goals expected to be achieved by the middle and by the end of the school year. These goals may not be used to determine state policy. All of the following apply to the goals:
 - They must include increased student achievement or, if it can be validly and reliably measured using benchmark assessments, growth on those assessments in the aggregate and for all subgroups of students.
 - They must include an assurance that the district will select benchmark assessments aligned to state standards and an assurance that the district will administer them to all students to determine whether students are making meaningful progress toward mastery of the standards.
 - They must be measurable through those benchmark assessments.
- A description of how instruction will be delivered. Instruction may be delivered at school or at a different location, in person, online, digitally, by other remote means, in a synchronous or asynchronous format, or through any combination of these.
 - The district's board or board of directors must meet monthly after the plan's submission to reconfirm how instruction will be delivered.
 - Districts must report to the Center for Educational Performance and Information (CEPI) the re-confirmed instructional delivery method for each grade level offered, including Pre-K, and whether the district is offering higher levels of in-person instruction for English language learners, special education students, or other special populations.
- A description of how instruction for core academic areas provided under the learning plan will expose each student to standards comparable to in-person instruction and a description of how student progress will be graded or reported to the student and his or her parents or guardians.
- If the district is delivering instruction virtually, an assurance and description of how students will be provided with equitable access to the internet and technology necessary to participate in instruction. (This does not prohibit the district from providing instruction through nonvirtual educational materials.)
- A description of how the district will ensure that students with disabilities will be provided with equitable access to instruction accommodation in accordance with state and federal law.
- A requirement that the district, in consultation with the local health department and district employees, develop districtwide guidelines concerning pupil instruction based on local data on key metrics. However, the ultimate decision on instruction rests with each district.
 - Key metrics include COVID-19 cases, hospitalizations, deaths, positive tests, health care capacity, and testing, tracking, and containment infrastructure.
- A provision that prioritizes instruction for grades K to 5 if the district determines that it is safe to provide in-person instruction.
- A requirement that the district ensure that at least two two-way interactions occur between a student and at least one of his or her teachers or a qualifying district employee during each week of the school year for at least 75% of students in the district.
 - These interactions may apply toward the district's monthly attendance requirement (see "Days, Hours, and Attendance Requirements," below).
 - A district must publicly announce its weekly interaction rates at its monthly reconfirmation meetings and make those rates available on its website.

A district must submit its extended COVID-19 learning plan to its ISD or authorizer, as applicable, by October 1, 2020. The ISD or authorizer must approve and transmit copies of the plan to the State Superintendent and State Treasurer by October 9, 2020. A district must make the approved plan accessible through the transparency reporting link on the district's website by October 12, 2020.

By January 15, 2021, a district must report on the amount and type of professional development provided to teachers that focuses on how to deliver virtual content and the amount and type of training provided to parents and students

on how to access and use virtual content provided by the district. The report must be published on the district's transparency reporting link.

A district must report on progress toward mid-year goals by February 1, 2021, and on progress toward end-of-year goals by the last day of the school year. Both reports must be accessible through the district's website.

BENCHMARK ASSESSMENTS

Districts are required, as a condition of receiving state aid for FY 2020-21, to administer at least one benchmark assessment within the first nine weeks of school and again by the last day of school to measure proficiency in reading and math.

The assessments may be any of the following or a combination of the following:

- A benchmark assessment from a provider approved by MDE. MDE is required to approve four to five providers of benchmark assessments and make one of the assessments available at no cost to districts. (Districts are already offered an assessment by Smarter Balanced at no cost; MDE has designated this provider as the no-cost option for FY 2020-21 as well.)
- A benchmark assessment in reading for grades K-9 that contains progress monitoring tools and enhanced diagnostic assessments, a benchmark assessment in math for grades K-8 that contains progress monitoring tools, or both of those assessments.
- A local benchmark assessment or assessments. If this option is used, the district must report to MDE and CEPI on the assessments administered and how they measure changes, including any learning losses, and how the district intends to address those losses.

To the extent practicable, a district must administer the same benchmark assessment that it administered in previous school years.

A district must provide a student's data to the student's parent or guardian within 30 days after the test.

By June 30, 2021, a district must send aggregate district-level data from these benchmark assessments (excluding data from local benchmark assessments) to a regional data hub. The Michigan Data Hub network must compile the data and send it to CEPI. By September 1, 2021, MDE and CEPI must report to the governor and the House and Senate education committees on the number and percentage of students in each district who are significantly behind grade level based on the data.

The benchmark data may be used to measure students' growth based on their performance on state summative assessments to identify districts and schools where student achievement has increased or decreased. However, it may not be used for the state accountability system.

DAYS, HOURS, AND ATTENDANCE REQUIREMENTS

The required minimum of 1,098 instructional hours and 180 days of instruction is waived for the 2020-21 school year. A district must instead provide student instruction in an amount of hours and days necessary to deliver the educational or course content that would have been delivered and would have led to course completion in a normal school year.

As noted in the extended COVID-19 learning plan requirements, student instruction may be provided at school, at a different location, in person, online, digitally, by other remote means, in a synchronous or asynchronous format, or through any combination of these.

Generally, if a district does not have at least 75% attendance on any day of student instruction, MDE prorates that day's funding in the proportion that actual attendance bears to 75% attendance. For FY 2020-21, this requirement is waived; however, a district must ensure that one two-way interaction occurs for at least 75% of students each month of the school year. In this case, 'school year' means a nine-month period designated by the district. If this requirement is not met, MDE would be required to prorate the month's funding in the proportion that actual attendance bears to 75%.

CONCLUSION

As of this writing, the COVID-19 pandemic is ongoing, with schools adjusting to changing demands on students, staff, and communities. The effects on school membership and staffing, as well as how the state will measure instruction and performance going forward, are unknown and may shift throughout the 2020-21 school year. In future years, certain calculations may revert to their typical form or may be adjusted to accommodate factors yet unidentified. This paper describes the statutory changes to the State School Aid Act for FY 2020-21, in what is the first, but perhaps not the last, COVID-related education package.