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STATE UPDATE

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The Legislature took Tuesday off in observance of local elections, so they were only in session for two days this week. There were interesting hearings in both the Senate and House Education Policy committees regarding reforms the Legislature will have to enact in order for Michigan to be competitive in the federal "Race to the Top" grant program. These reforms will be controversial, but the potential of over \$400 million for education funding in Michigan is certainly enticing. Look for more on this topic in the weeks to come.

The main legislative activity this week was the passage of a supplemental School Aid funding bill, HB 4860, in the House. The bill, sponsored by Representative Terry Brown, is aimed at avoiding the \$127 per pupil pro-ration that is set to take effect November 21st without legislative activity. The main section of the bill authorizes using \$184 million in federal stimulus money that was originally set aside for use in next year's School Aid budget to reduce the per pupil reduction to \$10. There were four amendments added to the bill on the House floor, including one to restore the \$7.6 million cut to the competitive GSRP programs. Two other amendments split the \$51.4 million section 20j funding that was vetoed by the Governor between 20j districts and an equity payment for the lowest funded districts. The bill specified that the amendments would be funded by the "Michigan Futures Fund" and not with the use of stimulus dollars. The "Michigan Futures Fund" has not yet been fully funded but was created by the House as a receptacle for new revenues passed by the Legislature.

The bill will now head to the Senate where its fate is less than certain. Senate Majority Leader Bishop has at least indicated a willingness to look for methods to get some more money to the School Aid fund in order to reduce the pro-ration. The Senate Republicans have consistently argued against using the remaining stimulus dollars, however, so some agreement over new revenues will need to be reached in order for this to happen. It is likely that some new money will be directed toward the School Aid budget to help address the pro-ration



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reduction, with continued advocacy and education outreach, the cut to competitive GSRP programs could also be restored.



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