

**MEA President Steven B. Cook's Comments
to the State Board of Education
May 13, 2014**

I'd like to thank the State Board of Education for the opportunity to be here and address Michigan's school funding crisis.

Since the passage of Proposal A in 1995, it seems thousands of discussions have taken place, hundreds of forums have been held and dozens and dozens of reports have been written on school funding but very, very little has actually changed.

School funding is less secure today that it has ever been. Districts have very little idea, from one year to the next, what their funding levels from the state will be, or even when they'll receive it. What new hoops they'll have to jump through to receive their state support or what new strings will be attached. Anymore, school districts don't need compliance officers or accountants, they need crystal balls.

I think, if we're going to be honest with ourselves for just a second, we have to acknowledge there is simply too many people and private corporations making too much money off the public schools with very little student learning to show for it. True reforms to improve education have, for some time taken a back seat to political considerations and political inspired "reforms." Data is ignored, research is dismissed—but the political hits keep on coming.

For example, 20 years ago Michigan was sold the idea of charter schools. We were told they would provide a guiding light of educational and learning advancement. They would be laboratories that would demonstrate to the rest of us new techniques in the development and delivery of education. After 20 years, I think the jury on charter schools has returned its verdict. Currently, Michigan spends \$800 million a year on charter schools—\$5.6 billion in the last seven years. Michigan leads the nation in the number of for-profit charter schools at 80 percent—far more than any other state. But the real question is, have they provided the ground-breaking innovations that were promised 20 years ago?

The fact is, every credible piece of research shows, at best, charter schools are no better than traditional public schools. All we've done is spend 20 years and billions of dollars on a parallel system of public education, except that this system is primarily for-profit. Now, before you think MEA has a bias against charter schools because they're not the traditional public schools—think again. MEA represents some charter schools. We're taking a step back and trying to determine if the amount of time, effort and resources expended, comes close to the promises made and the realistic potential of the growing for-profit, charter school movement.

Education Trust recently published a report that was highly critical of the over reliance in Michigan on charters and cybers and any other bright, shiny object and simplistic answer to address the issue of education.

Online, full-time K-12 schools are a relatively new phenomenon in Michigan, but have certainly been given all the encouragement and support possible to become a fixture on the educational scene in Michigan—again, in the face of data and research that shows of all the choices available—it provides the fewest educational benefits.

Online education has been around for some time, but mainly as a means for students to pick up course work that, for whatever reason, was not available in their home districts. MEA supported that so long as the course work is development and monitored by certificated teachers.

But now comes K12 Inc. , arguably the nation’s largest provider of full time, K-12 online instruction. They are for profit and listed on the New York Stock Exchange. In 2013, Michigan has spent \$60 million in this new fledgling business called online instruction—more than \$42 million going to the for-profit K12 Inc. .

But the question to be asked, like with charter schools, what is their product like? Are students learning? While they haven’t been in Michigan long enough to perhaps offer a definitive judgment, how other organizations view them may provide a view into what Michigan might expect.

In order to be eligible to play college sports in either Division I or II, incoming freshman must establish their academic eligibility—including that they are high school graduates.

A month ago, the NCAA added to their banned list of online schools, 24 K12 Inc. schools that if a student’s only claim to academic eligibility is a diploma from K12, they are ineligible to play sports. These are K12 Inc. schools in California, Colorado, Georgia, Nevada, Ohio, Oklahoma, Pennsylvania, South Carolina, and Washington State.

K12 Inc. in Michigan—the Michigan Virtual Charter Academy, is under Extended Evaluation by the NCAA. Potential student athletes are required to submit student-specific documentation for all coursework taken.

This is something that has never been done before to any public school or even charter school.

But has any of this, or the information that was available before we jumped into the deep end with cyber schools, even served as a speed bump for those who cheerlead for greater cyber school expansion? The silence is deafening, but we do know the checks keep coming to the for-profit operators.

Proposal A changed the way we finance schools—property taxes were reduced and the primary funding source was moved to the sales tax. As most of you know, MEA opposed Proposal A. We didn’t like the idea of basing school funding on what amounts to a regressive tax but, mainly, we felt allowing politics to decide whether and how much

schools would be funded by the Legislature was a profound mistake. My guess is we wouldn't be here today, if the Proposal A system that was adopted was really working.

But Proposal A was based on sales tax revenue—the interesting thing is, that even before Proposal A passed, there were bills stacked up in the Legislature to begin exempting items from having to pay the tax. Thus far, there have been at least 55 exemptions from sales tax signed into law from anything coming out of a vending machine, to airplanes, commercial laundry and advertising, and the buying and selling of gold—all tax exempt.

Even before its adoption, there were those working overtime to begin reducing the amount of funds going to education through exemptions to the sales tax.

And even though we have mentioned this problem more than once, there are still efforts to further reduce the School Aid Fund by exempting items from sales tax.

As you will see from the Drake Report, the School Aid Fund has been reduced \$5.5 billion since 1994 due to changes in income, use taxes and sales tax exemptions.

For public schools, it's like getting hit by the bus and then having it back over you. Not only is the pool of available funding being reduced as fast as possible through tax changes, but now higher education is being funded from the School Aid Fund and a growing amount of the funding that's left is funding charter and cyber schools and other suspect experiments.

I'd like to leave you today with some profound recommendations for change to our current system, but I have to be realistic. There's too much money, too many vested in keeping things as they are, and too many not willing to do the homework necessary to achieve real, meaningful change in our education system anytime soon. But, you have to start somewhere and here, and now, is as good a place as any.

We'd like to see greater accountability applied to the charter school and cyber schools. We'd like to see the same standards, tests, rules, requirements and all other accountability measures that are applied to the public schools, also applied to the charters and cybers as well.

Stop cutting the funds available to the School Aid Fund. If someone wants something to be exempt, if a tax must be changed, if higher education is going to be funded from the School Aid Fund, those responsible for making that determination should commit themselves to finding replacement revenue for the School Aid Fund. And that replacement revenue should not come from other sources of education funding.

We simply have to insist that state support of education be increased. In 2012-13, Michigan ranked 42nd in public school revenue per student and 46th as in public school revenue as a percentage of combined state and local revenue.

In other words, 45 states use a greater share of state and local revenue on schools than we do in Michigan.

The School Foundation Allowance is lower now than it was four years ago, and what small increases districts have seen in the past few years have come directly from shifting the cost of pensions and health care to school employees. These cost shifts have generated \$363 per pupil per year. If the governor's proposal is adopted for next year, the Foundation Allowance will have gone up only \$317 since 2011-12. In other words, school employees themselves have funded all increases in the Foundation Allowance between 2011-12 and 2014-15.

Looking back 20 years, we wish someone, anyone, instead of spending their every effort, resource and capitol to promote, encourage and adopt every bad idea to "reform" education, had they put just one-tenth of that effort in trying to improve the existing infrastructure and system in a truly bipartisan manner, involving teachers and their associations. Maybe we wouldn't be here in the mess we're in. But here we are.

At the end of the day, if you believe higher class sizes improve education, and relying on cuts to school staff to finance schools, demeaning and attacking teachers, and diminishing their ability to impact education at the local level and wiping entire school districts off the map, art, music and physical education disappearing, seeing students actually going backwards in terms of growth and learning after 20 years of politically inspired tinkering, heavily investing in failed experiments, watching the list of deficit districts grow—if all of this makes perfect sense to you and you want to see more? Then yes, you also have to believe there's enough financial support for education.

But if you think we not only can do a better job, but must do a better job of addressing this—then your answer is no and we are on the wrong track. It will no doubt take a few profiles in courage to step up and say so.

It will never be sooner than now to even begin to get us back on the right track—but countless students and their parents are counting on us. Don't let them down. Thank you for the opportunity.

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