



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

MICHAEL P. FLANAGAN
STATE SUPERINTENDENT

August 6, 2014

MEMORANDUM

TO: State Board of Education

FROM: Martin Ackley, Director, Office of Public and Governmental Affairs

SUBJECT: State and Federal Legislative Update

MICHIGAN HOUSE OF REPRESENTATIVES

The House held legislative session on Wednesday, July 16, and Wednesday, July 30, taking attendance only. There was no new legislation introduced pertaining to education in either of those weeks.

MICHIGAN SENATE

The Senate held legislative session on Wednesday, July 16, and Wednesday, July 30, taking attendance only. There was no new legislation introduced pertaining to education in either of those weeks.

SENATE APPROPRIATIONS

During the week of July 16, the Senate Appropriations Committee met regarding Financial Independence Team legislation. The committee took testimony only on the following bills:

SB 951 includes enhanced deficit elimination plan compliance in the School Aid Act.

[http://www.legislature.mi.gov/\(S\(zpkc13rbamve4gv3zsqnyz55\)\)/mileg.aspx?page=getObject&objectName=2014-SB-0951](http://www.legislature.mi.gov/(S(zpkc13rbamve4gv3zsqnyz55))/mileg.aspx?page=getObject&objectName=2014-SB-0951)

SB 952 provides for an enhanced deficit elimination plan for school districts.

[http://www.legislature.mi.gov/\(S\(zpkc13rbamve4gv3zsqnyz55\)\)/mileg.aspx?page=getobject&objectname=2014-SB-0952](http://www.legislature.mi.gov/(S(zpkc13rbamve4gv3zsqnyz55))/mileg.aspx?page=getobject&objectname=2014-SB-0952)

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SB 954 if a district or intermediate district is required to submit a deficit elimination plan and fails to submit the plan or have it approved, the department may withhold some or all of the money payable in an amount the department determines necessary.

[http://www.legislature.mi.gov/\(S\(zpkc13rbamve4gv3zsqnyz55\)\)/mileg.aspx?page=getobject&objectname=2014-SB-0954](http://www.legislature.mi.gov/(S(zpkc13rbamve4gv3zsqnyz55))/mileg.aspx?page=getobject&objectname=2014-SB-0954)

SB 955 increases the cap on emergency loans to school districts under the Emergency Municipal Loan Act.

[http://www.legislature.mi.gov/\(S\(zpkc13rbamve4gv3zsqnyz55\)\)/mileg.aspx?page=getobject&objectname=2014-SB-0955](http://www.legislature.mi.gov/(S(zpkc13rbamve4gv3zsqnyz55))/mileg.aspx?page=getobject&objectname=2014-SB-0955)

SB 957 requires preplanned financial reporting as part of an early warning system for school districts.

[http://www.legislature.mi.gov/\(S\(zpkc13rbamve4gv3zsqnyz55\)\)/mileg.aspx?page=getobject&objectname=2014-SB-0957](http://www.legislature.mi.gov/(S(zpkc13rbamve4gv3zsqnyz55))/mileg.aspx?page=getobject&objectname=2014-SB-0957)

BUDGET BILLS

HB 5313, the department budget omnibus bill was signed into law on Tuesday, June 24.

HB 5314, the education omnibus budget passed through both the House of Representatives and Senate chambers on Wednesday, June 11. There was a \$50 across the board foundation increase for the K-12 budget and an equity payment of up to \$125 provided so some of the lowest spending schools will get a \$175 increase. The budget was signed into law on Tuesday, June 24.

BILLS SIGNED BY THE GOVERNOR

HB 4465 (McBroom) amends the Michigan merit curriculum and graduation requirements so career and technical education credits may be substituted in place of subject area content. The bill was signed into law on Wednesday, June 25. It was assigned Public Act Number 208 of 2014.

HB 4466 (Johnson) amends the Michigan merit curriculum and graduation requirements, including agricultural science as a substitute for chemistry or physics credits. The bill was signed into law on Wednesday, June 25. It was assigned Public Act Number 209 of 2014.

SB 817 (Pappageorge) Delays implementation of a requirement that performance evaluations meet certain criteria, including an annual year-end evaluation and the assignment of an individual effective rating until the 2015-16 school year. The bill was filed with the Secretary of State on Monday, June 30. It was assigned Public Act Number 257 of 2014.

FEDERAL UPDATE

RESULTS-DRIVEN ACCOUNTABILITY: SPECIAL EDUCATION

To help improve the educational outcomes of the nation's 6.5 million children and youth with disabilities, the U.S. Department of Education (USDOE) announced a significant shift in the way it oversees the effectiveness of states' special education programs. Under Results-Driven Accountability (RDA) framework, the USDOE will include educational results and outcomes for students with disabilities in making states' annual determinations under the *Individuals with Disabilities Education Act* (IDEA).

The USDOE has worked extensively with states to ensure meaningful access to special education and related services for students with disabilities and has noted major improvements in compliance over the last several years. With this year's IDEA determinations, the agency used multiple outcome measures that include students with disabilities' participation in state assessments, proficiency gaps between students with disabilities and all students, and performance in reading and math on the National Assessment of Educational Progress (NAEP) to provide a more comprehensive and thorough picture of performance of students with disabilities.

As part of the move to RDA, the USDOE Office of Special Education and Rehabilitative Services (OSERS) will fund a new, \$50 million technical assistance center: the Center on Systemic Improvement. The center will help states leverage the \$11.5 billion in federal special education funding they now receive to improve educational outcomes for students with disabilities. OSERS also will work with each state to support them in developing comprehensive plans designed to improve results for children with disabilities.

FINANCIAL LITERACY

The Organization for Economic Cooperation and Development (OECD) released results from the first administration of the Program for International Student Assessment (PISA) [financial literacy assessment](#). The National Center for Education Statistics (NCES) summarized the performance of U.S. 15-year-old students in a [Data Point report](#) and [data tables](#). The test was conducted in 18 of the 65 education systems that participated in the 2012 main PISA and measured students' knowledge and understanding of

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fundamental elements of the financial world, including financial concepts, products, and risks. Among the findings: the U.S. average score was 492, not measurably different from the average of all participating countries (500) but lower than the average in seven systems; 9% of U.S. students scored at the top level (Level 5), not measurably different from all countries (10%) but lower than four systems; and 18% of U.S. students scored below Level 2, not measurably different from all countries (15%) but higher than seven systems.

Secretary Duncan called the PISA results “sobering,” underscoring the need to redouble efforts to teach financial literacy to American students.

If you have any questions or concerns regarding these or other legislative issues, please contact me at (517) 241-4395.