



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



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March 2, 2009

TO: State Board of Education
FROM: Michael P. Flanagan, Chair 
SUBJECT: State and Federal Legislative Update

STATE UPDATE

Compulsory Attendance Age (House Bills 4030 and 4132 – Representatives Geiss and Lemmons) The House Education Committee reported two bills that would raise the compulsory age of attendance from 16 to 18 years of age. These bills would allow all the current exemptions for home school parents or children who have already received a diploma, etc. They would also allow for parents to provide legal written consent to allow their child to withdraw from school once s/he has reached 16 years of age. This is quite similar to legislation passed by other states. According to the North Central Regional Education Laboratory, in all cases where this legislation succeeded, the bill included language allowing parents, or other persons having legal authority over a child under the age of 18, to withdraw the child from school with legal written consent.

Consolidation of Services at the Intermediate School District (ISD) Level
At the request of the House Education Committee, Elaine Madigan and Lisa Hansknecht presented the findings from the Michigan Department of Education report summarizing consolidation of services currently occurring in the ISDs in Michigan and what some of the barriers are to further consolidation. The House Education Committee is interested in working on this issue to promote greater efficiencies and cost savings administratively to free up more dollars needed due to the poor economy and school revenues, as well as to move more funding into instruction.

School Aid and Michigan Department of Education Budgets
(House Bills 4447 and 4438, respectively – Representative Terry Brown)
The House Appropriations Subcommittee on K-12 Education has begun its work on the Department and School Aid budgets. A hearing was held related to Adult Education funding with testimony from the Department of Energy, Labor, and Economic Growth (DELEG).

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Another hearing will be held on March 4, 2009 to allow for public testimony on early education and kindergarten. The House is expected to move these bills from subcommittee on March 18th. They are scheduled to move to the Senate prior to the Legislative Spring break (April 6th to the 17th).

FEDERAL UPDATE

Economic Recovery Funds

The Michigan Department of Education, along with Education Departments from across the United States, is awaiting guidance from the U.S. Education Department (USED) providing more specifics on how some of the Economic Recovery funds will work. In Michigan, there is already lobbying efforts underway to the Governor and to the Legislature as to how various groups would like to see the funds used, even though it appears that most of the funds will be allocated based on formulas that are already set.

There is a push from Secretary Duncan for greater accountability and transparency, and that leaves many questions for MDE as to how that will be accomplished and with what funds. There is also talk about tying the funds to education reform efforts at the state level. Until the guidance arrives and is reviewed, there are many unanswered questions.

FY 2010 Federal Budget Proposal

President Barack Obama provided an overview of his 2010 Budget Proposals on February 26, 2009. In his prepared statement, the President had the following to say about education:

To give our children a fair shot to thrive in a global, information-age economy, we will equip thousands of schools, community colleges, and universities with 21st Century classrooms, labs, and libraries. We'll provide new technology and new training for teachers so that students in Chicago and Boston can compete with kids in Beijing for the high-tech, high-wage jobs of the future. We will invest in innovation, and open the doors of college to millions of students. We will pursue new reforms—lifting standards in our schools and recruiting, training, and rewarding a new generation of teachers. And in an era of skyrocketing college tuitions, we will make sure that the doors of college remain open to children from all walks of life.

The budget proposal includes pieces on expanding access to early education, preparing and rewarding effective teachers and principals, and helping states develop high quality, rigorous standards and assessments. (Please see Attachments A and B for more information.) The detailed budget bills and documents will be released in April, 2009.

If you have any questions or concerns regarding these or other legislative issues, please contact Lisa Hansknecht, Legislative Director, at 517-335-4913.



DEPARTMENT OF EDUCATION

Funding Highlights:

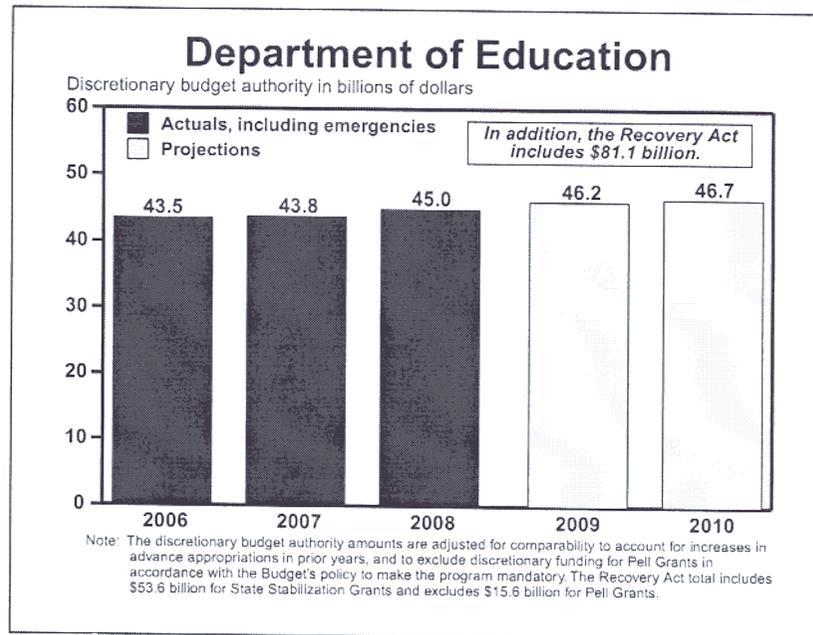
- Creates incentives and supports for States to build comprehensive, coordinated, high-quality early childhood “Zero to Five” systems, building on the early childhood investments in the American Recovery and Reinvestment Act of 2009.
- Strengthens and reforms public schools to meet the needs of all students, by helping States to develop high quality, rigorous standards and assessments, vigorously supporting and rewarding effective teaching, and investing in and widely disseminating effective approaches to improving student achievement to help all students make progress toward high standards.
- Expands opportunities for students to go to college and graduate by expanding student aid, shifting resources from banks and middlemen toward students, creating new incentives for colleges to focus on student completion, and expanding access to low-cost Federal student loans.

Expands Access to High-Quality Early Childhood Education. Decades of rigorous research demonstrates that high-quality early childhood education programs help children succeed in school and throughout their lives. Building on strong investments in the Recovery Act, the President’s Budget also includes new initiatives aimed at ensuring that early childhood programs yield strong results for children. The Budget invests additional resources to encourage State and local investment in early childhood education; support coordination among local, State, and Federal partners and a seamless delivery of services; and provide better information to parents about program options and quality.

Supports High Standards and Rigorous Assessments Aligned with the Demands of the Global Economy. Students must achieve to high standards in order to be successful in the global economy. Assessments must accu-

rately measure students’ knowledge and skills, including critical thinking skills. Building on the Recovery Act, the new Administration will help States increase the rigor of their standards so they prepare students for success in college and a career. Resources will also be available to improve the quality of assessments, including assessments for students with disabilities and English language learners. Such reforms will lay the groundwork for reauthorizing the Elementary and Secondary Education Act.

Prepares and Rewards Effective Teachers and Principals. The Budget builds on the investments funded under the Recovery Act designed to significantly upgrade the skills and effectiveness of the education workforce. The Administration will invest in efforts to strengthen and increase transparency around results for teacher and principal preparation programs, including programs in schools of education, alternative certification programs,



and teacher and principal residency programs. The Budget supports additional investments in State and local efforts, developed in consultation with teachers and other stakeholders, to implement systems that reward strong teacher performance and help less effective teachers improve or, if they do not improve, exit the classroom. Resources are also included to develop better systems and strategies for recruiting, evaluating, and supporting teachers and other educators to provide a better supply and distribution of well-prepared and effective education workforce.

Supports Innovative and Effective Strategies to Improve Achievement. Through the Innovation Fund, the Administration will invest in school systems and non-profit organizations with demonstrated track records of success in raising student achievement to expand their work or implement new innovative approaches. The President's Budget also provides funds to support Promise Neighborhoods, a new effort to test innovative strategies to improve academic achievement and life outcomes in high-poverty areas. The program will be modeled after the Harlem Children's Zone, which aims to improve college-going rates by combining a rigorous K-12 education with a full network of support-

ive services—from early childhood education to after-school activities to college counseling—in an entire neighborhood from birth to college.

Funds Education Research to Ensure that Teachers and School Leaders Have the Tools and Information They Need to Prepare Students for the Global Economy. The Budget includes funds to carefully study, improve, and scale up promising educational innovations that focus on improving student learning and achievement. The additional funds will also be used to rigorously evaluate Federal education programs so that Federal investments are preparing students for success in college and the workforce.

Promotes Successful Models for Turning Around Low-Achieving Schools. The Budget builds on the Recovery Act's focus on strategic investments in scaling up educational practices that show results and cultivating promising new practices. The President's Budget commits resources to turn around high-need, low-performing schools with strong supports, not just sanctions. The Administration's new strategy will support State efforts to diagnose and address the root causes of schools' low performance. In addition, the Budget increases funding for the

Charter School program to support the expansion of successful charter school models, while increasing State oversight to monitor and shut down low-performing charter schools.

Expands Pell Grants and Puts the Program on Sure Footing. Because the Administration is committed to making college affordable for all Americans, the 2010 Budget builds on the Recovery Act by supporting a \$5,550 Pell Grant maximum award in the 2010-2011 school year. But it is not enough just to make Pell Grants more generous and to put on a short-term patch. Fourteen times since 1973, the maximum Pell Grant has failed to increase even in nominal dollars. To make sure that we have a highly-educated workforce and that the opportunity to go to college is not determined by how much money you have, we need to put the Pell Grant program on sure footing. The Administration will index Pell grants to the Consumer Price Index plus 1 percent in order to address inflation. In addition, the Administration proposes to make the Pell Grant program mandatory to ensure a regular stream of funding and eliminate the practice of “backfilling” billions of dollars in Pell shortfalls each year. Finally, while expanding student aid, the Administration will also simplify the student aid application process.

Stabilizes the Student Loan Program for Students and Saves Billions of Dollars for Taxpayers. Right now, the subsidies in the Government-guaranteed student loan

program are set by the Congress through the political process. That program has not only needlessly cost taxpayers billions of dollars, but has also subjected students to uncertainty because of turmoil in the financial markets. The President’s Budget asks the Congress to end the entitlements for financial institutions that lend to students. The Administration will instead take advantage of low-cost and stable sources of capital so students are ensured access to loans, while providing high-quality services for students by using competitive, private providers to service loans. The approach in the Budget, originating all new loans in the direct lending program, saves more than \$4 billion a year that is reinvested in aid to students. The Budget also makes campus-based, low-interest loans more widely available through a new modernized Perkins Loan program, overhauling the inefficient and inequitable current Perkins program.

Focuses on College Completion. It is not enough for the Nation to enroll more students in college; we also need to graduate more students from college. A few States and institutions have begun to experiment with these approaches, but there is much more they can do. The Budget includes a new five-year, \$2.5 billion Access and Completion Incentive Fund to support innovative State efforts to help low-income students succeed and complete their college education. The program will include a rigorous evaluation component to ensure that we learn from what works.

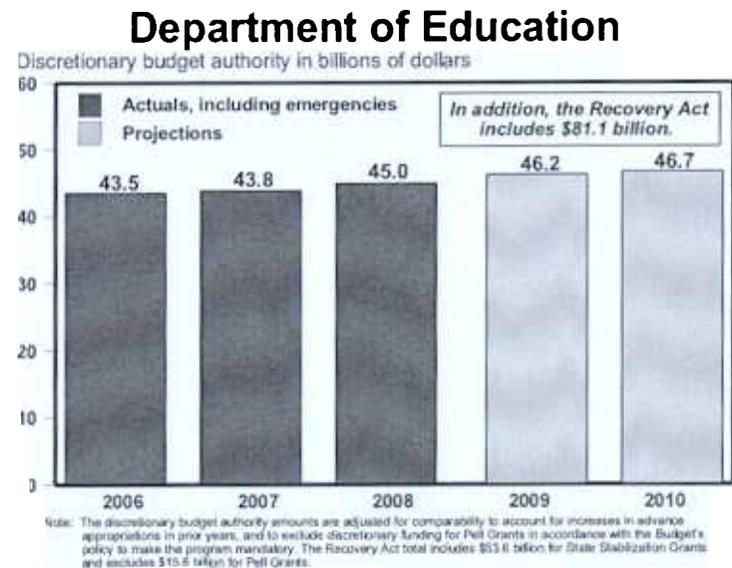
A NEW ERA OF RESPONSIBILITY: RENEWING AMERICA'S PROMISE

The U.S. Department of Education 2010 Budget

"The path to jobs and growth begins in America's classrooms. The decisions we make about how to educate our children will shape our future for generations to come. They will determine not just whether our children have the chance to fulfill their God-given potential, or whether our workers have the chance to build a better life for their families, but whether we, as a nation, will remain in the 21st Century, the kind of global economic leader that we were in the twentieth. If we want to out-compete the world tomorrow, we must out-educate the world today."

-- President Barack Obama

9 With a Fiscal Year 2010 Budget of \$46.7 billion for the Department of Education, the President is committed to educational excellence at all levels. Building on investments in the Recovery Act to bolster early childhood education, this Budget supports states' "Zero to Five" systems. To strengthen and reform public schools and meet the needs of all students, the Administration will utilize programs funded by the Recovery Act and new Budget initiatives to work with states to develop rigorous standards and assessments, support and reward effective teaching, invest in best practices, and improve student achievement. Expanding opportunities for higher education is another priority of this Budget, which modernizes Federal student loans, builds on an increase in Pell awards that was included in the Recovery Act, and makes the new \$2,500 American Opportunity Tax Credit permanent. The Budget includes a new five-year, \$2.5 billion Access and Completion Incentive Fund to support innovative state efforts to help low-income students complete college.



ATTACHMENT B

The U.S. Department of Education Budget Highlights

COMPREHENSIVE EARLY CHILDHOOD EDUCATION

Expands access to high-quality early childhood education. The Administration is proposing to help states strengthen their early education programs. The Administration will broaden the reach of these programs and boost their quality, encouraging new investment, a seamless delivery of services, and better information for parents about program options and quality. In addition, through funds from the recovery act and this budget, the President will double funding for the Early Head Start program and expand Head Start, both of which have proven to be successful with younger children. Finally, the Department of Health and Human Services will begin a major new effort to ramp up the Nurse-Home Visitation program. Rigorous research has shown that a well-structured program can have large and measurable impacts in helping at-risk expectant and new parents give their children a healthy start in life.

INNOVATIVE AND PROVEN SOLUTIONS

Supports innovative and effective strategies to improve achievement. The Budget invests in school systems and non-profit organizations with demonstrated track records of success in raising student achievement to expand their work or implement new innovative approaches through the "Innovation Fund." Funds provided support "Promise Neighborhoods," a new effort to test innovative strategies to improve academic achievement and life outcomes in high-poverty areas modeled after the Harlem Children's Zone.

Funds education research. The Administration supports funding to ensure that teachers and school leaders have the tools and information they need to prepare students for the global economy. This includes funds to carefully study, improve, and scale up promising educational innovations that focus on improving student learning and achievement. Additional funds will also be used to rigorously evaluate federal education programs.

Promotes successful models for turning around low-achieving schools. The Budget scales up educational practices that show results, and cultivates promising new practices by committing resources to turn around high-need, low-performing schools with resources, not just sanctions. It supports state efforts to diagnose and address the root causes of schools' low-performance, and increases funding for the Charter School program.

TEACHER AND PRINCIPAL EFFECTIVENESS

Prepares and rewards effective teachers and principals. The Budget invests in efforts to strengthen and increase transparency around results for teacher and principal preparation programs, including programs in schools of education, alternative certification programs, and teacher and principal residency programs. The Budget supports additional investments in state and local efforts, developed in consultation with teachers and other stakeholders, to implement systems that reward strong teacher performance and help less effective teachers improve or, if they do not, exit the classroom.

COLLEGE ACCESS AND COMPLETION

Increases maximum Pell Awards. The Budget builds on the Recovery Act by supporting a \$5,550 Pell Grant maximum award in the 2010-2011 school year. Shifts the Pell program to the mandatory side of the Budget and ties future increases in Pell awards to the Consumer Price Index plus 1-percent. Also makes permanent the new \$2,500 American Opportunity Tax Credit provided in the Recovery Act.

Modernizes Federal Student Loans. The Budget provides funds to modernize the federally subsidized student loan programs to guarantee student access to loans, protecting students from turmoil in the financial markets and ensuring high-quality services by competitive, private providers. Also it makes campus-based, low-interest loans more widely available through a new Perkins loan program, overhauling the inefficient and inequitable current Perkins program.

Focuses on college completion. The Administration supports \$2.5 billion for a new five-year Access and Completion Incentive Fund to support innovative state efforts to help low-income students succeed and complete their college education. The program will include a rigorous evaluation component to ensure that we learn from what works.