



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



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PUBLIC INSTRUCTION

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

State Update

FY 2011 Budgets

The Consensus Revenue Estimating Conference determined that while revenues related to the General Fund continue to struggle, the revenues for the School Aid fund increased over what was previously expected. Consequently, there has been some speculation about using School Aid funds for the community colleges budget (which is allowed constitutionally). This action would free up General Fund dollars currently used in the community colleges budget to fill holes elsewhere in the State's budget. At this point, no actions to use School Aid for higher education have occurred.

The Michigan Department of Education (MDE) and School Aid budgets (SBs 1154 and 1163, respectively) are both in conference committee. Actions by the conference committees are expected in June. It appears that the budget for education may be finalized before the new school fiscal year begins on July 1. Conference summaries of the House and Senate differences prepared by the Senate Fiscal Agency are available online for both the MDE and School Aid budgets. Here are links to those pages:

MDE budget: <http://legislature.mi.gov/doc.aspx?2010-SB-1154>

School Aid budget: <http://legislature.mi.gov/doc.aspx?2010-SB-1163>

Federal Update

Federal Education Jobs Bill

There is action occurring at the federal level to push through funding (\$23 billion) for an education jobs bill. The mark-up of the bill, which includes more than just this piece, has been indefinitely postponed and the word from the U.S. House Appropriations Committee staff is that the anti-spending argument is currently winning out on the Hill.

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The mark-up was not postponed because of the education funding. While the Congressional Committee staff is confident that there will be action on the supplemental before the July 4th recess, it is very clear that additional pressure is needed to secure the education funding.

For your information, the Economic Policy Institute just released a report on the economic impact of the education jobs fund (found at the following website: http://www.epi.org/publications/entry/keeping_teachers_on_the_job_costs_less_than_advertised/.) This study found that providing the \$23 billion yields a \$32 billion increase in Gross Domestic Product, which then generates extra taxes and a reduced safety net spending that will lower the federal budget deficit by \$12.2 billion. With this offset, the net cost of the education jobs proposal will be only \$10.8 billion. Any advocacy to the Michigan Congressional Delegation on your part to shore up support would be greatly appreciated.

Discussion also continues on the reauthorization of the Elementary and Secondary Education Act (ESEA). The U.S. House and Senate Committees that cover education continue holding hearings and the plan remains to finish work on this by August of this year.

I hope this information is helpful to you. If you have any questions or concerns regarding these or other legislative issues, please contact Lisa Hansknecht, Director of the Office of State and Federal Relations, 517-335-4913.