

Granholtm Proposes School Aid Fund Transfer

On August 18th, Governor Jennifer Granholm unveiled six proposals to address the \$786 million general fund deficit for this fiscal year (FY 2010) and next (FY 2011) through a series of cuts, **revenue transfers**, and revenue increases.

The Governor's proposals to balance the 2009-10 general fund shortfall of \$302 million include **moving \$208 million from the School Aid Fund to the General Fund to provide financing for community colleges**. The community college budget is almost exclusively in general funds.

Among other proposals to address the \$484 million budget hole for 2010 - 2011, the Governor recommends **using \$50 million of School Aid Fund as an incentive for additional service-sharing through competitive grants** to be administered by the Department of Education. School districts would be able to use the one-time grant funds to reduce long-term costs by combining or consolidating services.

House Moves \$208M from SAF to General Fund

On August 26, the House adopted the Governor's recommendation to transfer \$208 million from the School Aid fund to the General Fund by passing **House Bill 6086**.

AFT Michigan and various other education organizations lobbied to have language added to the bill before it passed the House, stating that the funds appropriated for community colleges from the School Aid Fund would be considered a loan; and that those funds would be repaid from the General Fund to the School Aid Fund over a five-year period. To be clear, this shift is of no benefit to community colleges; it only helps to cover the \$300 million General Fund shortfall for the fiscal year ending in thirty days.

We were also successful in removing the Governor's proposal to use \$50 million of School Aid Fund as an incentive for additional service-sharing through competitive grants from being included in House Bill 6086.

House Bill 6086 now goes to the Senate for their consideration after their Labor Day recess.

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Federal Funds Save 4,700 Michigan Education Jobs

Michigan school districts will receive \$318 million from the Federal Education Jobs Fund to save 4,700 education employees' jobs. This award may be used to fund any job that provides educational and related services for early childhood, elementary and secondary education in the 2010-11 school year. These funds cannot be used for public universities or community colleges.

Federal Education Jobs Fund allocations to states are based on their relative population age 5 to 24. The total estimated allocation to Michigan is \$318.1 million. Of this total, the state may use up to 2%, or \$6.4 million, for administering the program, while the balance of \$311.7 million will have to be distributed to districts.

The United State Department of Education provided guidelines on August 13 and began taking applications immediately. The Governor will have until September 9 to submit Michigan's application. The U.S. Department of Education expects to distribute funds within two weeks of having received an approvable application, and is encouraging states to distribute funds to districts as soon as possible. (Without an application the money would come to Michigan, however, the U.S. Department of Education would decide how it would be distributed and arrival would be delayed.)

The state must distribute its funds to districts either through its primary elementary and secondary education funding formula or on a basis of districts' relative share of Federal Title I - Part A funding, which is primarily based on poverty levels. The Governor must identify a distribution method in the state's application. Individual districts will not have to submit applications to the state for funding as long as they submitted an application for American Recovery and Reinvestment Act (ARRA) - State Fiscal Stabilization Fund (SFSF) funding in 2009.

The Michigan Legislature must enact a School Aid supplemental bill to appropriate the funds before they can be disbursed. The state must distribute all of the funds to districts for the 2010-11 school year. Districts are encouraged to use the funds as soon as possible, but **they may carry forward funds into the following year and have until September 30, 2012 to fully expend them.**

A district MAY USE Education Jobs funding for compensation and benefits and other expenses related to existing employees, recall or rehire former employees, or hire new employees. Compensation and benefits may include but are not limited to salaries, performance bonuses, health insurance, retirement benefits, early retirement incentives, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for child care. A district may use funds to restore reductions in salaries and benefits or to provide salary increases or eliminate furlough days for FY 2010-11.

A district MAY use Education Jobs funding for teachers and other employees who provide school-level educational related services. In addition to teachers this may include but is not limited to principals, academic coaches, teacher trainers, classroom aides, counselors, librarians, secretaries, informational technology staff, social workers, psychologists, physical, speech, and occupational therapists, nurses, athletic coaches, security officers, custodians, bus drivers, and cafeteria workers.

A district MAY NOT use Education Jobs funding for general administrative expenses related to the Superintendent's office or the board of education or for support services like fiscal services or human services. **A district MAY NOT use Education Jobs funding for** individuals working under contract who are not employees of the district.

Federal Funding Bill Moves

On August 25, 2010, the House passed **House Bill 5872** to appropriate the school district and ISD portion of the Federal Education Jobs Fund totaling \$312.0 million based on the federal guidelines that require funds be distributed through the state's primary funding formula as follows:

- ▶ First, it distributes \$246.0 million to districts in a *one-time payment* equal to **\$154 per pupil to restore** the per pupil reductions under Section 11d of the School Aid Act, to restore them to FY 2008-09 funding levels.
- ▶ Second, it distributes **\$16.0 million to ISDs** in a *one-time payment* equal to 24.5% of their current Section 81 payments to nearly restore them to FY 2008-09 funding levels.
- ▶ Finally, it distributes the remaining \$50.0 million to districts in a *one-time per pupil increase* based on the 2x formula. **Each district's allocation is equal to a per pupil amount between \$17 and \$34.**

House Bill 5872 now goes to the Senate for their consideration. Listed below are the Estimate Education Jobs Fund Allocation.

Estimated Education Jobs Fund Allocation (HB 5872)

(Increases in Per Pupil Funding are ONE-TIME ONLY and DO NOT Increase the FY 2011 Foundation)

School District	Estimated Total Amount	School District	Estimated Total Amount
Alpena-Montmorency-Alcona ESD	\$88,227	Lamphere Public Schools	\$477,976
Arenac Eastern School District	\$55,584	Les Cheneaux Community School District	\$59,918
Bay-Arenac ISD	\$375,256	Macomb ISD	\$1,319,029
Brown City Community School District	\$187,945	Melvindale/North Allen Park Schools	\$469,826
Cheboygan-Otsego-Presque ISD	\$142,871	Midland County RESA	\$112,078
Chesaning Union Schools	\$337,381	Midland Public Schools	\$1,489,865
Clare-Gladwin ISD	\$118,261	Northville Public Schools	\$1,245,231
Crawford Ausable Schools	\$334,813	Onaway Area Community School District	\$138,980
Crestwood School District	\$637,242	Plymouth-Canton Community Schools	\$3,551,063
Dearborn City School District	\$3,140,101	Romulus Community Schools	\$660,409
Detroit City School District	\$15,787,111	Roseville Community Schools	\$1,087,210
East Detroit City School District	\$860,035	Rudyard Area Schools	\$171,971
Ecorse Public School District	\$176,786	Saginaw ISD	\$407,838
Fairview Area School District	\$59,376	Tawas Area Schools	\$259,568
Glen Lake Community School District	\$151,612	Taylor School District	\$1,530,358
Hale Area Schools	\$122,834	Utica Community Schools	\$5,470,428

School District	Estimated Total Amount	School District	Estimated Total Amount
Hamtramck Public Schools	\$569,542	Van Dyke Public Schools	\$581,147
Hemlock Public School District	\$252,250	Warren Woods Public Schools	\$575,102
Highland Park Public Schools	\$343,771	Washtenaw ISD	\$370,249
Huron Valley Schools	\$1,933,556	Waterford Public Schools	\$2,128,396
Imlay City Community Schools	\$426,087	Wayne RESA	\$2,069,708
Inkster City School District	\$583,838	Wexford-Missaukee ISD	\$139,698
Iosco RESA	\$54,451	Whitefish Township Schools	\$8,636
Kingsley Area Schools	\$286,048	Windover High School	\$46,131
Lake City Area School District	\$216,548	Ypsilanti School District	\$720,157
Lake Shore Public Schools	\$608,537		

Source: House Fiscal Agency

bk:opeiu42aflcio: August 26, 2010

Ninety-Two “Lowest Achieving Schools” Identified

The Michigan Department of Education is required by Federal guidelines to release the list of the “Persistently Lowest Achieving Schools” (bottom 5 percent of schools in the state) prior to September 1 of each year. The ranking is based on student test scores for math and reading on the MEAP and the Michigan Merit Exam from the 2006-07 through 2009-10 school years. The formula used considers student proficiency levels; academic improvement rates; whether a school made Adequate Yearly Progress; and whether a secondary school had a graduation rate below 60 percent.

The list of **92 Michigan schools** included rural, suburban, and urban school districts. Poverty is the major common thread between the affected schools. The list includes the **Highland Park** Community High School; **2 Roseville** middle schools; the **Inkster** High School, the **Ypsilanti** High School; the Truman High School in **Taylor**, the Lincoln Middle School in **Van Dyke**; and 41 **Detroit** elementary, middle, and high schools, which already is under the control of an emergency financial manager.

All schools on the list must submit a Redesign Plan to the Michigan Department of Education’s School Reform Officer **by November 16**, using one of the four improvement models required by the United States Department of Education listed below:

Transformational: Develop teacher and school leader effectiveness, including replacing the principal, implementing comprehensive instructional reform strategies, creating more planning time and community-oriented schools and providing flexibility.

Turnaround: Replace the principal and 50 percent of the staff, adopt a new governance structure and implement a new or revised instructional program

Restart: Close the school and reopen it under the management of a charter school operator or other educational management organization.

School closure: Close the school and enroll its former students in other schools in the district.

Schools may begin to implement their Redesign Plans immediately, but must begin implementing them **no later than the 2011-12 school year**. If the plan is not approved or the school does not show marked signs of improvement within two years of appearing on the list, the state then can take over the operations of the school, and place the school in the state's "School Reform District." Schools appearing on the list can apply for a **Federal Improvement Grant**, which would hopefully expedite their journey towards success.

SBE Proposes New Accreditation Standards

In June 2009, the State Board of Education approved MI-SAAS as the state's new accreditation system to provide a means of setting standards for school improvement. Since then, U.S. Department of Education has provided guidelines for identifying continuously low-achieving schools and awarded School Improvement Grant funds to support reforms to improve student achievement in those schools. The changes to the system proposed at their August meeting stemmed from changes in Federal standards and adoption of state school reform legislation.

To comply with new Federal standards for failing schools, public schools that are among the bottom five percent in the state's Adequate Yearly Progress rankings would be automatically unaccredited. Schools in the lowest 6 - 20 percent would be automatically interim accredited. To be fully accredited, schools would have to test at least 95 percent of students in every subject on the Michigan Educational Assessment Program or Michigan Merit Exam.

The Michigan Department of Education will put the proposed changes out for public comment and hold public hearings. After that, the Board will take final action on any changes at its October board meeting and forward them to the Legislature for review.

Proposed changes to the state's accreditation system have to be approved by the Legislature. In the future, these standards could see additional changes depending on reauthorization of the Federal No Child Left Behind Act.

MI-SAAS is expected to take effect in the 2010-11 school year. These revisions to the state accreditation system are available for public comment at public hearings. MI-SAAS is available for review on the Internet at:

http://www.michigan.gov/mde/0,1607,7-140-22709_52634---,00.html

Public hearings will be held at the following dates, times, and locations:

<p>September 2, 2010 9:00 – 11:00 a.m. Livingston Education Services Agency McGuffey – C Room 1425 West Grand River Howell, MI 48843</p>	<p>September 2, 2010 1:30 – 3:30 p.m. Library of Michigan – Forum 717 West Allegan Street Lansing, MI 48933</p>
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MDE State and Federal Grants

The AFT Michigan website has been updated with the 2010 - 2011 Michigan Department of Education's state and federal grants. Please check it out to see what your school qualified for. The grant list includes the following:

- Title I, School-Wide Planning Grant (NCLB)
- Title I, Part A - Improving Basic Programs (NCLB)
- Title I, Part A - Pilot ISD Partnership (NCLB)
- Title I, Part B(3) – William F. Goodling Even Start Family Literacy Program (NCLB)
- Title II, Part A - Teacher & Principal Training & Recruiting (NCLB)
- Title II, Part B - Mathematics and Science Partnership Grant Program (NCLB)
- Title IV, Part B – 21st Century Community Learning Centers (NCLB)
- Title VI, Part B - Rural & Low-Income School Program (NCLB)
- IDEA, Part B - Formula Grants
- Perkins Secondary Career and Technical Education Grants
- Perkins Secondary Career and Technical Education Reserve Grants
- Perkins Secondary Career and Technical Education Tech. Prep. Grant Program
- Perkins Secondary Career and Technical Education State Leadership Grant Program
- Team Nutrition Training Grand Mini-Grants
- National School Lunch Program Equipment Assistance Grant
- Application for School Bus Inspection Funds

2009-10 and 2010-11 Foundation Allowance Estimates

Following is a list of the estimated changes to foundations allowances for 2009-10 and 2010-11 resulting from passage of the 2010-11 School Aid Budget (Public Act 110, 2010). For more detail on the 2010-11 Budget see the July 2010 Capitol Report on our website: www.aftmichigan.org.

Estimated Impact of Public Act 110, 2010 (SB 1163) Increases for Districts and ISDs

**Reflects a reduction from 2009-10 Foundations Allowances because they are 20j districts.*

***These foundation allowances do not reflect the \$154 per pupil reduction because it is actually subtracted from a district's total state aid payment and does not officially reduce their foundation allowance.*

School District	FY 2009 - 2010 Pupils	FY 2010 - 2011 Estimated Pupils	FY 2010 - 2011 Foundation Allowance **	FY 2009 - 2010 Impact of \$11 Per Pupil Increase	FY 2010 - 2011 Impact of \$11 Per Pupil Increase	FY 2009 - 2010 ISD Increase (Sec. 81)
Alpena-Montmorency-Alcona ESD	0	0	\$0	\$0	\$0	\$13,061
Arenac Eastern School District	296	274	\$7,316	\$3,252	\$3,016	\$0
Bay-Arenac ISD	0	0	\$0	\$0	\$0	\$55,523

School District	FY 2009 - 2010 Pupils	FY 2010 - 2011 Estimated Pupils	FY 2010 - 2011 Foundation Allowance **	FY 2009 - 2010 Impact of \$11 Per Pupil Increase	FY 2010 - 2011 Impact of \$11 Per Pupil Increase	FY 2009 - 2010 ISD Increase (Sec. 81)
Brown City Community School District	1,000	972	\$7,316	\$10,997	\$10,696	\$0
Cheboygan-Otsego-Presque ISD	0	0	\$0	\$0	\$0	\$21,139
Chesaning Union Schools	1,792	1,769	\$7,316	\$19,716	\$19,456	\$0
Clare-Gladwin ISD	0	0	\$0	\$0	\$0	\$17,498
Crawford Ausable Schools	1,782	1,764	\$7,316	\$19,603	\$19,404	\$0
Crestwood School District	3,426	3,390	\$7,814	\$37,681	\$37,291	\$0
Dearborn City School District	18,365	18,927	\$8,802*	\$202,010	\$208,196	\$0
Detroit City School District	86,176	75,964	\$7,660	\$947,940	\$835,608	\$0
East Detroit City School District	4,648	4,403	\$7,961	\$51,123	\$48,435	\$0
Ecorse Public School District	955	893	\$7,883	\$10,509	\$9,828	\$0
Fairview Area School District	316	318	\$7,316	\$3,474	\$3,493	\$0
Glen Lake Community School District	807	806	\$7,469	\$8,875	\$8,869	\$0
Hale Area Schools	653	632	\$7,316	\$7,187	\$6,951	\$0
Hamtramck Public Schools	3,029	3,087	\$7,316	\$33,324	\$33,952	\$0
Hemlock Public School District	1,342	1,299	\$7,316	\$14,759	\$14,293	\$0
Highland Park Public Schools	1,877	1,584	\$7,936	\$20,643	\$17,425	\$0
Huron Valley Schools	10,278	10,213	\$7,418	\$113,157	\$112,348	\$0
Imlay City Community Schools	2,268	2,234	\$7,316	\$24,944	\$24,570	\$0
Inkster City School District	3,159	3,506	\$8,044	\$34,748	\$38,566	\$0
Iosco RESA	0	0	\$0	\$0	\$0	\$8,057
Kingsley Area Schools	1,522	1,530	\$7,316	\$16,745	\$16,833	\$0
Lake City Area School District	1,152	1,141	7,316	\$12,670	\$12,548	\$0
Lake Shore Public Schools	3,345	3,394	\$8,411	\$36,796	\$37,332	\$0
Lamphere Public Schools	2,796	2,924	\$10,749*	\$30,759	\$32,159	\$0
Les Cheneaux Community School Dist.	322	315	\$7,713	\$3,544	\$3,468	\$0
Macomb ISD	0	0	\$0	\$0	\$0	\$195,163
Melvindale/North Allen Park Schools	2,749	2,686	\$8,995*	\$30,240	\$29,550	\$0
Midland County RESA	0	0	\$0	\$0	\$0	\$16,583
Midland Public Schools	8,713	8,531	\$8,611*	\$95,841	\$93,837	\$0

School District	FY 2009 - 2010 Pupils	FY 2010 - 2011 Estimated Pupils	FY 2010 - 2011 Foundation Allowance **	FY 2009 - 2010 Impact of \$11 Per Pupil Increase	FY 2010 - 2011 Impact of \$11 Per Pupil Increase	FY 2009 - 2010 ISD Increase (Sec. 81)
Northville Public Schools	7,288	7,323	\$8,218*	\$80,173	\$80,555	\$0
Onaway Area Community School District	739	705	\$7,316	\$8,132	\$7,750	\$0
Plymouth-Canton Community Schools	18,990	18,956	\$7,604	\$208,886	\$208,520	\$0
Romulus Community Schools	3,860	3,667	\$8,862*	\$42,458	\$40,342	\$0
Roseville Community Schools	5,877	5,632	\$7,915	\$64,645	\$61,953	\$0
Rudyard Area Schools	915	891	\$7,316	\$10,062	\$9,804	\$0
Saginaw ISD	0	0	\$0	\$0	\$0	\$60,343
Tawas Area Schools	1,381	1,351	\$7,316	\$15,187	\$14,865	\$0
Taylor School District	8,363	7,749	\$8,182	\$91,993	\$85,235	\$0
Utica Community Schools	29,411	29,298	\$7,807	\$323,520	\$322,282	\$0
Van Dyke Public Schools	3,176	3,052	\$8,198	\$34,941	\$33,568	\$0
Warren Woods Public Schools	3,363	3,331	\$8,958*	\$36,997	\$36,637	\$0
Washtenaw ISD	0	0	\$0	\$0	\$0	\$54,781
Waterford Public Schools	11,383	11,333	\$7,645	\$125,218	\$124,661	\$0
Wayne RESA	0	0	\$0	\$0	\$0	\$306,232
Wexford-Missaukee ISD	0	0	\$0	\$0	\$0	\$20,670
Whitefish Township Schools	51	50	\$11,261*	\$556	\$553	\$0
Windover High School	113	116	\$7,580	\$1,247	\$1,276	\$0
Ypsilanti School District	3,898	3,891	\$7,983	\$42,874	\$42,805	\$0

Source: House Fiscal Agency

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