



SCHOOL EQUITY CAUCUS

Making a difference for the public school children of Michigan

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CAUCUS INFORMATION ALERT May 1, 2013

Re: Transportation Tax Shift Plan Could Result in Big Cuts to Schools

In the April 29th *Caucus Newsletter* I reported on the hard line being established between Republicans and Democrats regarding the transportation tax shift plan and how schools could be shut out of potential benefits from the change. It now appears that schools might not only get shut out, *schools could be significantly cut.*

The School Aid Fund (SAF) currently receives about \$800 million from gas and aviation tax, or about \$500 per pupil. Unable to gather sufficient bipartisan votes for the whole tax shift package, Republicans controlling the House and Senate now seem poised to piecemeal the tax shift, beginning this week with **HB 4572—without any plan or proposal to replace the hole it would cause in the SAF.**

We hear vague assurances that schools would not be left with such a deep cut, but recent history gives us reasonable cause for concern. When the Foundation was cut by \$100 pp we were told it would be made up. The next year it was further cut by another \$370 pp and we were told not to worry. When community colleges first received SAF dollars we were told it was a loan. Not only was the loan never repaid, community colleges and higher education are now a regular part of the SAF transfers from K12.

We've always assumed that the Governor and legislators believed that the state's public schools needed a certain level of funding to be educationally effective, if the money was available. We shaped our funding arguments with that assumption as the background. We now have reason to believe that the assumption is no longer valid and that some in leadership think schools are significantly overfunded.

I would like to tell you it's not possible for politicians to fix Michigan's roads and bridges and pay for it by further cutting public schools—but that may be the result if the eventual tax shift legislation does not include a guarantee to back-fill the SAF and hold schools, students, and their education harmless.

As you and others in your schools and community meet with or contact legislators, tell them the SAF has been hit enough. Find a way to fix the roads without harming schools.

Jerry