



MEMORANDUM

To: Members of the House Committee on Education Reform

From: Jennifer Smith, Director of Government Relations, MASB

Date: Oct. 26, 2017

RE: Opposition to Senate Bill 574 (S-3)

MASB writes today in opposition to Senate Bill 574, requiring an ISD enhancement millage to be distributed to public school academies in addition to the traditional constituent districts the ISD serves. While we appreciate the positive changes that were made in the Senate, we still have many outstanding concerns.

First, if this bill passes, we urge you to be clear that this is not retroactive. Current enhancement millages have been approved by the voters for traditional school districts. If public school academies are added before a vote of the public, it could be seen as a change in purpose of the millage. An approved millage may only be used for the purposes stated at the time of the election.

We also have concerns with future activity. If a PSA closes, there needs to be a clear process for what to do with the assets purchased with the millage revenue. These assets should be treated differently as they are purchased with local tax payer dollars, not state appropriated funds.

Traditional schools also face costs that PSAs do not, most notably retirement legacy costs. These enhancement millages allow districts to put more money into the classroom, offsetting some of the funds needed for MPERS payments. Also, traditional schools have transportation costs that PSAs do not and this millage can help offset the costs to maintain a bus fleet.

We also believe that a public school academy should have to hold at least one public meeting on the issue of the millage in order to receive the millage revenue. As you know, any millage put on the ballot has been approved at a public board meeting with public input by the local districts, parents and the community. Public school academies should have to hold similar meetings. Also, a PSA should be accountable to the ISD and transparent in its budgeting to ensure that the funds are being used as prescribed.

MASB opposes this bill given the current status of school funding in Michigan. We would be happy to participate in a conversation about overall funding of public education in our state but until then, urge you to vote no on Senate Bill 574.

Thank you for your consideration and please feel free to contact me with any questions.



MASB
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