

MSBO Update

Fall 2023

UPSBO

Landmark Inn, Marquette

October 13, 2023



The School Environment – Fall 2023



- **SAF Finances & Budget**
- **Legal & Labor**
- **Legislative**
- **MSBO Update**

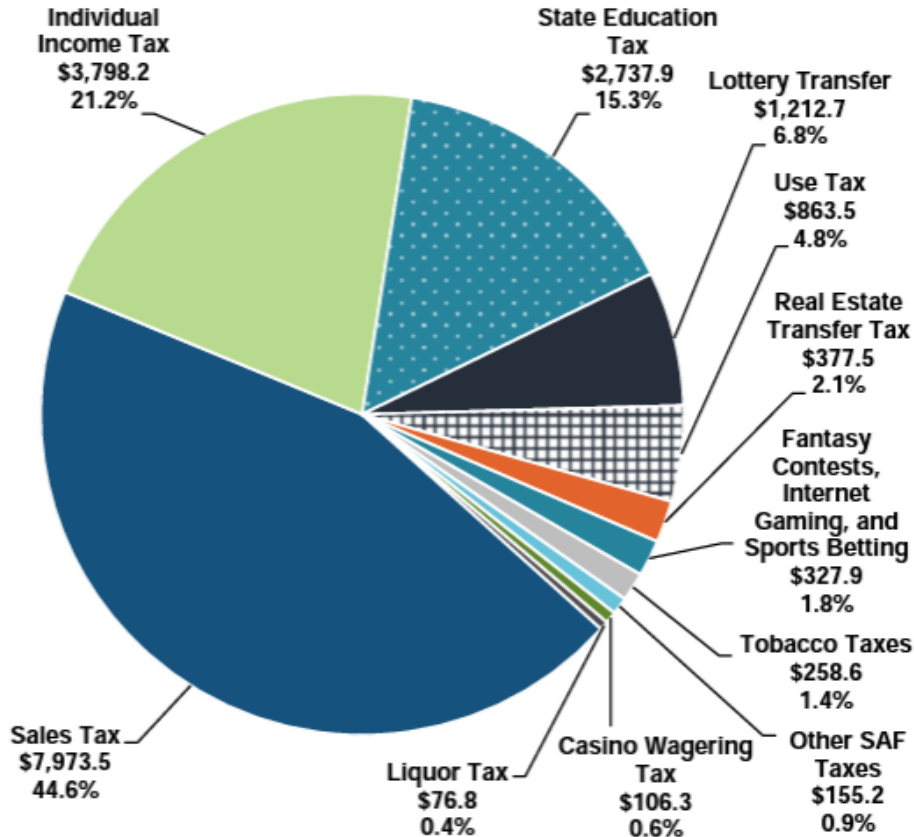


SAF Budget FY2023-24

- The Basics
 - \$21.4 billion total for FY2023-24
 - 9.4% increase over FY2022-23
 - 5% increase in F.A. to \$9,608
 - Sec. 51e - 100% FTE funding for Spec Ed
 - Sec. 31a - \$205 million increase for At Risk
 - Sec. 30d - Universal free breakfast & lunch



SAF Budget FY2023-24




STATE OF MICHIGAN SCHOOL AID FUND TAX AND LOTTERY REVENUE BY SOURCE ESTIMATED FY 2023-24

TOTAL RESOURCES: \$17,888.1 MILLION

(Chart dollars in millions)



SAF Budget FY2023-24

Updated: 10/12/2022		SCHOOL AID FUNDING HISTORY							
Fiscal Year	Full-Time Equated Positions (FTEs)	Interdepartmental Grants Received (IDGs)	Federal Funds	Local and Private Funds	State Restricted	General Fund	Gross Appropriations		
FY 2000-01	N/A	\$0	\$160,000,000	\$0	\$10,346,671,500	\$385,613,500	\$10,892,285,000		
FY 2001-02	N/A	0	209,584,700	0	11,022,148,200	198,413,500	11,430,146,400		
FY 2002-03	N/A	0	1,219,825,200	700,000	11,085,138,100	249,413,500	12,555,076,800		
FY 2003-04	N/A	0	1,316,681,900	0	10,730,437,100	377,850,000	12,424,969,000		
FY 2004-05	N/A	0	1,353,540,100	0	10,948,322,200	165,200,000	12,467,062,300		
FY 2005-06	N/A	0	1,392,587,300	0	11,245,313,200	62,714,000	12,700,614,500		
FY 2006-07	N/A	0	1,411,236,900	0	11,561,963,200	35,000,000	13,008,200,100		
FY 2007-08	N/A	0	1,476,003,900	0	11,386,866,600	34,909,600	12,897,780,100		
FY 2008-09 a)	N/A	0	2,162,008,600	0	11,019,798,200	78,000,000	13,259,806,800		
FY 2009-10 b)	N/A	0	2,062,382,800	0	10,644,891,500	30,206,200	12,737,480,500		
FY 2010-11 c)	N/A	0	2,178,333,300	0	10,784,760,500	18,642,400	12,981,736,200		
FY 2011-12 d)	N/A	0	1,658,031,800	0	11,010,210,400	78,642,400	12,746,884,600		
FY 2012-13	N/A	0	1,701,041,400	0	10,928,614,200	282,400,000	12,912,055,600		
FY 2013-14	N/A	0	1,816,158,800	0	11,356,232,300	149,900,000	13,322,291,100		
FY 2014-15	N/A	0	1,808,162,700	0	11,832,097,400	33,700,000	13,673,960,100		
FY 2015-16	N/A	0	1,775,769,200	0	11,905,439,300	55,100,000	13,736,308,500		
FY 2016-17	N/A	0	1,730,732,700	0	12,144,131,900	179,040,000	14,053,904,600		
FY 2017-18 e)	N/A	0	1,726,943,500	0	12,877,227,300	78,500,000	14,682,670,800		
FY 2018-19	N/A	0	1,745,943,500	0	12,977,340,300	87,920,000	14,811,203,800		
FY 2019-20	N/A	0	2,958,903,000	0	12,946,988,700	104,660,000	16,010,551,700		
FY 2020-21	N/A	0	7,869,968,100	0	13,795,608,000	54,464,600	21,720,040,700		
FY 2021-22	N/A	0	2,445,234,500	0	14,537,414,800	98,119,400	17,080,768,700		
FY 2022-23	N/A	0	2,524,243,500	0	16,966,472,900	124,200,000	19,614,916,400		

a) Includes \$600.0 million in Federal ARRA State Fiscal Stabilization funds.

b) Includes \$450.0 million in Federal ARRA State Fiscal Stabilization funds.

c) Includes \$184.3 million in Federal ARRA State Fiscal Stabilization funds and \$316.3 million in Federal Education Job funds.

d) Includes one-time funding of \$455,500,000 Gross and State Restricted.

e) Includes \$100.0 million from the Talent Investment Fund for the Marshall Plan for Talent, Public Act 227 of 2018.



SAF Budget FY2023-24

- Impact & Considerations
 - **Increases**
 - **One-time funds**
 - **Sustainable?**



SAF Budget FY2023-24

- Per Phil Boone on 9/7/23 (MDE Workshop) – **149 major** budget changes for FY2023-24
- Approx \$2 billion from FY2022-23 deposited into:
 - Sec. 11z School Aid Rainy Day Fund
 - Sec. 22k School Transportation Fund
 - Sec. 29 Enrollment Stabilization Fund
 - Sec. 30e School Meals Reserve Fund
 - Sec. 32e GSRP Reserve Fund



SAF Budget FY2023-24

- Some of those changes that I've gotten questions about...
 - Sec. 22l Transportation
 - Sec. 27h Mentoring Grants
 - Sec. 27k Loan Repayment
 - Sec. 27l Employer Compensation
 - Sec. 31aa / 97 Mental Health & Safety
 - Sec. 51e Special Education FTE
 - Sec. 56 Special Education Equalization
 - Sec. 104h Benchmark Assessments
 - Sec. 147f MPSERS
 - And more...

SAF Budget FY2023-24

*Consolidation &
Infrastructure*




**INVITATION TO PARTICIPATE IN
STATEWIDE INFRASTRUCTURE STUDY**

**MLIVE
HEADLINE
8/30/2023**

**Areas represented by Democrats received 90% of
pork projects in Michigan's budget**

The "P" word...

Updated: Sep. 01, 2023, 1:32 p.m. | Published: Aug. 30, 2023, 7:52 a.m.

- 
- **NEW:** Grant Code 399x is to be used for (the many) "designated" (single-district) grants this year
 - Advise using fourth digit of Grant Code to separate from other funding sources currently in 399



SAF Budget FY2023-24

Mental Health & Safety Funding

- Sec. 31aa
- What about Sec. 97?
- SRO's? (yes)
- Sec. 31n – ISD's



MDE OHNS webinar 9/25/2023

- [Slides](#)
- [Recording](#)

- **Sec. 97 Safety \$\$ folded into Sec. 31aa for FY2023-24 only**
- **\$220/student**
- **50% for mental health but safety is allowable**
- **Does not impact FY2022-23 grants**

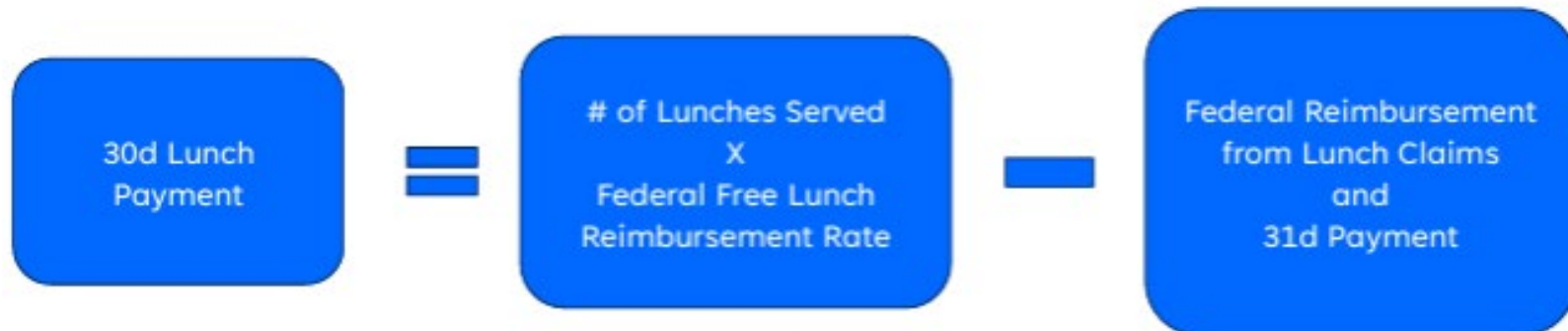


SAF Budget FY2023-24

- Food Service
 - Sec. 30d
 - Sec. 31k
 - Excess Fund Balance?

Accounting/Coding for SY2023-2024

ALN#	Grant Name	Grant Code
10.555	National School Lunch Program	851X
30d State Funds	Michigan School Meals Lunch	265
10.553	School Breakfast Program	850X
30d State Funds	Michigan School Meals Breakfast	264
10.555	Supply Chain Assistance	851X





SAF Budget FY2023-24

Sec. 27 grants- Office of Educator Excellence

- Sec. 27h Mentoring Grants
- Sec. 27k Loan Repayment
- Sec. 27l Employer Compensation
- Sec. 27m National Board-Certified

- [Educationally Speaking newsletter](#)
- CBA and EA impacts?



SAF Budget FY2023-24

- Economic Outlook
 - July 2023 revenue collections cooled off slightly...
 - *Will that continue?*



SAF Budget FY2023-24

- Economic Outlook

HFA: Aug 2023 SAF receipts are \$16.4 million lower than projected

- July 2023 revenue

YTD FY2022-23 - \$154.4 million
lower than projected



SAF Budget FY2023-24

- Economic Outlook

HFA: Aug 2023 SAF receipts are \$16.4 million lower than projected



Ben Gielczyk, Associate Director
Jim Stansell, Senior Economist

September 2023 Revenue Update

School Aid Fund (SAF) Revenue

School Aid Fund revenue from Michigan's major taxes was estimated¹ to be \$1,855.6 million in September 2023, about \$50.2 million above the amount established at the May 2023 CREC. Most of the differential can be attributed to higher state education tax (SET) collections.

Year-to-date SAF revenue for FY 2022-23 was \$104.3 million below the consensus revenue projections with the majority of the differential due to a lower than projected lottery transfer and lower sales tax collections.

¹ Weekly revenue reports from the Lottery indicate actual collections are stronger than the monthly transfers would suggest.

² Because of accruals and undistributed revenue, monthly fund splits are estimated.



SAF Budget FY2023-24

- Economic outlook
 - Employment market still tough – *starting to turn?*



SAF Budget FY2023-24

- Economic outlook
 - Employment market still tough – *starting to turn?*

UAW Strike impact?



SAF Budget FY2023-24

- Economic outlook
 - Employment market still tough – *starting to turn?*

UAW Strike impact?

PUBLIC INTEREST

Michigan may be headed into a ‘one state recession’ if UAW strike continues

Updated: Oct. 06, 2023, 8:47 a.m. | Published: Oct. 06, 2023, 6:00 a.m.



SAF Budget FY2023-24

- Economic outlook
- Employment r

It's anyone's guess how long a UAW strike could last — or how deep the economic pain could be in Michigan and across the country. Such forecasts before a contract deadline really are just best guesses — much like trying to prognosticate the upcoming winter's total snow fall when the leaves on the trees haven't yet turned red. It can be tricky.

UAW Strike impact?

PUBLIC INTEREST

Michigan may be headed into a 'one state recession' if UAW strike continues

Updated: Oct. 06, 2023, 8:47 a.m. | Published: Oct. 06, 2023, 6:00 a.m.



SAF Budget FY2023-24

- Economic outlook
 - Market rates remain high
 - *Double-edged sword*
 - Inflation – expect elevated through 2025
 - *(Source: PFM mkt update 9/8/23)*

SAF Budget FY2023-24



**Budget
Questions?**

Labor & Legal



Labor & Legal



MEA's Legislative Priorities reflect the values of MEA and how they interact with common topics of discussion in the legislative process, such as MEA lobbies regarding specific legislation under consideration.

D. To restore and strengthen the collective bargaining rights of MEA members, including, but not limited to:

- a. The right to negotiate over the potential of job loss or change in employer.
- b. Elimination of unilateral “declarations of impasse.”
- c. Compulsory binding arbitration (like PA 312 of 1969) as a contract dispute resolution procedure (interest arbitration).
- d. Teacher discipline.
- e. Just cause standard.
- f. The placement and evaluation process.

Labor & Legal

PA 103 of 2011

New Prohibited Bargaining Subjects



1. *Teacher Placement*
2. *Reduction in Force/Recall*
3. *Classroom Observation*
4. *Sec. 1249 Performance Evaluation*
5. *Teacher Discharge/Discipline*
6. *Performance-Based Compensation*
7. *Parent Notification (§ 1249a)*

PERA Section 15(3), PA 103 of 2011

Source:
*Thrun Law Firm
presentation, Oct
2023*



Labor & Legal

PA No.	ENROLLED		I.E.* Yes/No	Governor Approved	Filed Date	Effective Date	SUBJECT
	HB	SB					
0112		0359	Yes	7/26/2023	7/27/2023	7/27/2023	<i>Labor; collective bargaining method of compensation for teachers and school administrators; modify. (Sen. Stephanie Chang)</i>
0113	4044		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment provisions related to the collection of union dues by public school personnel and the freezing of wages and benefits for certain public employees during contract negotiations; repeal. (Rep. Matt Koleszar)</i>
0114	4233		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment labor organizations' assistance in collecting dues from public school employees; remove prohibition against. (Rep. Jaime Churches)</i>
0115	4354		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment performance evaluation standards, merit pay standards, and decisions on layoff, recall, hiring, position eliminations, classroom observation, teacher placement, evaluation, discipline, and discharge; remove from prohibited subjects of bargaining for public school employers. (Rep. Regina Weiss)</i>



Labor & Legal

PA No.	ENROLLED		I.E.* Yes/No	Governor Approved	Filed Date	Effective Date	SUBJECT
	HB	SB					
0112		0359	Yes	7/26/2023	7/27/2023	7/27/2023	<i>Labor; collective bargaining method of compensation for teachers and school administrators; modify. (Sen. Stephanie Chang)</i>
0113	4044		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment performance standards, merit pay standards, and decisions on layoff, recall, hiring, position eliminations, classroom observation, teacher placement, evaluation, discipline, and discharge; remove from prohibited subjects of bargaining for public school employers. (Rep. Matt Koleszar)</i>
0114	4233		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment performance standards, merit pay standards, and decisions on layoff, recall, hiring, position eliminations, classroom observation, teacher placement, evaluation, discipline, and discharge; remove from prohibited subjects of bargaining for public school employers. (Rep. Jaime Churches)</i>
0115	4354		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment performance standards, merit pay standards, and decisions on layoff, recall, hiring, position eliminations, classroom observation, teacher placement, evaluation, discipline, and discharge; remove from prohibited subjects of bargaining for public school employers. (Rep. Regina Weiss)</i>

HB 4354 – 4356 – PERA bills required amendment to not nullify each other

Will speed of 2023 continue during fall session?

Labor & Legal

PA No.	ENROLLED		I.E.* Yes/No	Governor Approved	Filed Date	Effective Date	SUBJECT
	HB	SB					
0112		0359	Yes	7/26/2023	7/27/2023	7/27/2023	
0113	4044		No	7/26/2023	7/27/2023	**	
0114	4233		No	7/26/2023	7/27/2023	**	
0115	4354		No	7/26/2023	7/27/2023	**	<i>Labor; public service employment performance evaluation standards, merit pay standards, and decisions on layoff, recall, hiring, position eliminations, classroom observation, teacher placement, evaluation, discipline, and discharge; remove from prohibited subjects of bargaining for public school employers. (Rep. Regina Weiss)</i>

- PA 113 of 2023
- Repeals PERA § 15b which freezes wages and benefits after CBA expiration if no new contract and prohibits retroactive application



Source:
 Thrun Law Firm
 presentation, Oct
 2023

Labor & Legal

PA No.	ENROLLED		I.E.* Yes/No	Governor Approved	Filed Date	Effective Date	SUBJECT
	HB	SB					
0112		0359	Yes	7/26/2023	7/27/2023	7/27/2023	
0113	4044		No	7/26/2023	7/27/2023	**	
0114	4233		No	7/26/2023	7/27/2023	**	
0115	4354		No	7/26/2023	7/27/2023	**	remove from prohibited subjects of bargaining for public school employers. (Rep. Regina Weiss)

- PA 113 of 2023
- Repeals PERA § 15b

And More...!

Stay up to date on changes and effective dates

Wage and Benefits Freeze



Source:
 Thrun Law Firm
 presentation, Oct
 2023



Labor & Legal

Key Takeaways

- Work from current Board Policy as your “base”
- Limit Arbitrability of “Unprohibiteds” (see next slide)
- Legal guardrails
- No garbage/recycling
- Identify permissive subjects
- Horizontal communications
- Give and take; no freebies

Source:
*Thrun Law Firm
presentation, Oct
2023*

Legislative





Legislative

Current legislative issues

- SB 463 – FAFSA / grad requirement
- HB 4671 – Labor Day start
- SB 395 – evaluations
 - *Senate education hearing 10/10/23*
- SAF supplemental – debt forgiveness, autism alliance, boilerplate fixes
- [Legislation link](#)



Legislative

Current legislative issues continued...

- SB 500 – would codify free meals
 - *\$160 million in FY2023-24 budget – this would establish law for it to continue*
- SB 567-568 – dyslexia package
- SB 512 – pupil accounting penalties
 - *Impact of using non-certified or incorrectly credentialed teachers*
- [Legislation link](#)



Legislative

MPSERS changes

- HB 5021 – changes the 75-day default to Pension Plus 2 instead of DC
- HB 4752 – signed by Gov on Oct 10th
 - Retirement sit-out now 6 months
 - \$15.1k calendar earnings limit
 - 5-year sunset
 - Superintendent restriction
- “Wishlist” for future changes...stay tuned
- [Legislation link](#)



Legislative

Keep an eye on:

- Hard caps & 80/20
- Fall session schedule & Sine Die
 - *House is expected to adjourn late October/early November*
 - *Pushes impact date up from end of March to potentially late January 2024*
- Tight margins in both chambers
 - *What will be the impact of two mayoral races?*



MSBO Update

- Leadership Transition!





MSBO Update

- Updated/renewed focus for FY2023-24
 - [Regional Groups](#)
 - Practical Professional Development
 - Supporting Other Functional Areas
 - *Payroll Listserv added – Sept 2023*
 - *HR Listserv is active*
 - *Payroll, Facilities, HR Group Solutions offerings in 2023-24*



MSBO Update

- **Fall & Back to School** events
 - Back to School Webinar (Aug)
 - MDE/MSBO Workshop (Sep)
 - Facilities Conference – Crystal Mt – Oct 1-3
 - **“See you at Crystal!” – 25 years**
 - Upper Peninsula SBO – Oct 13
- **Business Manager Academy** underway for 2023-24 - **3 cohorts!**
- **Up North** - Treetops in Gaylord – Oct 4-6
- **Leadership Conference** Nov 8-9 (*by invite*)



MSBO Update

- Annual Conference Planning is Underway
 - *April 23-25 in Grand Rapids*
- [Investing in MSBO Members](#)
 - *Scholarships are available for multiple opportunities*
- [MSBO Awards](#) – *please nominate*
- [Leadership Institute for 2024](#) – *upcoming*
- **Board of Directors** elections
 - *Petition forms available*

MSBO Update



Questions?



Please reach out!

Robert Dwan

MSBO Executive Director

rdwan@msbo.org

(517)327-2586

(989)239-7606

Jason Helsen

MSBO Associate Executive Director

jhelsen@msbo.org

(517)376-3087

(231)740-8096

**MSBO
Update**

