

## Education Legislation Reform Principles

### AA Task Force – Prepared for AAPS BOE

Below is a list of principles. Please review the language and respond with any recommended changes. These principles will reflect the discussion and work of the AA Task Force, with your help:

#### Funding

- Establish education as a state economic priority
  - Education as a funding priority will be reflected in the state budget, with a revised approach to the SAF that restores the share of Michigan personal income invested in education to the levels of ten years ago
  - Education funding will be explicitly tied to economic stimulus initiatives to attract new business, grow home values and halt exodus of young citizens from the state
- Create tax policy on principles of equity that is not unduly restrictive and allows communities to reflect their educational priorities
  - Local districts will have the authority to levy local taxes as a means to reflect their priorities and in a manner that benefits a broader region (e.g., allow district enhancement millages to pass in local districts, with a proportion of funding going to a district-wide fund. This could be done in a manner that encourages other districts to pass the millage.)
- Revise the SAF tax revenue base to reflect the economic activity and demographic shifts in Michigan
  - Include substantially more services in the tax revenue structure that reflects the economic shift from manufactured goods to services
  - Consider the aging population demographic in Michigan and how to offset the ratio of diminishing active employees to retirees (e.g., consider income taxes on personal income sources wider than the current base, such as including a greater proportion of pensions and withdrawals from tax deferred retirement funds)
- Sinking Fund is revised to allow greater flexibility in funding applications (e.g., allow funding of technology)
- Synchronize the state budget approval timing with school districts' schedules (e.g., the State might finalize the budget in May such that school districts can finalize their budgets by the end of the fiscal year based on the state's approved school budget)
  - Institute penalties for mid-year change or non-compliance, including at the state level
- Evaluate and include the cost of providing quality educational programs when constructing the SAF budget:
  - Costs for providing education to a diverse student body, including the incremental costs of education requirements for at risk factors (e.g., ESL, socio-economic status as measured by free & reduced lunch, other disaggregated groups)

## **Education Legislation Reform Principles**

### **AA Task Force – Prepared for AAPS BOE**

- Incorporate “quality” into the state funding priorities for education such that achieving a quality education is a requirement in state funding
- Establish baseline criteria for quality education (e.g., number of students per classroom, teacher qualifications, on-going professional development needs, technology, facility and maintenance minimums)
- Expand early childhood education funding and availability based upon its high rate of return in reduced future social costs and lower direct K-12 education expenditures. The policy will enable the expansion of publicly supported early childhood education to all households who desire it
- Major cost categories will be reviewed to determine the optimal mix of local and state authority
  - Allocate authority based on cost effectiveness (e.g., health care benefits may be offered at the state level to provide the most competitive rates to employees by offering a larger program to offset risks for commercial payers)
  - Benefits and costs of retired public school employees should be measured against benchmarks drawn from other sectors and adjusted as appropriate to achieve fair health care coverage and pensions consistent with a fair burden on taxpayers, current employees, and current students
  - Pension funding requirements could shift back to the state, since local districts currently do not control costs
- Create funding policies that encourage consolidation of services in a manner that enhances cost effectiveness without negatively impacting instructional programming and is not restrictive or overly prescriptive
  - This should allow for cost effective solutions to be pursued that work for the market area districts involved
  - Remove student funding allowance penalties for consolidating districts of differing funding levels
- Special education funding restrictions from the federal program will be anticipated and addressed with state and local funding sources
- Create a transparent and proactive budget program that takes account of revenues from local, state and federal sources in formulating a coherent strategy for investment in education
  - Projections and implications should be readily available for districts for their own budget planning process

## **Performance**

### **State Performance Goals**

- State will define performance goals consistent with, or exceeding, national standards

## **Education Legislation Reform Principles**

### **AA Task Force – Prepared for AAPS BOE**

- Performance goals can be used to assess cost requirements in achieving those goals, and that this might be used to create strategies and policies for generating revenues consistent with these goals
- Higher state education goals should be tied to economic stimulation programs especially targeted at recruiting and establishing new business to the State

### **Performance-Based Compensation**

- A component of teacher compensation will include performance-based measures
- A component of administrator compensation will include performance-based measures
- Student achievement will be a part of the metrics in performance-based evaluation for both teachers and principals

### **Innovation and Charter Schools**

- Funding and maintenance of new programs, including charter schools, is a process with demonstrated returns that exceed investment costs and is efficient in terms of funding:
  - Establish criteria for development of new charter schools that fosters innovation in areas where traditional public schools are failing to achieve required student performance
- These criteria would restrict the development of new charter schools in districts where high performing traditional public schools exist so as not to deplete resources yielding a high return
  - Enforce performance review processes for charter schools that address poor performance in a timely fashion
- Charter schools that are not achieving required performance should be closed after a (period to be defined) if they are not able to demonstrate improved performance
- State should study the resource impact of charter schools on public education, and the return on investment in terms of student performance and outcomes measures. The resource dilution impact on traditional public schools should be addressed in a formal manner.
- Traditional public schools and charter schools will have innovation as part of their objectives for teachers, administrators, and other staff (e.g., professional development time allocated for innovation and improved performance)