



LEGISLATIVE UPDATE

November 2017

State Update

Energy Financing Option Signed: On October 26, Governor Snyder signed into law [House Bill 4457](#) (Iden), which would allow community colleges to use tax-exempt lease purchases to finance energy improvement projects. Similar bills have passed in recent months granting that authority to municipalities and K-12 school districts. HB 4457 is now Public Act 133 of 2017.

Supreme Court Win for Local Property Taxes: In late October, the Michigan Supreme Court denied Menards Inc.'s application to overturn a lower court's ruling regarding the amount of taxes owed to the city of Escanaba. That leaves standing the Court of Appeals decision which rejected the finding by the Michigan Tax Tribunal that allowed for a much lower tax assessment of a vacant Menard's in Escanaba. Local governments and retailers have been battling over how "big box" stores should be assessed, as some retailers have argued that their assessments should be compared to closed or "dark stores," resulting in much lower property tax payments.

Senate Hearing on Data Bills: On Wednesday, November 1, the Senate Commerce Committee reported out [House Bills 4545 \(Ellison\) and 4546 \(Howell\)](#). Together, HB's 4545 & 4546 would clarify that community colleges may access wage data for certain research purposes, and would require the Unemployment Agency to develop a process that entities such as colleges and universities could use to request such data. The bills would also clarify responsibility for misuse of wage data. Please contact your Senators to voice support for HBs 4545 and 4546 if you have not done so already.

Federal Student Loan Disclosure: This week the House Education Reform Committee reported out [House Bill 5071](#), which would require all public and private colleges and universities to provide students with information about their total loans, estimated monthly payment amounts, and their estimated total payoff for student loans. Several other states have already implemented similar legislation. HB 5071 now goes to the full House of Representatives for consideration.

Elimination of State Board of Education: On Thursday, October 26, the House Education Reform Committee reported out [House Joint Resolution M](#) (Kelly), which would eliminate the State Board of Education and make the State Superintendent subject to gubernatorial appointment. HJR M would also strike language mandating a board that oversees community colleges, which has not existed in several decades. The vote, which was largely along party lines, signals a tough road ahead for HJR M, which would require a two-thirds majority to pass the House of Representatives.

Committee Explores Skilled Trades Education: The House Workforce and Talent Development Committee continues to explore legislation that would allow schools to hire career and technical education instructors licensed in their specific field but not certified in education, among other efforts designed to close the skills gap. The bills ([House Bills 5139 – 5142 and 5145](#)) come from the Michigan

Career Pathways Alliance, which consists of various education and business groups. All schools also would need to adopt a model program for career exploration and job readiness under the bills. In addition, teachers could use time spent with local employers or tech centers to count toward their professional teacher certificate renewal.

Community Colleges Hearings: For the past two weeks, the House Appropriations Subcommittee on Community Colleges has heard presentations from the MCCA. On October 26, Mike Hansen of the MCCA, Erica Orians of the Michigan Center for Student Success, and Amy Fugate, Chief Academic Officer at Mott Community College. The three presented on the Michigan Transfer Network. On November 2, the Subcommittee heard from Jim Sawyer of Macomb Community College and Bill Pink of Grand Rapids Community College on workforce development.

TIF Consolidation: Also on Thursday, November 2, the Senate Economic Development and International Investment Committee held a hearing on [Senate Bill 393](#) (Horn). The bill would consolidate several tax increment finance authorities into a single act.

Promise Zone Expansion: In mid-October, the House finalized legislative action on [Senate Bill 98](#) (Ananich), which would amend the Michigan Promise Zone Authority Act to permit the Department of Treasury to certify up to 15 governing bodies of eligible entities to establish a promise zone, rather than the current limit of 10. SB 98 also now goes to the Governor for his signature.

Dual Enrollment Provider Change Advances: Also in mid-October, the full House of Representatives voted to support [House Bill 4735](#) (Miller). The bill would expand the Postsecondary Enrollment Options (dual enrollment) Act so that “eligible postsecondary institution” could also include an out-of-state provider if the school district was in a border community. HB 4735 would restrict the amount the state would reimburse an out-of-state provider. The bill was referred to the Senate Education Committee.

Committee Considers Free Speech Oversight: On Thursday, October 5, the House Oversight Committee took testimony on [House Joint Resolution P](#) (Runestad). The Resolution would amend Michigan’s Constitution to grant the Legislature authority to oversee and regulate freedom of speech, expression, and assembly at public institutions of higher education, including community colleges. The Committee did not vote on HJR P.

Higher Ed Subcommittee: On September 28, the House Appropriations Subcommittee on Higher Education heard a presentation from the Department of Treasury about student financial aid programs. On October 5, the subcommittee heard from the Michigan College Access Network on enrollment outreach in Michigan.

\$2B Problem Barreling Toward State Budget: With diversions from the General Fund and potential cuts at the federal level, the Legislature could be forced to make some tough choices with no new revenue sources expected, particularly if the state suffers another economic downturn, the Citizens Research Council of Michigan said in a recent report. Scheduled diversions from the General Fund include the transportation plan passed two years ago by the Legislature, personal property tax reimbursements to local governments and schools and the expansion of the Homestead Property Tax

Credit, among other things, the [report](#) said. The report said the diversions and losses could be between \$2 and \$5 billion by 2022, which is 20 to 45 percent of the current General Fund.

Primary Election Results: On August 8, Sara Cambensy, a Marquette city commissioner, and Tenisha Yancey, a former Wayne County assistant prosecutor, both won tight races Tuesday to win their respective Democratic primaries. Assuming both nominees win the November general elections in their democratic-leaning seats, they will fill vacancies in the 1st and 109th House districts.

Voters OK 77% Of Property Tax Increase Requests: Voters approved most local property tax increase requests in August, though they appeared in a more generous mood for municipal services than for schools. An analysis of election results across the state showed 77 percent of all property tax proposals with available results passed. Leading the way were requests for police, fire and ambulance services, which went 19-0 in those proposals with available results. Proposals for libraries went 2-1, senior services went 2-0 and parks and recreation millage increases went 2-0. Road millage proposals were split at five passing and five failing. Other millage increases for local government went 8-1. School proposals were more mixed with four school bond proposals passing and four failing. Four proposed sinking fund millages for school infrastructure passed and three lost.

Federal Update

Free Speech Hearing: On Thursday, October 26, the US Senate Committee on Health, Education, Labor, and Pensions held a full committee hearing titled “Exploring Free Speech on College Campuses.” Speakers included Dr. Robert Zimmer, President of the University of Chicago; Ms. Nadine Strossen, Professor of Law at New York Law School; Mr. J. Richard Cohen, President of the Southern Poverty Law Center; and Dr. Allison Stanger, Professor of International Politics and Economics at Middlebury College. A broadcast of the hearing is available on [the Committee website](#).

Borrower Defense Rulemaking: In late October, Education Secretary Betsy DeVos issued an [interim final rule](#) delaying until July 1, 2018, the effective date of the Borrower Defense to Repayment (BDR) regulations published in the *Federal Register* on November 1, 2016. Back in June, the Department [announced this delay](#) due to pending litigation challenging the regulations. The interim rule provides some certainty to schools as that litigation proceeds. Moreover, the Secretary proposed to [further delay](#), until July 1, 2019, the effective date of BDR regulations to ensure adequate time to conduct negotiated rulemaking and, as necessary, develop revised regulations. The [rulemaking process](#) will get underway later this fall. The Department recently released the names of the 17 [panelists and alternates](#) who will be participating. In the meantime, the agency will continue processing borrower claims under existing rules set in the 1990s.

Labor Department Announces Apprenticeship Task Force: The US Department of Labor this week [announced](#) the members of the President’s Task Force on Apprenticeship Expansion, a new advisory group established pursuant to President Trump’s June 2017 [Executive Order](#). The task force will advise the agency on the promotion of apprenticeship models across a range of industries, including new

“industry-recognized” apprenticeship programs outside of the traditional registered apprenticeship system. Walter Bumphus, President of AACC, was named to the task force.

White House Nominations: President Trump has nominated three individuals to positions at the US Department of Education:

- [Mitchell Zais](#), to be Deputy Secretary of Education.
- [James Blew](#), to be Assistant Secretary for Planning, Evaluation, and Policy Development.
- [Timothy Kelly](#), to be Assistant Secretary for Career, Technical, and Adult Education. Kelly is State Representative for the 94th District in Saginaw County, Michigan, in his third and final term.

Education Relief Act of 2017 Signed into Law: On September 29 President Trump signed into law S 1866, the Hurricanes Harvey, Irma, and Maria Relief Act of 2017. The Act requires the Secretary to waive the college matching contribution for the Federal Work Study (FSW) and Supplemental Education Opportunity Grant (SEOG) programs. The Secretary may waive matching funds from colleges enrolling students in affected areas. The Department will reallocate returned FWS and SEOG funds to those colleges in affected areas.

Reallocation of SEOG Funds: Also on the 29th, Federal Student Aid announced that they reallocated supplemental SEOG funds to colleges affected by the hurricanes, <https://ifap.ed.gov/eannouncements/092917UpdateInfoRelate20172018SupplementalCampusBasedFunds2017Hurricanes.html>.

Federal Student Aid: The 2018-19 [Free Application for Federal Student Aid](#) (FAFSA) became available starting October 1. Both new and returning students who plan to attend college between July 1, 2018, and June 30, 2019, should complete the FAFSA as soon as possible. To assist students and parents in the process, the US Department of Education’s Office of Federal Student Aid has penned many informative blogs: “[12 Common FAFSA Mistakes](#),” “[8 Steps to Filling Out the FAFSA Form](#),” “[The Parents Guide to Filling Out the FAFSA Form](#),” “[5 Things to Do After Filing Your FAFSA Form](#),” and “[How to Fill Out the FAFSA When You Have More Than One Child in College](#).”

The [IRS Data Retrieval Tool](#) returns with the 2018-19 FAFSA, with added security and privacy protections. This tool allows students to import tax information directly into the FAFSA form.

Title IX Enforcement: In the coming months, the US Department of Education (ED) will engage in rulemaking on Title IX responsibilities arising from complaints of sexual misconduct. The agency will solicit comments from stakeholders and the public during the rulemaking process. In the meantime, the “[Q&A on Campus Sexual Misconduct](#)” explains ED’s expectations of schools under Title IX regarding sexual misconduct. The agency will also continue to rely on its “[Revised Sexual Harassment Guidance](#),” which was informed by a public comment process and issued in 2001, and its “[Dear Colleague Letter on Sexual Harassment](#),” issued in 2006. The Department is [withdrawing](#) its “Dear Colleague Letter on Sexual Violence” issued on April 4, 2011, as well as the “Q&A on Title IX Sexual Violence” issued on April 29, 2014.

Trump Administration Announces Rescission of DACA: The Trump administration announced plans in early September to [rescind the Deferred Action for Childhood Arrivals \(DACA\) program](#) (see a [FAQ on the DACA rescission](#)). There are currently over 750,000 recipients of DACA. These are individuals who were brought to the United States as minors, and have met the necessary criteria to lawfully remain in the US and receive a work permit. DACA recipients must renew their applications every two years. Many community college students qualify for in-state tuition based on their DACA status. The Administration is giving Congress a six-month window to find a solution for the so-called "Dreamers." The administration will immediately stop accepting new applications under DACA, but it will renew two-year work permits until March 6, meaning the program will not be fully phased out until March 2020.

Congress Passes Three-Month Funding Extension: In early September Congress passed legislation that would extend federal funding and raise the debt limit for three months. This gives Congress till December 8 to address funding for fiscal year (FY) 2018.

President Signs "Forever GI Bill": President Trump signed an update of the Post-9/11 GI Bill into law after the bipartisan legislation swiftly made it out of both chambers of Congress. The legislation lifts the current 15-year time limit for veterans to use their GI Bill benefits, and among other provisions, expands student aid for members of the National Guard and reservists. The Student Veterans of America has prepared a comprehensive analysis of the bill, which is [available on their website](#).