



PROPOSAL 5

UNREASONABLE, UNFUNDED AND UNNECESSARY

The governor shall submit to the legislature at a time fixed by law, a budget for the ensuing fiscal period setting forth in detail, for all operating funds, the proposed expenditures and estimated revenue of the state.

- Constitution of Michigan of 1963

Michigan residents on the November 7th general election ballot will have the opportunity either to support or oppose a proposal that addresses public education funding. This proposed initiated legislation, Proposal 5, would mandate the State of Michigan to provide annual rate of inflation increases for K-12 schools, community colleges and public universities, without legislative oversight or executive approval. Despite its favorable sounding goal, Proposal 5 is opposed by the Catholic bishops of Michigan due to its potentially devastating effect on state programs and services that assist Michigan's poor and vulnerable population, as well as its failure to address the real needs of public school students.

The Catholic Church teaches that all children, by virtue of their dignity as human beings, have an inalienable right to a quality education. While some 90,000 children attend Catholic schools, the majority of Catholic students receive their education within the public school setting. Thus, the Church has an interest in public policy decisions that affect public schools, as those decisions inevitably

affect the educational nurturing of Catholic students. Unfortunately, Proposal 5 does not take into consideration the best interest of students. As this essay further indicates, Proposal 5 is an effort on behalf of some public school advocacy groups to absorb, without oversight, hundreds of millions of dollars from the state to fund pension plans and benefit costs.

The estimated taxpayer cost to fund Proposal 5 ranges between \$560 million, in the first year, and \$1.1 billion, according the Michigan Board of State Canvassers and the non-partisan House Fiscal Agency. Conventional wisdom says the funds will be raised either through a significant tax increase, or by drastically cutting or eliminating several state programs and services that operate solely to assist those whom are most in need. The purpose of this essay is to analyze Proposal 5 and explain its effect on the State of Michigan. As few will disagree that education must be a top priority, the details of this ballot proposal will prove to impede the goal of consistently placing the educational needs of children first.

Questions & Answers Regarding Proposal 5

WHO SUPPORTS THIS PROPOSAL?

Public school advocacy groups, spearheaded by the Michigan Education Association, collected enough signatures to place the initiated legislation before the legislature, which chose, by not voting on the issue, to let the voters decide if the proposal should pass. Even though the state's K-12 budget represents some 40 percent of the state's budget, about \$15.9 billion, and education funding has increased by more than 40 percent over the last 10 years, the advocates of this proposal maintain that public education is not sufficiently funded.

WILL STUDENTS BENEFIT?

Probably not. Nothing in this proposal mentions improving student achievement or higher educational standards. The proposal is intended to increase benefits and fund pension plans for Michigan's public education unions and allow those same interests to circumvent the legislative process. Last year the legislature and the governor approved a \$200 per pupil increase for public schools; this year they approved a \$210 per pupil increase. Little, if any, of these increases will actually reach the classroom, as they will end up paying for benefit and pension costs.

IS PROPOSAL 5 GOOD PUBLIC POLICY?

Not at all. Budget spending priorities should take into consideration the many other programs and services that are funded by the State, including adoption and foster care

programs, health care for the poor, funding for the state's prison system, and tuition grants that enable low-income families and students afford college. Other programs that depend on critical state dollars are the MICHild program, infant mental health care, low-income home energy heating assistance programs, and mental health and substance abuse services. These programs will be severely jeopardized should Proposal 5 pass.

BUT ISN'T EDUCATION IMPORTANT?

YES! Even though a majority of Catholic students attend public schools, this proposal does absolutely nothing to enhance their education. If public school advocacy groups were truly concerned about the education of children, Proposal 5 would spell out exactly how teachers and districts would be held accountable, how much of the money would directly go to the classroom, and would provide the legislature with a more realistic method to dissolve the initiative should it fail.

DO ALL PUBLIC SCHOOL ADVOCACY GROUPS SUPPORT PROPOSAL 5?

No. The proposal is written to guarantee spending increases for community colleges and public universities, but neither the Michigan Community College Association nor the Presidents Council, State Universities of Michigan, which advocates for the state's 15 public universities, support the proposal.

Who Opposes Proposal 5?

The Coalition to Stop the K-16 Spending Mandate, which is the official ballot question committee opposed to Proposal 5, includes some 80 statewide business, public safety, social service, and local government organizations, including the following:

- Detroit Regional Chamber of Commerce
- Health Care Association of Michigan
- Michigan Association of Chiefs of Police
- Michigan Association of Community Mental Health Boards
- Michigan Association of Counties
- Michigan Association of Fire Chiefs
- Michigan Association of Health Plans
- Michigan Association of Local Public Health
- Michigan Business and Professional Association

Seven Reasons to Oppose Proposal 5

IT IS NOT “FOR THE KIDS.” There is nothing in the proposal that addresses student achievement, improving academic standards, or education quality. Those who stand to benefit from this proposal are public education unions and some public school advocacy groups. In fact, the only monetary requirement written in the initiative is some \$380 million for pension programs.

THE BOARD OF STATE CANVASSERS estimated the cost of the proposal to be at least \$565 million in the first year alone. The non-partisan House Fiscal Agency estimated the cost to be \$1.1 billion. From where will such a large amount of money come? It is likely to be one of two sources: either a tax increase, or severe cuts to the social service programs upon which millions of residents depend.

NO ACCOUNTABILITY: This guaranteed spending proposal immunizes public education interests from any standards and expectations of how public finances are being spent. Essentially, taxpayer dollars will disappear without a trace.

MISLEADS RESIDENTS: Public education advocacy groups want citizens to believe that education funding has been “cut to the bone.” In reality, between 1994 and 2004, appropriations for K-12 education increased by 42.9 percent while enrollment increased by only five percent.

MISLEADS VOTERS: The supporters of Proposal 5 claim that the legislature could simply change the automatic,

guaranteed spending increases, if necessary. The problem is that, if the proposal were adopted, a change would require a ¾ majority vote of both the State House of Representatives and Senate, a nearly impossible feat to accomplish.

Severe cuts to the social service programs upon which millions of residents depend can be expected

IT IS HYPOCRITICAL: In 2002 the Michigan Education Association actively opposed a proposed constitutional amendment (Proposal 4) that would have earmarked tobacco settlement dollars for health care related programs and projects, a measure that replicates Proposal 5. Of the '02 proposal, the state's public education lobby at the time stated “Proposal 4 will...rip a huge hole in the state budget, if this passes. It's going to toss the budget in chaos in the future.”

UNDERMINES LEGISLATIVE OVERSIGHT: The Proposal 5 guaranteed spending measure would remove hundreds of millions of public dollars from annual review and budgetary control, thus severely limiting the ability of the State House and Senate to review and revise proposed state budgets.

- Michigan Catholic Conference
- Michigan Chamber of Commerce
- Michigan County Social Services Organization
- Michigan Health and Hospital Association
- Michigan Municipal League
- Michigan Osteopathic Association
- Michigan Professional Firefighters Union

- Michigan Restaurant Association
- Michigan Sheriffs' Association
- Michigan State Police Command Officers Association
- Michigan State Police Troopers Association
- Michigan Townships Association
- Police Officers Association of Michigan
- Small Business Association of Michigan

The official ballot wording for Proposal 5 reads:

A LEGISLATIVE INITIATIVE TO ESTABLISH MANDATORY SCHOOL FUNDING LEVELS

The proposed law would:

- Increase current funding by approximately \$565 million and require State to provide annual funding increases equal to the rate of inflation for public schools, intermediate school districts, community colleges, and higher education (includes state universities and financial aid/grant programs).
- Require State to fund any deficiencies from General Fund.
- Base funding for school districts with a declining enrollment on three-year student enrollment average.
- Reduce and cap retirement fund contribution paid by public schools, community colleges and state universities; shift remaining portion to state.
- Reduce funding gap between school districts receiving basic per-pupil foundation allowance and those receiving maximum foundation allowance.

Should this law be approved?

Yes

No

A majority “yes” vote will change state law to guarantee automatic rate of inflation increases for public education without legislative oversight or executive approval.

A majority “NO” vote will defeat this proposal.

VOTE NO ON PROPOSAL 5!

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