

## Reasons to Oppose Bobb/Flanagan House Bill 6576

- 1) The bill expands the power of the EFM over academics. The powers granted in this legislation substantially negate the Board's lawsuit against Bobb. It allows the EFM to control academics, including the hiring of a chief academic officer and introduction of management companies over schools.
- 2) A deficit automatically triggers a reintroduction of the Renaissance school district model, which is a threshold significantly lower than PA 72. Given the unpredictability of state funding, with a new legislature possibly less committed to public education funding, with funding decisions often delayed by the Legislature until our fiscal year has begun, it is unwise to agree to this submission when their underfunding and delayed decisions can significantly increase the likelihood of deficit conditions. Given the state-created deficit, DPS would be in this undemocratic model for years, a model which substantially created our financial crisis to begin with.
- 3) Allows pledges of state aid payments to bond holders without public knowledge: when the pledge to bondholders is made the commitment is "perfected without delivery, recording or notice." This is Bobb's language and follows his practice in 2010 of making two short term loans of well over \$400 million without making those loans public. This embodies secrecy in the use of public funds.
- 4) There is no enhanced role for the Board that in turn allows citizens, through elected representatives, to affect conditions at DPS. This bill gives no power to the DPS Board and thus no power to our citizens, taxpayers and parents and student leaders.
- 5) Creates a CEO model for Renaissance districts, with final authority for selection of CEO resting with the Superintendent of Public Instruction.

- 6) Superintendent of Public Instruction has final approval of the Auditor General and Inspector General. The AG is not required to report to the local elected school board.
- 7) Superintendent of Public Instruction has approval of management firms.
- 8) Superintendent of Public Instruction has approval of spending of deficit reduction funds. No funds from tobacco settlement go directly to the affected districts. They go to a state trustee whose spending has to be approved by the Superintendent of Public Instruction.
- 9) A renaissance school district sacrifices an elected school board to control by the Superintendent of Public Instruction through a CEO and a trustee. This model has gravely injured DPS and continues to gravely injure DPS.
- 10) Any school board governing a district with good academic programs but a fiscal deficit loses control of fiscal and academic matters under this bill. This is a consequence that legislators correctly sought to avoid earlier this year in reviewing PA 72 of 1990. In addressing our needs at DPS, we should not directly injure other districts by supporting this legislation, which could cause divisions in the public education community and loss of allies we may need later.
- 11) What we get is \$219 million of our \$327 million deficit paid off, provided that once we make the above sacrifices that amount is approved. We will still owe \$108 million, the amount of last year's deficit and enough to keep us under perpetual control of the state, since the EFM will make it worse this year. In effect it appears that if we support this bill that we are supporting a system of state control for years to come. If the bill does not happen, we still will be faced with the EFM problem and much larger debt. In the face of politics in Lansing, we may have problems getting a hearing next year but have better grounds for fighting in public opinion if we have not agreed to our submission and complete loss of self control under this bill.

