Remarks prepared for delivery at the Ann Arbor rally on Michigan budget issues Organized by Ann Arbor Education Assn., Forsythe Middle School, 15 March 2011 Steven J. Norton, AAPS parent and Executive Director, Michigan Parents for Schools

The weather outside reminds me that our schools are surely our best shelter from the storm we face. A place of safety. A lifeboat, if you will. But for how much longer?

My name is Steve Norton, and I am a parent of two wonderful young kids in the Ann Arbor Public Schools. I'm also an advocate for public education in Michigan, and I was asked to provide the parent perspective today.

But the kind of education I'd like to speak about goes beyond multiplying fractions or constructing an organized paragraph. It has to do with teaching my children about the importance of living as part of a community, of treating every person with respect, and of working with your neighbors to make the community work for everyone. I fear that many of our leaders today in Lansing are offering a very different lesson, and that's why I'm speaking out here today.

We're living in a very strange world, where the people who brought our financial system to its knees are still admired after making *billions*, while the people who police our streets and teach our children are held in something like contempt. Regular observers of politics here say they cannot remember a time when so many lawmakers take office with the notion that everything government does is bad and should be cut wherever possible. We see this venom coursing throughout the country.

Here in Michigan, we elected a new Governor who described himself as "one tough nerd" and pledged to "reinvent Michigan." I had hoped that the "toughness" meant leadership, calling on the people of our state to invest in Michigan. I had hoped he would remind everyone how critical safe streets and good schools are to attracting jobs and prosperity to our state. I had hoped that he would call on those, like himself, who are still doing very well to contribute their fair share towards the communities and services which make that possible. "

But so far it's not looking good. If the budget proposal is any sign, the Snyder Administration's notion of "reinventing Michigan" consists of paying for business tax cuts by cutting *over one billion dollars* from education, the vast majority of that from our K-12 public schools. More cuts limit services to the most vulnerable, including cuts to family assistance and to community health programs serving seniors and children. Revenue sharing for cities and towns will be slashed.

As to revenue? Well, some people will pay more in taxes, but not those who are most able. There is no talk of a progressive income tax, or extending the sales tax to services. But some people will pay more: Seniors will pay tax on their pensions, and the working poor will lose the state Earned Income Tax Credit. With a flat income tax, though, low income families will be hit hardest.<sup>iv</sup>

(Right now, a family of four making \$25,000 gets a \$400 tax refund because of the EITC. Under the Snyder plan, that same family would pay \$450 in taxes, a net difference of \$850. Remember the screams of pain we heard here in Washtenaw Co. when we asked people with \$300,000 homes to pay an extra \$300 for our schools?)

The Michigan League of Human Services says that, without the EITC, an extra 25,000 families would slip into poverty, including some 14,000 kids. Kids who will be going to schools which have even fewer resources to help them.

To cap it all off, now that budget cuts will be pushing so many communities and school districts into crisis, we have bills in the legislature, heading to the Governor, which would allow him to name "emergency financial managers" for schools and cities in trouble. These latter-day Caesars would have the power not only to abrogate contracts, but the democratic process itself. Emergency managers can strip elected bodies of their authority and even propose to dissolve the entities they manage. vii

So we're drilling bigger holes in our lifeboat, and handing life preservers to people based on how much they could pay for their ticket. Is this what "toughness" means? Is this someone's vision of "reinventing Michigan?" Well it *is not mine.* 

I could leave, vote with my feet, but I have no intention to, and I hope you don't either. Instead, we should make our voices heard. We can make them heard, loud and clear, as so many people did in Lansing last week. But there is another way to make our voices heard, one that is quieter but maybe longer lasting. We all need to start persuading our friends, our neighbors, and our colleagues to stand up and work towards what is best for our kids and our state. We need to get people talking, get people involved, and get people active. We cannot afford to stay silent.

The problem may be in Lansing, but the solution starts right here. Please join us.

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On income inequality in Michigan, see Charles Ballard and Paul Menchik, "Changes in the Income Distribution in Michigan, 1976-2006, With Comparisons to Other States," August 2009, available from: http://ippsr.msu.edu/Publications/BEBallard.pdf]

<sup>&</sup>lt;sup>1</sup> John Lindstron (Gongwer News Svc.), "The Politics of Loss," *Dome Magazine*, 11 March 2011. http://domemagazine.com/weekly/wu031111

ii Real personal income per capita in Michigan (a measure of the amount of income generated by Michigan's economy) has grown for most of the last 25 years. From 2000 through 2009, personal income per capita was flat in real terms, reflecting Michigan's "lost decade." However, it did not drop significantly even during that period, meaning that the total income of the state did not shrink dramatically. State economists have projected growth in real personal income over the next two years. In other words, Michigan is not "broke," and the resources *are there*, if we choose to use them. However, this income is not distributed equally, so while many people in Michigan are indeed "broke," a relatively small group of people are doing quite well. [On real personal income per capita, see Charles Ballard, *Michigan's Economic Future: A New Look* (Michigan State University Press, 2010). On recent projections, see the State of Michigan, "Consensus Revenue Agreement" of 14 January 2011, available at:

http://www.senate.michigan.gov/sfa/Publications/BudUpdates/ConsensusRevExecSum.pdf

Senate Fiscal Agency, "Overview of Governor Snyder's FY 2011-12 and FY 2012-13 Budget," 23 February 2011. http://www.senate.michigan.gov/sfa/Main/022311SACpresentation.pdf

regressive, meaning that low income families pay a larger share of their income in taxes. A recent evaluation of the Snyder tax plan indicates that the changes will fall even harder on low income families. See: http://www.milhs.org/wp-content/uploads/2010/08/FactSheetAllPainNoGain.pdf

<sup>&</sup>lt;sup>v</sup> Lester Graham, "Taxing the Working Poor," Michigan Public Radio, 10 March 2011. http://news.michiganradio.org/post/taxing-working-poor

vii Senate Fiscal Agency, "Summary of HB4214 (S-4) [and related bills], as passed by the Senate," 15 March 2011. http://www.legislature.mi.gov/documents/2011-2012/billanalysis/Senate/pdf/2011-SFA-4214-U.pdf Governor Snyder signed the emergency financial manager bill package on 16 March.