



MARCH 14, 2023

## ADVOCACY BRIEFING

This Week:

- Omnibus Policy Bills
- Survey on Labor Mandates
- Universal Meals
- Budget Targets

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# Omnibus Education Policy bills

## HF 1269 & SF 1311

### Areas of Concern:

- Additional course requirements and credits in the areas of government, citizenship and personal finance
- New reporting requirements under the World's Best Workforce statute
- Requiring a written policy on curriculum. Curriculum decisions should be made by locally elected school boards
- Elimination of pathways to Tier 2 and Tier 3 teacher licensure.
- Required compensation for e-learning days
- Changes to school discipline without the corresponding resources necessary for staffing and facilities

# Omnibus Education Policy bills

## HF 1269 & SF 1311

### Items to support:

- Greater flexibility with the required academic standards in math and science.
- Repealing the successful completion of a teacher competency exam.
- Creation of the short-call substitute teacher program.

# Omnibus Education Policy bills

## HF 1269 & SF 1311

### More To Come:

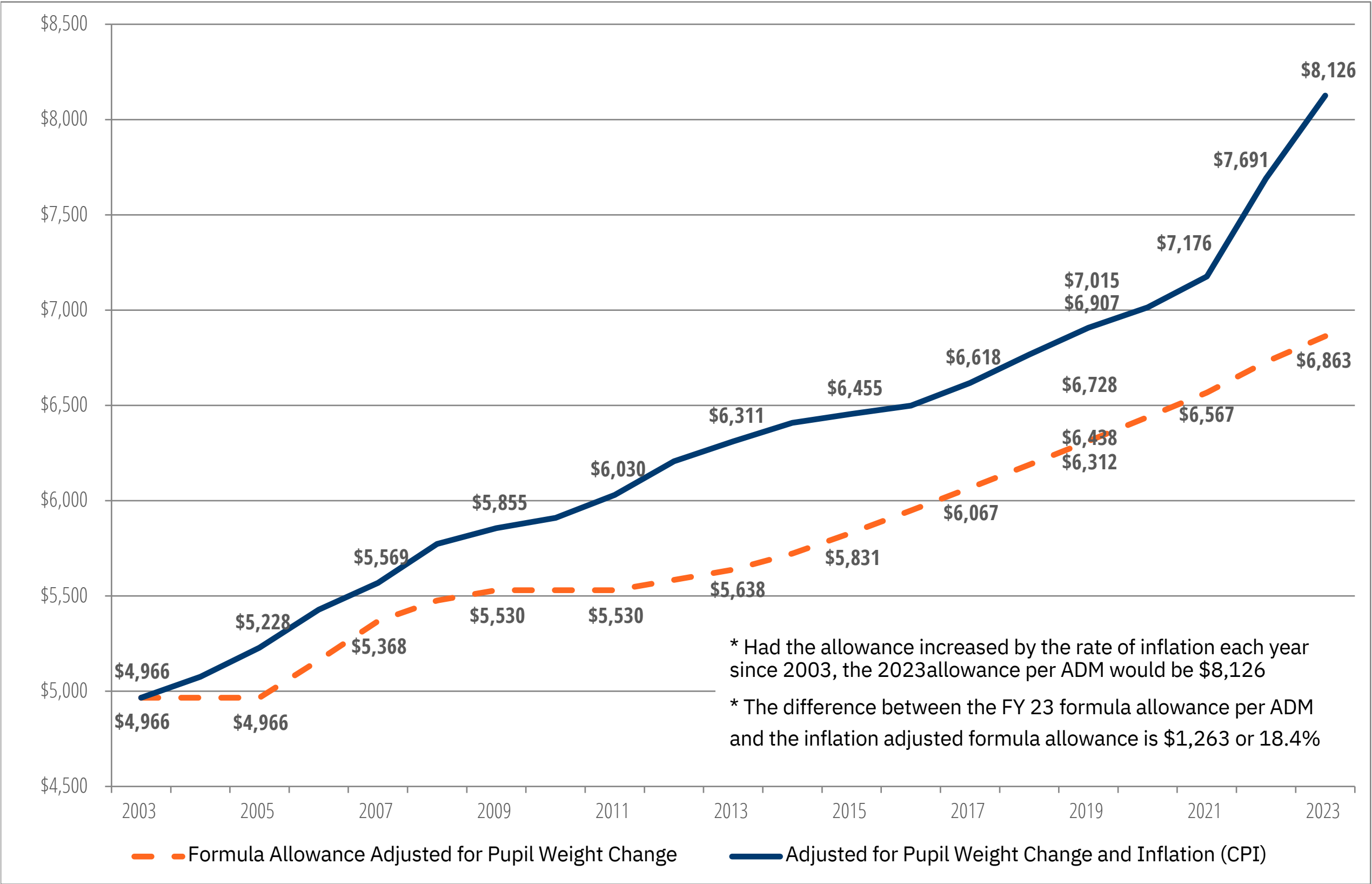
- Climate Justice
- Service Learning
- Civics (House yet, in Senate)

### All of the Labor Mandates:

- Prep time, Para \$25/hour, PFML, ESS, etc.
- New terms & conditions, including: staffing ratios, class sizes student testing, student-to-personnel ratios

# General Education Formula Allowance, 2003-2023

Adjusted for Pupil Weight Change and Inflation (CPI)



# Helpful Education Finance Bills

- HF 439/SF 448 "5&5" linked
- HF 18/SF 28 Special Education Cross-X reduction
- HF 8/SF 56 Student Personnel Aid
- HF 456/SF 615 School Readiness Plus
- HF 1082/SF 1080 CTE aid increase
- HF 1589/SF 1564 Special Education teacher pipeline created
- HF 1360/SF 1884 Safe Schools increase
- HF 1271/SF 1601 Operating Referendum Equalization increase
- HF 879/SF 866 LOR increase (\$840, Eqx @ \$880,000)
- HF 1396/SF xx Debt Service Equalization Increase
- HF 1457/SF 1247 LTFM for Cooperative Facilities
- HF 1375/SF 1330 LTFM for Converted Facilities
- HF 1603/SF 1519 local gov sales tax exemption for construction materials



# Labor Mandates

- HF 2/SF 2 Paid Family & Medical Leave (0.7% payroll tax)
- HF 19/SF 34 Earned Safe & Sick Time
- HF 1348/SF 1318 Mandated Health Insurance, Para \$25/hour
- HF 827/SF 690 Prep Time requirements
- HF 2222/SF 1938 TRA 62 or 35 (different than TRA 60/30 plan)
- HF 20/SF 32 Unemployment Insurance for hourly staff (\$162M - state paid)
- HF 862/SF 1240 Support Staff required for ECFE
  
- HF 1690/SF 1633 PELRA changes
- HF 1691/SF 1632 PELRA changes

# Other Education Finance Bills

- HF 5/SF 123 Universal Meals
- HF 1547/SF 2017 Remodel Compensatory Aid
- HF 22/SF 21 Eliminate EL Cross-Subsidy
- HF 629/SF 1273 Literacy Funding "The Read Act"
- HF 1175/SF 1028 MA coverage for sped school social work services
- HF 1974/SF 1911 School Library support aid (\$15/pupil)
- HF 2042/SF 2058 CTE Consortia Grants



# Other Education Finance Bills

- HF xx/SF 1881 Formula to \$8,236 for class size reduction
- HF 620/SF 502 Paid Para Orientation
- HF 877/SF 319 School Transportation Funding
  
- HF 1277/SF 1276 Early Learning Scholarships funded (\$552M/year)
- HF 1773/SF 1906 link EL and microcredentialial EL staff
  
- HF 2100/SF 1884 School HVAC funding
- HF 1991/SF xx Solar on Schools

# Helpful Education Policy Bills

- HF 535/SF 613 Board Renewal of Operating Referendum
- HF 1178/SF 1032 Type III vehicle continued use
- HF 1242/SF 1650 Local control over 4-day week
- HF 1267/SF 1414 Hours of Instruction, etc.

# Ed Policy: Discipline & PELSB

- HF 58/SF 69 Prohibit K-3 Suspension
- HF 271/SF 183 Non-exclusionary discipline
  
- HF 1203/SF xx PELSB Board Changes
- HF 1224/SF 1477 Tiered Licensure Changes
- HF 1257/SF 1473 Tiered Licensure Changes
  
- HF 347/SF 579 Lead Testing, reporting
  
- HF 1269/SF 1311 MDE Policy Bill

# Ed Policy: Courses/Programs

- HF 320/SF 619 TOCAIT, Ethnic Studies
- HF 1502/SF 1476 Ethnic Studies
- SF 476/HF 2297 Climate Justice Course required
- SF 618/HF xx Civics in 11th & 12th Grade
- HF 651/SF 901 Personal Finance Course required
- HF 160/SF 1401 Service Learning integrated into education
- HF 1875/SF 1905 AMI programs for all, funding attached
- HF 174/SF 585 Comprehensive Sex Ed
- HF 545/SF 438 Affirmative Consent instruction required

# Ed Policy Bills continued...

- HF 1220/SF xx WBWF measurement changes
- HF xx/SF 1468 Student mental health screening
- HF 1774/SF 1913 Extended Time changes
- HF 2037/SF 2256 School Health Service defined/provided
- HF 2281/SF 2289 Early childhood licensure



## 2023 TRA Benefit Proposal - Funding

# TRA Proposal

|  | Baseline<br>6/30/2022 (1) | Baseline<br>Adjusted<br>6/30/2022 (2) | Full Benefits at Age<br>60 and 30 Yrs of<br>Service Credit |
|--|---------------------------|---------------------------------------|--|
| <b>Funded Ratio, market value (assets ÷ liabilities)</b>               | <b>80.95%</b>             | <b>76.17%</b>                         | <b>72.95%</b>  |
| (a) Statutory rate, with future increases (3)                          | 17.27%                    | 17.27%                                | 17.27%   |
| (b) Actuarially required contribution rate                             | 16.08%                    | 18.32%                                | 20.73%   |
| <b>Contribution Sufficiency (a - b)</b>                                | <b>1.19%</b>              | <b>-1.05%</b>                         | <b>-3.46%</b>  |
| Covered Payroll FY2023 (4)   | X                         | <u>\$5,900,000,000</u>                | <u>\$5,900,000,000</u>                                     |
| <b>Amount required year 1 to eliminate the contribution deficiency</b> |                           | <b>\$61,950,000</b>                   | <b>\$204,140,000</b>                                       |

| <b>Contribution Rate Increases</b><br>(25% employee, 75% employer)                    | <u>Employee</u> | <u>Employer</u> |
|---|-----------------|-----------------|
| Current contribution rates (3)  | 7.75%           | 8.75%           |
| Contribution increases needed for new benefits.<br>Employer share funded by the State | <u>0.87%</u>    | <u>2.60%</u>    |
| New contribution rates  | 8.62%           | 11.35%          |

# TRA Proposal - Contribution Increases

| <u>Contribution Increases, in Dollars</u>              | <u>Employee</u>     | <u>Employer</u>      |
|--|---------------------|----------------------|
| Covered Payroll FY 2023 (4)                            | \$5,900,000,000     | \$5,900,000,000      |
| Contribution increases needed for new benefits.        |                     |                      |
| Employer share funded by the State                     | 0.87%               | 2.60%                |
| First year amount, ongoing & increasing 3% per year    | \$51,035,000        | \$153,105,000        |
| <b>State funding for one-time 2.5% compounded COLA</b> |                     | <b>\$315,814,766</b> |
| <b>Total TRA Legislative Package 2023</b>              | <b>\$51,035,000</b> | <b>\$468,919,766</b> |

**Notes:**

- (1) Baseline is current law: investment return assumption is 7.5%; the statutory full-funding deadline is 2048.
- (2) Baseline adjusted uses an investment return assumption of 7.0% and extends the funding deadline to 2053.
- (3) This analysis assumes a full phase-in of scheduled contribution rate increases in 2018 pension bill.
- (4) Covered payroll in fiscal year 2023 is \$5.9 billion, and is assumed to increase 3.0% per year