

M A H T O M E D I S C H O O L D I S T R I C T

M E M O R A N D U M

DATE: June 10, 2019
TO: Mahtomedi School Board
 Barb Duffrin, Superintendent
FROM: Bill Menozzi, Director of Business Services
RE: 2019 Legislative Summary

The purpose of this communication is to outline the major spending categories and other finance items of the 2019 Omnibus E-12 Education Bill.

**MAJOR SPENDING CATEGORIES
 2019-20 & 2020-21 School Years
 State Appropriations**

GENERAL FUND				
\$ in Thousands	Governor	House	Senate	Agreement
General Ed Formula	\$520,536	\$520,536	\$96,113	\$388,815
Special Ed Aid	90,691	120,248	0	90,691
Voluntary PreK	47,095	47,095	0	46,786
Early Learning Scholarships	0	25,670	44,500	4,500
Safe Schools	17,280	24,370	74,523	[30,000]*
Referendum Equalization	0	21,290	[14,850]*	[10,000]**
Bldg. Bond Ag. Credit	0	0	0	[9,810]**
Other Aids & Grants	17,388	127,114	21,107	13,338
State Agencies	24,921	27,437	(3,748)	15,234
Less Revenues, Trans., Cancel.	(6,466)	(13,760)	(20,995)	(16,364)
Total Increase over Base	711,445	900,000	211,500	543,000
*Contingent on general fund closing balance for FY 19. Not included in total amount.				
**In Tax Bill				

Agreement: 2% and 2% on general education state aid funding formula.
 2019-20 funding formula increase \$126 to \$6,438 per adjusted pupil unit.
 2020-21 funding formula increase \$129 to \$6,567 per adjusted pupil unit.
 Rate of Inflation Increased Approximately ~2.4%.

2020 – 2021 BIENNIUM COMPARISON

SESSION	TOTAL \$	BIENNIUM	\$ FOR BIENNIUM
2011 2012	\$223,400,000	2012-13	\$223,400,000
2013 2014	\$620,113,000 \$54,000,000	2014-15	\$674,113,000
2015 2016	\$526,403,000 \$80,035,000	2016-17	\$606,438,000
2017 2018	\$486,495,000 \$18,846,000	2018-19	\$505,341,000
2019 2020	\$562,810,000 ?	2020-21	?

Note: Much of the spending in previous bienniums was for new programs such as PreK and Long Term Facilities Maintenance (LTFM).

SPECIAL EDUCATION FUNDING INCREASE & REFORM

Special Education Cross Subsidy Defined

- The nonfederal cost of sped including transportation, minus
- State sped aid received after tuition adjustments, minus
- General education revenue attributable to students receiving sped services outside of the regular classroom for more than 60% of the school day.

General education portion to fund special education expenditures above special education aid amount.

Goal of Legislation

Increase special education aid in 19-20 and 20-21 by the amount needed to hold the state average cross subsidy per pupil constant at the 2018-19 level of \$820 per ADM state average. Total special education investment of \$91M over the biennium.

1. Cross subsidy reduction aid as a new component of the special education aid formula. 2.6% for 2019-20 and 6.43% for 2020-21 and beyond.
2. Special Education Cap:
 - 2019-20: Cap is increased to the greater of the current cap or 56% of the sum of sped program costs plus 100% of the current year special transportation cost plus tuition adjustments.
 - 2020-21 and later the cap is eliminated.

Mahtomedi Schools Local Impact for 2019-20 Fiscal Year

(Per AMSD Dated 5.29.2019)

Cross Subsidy Reduction Aid: \$31 per average daily membership (ADM): ~\$101,000

Growth Cap Calculation: \$243 per ADM: ~\$797,000

Other Misc. Adjustments (Tuition): \$6 per ADM: ~(\$19,000)