

School Board Meeting/Workshop Date:

April 8, 2013

Subject:

Financial Legislative Update

Presenter:

Gary Kawlewski
Director of Finance and Operations

SUGGESTED SCHOOL BOARD ACTION:

None – Report Only

DESCRIPTION:

Due to the fact that this is a funding year for education, there are a number of bills that have been introduced this year that are of interest. They are as follows:

- A bill that would buy back the state aid shift to 90/10 from its present 86.5/13.5. Additionally, there is a bill that would require a three fifths majority to pass a change in the aid payment shift.
- Several bills look to fund all-day every day kindergarten by changing the weighting factor to that of students in grades 1 to 3. The bill would still make the program optional and the half day students would continue to be at the current weighting factor.
- Perhaps the most controversial bills so far are HF 573 and SF 446 that would require all school districts to obtain health insurance through the statewide Public Employees Insurance Pool. There are several provisions that would allow opting out in some fashion but the most significant opt out provision is if your group is above 1000 lives. There are arguments on both sides for and against. MSBA as well as MASA and MASBO are not in support of these bills.
- There are several bills that would change the equalization factors for debt service and referendum revenue.
- One bill would allow boards to automatically renew operating referendums for the same amount and terms of their expiring levy.
- Another bill would require that the legislature adopt the integration task force recommendation.
- Several bills were introduced that would increase school lunch funding and would prohibit charging for reduced priced lunches.

The legislature just came back from their holiday break and the bill discussions and further introductions will be even more frenzied. We have not gotten a look at the omnibus education bill at this point so it is hard to say what will be included. Many of the provisions of the governor's proposal have been included in some fashion in the introduced bills. In some cases, these bills provide even greater funding levels than that of the governor's budget proposal. Additionally, the changes in equity funding that were clearly missing from the governor's proposal are now included.

I suspect that the funding picture for the next two years will not become clear until the very end of the session. We are hopeful that whatever provisions come out of the session, they will have a positive effect on our budget for next year.

ATTACHMENT(S):

None