

School Board Meeting/Workshop Date:

April 14, 2014

Subject:

Financial Legislative Update

Presenter:

Gary Kawlewski
Director of Finance and Operations

SUGGESTED SCHOOL BOARD ACTION:

None – Report Only

DESCRIPTION:

We are getting closer to the end of the “Un-Session” for the 2014 legislature. Typically the off-year doesn’t have a lot of impact on the financial picture of schools. However, due to the improvement of the economy, there are a number of provisions that have been approved or are being discussed that could impact schools. Some of the bills that have been introduced this year that are of interest are as follows:

- Local Option Revenue - Replaces Location Equity Revenue and gives all districts in the state access to \$424 of revenue authority rather than \$212 through Location Equity Revenue. It no longer has a board opt out provision. This will not affect our district since we already had access to the funds. Portions of this change come through the education bill which has not been approved as of yet.
- Safe and Supportive Schools law - Purpose is to implement the provisions of the task force on preventing student bullying. Provides clarification on when bullying comes under school enforcement, directs schools to adopt a policy to prevent bullying, establishes a state agency for school climate and requires the agency to develop a state model policy, requires annual review and training by districts, and requires safe and supportive schools programming.
- The House spending target is currently at \$75 million; the Senate is at \$41.5 million.
- House bill adds 1% to the General Education Revenue formula; Senate \$0.
- House bill adds \$5 million for telecommunications access aid; Senate \$0.
- House and Senate both have provisions to make changes to the designation of a metro district for Equity revenue provisions. We have the potential to qualify as a metro district and if so, we could generate around \$100,000 additional revenue split between levy and aid.
- House appropriates \$3.5 million to fully fund reduced-price lunches; Senate fully funds reduced-price lunch and breakfast and extends fully-priced breakfast to all kindergarten students.
- House and Senate both increase the safe schools levy by \$5 per pupil
- House has no change to Building lease levy; Senate increases authority by \$50 for regular districts and \$19 for intermediate districts.
- House and Senate both move the review and comment threshold from \$1.4 million to \$2.0 million
- House increases developmental screening aid by \$5 for each 3 and 4 year-old child screened.

- House appropriates \$2 million for School Readiness; Senate appropriates \$3.367 million.
- House has no change to ECFE funding; Senate increases by \$8.9 million for FY15 and indexes it to the General Education formula.
- House has no change for early learning scholarships; Senate removes the \$5000 cap and directs the commissioner to establish a target for an average scholarship. Also directs the commissioner to report on the evaluation of the program.
- Both the House and Senate make minor increase tweaks to adult basic education grants and aid.
- Both the House and Senate are discussing some version of what is being called the Health Insurance Transparency Act. As has been the case over the last number of sessions with proposals to mandate health insurance options in some capacity, this Act continues to be controversial. The provisions seek to do a number of things:
 - Requires PEIP (Public Employee Insurance Program) to respond to school requests for proposal within 60 days
 - Makes service cooperative advisory committee meetings subject to the open meeting law
 - Specifies that excess premiums refunded to schools are subject to collective bargaining
 - Prohibits board members and school employees from being compensated by a source of group insurance
 - Requires schools to seek a minimum of 3 bids one of which must be PEIP but there is no requirement to obtain 3 bids.
 - Requires schools to request proposals 150 days before the end of the existing contract but not more than every 2 years
 - Limits contracts to no more than 2 years unless agreement with the largest employee group and the school district
 - All bids must be sealed until opened 90 days prior to plan renewal date and must be opened in the presence of the exclusive representative

The target for completion of the work is supposed to be the Easter break. We will see if this holds true. It appears that there may be some level of additional funding for us depending on which of these provisions comes through the process. We will keep our fingers crossed that the provisions of the changes will have a positive effect on our budget for next year.

ATTACHMENT(S):

None