

MSBO Finance Committee Meeting

2/19/16

Called to order 9:30 – Janet Swanson

Bob Kefgen, MASSP

Governors' Budget Proposal

- Foundation, increases, all mostly paid for from GF
- 50/50 shifting pupil count cost neutral. Good for declining districts, not good for districts with increasing enrollment. Not sure yet how many winner and losers. How will we balance this out without creating huge losers?
- MSPERS
 - offset stayed – good thing
 - Cap still in place for UAAL
 - Rates down slightly for next year
- 20 J is back – Hold harmless districts – formulation shift. Allows districts on 2x to get full 60-120 increase
- New cap on shared time pupils – 1/3 of FTE. No cap previously, up to 99% could be claimed.
- 21f online learning – shifted language – it's a mess
- 25e is gone
- Trig is gone

Timeline for budget - House and senate likely to make recommendations before spring break. Final recommendations by end of March. Then will be on hold until May revenue estimating conference. Shouldn't be too much change. Hoping for final budget by first week of June.

What could change? Election year – so probably won't see controversial budget changes. Overall, seems to be received as good budget.

Significant GF funding – Isn't enough GF money to support community college and higher ed. This would be the chance to get higher ed out by shifting GF source. But won't be easy.

DPS

7 bills total

House bill – not sure how it will pass

Senate bill – looks at old co and new co. Not proposing to charter new district

Calendar prohibited subject just for DPS dumped into this bill

Shift all NEW DPS employees out of MPERS and into 401k. Not the intent to put all "new" co teachers in 401k. High turnover rate at DPS would have negative effect.

8 hearings in next 4 weeks.

Calendar bills

Pair of bills that came out of house education committee. Make calendar and scheduling prohibited subject of bargaining. Would prevent not having calendar by August due to unsettled contracts and having to go by a month to month calendar. Trying to make it easier for year round calendar. Unlikely

to see pre-labor day start this year or next. But pre-labor day start can be done with year round calendar, which means less than 6 week summer break. Just got out of house – not sure when it will be heard by senate.

Gag order

Injunction in place, not sure what will happen next.

3rd grade reading

may start up in senate – still out there

PD

Bill out of house for PD. Minimum standards for district for DPPD. Districts shouldn't have much trouble complying.

Electric choice

Not disappearing, but a little stagnant

Republicans could lose control of the house and lingering issues could pushed through.

MDE Update

GASB 68 – new balance sheet class code 594 for pension liability – long term portion

Revised code 195 deferred inflows and outflows.

Fund 25 – has been renamed to Food Service Fund

Revised definition for Revenue class code 153

Electronic Textbooks – purchased services or supplies? - Revised expense object code 3450 to use for electronic textbooks

Pages 51-58 of appendix updated with new state/grant code

Ipads and Chromebooks – are they supplies or capital outlay? MDE won't take a stance. District should have a policy on what they are classified as. Check accounting manual for guidance

FID Checks

State aid status reports – unrestricted, restricted special ed, and restricted voc ed revenue compared to FID

Items from Audited F/S

Total federal revenue

USDA rev/exp and bonus commodities

GF fund balance

Looks at Prior year to current year differences

Average Teacher Salary

Verify REP data

Check for reasonability

Prior to current year data also reviewed when preparing federal reports

Misc.

Utilities and energy should be greater than \$0

If function 13x expenditures, adult ed participants are expected in MSDS

Fund transfers to Debt Service and Capital Project Funds cannot exceed 20% or Article 2 (Article 8 for ISDs) revenues (exception: local revenues)

Budget Transparency

All data elements must be on your page – provide a line stating none if no data

Budget Transparency icon immediately viewable on Main home page must be at least 150 x 150 pixels

Current year budget/amendments

Detailed at function level

Included beginning and ending fund balances

Post within in 15 days of approval

Employee Comp Info

2 separate parts

Superintendent

All other ee's over \$100,000 (Medicare wages)

March 1 deadline for posting calendar year 2015 data

Benefits must be itemized

Medical, dental, vision may be combined

All other benefits needs to be itemized

Previous fiscal year or current year data

15-16 Additions

Board Procurement Policy

Board expense reimbursement policy

Your choice

AP check register for most recent fiscal year

Or reimbursement expenses

Compliance Review Process

- Preliminary reviews – new this year
- Initial reviews started Dec 1
- Correspondence detailing Review
 - Business Manager and ISD
 - 30 days to make updates
- Second review
 - Updates make
 - Remaining issues
- State Aid withholding

Communications sent through Thursday MDE updates, State School Aid Updates, CEPI Master Calendar

PA 173 SB 103 – requires district to post process for teacher evaluations, rubric, training, classroom. For 2016-17. Working on guideline. Can be linking to budget transparency.

MSBO Update – Scott Little

Bob and Dave will be on top of budget

Register for Annual Conference

Pre conference for facilities – Regulators

Pre conference for transportation – Grand Rapids transit authority

Pre conference for Food Service – executive chefs from Amway Grand

SPAM industry conference – March 10th

Phase 2 of bus program opens March 1st

Roundtable

Student enrollment projections

E-mail from Tom Armstrong running for MSBO board (incumbent)

Next meeting – March 18, 2016 location change - **Winding Brook Conference Center, Shepherd**

Adjourned 11:00 a.m.