MSBO - ISD Committee Meeting Minutes
December 20, 2018 – 9:30 am
MSBO Office, Lansing

Members Present:

- Auwers, Roger - Jackson County ISD
- Bielecki, Linda – Traverse Bay Area ISD
- Bontekoe, Katrina - Wexford-Missaukee ISD
- Curtiss, Bruce - Bay-Arenac ISD
- Dwan, Bob - MSBO
- Fleser, Lyndsey – Ottawa ISD
- Haggerty, Mike – Kent ISD
- Knight, Karen - Shiawassee RESD
- Kolb, Kevin – Gratiot-Isabella RESD
- Krosnicki, Lisa – Charlevoix-Emmet ISD
- LaRue, Nicole – Ingham ISD
- Lloyd, Abby - Allegan RESA
- Marcel, Brian - Washtenaw ISD
- Mauntler, Kristina – Manistee ISD
- McNamara, Helen - Ingham ISD
- Monroe, Tina – Eaton RESA
- Orihel, Mark – Midland Co. ESA
- Pelton, Debra – Traverse Bay Area ISD
- Shaffer, Belinda - Hillsdale ISD
- Suszak, Tony - AMA ESD
- Weese, Stephanie - Montcalm Area ISD

Members Present – On Line:

- Acton, Leslie – Manistee ISD
- Auel, Jason – Copper Country ISD
- Bodiya, Paul - Macomb ISD
- Brow, Anne – Parchment S/D
- Chesnutt, Gina – Oakland Schools
- Dechnik, Kelli – St. Joseph Co. ISD
- DeKuiper, Jodi – Newaygo Co. RESA
- Frank, Chris – Saginaw ISD
- Harrie, Kerri – West Shore ESD
- LoPresto, RaLena – Hillsdale Co. ISD
- Matthews, Barb – Van Buren ISD
- May, Lisa – Clare-Gladwin RESD
- Morse, Nick – Kent ISD
- Ostrom, Kim – Genesee ISD
- Rymanowicz, Renee – Monroe ISD
- Saunders, Michelle – Oakland Schools
- Schomisch, Lori - Clinton Co. RESA
- Shiery, Diane – Branch ISD
- Stephan, Lynn – St. Clair County RESA
- Williams-Muz – Huron ISD

1. **Call to Order – Lisa Krosnicki, Chairperson**

1. **Introduction of Members/Guests – Lisa Krosnicki, Chairperson**

1. **Approval of Meeting Minutes – November 15, 2018**
   Motioned by Hagerty and Supported by Auwers

1. **Legislative Update** – Patti Tremblay, MAISA
   - Scheduled to be done today. Likely to continue to work thru Saturday.
   - HB5526 - Grading Schools A-F – House amended bill 49 times. Passed in both the House and Senate. Awaiting signature by the Governor.
   - Teacher Prep package is dead
- HB 5707 - Teacher Evaluation- keep student growth at 25% – Passed in the house but may not go any further.
- A Supplemental Bill has not been introduced yet. Normally done long before now. There is extra money from Wayfair lawsuit. This revenue is being described as “not” sales tax so they can spend it on Brownfield tax abatements.
- SB1199 – Would require that the Hard Cap for Health Insurance be computed in April (earlier) rather than October each year. Passed in House and Senate. Needs governor’s signature.
- SB1205 – Claims data must be provided for plans with 50 or more employees (currently 100 or more employees). Everyone is in support of this bill (except MESSA).
- SB 1209 – Insurance caps when an employer elects 80/20 would require the cap be applied on an individual employee basis rather than a group of employees (where some are over the cap and others are under the cap). This bill is hug up and probably won’t go any further.
- SB 1225 Allow Custodial, Food Service, and Transportation employees to return to work after retirement without forfeiting retirement - passed the senate and is in the house
- SB 1260 - Union Recertification Bill – would have required unions to recertify every two years – died in the Senate.
- Substitute Teacher Age restriction that was approved this last year in HB 4069 has been removed.
- HB6378 – Elimination of Current Operating Expenditures (COE) calculation for determining an additional UAAL contribution by those districts that increase the portion of their contracted employees over a base year. Passed by the House and Senate. On the Governor’s desk for signature.
- Gross to net income tax for the SAF – no bill currently but this language could be tacked on to an existing bill. Maybe even today.

1. MSBO Update – Bob Dwan, MSBO
   - Lame Duck – MSBO will report out when the dust settles
   - Financial strategies – Sign up sooner than later so MSBO can plan better. Will have someone from GASB at the conference to report on GASB Statement No. 84, etc. Can still get an early bird discount.
   - Cyber security – many districts are having problems with ransomware and hacks. Will hold a conference on February 19th.
   - MSBO staff is getting ready for Annual Conference. Hotel rooms sold out in 30 minutes – not sure how to fix this problem. Maybe people should be required to pay a non-refundable first night security deposit.
   - If you have any questions on the transition of purchase card to Harris Bank, call Bob Dwan. The rebates are larger than they have ever been. Better to transition sooner than later. If you are planning on moving to Harris Bank but haven’t submitted your application yet, please let Bob Dwan know. They are tracking the districts that are switching.

2. Program – Early-On Update – Colleen O’Connor, Consultant, MDE & Noel Kelty, Part C State Coordinator, MDE
• Currently developing a new risk assessment to determine which districts will be subject to fiscal monitoring.

• Overview
  o Early intervention services are mandated by Part C of IDEA
  o Designed to help families find social, health, and education services for infants and toddlers with special needs.
  o Stress early identification and early services.
• Part C is birth to 3 years old (Part B is 3 to 21 years old).
• Michigan Mandatory Special Education (MMSE) is 0 to 26 years old.
• Services are not to be provided in a classroom. It is to be provided in their natural environment (normal/typical environment) (i.e. – in their home, child care, etc.). Any services that cannot be provided in the natural environment must be noted in the IFSP (similar to an IEP). Families shouldn’t feel a difference in how the services are provided when moving from one ISD to another.

• Funding Sources and Allocations.
  o Federal IDEA Part C - $10,209,805 – distributed mainly based on population. This represents 80% of this funding. The other 20% funds State costs such as staffing, training, etc.
    ▪ Payer of last resort – Part C funds should only be used when all other funding has been exhausted (i.e. – Medicaid).
    ▪ Subject to Non-supplanting/level of support
    ▪ Part C wasn’t intended to fully fund these services. It was intended to pay for the coordination of services. Funding falls short of fully funding these coordination services.
  o New State Funding available this year - Sec. 54d - $5,000,000 distributed in same manner as Part C funds.
    ▪ Non-Supplanting
    ▪ Requires all services that are Medicaid eligible to be billed to Medicaid first.
    ▪ Is this on-going funding? The State is also required to maintain effort.
    ▪ If you have data to provide regarding the success of this funding, you should present it to your legislator.

• Level of Effort Reporting and Non-Supplanting
  o Total state and local funds budgeted is compared to the amounts spent two years ago (prior year is not available when test needs to be completed).
  o Allowances for decreases in the number of infants/toddlers.
  o Allowance for decreases due to unusually large amounts spend for capital expenditures.
  o Calculated at the State level.
  o Individual ISD’s not penalized for not Maintaining Effort.

• Section 54d Non-Supplanting Requirement
  o Cannot use funds to supplant services already being provided.
  o Can use funds to expand the level of those services (i.e. – additional staff)
  o Can swap people in/out of Part C for billing Medicaid as long as your local effort remains the same.
  o Is there an exception if a person is replaced with a lower paid person? Don’t have an answer for this at this time. Working on this.

• Level of Effort Reporting & Test
  o Step 1
    ▪ Amounts are reported in FID (reporting is better than in the past).
    ▪ Amounts are aggregated statewide (in November)
    ▪ Are we capturing all the costs? Yet to be determined.
  o Step 2
    ▪ Report budget for all non-federal funds in MEGS+ (Due July 1st)
    ▪ Aggregated statewide
Formulate the content as a plain text representation.