MSBO - ISD Committee Meeting Minutes
May 16, 2019 – 9:30 am
MSBO Office, Lansing

Members Present:

Bielecki, Linda – Traverse Bay ISD
Bodiya, Paul - Macomb ISD
Carnes, Jamie – Ionia ISD
Collins, Elette – Washtenaw ISD
Cook, Melissa – Alpena-Montmorency-Alcona ESD
Dwan, Robert - MSBO
Ezikian, Steve - Wayne RESA
Frank, Chris – Bay-Arenac ISD
Kolb, Kevin – Gratiot-Isabella RESD
Krosnicki, Lisa – Charlevoix-Emmet ISD
LaRue, Nicole – Ingham ISD
Marcel, Brian - Washtenaw ISD
Mauntler, Kris – Manistee ISD
Orihel, Mark – Midland Co. ESA
Peraino, Tim – Kent ISD
Shaffer, Belinda - Hillsdale ISD
Suszek, Tony – Alpena-Montmorency-Alcona ESD
Weese, Stephanie - Montcalm Area ISD
Walls, Heather – Ingham ISD

Members Present – On Line:

Auel, Jason – Copper Country ISD
Bontekoe, Katrina - Wexford-Missaukee ISD
Chesnutt, Gina – Oakland Schools
Fleser, Lyndsey – Ottawa ISD
Jones, Emili – Eaton RESA
Karsten, Amy–Cheboygan-Otsego-Presque Isle ESD
Licht, Nicole – Huron ISD
Lloyd, Abby - Allegan RESA
Matthews, Barb – Van Buren ISD
Pelton, Debra – Traverse Bay Area ISD
Pfund, Judy – Lenawee ISD
Recor, Tracy – St. Clair Co. RESA
Rymanowicz, Renee – Monroe ISD
Sandvik, Lisa – Eastern Upper Peninsula ISD
Saunders, Michelle – Oakland Schools
Shiery, Diane – Branch ISD
Stefanich, Mari Anne – Macomb ISD
Thomas, Scott – Kalamazoo RESA
Torchala, Kimberlie – Macomb ISD

1. Call to Order – Lisa Krosnicki, Chairperson

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

1. Approval of Meeting Minutes – March 21, 2019
Motioned by Kris Mauntler and Supported by Paul Bodiya

1. Legislative Update – Lisa Hansknecht, Oakland Schools
   • Snow Days – bill signed into law forgiving four days that were declared State of Emergency.
   • Merit Curriculum – proposed changes to allow more flexibility in areas such as Algebra II (vs. Statistics), World Language, etc. to allow more flexibility. Other bills eliminate the merit curriculum altogether or tighten it up.
   • Bill allowing pre-Labor Day start (HB 4087 and 4369) – still in the works.
   • There is a bill for the Repeal the common calendar
   • Bills related to e-cigarettes.
• Construction related bill to relax heating requirements for press boxes.
• Fire Alarms – remove the requirement to have a fire alarm in a vestibule.
• HB 4223 – Would require Dental Screening. Where is the funding for this?
• Work Permit – Home school kids can get a work permit from their parents.
• Conflict of Interest for Teacher/Administrator – can’t be evaluated by a relative.
• Various bills to reduce taxes – solar panels (HB 4466) exempt from property tax, feminine products exempt from sales tax, etc.
• 3rd Grade Reading Retention – would eliminate (repeal) most of these requirements. Replace it with what?
• Consensus Revenue Estimating Conference – School aide is down $50M and GF/GP is up
  o Senate has passed their proposed budget
  o House will get their budget out when?
• No Fault Insurance – Is this reform going to shift some medical costs to employers, hospitals, others? Bill is not lowering the rates, they are lowering the coverage.

1. ISD Facilities, Transportation, etc. - Tim, Kent ISD
   • New Group formed to discuss ISD facilities, transportation, etc.
   • We should invite people to join this new group.
   • The name of the new group is ISD Facilities
   • Their next meeting is Friday 24th from 9:00 am to 11:00 am at MSBO.

2. Proportionate Share, Excess Costs, Catamaran – John Andrejack, MDE office of Special Education
   • There is a PowerPoint available of this presentation.
   • Introduced some new staff that will do fiscal monitoring - Cindy Keller and James Williams.
   • Fiscal Monitoring is done more as a partner to help assist districts in understanding and complying with legal requirements rather than to penalize districts. Monitors will be assigned by region.
   • Common Findings
     o Personnel must have the qualifications/certifications for the position or their wages/benefits are not qualified for reimbursement.
     o Are expenditures allowable costs and do you have proper documentation.
   • Single point of contact for IDEA, State Aid, and Pupil Accounting – See map in PowerPoint
   • Maintenance of Effort
     o Must pass Eligibility test based on budgeted amounts before the year begins.
     o Must pass Compliance Test based on actual expenditures once the year is complete.
     o Include all LEA’s and Charter Schools in these tests.
     o For those districts that did not include all their LEA’s and Charter Schools in the past, the base year for the test will be reset to 2017/2018 actual expenditures.
     o The Compliance test went live on April 23, 2019. In the future, they plan to have this test in March.
     o The Eligibility test will take place at the beginning of June.
     o The due date for the MEGS application is June 30th.
   • Proportionate Share
     o Two tests - Age 3-21 and Age 3-5 (must be done separately).
     o Use the prior year fall count to determine how much must be spent in the next fiscal year. (i.e. – Fall 2018 count for the 2019/2020 grant).
     o Must use federal funds to pay these costs (not local or state funds).
     o If the funds are not spent, it is a compliance issue and the funds may need to be returned to the State. There may be a process in the future (when a district meets all their requirements) where the district can then apply for State approval to reallocate those excess funds for other purposes.
Key – need to identify all private school students that are eligible to receive services, not just those served.
- The ISD need to monitor proportionate share at the local level to make sure that they are in compliance. You can move these dollars between LEA’s if some require more funds than others.
- Must be based on Actual and not Budgeted amounts.
- Often MDE finds that the documentation for Proportionate share isn’t complete or documentation is missing.
- The private schools must be registered to receive services.

Excess Costs
- One challenge is that this test must be calculated separately for the elementary and secondary levels.
- No year to year comparison with this calculation.
- Review the calculation methodology.
- There will be many help screens in Catamaran for entering the data for this test.
- Fall 2019 will be the first time that we will have to do this test. This first year will only be a pilot so that we can work through any issues.
- Fall 2020 will be the first year the test will be done for actual compliance purposes.

Significant Disproportionality
- This test will be done at the ISD level.
- All ISD’s have passed this test.
- ISD’s will work with their LEA’s to resolve compliance issues at the LEA level.
- Every year, MDE identifies 30 to 40 LEA’s that are out of compliance.
- LEA’s includes charter schools.

MSBO Update – Bob Dwan, MSBO
- 1630 members attended the annual conference.
- Compete survey on the conference – how was lunch with the vendors?
- Revenue Consensus – SAF revenues are down and the GF/GP revenues are up from the January meeting.
- Caution - The Executive and Senate budget proposals may not be reasonable because the projected revenues don’t appear to be available to fund that large of an increase.
- Business Manager Academy
  - Currently 60 people in the program at this time.
  - A survey will go out soon to get an idea of where there is a need for a new group to be trained and which ISD’s may want to host them.
  - The cost of this training is $950.
- Business Manager/CPA Conference – June 5th – one topic to be covered is GASB 84
- ISD Group Solutions – Haven’t scheduled one in a while. May schedule in conjunction with our Up-North meeting. May schedule it for the day before the Up-North Meeting begins.

Round Table
- ORS – Subcommittee of this group to look into the matter where normal wage increases wouldn’t count for final average compensation (i.e. – Normal Salary Increase (NSI) for Superintendents). This decision was made by administration (not by the board) to limit these increases.
- Tony Suszek from Alpena-Montmorency-Alcona ESD is retiring June 30th.
- GSRP – Subcommittee – slot funding should be like a foundation rather than a reimbursement of expenditures. No longer going to allow indirect costs for this grant.
- Section 31n – Can districts use current programing to fulfill their 20% match requirement (supplement vs. supplant)? Are districts required to continue the programing if the funding ends? Signing the agreement may eliminate any Headlee relief.
- Site Planning for ISD’s – would ISD’s like to do some type of consortium for Long-term Site Planning.

1. **Adjournment:**
   **Next Meeting** - Thursday, September 12, 2019 at Treetops Resort, Gaylord, MI