MSBO School Finance Committee Minutes  
Lansing, Michigan  
March 15, 2019

Attendance:

President – Tim Berlin  
Vice-President – Michael Boensch  
Secretary – Stacey Viers  
Officer-Elect– Mike Klosowski  
Mike Collett – Eastern Michigan University  
Rick Jensen – Haslett Public Schools  
Thomas Dilberti – Schneider Electric  
Tom Armstrong – Fulton Schools  
Bob Dwan - MSBO

Call to Order: Chairman Tim Berlin called the meeting to order.

Introductions:

MSBO Update – Bob Dwan

• Budget update
  o MSBO has a new webpage for the 2019-2020 budget
  o Recommend you print/download the Executive Budget Issue Pages
  o Interactive school funding map is calculated based on increase in At Risk and SE as well as projected change in student count, Bob is working with State Budget Office to get additional information to present in a more understandable format
  o Components of foundation allowance increase, 1.5x formula, weighted funding
  o Dependent on $.45 gas tax increase
  o No real “new money”
  o Section 101 - 38 hours of PD allowed as instructional time – written into Governor’s budget (was in the budget previously, but had been taken out over the years)
  o 11.5% x foundation allowance x At Risk students = Target At Risk Allocation according to SFRC, 517 million allocation this year. Actual budget proposal is not that simple of a calculation
  o 33 categoricals have been eliminated – make sure you know which ones are being eliminated. Find this in the Executive Budget Issue Pages
  o House and Senate budgets could be released next week
  o MPSERS – increase in normal cost (1.32%), offset by increases in 147a2 on a state-wide basis, may not offset directly on a district-by-district basis
    ▪ Safe to use those MPSERS rates in budgeting, don’t expect them to change
  o Data Analysis tools – section 152 has been eliminated
  o Non-public school reimbursement eliminated
  o ISD – 3.5% increase in Section 81
• Snow Day legislation – Emergency Day forgiveness bill passed out of House Committee and is now before House Ways & Means committee, Senate bill has not had a hearing yet
• Annual Conference – If you haven’t seen all the emails regarding annual conference, check your spam folder.

Program – Accounting & Audit Update with a focus on GASB 84 – Steve Kirinovic and Jeff Staley, Maner Costerisan
• Presentation attached
  o GASB 84
    ▪ Effective 2019-2020
    ▪ Either General Fund or Special Revenue Fund (29) – decision left up to the district
    ▪ Either fund (GF or Fund 29) you will need to budget for it
    ▪ Maner Costerisan would not be auditing the district’s decision making process, but will be looking for obvious things (ie pop fund, flower fund, elementary and middle school activities)
    ▪ Fund 29, MDE will open up enough account numbers to use but it is up to districts whether they want to keep the internal accounts in a separate excel spreadsheet, or put into finance software. Budget should be fairly simple with a couple revenue accounts and a couple expenditure accounts
    ▪ ISDs could use fund 29 or wrap them into fund 22 or 27
  o GASB 87 and GASB 88
    ▪ GASB 87 – Leases
      • Effective 2020-2021
      • Only affects government-wide statements
    ▪ GASB 88 – Debt Disclosures
      • Effective 2018-2019
      • Expanded footnote disclosure

Legislative Update – Peter Spadafore, MASA
• Budget Update – Fix the Defective Roads
  o Revenue changes, increase in gas tax, change in distribution formula
  o Double the EITC from 6% to 12%
  o Exempt pension income from income tax
  o Change pass-through entity tax
• Education Budget
  o Moves university out of SAF
  o Leaves community colleges ($408 million)
  o Weighted foundation
  o Cyber school reduction ($22 million)
  o Early literacy increase
  o GSRP increase and expanded eligibility
  o School hydration stations
• Snow Day forgiveness

Round Table Discussion/Announcements
• Annual Board Elections – Don’t forget to vote in a few weeks and make sure to remember to certify your vote after submitting it
• Dena Mayer – running for re-election to the MSBO board, introduced herself and also encouraged everyone to vote
• Jason – update on roof that caved in
• Should be a survey coming around to ask questions about this committee and the meeting schedule. Be looking for this and be sure to compete it.

Next Meeting – May 17th
• Currently scheduled to meet at MSBO offices in Lansing, but Tim and Bob will discuss whether we will reschedule for the Consensus Revenue Estimating Conference

Respectfully Submitted,

Stacey Viers, SFO
Secretary