

April 12, 2023

Nelson - entire committee reads
SENT VIA EMAIL

Rochester Area Legislative Caucus: Senator Liz Boldon, Senator Carla Nelson, Senator Steve Drzakowski, Representative Tina Liebling, Representative Duane Quann, Representative Steven Jacob, Representative Kim Hicks, Representative Andy Smith

House Education Finance Chair Representative Cheryl Youakim
Senate Education Finance Chair Senator Mary Kunesch

RE: Rochester Public School Board Legislative Committee Feedback on Bills Impacting School Boards and School Districts - Revenue Impact

Dear Legislators:

As members of the Rochester Public School (RPS) Board Legislative Committee, we are writing again to provide additional feedback about how proposed legislation will impact our District. This letter supplements the information we provided by letter on April 11, and includes the impact of proposed legislation modifying the education funding formula. It is important to compare this information to the information about mandates and other provisions that will increase costs to the District.

EDUCATION OMNIBUS BILLS - POTENTIAL NEW REVENUE

Looking at the revenue side of the District's budget, potential new revenue from a proposed formula increase and cross subsidy aid is insufficient to meet the proposed new mandates, meaning revenue increases will not help students. For example, assuming our Average Daily Pupil Count = 16,900:

House education omnibus bill

4% formula increase (FY24)	\$5,767,500
With formula after FY25 tied to the rate of inflation	
48.7% special education cross subsidy aid (FY24)	<u>\$7,858,500</u>
0% English language learner cross subsidy aid (FY24)	
TOTAL	\$13,626,000

Senate education omnibus bill

4% formula increase (FY24)	\$5,767,500
With formula NOT tied to the rate of inflation	
40% special education cross subsidy aid (FY24)	\$6,376,000
25% English language learner cross subsidy aid (FY24)	<u>\$719,900</u>
TOTAL	\$12,863,400

We have also included the chart attached to yesterday's letter for further reference. Thank you for considering our local input and for all you do for education in our community.

Sincerely,

Rochester Public School Board, Legislative Committee
Dr. Jessica Garcia
Karen MacLaughlin
Julie Workman

ATTACHMENT

TOTAL POTENTIAL FISCAL IMPACT ON RPS, INCLUDING BILLS PASSED OUT OF COMMITTEE BUT NOT CURRENTLY IN EITHER EDUCATION OMNIBUS BILL

Proposal	Fiscal Impact	Notes
PF&ML (was HF2/SF2)	\$565,000	Cost of a new benefit, without consideration of the likelihood offering this benefit would cause RPS to have to reduce staff to balance our budget
Earned Safe & Sick (was HF19/SF34)	\$230,000	Cost of a new benefit, without consideration of the likelihood offering this benefit would cause RPS to have to reduce staff to balance our budget
Unemployment insurance - adding non-teaching staff	\$4,880,000	As currently worded, this is a 100% new mandate with no funding (no state aid, no levy authority). For RPS, this has the potential to wipe out all or most of what we have planned to set aside for teachers' salary increases in next year's budget. Adding language to provide state aid or permitting levy authority, if needed, for this new mandate would help the District better manage this change.
TRA's 60/30 plan (HF22222/SF1938)	\$3,106,000	
Health Insurance (HF1348/SF1318)	\$6,000,000	Assumes the following: 100% of single premium and 85% of family
\$25/hour minimum salary requirement (HF1348/SF1318)	\$9,601,000	This will have compound effects locally and will impact state special education funding
Added Prep Time (HF827/SF680)	\$1,015,000	This would require an estimated 10 new staff in the district
TOTAL IF ALL BILLS PASS IN THIS FORM	\$25,397,000	