

June 4, 2015

TO: District School Superintendents  
FROM: Joy Frank  
RE: Special Session A

The first few days of Special Session 2015A have been devoted to completing the process to posture the Legislature for budget conference committee meeting.

The Senate has heard and passed its budget and its budget related bills, including the implementing bill and the FRS rate bill. The budget the Senate passed is exactly the same budget the Senate passed in early April. The House and Senate both agreed to use the respective budgets each chamber passed in April as the starting point for the process. The budget the Senate passed includes the Unweighted FTE projection that was available at that time. This means that **the almost 15,000 students who were added in the April 13 projection are not included in the FEFP in this phase of the budget process. It is expected that during the conference committee process the additional students will be added to the budget that is eventually adopted.**

The Senate passed its health care reform bill, intended to draw down federal Medicaid funds to be used to subsidize private health insurance for those people who are not currently qualified for Medicaid but who can't afford health insurance.

The House is on the floor today as this is being sent. The House will pass its budget as written in April, and take up the Senate budget, and related bills as they were passed in early April. The House will strip the Senate language and send the bills back to the Senate. This will posture the Legislature for budget conference.

The House is taking up the Senate health care bill today and will debate it tomorrow. It is not certain what the House action on that bill will be, but the House Speaker and other key leaders remain opposed to the bill, despite a series of amendments intended to make it more acceptable to the House. Should that bill not pass, the "budget hole" caused by the reduction in federal funds for the Low Income Pool (LIP) will require Legislative action. The House will also take up its tax reduction bill. The new bill has reduced the amount of the tax reductions by about \$250 million to free up general revenue to help address the LIP problem.

The Senate is scheduled to be back on the floor on Friday. The Senate has also released its block calendar for next week. The Senate is scheduled to meet for only 1 hour on Monday afternoon, Wednesday morning and Friday afternoon. A Health Policy Committee meeting is scheduled for Wednesday afternoon.

The budget conference process is expected to begin late Friday and work through the weekend. However, for the conference process to begin the Senate President and the House Speaker will have to agree on budget allocations and name conferees.

Rumors, of course, are all over the map. One is that they will seriously conference over the weekend and perhaps finish up next Friday. The other, becoming more prevalent, is that they will be here until the end of the scheduled Special Session A.

I will keep you updated as the budget conference process begins and proceed.

If you have any questions, please give me a call.