

1. SPA Update – (see 5/30/19 minutes attached)

- **Review of Additions to TSP list: New Mexico SPA link:**

<https://documentcloud.adobe.com/link/track?uri=urn%3Aaaid%3Asc%3AUS%3A58eba4b0-bd0d-41ca-b8e4-20047ce1b301>

LEA Workgroup Minutes:

<https://documentcloud.adobe.com/link/track?uri=urn%3Aaaid%3Asc%3AUS%3A2627b1a1-c5dd-413c-8919-457cee41ac67>

The SPA being reviewed for approval by CMS had additional items added. Details in the minutes from the previous LEA Workgroup call (link above). These additions were based on the recently approved New Mexico SPA (link above). SPA approval is still expected for July 2019 with a full year to complete implementation statewide.

- **Negotiating Contracts due to SPA - LEC/LGA and DHCS**

As the SPA is implemented, the LECs/LGAs will be required to renegotiate contracts with LEAs to incorporate the new changes. There is a request for DHCS to be more interactive in the process. LEAs are encouraged to contact their LEC/LGA regarding contract provisions and negotiate to ensure protections are in place.

Districts who had dropped out of the SMAA program can now rejoin and will not owe from the deferral if it has been longer than a year since participation.

DHCS has hired someone to replace Betty Lai in the Safety Net Financing Division of the department. Her name is Jillian Mongetta. THK will meet with her next week.

2. Deferral Payments Update

Notifications went out from the State Controller's Office that they made an accounting error and did not withhold any of the Prop. 98 discretionary funding in January 2019. It was expected to be withheld in two parts, in January and June. However, LEAs received their total discretionary funds with no withholdings. The Controller's office will now withhold the full amount in June. If the total withholding amount can be covered the upcoming disbursement, they will withhold the full amount. If more is owed beyond the June disbursement, DHCS will set up an accounts receivable and bill LEAs over the course of the 2019/2020 fiscal year. No details have been shared as to the particulars of the billing schedule. Districts are encouraged to get in contact with DHCS staff to establish future payment schedules.

If the LEC provided the funds that was supposed to be withheld, the one-time discretionary funding will be redistributed to the LEC. The district Chief Budget/Financial Officer (CBO) should have been notified of this issue. Please contact your district CBO to verify they have received this update from the State Controllers office.

3. Legislative and Budget Update

- **THK Bill List Updated Link:**

<https://documentcloud.adobe.com/link/track?uri=urn%3Aaid%3Ascds%3AUS%3Abf9bb978-edca-43a2-885f-c369e50276d5>

The bill list is updated with the actions taken by the Assembly and Senate Appropriations Committee when they met on the 16th. You can find out the most current status and read the analysis for the bills by clicking on the bill number and it will bring up the bill, votes and the analysis in the attached list. Look at Notes section for comments.

The Assembly Appropriations Committee passed out 65% of their measures or 472 bills that were on their Suspense File, reducing the amount of funding requests from \$30.8 billion to \$12 billion. The Senate chair was more generous with most members losing only a bill or two. Bills that passed mostly were on an either A or B Roll Call. A Roll Call means both Republicans and Democrats voted for the bill while a B Roll Call meant only Democrats voted for the bill. This is less important now since Democrats hold a 2/3 majority in both Houses, so bills with funding can pass on a party vote.

Starting last Monday, the large number of bills passing out of Appropriations are being heard on the Floors. Bills must pass out of their house of origin by the 31st of May.

Focus will switch to the Budget Committees next week as the subcommittees will finish their work by incorporating proposals from the Governor's May Revision, or not and closing all open issues and report to the whole committee. Each House will adopt their Budget by the 24th, sending it to a Conference Committee that will meet after the Memorial Day Recess. The Budget must be sent to the Governor by 15 June.

Over \$500 million was set aside for mental health partnerships between county mental health agencies and LEAs by the budget health subcommittee chaired by Dr. Pan (D. Sac). Counties, report unspent funds of \$2 billion over the allowed reserve. It is unlikely this full amount will be adopted by the Budget Conference Committee.

The Department of Education formed a health and safety working group that includes THK, multiple education groups and several school districts. Slides (attached) outline the workgroups focus that will be discussed at an in-person meeting on June 12th. The workgroup will address several issues including the need for school nurses and more in-depth discussions on mental health in schools.

4. **Next Meeting: Thursday, June 13th at 9:30am.**

Call Number: 866.881.4501- No Pin Required