



2016 Legislative Session Preview

*Will increased funding for schools mean
we get to drive 85 mph?*

General Topics



- ❧ Ballot Measures
- ❧ Workers' Comp – Wheeler Decision
 - ❧ What the decision said
 - ❧ Questions it creates
- ❧ Economic Development
 - ❧ Local Option Taxes
 - ❧ Sales tax increment
- ❧ Schools – Teacher Pay; Funding;
 - ❧ Tax Reform?
- ❧ Medicaid Expansion



Newly Appointed



☞ **Senator Bill Shorma**

☞ Replaces Senator Dan Lederman (Distr 26)

☞ **Senator Scott Fiegen**

☞ Replaces Senator Tim Rave (Distr 25)

☞ *TBD*

☞ Replacement for Rep. Steve Hickey (Distr 9)

☞ **Current Balance**

☞ Senate = 27R - 8D

☞ House = 58R - 12D

Lions and Tiger and Bears - Oh My Amendments, Initiatives and Referendums - Sky High



☞ Three on ballot already

☞ Amend R – Tech Schools

☞ HJR - 1003

☞ Refer Election Laws

☞ SB 69

☞ Refer Youth Min Wage

☞ SB 177



12 More Gathering Signatures



❧ Initiatives

- ❧ Alcohol sales illegal
- ❧ Tobacco sales illegal
- ❧ Medical marijuana
- ❧ Interest limit - 36%
- ❧ Decriminalize marijuana
- ❧ Right to Charge Fees
- ❧ Campaign/Lobbying

❧ Cons't Amendments

- ❧ Refer laws public health; limit amendments
- ❧ Redistricting comm.
- ❧ Rights for crime victims
- ❧ Interest limit - 18%
- ❧ Nonpartisan elections



Most Ever???



❧ 1916 - 14 Ballot Measures

❧ 9 Leg Amend; 3 Initiatives; 2 referendums

❧ 1918 - 13 Ballot Measures

❧ 12 Leg Amend; 1 initiative; 0 referendum

❧ Years with 11 Ballot Measures

❧ 1910; 1914; 1970; 2006

❧ Total - 333

❧ Leg Amend-221; Int Amend-16; Int-52; Ref-44

Wheeler Decision



- ❧ Ms. Wheeler was injured working at Cinnabon
- ❧ Cinnabon was one of three places she worked
- ❧ Injury kept her from working at the other jobs
- ❧ Qualified for lost-time payments (indemnity)
- ❧ Indemnity payments based on AWW
- ❧ Court ruled AWW should include wages from the other two jobs



Wheeler (con't)

Reaching for an air sick bag



- ❧ Cinnabon's insurance gets stuck for wages they don't pay and can't calculate
 - ❧ Other insurers stuck paying w/no claim
- ❧ Part-time employer's insurance cover AWW for full-time job
- ❧ Insurance has no way to calculate risk
- ❧ Highest % of population working multiple jobs
- ❧ May be retroactive -

Don't go grabbin' for the flap handle



- ❧ Multiple job workers are 9% of total
- ❧ Indemnity payments are 26% of total
- ❧ AWW is capped at \$733/wk. (2/3rds pay)
 - ❧ Annual wage of \$57,000 or \$27/hr
 - ❧ Minimum AWW is \$367/wk = \$28,000/yr
- ❧ Next year's losses – impact premiums in 17
- ❧ 39 other states use aggregated wages
 - ❧ Some are conditional

Looking to the 2016 Session



- ❧ Deal with retroactivity – closed claims
- ❧ Questions about classification system
- ❧ Make clear AWW does not include wages from jobs still working
 - ❧ Only jobs that have actual lost wages
- ❧ Clarify employer rights to ask about other jobs
- ❧ Bus rights to know about other jobs/limit?
- ❧ Draft bill – questions abound

Economic Development



Tools for Local Governments

- Star Bonds – using sales tax revenue like a TIF
- Special districts with other fees

Additional sales tax for local governments



Blue Ribbon Task Force

On Schools and Students



❧ **Average teacher salary**

- ❧ State set minimum salary
- ❧ State control of all teacher salaries

❧ **Class size**

- ❧ Percent of revenue in classroom

❧ **Student Achievement – Scores/Progress**



Blue Ribbon Task Force

Funding Sources



-
- ❧ Sales/Use - \$826 million
 - ❧ Contr Excise - \$96m
 - ❧ Insurance Tax - \$77.5m
 - ❧ Unclaimed Prop - \$55m
 - ❧ Licenses, Fees - \$54m
 - ❧ "Other" - \$136m
 - ❧ Seasonal Sales Tax
 - ❧ Cigarette Tax
 - ❧ Alcohol Tax
 - ❧ Rural Sales Tax

Blue Ribbon Task Force

On Schools and Students



∞ Funding is fundamental - options



∞ Changes in Capital Outlay Mil Levy

- ∞ Broader use of funds
- ∞ Limit on growth -

∞ Sales Tax - small increase

- ∞ Half a penny (\$100+ million) for schools, little more

∞ Sales tax larger increase

- ∞ Full penny (\$200+ million) for schools & tax reform



Medicaid Expansion



- ❧ **Increase income to 138% of poverty - 28K+**
 - ❧ \$11,670 individual (\$16,104)
 - ❧ \$23,850 family of 4 (\$32,913)
- ❧ **Include childless adults**
- ❧ **Feds pay all - thru 2016 (90% after 2020)**
 - ❧ Cost \$30+ million plus administration
 - ❧ \$ 2 billion to economy by 2020 (cost \$100m)
 - ❧ Some covered thru exchange ins
- ❧ **Daugaard Administration - Doesn't Trust Fed**
- ❧ **Combine Funding - Indian Health Services**



❧ Thank You

❧ Questions?

❧ Remember Business Day at the Legislature

❧ Thursday February 18th, 2016

