



## House Bill 139/aHGUAC -- Page 2

- Remove current restrictions limiting RECs to serving schoolage residents of member educational entities;
- Allow RECs to develop requirements for background checks for applicants or contractors; and
- Allow RECs to own and manage property exempt from the jurisdiction of the Property Control Division.

### Significant Issues

According to SDE staff:

- Certain federal grants (i.e., Head Start) require that the grantee educational entity own the building rather than the state.
- The SDE staff further notes RECs and their employees are currently insured through the Risk Management Division (RMD). The proposed provisions in HB139 would allow the RECs to obtain group health and risk insurance coverages through the Public School Insurance Authority.
- RECs are currently provided a waiver from vouchering through DFA. HB139 would make this waiver permanent and assist RECs to streamline administrative structures. It would also be easier to develop one budget in the school district format. The State Board of Education would determine which provisions of Public School Finance Act would apply to budgets and expenditures for RECs.
- Currently RECs are provided a waiver by the State Treasurer to have their own bank accounts. The bill would authorize the state superintendent to designate an REC as a board of finance with the same rules and oversight the SDE applies to local school boards.

### **FISCAL IMPLICATIONS**

None identified at this time.

### **ADMINISTRATIVE IMPLICATIONS**

SDE staff notes HB139 would strengthen partnerships between the SDE and RECs. Also RECs would have more fiscal autonomy and budget authority. The long-range planning process would require a significant additional commitment of staff time from the SDE and the RECs.

### **TECHNICAL ISSUES**

SDE staff suggests inserting “council” after the word “cooperative” on page 7, line 12.

WJC/njw