



### **Unallotment, The Courts and The Legislature**

As you may have read, a judge ruled against Governor Pawlenty's unallotment of funds to a low-income nutrition program. The ruling caused a flurry of activity with the Governor holding a news conference the next day saying that the state needs to deal with our financial shortage. He referred to possibly bringing the Legislature back into special session prior to its February 4th start to address the unallotment to schools by making it a school payment deferral, meaning that the state would guarantee that schools get paid back – at some point in time.

Those of us who went through similar circumstances in the early 80's remember that it took 10 years to have that money paid back. There is some concern that members in the Legislature might want to make the unallotment permanent and not repay the money. This was referred to on an MPR call in show earlier this week where Senator Pogemiller said he thought that the unallotment was just that – a cut. On this same program, Speaker Margaret Anderson Kelliher, a candidate for Governor, said there wasn't a need for a special session, and Senator Pogemiller agreed.

In any event, education is better off having the promise to be paid back -- even if it is at some point in the future compared to having the unallotment just become a permanent cut.

Will the unallotment statute be addressed in this year's legislative session? Most likely it will. We are now beginning to hear legislators talk about how the process of coming to compromise between the Legislature and the Administration was circumvented through the process of unallotment. Others are saying that unallotment was never meant for a normal budget balancing process but for emergencies. Watch for this story to unfold more in the near future.

### **Legislative Session to Begin**

The next legislative session is scheduled to begin on February 4th – only a month away. Already some committees are beginning to hold hearings; expect more to begin in upcoming weeks. The topic of the state budget will be the focus and will take specific shape after the February budget forecast at the end of February. With the statutory close to the session in mid-May, look for some legislators to be interested in finishing up early since their state conventions will be held near the end of April and this is an election year.