



Legislative Session Now Idling

With most of the work finished and waiting on news from the federal government about health care dollars, the 2010 legislative session has ground to a halt. Legislative leaders are considering a recess over the next two weeks due to the lack of work. The recess would give gubernatorial candidates time to do last minute campaigning before their endorsing conventions at the end of April.

In the meantime, news of an education bill is mixed. Finger pointing over the failed Race To The Top (RTTT) application has legislative leaders meeting in the Governor's office about what to do next. Rep. Greiling and Sen. Stumpf will host a joint hearing next week to discuss the issues involved in improving Minnesota's RTTT application. The Governor wants controversial reform measures included in any education omnibus bill that lands on his desk, but Education Minnesota is battling him on all fronts. At play are measures to allow a new alternative path to licensure through the Teach for America program, an expansion of QComp pay for performance to all districts and a move to a five year revolving tenure system. As Rep. Greiling said about the joint hearing, "We are going try to pull a rabbit out of a hat."

Also in the mix are changes to TRA to increase teacher and district contributions to stabilize the fund. Education Minnesota doesn't want any freezes to retiree benefits and would like to see changes for post 1989 employees currently ineligible for the rule of 90. Education Minnesota's proposal to create a mandatory statewide health insurance system is floating around as potential trade bait for the reform measures.

On Friday, the Department of Education is hosting a meeting of education stakeholders to discuss the RTTT application. At this time, the amount of funding Minnesota could receive continues to change. Some estimate that up to \$250 million could come to Minnesota over the next few years while figures of \$175 million and \$60 million have floated around as well.

Other issues at stake in a potential education omnibus bill are codification of the Governor's \$1.2 billion aid payment deferral. Legislation is pending before both the House and Senate education finance committees and received favorable hearings. However, some don't want to codify the deferred payments into a statutory payment shift because it could make Governor Pawlenty look bad if school district budgets suffer as a result. Critics of enacting a shift argue that the Governor needs to provide a means of paying back the deferred aid before such action should be taken.

Legislation changing the statute allowing the state to borrow school district reserves is up in the air as well. On Monday, the Legislative Planning Commission reviewed information on the state's cash flow situation for next year. Beginning early next September, the state will enter another period of negative cash flow through January. However, starting mid January, the state goes into negative cash flow again until the end of fiscal year 2011. Without a law change, schools could be lending the state hundreds of millions of dollars throughout most of next year.

We will know more over the next few weeks if the legislature is going to be able to put an education bill together that the Governor will sign. Given the level of controversy and political maneuvering, the odds of an education bill coming to fruition are beginning to decline.