



### **2010 Legislative Session is Underway**

The Legislature reconvened last Thursday in what is supposed to be a short session focused on passing a major capitol improvements bill – the bonding bill. The Legislature put forward a \$1 billion proposal that is substantially higher than Governor Pawlenty’s \$685 million proposal. The Legislature will work next week to get their proposals into a conference committee where negotiations between legislative leadership and the Governor can begin. Besides the bonding bill, the Legislature has an immense amount of work dealing with the budget.

The first week of session also saw an introduction of legislative proposals to restore portions of the General Assistance Medical Care program (GAMC). The proposals would extend GAMC for 16 months and cover about half of those originally eligible for the program. Covered services are reduced in the proposal, and those providing services to GAMC patients would see 50% reductions in reimbursements over the same time period. Hennepin County Medical Center (HCMC) and Regions Hospital in St. Paul serve 40% of the GAMC population and would bear the brunt of absorbing these changes to the program.

The Governor will deliver his state of the state address next Thursday where he will outline his budget balancing proposal and policy goals for this session. As of today, the state is facing a \$1.2 billion deficit for the current biennium. The Legislature will critique the Governor’s proposal until they receive an updated forecast in about a month (possibly March 3). The Governor’s budget proposal will likely include massive cuts to health and human services programs. K-12 could be on the Governor’s chopping block. The Governor will propose enacting the property tax recognition shift and aid payment delay into statute, negating a potential problem if the courts overturn his unallotment actions from last June.

### **Education Funding & Policy Debate**

The administration’s decision to use short term borrowing from schools based on district reserve amounts will be examined by the Legislature. On the first day back, legislation was introduced to repeal MS 127A.46, the statute that allows the state to do this. Taking this solution off the table might sound nice, but it would narrow the options available to the state to deal with a deficit. Under “no new tax” governance this means either cuts, levy increases or both. A third solution could allow the administration to examine all local government and HHS reserves in the name of shared sacrifice. Of course those interest groups would argue that education should be part of the shared sacrifice when it comes to cutting \$1.2 billion for fiscal 2011.

Mandate relief will once again be part of the legislative mix. Education groups sought relief from several mandates last session, but very few passed into law. The federal stimulus funds softened what could have been a deep budget cutting session last year and took away the sense of emergency and need for mandate relief. However, the continued structural deficit and likelihood of cuts (or deeper aid delays) mean the atmosphere at the capitol has shifted somewhat toward providing mandate relief. It will be an uphill battle once again, but we need to continue to push legislators on mandate relief.

### **Legislation of Interest Recently Introduced**

**SF 2305, Bonoff, HF 2683, Dittrich**, would enact the Governor's unallotment plan for K-12 into statute (\$600 million property tax recognition shift and \$1.2 billion aid payment shift).

**SF 2326/HF 2645, Greiling**, would repeal MS 127A.46.

**SF 2266, Olseen**, would include support staff services supplied through a special education cooperative or education district for purposes of calculating a district's support staff FTE maintenance of effort requirements.

**SF 2177, Rest, HF 2714, Peterson**, would raise the Safe Schools Levy from \$30/pupil to \$32/pupil presumably to pay for costs associated with H1N1 safety.

**HF 2431, Greiling**, is the New MN Miracle reintroduced. HF 2 was used last session as the omnibus education bill and signed by the Governor.

**HF 2581, Carlson**, would require a school bus purchased after December 31, 2010, to be equipped with an approved lap and shoulder belt installed for each passenger-seating position on the bus.