



### **This Week at the Capitol**

On Tuesday, the state will receive an update on the budget situation. The March forecast is the first update since last November's forecast showed the state had a \$1.2 billion deficit for the remainder of the current biennium. Indications thus far point to little change from the November figure, but there are still concerns about a further decline in state revenue.

The legislature will review the forecast information this week and are still a ways off from providing a comprehensive budget solution to the Governor. There is speculation that the legislature will attempt to solve the deficit through several rounds of budget cutting legislation. If they go this route, the first budget cutting bill will include about \$217 million in cuts to state agencies and the higher education systems. The second round would involve several hundred million in cuts to the health and human services systems. The third round would include cuts and possibly deeper payment shifts to the K-12 system. There is speculation that this bill wouldn't have the votes to pass and would lead to a budget stalemate.

In the meantime, legislative committees continue to review individual bills. Check out this week's schedule to see what the education committees are up to.

## **Legislative Schedule**

### **Monday**

**11:00 am** Senate Floor Session

**11:30 am** House Floor Session

### **Tuesday**

**8:30 am**

#### **K-12 Education Policy and Oversight**

Room: Basement State Office Building

Chair: Rep. Carlos Mariani

**Agenda:** [HF58](#) (Mullery) Middle school students taught about the juvenile and criminal justice systems and the consequences of delinquent and criminal conduct.

[HF2962](#) (Fritz) Minnesota Academy for the Deaf and Minnesota Academy for the Blind provided trial placement.

[HF3115](#) (Norton) Statewide physical education standards and report required, and a healthy kids awards program established.

**8:30 am**

#### **E-12 Education Budget and Policy Division**

Chair: Sen. LeRoy A. Stumpf

Room 112 Capitol

**Agenda:**

[S.F. 1017](#)-Bonoff: Education referendum allowance limit elimination.

[S.F. 2384](#)-Saltzman: School districts referendum equalizing factor increase; second tier referendum equalization elimination.

[S.F. 511](#)-Rosen: School districts alternative facilities bonding and levy program and deferred maintenance revenue program qualifications modification.

[S.F. 433](#)-Bonoff: School finance alternative facilities bonding and levy program modification.

[S.F. 2177](#)-Rest: School districts safe schools levy increase.

[S.F. 1531](#)-Torres Ray: Mental health model curriculum creation.

**2:45 pm**

**K-12 Education Finance Division**

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

**Agenda:** Testimony from education groups on school district budget help recommendations.

**4:30 pm**

**Early Childhood Finance and Policy**

Room: 200 State Office Building

Chair: Rep. Nora Slawik

**Agenda:** [HF3200](#) (Peterson) A bill creating an early childhood community partnerships grant program

Child Care Advisory Task Force Recommendations Report

[HFXXX](#) (Jackson) A bill for an act relating to early childhood education; modifying the child care assistance programs

Meeting Documents: [Child Care Advisory Task Force Recommendations](#)

[HFXXX](#) (Jackson)

**Wednesday**

**8:30 am**

**Joint Meeting: Committee on Finance; Committee on Taxes**

Chairs: Sen. Richard J. Cohen, Sen. Thomas M. Bakk

Room 15 Capitol

**Agenda:** 2010 February State Budget Forecast Discussion

**8:30 am**

**Committee on Education**

Chair: Sen. LeRoy A. Stumpf

Room 112 Capitol

**Agenda:** [S.F. 2753](#)-Bonoff: Physical education academic standards requirement; healthy kids awards program establishment.

[S.F. 2601](#)-Bonoff: Probationary teacher continuing contract offer authorization.

[S.F. 2551](#)-Wiger: Compulsory school attendance age increase.

[S.F. 2739](#)-Fobbe: Children with a disability definition modification; general obligations to children with disabilities specification; special instruction for children with a disability repeal.

[S.F. 2785](#)-Saxhaug: Flexible learning year education programs pre-Labor Day start date prohibition.

[S.F. 2738](#)-Torres Ray: Special school district #1, Minneapolis; reapportionment commission appointment authority and standards.

**8:30 am**

**K-12 Education Policy and Oversight**

Room: Basement State Office Building

Chair: Rep. Carlos Mariani

**Agenda:** [HF2106](#) (Bly) Alternative learning centers and charter schools five-year pilot program established to identify systemic improvement measures to best serve eligible students, and money appropriated.

[HF3157](#) (Mahoney) Parent notification of child maltreatment in a school facility modified, mental health

assessment required of teachers disciplined for child maltreatment, teaching license revoked of repeat child maltreatment offenders, and district policy required for educating employees about mandatory child maltreatment reporting.

[HF2986](#) (Hornstein) Responsible family life and sexuality education program created. (pending referral from Health and Human Services Policy Committee)

Meeting Documents: [Author's amendment to HF3175](#)

**2:45 pm**

**K-12 Education Finance Division**

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

**Agenda:** [HF2751](#) (Morgan) Students who do not pass the reading and language arts GRAD allowed to retake the test in paper-and-pencil format.

[HF2880](#) (Kath) Graduation-Required Assessment for Diploma requirement for retakes amended.

[HF3123](#) (Morgan) K-12 special education third-party billing process made more cost effective.

**6:30 pm**

**Ways and Means**

**Ways & Means and Finance Committees**

Room: 200 State Office Building

Chairs: Rep. Loren Solberg, Rep. Lyndon Carlson

**Agenda:** Presentation of February forecast

**Thursday**

**8:30 am**

**K-12 Education Policy and Oversight**

Room: Basement State Office Building

Chair: Rep. Carlos Mariani

**Agenda:** HFXXXX (Newton) Advisory task force on school desegregation and integration.

Additional bills or topics may be added.

Meeting Documents: [HFXXXX \(Newton\) Advisory task force on school desegregation and integration.](#)

**2:45 pm**

**K-12 Education Finance Division**

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

**Agenda:** HFXXXX (Garofalo) Governor's supplemental K-12 education funding provisions

**4:30 pm**

**Early Childhood Finance and Policy**

Room: 200 State Office Building

Chair: Rep. Nora Slawik

**Agenda:** School Readiness Connections Pilot Project Final Evaluation

Department of Human Services

Saint Paul Early Childhood Scholarship Program Evaluation: Implementation in Year 2

Rob Grunewald, associate economist, Federal Reserve Bank of Minneapolis

Pre-Kindergarten Allowances Project Final Evaluation

Dr. Scott McConnell, Professor, educational psychology and Center for Early Education and Development, University of Minnesota

Meeting Documents: [PreKindergarten Allowances Project Final Evaluation](#)

[School Readiness Connections Final Evaluation](#)

[St. Paul Early Childhood Scholarship Evaluation](#)

**Friday**

**1:00 pm**

## **K-12 Education Policy and Oversight**

Room: 10 State Office Building

Chair: Rep. Carlos Mariani

**Agenda:** [HF3163](#) (Mariani) Prekindergarten through grade 12 funding provided, including general education, education excellence, special programs, and early childhood education.

The presentation of [HF3163](#) will be information-only.

## **Issues Brief**

Promoting School Trust Lands  
SCHOOL TRUST LAND UPDATE  
Minnesota House of Representatives

February 19, 2010

### **SCHOOL TRUST LANDS: A CALL TO ACTION**

Most Minnesotans have never heard of School Trust Lands. We know our income taxes pay for the state's education system, and people have a keen sensitivity to property tax statements and local school levies. But few of us know anything about the lands set aside in the state constitution that deliver tens of millions of dollars to our schools every year.

Because few people know about this important resource, we aren't getting as much out of the lands as we should. Less public scrutiny over School Trust Lands means less oversight and less revenue for our students. That's why, on behalf of our students, the Minnesota House of Representatives is encouraging the state's education community to get informed.

#### **What Are School Trust Lands?**

More than 2.5 million acres of land and an additional 1 million acres of mineral rights were set aside when Minnesota became a state. Today School Trust Lands are managed by the Minnesota Department of Natural Resources. Revenues earned from those lands are invested by the State Board of Investment and are constitutionally dedicated to be used for schools. Tens of millions of dollars earned on those lands are spent in classrooms every year, in every corner of Minnesota.

#### **How Do the Lands Earn Money?**

The interest and dividends from the Permanent School Trust Fund generated \$27 million in 2009.

Revenue is generated from many activities, including sale of timber, wild rice leases, mining leases, state forest campground fees, lakeshore leases, easements across state trust land, utility licenses, the sale of a few parcels of land, and several other types of surface use. In addition, revenue is generated from rents and royalties on taconite iron ore removed from the land.

#### **How Does This Benefit Students?**

Revenues from Minnesota's School Trust Lands are deposited into the Permanent School Trust Fund. Interest and earnings from the Permanent School Trust Fund are distributed directly to Minnesota school districts. Those funds provide resources for learning supplies, teacher salaries, building maintenance, school curricula, and everything that makes Minnesota's schools among the top-performing, most rigorous schools in the country.

#### **What Can You Do To Help?**

Efforts are already underway to improve management of our School Trust Lands. Legislation passed in 2008 improved oversight of the Permanent School Trust Fund and resulted in an additional \$33 in new ongoing funding for every student in Minnesota.

Working together, for the sake of our students, we can and must do more. I strongly encourage you to keep asking questions, and learn more about our School Trust Lands. But more importantly, I urge you to engage your friends, neighbors, teachers, and local school boards in conversation about what we can do together to more effectively manage this important asset for years to come.

Please contact me with any questions.

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## Federal Legislative Update

### Rural-ness in the USA

Did you know that –

- 80 % of the land mass of the US is rural?
- 50 % of the number of school districts is rural?
- 30 % of the total number of students is rural?

These facts often find their way into the federal legislative discussions. Both sides of an issue revolving around funding and ruralness use these facts to argue their points.

### Title I formulas

Many of our formulas use the census count to help derive how much money we received. Since the census uses projections or extrapolations to project how many people live in a county instead of actually counting people, rural areas get hit with an under-count using this method. If you get a chance to share your ideas with federal legislators, tell them we want free and reduced lunch counts used to determine Title I formulas since they more accurately reflect the need in rural communities.

### Federal Money – you have to compete for it

There is a growing trend toward federal money being available through grants. This debate is happening regarding the REAP bill and certainly we have seen it with other areas as well. This shift toward competitive grants might not be the best for small / rural districts since we typically do not have the staff or expertise to write extensive grants to access this money. Weigh in on your thoughts with your congressional representative or senator on how this will impact your district.

### REAP Bill

If you are one of the many Minnesota districts that receive funding under the REAP bill, this is coming up for reauthorization. We need to continually reinforce the importance of this approach for our smaller districts. Although the date when this will come up for consideration isn't known yet, we hope that it will be soon.

### E-Rate – under fire

E-Rate has always been a bit controversial. The Telecom groups typically don't like it. They collect about 25 cents a month on each bill. The money collected gets forwarded to Washington and becomes the E-Rate money that schools and libraries access. Today this money is capped at about \$2.25 billion with about \$4.2 billion in requests from 43,000 applications. This is 3000 more applications seeking \$200 million more than was requested last year. There has been some talk of making other entities eligible to

access this money. (Community Colleges and Head Start) If that were to happen, there would be even less money to go around. Right now we think things will turn out OK.

There is some Investing In Innovation (I<sup>3</sup>) grants coming up as part of Race to the Top – but these will be competitive and must align with non-profits and have local matching funds as well. This will be pretty hard for many rural districts because they simply don't have the potential to have matching funds available or some type of business partnership to assist them. The regulations are not out yet, but it looks like they will be 350 – 400 pages long.