



### **Senator Bakk Proposal**

The chairman of the Senate Tax Committee, Sen. Tom Bakk, introduced legislation ([SF 2980](#)) that would reduce the state sales tax by .25 percent and expand the tax to clothing. The net result would be \$257 million of new revenue in fiscal year 2011 to help with the \$1 billion deficit this biennium. From fiscal year 2012 to 2021, the state would shift \$120 million each year back to the K-12 payment schedule until it gets back to 90/10. Sen. Bakk argued this is the fiscally responsible thing to do for education and for future legislatures that could find themselves in budget troubles and in need of using a payment shift. By setting a repayment schedule in statute, the legislation takes care of one major problem this session. There are questions about what the repayment obligations are under a deferral made through unallotment versus a shift enacted in statute. The consensus is that a statutory shift makes it clearer that schools are able to borrow short-term for cash flow purposes.

Despite being a net tax increase, the Minnesota Chamber of Commerce has been neutral on the proposal. Most businesses would see a tax break (\$79 million/year estimated) under the plan. Governor Pawlenty has yet to weigh in, and the House Tax Chair, Ann Lenczewski, represents Bloomington and the Mall of America who opposes expanding the sales tax to clothing.

### **Balancing the Budget**

The House and Senate are moving smaller budget bills into a larger budget cutting bill that would cut \$217 million. This bill is the first of at least three budget balancing bills aimed at closing the \$1 billion shortfall. The second bill is said to include \$330-\$350 million in cuts to health and human service programs. The third bill will target K-12, and there is a lot of speculation about what kind of contribution K-12 will make toward the budget balancing plan. If the federal Medicaid funds arrive before the end of the session, K-12 could be spared cuts.

Senator Stumpf, chair of the Senate E-12 Funding Committee will likely receive a target, including a hard cut to the basic formula. Representative Greiling and others in the House are still fighting for a zero cut target despite opposition from other finance chairs in her caucus. Rep. Greiling will likely include the MN Miracle formula in the house education bill this year, even though there is no plan to provide funding for the formula. MREA is supportive of the new formula despite on-going concerns with the Location Equity Index. However, without new funding, it makes it difficult to get this proposal into law. The Senate has concerns about adding new spending obligations to the budget tails at a time when the forecast shows an on-going structural shortfall of \$5.8 billion next biennium.

Both chairs have until about March 25th to release their budget plans for K-12. In the meantime, keep up the pressure on your legislators to set priorities and hold education harmless this year.

# Legislative Schedule

**TUESDAY, March 16, 2010**

**8:30 a.m.**

**Committee on Education**

Room 112 Capitol

Chair: Sen. LeRoy A. Stumpf

**Agenda:**

[SF2757](#), Bonoff, Teaching board teacher preparation and licensure programs authorization.

[SF3104](#), Saltzman, School and parent conciliation conference requirements clarification.

[SF2698](#), Koch, Graduation required assessment for diploma (GRAD) retake requirement modification.

[SF3002](#), Bonoff, School desegregation and integration advisory task force establishment.

**8:30 a.m.**

**K-12 Education Policy and Oversight**

Room: Basement State Office Building

Chair: Rep. Carlos Mariani

Bill(s) Added

**Agenda:**

[HF3172](#) (Cornish) Baseball field advertisements permitted.

[HF2867](#) (Newton) Child with a disability definition clarified and obligations to children with disabilities specified.

Presentation by Margaret Bird, the director of Utah's Children's Land Alliance Supporting Schools (CLASS) and Kevin Carter, director of the Utah School and Institutional Trust Lands Administration on Utah school trust land governance and land management practices

**2:45 p.m.**

**K-12 Education Finance Division**

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

**Agenda:**

[HF3475](#) (Dittrich) Independent agency created to oversee management of Minnesota's permanent school fund lands. - information only

Presentation by Margaret Bird, the director of Utah's Children's Land Alliance Supporting Schools (CLASS) and Kevin Carter, director of the Utah School and Institutional Trust Lands Administration on Utah school trust land governance and land management practices

**4:30 p.m.**

**Early Childhood Finance and Policy**

Room: 200 State Office Building

Chair: Rep. Nora Slawik

**Agenda:**

[HF3225](#) (Slawik) Child care assistance provider rates modified.

HFXXX (Nornes) Prekindergarten education provided and money appropriated. (Clone of Article 6 in [HF3388](#) )

Presentation on potential federal funding for home visiting programs

**6:00 p.m.**

**Permanent School Fund Advisory Committee**

Room: 200 State Office Building

Chair: Rep. Denise Dittrich

**Agenda:** Utah school trust land story and governance model

Utah land management practices, including land sales and exchanges -

Margaret Bird, the director of Utah's Children's Land Alliance Supporting Schools (CLASS);

Kevin Carter, director of the Utah School and Institutional Trust Lands Administration; and Utah State Representative Melvin R. Brown have been invited to share information.

**WEDNESDAY, March 17, 2010**

**8:30 a.m.**

**K-12 Education Policy and Oversight**

Room: Basement State Office Building

Chair: Rep. Carlos Mariani

**Agenda:**

[HF3421](#) (Mariani) High school assessments established to determine college and career readiness.

**2:45 p.m.**

**K-12 Education Finance Division**

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

**Agenda:**

[HF3478](#) (Benson) School district mandates reduced, additional flexibility allowed, and certain fund transfers authorized.

[HF3308](#) (Newton) Capital expenditure health and safety revenue program simplified.

[HF3532](#) (Peterson) School district not required to provide educational services to students without disabilities from other states.

[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.

[HF3120](#) (Bly) Efficiency plus access task forces created, and money appropriated.

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

**6:00 p.m.**

**Committee on Health, Housing and Family Security**

Chair: Sen. John Marty

Room 15 Capitol

**Agenda:**

Status update from Board of Dentistry on Dental Therapist and Foreign-trained Dentist Laws

[S.F. 2937](#), Rosen, Chemical dependency treatment pilot projects.

[S.F. 3175](#), Anderson, Indoor ice arenas electronic air monitoring devices requirement.

[S.F. 2996](#), Fischbach, School concession stands as specific category of food and beverage service establishments authorization.

[S.F. 3199](#), Berglin, Human services commissioner duties to state medical review team disability appeal process modification.

**THURSDAY, March 18, 2010**

**8:30 a.m.**

**K-12 Education Policy and Oversight**

Room: Basement State Office Building

Chair: Rep. Carlos Mariani

**Agenda:** To be announced.

**2:45 p.m.**

**K-12 Education Finance Division**

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

**Agenda:**

[HF3043](#) (Kalin) Computer-adaptive assessments provided for general education students.

[HF3267](#) (Newton) Advisory task force established on school desegregation and integration.

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

**4:30 p.m.**

**Early Childhood Finance and Policy**

Room: 200 State Office Building

Chair: Rep. Nora Slawik

**Agenda:**

[HF3195](#) (Peterson) Early childhood education program created for at-risk four-year-olds.

Presentation of Minnesota's Application for the American Recovery and Reinvestment Act  
Funding for Early Childhood State Advisory Councils

Presentation of the MN Parents Know website