



Budget Balancing – Phase I

Monday morning the House will go into session. They will immediately break for caucuses, then reconvene to debate [HF 1671](#). HF 1671 is the first phase of the Legislature's attempts to reduce the \$994 million deficit for the remainder of this biennium. The bill on the House floor would reduce all budget areas except the largest two, E-12 and HHS. The bill reduces agency budgets, higher education (\$47 million), LGA (\$105 million) and a dozen or more other program areas for a total reduction of \$308 million.

Assuming the Senate passes and the Governor signs the bill, they will still have another \$686 million to go. If Congress passes two key pieces of legislation (Jobs and Health Care Reform), the state will receive hundreds of millions in federal help; \$408 million would come from Federal Medicaid (FMAP) funding in the Jobs bill by extending the 60/40 split on MA for another year. There are estimates that another \$250 million could come to Minnesota if the federal health care reform bill passes. People that Minnesota is already covering would be covered by the federal program, so Minnesota would likely receive additional MA matching funds. If these two bills and their funding come to fruition, Minnesota's budget shortfall will be solved.

This means that phases II and III wouldn't be necessary. Phase II would include anywhere from \$150 - \$350 million in cuts to Health & Human Service programs. Phase III would include cuts to K-12 education and possibly further payment delays.

Ice Arena Air Quality ([HF 3512/SF 3175](#))

Legislation is moving forward that would require operators of ice arenas to maintain air quality conditions over a one hour period of no more than 12.5 parts of carbon monoxide per one million parts of air by volume. The current standard is 30 ppm, and the Department of Health is moving forward with a rule to lower the standard to 25 ppm. The legislation is supported by a long time ice skating coach and others who argue they have suffered health problems due to carbon monoxide exposure from time spent in ice arenas. The legislation would require ice arenas to contain an operational electronic air monitoring device with an alarm that is set to activate when the CO level exceeds 12.5 ppm. The alarm must automatically activate exhaust fans in the facility when exceeding 12.5 ppm.

Discussion about the legislation has involved costs to local governments, the lack of availability of a sensor that can effectively monitor CO levels at or near 12.5 ppm and the availability of new, electric ice resurfacing machines.

We are interested in knowing if this legislation will impact any of our member school districts.

Mandate Relief – MOE for Support Staff

Mandate relief efforts have been reduced to a small handful of initiatives. The House K-12 Finance committee has legislation before it that would repeal the MOE requirement for school supports staff. The provision was eliminated from one bill in committee earlier in the week, but remains in the Governor's recommendations that are before the same committee.

Those interested in seeing this provision eliminated should contact their legislators this week, as the House and Senate education finance committees begin putting an omnibus bill together.

High School Assessments ([HF3421](#))

The House has been discussing this bill which came from a working group established last legislative session to develop recommendations for high school assessments as part of Minnesota's K-12 educational accountability system. The proposal postpones aligning the standards and assessment for Math for one year. It does provide for some end of course testing, but these tests must become a large part of the student's course grade. The bill calls for 25% of the grade, but that was contested and it might go lower than that. While there are many more important areas to this bill it still has much to be discussed, and not everyone agrees with what is being proposed. Watch for this bill to lower the percentage before it gets to the floor.

Alternative Certification

There has been some work in the past to allow alternate pathways to certification. There are some that believe this might have been one of the reasons why MN didn't get selected for Race To The Top. This has moved out of the Senate Policy committee on a split vote. Much of the discussion seems centered on Teach For America and their work in the urban core, but it might also be of assistance to rural districts down the road if it would help us find highly qualified teachers who wanted to live and teach in our communities. We have some circumstances where it is hard to fill certain positions. No one wants to see certified teachers lose their jobs, and while we know teachers for the hard to fill positions are out there, not all of them want or can to move into rural districts to find work.

Permanent School Trust Lands

This week, experts from Utah testified before the legislature regarding how they have completely turned around the revenues generated from their school trust lands. In the past, they brought in about \$100 million a year from these lands, but there were many who felt they weren't managed well. They ended up creating a separate agency to manage these lands, and today they bring in \$1 billion dollars for education! They were telling their story and answering questions from legislators. In MN, our school trust land is managed by the DNR, who uses them to pay some of their expenses. We receive 27 cents for every \$1 generated. In Utah, they receive 71 cents for every \$1 generated. While this discussion will take many turns before it ever comes to legislation, it is a good place to start.