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ACTION ALERT

We ask each of you to contact your House representative before Wednesday late afternoon. The reason for this is that the Democratic House Caucus will be setting their budget targets at a meeting on Wednesday night.

We need to get pressure on the Democratic house members to hold education harmless as they put these targets together. It is important that they know education is doing its share to help the state in this time of crisis.

- \$1.2 billion in aid payment deferrals through shifts. This is the 73/27 issue. This was done through unallotment and we hope that it will be passed by the legislature so that we guarantee that we will be paid back.
- \$600 million in a property tax recognition shift.
- \$423 million loan this spring in delayed aid payments – over and above the 73/27.
- \$600 million in on-going special education cross-subsidy.
- Schools have become the lender of first resort for the state.

Ask your House representative to not cut education since we are already contributing a huge amount to solving this funding problem.

Legislative Update

Speaker Kelliher

This morning the education lobbyists met with Speaker Margaret Anderson Kelliher. She said that there is strong sentiment in her caucus to keep cuts in K-12 education to a minimum. There may be a few cuts to programs other than public schools, primarily so that the argument can be made that the pain is being shared.

Speaker Kelliher noted that the U.S. Senate is moving today to invoke cloture so that it can pass the bill containing the additional medical assistance funds that the Governor has included in his budget. Minnesota will receive \$387 million if the bill passes. In addition, the health care reform bill would provide another \$250 million for Minnesota, and President Obama has said he wants the bill passed by the end of next week. The Speaker said that if this happens, Minnesota's budget would be balanced after the first round of cuts are passed. There would be no need to pass

further cuts, and the Legislature would adjourn early. This is an admittedly rosy scenario, but it sure is nice to think about.

Budget Cuts, Round One

The first round of budget cutting bills are moving this week in both the House and the Senate. These bills make cuts to every area of the budget except K-12 education, health & human services and aid to cities and counties. By the end of the week both the House and Senate Finance Committees will have combined the bills into one omnibus budget bill.

Letter to Secretary Duncan

In the past few weeks, Senators from around the country have begun to wrestle with rural issues and the President's budget proposal. Below is a link to a letter from a number of Senators to Secretary Duncan asking him to make sure that rural states and districts get equal opportunities under their new programs. We are pleased that both of Minnesota's senators signed this letter and asked us about the letter prior to doing so. It is hard to know how much impact such a letter has, but having quite a few senators as signatories has to get somebody's attention.

[Letter to Secretary Duncan](#)