



House K-12 Omnibus Bill Released

Yesterday, the House K-12 Finance Committee unveiled a draft omnibus education bill ([HF2431](#)). The draft includes some of the highlight issues from this session. Codification of the Governor's aid payment deferral from last June into a statutory payment shift (90/10 to 73/27) is included. The draft also includes a repeal of the statute allowing the state to borrow district reserves to help with cash flow problems. It wouldn't be a House K-12 bill without inclusion of the new funding formula labeled the New Minnesota Miracle. The new formula would be phased in over a four year period starting with the 2014 school year. Unfortunately, there is no revenue available in the K-12 bill or any tax proposals to date to pay for a phase in of any amount.

The House K-12 proposal also includes a number of provisions that MREA has worked on this session or are of interest to our members. Here is a brief list of some of the issues in the proposal:

- Allows school boards to renew an operating referendum at the same amount and time period as the current referendum
- A requirement that districts participate in "[Efficiency Plus Access Task Forces](#)"
- Allows a district to permanently transfer any balance in the staff development fund to the general fund
- Creates a task force to look at school desegregation and integration
- Streamlines the third party billing process for children enrolled in Medicaid or MN Care
- Changes to the Health & Safety program

The House bill will be amended on Wednesday in the K-12 committee. From there it will go through the Tax, Finance and Ways & Means committees before it gets to the House floor. There's no word yet on when the Senate will release a competing version.

Change in Real Per Pupil Revenue

Jeff Van Wychen has produced information for every Minnesota school district on the change in real per pupil revenue, levies, and state aid from FY 2003 (the year of the state gen ed takeover) to FY 2011 based on MDE data. For the vast majority of districts, the increase in levies has not been sufficient to replace the decline in real per pupil state aid, so real per pupil revenue has fallen. This study came from the MN 2020 organization who has taken keen interest in public funding issues for schools in the past. To view your district's data, the link to the study is www.mn2020.org/schoolfunding.