

Legislative Update  
March 5, 2010

**Budget Update:**

The Minnesota Management and Budget Office this week released an updated budget forecast. The state has a projected \$994 million dollar deficit for the current biennium. This is actually a \$209 million dollar improvement over what was projected in November. However, bad news lies ahead for the next biennium with a projected \$5.8 billion dollar deficit. When you include inflation and restoring the Governor's cuts, that deficit is \$8.5 billion. State economist Tom Stinson said, "Even under the optimistic scenario, it's going to take until mid-2012 for employment to reach its prior levels."

The legislature will need to cut nearly one billion dollars this year just to finish this current biennium. The Governor's proposed budget cuts most of the money from state agencies and health and human services. Education is held mostly harmless from this additional billion dollar cut. The Governor's proposed education budget was presented to the House K-12 Finance Committee on Thursday as bill, HF3388 (Garafolo). Many of the provisions in this bill expand Q-Comp and teacher pay for performance.

One interesting provision in this bill would create greater "transparency in contract reporting" for teachers. The Governor recommends school districts report negotiated contract settlements to the Minnesota Department of Education. Information collected would include:

- Salary, benefit and retirement costs; and
- Total package percentages for the contract

**Committee Deadlines Approved:**

1. March 12th at 11:59 p.m., committees act favorably on bills in the house of origin
2. March 19<sup>th</sup> at 11:59p.m.; committees act favorably on bills that met the first deadline in other body
3. March 29<sup>th</sup> at 5:00pm, House and Senate finance committees must act on omnibus appropriation bills.

Why is this important? – Committee deadlines are the dates that decide which bills live or die. By March 12, any bill that has not made it through all required policy committees in either the house or the senate are dead. By March 19<sup>th</sup>, all bills that did make first deadline now have to pass through all the required policy committees in the

other body, or they are dead. After bills have passed through the policy committees in both houses, if they have a fiscal note, they must pass the House and Senate Finance Committees by March 29<sup>th</sup>. There have been over 3000 bills introduced in this biennium. Only a small fraction of these bills will make it through the first deadlines.

### **Education:**

- HF2910 (Davnie) – School districts allowed to bill charter or nonpublic schools for unreimbursed transportation costs.
  - o Public school districts are reimbursed by the state at a rate lower than the actual cost for student transportation they provide for charter schools. This bill will allow districts to charge the full amount. It was heard in the K-12 Finance Committee and laid over for possible inclusion in the omnibus bill.
- S.F. 2769-Betzold: School board expiring referendum renewal authority.
  - o Provides school boards the authority to renew levies without a referendum election.
    - Generally positive reception from Senate K-12 Committee. Sen. Hann wanted to expand the bill to remove PELRA and seniority from collective bargaining agreements. This was overwhelmingly shot down.
      - The bill was laid over for inclusion in omnibus.
- S.F. 511-Rosen: School districts alternative facilities bonding and levy program and deferred maintenance revenue program qualifications modification.
  - o Would allow all districts to levy for deferred maintenance programs like larger districts.
    - Laid over for inclusion in omnibus.
- ISD 32, Blackduck - 4 day school week
  - o Blackduck testified in the House K-12 Finance about their 4 day school week. The superintendent claimed this is preferred by teachers, parents and students. He also touted the savings to the district: \$125,000 including \$53,000 in salary savings from support staff.
- MSBA recommendations to help school districts with budgets over the next year
  - o Allow a waiver of timelines regarding staff reductions.
  - o Waive maintenance of effort requirements to provide districts with maximum flexibility in reducing staff levels.
  - o No additional mandates!
- SF 2653 (Murphy) Type III motor vehicle requirements modifications

- Require a type three driver to insure that the vehicle's motor is stopped and the ignition key is removed before escorting a pupil across the road.
- Allow a driver's employer to use a breathalyzer or similar device to fulfill pre-employment alcohol testing requirements
- Align physical health standards for Type III drivers to be the same as for a school bus licensed driver
  - Bill passed out of Senate Transportation and referred to floor.
- SF 2593 (Torres Ray) Environmentally Sensitive Cleaning Products public building use requirements
  - On Wednesday, March 3<sup>rd</sup> 2010 an SEIU custodian testified at the capitol on behalf of a bill that would encourage school districts to use Green Cleaning products in all buildings. Steve Militch, Orono Custodian, testified in the Senate Health, Housing and Family Security Committee. He spoke about his experience with harmful cleaning chemicals in the schools as well as his experience using environmentally sensitive products and their effectiveness.
    - The bill was passed and referred to the Committee on State and Local Government Operations.

### **Health Care:**

GAMC: On Monday the House unsuccessfully attempted to override the Governor's veto of General Assistance Medical Care. The vote broke exactly down party line with 87 democrats voting for the measure and 46 republicans voting against. Democrats needed to pick up only 3 Republicans to reach a 90 vote supermajority. Legislators now return to the bargaining table with the Governor to try and work out a compromise that he would be willing to sign.

### **Boiler Bill:**

The governor signed the boiler bill requiring 8 hours of instruction on school boilers! This bill was brought forward by two Anoka School District custodians.

### **Shared Services Update:**

Next week the Senate State and Local Government Operations Committee will hear two shared services bills.

- S.F. 2620-Bonoff: Service innovation commission establishment.
- Similar to the Rest/Swails bill with these differences:
  - Purpose: to provide the legislature with a strategic plan to reengineer the delivery of state and local government services, including the realignment of service delivery by region, the use of new technologies, and shared facilities

- 15 members, including three unions: SEIU, ED MN, and AFSCME
- 2511-Rest: Collaborative governance council establishment.
  - This is the Senate companion to the Swails/McFarlane bill that received a hearing in the house last week.

Also - we are watching SF 2901 (Bonoff) School Districts and Charter Schools shared services grant program establishment and appropriation

- Provides a grant for five districts to create plans to share services.