



Legislative Notes

March 20, 2008

State Update

Stalemate over size of bonding bill

Lawmakers originally had hoped that a bonding bill would be on its way to the governor's desk before the Legislature breaks for spring recess. That spring recess began today with no sign of an agreement. The House and Senate have been debating over the size of the bonding bill, which has put off the start of conference committee meetings. Both bodies agreed to first versions of the bill, but the question now remains: What should be the size of the bill?

After the February forecast showed a \$935 million deficit, Gov. Tim Palwenty asked for the bill size to be reduced to \$825 million, which would keep principal and interest payments to no more than 3 percent of the state's general fund. The governor is now calling on House and Senate leaders to shrink the size of the bill or has said he will pull out the veto pen. Stay tuned.

Chancellor discusses proposed budget cuts with Senate committee

Chancellor James McCormick presented to the Senate Higher Education Budget and Policy Division this week on the governor's proposed budget cuts to the Minnesota State Colleges and Universities. Matt Mohning with the Department of Finance explained the cuts proposed for the Minnesota State Colleges and Universities system and the University of Minnesota. The cuts of \$26.6 million and \$27.2 million respectively, represent a 3.85 percent base cut to each system.

Chancellor McCormick explained to committee members that higher education was part of the solution during the last state budget deficit and received severe cuts, which led to several years of double digit tuition increases. The state's appropriation last session brought the system up to where it was before the cuts, but an additional cut of \$26 million would put the system back in the hole, McCormick said. The current budget developed by the Board of Trustees minimizes tuition increases to 2 percent at colleges and 3 percent at universities. McCormick said the board tabled a discussion this week on the fiscal year 2009 operating budget because of the governor's proposed cuts. The board is expected to revisit the fiscal year 2009 operating budget after the Legislature adjourns May 17.

It is anticipated that the House and Senate higher education committees will present their supplemental budget bills with recommendations for budget cuts to higher education early next week. Stay tuned.

Contract ratification bill passes House floor

After the Legislative Coordinating Commission Subcommittee on Employee Relations approved the contract last week for the Inter Faculty Organization and the personnel plan for Minnesota State Colleges and Universities administrators, the bill made its way through the House Finance Committee and was passed by the full House this week, on a 128-1 vote. The bill now awaits action in the Senate.

The bill ratifies labor agreements for: AFSCME, MAPE, Middle Management Association, IFO, Commissioner Plan, Managerial Plan, administrators in the Minnesota State Colleges and Universities system and Office of Higher Education employees.

Federal Update

U.S. Education Secretary visits Minnesota

Chancellor James McCormick attended U.S. Education Secretary Margaret Spellings' visit to Minnesota this week. While here she announced plans for a "differentiated accountability" pilot program related to No Child Left Behind. The goal of the program is to help states differentiate between underperforming schools in need of large-scale interventions and those schools that are much closer to hitting the standards set by No Child Left Behind. Only states with approved assessment systems that have a certain percentage of schools not making progress will be eligible for the pilot program. This does not apply to Minnesota.

Outside peer reviewers will evaluate state proposals against the core principles and priorities. Up to 10 states will be approved for differentiated accountability in the first year of the pilot. More information regarding the program may be found at: www.ed.gov/nclb/accountability/differentiated/factsheet.pdf

Federal appropriations update

In conversation with U.S. House Appropriations Committee Chair David Obey, D-Wis., Dennis McGrann (the Minnesota State Colleges and Universities system's Washington, D.C., advocate) learned, among other things, of the chairman's predication that Congress would not pass any appropriations conference reports this year, and that they will ultimately fund the federal government on a "continuing resolution" through the election and finally pass an omnibus multi-bill funding measure in February 2009 following the inauguration of the new president.

Obey indicated that he and his Democratic colleagues would attempt to increase the president's budget request and not surrender their position or cave to pressure to move legislation. Obey also unequivocally stated his support for congressional mandated spending directives, "earmarks," and was willing to defend the practice anywhere. McGrann also told us that earlier this week Obey had urged Speaker of the House Nancy Pelosi, D-Calif., to decide whether she would call for a one year moratorium on earmarks as has been advocated by Minority Leader John Boehner, R-Ohio. Obey indicated that he expected at least 50 percent of each caucus would need to support these directives if they are to be included in House appropriations bills. He recommended that stakeholders interested in protecting this Congressional authority should submit "op-eds" to their local newspapers in support of earmarks.

Here's What's Happening at the Capitol:

This schedule shows all meetings that we are aware of at the time of publication that MAY have an impact on the system. This schedule may change. Please watch the House and Senate schedules posted on the Legislature Web site (www.leg.state.mn.us).

Monday, March 24

No meetings scheduled - Legislature on Spring Break

Tuesday, March 25

10:00 AM

Senate Finance

Room: 123 Capitol

Chair: Sen. Richard Cohen

Agenda: SF2942 (Pappas) Higher Education policy omnibus bill

12:00 PM

Senate Meets in Session

12:00 PM

House Meets in Session

12:30 PM

Senate Higher Education Budget and Policy Division

Room: 123 Capitol

Chair: Sen. Sandra L. Pappas

Agenda:

S.F. 3300-Tomassoni: Funding University of Minnesota worker's health study.

S.F. XXXX-Sheran: (HF 3867) Appropriating money to reduce tuition at MnSCU.

S.F. 2846-Pappas: Clarifying administrative funding for TEACH Education and Comprehension Helps programs grants.

Senate Counsel Document: Delete All Amendment to SF 2846: division supplemental budget proposal

2:15 PM

House K-12 Finance Division

Room: 10 State Office Building

Chair: Rep. Mindy Greiling

Agenda: HF2475 (Greiling) K-12 Education Finance Supplemental Budget Bill mark-up and passage

Wednesday, March 26

8:30 AM

Senate E-12 Education Budget Division

Room: 112 Capitol

Chair: Sen. LeRoy A. Stumpf

Agenda:

S.F. 3076-Bakk: Lake Vermillion state park establishment.

S.F. 3001 Wiger Miscellaneous education provisions modifications - amendments

12:30 PM

House Education Finance and Economic Competitiveness Finance Division

Room: 5 State Office Building

Chair: Rep. Mary Murphy

Agenda: Early Childhood Learning Finance Division report

HF2475 (Greiling) K-12 Education Finance Supplemental Budget Bill (pending referral)

HFXXXX (Rukavina) Higher Education and Workforce Development Supplemental Budget Bill (pending referral)

Thursday, March 27

8:30 AM

Senate E-12 Education Budget Division

Room: 112 Capitol

Chair: Sen. LeRoy A. Stumpf

Agenda: S.F. 3631 Stumpf - Senate E-12 budget recommendations

9:00 AM

House Finance

Room: 200 State Office Building

Chair: Rep. Lyndon Carlson

Agenda: HF2745 (Wagenius) Environment and natural resources trust fund repayment provided, and money appropriated.

HF3360 (Ozment) Department of Corrections claim settlement provided, and money appropriated.

HF4023 (Solberg) Health, human services and education forecast adjustments made, and money appropriated.

HF1812 (Carlson) Omnibus supplemental budget bill

Division reports and mark up of the following bills:

HF4069 (Jaros) Minnesota Heritage supplemental budget bill

HFXXXX (Lieder) Transportation supplemental budget bill

HF3987 (Juhnke) Agriculture, Rural Economies and Veterans Affairs supplemental budget bill

HFXXXX (Clark) Housing and public health supplemental budget bill

HF4021 (Wagenius) Environment and natural resources supplemental budget bill

HF2305 (Hilty) Energy supplemental budget bill

HF4077 (Paymar) Public safety supplemental budget bill

HF3987 (DeLaForest) State government supplemental budget bill

HF2629 (Rukavina) Higher education and workforce development supplemental budget bill

HFXXXX (Greiling) K-12 education supplemental budget bill

HF3976 (Huntley) Health care and human services supplemental budget bill

6:00 PM

Senate E-12 Education Budget Division

Room: 112 Capitol

Chair: Sen. LeRoy A. Stumpf

Agenda: S.F. 3631 Stumpf - Senate E-12 budget recommendations - amendments and final passage of bill