

# **Minnesota Legislative Up-date**

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Minnesota's legislative schedule is based on a two-year biennial timeline with the first year focused on passing a two-year state budget and the second year focused on policy priorities and the passing of a bonding bill to fund state infrastructure. The 2020 legislative session, which is the second year of the two-year cycle, begins February 11, 2020.

## ***Budget Outlook***

In a recent quarterly budget update, Minnesota Management and Budget (MMB) announced the state ended the first quarter of fiscal year 2020 with revenue coming in 4.4% higher than forecast, \$217 million more than projected last February. The report also report that we closed fiscal year 2019, which ended June 30, with a 3.2 % surplus or \$722 million higher than forecast.

Despite the positive economic news, MMB officials and legislators across the board express ongoing concern about the state's budget outlook. While recent budget updates are encouraging, they do not necessarily reflect the ever-changing economy, the impact of on-going spending commitments into future biennia or take into consideration requirements to restore funding in the budget reserve. The official forecast will be released December 5 and will provide us the clearest budget picture going into the 2020 session.

## ***General session issues***

While it is always challenging to know what issues will take off during any legislative session, there are a few we expect to move because of interest expressed by legislative leaders.

Typically, the second year of the legislative session is focused on passing a bonding bill to fund construction projects around the state. A smaller bonding bill did not move forward last session, so there will be pressure to pass one this session. Last session, Governor Walz proposed a \$1.27 billion bonding bill and has indicated he expects to propose at least that this next session. While the House may be closer to the Governor's level of funding, the Senate is likely to come in lower and each party will have to find a compromise in order for a final bonding bill to move forward.

Over the interim, the Minnesota Department of Human Services was mired in controversy with news of improper federal Medicaid payments for drug treatment programs which was distributed to tribal government and counties. This resulted in the appointment of a new DHS commissioner and calls by the Senate to split up the agency. There are also are unanswered questions about what to do regarding repayment of the federal Medicaid funds. All of this will likely impact the tenor at the Capitol as well any proposed supplement budget.

Funding for emergency insulin coverage was not agreed to in the final budget agreement, which has received significant attention over the interim. There has been renewed discussions between the Governor, the House and the Senate to potentially pass legislation during a special session but no final agreement has been reached. If this issue remains unresolved, expect that to be a priority early in 2020.

While legalization of marijuana did not get as much traction as some hoped last session, it appears the House DFL majority will push legislation for legalization. However, it is extremely unlikely the Minnesota Senate would even consider any proposal to legalize marijuana so the likelihood of it passing in 2020 is pretty slim.

### ***Education issues***

While we do not yet know if the Legislature will take up a supplemental budget, we know school districts face continued budget pressures — increases to the per-pupil formula have not caught up to inflation, the special education cross subsidy continues to be underfunded, and school districts must still address school safety needs for their students and facilities. These are all likely to be discussed should the Legislature consider a supplemental budget.

The second year of the legislative cycle tends to bring an increased focus on policy issues, so expect more discussion this year on various policy items. Issues include continued efforts to reduce special education paperwork, changes to tiered licensure, respectful meal policies, alternatives to suspension and expulsion as well as graduation requirements around civics, health, financial literacy and new interest way to address the increased use of tobacco via vaping by students.

Over the interim, MN Department of Education Commissioner Mary Cathryn Ricker convened a [school finance working group](#) to look at the education funding system and propose recommendations to the Governor for the development of his 2021 budget recommendations. While they will not be looking at recommendations for the 2020 session, we may hear suggestions to encourage the task force to look at various funding ideas that may not be advanced during the 2020 session.

The 2020 session begins February 11 but don't wait until then to connect with your elected officials. Between now and the start of session is an excellent time to let them know the issues impacting your district and what they can do to support your district priorities next session. Connecting with them now helps them come to session prepared with the knowledge they need to advocate for you.

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