



Education legislation roundup, 3/23/2012

As a follow up to our Asian Pacific Day at the Capitol, we would like to highlight some of the movement at the capitol on major education legislation and how it affects you and your communities.

As you read through these bills, consider contacting your legislator via phone, email, in-person to learn where she or he stands on the issues. [Find out who represents you.](#)

Teacher Layoff (H.F. 1870 / S.F. 1690):

Recently, the MN Senate passed a bill that will reform Minnesota's strict seniority-based "Last In, First Out" (LIFO) standard for teachers layoffs. If passed, the bill would authorize schools to base layoff decisions on effectiveness of teachers, letting them keep quality teachers in the classroom. It currently awaits action in a joint House/Senate conference committee.

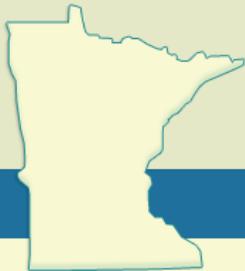
While there is partial support from both sides of the aisle on the bill, concerns about how to determine the "effectiveness" of a teacher have held up the bill. Currently, a teacher evaluation system is in the works in Minnesota.

In thinking about this bill, a question raised is, "Why are we laying off teachers?" A good direction to look is the fiscal health of schools and the impact of reduced educational funding.

Education omnibus bill (H.F. 2083 / S.F. 2492):

During last year's shutdown, the MN legislature and Gov. Dayton emerged with a budget shift that, in simple terms, borrowed from schools by only paying 60% of their funding this year and scheduling the rest of the payment for next year.

Due to this shift, many districts have reduced budgets, relied on short term loans that incurred additional financial costs, and/or cut faculty and staffing levels which increases class sizes.¹² Below this section is an infographic that briefly covers many aspects of the issue. Additional details are being tracked at [Parents United's website.](#)



'School Shift'

A risky budget game only banks can win.

Background

- Lawmakers couldn't decide whether to raise revenue or cut spending in the state budget, so they did neither.
- To fill a \$700 million gap they used an accounting trick called the "school shift" in risky, unprecedented ways.

"School Shift"

- The new state budget allocates \$14 billion for K-12 education.
- But only 60% of the money will be paid on time — politicians like this because it makes the state budget appear balanced.
- The unpaid amount is "shifted" forward and added onto the budget for future years.

Consequences

- Schools are scrambling to cover the shortfall. Many will be forced to ask big corporate banks for short-term loans.
- Schools pay expensive fees and interest rates on these loans from banks like Wells Fargo and U.S. Bank.

BANKS WIN. MINNESOTA LOSES IN THIS BUDGET GAME.

Minnesota's debt rating has been downgraded to "negative."

Minneapolis needs to find \$35 million of funding for schools.

St. Paul will get hit by \$450,000 in financing costs on school borrowing.

40%

Share of state funding that will NOT be paid to schools this year.

\$700 MILLION

Funding gap created by "shifting" 40% of school payments this year.

???

How much schools will pay in fees and interest on loans from big corporate banks like Wells Fargo and U.S. Bank.

90%

Historically the share of school funding paid within the school year.

60%

paid under the new state budget

\$1.4 billion already owed from shifts

\$2.1 billion total amount now owed to schools from all shifts

1,100 Minnesotans

have told Wells Fargo & U.S. Bank

DON'T PROFIT FROM SCHOOLS

0

commitment from either big bank

References — <http://startribune.com>
<http://minnesota.publicradio.org>
<http://minnesotabudgetbites.org>
<http://bloomberg.com>
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The (bitterly debated) solution(s):

Along with the rest of the nation, Minnesota's financial forecast has improved and state leaders have agreed that the school shift needs to be paid back, starting with a 70%/30% payment (10% improvement).

Unfortunately, there are bitter disagreements between the GOP and DFL on the method to pay back schools:

The GOP have proposed a plan to pay back the shift using the state's emergency reserves. The DFL, Gov. Dayton, and Minnesota Management and Budget commissioner Jim Schowalter have stated that using the state's budget reserves is financially risky.³

The DFL pitched a plan (HF 2480/SF 2029) to repay the shift by ending tax loopholes for foreign businesses in Minnesota.⁴ The GOP has criticized the plan as unfriendly to business in Minnesota.

At this time, the GOP-led plan has passed in the House and awaits action in the Senate.

The Council on Asian Pacific Minnesotans encourages community members to discuss details of repaying schools with their elected legislators, especially your state senator. ([Find out who represents you.](#))

Other legislation of significance:

Expanding early college (H.F. 2025 / S.F. 1531):

Expanding college access and earning dual credit in high-school have been popular topics in Minnesota and on the federal level.⁵ Currently, bills in both house and senate have proposed expanding Post-Secondary Enrollment Options (PSEO) to allow student to get dual-credit (high school and college credit).

The bills have bipartisan support; however, concerns have been raised about the senate version, which allows public dollars to be spent towards for-profit, private colleges (non-profit, private colleges are eligible under current law).⁶

The future of the Integration Revenue (H.F. 2840 / no Senate companion):

A puzzling dilemma arose last session when the MN legislature voted to end integration revenue while still keeping the state's desegregation rule in place. The contradictory decision led to the creation of the Integration Revenue Replacement Task Force to determine how to restructure integration revenue funds for 2014 and beyond. The task force's recommendations were released in February and recently emerged as a bill in March.

In brief, the taskforce recommended for the creation of the "Achievement and Integration for Minnesota (AIM)" program, which adds an additional focus on racial disparities in academic outcomes:

All district plans must be locally developed and establish clear student achievement goals that address racial disparities, as well as other measureable goals to which they will be held accountable and report to their respective communities.

While action is not expected to take place in 2012, action must be finalized by 2013's session. The Council encourages community discussion with your legislators and school leadership on the topic of racial disparities in education.

Still waiting for... (the wish list for the Council).

- While there is no movement on H.F. 2840, we expect another bill and a more motivated legislature to act on the integration revenue issue next year in 2013.
- We are also hoping to see a permanent solution to pay back the school funding shift (not a one-time fix to 70%/30% but a path to 100% fully funded schools!)
- We're hoping for bills next year that will address diversity in Minnesota's teacher workforce. Either bills that will increase the number of teachers of diverse backgrounds or help retain and support diverse teachers already in the workforce.
- In the meantime, the Council is also working directly with the MN Department of Education to help create more communication with Asian Pacific communities, to create and adopt a statewide public agenda for closing the achievement gap, and to help engage families in their child's education.

Questions?

- Need more information on the topics here? Contact capm@state.mn.us or call Brian at 651-757-1742.
- Need to know who your legislators are? [Find out who represents you.](#)
- Need tips on speaking to your legislator? [Legislative Do's and Don'ts, and helpful tips](#)
- What to get more involved? Just get in touch with [Brian Kao](#), the Council's lead staff on education.

The Council on Asian Pacific Minnesotans, created in 1985, is a state agency that advises the Minnesota state legislature and governor's office on issues pertaining to the Asian Pacific community.

References

¹ Hawkins, Beth. "Shifts 101: What new proposals would mean for Minnesota's schools | MinnPost." MinnPost. Web. 23 Mar. 2012. <<http://www.minnpost.com/learning-curve/2011/07/shifts-101-what-new-proposals-would-mean-minnesotas-schools>>.

² "Minnesota school districts begged; now they borrow | StarTribune.com." StarTribune.com: Web. 23 Mar. 2012. <<http://www.startribune.com/local/west/134799543.html>>.

³ "GOP, Dayton Differ Over Plan To Repay Schools « CBS Minnesota." CBS Minnesota. Web. 23 Mar. 2012. <<http://minnesota.cbslocal.com/2012/03/08/gop-dayton-differ-over-plan-to-repay-schools/>>.

⁴ "DFL floats plan to pay back school shift with corporate taxes | StarTribune.com." StarTribune.com. Web. 23 Mar. 2012. < <http://www.startribune.com/politics/blogs/142506185.html> >

⁵ http://www.twincities.com/opinion/ci_20114915/editorial-expand-college-access-high-schoolers

⁶ Session Daily. *PSEO expansion gets committee approval.*
<http://www.house.leg.state.mn.us/hinfo/sessiondaily.asp?storyid=3018>