

SENATE-HOUSE-GOVERNOR K-12 COMPARISON

TOPIC	SENATE	HOUSE	GOVERNOR
Overall Funding	General education aid is reduced by \$544.0 million for FY 2010 and an additional \$424.4 million for FY 2011. Revenue cut is <u>partially</u> replaced through \$319.6 million for FY 2010 and \$200.0 million for FY 2011 in federal aid from the fiscal stabilization account in the federal fund.	General education aid is reduced by \$275.6 million for FY 2010 with this one-time cut being offset with an <u>equal</u> amount of federal aid from the fiscal stabilization account in the federal fund.	Governor never formally introduced a bill with the a state aid reduction/federal stabilization fund “backfill” framework, but what the House adopted is very similar to what the Governor proposed in working documents prepared by Minnesota Management & Budget. Governor adds \$134 million to the K-12 budget with \$91 million going for his Pay for Progress program and \$42 million for increases in the QComp program.
Note: All general education sub-formulas (Compensatory, ELL, Sparsity, Transportation Sparsity, Equity, Etc.) will continue to be calculated on new data and, as general education revenue is an open-and-standing appropriation, will either rise or decline based on changes in district demography and student counts for free-and-reduced lunch and English language learning.			
Payment Shift	Current law at 90% current year/10% subsequent year payment schedule.	73% current year/27% subsequent fiscal year payment schedule.	80% current year/20% subsequent fiscal year payment schedule.
Property Tax Early Recognition	Current law.	House goes to 49.1% with May 15 payment being credited to the fiscal year in which it was physically collected.	Governor goes to 48.6% with a set amount of the May 15 payment being credited to the fiscal year in which it was physically collected.
Note: Governor’s proposal will generate \$1.3 billion for the current biennium in one-time money through the combined shifts, while House proposal will generate \$1.7 billion. One of the problems with this approach is that the STATE budget is being balanced by with the school districts’ credit card.			
Learning and Development Revenue	Learning and development revenue can be used for general fund purposes for the next two years.	No provision	No provision

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Safe Schools Levy	Removes maintenance of effort provision for counselors, nurses, and social workers completely. Safe schools levy can be used for general fund purposes for the next two years.	Changes maintenance of effort for counselors, nurses, and social workers, to number of employees and not total expenditure from previous year.	No provision.
OPEB	No provision. Current law which allows <u>bonding only</u> is maintained.	Limits future use of levying and bonding for OPEB. Districts can levy up to \$600,000 per year for “pay as you go” option without voter approval. Bonding authority in House Tax Bill with no voter approval. Total levy for bonding is capped at \$24 million for Pay 2010 and \$50 million for Pay 2011.	No provision.
QComp	Removes QComp from general education revenue program starting in FY 2011. Sets aid portion of the program at 73.1% of revenue. Sets a statutory limit on the total aid.	Sets aid at 65% of revenue, levy at 35% of revenue.	Requires all districts to apply for QComp. Raises QComp revenue from \$260 per pupil unit to \$300 per pupil unit. Levy set at \$105 or 35%. Program remains a part of general education revenue.
Special Education	No change from amounts set in 2007 omnibus education bill. \$15 increase for FY 2010 and an additional \$50 increase for FY 2011.	No change from amounts set in 2007 omnibus education bill. \$15 increase for FY 2010 and an additional \$50 increase for FY 2011.	No change from amounts set in 2007 omnibus education bill. \$15 increase for FY 2010 and an additional \$50 increase for FY 2011.
Referendum Recall	Eliminates the ability of voters to force a referendum recall vote through petition.	Raises the required percentage of registered voter signatures to force a referendum recall from 15% to 30%.	No provision.

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Consolidated Levy	Combines the Operating Capital, Qcomp, Transition, and Equity Levy programs into a new consolidated levy for Pay 2010. Levy set at \$227.2 million for Pay 2010, \$228.7 million for Pay 2011, and \$234.9 million for Pay 2012 and later. MDE sets the rate to collect that revenue. Levy is levied against adjusted net tax capacity. Equity levy is currently levied against referendum market value.	No provision.	No provision.
Physical Education Credit	One-half credit graduation requirement on a pass/fail scale that allows credit for physical activities outside of offered courses. Effective for those entering 9 th grade in 2012-2013 school year.	No provision.	No provision.
District-Created Site Governed Schools (Education Evolving Proposal)	No provision.	Allows district-created, site-governed schools subject to board approval and consistent with collective bargaining agreements, memoranda of understanding.	No provision.
MN Virtual Education Program	Establishes Virtual Education Program (proposed by the Governor). Content and procedures are outlined.	No provision.	Proposes Virtual Education Program. Content and procedures are outlined.
Office of Education Accountability	Recreates the Office of Education Accountability.	Recreates the Office of Education Accountability	No provision.

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Charter School Provisions	Tightens up a number of provisions related to charter school sponsors and charter school operations. Contains language that prevents charter school from being opened within 1 mile radius of consolidated or dissolved school district or school building closed by district decision for 36 months. Much of the work based on Legislative Auditor's report on charter schools.	Tightens up a number of provisions related to charter school sponsors and charter school operations. Does <u>not</u> contain prohibition on charter school opening within 1 mile radius of consolidated or dissolved school district or school building closed by district decision for 36 months. Much of the work based on Legislative Auditor's report on charter schools.	Some provisions related to charter schools, but not in the vein of reforms contained in House and Senate bills.
Behavior Intervention Rule Changes	No provision.	New regulations on the use of locked time-out and training for those working with EBD students. Effective Date: August 2011.	No provision.
Special Education Rule Revision	Language developed by special education stakeholders that eliminates and streamlines a number of state special education rules and statutes.	Language developed by special education stakeholders that eliminates and streamlines a number of state special education rules and statutes.	No provision.
Integration Aid	Caps number of districts receiving integration aid.	Changes focus of integration aid from physical movement of students to more racially-balanced learning environments to concentration of achievement. Revenue distributed in same manner as current law until new resources become available.	Caps number of districts receiving integration aid.
Growth Model Assessment	Formal approval of model developed last session and vetoed.	Formal approval of model developed last session and vetoed.	No provision, but Governor supports growth model.

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Alternative Path to Graduation	Allows for alternative path to graduation for students who fail the 11 th grade math test.	Allows for alternative path to graduation for students who fail the 11 th grade math test.	No provision.
New Minnesota Miracle	No provision. Senate is considering separate legislation regarding cost differences—SF 2089—that may be discussed in the conference committee.	Funding framework contained in the original HF 2 developed in reaction to the PS Minnesota report.	No provision.
Shared Services	Contained in separate bill—SF 10—that enlists an outside consultant to find ways for districts to buy shared services. District participation required, but some exemptions. Program administered by Minnesota Department of Administration.	Voluntary program with website maintained by Minnesota State Auditor to serve as a clearinghouse of opportunities for district shared purchasing.	No provision, but Governor supports.
Staff Development Set-Aside	Suspended for next two fiscal years.	No provision.	No provision.