

The big news this week was the release of the [updated budget forecast](#) Thursday. MN Management and Budget provided the updated forecast which shows a \$1.05 billion surplus, \$494 million less than predicted last November. The forecast also shows the projected surplus for the following biennium (FY22-23) is eliminated and there is now a forecasted deficit of \$11 million. This means that the legislature and governor will have to raise new revenues or reallocate current spending if they want permanent funding increases. Governor Walz anticipated this downturn and left flexibility in his budget recommendations. However, changes are possible as a result of the updated forecast.

As we near the first bill deadline, March 15, committee hearings are really ramping up especially the ones that have jurisdiction over policy because it's those bills that need to meet the first deadline. Here are key dates to remember:

- March 15: Committees must act favorably on bills in their body of origin
- March 29: Committees must act favorably on companion bills that met the first deadline in the other body
- April 12: Committees must act favorably on major appropriation finance bills
- May 1: House and Senate will pass all major finance bills off the floor and conference committees will be appointed
- May 6: Fiscal targets will be provided to the major finance bill conference committee chairs
- May 13: Conference committee reports are due to their house of origin
- May 21: Constitutional deadline for adjournment

## **Snow Day Relief**

In response to the high number of school closings this winter, the House and Senate are moving forward with legislation to relieve school districts of having to meet the minimum number of days and hours lost due to weather for the 2018-2019 school year. Under a Senate [bill](#) introduced this week, school boards would be able to choose to count any time lost in the calculation of the required 165 days of instruction for this year. Another [bill](#) introduced in the House would allow school districts to waive three days in January. The Senate bill is awaiting a vote by the full Senate and the House bill is expected to be heard very soon – specific date yet to be determined. However, because the House and Senate don't agree on what to do, differences will need to be resolved before a bill can be sent to the Governor.

## **Fund transfer update**

As you may recall, a number of bills moved forward last session allowing school districts to request a fund transfer from the Community Service Fund. Two districts requested legislation to allow a fund transfer for the purposes of building early learning space while two other districts wanted to address other issues not related to community education programming. MCEA worked on a compromise which was included in the supplemental budget bill. That bill was vetoed by Governor Dayton. In addition, very broad fund transfer flexibility was included in an end of session education/tax bill, which was also vetoed by the governor.

That was not the end of the discussion however as legislators remained very interested in looking at fund transfer flexibility. The chair of the House Education Finance Committee, Rep. Jim Davnie, is the strongest voice wanting to provide flexibility and introduced [legislation](#) to allow the same flexibility that was vetoed last session. The bill has yet to be scheduled for a hearing.

MCEA has met with Rep. Davnie several times to discuss this issue and he's aware of the organization's concerns. In addition, MCEA is working on possible compromise to allow some additional flexibility in the use of general community education funds if it aligns with the purposes of community education and programming for families. He is considering the language.

The Senate heard the companion to the Davnie bill and amended it with the compromise language. The bill was laid over for consideration. We will not know what the Senate decides to do until they put together their budget bill in early April.

#### **Committees Hearings – the week in review**

It was a quiet week for hearings on bills relating to community education and early childhood. The House Early Education Finance Committee heard two technical bills relating to VPK/School Readiness and early learning scholarships Plus ([HF1238](#) and [HF1230](#)). Kristen Stuenkel testified on behalf of MCEA in support of HF1230.

#### **Committees Hearings - the week ahead**

The [House Education Policy Committee](#) is hoping to wrap up hearing bills and move towards putting together an omnibus education policy bill mid-week so the first few days of the week will be busy hearing bills.

The [Senate E12 Finance and Policy](#) will be hearing a number of early education bills next week. Bills to be heard include: [one to make permanent one-time funding for voluntary prek/school readiness plus](#), another to [require mixed delivery in voluntary prek](#) and a [bill](#) to require districts to report to MDE the expenditures attributable to voluntary prekindergarten pupils according to guidelines prepared by MDE under UFARS.

The [House Early Education Finance and Policy](#) is scheduled to hear Article 3 of [HF1](#) which proposes to make the school readiness plus spots permanent and to expand early learning scholarships from birth to age three.

MCEA/MNAFEE will be providing testimony on the various bills moving next week.