

K-12 Education Budget Division

Thursday, April 21, 2005

8:30 – 11:30 a.m. Room 112 - State Capitol

Members Present

Senator L. Stumpf
Senator E. Anderson
Senator M. Fischbach
Senator D. Gaither
Senator D. Hann
Senator D. Johnson
Senator M. Jungbauer
Senator S. Kelley
Senator K. Langseth
Senator S. Marko
Senator S. Nienow
Senator G. Olson
Senator T. Saxhaug
Senator L. Scheid
Senator W. Skoglund
Senator D. Sparks
Senator B. Wergin
Senator C. Wiger

Members Excused

Senator Stumpf called the meeting to order at 8:50 a.m.

Members discussed the omnibus budget bill.

This bill provides \$761,455 million in new net general fund spending for FY 06 07. It includes an increase in the basic formula allowance from its current level of \$4,601 per pupil to \$4,832 in FY 06 and \$5,053 in FY 07.

The budget for the Department of Education is cut \$1.106 million in the bill to \$44,888 million. Funding for the Perpich Center for Arts Education is untouched at \$12.846 million for FY 06-07. Appropriations for the Faribault Academies for the Deaf and Blind increases \$899,000 to \$21,831 million.

The bill also includes a net zero levy target.

Handout # 1 – Fiscal Year 2009 General Education Entitlement

Handout # 2 – K-12 FY 2006-2007 Budget

Handout # 3 – 2005 Session Senate K-12 Bill a.m.

Page 2

The meeting recessed at 11:30 a.m.

The meeting resumed at 1:15 p.m.

The following amendments were included in the bill:

Senator Scheid – EDART 1A-3

Senator Scheid - EDART 4A-6 delete lines 11 and 12

Senator Kelley – 4A-10

Senator Kelley 2A-4

Senator Kelley 6A-1

Senator Saxhaug – 2A-6 delete line 5

Senator Jungbauer – Article 4A-5 WITHDREW HIS MOTION

Senator Sparks 4A-2

Senator Hann – 3A-1

Senator Scheid – A05-0628 WITHDREW HER MOTION

Senator Kelley 4A-11 amendment strike assistive and insert assistance

Senator Kelley 2A-11

Handout # 4 2005 Session – Senate K-12 Bill p.m.

Handout # 5 Pro Comp Initiatives

The meeting recessed at 2:45 p.m.

The meeting resumed at 6:40 p.m.

Senator Scheid – A05-0628 delete all of page 3

Senator Jungbauer – 4A -12

Senator Kelley 1A-6

Senator Kelley 3A-2

Dr. Melcher explained the 3A-2 amendment

Senator Kelley 2A-13 line 3 strike stricken insert stricken

Senator Hann 4A-1 before the committee.

Tom Deans testified on amendment

A division was called

7 yeas

7 nays DID NOT PASS

Senator Hann – 4A – 4

Senator Anderson 1A-5

Page 3

Motion:

Senator Wergin moved that Article 1 page 1 delete section 2
Motion does not prevail.

Senator Hann – 2A-2 - DID NOT PASS
Senator Hann – 1A-1 DID NOT PASS

Margaret Vessel – DOE
Jim Grathwol – Minneapolis Schools

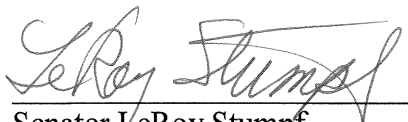
Senator Hann delete Article 6 page 1 – Hann withdrew his amendment
Senator Scheid – 2A-16
Senator Kelley – 4A-9 Kelley withdrew his amendment
Senator Wiger – 4A-13
Senator Kelley – 2A-14
Senator Kelley 2A-9

Discussion of Article 7

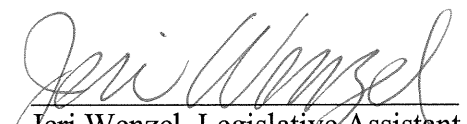
Motion:

Senator Kelley moved that the K-12 Omnibus bill as amended be recommended to pass to the full Finance Committee and that the staff make technical non-policy changes and other typo corrections. The motion prevailed.

The meeting adjourned at 8:50 p.m. The proceedings were taped and the materials distributed are attached to these minutes.



Senator LeRoy Stumpf
Chairman



Jeri Wenzel, Legislative Assistant

K-12 Education Budget Division

Thursday, April 21, 2005

**8:30 – 11:30 a.m.
Room 112 - Capitol**

Agenda

K-12 Omnibus bill discussion and amendments

Senator LeRoy Stumpf
Chairman

Jeri Wenzel
Legislative Assistant

K-12 Education Budget Division

Thursday, April 21, 2005

6:30-10:00 p.m.

Room 118 - Capitol

Agenda

K-12 Omnibus bill – amendments and discussion

Senator LeRoy Stumpf
Chairman

Jeri Wenzel
Legislative Assistant

Summary in Chair's Recommended 2005 Senate K-12 Bill
As of April 21, 2005

- Aid Target = 765M over SF. 1879
- The K-12 levy target is zero.
- Formula allowance 5% and 4%.
- Special Education Growth Factors Reinstated in FY07 and later.
- Proposal will expand the pilot Alternative Compensation (ProComp) program with an incentive for expanded staff development. Additional sites for those districts that are ready will be funded under the bill.
- Proposal will collapse equity, safe schools, operating capital into a single "consolidated levy" inside the Gened program. Levied against ANTC. Levy will be a Net Zero.
- Compensatory, Referendum Cap, Sparsity, PSEO, Transportation Sparsity, Nonpublic Pupil Aid and Nonpublic Pupil Transportation Aid will all remain linked to formula allowance.
- Ref cap will increase based on formula allowance growth. Grandfathers will be provided additional revenue in FY07.
- Governor's recommendation on transportation sparsity to adjust the "slope of the line" will be accepted. Mostly technical.
- Transition revenue will be rolled into referendum revenue with board vote in FY07.
- Referendum equalization will be increased.
- 4 YO Pre K Funded in bill at 1% of original allowance
- Funding for LEP extended to seven years IF the formula does not grow by at least 3.5 percent each year.

E-12 Education Finance Targets

2005 Legislative Session

	Senate K-12 Finance & ECFE Finance*	Governor's Recommendation
<u>AID BUDGET</u>		
Feb Fcst	FY 2006-07	FY 2006-07
K-12	11,853,061	11,853,061
Early Childhood & Fam. Ed.	159,781	159,781
Feb Fcst	12,012,842	12,012,842
<u>SF 1879 Targets Increments</u>		
K-12	(3,346)	0
Early Childhood	0	0
SF 1879 Base	12,009,496	12,012,842
<u>Funding Target Increments Relative to SF 1879</u>		
K-12	765,000	388,695
Early Childhood & Fam. Ed.	35,000	3,149
Target	12,809,496	391,844
<u>Final Spending Numbers</u>		
K-12	12,614,715	12,241,756
Early Childhood & Fam. Ed.	194,781	162,930
Difference	12,809,496	12,404,686
<u>Difference Relative to Feb Fcst</u>		
K-12	761,654	388,695
Early Childhood & Fam. Ed.	35,000	3,149
Difference	796,654	391,844
<u>LEVY BUDGET</u>		
	Pay 2006	Pay 2006
K-12	1,474,670	1,474,670
Early Childhood & Fam. Ed.	70,835	70,835
Feb. Fcst	1,545,506	1,545,506
K-12	1,474,670	1,613,886
Early Childhood & Fam. Ed.	70,835	70,820
Structural Target	1,545,506	1,684,706
K-12	0	139,216
Early Childhood & Fam. Ed.	0	(15)
Difference	0	139,201

Senate aid targets reflect the combed jurisdictions of the K-12 budget division & the Early Childhood budget division for the purpose of comparison to the combined House jurisdictions
Both committees' targets are a net zero above the February forecast base.