# 2018 Legislative Summary

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*Indicates significant MSBA advocacy effort*
The 2018 legislative session is now history. As the second year of the biennium, it was to be a year focused on a supplemental budget and bonding. However, as E-12 education committees began to set their agendas and hear bills, it became very clear policy was going to play a bigger role than previously thought. This session was challenging, mandate-filled, and interwoven with political maneuvering, leading to unfulfilled promises.

The Minnesota School Boards Association’s (MSBA) legislative agenda is the platform from which the government relations team focuses its efforts throughout each session. The 2018 priorities included special education cross-subsidy, TRA sustainability, telecommunication funding, and alignment of World’s Best Workforce, all of which were included in major funding bills and made it to the Governor’s desk.

Two weeks before the legislature convened, the Parkland, Florida tragedy occurred and dramatically shifted the focus of the session to school safety. A multitude of bills and promises were made to address school safety in a meaningful way. There was widespread agreement that a comprehensive package was everyone’s highest priority. There was no opposition.

As the session progressed, each day produced more new requirements for school boards. Each step of the way, MSBA voiced concerns on your behalf – one bill at a time. In response, there was testimony by the government relations team and school board members, along with advocacy at the MSBA Day at the Capitol.

House and Senate leadership made a strategic decision to go with one omnibus supplemental policy and finance bill that encompassed all areas of state government. S.F. 3656, the omnibus supplemental budget bill, or the “mega-bill,” contained 989 pages and 55 articles, nine of which addressed E-12 education. Unfortunately, it also contained many new mandates.

Toward the end of session, prior to the floor vote, in an effort to make sure the voice of school board members was heard, MSBA sent a letter to the Governor and all legislators (see page 4). In the letter, we urged the reduction of new education policy requirements.
Governor Dayton had threatened to veto any finance bills with policy attached. In response to the Governor’s statements, with eleven hours before the constitutionally mandated deadline, a bill to gain the Governor’s approval surfaced. H.F. 947 contained only education funding (no policy requirements) and taxes. The new bill did offer school boards greater short-term flexibility and local control. (To provide insight, a brief list of items in both bills is included in this summary.)

The 90th Legislature passed both education bills (H.F. 947 and S.F. 3656) and more, adjourning sine die by midnight - with five minutes to spare. 48 hours later, Governor Dayton held a press conference to announce he vetoed both bills.

On a positive note, the pension bill was once again a top priority of MSBA and other education organizations. Years of negotiations, revisions, and sacrifices from all parties, culminated with unanimous “yea” votes by the House and Senate and a dramatic signing by the Governor. A huge win for school boards and districts is the fact that the employer contribution is covered by state aid; a message for which MSBA advocated consistently and loudly.

Another more modest win for school boards and districts was the bonding bill that passed and was signed into law. The bill contains $25 million in grants for safe and secure schools.

The disappointments of this session illustrate how your voice is needed. It is especially important now and throughout the interim. We need to share the message that local control is our core value and is the best strategy for achieving efficient and effective schools and creating the World’s Best Workforce.
May 18, 2018

Dear Governor Dayton, State Senators and Representatives:

On behalf of 332 school districts across Minnesota, we ask you to keep the priorities of locally elected school board members in the forefront of your global negotiations. We have outlined some of our priorities:

**School Safety: A critical need in today’s times.**
School safety has been a top priority for school board members from the start of the legislative session. There is widespread agreement that a comprehensive and effective school safety package will provide resources that allow school districts to address both facility and staffing needs. To address staffing needs, such as hiring school resource officers, social workers or other support staff, it is imperative that the new investments are ongoing as opposed to one-time.

**Unfunded Requirements: Adding to the operating costs of schools.**
We are always pleased to hear from legislators that they believe in and support local control of public education. That is why we’re concerned to see the number of new requirements in the areas such as curriculum, interventions and reporting. We want to make you aware and urge you to reduce the number of new education policy requirements from consideration. We understand each one individually may have some merit; however collectively (we count over 30) the number becomes costly and burdensome to implement.

**Special Education: The major driver of fiscal instability for all school districts.**
We appreciate the inclusion of the special education legislative task force in the Supplemental Budget Bill. Putting a legislative focus on the special education cross-subsidy over the interim is necessary if we want to stabilize school districts budgets in the future. Additional funding for special education is desperately needed to help stabilize budgets.

**Supplemental Funding: Increase resources for every student.**
Schools across the state are facing significant budget reductions and staff layoffs. School boards are in the process of setting budgets for the next school year and too many are making cuts and using fund balances to protect the classroom. For many, this situation is truly critical.

We are available for clarification or discussion as we navigate these final days of session. We appreciate your work and hearing the voice of school board members.

Respectfully,

Grace Keliher
Denise Dittrich
Kimberly Lewis
Government Relations
Unanimously Passed and Signed into Law

It took three years, but the 2018 legislative session did pass a sustainable pension reform bill (S.F. 2620 Rosen/O’Driscoll). On the last night of session, just before midnight, both the Minnesota Senate and House unanimously passed the 236-page pension bill that adds funding and makes benefit reforms and changes to the state’s pension and retirement plans for public employees. The Governor signed the bill in the rotunda of the State Capitol Thursday, May 31.

The path to reform was the culmination of a three-year long journey, in which MSBA actively participated along the way. There were multiple versions of the bill, many committee hearings, two bill vetoes, many meetings with the Legislative Commission on Pensions and Retirement, and MSBA’s participation on the Teacher Retirement Association (TRA) and Public Employees Retirement Association Boards (PERA).

Key provisions include:

**TRA**
- Increases the TRA employer contribution by 1.25 percent over six years, beginning July 1, 2018.
- State funding to cover the employer increase through the pension adjustment mechanism.
- Increases the employee contributions by .25 percent in 2024.
- Reduces the investment assumed rate of return from 8.5 percent to 7.5 percent.
- Eliminates the automatic cost-of-living adjustment (COLA) triggers and reduces the COLA from 2 percent to 1 percent for five years and then increases the COLA .1 percent per year for five years until it reaches 1.5 percent.

**PERA**
- Makes no changes in employee and employer contributions.
- Reduces the assumed rate of return from 8 percent to 7.5 percent.
- Replaces the current cost-of-living adjustment (COLA)—1 percent with increase to 2.5 percent when plan funding improves—with an adjustment based on one-half of the consumer price index, with a maximum of 1.5 percent and a minimum of 1 percent.
- Leaves an estimated contribution sufficiency equal to roughly 1 percent of salary to buffer against future uncertainty.

**St. Paul Teacher Retirement Fund Association (SPTRFA)**
A comprehensive package similar to the TRA is included for the SPTRFA with direct appropriation. The bill reduces SPTRFA’s liabilities by nearly $100 million and allows the fund to reach “fully funded” status over the 30-year amortization period.
**Capital Investment (Bonding) Bill – H.F. 4425**

School safety grants ($25,000,000): This is the only new money made available for school districts to increase school safety. This grant program will be administered by the Minnesota Department of Education (MDE).

Criteria are:

- maximum grant is $500,000;
- half of the money must go to school districts outside the 11-county metropolitan area;
- grants may be used to predesign, design, construct, furnish, and equip school facilities including renovating and expanding existing buildings and facilities; and
- grants will be awarded on a first-come/first-served basis.

MDE has announced applications for grants will be available mid-July, to be accepted at the end of August.

**Uniform Municipal (Includes School Districts) Contracting Law – H.F. 3841**

For contracts to purchase or sell/dispose of goods/services entered into on or after August 1, 2018, the following estimated dollar thresholds have increased:

- Sealed bids or direct negotiations: If the amount of the contract is estimated to exceed $25,000 but not to exceed $175,000 (previously $100,000), the school district has the option of using either sealed bids or direct negotiation.

- Sealed bids: If the amount of the contract is estimated to exceed $175,000 (previously $100,000), sealed bids are required. For additional information regarding the “bid law,” refer to MSBA’s Service Manual, Law Bulletin F, or M.S. 471.345.
Finance Highlights

- **Safe Schools Aid** ($19.9 million in FY19 and $15.9 million in FY20-21)
  - $30,000 base or $18 per pupil for FY19
  - $5.50 per pupil for FY20 and beyond
  - Equalization for current levy for FY20 and FY21 only

- **Safe Schools Grants (one-time grant unless noted)**
  - Physical Security Audit Grants ($1,000,000)
  - School Resource Officer Training ($250,000)
  - School-Linked Mental Health Grants $5 million for FY19 and $10 million on-going
  - For Jake’s Sake Foundation ($300,000)
  - Suicide Prevention Training ($273,000)
  - School Safety Assessment Grants ($150,000)

- **Facilities and Technology**
  - Equity in Telecommunications Access ($562,000)

Policy Highlights

- **School Safety**
  - Allows districts to include school safety-related projects in Long-Term Facilities Management (LTFM) plans for FY20 and FY21 only
    - Remodeling and new construction for school security
    - Equipment and facility modifications related to violence prevention and facility security

- **School Safety Teams**
  - Requires school boards to establish teams at every school and a committee to oversee the teams
  - Requires multiple protocols

- **Expulsion/Exclusion**
  - School boards may expel a student for at least a year for making a threat of gun violence
  - Schools must consider nonexclusionary disciplinary policies before dismissal
  - Expelled or excluded students must be given an opportunity to complete coursework and must be provided quarterly reviews of work
  - Parents must be notified of expulsion and exclusion and information that includes what nonexclusionary policies were attempted before expulsion or exclusion
  - Admission or readmission plans must include measures to improve the pupil’s behavior and may include counseling, evaluations, or other services

- **Voluntary Pre-K and School Readiness Plus**
  - When allocating new seats, use separate groups for Minneapolis and St. Paul districts to ensure an even distribution of seats between the two districts based on prior year kindergarten enrollment

- **Facilities Bonding/Ballon Language**
  - Requires summary of the review and comment of the “named” plan to be posted as sample ballot
• **Compensatory Revenue Report**  
  ○ Requires school districts to submit a description of how the school is spending compensatory revenue

• **Operating Referendum**  
  ○ Simplifies local optional revenue (LOR)

• **Office of Legislative Auditor Report**  
  ○ Report due on school revenue uses

• **Community Education Fund Transfer**  
  ○ Allows four school districts to transfer funds from community education reserve accounts to general funds or operating capital accounts

• **Fire Drills**  
  ○ Allows flexibility for implementation of alternative fire drills

• **Professional Educator Licensing and Standards Board (PELSB)**  
  ○ Delays adoption of tiered licensure rules by three months from July 1 to October 1  
  ○ If rules are not adopted by October 1, a modified version of tiered licensure rules will become law until PELSB adopts rules

• **Background Checks**  
  ○ Requires teachers and staff to obtain a background check every five years or at licensure renewal

• **Alignment of World’s Best Workforce with State’s ESSA Plan**  
  ○ Eliminates requirement for school boards to publish school performance report in local paper

• **Special Education**  
  ○ Convenes a legislative working group to study and make recommendations for special education delivery, costs, and funding

• **Telecommunications Equity Access Aid (TEA)**  
  ○ Provides equity funding for schools with high out-of-pocket costs for Internet services

• **Surplus School Computers/Tablets**  
  ○ Allows a district to sell or give surplus equipment to students upon adoption of a written school board resolution

• **Statewide Testing – Minnesota Comprehensive Assessment (MCA)**  
  ○ Requires schools to disseminate additional MCA report to parents

• **Lead Testing - Notification and Reporting**  
  ○ Requires schools to notify parents directly and immediately, even if the identified water source has been eliminated or remediated

• **Academic Rating System**  
  ○ Requires a summative rating system, determined by the commissioner, for schools and districts

• **Civics Course and Reporting**  
  ○ Requires a civics course for credit in 11th or 12th grade  
  ○ Requires passage rates reported on school performance reports

• **School Meals Policy**  
  ○ Requires schools or districts not to restrict participation in any activities due to unpaid debt  
  ○ Establishes new guidelines and detail for behaviors
• National Motto
  o Districts may display a poster, framed copy, or mounted plaque of “In God We Trust”

• Academic Balance in Teacher Code of Ethics
  o Codifies Teacher Code of Ethics; Adds language – “A teacher may not discriminate on the basis of political, ideological, or religious beliefs”
  o Requires school boards to inform parents they can file a complaint against a teacher

• Military Careers
  o Requires districts to provide military recruiters equal access to high school students

• Unclaimed Drugs
  o Requires school districts to adopt a procedure to collect and transport any unclaimed controlled substances

• Transportation
  o Convenes a working group to review pupil transportation and transportation efficiencies

**Emergency School Aid/Tax Conformity – H.F. 947**

**Article 1**

• Two Percent Staff Development Set-Aside Waiver
  o Allows districts the flexibility to use the two percent set aside for staff development for FY19 only

• One-Time Compensation and School Aid
  o For FY19 only, $50 million or $57.73 per pupil to be transferred from the state budget reserve account to the general fund
  o Compensates for past activities conducted on school trust lands that were not deposited to the Permanent School Fund (PSF)
  o May be used for school and student safety or any other school-related purpose as deemed appropriate by a school board

• Community Education Fund Transfer
  o Allow districts, with permission from the Commissioner of Education, to make a one-time transfer of surplus funds from their community education reserve account to their general fund
  o Transfers must abide by a school district’s fund balance policy

**Article 2**

• 529 Savings Plans
  o Expands allowable 529 savings plans distributions to include expenses for tuition for elementary or secondary public, private, or religious school

**Article 5**

• School Property Tax Reform
  o Establishes a school property tax working group to evaluate the impact of school capital resources
Your Voice was Heard

Prior to the 2018 legislative session, we heard from school board members across Minnesota that the cross-subsidy was a major financial issue. Action was needed to encourage the state and federal government to step in. A lack of adequate funding causes a shortfall each year that continues to consume more and more of Minnesota school districts’ general fund dollars.

Last December, MSBA urged school boards to pass special education resolutions. The MSBA Board of Directors presented over 170 resolutions to members of Congress in early February.

Here in Minnesota, almost 200 school boards banded together to pass resolutions and as a result local newspapers picked up on stories. The grassroots campaign started at your board table and grew as reflected in green in the map below. Frequently throughout session we heard Governor Dayton, legislators, Commissioner Cassellius and others refer to the growing number of school boards passing resolutions. The message was heard and, unfortunately, all efforts became a casualty of the session’s politics.

Though the special education legislative task force was included in S.F. 3656, unfortunately it was vetoed. We fully anticipate the issue to come back in the 2019 session.
Looking Ahead

Issues to Watch in 2019

This list traditionally consists of a few issues. It became longer with the Governor’s veto of the supplemental budget bill (S.F. 3656), a bill that was riddled with new curriculum, policies, and reporting requirements. School boards can count on many issues resurfacing in 2019.

FINANCE

- Minimum of inflationary increase on per pupil formula
- Address special education cross-subsidy
- Telecommunication Equity Access aid
- Community education fund transfers
- Mental health grant for telemedicine
- Safe schools revenue
- Board approved levy renewal
- Assessment of property values for big business and utilities
- Teacher shortage 3.0

POLICY

- Special education legislative work group
- Consolidation of early education learning programs
- Sexual harassment redefined
- Dyslexia screening at all grade levels (mandate)
- Long-Term Facilities Maintenance (LTFM) flexibility for school safety projects
- Early school start times for high schools (mandate)
- Disaggregated data – pilot project findings
- School Trust Lands – OLA Report recommendations
- Transportation equity
- Technical colleges as a part of the E-12 system
- Radon/Lead testing (mandate)
- Nonexclusionary discipline, expulsion/exclusion policies and procedures (mandate)
- Academic balance (mandate)
- Summative rating for schools and districts
- Voluntary Pre-K/School Readiness Plus
- Student data privacy
- School lunch debt (mandate)
- Civics test reporting on school report cards (mandate)
- Threat assessment team (mandate)
**Interim Advocacy**

This fall, more seats will be up for election than ever before. All members of the Minnesota House of Representatives, the governor, and the U.S. Senate and House seats are up for election. In other words, the Minnesota Senate is the only body not up for election. Candidates will be door-knocking, holding forums and other “meet and greets” to gain your vote. Please take advantage of this opportunity to engage with those seeking office. Here are questions to ask your local candidates:

- Would you pledge to support and fund at least a 3 percent increase on the per pupil formula each year? If so, how will you ensure this happens?
- How would you propose reducing the special education cross-subsidy?
- How would you support local school boards?
- Would you refrain from supporting statewide, unfunded mandates?

**Farewell to a Friend of Public Education**

Governor Mark Dayton served the State of Minnesota for eight years. He was a staunch supporter of education and our 850,000 public school students. A promise was made early on in his tenure to increase education funding each year, with “no exceptions, no excuses” as a mantra for his Better Schools for a Better Minnesota campaign. Whether one agrees with his politics or not, one can’t dispute Governor Dayton’s undeniable heart for children and the access to a high-quality education each student deserves.

A few of Governor Dayton’s biggest accomplishments were the pay-back of the $2.8 billion the state borrowed from Minnesota schools, the implementation of all-day kindergarten, and a robust voluntary pre-K program.

His dedication is much appreciated.

On behalf of Minnesota school board members, we thank you and wish you the very best.
**2018 Advocacy Schedule**

**Summer Seminar** – Minneapolis Marriott Northwest, Brooklyn Park
- Monday, August 6

**Fall Advocacy Tour**
MSBA Government Relations team will review the 2018 advocacy efforts and prepare for the 2019 legislative landscape and issues.
- Tuesday, September 11
- Wednesday, September 12
- Thursday, September 13
- Tuesday, September 18
- Wednesday, September 19
- Thursday, September 20
- Friday, September 28 (last day to submit resolutions to be considered for the Delegate Assembly)

**Pre-Delegate Assembly Meetings**
- Wednesday, November 14
- Thursday, November 15
- Saturday, November 17
- Tuesday, November 20 (webinar)

**Delegate Assembly** – DoubleTree by Hilton Hotel Minneapolis - Park Place, St. Louis Park
- Friday, November 30
- Saturday, December 1

**2019 Legislative Session begins!**
- Tuesday, January 8, 2019
Thank You

We hope you found our MSBA 2018 Legislative Summary helpful in your key role as a school board member. We appreciate your advocacy throughout the session.

Photo Credit

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Stay Informed

A great way to stay informed during the Legislative Session is to receive the Weekly Advocate; a weekly email providing updates on bill introductions, bills of interest, hearings on important issues, and legislative alerts on how you can get involved and make a difference. Please contact Bruce Lombard at blombard@mnmsba.org.

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