

January 23, 2023



It's hard to believe we've only finished the third week of the legislative session. With the speed and intensity with which things are moving, it feels like we are much closer to the bill deadline time. Both the House and Senate have introduced bills at a record pace, and many high-profile bills are advancing quickly.

### **Budget and revenue update**

The \$17.6 billion budget surplus, the largest in state history, continues to grow. The Minnesota Management and Budget (MMB) office found that net general fund receipts for November and December of 2022 were \$217 million more than forecast in November. In February, MMB will release an updated forecast which lawmakers will rely on to create the two-year budget.

### **Governor's "One Minnesota Budget Plan"**

This week, Governor Walz unveiled the first two parts of his budget plan. The first piece proposes to allocate \$12 billion over the next four years for [increased investments in education, children, and families](#). The second part focuses on the [economy](#). The Governor will release the entirety of the budget plan on January 24. The Governor's education priorities that were highlighted this week include:

- Increasing the per-pupil formula by 4% next year, 2% the following year, and tying future increases to inflation
- Reducing the special education cross-subsidy by 50%
- Reducing the English learner cross-subsidy by 25%
- Providing universal free meals to students
- Increased funding for career and technical education
- Increased funding for school-linked behavioral health grants and intermediate school-linked behavioral health grants, early childhood mental health programs
- Funding for multi-tiered systems of support
- Literacy achievement
- Adding school support personnel
- Reducing discipline disparities
- Expanding PreK with mixed delivery early learning

More details will be available after January 24. Please remember this is the first step in the budget process, and the Governor is one of three entities that will weigh in on the budget. The House and Senate will have their education funding priorities, and we have time to influence their decisions regarding funding to support public education.

### **Committee hearings – week of January 16, 2023**

The Senate Education Finance Committee heard legislation to fully-fund the [special education cross-subsidy](#) and phase in full funding for the [EL cross-subsidy](#) over the next four years. The committee also reviewed a [bill](#) to provide one-time supplemental funding to school districts for nutrition, transportation, and special education costs. John Morstad, Osseo Area Schools Director of Finance, testified in support of the bill on behalf of MASBO.

The Senate Education Policy Committee heard [legislation](#) establishing June 19 as the official Juneteenth state holiday and the [bill](#), commonly referred to as the "period poverty bill," which requires school districts, and provides funding, to place feminine hygiene products in school bathrooms. Lastly, the committee also heard a [bill](#) to fund universal meals.

The House Education Policy Committee heard [HF58](#) prohibiting the dismissal of kindergarten through grade 3 students. The bill also appropriates funding for staff development on non-exclusionary disciplinary practices. The committee also heard a [changes](#) to the Teachers of Color Act and [legislation](#) to replace Columbus Day with Indigenous Peoples' Day as a recognized state holiday and require a school district to observe Indigenous Peoples' Day if it conducts school on this day.

The House Children and Families Committee heard [legislation](#) to make the voluntary prekindergarten and school readiness plus seats permanent.

### **Dates to remember**

January 24: Governor's budget recommendations released

March 10: Committees must act favorably on bills in the house of origin

March 24: Committees must act favorably on bills, or companions of bills, that met the first deadline in the other body

April 4: Committees must act favorably on appropriation and finance bills

April 5- 10: Legislative break

May 22: Last day of the 2023 legislative session