



# Summary of Conference Committee Agreements Related to E-12 Education

## **E-12 Education (HF 890)**

Increase over base: \$303 million

- Formula:
  - 1.5% formula increase per year
  - FY 2018: \$6,158, (\$91 increase)
  - FY 2019 and later: \$6,249 (\$91 increase from proposed FY 2018 increase)
- Eliminates Voluntary Pre-kindergarten (VPK)
- School Readiness, (VPK replacement): \$21.5 million for FY 2018 and \$23.97 million for FY 2019 (in the base)
- Early Learning Scholarships (Pathway I): \$9.5 million each year and \$10 million each year in FY 2020-21
- Pathway II Scholarships are frozen at the FY 2017 number of scholarships
- Parent-Child Home Program: \$550,000 each year (in the base)
- Makes Compensatory Pilot Grants Permanent
- African American Registry: \$100,000 each year (not in the base)
- Ag Educator Grants: \$250,000 each year (in the base)
- Alternative Teacher Prep: \$750,000 in FY 2018 (not in the base)
- Collaborative Urban Educator: \$220,000 each year (in the base)
- Concurrent Enrollment Teacher Training Grants: \$375,000 each year (in the base)
- Grow Your Own Paraprofessionals: \$500,000 each year (in the base)
- Intermediate School District Mental Health: \$2.45 million each year for 2018-19 biennium
- Reading Corps: \$500,000 each year for FY 2018-19 and \$1.5 million each year for 2020-21 biennium
- Math Corps: \$250,000 each year (in the base)
- Recovery Programs: \$250,000 each year (in the base)
- Principals Academy: \$50,000 each year (in the base)
- Rock and Read: \$500,000 in FY 2018 (not in the base)
- Rural CTE: \$1.5 million each year and \$3 million each year for 2020-21 biennium
- Sanneh Foundation: \$1 million for FY 2018 (not in the base)
- AP/IB STEM: \$250,000 each year (in the base)
- Teacher Shortage Loan Forgiveness: \$500,000 in FY 2018 (not in the base)
- Education Partnerships (St. Paul): \$100,000 each year (in the base)
- Education Partnerships (Northside Achievement): \$100,000 each year (in the base)
- Education Partnerships (Expansion): \$480,000 each year (not in the base)
- Cuts ACT reimbursements by \$3 million
- Closes Perpich Arts School and directs commissioner of administration to convey or sell Crosswinds Schools.

## **Taxes (HF 4)**

### Tax Payer Subsidies for Private Schools

- \$48 million in taxpayer subsidies for private schools for the 2018-19 biennium. This includes \$23.2 million for opportunity scholarships (vouchers) and 24.8 million toward expanding the current K-12 education tax credit to private school tuition.
- Private school subsidies would rise to \$71.8 million in the 2020-21 biennium.

### Debt Service Equalization

- \$28.768 million in debt service equalization for FY 2019-20.
- The agreement does not include referendum equalization.

### Referendum Ballot

- The bill would require school referendum ballots to state the cumulative amount per pupil of any local optional revenue, board-approved referendum authority, and previous voter-approved referendum authority, if any, that the board expects to certify for the next school year.

### **Higher Education (SF 2214)**

- Grants to Teacher Candidates in Shortage Areas: \$500,000 each year (built into base). Student teaching stipends for low-income students enrolled in a Board of Teaching-approved teacher preparation program who are interested in teaching in a high needs subject area or region after graduating and receiving their teaching license.
- Grants to Teacher Shortage Loan Forgiveness: \$200,000 each year (base amount, no increase). A teacher is eligible for the loan forgiveness program if the teacher is teaching in a licensure field and in an economic development region with an identified teacher shortage
- Agricultural Educators Loan Forgiveness: \$50,000 each year.

### **Health and Human Services (SF 800)**

- Does not contain provision related to crumb rubber turf.
- Allows data on individuals to be disclosed to the chief administrative officer of a school to coordinate services for a student or family; data is limited to name, date of birth, gender, and address.
- Allows data on individuals to be disclosed to a county correctional agency to coordinate services and diversion programs; data is limited to name, client demographics, program, case status, and county worker information.
- Amends the education data statute to establish a process under which the community services system may request access to education data in order to coordinate services for a student or family. The request must be submitted to the chief administrative officer of the school and must include the basis for the request and a description of the information that is requested. The chief administrative officer must provide a copy of the request to the parent or legal guardian of the student who is the subject of the request along with a consent form. Parent or legal guardian must give informed consent to the release.
- Establishes a Minnesota Birth to Age Eight Pilot Project, a grant program to Dakota County to develop and implement pilots that will evaluate the impact of a coordinated systems and service delivery approach on key developmental milestones and outcomes that ultimately lead to reading proficiency by age eight within the target population. The pilot is from July 1, 2017 to June 30, 2021 and requires an annual report to the Legislature by February 1 each year.
- Establishes a Minnesota Pathways to Prosperity Pilot Project that tests an alternative financing model for the distribution of publicly funded benefits with an outcome measure for the pilot project that includes improvement in education readiness and outcomes for parents and children from early childhood through high school, including reduction in absenteeism, preschool readiness scores, third grade reading competency, graduation, GPA and standardized test improvement.
- Brain Health Pilot Programs, a grant program for up to five pilot projects to improve brain health in youth sports in Minnesota, includes provision related to coordination of school and medical support services.
- Youth Sports Concussion Working Group, to study brain injury in youth sports, including policies related to return to learn in the classroom, and best practices for schools to identify and respond to occurrences of concussions, including return to play and return to learn.

- Requires psychiatric residential treatment facility services providers to offer and have the capacity to provide coordination of educational services between local and resident school districts and the facility.
- \$2 million each year for FY 2018 and FY 2019 for children's school-linked mental health grants to expand services to school districts or counties in which school-linked mental health services are not available and to fund transportation for children using school-linked mental health services when school is not in session.
- School Psychologist clarification: Nothing in sections 148.88 to 148.98 shall be construed to prevent a person who holds a license or certificate issued by the State Board of Teaching in accordance with chapters 122A and 129 from practicing school psychology within the scope of employment if authorized by a board of education or by a private school that meets the standards prescribed by the State Board of Teaching, or from practicing as a school psychologist within the scope of employment in a program for children with disabilities.

### **State Government (SF 605)**

- Makes changes to the process school districts use to receive proposals for group health insurance coverage for their employees. Specifically, the bill removes the requirement that school districts request a proposal from the public employee insurance proposal (PEIP) and allows school districts to have health insurance contracts up to four years in length. It also removes the ability of the largest bargaining unit to unilaterally enroll in PEIP.

### **Pension Stability (SF 545)**

- COLA: Reduces TRA's COLA from 2% to 1% effective with the January 1, 2018 COLA. Eliminates future automatic triggers that would increase COLAs if system funding improved. Also requires LCPR to study COLAs for all plans and make recommendations for change including whether a new COLA methodology should be adopted. The study is due in time for the 2021 legislation session.
- COLA Delay: Delays payment of the first full COLA until a member reaches normal retirement age (age 66 for post-89 hires and age 65 for pre-89 hires). The delay is effective for retirements beginning January 1, 2018. Under this proposal, a teacher retiring at age 62 would have a frozen benefit for four years until eligible for a full COLA, whereas under current law the wait period for the full COLA is 18 months. Members retiring under the Rule of 90 are exempt from this COLA delay. Also exempt are disabilitants and younger survivors of members who die while active.
- Early retirement benefits: Reduce early retirement benefits by eliminating current-law augmentation rates that are used in calculating benefits. Early retirement benefit augmentation would be eliminated over a four-year period beginning July 1, 2018 through June 30, 2022. Compared to current law benefits, this provision, once fully implemented, would reduce early retirement benefits by approximately 18% for members retiring at age 60, by 11% for members retiring at age 62 (TRA's average retirement age), by 8% for members retiring at age 63 and by 6% for members retiring at age 64. Reductions for members retiring before age 60 would be more significant, ranging from 19% at age 59 to 33% at age 55.
- Contribution rates: Increases employee contribution rates from 7.5% to 8.25% phased in over four years, beginning July 1, 2017. Increases employer rates from 7.5% to 8.5% phased in over four years, beginning July 1, 2017. At this point, the bill does not provide funding to offset the increased cost to school districts.
- Deferred augmentation: Reduce augmentation from 2% to 0% for vested deferred members who terminate employment and elect to leave their contributions with TRA. The elimination of augmentation would occur for future years of deferral beginning July 1, 2023.

- Investment return assumption: Lowers TRA's investment return assumption to 7.5% along with all other pension plans. Also lowers to 7.5% the interest TRA charges members and employers for repayment of refunds, various leave payments, and omitted contributions.
- Amortization period: Extends TRA's amortization period by 10 years from 2037 to 2047. Most other plans' amortization periods are also extended to 2047.
- Contribution stabilizer: The contribution stabilizer authority the TRA Board has under current law would be repealed. Under that law, the Board has authority to recommend adjustments in contribution rates to address funding deficiencies or sufficiencies. Any contribution rate change is subject to review and approval by the LCPR.
- Actuarial impacts: At this point in time, no actuarial estimates of the impact of the proposal on system funding have been made available, but we understand that the goal of the proposal is to attain a 90% funded ratio in the next 25 years.
- Balance/shared sacrifice: Based on preliminary analysis by TRA, approximately 66% of the proposed package would be borne by active teachers, 21% by current retirees and 13% by employers.

#### **Outstanding Issues**

- Teacher Licensure Reform
- Uniform Election Dates