



2018 Education Proposals Sent to the Governor

The following proposals passed the 2018 legislature and were sent to the Governor. **The Tax and Supplemental Budget Bills were vetoed on May 23, 2018.**

Bill or Provision	Description
Tax Bill VETOED	
Tax Bill: Education Spending	<p>\$50 million in FY 2019</p> <p>This amount is transferred from the budget reserve to the general fund. The amount is then transferred from the general fund to the Commissioner for payment to schools for past activities conducted on school trust lands. The \$50 million is for student and staff safety activities defined under the safe schools levy statute or for any other school-related purpose as deemed appropriate by the board.</p> <p>For FY 2019, concurrent with the September 2018 apportionment from the school endowment fund to each school district and charter school under Minnesota Statutes 127A.33, the Commissioner must distribute student and school safety equal to \$57.73 times the adjusted average daily membership for the previous school year.</p> <p>The \$50 million may be used for student and staff activities consistent with the current safe schools levy uses or for any other school related purpose as deemed appropriate by the board.</p>
Tax Bill: Two Percent Reserve for Staff Development	For FY 2019, a school board may adopt a written resolution waiving the two percent reserve for staff development or establishing a different percentage serve.
Tax Bill: Community Service Fund	<p>On June 30, 2018 and June 30, 2019, upon approval of the Commissioner, districts may permanently transfer any amount approved by the Commissioner from its community education reserve fund balance to its undesignated general fund.</p> <p>To the extent practicable when making the fund transfer, the school district must abide by its board’s fund balance policy, unless the funds are transferred for an eligible use under Minnesota Statutes, section 124D.18.</p> <p>A school district requesting a fund transfer must apply for the transfer in the form and manner specified by the Commissioner.</p>
Supplemental Budget Bill VETOED	
Education Spending	<p>\$28.019 million for FY 2018-2019</p> <p>\$29.920 million carrying into the 2020-21 biennium.</p>
	Spending and policy provisions outlined in the AMSD Supplemental Budget Summary .
Bonding Bill	
<p>The bonding bill includes \$25 million for school safety grants.</p> <p>A school district may apply for a school safety facility grant in the form and manner specified by the commissioner of education. After consultation with the Department of Public Safety’s Minnesota School Safety Center, the commissioner of education may award a school safety facility grant to a school district of no more than \$500,000 for each qualifying school building. The commissioner must award grants for projects that meet the requirements of this subdivision on a first-come, first-served basis. At least half of the grants must be awarded to school districts with administrative offices located outside of the eleven</p>	



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	<p>Minnesota counties included in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated in 2009 by the United State Census Bureau. Grants may be used to pre-design, design, construct, furnish, and equip school facilities and includes renovating and expanding existing buildings and facilities. Before a grant is approved, the district must provide documentation acceptable to the commissioner of education on how the grant will be used. No money for construction may be distributed by the commissioner of education to the recipient school district until bids have been received on 100 percent of the construction documents and satisfactory documentation has been submitted to the commissioner of education indicating the project can be fully completed with money available for the project. Grants are available when the commissioner of management and budget determines that sufficient resources have been committed to complete the project, as required by Minnesota Statutes, section 16A.502.</p>																								
	Pension Bill																								
	<p>The bill provides state funding for the higher employer contribution through a pension adjustment in the school aid formula. The changes affecting TRA will immediately reduce liabilities by \$2.0 billion, increase the funded ratio to 75% (from 70%), and put the plan on a trajectory to be 92% funded in 30 years.</p> <p>Cost of living adjustment (COLA) for retirees</p> <ul style="list-style-type: none"> • currently set at 2.0% each January 1 • Next five years: 1/1/2019 – 1/1/2023 = 1.0% • 1/1/2024 = 1.1% • 1/1/2025 = 1.2% <p>COLA Eligibility - beginning 7/1/2024, eligibility for receipt of first COLA would be changed to normal retirement age (age 65-66, depending on date of birth). Exempt: members who retire under rule of 90, and members who retire at least age 62 with at least 30 years of service credit.</p> <p>COLA Trigger: the COLA trigger in current law would be eliminated. The trigger would increase the COLA to 2.5% if the pension fund is at least 100% funded for two consecutive years.</p>																								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">Contribution rates</th> <th style="width: 30%;">Employer</th> <th style="width: 35%;">Employee</th> </tr> </thead> <tbody> <tr> <td>• current contribution rate</td> <td style="text-align: center;">7.50%</td> <td style="text-align: center;">7.50%</td> </tr> <tr> <td>• beginning 7/1/2018</td> <td style="text-align: center;">7.71%</td> <td></td> </tr> <tr> <td>• beginning 7/1/2019</td> <td style="text-align: center;">7.92%</td> <td></td> </tr> <tr> <td>• beginning 7/1/2020</td> <td style="text-align: center;">8.13%</td> <td></td> </tr> <tr> <td>• beginning 7/1/2021</td> <td style="text-align: center;">8.34%</td> <td></td> </tr> <tr> <td>• beginning 7/1/2022</td> <td style="text-align: center;">8.55%</td> <td></td> </tr> <tr> <td>• beginning 7/1/2023 and after</td> <td style="text-align: center;">8.75%</td> <td style="text-align: center;">7.75%</td> </tr> </tbody> </table>	Contribution rates	Employer	Employee	• current contribution rate	7.50%	7.50%	• beginning 7/1/2018	7.71%		• beginning 7/1/2019	7.92%		• beginning 7/1/2020	8.13%		• beginning 7/1/2021	8.34%		• beginning 7/1/2022	8.55%		• beginning 7/1/2023 and after	8.75%	7.75%
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