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IFO 2017 Legislative Session Update

The 2017 Legislative Special Session concluded at 4 a.m. this morning when the Senate passed the final budget bill to be sent to the governor. With a GOP majority in both the House and Senate and DFL Governor Mark Dayton, the negotiations remained contentious up to the final hour of a 75-hour Special Session.

Thank you to all faculty who took the time to write an email, visit the Capitol, reach out to a legislator, talk with your colleagues about our work, and anything else you did to help advance the issues and concerns of faculty around the state. We were able to make a considerable difference in the final outcome of the state's biennial budget. Our efforts are only as effective as our members are active.

Below is a general summary of the outcome of various items the IFO worked on this legislative session. If you have any questions and wish to learn more detail about a specific item please feel free to reach out to me and I will add more context or information for you.

Higher Education Budget and Policy

The good news is that the higher education budget had been passed and agreed to on Sunday evening. I have outlined the higher ed funding plan below. It includes \$106M for Minnesota State, slightly more than half of the total new spending. The package will send \$91 million out to campuses and will not freeze tuition in 2017-2018 but will freeze it in 2018-2019. This is far less than the \$178 million requested but is sizable package considering the current legislative majorities apprehension for new spending. There are more details of policy items that were included and a spreadsheet with the total new spending below.

Higher Education New Budget Items:

Below is a spreadsheet that shows consequential new budget items. Minnesota State received \$106 million in additional investments, \$91 million for campus support. This is about half of the total new investment in higher education. The request was from the system office was \$178 million; \$143 million for campus support, \$25 million for ISRS overhaul, and \$10 million for student grants. The IFO had serious concerns about the \$25 million for ISRS, as the plan called for campuses to fund another \$25 million. The Chancellor told the IFO at our final meet and confer that the system office would only ask campuses to fund at the same level the legislature invested. The IFO remains concerned about the impact to our campuses of funding half of this software overhaul as

it is expected to cost more than \$150 million total. The bill also contained a number of policy items that are briefly explained below.

Program	Amount
Minnesota State Colleges & Univ's	\$106M
Campus Support	\$91M
Workforce Dev Scholarships	\$1M
ISRS	\$8M
Rural College Grant Program	\$6M
Office of Higher Ed	\$49M
State Grant	\$36M
Agency Admin	\$3M
Spinal Cord Research	\$5M
Sex Assault Coordinator	\$300K
Grants to Teaching Candidates	\$1M
MN Life College Grant	\$2M
Univ of Minnesota	\$54M
Core Mission Support	\$27M
Health Training Restoration	\$14M
MnDRIVE	\$8M

Higher Education Policy Provisions

Tuition Mandates:

1. Tuition at the Minnesota State universities is frozen in the 2018-2019 academic year. There are not tuition restrictions in 2017-2018 at universities.
2. Tuition at the Minnesota State Colleges can be increased up to 1% in 2017-2018 and is frozen in 2018-2019.

Mandatory Student Fee Referendum Requirements:

1. Minnesota State Colleges and Universities and the University of Minnesota may not increase mandatory student activity fees by greater than two percent relative to the previous academic year unless the increase is approved by a majority of students voting in a campus referendum. This section does not apply to fees paid by students that are directly related to academic, administrative, or health services.

Developmental Education Reform and Reporting



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- I. Requires Minnesota State to develop a plan to reform developmental education offerings on system campuses aimed at reducing the number of students placed into developmental education. A draft plan has already been developed with extensive faculty input. The bill also requires new reporting on developmental education at Minnesota State colleges and universities.

Exempts all psychology faculty from licensure requirements under the MN State Board of Psychology

- I. The bill exempts faculty from any requirement to be licensed to conduct teaching of psychology at an accredited Minnesota college or university.

Supplemental Aid for Minnesota State Colleges Outside the Seven County Metro Area

- I. The Board of Trustees of the Minnesota State Colleges and Universities shall provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county. The board shall transfer \$100,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus, provided that no institution may receive more than \$300,000 in total supplemental aid each year.

Campus Sexual Violence And Prevention Staff at OHE

- I. The bill provides resources for the Office of Higher Education to staff a campus sexual violence prevention and response coordinator to serve as a statewide resource providing professional development and guidance on best practices for postsecondary institutions.

Bonding

The legislature passed a bonding bill funding just shy of one billion dollars in projects around the state. Minnesota State received \$92 million total for projects including \$25 million for Higher Education Asset Preservation and Replacement (HEAPR) and our universities received full funding for the Education Village at Winona State University and Eastman Hall renovation at St. Cloud State University. The project at Bemidji State was skipped over, and there was not enough funding for the project at Mankato. The legislature has set a target of \$800 million in bonding for 2018. We are hopeful Bemidji and Mankato will be included in the 2018 bonding package.

Labor Related Provisions

Public Employment Relations Board (PERB)

The IFO helped lead a coalition again this year to pass the funding and data privacy language that is required for the PERB to begin hearing unfair labor practice (ULP's) complaints. Unfortunately, the legislature was unwilling to fund PERB and delayed implementation until 2020.

Changes to Contract Approval Process in Subcommittee on Employee Relations

In a surprise move by the GOP legislative majorities a change to the state employee contract legislative approval process was included in the Special Session State Government Budget Bill. This provision had not been heard in any committee or ever seriously discussed until it was added in the State Government Bill. Thankfully, Gov. Dayton and DFL minority leaders were successful in removing this provision through continued negotiations.

The change would have deleted a requirement that the Joint Subcommittee on Employee Relations (JSER) take action on a settled contract within 30 days of presentation to the JSER. This change would have allowed the legislature to sit on settled contracts for as long as a year without taking any action to approve and thus the contracts would not go into effect until the full legislature approved them. This would have further politicized our contract process and would have been a major roadblock to the successful approval of future contracts.

TRA Pension Sustainability Package

After various packages, legislative posturing, and games there were not any TRA sustainability measures passed as part of the 2017 budget. Governor Dayton had proposed adopting a version of the TRA sustainability package and funding for school districts to pay for increased employer contributions. Expect pension reforms to be a major part of the 2018 legislative session.

E-12 Education Provisions

Teacher Licensure Reform

The E-12 budget bill contained reforms to the current teacher licensure process. The IFO, Education Minnesota, the Board of Teaching, and many other organizations representing educators opposed these changes. The Chamber of Commerce, a special interest group called EdAllies that is funded by business interests, school administrators, and rural education organizations, pushed the reforms. The new system will create a



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tiered licensure system that will allow people without training in pedagogy into classrooms for an indeterminate amount of time.

Repeal of “Last in First Out” Policy

The E-12 budget bill also included a provision to repeal the practice known as “last in first out” (LIFO) for school districts. This was opposed by Education Minnesota and is an assault on teacher tenure. Republicans and conservative Democrats have pushed the repeal of this policy for many years. The new language will require teacher unions to negotiate a layoff procedure policy with their local school districts.

Taxes

The legislature passed a \$650 million tax cut package that included a tax credit on student loan debt of up to \$500 annually. The total cost of that tax credit was \$55 million.