



STATE OF MINNESOTA

Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

May 12, 2017

The Honorable Kurt Daudt
Speaker of the House
State Office Building, Room 463
100 Rev. Dr. Martin Luther King, Jr. Blvd.
Saint Paul, Minnesota 55155

Dear Mr. Speaker:

I have vetoed and returned to you Ch. 43, House File 890, the omnibus E-12 education appropriations bill.

In my 2017 State of the State address, I said that we should look closely at every budget expenditure decision and ask how it will help our children and grandchildren in the years ahead. Unfortunately, House File 890 falls well short in delivering the public investment in education that will ensure our children the ability to achieve their full potential.

Despite public assurances of support for an education bill including at least a 2 percent increase in the basic per pupil formula, the bill you've passed virtually ensures significant teacher and staff layoffs in school districts across the state. The 1.5 percent annual increases in the basic formula in the bill are inadequate to sustain school operations in the face of rising costs, and will result in larger class sizes, loss of programming, and higher property taxes. Securing a solid foundation upon which schools can operate is imperative and recent formula increases have not yet made up for previous low funding. Similarly, the bill contains no additional funding to address the special education cross-subsidy, which at \$643 million and rising puts tremendous pressure on district budgets and should be addressed.

My budget proposal would provide more than 17,000 4-year olds with high quality prekindergarten across our state in order to meet the known demand for the program next year, and to provide the early learning opportunities we all agree are important in closing educational gaps. Yet this bill eliminates voluntary prekindergarten as an option for families, completely disregarding the needs and interests of thousands of families across the state for this high-quality, early learning option. This is not acceptable. Parent choice is further diminished by the cap in the bill on Pathway II early learning scholarships.

The bill also disregards the educational needs of our American Indian students by not continuing the additional state aid enacted in 2015 for the Bureau of Indian Education schools. Just as the federal government lags in funding special education, so too has federal funding for the BIE schools and they consistently operate on less aid than Minnesota's school districts and charter schools. Adequately funding all of our schools is our Constitutional and moral responsibility.

Further, students who are interested in and have a talent for the arts should not be punished by closing the Perpich Center for Arts Education. Although a recent OLA report identified governance issues, the new board chair and members are diligently addressing those issues. I insist that the school remain open. A school devoted to arts education is a statewide asset. And I will not permit you to desecrate the memory and legacy of one of Minnesota's Governors.

The HF 890 makes unwarranted cuts to the Department of Education. The work done by state employees to support our students, teachers, schools and families is an important element of our entire education enterprise and the bill's reductions amount to a reduction of 25 percent of the department's state-funded staff, compromising the ability to assist struggling schools, make timely state aid payments, administer grants, oversee charter schools, and investigate reports of student maltreatment.

In addition, the bill contains the following omissions:

- No funding for pensions for school districts and charters.
- No funding to replace a decades old mainframe at the Minnesota Department of Education, which processes payments for billions of dollars each year for schools districts and charters.
- Less than a third of the operating increase sought by the Minnesota State Academies for the Deaf and the Blind.

Furthermore, despite my repeated clear request that we follow the constitutional practice of separating policy provisions from budget bills, you have insisted on inserting a number of troubling policy provisions, including:

- Changing unrequested leave of absence statutes.
- Delaying by six years the requirement that providers receiving early learning scholarships are three- or four-star rated through Parent Aware.
- Erecting barriers to low-income students taking the ACT or SAT.
- Interfering with the federal system of accountability by barring inclusion of important non-academic factors like chronic absenteeism.

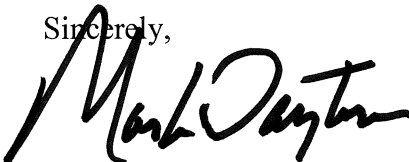
The Honorable Kurt Daudt

May 12, 2017

Page 3

With less than two weeks remaining in this legislative session, I urge you to return to work to craft a bill that demonstrates to Minnesotans the commitment to our children and our state's future you promised at the start of this session.

Sincerely,

A handwritten signature in black ink that reads "Mark Dayton". The signature is written in a cursive, flowing style.

Mark Dayton

Governor

cc: Senator Michelle L. Fischbach, President of the Senate
Senator Paul E. Gazelka, Senate Majority Leader
Senator Thomas M. Bakk, Senate Minority Leader
Senator Carla J. Nelson, Minnesota Senate
Representative Melissa Hortman, House Minority Leader
Representative Jenifer Loon, House of Representatives
The Honorable Steve Simon, Secretary of State
Mr. Cal R. Ludeman, Secretary of the Senate
Mr. Patrick Murphy, Chief Clerk of the House of Representatives
Mr. Paul Marinac, Revisor of Statutes