




DATE: October 15, 2013

TO: Sen. Richard Cohen
Sen. Michelle Fischbach
Rep. Lyndon Carlson
Rep. Mary Liz Holberg
Sen. Charles Wiger
Sen. Sean Nienow

Rep. Paul Marquart
Rep. Kelby Woodard
Sen. Patricia Torres Ray
Sen. Carla Nelson
Rep. Carlos Mariani
Rep. Sondra Erickson

FROM: Jim Schowalter, Commissioner 

SUBJECT: School Aid Payment Shift Buy Back

As required by Minnesota Laws 2013, Chapter 116, Article 7, Section 20, on September 30th Minnesota Management & Budget certified a positive unrestricted general fund balance at the close of fiscal year 2013 of \$636.089 million. Of this amount, \$291.468 million will be used to fully repay the aid payment shift to school districts, returning to a 90/10 payment schedule. Additionally, \$343.517 million will be used to reduce the property tax recognition shift percentage from 48.6% to 23.1%. The remaining \$1.104 million remains unspent due to rounding of the property tax recognition shift percentage and is added to the general fund budgetary balance. As of June 30, 2015, the property tax recognition shift remaining to be repaid is \$224.578 million. School districts will begin receiving payments reflecting the 90/10 payment schedule with the October 15, 2013 payment.

Copies of the full general fund statement with revenue and expenditure detail for fiscal years FY 2014-17 will be provided to legislative fiscal staff. These revised estimates will serve as the starting point for the November 2013 forecast.

Cc: Brenda Cassellius, Commissioner, Minnesota Department of Education
Tom Melcher, Minnesota Department of Education
Daron Korte, Minnesota Department of Education
Eric Nauman, Senate Fiscal Analysis
Bill Marx, House Fiscal Analysis