

June 17, 2009

The Honorable Tim Pawlenty  
Governor  
Room 120 State Capitol  
St. Paul, MN 55155

Dear Governor Pawlenty,

As you are aware, Commissioner Hanson has scheduled a meeting of the Legislative Advisory Committee for Thursday at 3:00 PM to review your unallotment proposal. In preparation for that meeting we would request the following information.

1. How will your proposal affect public and private sector jobs?
2. How many state and local employee layoffs will occur due to your proposal?
3. How many teachers will be laid off in both the K-12 and university systems?
4. How many private sector jobs within the health care industry will be terminated?
5. What impact will your proposal have on local property taxpayers at both the city and county levels?
6. Will your unallotments jeopardize any federal funds, and if so how much loss in funds are we to expect?
7. With your use of unallotment, you have no legal authority to repay the schools without legislative action. Under what statutory authority would the final payment in FY12 school appropriation be made?
8. What impact will the K-12 cuts have on school district financing and districts currently in or near statutory operating debt?




9. Governor Pawlenty's E-12 budget bill (S.F. 836 Article 1, Section 11) recommended changes to statute 123B.75 subd. 5 to enact a property tax recognition shift. There is no authority to recognize E-12 levies early without this change. As a result, it is our understanding the Commissioner of Education does not have the authority to require school districts to recognize a portion of their levy revenues. This will leave your unallotments \$600M short or require legislative action in order to make these cuts. How do you propose to make up the difference?

10. Unallotment is a one time solution. Given this fact, what is the projected shortfall for FY12-13? How are you planning to address it? Since your staff has met with various stakeholders and discussed possible unallotments, we trust you have this information already compiled and should be able to outline the impacts for legislators and the public.

Thank you for your cooperation in this matter.

Sincerely,

  
Margaret Anderson Kelliher  
Speaker of the House

  
Lawrence Fogemiller  
Senate Majority Leader

cc: Commissioner Tom Hanson