

# HOUSE RESEARCH

## Bill Summary

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**Subject:** School Aid Payments; State Cash Flow Borrowing

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### Overview

Minnesota Statutes, section 127A.46, requires the commissioner of management and budget to request that the commissioner of education temporarily delay state aid payments to school districts before the commissioner of management and budget may undertake short-term cash flow borrowing at the state level. In January, the commissioner of management and budget determined that these temporary payment delays would be necessary and the commissioner of education has notified school districts that the aid payment schedule has been modified to delay aid payments to school districts with fund balances in excess of \$700 per pupil unit. As a result, school aid payments totaling approximately \$425 million will be delayed this spring and the state of Minnesota will avoid the need to engage in short-term cash flow borrowing.

The Department of Management and Budget has an opinion from bond counsel regarding the state's cash flow borrowing, a letter from Commissioner Hanson to the Governor, and pdf version of a spreadsheet showing the aid payment delays on each school district listed on the department's home page:

<http://www.finance.state.mn.us/>

This bill repeals section 127A.46 the day following August 1, 2010.

### Section

**1 Repealer.** Repeals Minnesota Statutes, section 127A.46, August 1, 2010.