



# ADVOCACY UPDATE

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**Sam Walseth & Nick Zerwas,  
Britta Torkelson  
SAFF Lobbyists**



# LEADERSHIP AGREEMENT

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## PENSIONS DEAL COMES THROUGH

- 60/30 MODIFIED
- STATE PAYS ANOTHER \$19M/YEAR ON PENSION ADJUSTMENT
- ER/EE PREVIOUSLY SCHEDULED INCREASES HELPED PAVE THE WAY
- TRA “SUFFICIENCY” CONTRIBUTES

## EDUCATION:

- \$0 TARGET FOR FY 26-27, \$420M CUT IN THE TAILS
  - CUTS LIKELY TO SPECIAL EDUCATION AND FORMULA CAP
  - UI FUNDED FOR TWO MORE YEARS

## TAXES:

- NO NEW REVENUE - WILL SEASONAL/REC SURVIVE?



# WALZ E-12 BUDGET PLAN

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NET \$240M IN PROPOSED E-12 CUTS FOR FY 26-27 INCLUDE:

- ELIMINATE NON-PUBLIC STUDENT AID (\$52M)
- ELIMINATE NON-PUBLIC TRANSPORTATION AID (58M)
- ELIMINATE CHARTER SCHOOL LTFM FUNDS (\$19M)
- ELIMINATE CHARTER SCHOOL SPECIAL EDUCATION ADJUSTMENT (\$20M)
- ELIMINATE TEACHER PAY & PROFESSIONAL DEVELOPMENT BY REPEALING QCOMP (\$79M)
- REDUCE SCHOOL DISTRICT SPECIAL EDUCATION TRANSPORTATION REIMBURSEMENTS (\$53M)
- REDUCE SCHOOL LIBRARY AID (\$7.5M)
- REDUCE TELECOM EQUITY AID (\$750K)
- ELIMINATE SCHOOL DISTRICT COMPENSATORY PILOT FUNDS (\$6.5M)



# SENATE DFL E-12 BUDGET PLAN

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REPEALS THE FORMULA INFLATOR, PERMANENTLY, IN THE TAILS

REPEALS NONPUBLIC SCHOOL AIDS

INCREASES THE EL CROSS SUBSIDY AID FROM 25-33%

INCREASES THE SPECIAL EDUCATION CROSS SUBSIDY AID FROM 50-53%

MODIFIES THE LITERACY INCENTIVE AID

ONE-TIME COMPENSATORY AID HOLD HARMLESS (LESS THAN THE GOVERNOR)

LTFM ROOF “ABOVE THE LINE” LEVY EXPANSION

\$80K MINIMUM ON STUDENT SUPPORT PERSONNEL AID FOR ALL DISTRICTS

SCHOOL BOARD AUTHORITY TO RENEW A CAPITAL LEVY

CONSOLIDATION TRANSITION AID INCREASE



# JOINT HOUSE GOP-DFL E-12 BUDGET PLAN

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- School Library Aid is repealed, and some of the revenue growth in Student Support Personnel Aid is captured, to pay for the new first tier of BSR and the one-time infusion of UI funding.
- Special Education Transportation reimbursements are reduced from 100% of eligible costs to 95%, but transportation of homeless and highly mobile students remains at 100 percent of eligible costs.
- Renaming Local Options Revenue (LOR) to Basic Supplemental Revenue (BSR), and creating a new first tier of \$40/pupil, which is all state aid.
- \$30M one-time infusion into the Unemployment Insurance fund for school hourly workers
  - The UI mandate is sunset on September 9, 2028.
- LTFM Roof “above the line” levy expansion
- \$40M for the READ Act
- Modest flexibility in the Nutrition Account
- No changes to Compensatory





# HIGHLIGHT ISSUES

## Shore up forecasted revenue increases:

- Basic Allowance up 2.74% = \$200/pupil increase to \$7,481
  - FY 27 projected at 3.23% = 3% statutory ceiling governs
  - Basic Allowance projected \$7,281 in FY25 growing to \$8,095 by FY29
- Special Education Cross Subsidy increases
- Compensatory district level hold harmless:
  - One-time (\$39-55M) & paper form (\$250M) “fixes”
- TRA Improvements
  - HF 1582 (Wolgamott) SF2000 (Gustafson): 60/30 plan (\$285M)
  - HF 2329 (Nadeau) SF2992 (Pratt): 62/30 plan (\$75M)



# SAFF PRIORITIES?

## Mandate Relief and Flexibility:

- State pays for UI
  - DFL would expand district UI levy to include summer term
- HF 1306: Short call substitute teacher flexibility made permanent
- SF 2300 (Seeberger): ESST; rationale for 2 days, separate old sick banks
- HF 11 (Baker): Delay FMLA for 1-year
- HF 1124 (Youakim): School start date of September 1<sup>st</sup>
- SF 133 (Weber): Student Support Personnel Aid expand allowable uses
- HF 957 (Kresha): FY 25-29 fund transfer and mandate flexibility
- SF 2965 (Kunesh): Nutrition account flexibility
- SF 1740 (Cwodzinski): Indigenous mascot waiver limited



# MAJOR FEDERAL FUNDING STREAMS FOR EDUCATION

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## SPECIAL EDUCATION – \$230 MILLION ESTIMATED FOR FY 2025

- Primarily for reimbursing local education agencies for providing special education services and early intervention services for students with disabilities.

## NUTRITION - \$430 MILLION ESTIMATED FOR FY 2025

- School lunch and breakfast make up majority of nutrition funds (\$323 million).
- Other nutrition programs provide funding for food services in additional settings and for times outside of the typical school calendar.

## TITLE 1 - \$188 MILLION ESTIMATED FOR FY 2025

- Primarily provides funding for low-income schools to assist education students at-risk of not meeting academic standards (\$185 million)
- Other Title 1 funds are used for assisting educating children of migratory agricultural workers and for neglected and delinquent students.

