



School Finance Division Legislative Journey  
Ehlers' School Finance Seminar  
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# Ten Minnesota Commitments to Equity

1. Prioritize equity.
2. Start from within.
3. Measure what matters.
4. Go local.
5. Follow the money.
6. Start early.
7. Monitor implementation of standards.
8. Value people.
9. Improve conditions for learning.
10. Give students options.



# What I learned right away joining MDE...

- Journey started July 20, 2022
- Legislative process had already begun!
  - Policy Proposals (Form A's) must be budget neutral
  - Budget/Spending Proposals (Change Items) can be proposed by all divisions within MDE
  - Submissions are reviewed by the Cabinet and Commissioner of Education and final proposals are then recommended to the Governor

# One Minnesota Budget



## Due North Education Plan

- Every student receives a world-class education
- Every student learns in a safe and nurturing environment
- Every student learns in a classroom with a caring and qualified teacher
- Expand access to opportunities for students of color and Indigenous students
- Expand access to opportunities for students in greater Minnesota
- Fund a 21st Century Education

# Pricing & Publication of Governor's Budget

- The draft Governor's Budget for E-12 Education comes back to MDE and when the November forecast is published, budget items are "repriced" based on latest estimates.
- MDE works in collaboration Minnesota Management & Budget (MMB) to support their publication of the Governor's Budget on January 24, 2023.
- This document is over 480 pages long!
- A revised Governor's Budget was published in March 2023 after the February Forecast was published.
- MDE Government Relations and key staff shared the details and priorities of the Governor's Budget with both House and Senate Policy & Finance Committees.

# One Minnesota Budget



## Overview: 21st Century Education Funding \$6.9 Billion

- Academic Excellence
- Early Childhood and Education
- Access to Student and Family Opportunity
- Mental Health and School Safety
- American Indian Education
- Access to Equitable, Culturally Relevant Teaching and Learning Environment
- Reimagining the Secondary Experience
- PreK-12 Workforce
- Agency Supports

# 21<sup>st</sup> Century Funding Highlights

- Increase **General Education Basic Formula** and tie to inflation.
- Reduce the **Special Education Cross Subsidy**
- Fund **Universal Meals**, including breakfast, lunch, and Community Eligibility Provision (CEP)
- Modify the **compensatory revenue formula** to incorporate direct certification in the calculation and ensuring revenue does not fall below FY24 levels.
- Reduce the **English Learner (EL)** cross subsidy by over 20%
- Decrease funding gap through improved **Facilities Funding**
- Fund **Unemployment Insurance Aid** to cover costs related to new eligibility for hourly school workers (*in partnership with DEED*)

# 21<sup>st</sup> Century Funding Highlights

- Review and comment for capital projects that qualify through achievement & integration revenue
- District renewal of current voter approved operating referenda
- Compensatory Spending at Generating Site
- **For a complete review of the revised Governor's Budget, please watch the MDE review at the Senate Education Finance Committee on 3/15/23.**
- <https://www.youtube.com/watch?v=RcPq562xQzg>



# Publication of House & Senate E-12 Education Bills

- **House Omnibus E-12 Education Finance & Policy Bill**

- Bill walk through on 3/28/23
- <https://www.youtube.com/watch?v=cwPbRj6B710>
- This version is a “delete all” amendment to HF2497 which was the original Governor’s Budget
- Total **K-12** Budget Targets:
  - FY24-25 \$2.215 Billion
  - FY26-27 \$3.20 Billion

- **Senate Omnibus E-12 Education Finance Bill**

- Bill walk through on 3/29/23
- <https://www.youtube.com/watch?v=LYGlticvUmY>
- This version is a “delete all” amendment to SF2684 which was the original Governor’s Budget
- Total **E-12** Budget Targets:
  - FY24-25 \$2.55 Billion
  - FY26-27 \$3.30 Billion

# What's Next?

- For the School Finance Team, both versions of the Omnibus Education bills are being reviewed to confirm and understand the budget estimates and provide feedback to MDE's Government Relations team for consideration for clarification or amendments.
- Since the current versions of the bill are not identical in both legislative bodies, work will continue to come to agreement on the final version.
- MDE will be responsive to support requests for modeling or estimating from within our agency and through collaboration with non-partisan staff.
- Once bills are finalized, MDE will provide summaries and present throughout the state.

# Thank You!

## School Finance is here to help!

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