



## Tiger Pride News and Notes Belinda Selfors Superintendent of Schools

### Potential Impacts of MN Legislative Action

While the total amount of funding designated to public education during the last legislative session was historic, it was not allocated to school districts to use for their own specific needs. Substantial funding was provided for free breakfast and lunch for all students, unemployment costs for hourly wage earners for two years, and additional funding for special education. Increases to the basic formula were 4% in 2023-2024 and 2% in 2024-2025. While we appreciated the basic formula increases, they were in no way “historic.”

The November budget forecast was dismal for Minnesota, with a projection of deficit spending and a structural imbalance in the state’s budget projected for 2027. As the Legislature prepares to enter the 2025-2027 biennium, the Governor has made it clear that there will be limited funding available to support public schools. Limited increases in revenue will create a financial strain on our programs and services.

This financial strain will be further compounded by the number of unfunded mandates that are required of public schools. An unfunded mandate is any policy or requirement handed down by state or federal governments without sufficient funding to implement them. Without the funding necessary to carry out unfunded mandates, we will be forced to divert funds from other critical areas, which will directly impact classrooms, programs, staffing positions, and students.

One example of an unfunded mandate is summer unemployment for hourly wage-earners who do not work year-round. For the first two years, the state allocated \$135M toward unemployment payments for these staff, which was sufficient to cover the costs. For the summer of 2026, the Governor has proposed a one-time allocation of \$30M, which will be woefully inadequate to pay for these costs across the state. In the summer of 2027, no state aid is proposed. At that time, we are projecting that our costs would be about \$83,000.

Public school employers contribute to the Teachers Retirement Association for all certified and licensed staff. The contribution rate is increasing from 8.75% to 9.50%, with no state aid to help us cover these costs. For Stewartville, this increase will amount to \$86,000.

Paid Family Medical Leave will be paid for through an employment tax of 0.7% on wages, with the costs allowed to be shared between employers and employees. There is no state aid to support this increase for employers. For Stewartville, this increase will amount to an estimated \$40,000.

There are several new curriculum requirements for school districts to adopt and implement, including Personal Finance, Civics, Mental Health, Ethnic Studies, Holocaust and Genocide, and Cannibus Use and

Substance Abuse. There is no state aid to support the costs of curriculum purchases, materials and teacher training. We are estimating our total costs to be about \$230,000.

Finally, while the cross-subsidy for special education will be reduced to 50%, our costs are still projected to be \$1.195M in fiscal year 2027, which is an increase of \$60,000 over our current budget. Additionally, the Governor is proposing a reduction in the aid provided for transporting students with special needs to 95% for 2025-2026 and to 90% in 2026-2027. This would result in a loss of funding in the amount of \$70,000 in 2026-2027. The special education cross-subsidy is projected to increase by a total of \$130,000, which will not be supported by state aid.

When totaling all of the costs of the unfunded mandates, our school district is nearing \$570,000. We do not have the financial bandwidth to cover these increases, which will result in having to reduce expenses in other areas in order to refrain from deficit spending.

These looming financial constraints are causing us great concern as we value the positive impact our staff and programs have on our students and their future success. We are proud of our school district and the opportunities we are providing for our students. We have a rich history of ensuring our students are given every opportunity for success in their futures.

As a school district, we are seeking full funding of unfunded mandates and/or the repeal of mandates that the state cannot afford to pay for. If you have interest in contacting your legislators at the MN Capitol, go to [www.leg.mn.gov/leg/legislators](http://www.leg.mn.gov/leg/legislators) and scroll down to the link called ***Who Represents Me?***

Thank you for your support of our students, staff, and programs.

Go Tigers!