

The governor recommends an additional \$13 billion over the biennium for education – pre-K through grade 12. Highlights include a 4% and 2% per-pupil formula increase (capped at 3%), tying the formula to inflation, reducing the special education and ELL cross-subsidies, universal free meals, funding for student support personnel, expansion of public PreK programs, and the creation of a new Department of Children, Youth, and Families.

More details will be available when the recommendations are introduced as legislation. Detailed spreadsheets and district runs will be available soon.

### **Governor's Education Recommendations**

**Formula Increase:** The governor recommends increasing the per-pupil formula by 4% in FY24 and 2% in FY25 and tying future increases to inflation (based on the Consumer Price Index for Urban Consumers or CPI-U) for FY26 and later (capped at 3%). Appropriates \$274.1 million in FY24, \$444.7 million in FY25, \$642.7 million in FY26, and \$816.4 million in FY27.

**Special Education Cross-Subsidy:** The governor recommends reducing the special education cross-subsidy by 50%. Cross-subsidy reduction aid would increase from 6.43% to 47.30% in FY24 and later years. Appropriates \$328 million in FY24 and \$394 million in FY25.

**English Learner Cross-Subsidy:** The governor recommends reducing the English learner cross-subsidy by 25%. Appropriates \$13.4 million in FY24 and \$15.4 million in FY25.

**District Renewal of Current Voter-Approved Operating Referendums:** The governor recommends that school districts be allowed to have one automatic renewal of a current referendum of the same length as was originally approved by the voters.

**Universal Free Meals with Community Eligibility Provision (CEP):** The governor recommends providing no-cost school breakfast and lunch, beginning in FY24, to students enrolled in schools that participate in the federal School Breakfast Program and National School Lunch Program in Minnesota that also participate in the federal Community Eligibility Provision (CEP) if eligible. Appropriates \$189 million in FY24 and \$198 million in FY25.

**Unemployment Insurance Aid:** The governor recommends providing \$161.7 million per-year beginning in FY26 for reimbursement aid to school districts and charter schools to cover increased unemployment insurance expenses. Reimbursement will be paid during the fiscal year following the year in which the expenses were incurred and will be based on a district's incremental unemployment insurance costs relative to a base period. If the overall eligible cost exceeds the annual appropriation, reimbursement aid will be prorated. With the implementation of reimbursement aid, school districts will only be eligible to levy for the net remaining unemployment costs through the reemployment levy after subtracting the unemployment aid in each fiscal year starting in FY25.

**Proposals to address teacher and staff shortages, increasing diversity, and retention:** The governor proposes several initiatives to address teacher and staff shortages.

- Expanding the current Grow Your Own (GYO) program by \$6 million annually beginning in FY24.
- \$1.5 million annually for GYO grants focused on early childhood educators.
- \$10 million for GYO grants focused on teacher shortage areas at \$10 million annually.
- \$14.665 million for student-teacher stipends.
- \$490,000 in FY24 and FY25 and \$700,000 in FY26 and later for student scholarships to address a licensed teacher shortage in Minnesota's school-based early childhood and family education.
- \$7 million FY24 to support the development of a career pathway for students interested in pursuing education-related professions.
- \$1.4 million in FY24, available for up to four years, to fund the costs of first-time teacher licensing fees and licensure exams.
- \$9.94 million in FY24, available for four years, to expand statewide teacher induction and mentoring programs, including sustained training for mentors, principals, and other school leaders.

**Existing Voluntary PreK/School Readiness Plus slots:** The governor proposes to make permanent funding for the current 4000 slots for voluntary PreK/School Readiness Plus. Appropriates \$16.97 million in FY24 and \$19.06 million in FY25.

**Expansion of Public Pre-K for Eligible 4-Year-Old Children:** The governor recommends a full-day public prekindergarten program for eligible four-year-old children using a mixed delivery model comprised of school-based, Head Start, licensed child care centers, and family childcare programs. This would expand voluntary pre-K to 22,000 more children in FY26 and 25,000 children in FY27. Appropriates \$434 million in FY26 and FY27.

**Student Support Personnel:** The governor recommends \$22.2 million in FY24 and \$26.2 million in FY25 for an aid entitlement to fund additional school-based student support personnel, including counselors, social workers, school psychologists, school nurses, and chemical dependency counselors. Aid would be paid to school districts on a 90% current-year appropriation and 10% prior-year appropriation basis. Each school district participating in the support personnel program would receive \$22 per student enrolled on October 1 of the prior school year or \$35,000, whichever is greater. Intermediate school districts and other cooperatives enrolling students would receive \$6 per student enrolled in member districts on October 1 of the prior school year. The aid would be limited to the actual new costs of providing support services each year.

**Facilities Funding:** The governor recommends \$66 million in FY24-FY25 and \$79.8 million in FY26-27 to decrease facilities funding gaps. The proposal modifies Long Term Facilities Maintenance (LTFM) revenue through an allocation for eligible new facilities improvements and appropriations for excluded districts. The governor also proposes to extend additional revenue authority to cover all approved health and safety projects with costs over \$100,000 per site for any health and safety purpose not

already limited by a per-pupil funding limit and extend approvals to cover specific deferred maintenance projects with costs over \$100,000 per site or district to include roof replacement, sidewalks, and parking lots.

**Career and Technical Education Access:** The governor recommends \$30 million starting in FY24 to support the expansion of CTE programs. Funds will be available over four years through FY27.

- \$26.3 million will provide grants to school districts, charter schools, and intermediate school districts to expand or establish CTE programs.
- \$2.5 million will support a statewide CTE teacher mentoring and retention project, including licensure support for Tier 1 and Tier 2 teachers, and work-based learning adoption.

**Alternatives to Exclusionary Discipline Strategies:** The governor recommends \$5.2 million in FY24 and \$5.5 in FY25 to expand grants currently being administered by the MDE using funds appropriated in the 2021 legislative session and supplemented by funds from the American Rescue Plan (ARP).

**Expand Rigorous Coursework:** The governor recommends \$3.1 million per year to maintain and modify an existing competitive grant program currently funded by American Rescue Plan (ARP) funds to expand rigorous coursework opportunities.

**Postsecondary Enrollment Options (PSEO) Funding Pilot:** The governor recommends \$50 million in FY24 for a pilot program to increase effective partnerships between secondary and postsecondary institutions, provide districts with up to 88% in additional ADM for students taking PSEO courses, provide greater support to students in PSEO, and to collect data to understand possible changes around the funding and structure of dual credit opportunities.

**Minnesota Multi-Tiered System of Support (MnMTSS) and Collaborative Minnesota Partnerships to Advance Student Success (COMPASS):** The governor recommends \$20.2 million per year beginning in FY24 to fund the MnMTSS Framework, the state's systemic, continuous school improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student and COMPASS – Collaborative Minnesota Partnerships to Advance Student Success – the state's comprehensive school improvement model.

**BOLD Literacy:** The governor recommends \$35 million annually to implement BOLD Literacy, Minnesota's birth through grade 12 action plan for literacy achievement. Funding will provide support for teachers and instruction and intervention strategies, all delivered through the Minnesota Multi-tiered System of Support Framework. Additionally, the proposal includes comprehensive early literacy reforms and policy changes to address the literacy achievement gap.

**Competency-Based Education Expansion:** The governor recommends \$32 million in FY24 to engage a cohort of school districts, stakeholders, and partners who implement student-centered, flexible, personalized, and competency-based practices. Funds will provide grant awards to expand successful practices.

**Special Education Separate Sites and Programs Aid:** The governor recommends \$4.3 million in FY24 and \$5 million in FY25 and later for additional funding to Special Education Settings 4 and higher sites, including special education cooperatives and intermediate school districts, to support the needed capacity of programs to provide services and supports to students with disabilities with the highest needs. Funding would be allocated based on the number of students with disabilities at an approximate rate of \$1,689 per average daily membership (ADM) in addition to state special education aid.

**Special Instruction and Services Extended to Age 22:** The governor recommends funding to extend special instruction and services for children with a disability until age 22.

**Early Childhood Health and Developmental Screening Aid Increase:** The governor recommends additional funding to support a 30% increase in Early Childhood Screening Program aid.

**Compensatory Spending at Generating Site:** The governor recommends increasing the percentage of compensatory revenue that must be spent on qualifying programs at the generating sites from 50 percent to 80 percent. This proposal has no cost as it does not change overall state aid.

**Foster Student Transportation:** The governor recommends funding for transportation costs to enable students placed in a family foster care home to remain enrolled in their school of origin. The proposal is estimated to cost \$540,000 in fiscal year FY25.

**Equity, Diversity, and Inclusion (EDI) Center Staffing and Grants:** The governor recommends \$30 million in one-time grants to school districts and charter schools to implement culturally relevant practices outlined in the mission and vision of the EDI Center, MDE's Strategic Plan, and the Governor's Due North Plan.

**American Indian Education Aid:** The governor recommends \$6.3 million in FY24 and \$7.1 million in FY25 to increase American Indian education aid and extend it to districts formed as joint powers.

**Building and Cyber Security Grant Program:** The governor recommends \$50 million in FY24 to provide Minnesota school districts and charter schools funding to improve student, building, and cyber security. Funds would be used for a non-competitive, first-come, first-served Building and Cyber Security Grant program and would be available until June 30, 2027.

**Information Technology Resources:** The governor recommends \$1.8 million in FY24, \$3.3 million in FY25, and \$4.9 million in FY26 and beyond to invest in modernization of the MDE's technology infrastructure.

**Ed-Fi Data Collection System and Data Reporting:** The governor recommends \$595,000 in fiscal year FY24 and \$2.6 million in FY25 to modernize data submission systems for school districts and charter schools through the expansion of the Ed-Fi data collection and integration system.

**Office of Inspector General:** The governor recommends establishing a new Office of the Inspector General (OIG) at the MDE to detect fraud and wrongdoing, ensuring that funds appropriated by the state and federal legislatures and distributed by MDE reach their intended beneficiaries, schools, teachers, children, and families. Appropriates \$2 million per year.

**Proposals in Other Budget Areas**

**Department of Children, Youth, and Families:** The governor recommends the creation of a new state agency, the Department of Children, Youth and Families (DCYF), starting July 1, 2024. Core programs related to early learning, child care, child protection, family supports, and youth programming will be moved to this new agency. This is included in the Governor's proposals for [the Department of Minnesota Management and Budget](#) (details begin on page 35).

**School Building Bond Agricultural Credit:** The governor recommends increasing the School Building Bond Agricultural Credit to 80% of the property's net tax capacity multiplied by the school debt tax rate. This is included in the Governor's proposals for [Tax Aids, Credits, and Refunds](#).

**School Linked Behavioral Health Grants:** The governor recommends \$16 million in FY24-25 and \$26.5 million in FY26-27 to increase funding for School Linked Behavioral Health grants and Intermediate school-linked behavioral grants. This is included in the Governor's proposals for the [Department of Human Services](#).

**Solar for Schools:** The governor recommends \$61.5M in FY24 to expand on the current Solar for Schools statewide pilot program to reach every school building, outside Xcel Energy service territory, with solar energy.

**Border-to-Border Broadband Grant Program:** The governor recommends \$138 million in FY24 and \$138 million in FY25 for the Border-to-Border Broadband Grant program. This is included in the Governor's proposals for the [Department of Employment and Economic Development](#).