

# Education Conference Committee Finalizes the Omnibus Education Bill

Last Thursday night, the Education Conference Committee produced a spreadsheet outlining how they would spend the nearly \$5.5 billion budget target at their disposal. During meetings on Friday and Saturday, they adopted the remaining policy and fiscal provisions into a formal conference committee report for HF 2497.

The last steps in the process are for the House and Senate to adopt the conference committee report and pass it over to the Governor for his signature into law.

## Basic Formula and Special Education Cross Subsidy Reduction Aid

Annual increases of 4% and 2% will be added to the basic formula over the next two years, respectively. In subsequent years, the formula will increase by an inflationary factor, ranging between 2-3%. District level special education cross subsidy reduction aid, currently 6.43%, will increase to 44% each year until 2027 when it will grow to 50%. Taken together, the basic formula and special education cross subsidy reduction aid will infuse over \$3.7 billion into school district general funds over the next four years.

## Other Funding Highlights

4,160 School Readiness Plus VPK slots were made permanent. Cooperative Facilities levy authority was granted. Aid to support Cooperative and Intermediate District Setting 4 programs was allocated. Student Personnel Aid was created, along with Literacy Aid and a host of teacher development and ‘grow your own’ funding. School Boards will be able to renew an expiring operating levy at least one time before having to go out for another public vote. The list of additional categories of funding goes on and on.

## Unemployment Insurance

UI benefits will be extended to non-certified staff. The state will pay the first \$135 million in UI costs experienced by schools. Knowing that many of the non-certified staff are special education paraprofessionals, the education funding plan adds \$64 million each year, starting in fiscal year ’26, to special education funding to help cover any UI costs here. Districts are still prohibited from levying for ‘summer term’ UI costs. The UI expansion will likely create the most significant administrative and labor contract issues to sort through. The new UI policy will be effective May 28, 2023.

## Expanding ‘Terms and Conditions’ for Collective Bargaining

The proposal to expand the required scope of collective bargaining to include negotiations over, “class sizes, student testing, and student-to-personnel ratios,” was revived this past weekend as the omnibus State Government Finance bill took on this language.

## Session Resources

- [Bill Search, Status, and MyBills – Minnesota State Legislature \(mn.gov\)](#)
- MREA members are encouraged to join Advocacy Briefings to hear directly from our Advocacy team, who is at the Capitol every day advocating for Greater Minnesota education. Check your Insider Brief for the invite.