

Executive Director's Report to the Board

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Open Enrollment Lottery Update

We are currently in the open enrollment period for the 2025-2026 school year, with the lottery window closing on January 31. As of January 21, we have received 931 applications, which is in line with last year's numbers. The lottery will be conducted in mid-February.

FY25 Budget Revision Update

We are currently working on a revision to the FY25 budget, which we anticipate will be presented to the Finance Committee and the Board in February. This revision focuses on aligning our projections with actuals, and at this time, we do not anticipate any major changes.

Legislative Session

The Legislative Session began on January 14th. The November elections resulted in a 67-67 tie in the House, but a judge later ruled that Curtis Johnson (DFL, Roseville) did not meet residency requirements, giving Republicans a temporary 67-66 majority until a special election in late January. However, the House DFL members did not attend the first session, arguing that the House lacked a quorum since 68 members were not present. Republicans believe that 67 members with election certificates are enough to establish quorum. Secretary of State Steve Simon declared there was no quorum and adjourned the session, but Republicans continued proceedings and elected a Speaker. The Minnesota Supreme Court will review whether these actions were constitutional.

In the Senate, what is usually a 34-33 DFL majority is now a 33-33 tie following the passing of former Senate Majority Leader Kari Dziedzic (DFL, Minneapolis). A special election in late January is expected to restore the DFL majority. Until then, a shared power agreement is in place, with co-chairs for each committee.

Governor Walz released his budget recommendations, which reflect a small surplus but anticipate future deficits. His budget includes modest increases in some areas and cuts in others. Key points include funding to extend Compensatory Revenue's hold harmless provisions but reductions to the Q-Comp program and Special Education Transportation Reimbursement. Funding for non-public education and transportation aid was eliminated, while additional resources were allocated for fraud prevention (including a position for an attorney at MDE to investigate fraud in charter schools), unemployment insurance for hourly workers, and operational costs at the Department of Education. The budget does not propose formula increases beyond the inflationary adjustment approved in the last budget which will result in an increase to the state aid formula of 2-3%. We anticipate that a revised proposal will be released after the February forecast.