

Walz Announces \$12B Plan Focused on Children, Families, and Education



Governor Walz announced a broad and robust agenda yesterday afternoon for children, families, and education. The Walz plan would invest \$12 billion over the next four years, some one-time and some on-going money, into many programs and services aimed at reducing poverty, supporting families, and improving school district funding.

The plan also calls for the creation of a Cabinet-level state agency called the Department of Children, Youth, and Families. Yesterday's announcements are the first of a series in which the Governor and Lt. Governor will highlight priorities to be included in the full biennial budget plan, which will be released next Tuesday, January 24.

E-12 Education Highlights: \$6.3B into E-12 over 4 years

- Formula - "4&2", then a CPI inflator between 0-3 in the tails (beginning 2026)
- Special education - reduce cross subsidies by 50%
- Universal Meals - free lunch and breakfast for all students
- Increase English language revenue by 25%
- \$158 million for student mental health support
- \$130 million out-of-school youth programming
- Multilingual, American Indian, Wrap around services
- Support for teachers, students, school community

Early Learning & Care Highlights: \$3.4B over 4 years

- \$90M increase in early learning scholarships
- Increase Child Care Assistance Program (CCAP) rates to the 75th percentile
- \$350M in Workforce Stabilization Grants
- DEED partnership – Office of Childcare and Community Partnerships

Other notes

- Financial assistance for youth exiting foster care
- Alternatives to exclusionary discipline
- Department of Public Service/Youth Service Grant program
- Student Voice model
- Youth skills training program

Creation of a new Department of Children, Youth and Families

This new state agency will work to integrate services and programming for early childcare and education. The goal is to create a central organization to help parents and students find and access services. This agency will integrate the Early Learning Services Division at MDE, the Children Family Services Division at DHS, and youth programs currently housed at the Departments of Corrections, Public Safety and Health.

We will have many more details when the full budget recommendations from the Governor are released in less than a week, but it bodes well that education has clearly surfaced as one of the top priorities for the administration.