

Seeking to 'fully fund' education, Gov. Tim Walz and DFL lawmakers propose billions in new spending

Plan would tap into historic surplus and a funding formula increase to pay for school meals, Special Ed and more.

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Minnesota Democrats who vowed on the campaign trail to "fully fund" public education are now revealing what that looks like: [billions of dollars in new spending for schools](#) to keep up with inflation and pay for costly special education and English learner services.

Gov. Tim Walz and Democratic legislators are seeking to use their [newfound control of state government](#) to make the state's largest-ever investment in public schools. They have a \$17.6 billion budget surplus to tap and no Republican majorities standing in their way.

"My messages to families, to students, to teachers, to support staff is, 'This is the budget for many of us who taught for decades, this is the budget we're waiting for. This is the transformational moment that can happen,'" Walz said last week at a St. Paul Spanish immersion school.

Walz is proposing a more than \$700 million general funding boost for public schools over the next two years and to permanently tie annual increases to inflation. The governor's office estimates that the inflationary increases would amount to a nearly \$1.5 billion funding hike over fiscal years 2026-2027.

His plan would spend another \$722 million over the next two years to help school districts pay for special education services, and about \$200 million a year for schools to offer free meals to all students.

The governor's priorities largely align with those of the DFL-controlled House and Senate, which are pitching similar proposals — although some legislators have said they want to spend more than Walz proposed for special education.

Republican state lawmakers are already criticizing the cost and scope of Democrats' spending plans.

"Automatically increasing the funding for every school and every student eliminates our ability to target funding to the students that need it the most. It certainly guarantees a future tax hike to maintain this exploding funding in the future," state Sen. Jason Rarick, the GOP lead on the Senate Education Finance Committee, said in a statement.

Rarick added that the [free school meals proposal](#) "ignores the already available funding for families who need financial assistance."

Some school leaders say the proposed spending increases are a step in the right direction, even if they don't fully make up for years of smaller state funding bumps that largely failed to keep up with inflation.

"Let's at least recapture some of the ground we've lost to inflation," said Scott Croonquist, executive director of the Association of Metropolitan School Districts.

The additional funding is necessary to offer competitive wages for teachers, school leaders said. Education Minnesota President Denise Specht said increasing the state's ranks of educators helps keep class sizes manageable, offering more individual attention for students and improving academic achievement.

"We're not doing students any good when we don't have educators to teach them, to support them," Specht said.

School administrators also are embracing Walz's special education funding proposal, which would help cut a statewide deficit for the services in half.

The Minnesota Department of Education projects that the state's roughly 330 school districts will [collectively experience an \\$811 million shortfall](#) between their special education costs and revenue this year.

State and federal laws require school districts to maintain special education services but offer only a fraction of the funding necessary to provide them. As a result, Minnesota districts have pulled from their general funds to make up the difference, taking away money that could be spent on other school needs.

That special education funding gap is about \$52 million in the Minneapolis Public Schools, more than any other district. The Minneapolis school board [cut about \\$27 million this year](#) from its budget after settling a new contract with its teachers union and amid a continued drop in enrollment.

Barring further cuts or increases in revenue, the district is [headed for a fiscal crisis](#) in the next few years, according to projections.

"There is no denying that a huge part of why we are in this situation is the decades of chronic underfunding of education by state and federal governments, especially with special education and English language learner services," interim Minneapolis Public Schools Superintendent Rochelle Cox said [during a district budget presentation in December](#).

Some DFL legislators have introduced [a bill](#) to completely cover the statewide special education funding gap. Legislators have proposed similar funding to cover a smaller shortfall of roughly \$150 million for English learner services.

House Education Finance Committee Chair Cheryl Youakim, DFL-Hopkins, said she's not yet sure if lawmakers should partly or entirely cover the special-education shortfall, noting its high cost.

"I don't know quite where we'll end up," Youakim said, adding she hopes the federal government will chip in more money. "A lot of the gap is the federal promise."

In the short term, Senate Education Finance Committee Chair Mary Kunesch is pushing to spend about \$500 million in one-time cash this school year to help with special education, school meals, bus services and English language learning expenses.

"This is something that we can bring to the schools in this moment," said Kunesch, DFL-New Brighton, adding that the cash infusion could help prevent teacher layoffs in some districts. "I would like to see this done and done quickly."

Democrats and educators who've called for the state to fully fund public schools said the billions of dollars in proposed new spending may not be enough to meet that threshold.

Walz said he'll consider Minnesota schools to be fully funded when they've closed achievement gaps between students of color and their white classmates and rank near the top of the nation. "I think this will be a moving target," Walz said.

Specht said the criteria for a fully funded school "is dependent on what students need at the time." To her, it means manageable class sizes and buildings that meet all of a student's needs, from academics to mental health supports and free meals.

State Rep. Ron Kresha, the GOP lead on the House Education Finance Committee, said Democrats are constantly moving the target: "There really is no number on fully funding."

Kresha urged Democrats to focus on ways to improve math and literacy scores before they "throw money at" the state's public schools.

"The problem is, we're not talking about academic achievement. We're talking numbers that nobody can quantify," he said.

Staff writer Mara Klecker contributed to this story.