



Proposed Resolution Submission Form

Full name of School District: Independent School District 200, Hastings Public Schools (also submitted by Farmington Area Public Schools (ISD 192))

Full name of individual submitting for the school board: Carrie Tate

Title/Position of individual submitting for the school board: Board Member

Phone number: 612-354-0732

Email address: ctate@isd200.org

☐ **This resolution is submitted with approval by the school board.**

Please provide the date on which the authoring school board approved submission of this resolution: 9/10/2025

BE IT RESOLVED, MSBA URGES THE LEGISLATURE TO (please clearly and concisely state the action you would like the legislature to take):

Ensure school districts have adequate time to plan and prepare for the financial and operational impact of new laws and regulations. Specifically:

- No new mandate or budget reduction that imposes financial costs or causes serious operational disruption to a school district should be implemented before the start of the NEXT fiscal year for Minnesota's public schools (i.e., July 1 of the year following the legislative session in which the laws were enacted).
- If expedited implementation is deemed necessary, the respective new laws should be signed by the governor no later than March 1 of the legislative session.

DESCRIBE THE PROBLEM:

In recent years the Minnesota Legislature and Governor have imposed many new mandates or budget restrictions on Minnesota's public schools that have impeded annual budget processes and eroded fiscal stability for our schools, and confidence among those leading them. Below are recent examples of changes that have disrupted school district financial planning:

- **Reduced Special Education Transportation Cuts:** Funding was reduced by 5% immediately in the 2025-26 fiscal year, with a further to 10% in 2026-27. This passes \$15 million in costs to local schools in the first year, increasing to \$28 million in the second.
- **Library Aid Reductions:** Cut by 34% per pupil and halved the minimum amount of aid per school district, from \$40,000 to \$20,000. Additionally, expected professional development funding for social workers, nurses, and counselors was reduced.
- **Unemployment Insurance Instability:** A new temporarily funded unemployment insurance mandate was imposed. Because it is not permanently funded, schools will need to lobby the legislature for the foreseeable future to cover these costs.
- **Literacy Aid Redirected:** To help pay for new Read Act mandates, the legislature confiscated existing Literacy Aid school districts depended on to pay for staff and programs that directly supported literacy interventions—efforts complementary to Read Act goals. This made the Read Act appear less costly, but created new funding and program gaps districts needed to fill to maintain those supports.
- **Read Act Delays:** The Minnesota Department of Education was not prepared with the necessary rules and parameters, leading to delays that impeded planning and implementation by school districts.
- **Paid Family Medical Leave Shifts:** The cost of the PFML payroll tax was 0.7% when enacted in 2023. In May 2025, the legislature increased it to 0.88%, effective January 1, 2026—mid-year in the 2025–26 budget cycle. This increase was unaccounted for in budgeting and required additional use of reserve funds to cover.

EXPLAIN WHY THIS IS A PROBLEM:

When legislative and regulatory changes that negatively impact school district budgets must be implemented in the same year they became law, school districts

are forced to scramble - seeking new revenue sources, cutting costs elsewhere, expanding emergency savings, or taking on interest-bearing loans. These actions result in funding being redirected from core programs. Ultimately, the legislature's imposition on district finances and operations impedes local decision-making, erodes fiscal stability, and undermines confidence in vital financial data among those leading our schools.

The root of this problem is a not widely understood misalignment between the timing of the legislative session and school district budget cycles, much of which is governed by statute. Consider:

- Each of Minnesota's 331 public school district observes a fiscal year that begins July 1 and ends June 30 the following year.
- Legislative sessions begin no earlier than the first Tuesday after the second Monday in January and end no later than the Monday following the third Saturday in May.
- While most laws with appropriations (funding) take effect July 1 and other laws take effect August 1 of the legislative session year, the legislature retains the authority to specify different or later effective dates. This authority should be used to protect school districts from financial and operational disruptions caused by new laws.

This misalignment means that while the legislature is deliberating major policy initiatives, school districts are finalizing their financial and operational plans for the next year. This is further compounded by Minnesota Statutes. For example, [Minnesota Statutes section 123B.7](#) requires school district budgets to be final no later than June 30, while [Minnesota Statutes, section 122A.40, subdivision 5\(a\)](#) requires school boards to notify teachers of termination for the following academic year by April 1. If laws affecting budgets and operations are not approved by the legislature and signed by the governor until late May or June, school districts face significant legal barriers to amending their budgets – cutting programs and staff to close the funding gaps created by the legislature – accordingly.

PROVIDE SUPPORTING DOCUMENTATION:

For MSBA Staff Use Only:

Date Received: Click or tap to enter a date.

File Name: Click or tap here to enter text.

Category: Choose an item.

Recommendation: Choose an item.

Present Position(s): Click or tap here to enter text.