



Proposed Resolution Submission Form

Full name of School District: Bemidji Area Schools (ISD 31)

Full name of individual submitting for the school board: Jack Aakhus

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

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

Please provide the date on which the authoring school board approved this resolution: 9/15/2025. submission of

BE IT RESOLVED, MSBA URGES THE LEGISLATURE TO:

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

- No new mandate and/or budget reduction that poses financial costs or serious operational disruption to a school district should be implemented before the next fiscal year of Minnesota's public schools (i.e., July 1 of the year following the legislative session in which they were signed into law).
- If expedited implementation is deemed necessary, then respective new laws should be signed by the governor no later than March 1 of the year 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 our annual budget processes and eroded fiscal stability and confidence for those leading our schools. Following are recent examples of changes that have disrupted school district financial planning:

- Reduced Special Education Transportation funding by 5% immediately in the 2025-26 fiscal year, reducing further to 10% in 2026-27, passing on \$15 million in costs to local schools in the first year, and increasing to \$28 million in 2027.
- Cut library aid by 34% per pupil and cut the minimum amount of aid per school district in half, from \$40,000 to \$20,000, and reduced expected professional

development funding for social workers, nurses, and counselors.

- In the 2025 session, Gov. Walz and the Senate Education Finance Committee eliminated Q-Comp funding in their budget proposals for 2025-26. While these did not advance to final legislation, the uncertainty helped to delay a collectively bargained commitment to reform and stabilize Q-Comp in ISD 31.
- Imposed new temporarily funded unemployment insurance mandate that, because it is not permanently funded, will require schools to lobby the legislature for the foreseeable future to cover these costs.

EXPLAIN WHY THIS IS A PROBLEM:

Legislative and regulatory changes that negatively impact school district budgets without delay impede budget processes of local school districts, erode fiscal stability for our schools, and undermine confidence in vital financial data for those leading our schools.

The root of this problem is the 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 schools observe a fiscal year that begins July 1 and ends on June 30 the following year. School Districts levy process is slightly different than cities and counties which set their levy in

December for a January 1st fiscal year. School Districts set the levy in December for a July 1st fiscal year start.

- Legislative sessions begin no sooner than the first Tuesday after the second Monday in January and end no later than the Monday following the third Saturday in May.
- While in most cases laws with appropriations (funding) take effect July 1 and other laws take effect August 1 of the year of the legislative session, the legislature retains the power to specify different or later dates, and should use that authority to protect school districts from financial and operational disruptions created by new laws.

This misalignment means that the legislature is busy deliberating major policy initiatives while school districts are finalizing their financial and operational plans for the next year. This is further compounded by other Minnesota Statutes. For example, [Minnesota Statutes section 123B.7](#) requires school district budgets to be final no later than June 30. While Minnesota Statute [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.