Association of Metropolitan School Districts

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To: AMSD Board of Directors

From: Scott Croonquist

RE: Annual Report

Once again, lawmakers need a special session to complete work on adopting the biennial state budget. Special sessions have become all too common over the last dozen years as legislators have needed one to complete work on the state budget following the 2021, 2019, 2017, 2015, and 2011 legislative sessions. A special session was widely predicted almost immediately following the November election produced an evenly divided Minnesota House and maintained a one vote DFL majority in the Senate. It was clear that the 2025 session would be a significant departure from the previous biennium when Democrats held control of the House, Senate, and Governor's office but nobody was prepared for just how challenging the start of the session would become.

Following the election, House Republican and DFL leaders reached a power-sharing agreement to reflect the evenly split House. However, a successful election challenge gave the Republicans a temporary 67-66 margin heading into the 2025 session. They attempted to use the temporary advantage to lock in control of the leadership positions, including the committee chairs, for the duration of the biennium. Democrats, confident they would win the special election and return to a 67-67 split, objected and boycotted the start of the session. Republicans asserted that their 67-66 vote margin gave them the authority to organize the House and proceed with the start of the session. Democrats argued that 68 members were needed for a quorum and any effort to organize the House and conduct business were unconstitutional. The Supreme Court eventually ruled that 68 House members are needed to constitute a quorum and invalidated the business that had taken place and directed the two sides to work out a compromise. A new power-sharing agreement was finally reached and the House officially convened on February 6. The power-sharing agreement stipulated that Rep. Lisa Demuth (R-Cold Spring) would be Speaker of the House for the full biennium and that committees would be evenly divided and co-chaired by Republican and DFL members. Rep. David Gottfried (DFL-Shoreview) won the March 11 special election returning the House to a 67-67 tie.

The Senate was also tied heading into the start of the session following the death of former Senate Majority Leader Kari Dziedzic. Democrat and Republican Senate Leaders had a much easier time reaching a temporary power-sharing agreement that remained in place until

Sen. Doron Clark (DFL-Minneapolis) won the special election to restore a 34-33 margin for Senate Democrats.

As we prepared for the 2025 session it was clear that most AMSD member districts were facing budget challenges. This was not a surprise as we had cautioned state policymakers during the 2023 session that the funding they were proposing would not be sufficient to meet inflationary cost pressures and the new programs and requirements they planned to adopt. The platform reflected that reality.

Legislative Platform

Preparation for the 2025 legislative session began last August when we conducted our annual survey of AMSD board members and district staff to identify funding and policy priorities. The feedback gathered from the survey was collected and analyzed for the AMSD Legislative Committee. The legislative committee used the information to draft a legislative platform focused on funding inflationary costs and mandates adopted during the last biennium, enhancing student-centered learning, ensuring safe schools, and restoring inherent managerial rights and local control. The Board adopted an updated, and streamlined, version of the platform at the March meeting to provide a focus for members attending our Day at the Capitol event on March 24. At the May meeting, the board of directors adopted a set of conference committee priorities focused on the issues that remained in play in the House or Senate Omnibus Education Finance or Policy bills. Specifically, the conference committee priorities focused on:

- Supporting the House budget target
- Opposing the Senate proposal to delink the formula from inflation
- Hold harmless funding for compensatory revenue
- Funding to implement the READ Act.
- An increase in local optional revenue
- Allowing locally elected school boards to renew an existing capital projects referendum one time at the same rate, following a public hearing
- Allowing all school districts to include roof repair costs under the long-term facilities maintenance (LTFM) program
- Greater flexibility with the food service fund
- Fully funding or repealing summer unemployment insurance for hourly school workers
- Modifying the Earned Sick and Safe Time law to reduce administrative burden and ensure adequate staffing
- Setting the employer contribution for the Paid Leave program at 50 percent in state law
- Allowing school districts to begin the year prior to Labor Day in the 26-27 and 27-28 school years

As I write this, the education bills are still being negotiated. Some of our priorities are included in the House bill but not the Senate bill and vice versa. The projected state budget shortfall, along with the evenly divided House, created a very challenging environment. At the start of the session, Democrats indicated that their top priority was to protect the legislation they passed during the previous biennium while the top priority for Republicans was to repeal or modify many of the very same laws.

A few of our priority issues have already passed. The Judiciary Finance Bill includes a provision allowing a government entity to suspend its response to a public data request if, after five business days, the requester fails to inspect or retrieve data that has been prepared. The State Government Finance Bill includes language amending the open meeting law to allow more flexibility for members of a public body to participate remotely in a meeting. It removes the current requirement that a board member's remote location be posted three days in advance. In addition, a standalone bill appropriating $100 million to cover the cost of unemployment insurance for hourly school workers for the next two years has passed. The Omnibus Pension Bill, which includes an enhancement to teacher pension benefits, also passed. Under the pension bill, eligibility for the enhanced early retirement benefit is lowered from age 62 to age 60 with 30 years of service and the reduction percentage is lowered from 6 percent to 5 percent. To partially cover the cost of the benefit enhancement, the employer contribution to TRA is increased from 9.5 percent to 9.81 percent for each coordinated member and from 13.5 percent to 13.81 percent for each basic member. The state will cover this cost by increasing pension adjustment aid from 2.0 percent to 2.31 percent.

AMSD Budget Survey

We conducted what has become an annual budget survey of our member districts in March. The survey showed that our members faced over $280 million in combined shortfalls for FY26 assuming an inflationary increase in the formula and no other changes. The survey also asked our members to project their budget shortfall under the Governor's budget proposal which included a hold harmless for compensatory revenue but also cut special education transportation in FY26 and made changes to the literacy incentive aid formula. The Governor also proposed to eliminate the Q Comp program but that was effective in FY27, so it did not impact the survey. Under the Governor's proposed budget, the cumulative shortfall was slightly lower but most of our districts projected a bigger shortfall. The survey results were reported widely in the media and recited by legislators throughout the remainder of the session in committee hearings and on the floor of the House and Senate. The survey results played a significant role in protecting linking an inflationary increase to the formula which was finally adopted in the 2023 session after years of advocacy by AMSD members. We knew linking the formula to inflation was a major victory and it was evident just how important that change was this year. Even though the February State Budget Forecast showed a nearly $6 billion projected shortfall for the 28-29 biennium, a 2.74 percent increase to the formula was built into the forecast. Had the formula not been linked to inflation, we would have likely struggled to secure a one percent per year increase in the formula this session.

Below is a recap of other activities and events from the past year.

AMSD Election Guide

We developed and distributed our biannual Election Guide for use by AMSD members last summer. The guide included information about education funding and policy issues as well as tips on holding effective candidate forums and sample questions to ask legislative candidates. We also used the guide to educate candidates and the public about the impact of the new expectations and requirements that were placed on schools during the 23-24 biennium and why school districts were facing budget challenges even after a "historic" funding increase. We heard from numerous members that they found the guide an effective tool in educating political candidates about important education issues and engaging their staff and communities in the electoral process.

Superintendent Zoom Meetings

We continued to support regular AMSD superintendent Zoom meetings. The Zoom calls are regularly attended and valued by our superintendents. The meetings provide a time and space for the superintendents to share information, discuss challenges and opportunities, and strategize solutions while supporting each other. Thanks to Anoka-Hennepin Supt. Cory McIntyre for facilitating the superintendent Zoom meetings over the last year.

Together in Partnership Student Conferences

We continued our work with the MN State High School League and other education organizations to lift the voices of our students and work to ensure safe, welcoming, and respectful environments in athletics and activities. The MSHSL hosted four regional meetings across the state including a meeting at the Marriott Northwest in Brooklyn Park and one in Rochester. Osseo Area Schools Superintendent Kim Hiel facilitated the conferences and provided stellar leadership.

Student-Centered Learning

We continued our work with KnowledgeWorks, a national education nonprofit, to advance policy changes that support innovative, student-centered learning. The initial phases of the project identified potential changes to state-level policies and regulations that could enhance student-centered learning. This led to the release of a final report: https://www.amsd.org/knowledgeworks/. We made tremendous progress on one of our legislative priorities — providing more flexibility with required hours of instruction. We had compelling testimony from several AMSD members in support of the legislative proposal and the bill was included in the House Omnibus Education Policy Bill but had to be removed after MDE determined that bill had a fiscal note — an impact on the state budget. We are well positioned to bring the bill back next session and advocate for its passage.

Annual Conference

More than 150 attendees enjoyed an inspiring day of learning and networking at our annual conference in November. The conference kicked off with a keynote address from Dr. Darrius Stanley from the University of Minnesota who issued a call to school leaders to engage their communities to leverage the expertise of students, families, and community members. Dr. Stanley stressed the importance of intentionally partnering with historically under-served communities to address policies, structures, and practices that reproduce school-community inequities along the lines of race, class, gender, and ability.

The program also included a student panel discussion with five students from the MN Alliance With Youth who issued their own call to action to engage students and value their voice. In addition, the conference agenda included eight outstanding breakout sessions featuring AMSD members and amazing student leaders. You can access the conference materials using the link below:

LINK: Conference Presentations

Legislative Session Preview

About 170 education leaders — superintendents, school board members and district staff — were joined by 35 state legislators on Jan. 10 for the AMSD Legislative Session Preview, an annual event that highlights AMSD's legislative priorities for the upcoming legislative session. The preview featured compelling presentations from AMSD Chair Laura Oksnevad, St. Anthony-New Brighton Supt. Renee Corneille, Anoka-Hennepin Supt. Cory McIntyre, and Prior Lake-Savage Supt. Michael Thomas. Minnesota Department of Education Commissioner Willie Jett spoke as well, acknowledging a challenging budget environment for the upcoming session and urging legislators and education leaders to collaborate to prioritize student outcomes.

This year's AMSD presentations highlighted key points from the 2025 legislative platform, with specific examples from each of the presenters' home districts. The platform focused on several themes including:

- Funding to stabilize school district budgets, including increases in the formula allowance and local optional revenue which has been frozen for the last decade;
- Enhancing local control to give locally elected school boards and their administrators the ability to respond to their respective communities' needs;
- Enhancing student-centered learning by broadening the definition of hours of instruction to allow students to earn credit for learning wherever it occurs; and
- Enhancing school safety.

Chair Laura Oksnevad and St. Anthony-New Brighton Supt. Renee Corneille detailed how their district — the smallest geographically in the state — faces many of the same challenges that larger districts do, such as the percentage of students requiring special education services, and the percentage of students in poverty. They also noted that state equalization aid has deteriorated greatly over the last decade creating significant property tax inequities. Anoka-Hennepin Supt. Cory McIntyre, representing the state's largest school district, shared how a convergence of several factors including historic inflation, rising labor costs, and new requirements and expectations for schools, have caused expenditures to outpace revenue by a significant margin. He noted that his district has already begun trimming $26 million from its budget even before the Legislature met this year. Prior Lake-Savage Supt. Michael Thomas reinforced how inflationary costs have outpaced revenue. He also noted that the sheer number of new requirements placed on school districts, even though they come with the best of intentions, have taken a heavy toll on school district budgets and district staff.

The AMSD presentation was followed by a legislative panel discussion of key leaders in the E-12 legislative arena. Representatives Ron Kresha (R-Little Falls) and Cheryl Youakim (DFL-Hopkins), and Senators Michael Kreun (R-Blaine) and Mary Kunesh (DFL-New Brighton) each offered their perspective on AMSD's priorities as well as highlighting issues they hope to address. The legislators cautioned that the projected state budget shortfall in 2028-29 created a significant challenge to providing new funding for schools.

AMSD Day at the Capitol

More than 170 AMSD members turned out for AMSD's Day at the Capitol on Monday, March 24. We again partnered with MASA Region 9 to host the event. AMSD annually hosts the Day at the Capitol to encourage our members to meet with legislators, attend committee hearings, and advocate for our legislative priorities. Rep. Cheryl Youakim, Rep. Elliot Engen (R-White Bear Township), Sen. Mary Kunesh, and Sen. Michael Kreun spoke to the attendees to kick off the day. From there, AMSD members attended committee hearings and met with their local legislators to advocate for our collective priorities.

Board of Directors Meetings

AMSD Board of Directors and committee meetings continue to be conducted in a hybrid format with the option to attend in person or participate remotely via Zoom. Below is a summary of the board meetings over the past year:

- Last August, in addition to electing new officers and committee members, Dr. Lucy Payne and Amy Jones, who serves on the MN State Advisory Council on Mental Health, shared a presentation and facilitated a discussion on student mental health.
- In September, we commemorated AMSD's 50th anniversary. I shared a history of some of AMSD's significant accomplishments and advocacy efforts and we acknowledged AMSD's past chairs. We were also pleased to hear from Peter Leatherman from the Morris Leatherman Company who shared an informative overview of their most recent polling data. Peter and Dr. Bill Morris have graciously shared polling data with AMSD board members for several years at our September board meeting.
- We heard from a great panel of AMSD members at the October meeting. Bloomington Supt. Eric Melbye and Board Members Mia Olson and Matt Dymoke; Orono Supt. Kristi Flesher and Board Members Wendy Lundsgaard and Laura Wallander; and Hopkins Supt. Rhoda Mhiripiri Reed and Legislative Action Coalition members Steve Adams and Catherine Callahan provided informative overviews of their respective legislative advocacy efforts and answered questions from board members. We also heard an update on the Elevate Teaching initiative from Dr. Rose Chu.
- In November, we heard an update on the transition to the new Dept. of Children, Youth, and Families from Commissioner Tikki Brown. We also heard from Supt. Renee Corneille, Supt. Wayne Kazmierczak, and Supt. Stacie Stanley who shared an overview of their respective Portraits of a Graduate. The board also reviewed a draft of the 2025 legislative platform and approved updates to a few of the position papers.
- The board adopted the 2025 legislative platform as well as updates to additional position papers at the December meeting. In addition, Eden Prairie Supt. Josh Swanson, Dr. Robb Virgin, and Ms. Felicia Thames shared an overview of their work to modernize student accountability including the use of the ACT for high school accountability.
- The January meeting was used for the 2025 Session Preview program which is summarized earlier in this report.
- At the February meeting we heard an informative presentation, *Lessons from the Field: The Strategic Use of AI in Shaping Future Ready School Communities*, from Supt. Dr. Laurie Putnam, Justin Skaalerud, Matthew Stockinger, and Donna Roper from St. Cloud Area Schools. The Board also approved a new position paper on Student-Centered Learning.

- At the March meeting we heard from a legislative panel of Rep. Patricia Mueller (R-Austin), Rep. Sydney Jordan (DFL-Minneapolis), Sen. Julia Coleman (R-Waconia), and Sen. Steve Cwodzinski (DFL-Eden Prairie) who provided an update on the session. The Board also approved a new position paper on Student Mental Health.
- Rep. Julie Greene (DFL-Edina) and Rep. Danny Nadeau (R-Rogers) provided a legislative update at the April meeting. In addition, Rockford Supt. Jeff Ridlehoover shared an informative presentation on fiscal implications related to the Teachers Retirement Fund.
- On May 2 the Board approved its 2025 Conference Committee Priorities to guide our advocacy work over the final weeks of the session. We also heard an update from Vice Chair Dr. Lucy Payne and Executive Director Dr. Yelena Bailey from the Professional Educator Licensing and Standards Board. Dr. Payne and Dr. Bailey also facilitated small group discussions about potential changes to teacher licensure.
- At the May 23 meeting we are hearing from Adosh Unni and Cathy Erickson from MDE who will share an overview of the 2025 Omnibus Education Bills and other education related legislation.

Member Services

I am grateful for our dedicated team working on behalf of AMSD members. AMSD Office Manager Kimberly Jansa and Communications Director Troy Melhus continue to provide important and valuable services to AMSD board members and school district staff. We are also fortunate to have legislative consultants Kris Amundson and Lori Grivna advocating for our legislative priorities. They provided valuable assistance in developing our legislative platform, covering committee hearings, and lobbying legislators and members of the Walz administration.

Below is a list of some of the services the AMSD team provides to our members:

- The AMSD website provides comprehensive information and resources for our member school districts. Communications Director Troy Melhus worked with our website consultant over the last year to refresh the site to improve our engagement, offerings, and information. This included establishing a searchable database of local legislators by district, a redesign of the calendar to be more mobile and member friendly and migrating the current site to a new host and network to streamline the user/member experience. The advocacy page includes important tools to help AMSD members advocate and engage in the legislative process. In addition to the searchable database of legislators, the page includes a searchable bill tracker and links to pertinent education bills, summaries, and spreadsheets.
- We continue to distribute comprehensive weekly email updates to keep our members updated on activity at the Capitol. The updates provide important and timely information and include links to resources, legislation, bill summaries, research, presentations, and recorded video of legislative hearings and board meetings. We also use the email updates to share news from MDE, PELSB and BOSA and to deliver legislative alerts and calls to action.
- Kimberly continued to work with the Board of School Administrators to enable us to offer continuing education credits for our board meetings and our annual conference.
- I enjoy the opportunity to support the activities of local legislative action coalitions. We are always happy to provide guidance and offer advocacy tips to our LACs. I was invited to speak to some of our member district LACs over the past year and am always happy to do so.

- The Connections Newsletter continues to be a great tool and serves as a vehicle to share success stories in our member school districts, highlight new research, and advocate for AMSD's legislative priorities throughout the legislative session. The newsletter is distributed in electronic format to all AMSD school board members, superintendents, district staff, legislators, legislative staff, and members of the media.

Voice For Metro and Regional Center Schools

AMSD continues to be the voice for metropolitan and regional center school districts. Over the years, AMSD has led the charge on a wide variety of issues including allowing school boards to renew an existing referendum, linking the formula to inflation, addressing the special education and English learner cross-subsidies, diversifying the educator workforce, enactment of the local optional revenue program, and allowing referendum questions to increase referendum revenue by inflation. In 2018, AMSD led the effort to establish the pension adjustment mechanism in the funding formula to make sure AMSD members had their increased employer cost covered when the pension stabilization legislation was passed. The importance of that effort was made clear again this year when the employer contribution was increased in the Omnibus Pension Bill.

AMSD members play a leading role in shaping state education policy and building support for public education among policymakers and the public. It continues to be a privilege to work with AMSD board members and district staff.