MINNESOTA SCHOOL BOARDS ASSOCIATION

Where School Boards Learn to Lead

Impact of the 2025 Legislative Session

June 2025

Welcome

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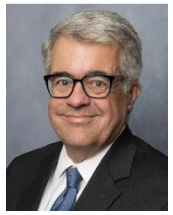

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Finance: Big Picture

- $0 in new general education money for FY26 and FY27
- Inflationary increase maintained
  - General education aid increases 2.74% for 2025-2026
  - Increase of 2-3% increase for 2026-2027

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2026-2027 Gen Ed Funding Changes

Funding Type	Biennial Change
Compensatory	56 M
Student Support Aid	-29 M
Staff Development (Grow Your Own)	23 M
Read Act	1 M
Special Education Transportation	-43 M
Facilities	4 M
Libraries	-19 M
State Agencies	11 M
Transfer from FY2025	4 M
Total	0 M

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Finance: Other

- Compensatory Revenue Task Force
- LTFM – roof repair for schools not grandfathered into Alternative Facilities
- Special Education Blue Ribbon (task force)
- Unemployment – one time funding $100M

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Policy Changes

- Data Practices
- Remote meetings
- School Start Date
- Short call emergency substitute teacher
- Active transportation timelines to SD

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Policy Changes

- Elections
- Mascots
- Read Act flexibility
- Food service expenditure flexibility
- Literacy Aid expenditures – Literacy Plan

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Other Policy Issues

- Paid Leave
- Earned Sick and Safe Time (ESST)

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MN Paid Leave

What will we see on January 1, 2026?

- **Wages are reported through the same online system Unemployment Insurance ---- <u>new to schools</u>**

Effective October 31, 2024

https://mn.gov/deed/paidleave/

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MN Paid Leave

What will we see on January 1, 2026?

- **Paid by the state --- similar to unemployment**
- **Employers' role**
  - Notify staff by December 1, 2025
  - Quarterly wage reporting
  - Coordination of leave and benefits
- **Tax on wages --- 0.88% (2026)**
  - **At least 50%** must be paid by the **employer**
  - **No more than 50%** can be paid by the **employee**
- **Transitioning to MN Paid Leave**
  - When is the eligible event?

https://mn.gov/deed/paidleave/

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Earned Sick and Safe Time (ESST)

- **Weather events and other public emergencies**
  - Language can be negotiated to **deny certain workers' requests to use ESST** in some situations (MS 181.9447, Subd. 12)

(4) closure of the employee's place of business due to weather or other public emergency or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency;

Subd. 12. **Weather event exception.** Notwithstanding subdivision 1, an employee may not use sick and safe time under the conditions in subdivision 1, clause (4), if:

(1) the employee's preassigned or foreseeable work duties during a public emergency or weather event would require the employee to respond to the public emergency or weather event;

(2) the employee is a firefighter; a peace officer subject to licensure under sections 626.84 to 626.863; a 911 telecommunicator as defined in section 403.02, subdivision 17c; a guard at a correctional facility; or a public employee holding a commercial driver's license; and

(3) one of the following two conditions are met:

(i) the employee is represented by an exclusive representative under section 179A.03, subdivision 8, and the collective bargaining agreement or memorandum of understanding governing the employee's position explicitly references section 181.9447, subdivision 1, clause (4), and clearly and unambiguously waives application of that section for the employee's position; or

(ii) the employee is not represented by an exclusive representative, the employee is needed for the employer to maintain minimum staffing requirements, and the employer has a written policy explicitly referencing section 181.9447, subdivision 1, clause (4), that is provided to such employees in a manner that meets the requirements of other earned sick and safe time notices under section 181.9447, subdivision 9.

Contract language or written policy

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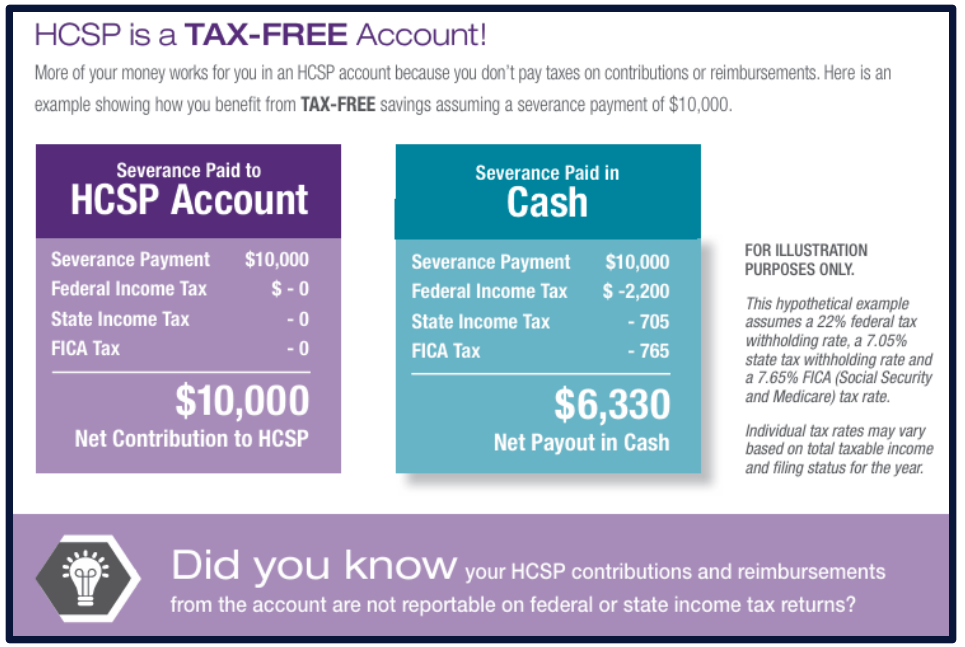
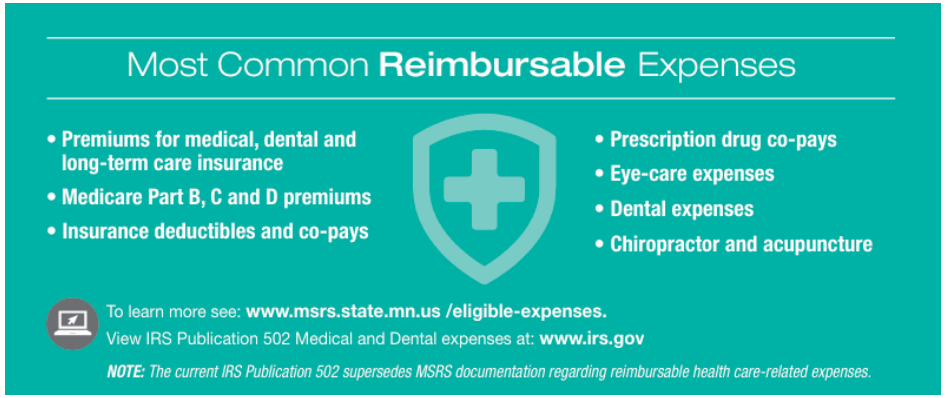
Health Care Savings Plan (HCSP)

- Benefits option?
- Employer-sponsored program allowing employees to invest money in a medical savings account while employed
- Administered by the Minnesota State Retirement System (MSRS)





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Resource

NEW

Union Contract Negotiations Considerations

- MN paid leave
- Unemployment (costing?)
- Lane changes
- Unfair labor practices
- ESST
  - ✓Bereavement
- …..

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Resource (Coming Soon)

- **Updates to:**

  Model Teacher Master Agreement

  Model Contracts
  - Tier 1
  - Tier 2
  - Tier 3
  - Tier 4

Resource Library

Human Resources

Teachers

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Resource (Coming Soon)

- **Earned Sick and Safe Time:**
  - Earned Sick and Safe Time (ESST): Requirements, Considerations, and Sample Language
  - Mitigating ESST's Effect on Paid Leave

- **Minnesota Paid Leave**:
  - Fast Facts and FAQs

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June 2025 Model Policy Updates

- Updates to the following Model Policies will be distributed in June *after the legislature completes its work.*

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Pending Model Policy Updates

- Definition of “threatened injury” for mandatory reporting purposes is revised (414)
- Minnesota Patient Registry Program participants (cannabis use) notice requirements added (418)
- New Active Shooter Incident/Active Shooter Threat reporting requirement (501)
- School board members can no longer excuse student absences (503)

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Pending Model Policy Updates

- Parent contact information can no longer be included in *directory information* (515)
- Expansion: *epinephrine delivery systems* (not 'auto-injectors') (516)
- Internet filtering requirements no longer tied to receipt of technology funding (524)
- Students may purchase second breakfast/second lunch "at nonprogram price" (534)

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Pending Model Policy Updates

- School board may vote to start school on September 1 or later (2026/27 and 2027/28 school years only) (602)
- Numerous updates to the Read Act, especially regarding dual language immersion programs (621)
- Updated language on transportation for students with disabilities (707)
- Violence prevention training must include information about anonymous threat and local threat reporting systems (806)

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MSBA Model Student Handbook

Updates to the MSBA Model Student Handbook will be distributed in June *after the legislature completes its work.*

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ONE VOICE FOR PUBLIC SCHOOLS

THE FUTURE OF MINNESOTA STARTS HERE.

Thank You

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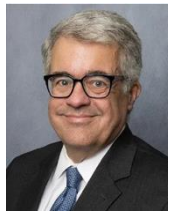

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