



**SENATE**  
COUNSEL,  
RESEARCH, &  
FISCAL ANALYSIS

# Education Finance November 2024 Forecast Update

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# Presentation Overview

- Role of Nonpartisan Staff
- Education Finance Budget Jurisdiction
- Education Finance Budget
  - All Funds Budget
  - General Fund Budget
  - Property Tax Budget
- Questions

# Role of Nonpartisan Staff

- Offer confidential analysis and advice to bill authors on options to accomplish legislative goals
- Draft bills for introduction; draft amendments
- Analyze spending, revenue, and policy proposals
- Interpret fiscal notes
- Track budget effect of legislative decisions
- Advise committee chair and members on legislative rules and procedure
- Assist in legislative oversight of enacted budgets
- Offer other legal advice and opinions upon request

**Our services are available to all Senate members. Our work is confidential between us and the member who requested our services.**

# Education Finance Budget Jurisdiction

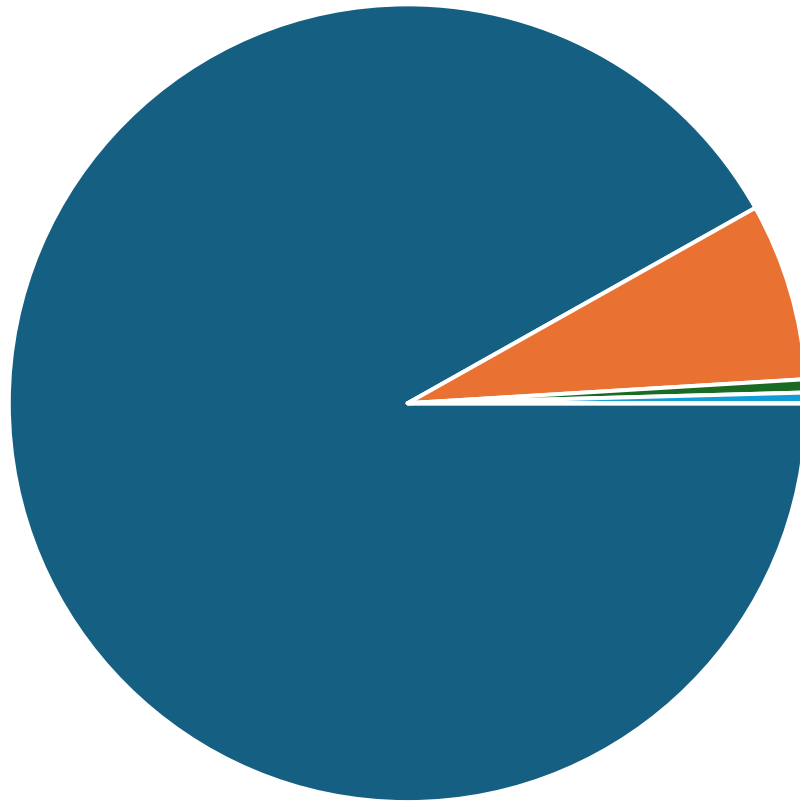
- Department of Education (MDE)
- Professional Educator Licensing & Standards Board (PELSB)
- Perpich Center for Arts Education
- Minnesota State Academies
- Select Department of Children, Youth, & Families (DCYF) appropriations

# Early Education Appropriations

Education Finance Committee		Health & Human Services Committee
Appropriations to MDE	Appropriations to DCYF	Appropriations to DCYF
<ul style="list-style-type: none"> <li>• Voluntary Prekindergarten (VPK)</li> <li>• Early childhood special education</li> <li>• Early Childhood Family Education (ECFE) at tribal schools</li> <li>• Early childhood and family education teacher shortage grants (transfer to OHE)</li> <li>• Kindergarten entrance assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Developmental screening aid &amp; administrative costs</li> <li>• Early Childhood Family Education (ECFE), including:               <ul style="list-style-type: none"> <li>• ECFE revenue (aid &amp; levy)</li> <li>• ECFE home visiting revenue (aid &amp; levy)</li> <li>• ECFE support staff</li> </ul> </li> <li>• School readiness</li> <li>• VPK administrative costs</li> </ul>	<ul style="list-style-type: none"> <li>• Early childhood literacy</li> <li>• Educate parents partnership</li> <li>• ParentChild+</li> <li>• Early learning scholarships</li> <li>• Quality Rating &amp; Improvement System (QRIS)</li> <li>• Head Start</li> <li>• Reach Out &amp; Read</li> <li>• Grow Your Own (GYO) Early Educators</li> </ul>

# E-12 Education All Funds Budget

FY2026-27 Base Budget: \$27.8 billion, dollars below in thousands



## General Fund

\$25,524,257

91.9% of All Funds

## Permanent School Fund

\$118,702

0.4% of All Funds

## Federal Fund

\$1,997,841

7.2% of All Funds

## Gift Fund

\$352

0.0% of All Funds

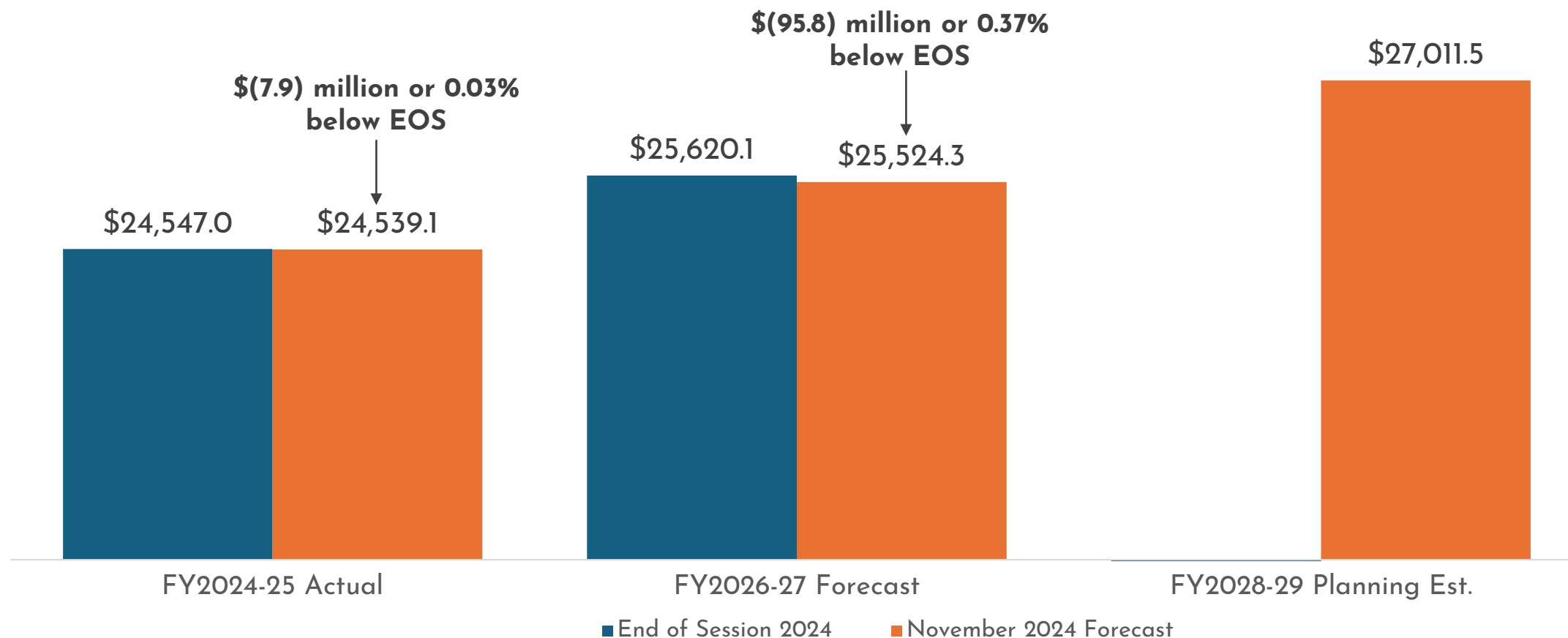
## Special Revenue Fund

\$147,656

0.5% of All Funds

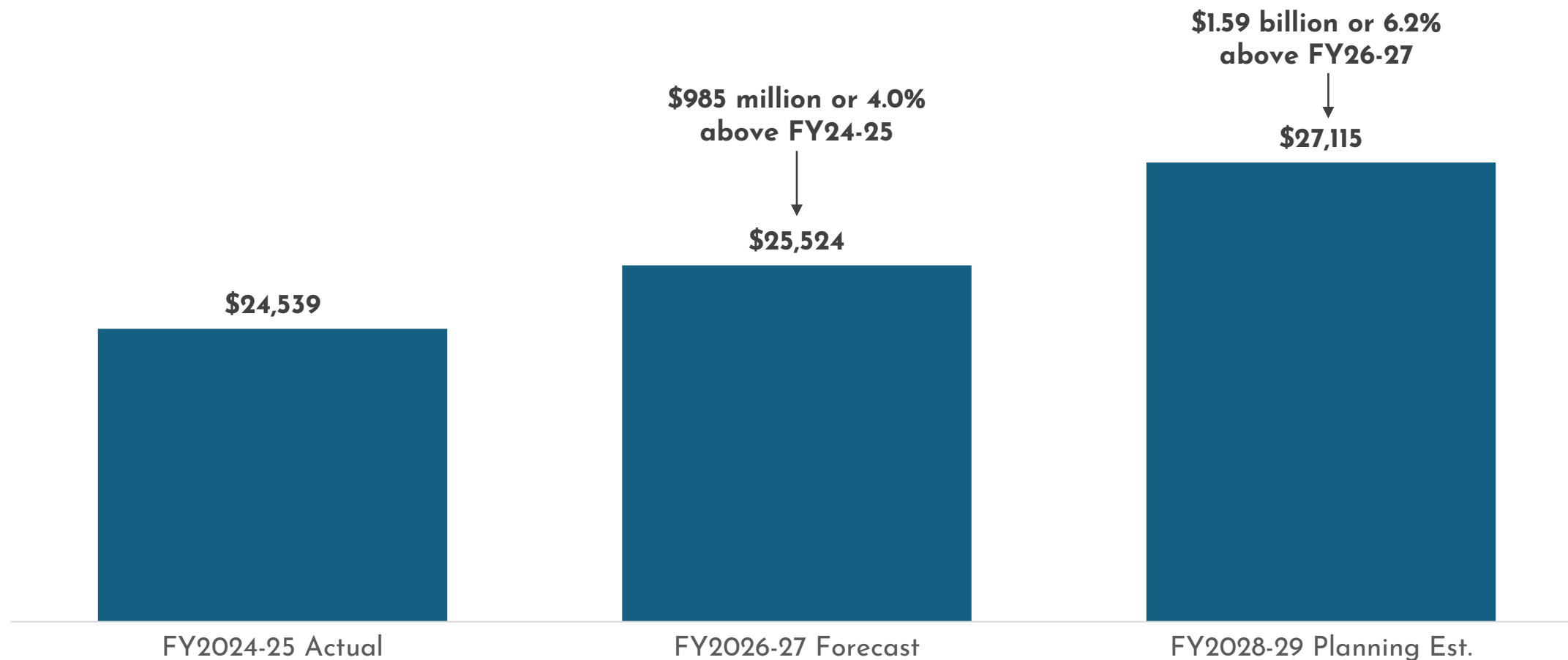
# E-12 Education General Fund Budget

Dollars in millions, based on November 2024 forecast



# E-12 Education General Fund Budget

Dollars in millions, based on November 2024 forecast





# E-12 Education General Fund Budget

FY2026-27 Base Budget: \$25.5 billion, 38.6% of all General Fund expenditures

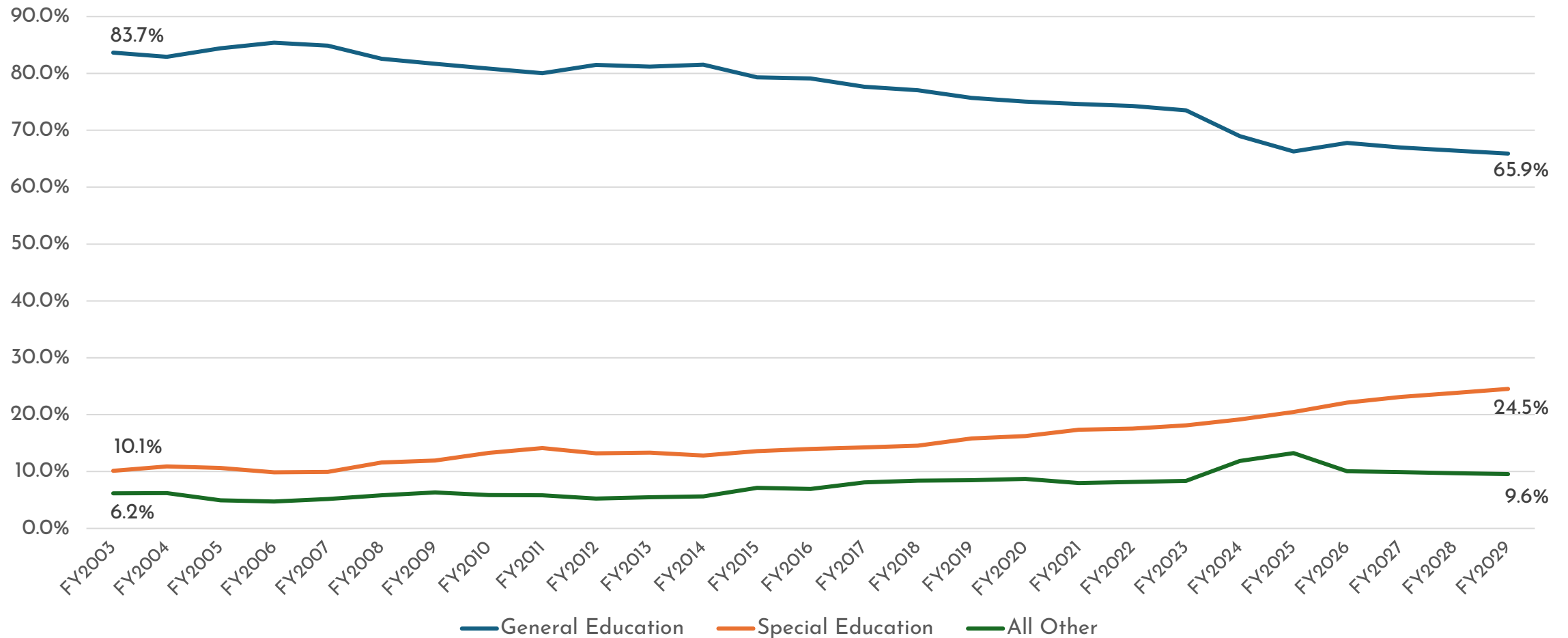
	FY 2026-27	% of E-12 General Fund Budget
General Education	\$17,196,962	67.4%
Special Education	\$5,777,816	22.6%
Education Excellence & Teachers	\$1,098,529	4.3%
Nutrition Programs	\$659,187	2.6%
Facilities & Technology	\$251,270	1.0%
Early Education	\$164,679	0.7%
State Agencies	\$137,753	0.5%
Lifelong Learning	\$112,450	0.4%
Library Programs	\$93,895	0.4%
Community Education	\$31,716	0.1%
<b>Total</b>	<b>\$25,524,257</b>	

# Basic Formula Allowance Forecast

Beginning in FY2026, the formula allowance is increased annually by the greater of two percent or the rate of inflation, not to exceed three percent. The amounts for FY2026-29 are estimates.

Fiscal Year	Formula Allowance	Forecasted Inflation Adjustment
2024	\$7,138	N/A
2025	\$7,281	N/A
2026	\$7,448	2.29%
2027	\$7,636	2.52%
2028	\$7,856	2.89%
2029	\$8,013	2.00%

# General Education Aid and Special Education Aid Proportions of E-12 Education General Fund Budget



# E-12 Education Property Tax Budget

Dollars in thousands, based on November 2024 forecast

	FY 2026-27
General Fund	\$5,255,501
Community Service Fund	\$192,573
Debt Service Fund	\$2,781,207
OPEB/Pension Debt Service	\$37,491
<b>Total School District Levies</b>	<b>\$8,266,772</b>
Credits & Adjustments	\$(275,533)
<b>Total Certified Levies</b>	<b>\$7,991,239</b>

# Additional Resources

- Budget tracking spreadsheets:  
<https://www.senate.mn/tracking/2025>
- MMB's November 2024 Forecast documents:  
<https://mn.gov/mmb/forecast/forecast/>
- MN Budget Process Basics fiscal issue brief:  
<https://assets.senate.mn/publications/topics/MN-Budget-Process-Basics-2025.pdf>