



April 27, 2026

Re: SF3551, Omnibus Education supplemental appropriations

Dear Chair Marty and members of the Senate Finance Committee,

As schools around the state grapple with difficult financial realities, we are grateful to the Senate for advancing an Education Finance bill that contains some “must do” proposals. We have advocated for three key provisions that we believe need to be part of any supplemental budget package. Two appear in the version of SF3551 before the committee today, and one should be taken under serious consideration for amendment before final passage.

Fix Needed to Allocate Literacy Aid

As currently drafted, the bill does not contain language to make a needed fix to the state Literacy Aid formula. This fix is essential because the current formula will be rendered obsolete as a new state reading assessment based on new ELA standards rolls out this spring. The current formula allocates money partially based on year-over-year growth on the 4th-grade MCA, which the Minnesota Department of Education will no longer be able to calculate due the transition to the new MCA. Without an update in statute, we will have a state agency without clear direction from the legislature on how to allocate tens of millions of dollars to support the implementation of the Read Act.

MDE has brought proposals both this year and last year to address this impending formula issue and strengthen it for the long-run. The fixes proposed by MDE not only solve the immediate issue but also ensure limited resources being prioritized where the biggest literacy needs are, and should be adopted before final passage to ensure this critical aid can be distributed. Inaction risks disrupting progress at a critical time for the Read Act.

Compensatory Hold Harmless

One of the most important things this bill does is establish a hold harmless for Compensatory Revenue. This is an essential temporary solution to ensure funding stability for districts as the Compensatory Revenue Task Force explores longer-term solutions. The need for a hold harmless is driven by how Minnesota currently identifies students to generate these additional dollars, and the fluctuations of these counts over the past several years. Historically, we used cumbersome annual voluntary school meal eligibility forms to count students living in poverty—a system that is increasingly inaccurate. More recently, we started using more direct measures by counting who was on SNAP and Medicaid. Now that the federal government has made significant eligibility changes to those programs, it is also subject to undercounting. The task force will make final recommendations in the fall on how to improve the formula and better count students, and in the interim, this proposal is a must-do to keep districts relatively whole.

School Safety Funding

We appreciate Chair Kunesh's hard work to find a path forward on school safety funding as represented in the bill. In the wake of the tragedy at Annunciation, the need to support school safety improvements for every student in the state became painfully clear. The provision in the bill before you takes an important step forward on school safety and we urge its adoption.

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