



School Board Meeting

**Part 2 Legislative Update
Financial Impacts
September 30, 2024**



EASTERN CARVER
COUNTY SCHOOLS

2023 & 2024 Legislative Impacts



Omnibus Education Finance Bill 2023

- Historic funding with legislative mandates that have impact
- ECCS Lease Levy for Transportation hub
- Also included language on:
 - Unemployment insurance
 - Earned safe and sick time
 - Read Act
 - Teacher Retirement Age
 - Highly Qualified Paras
 - Paid family medical leave



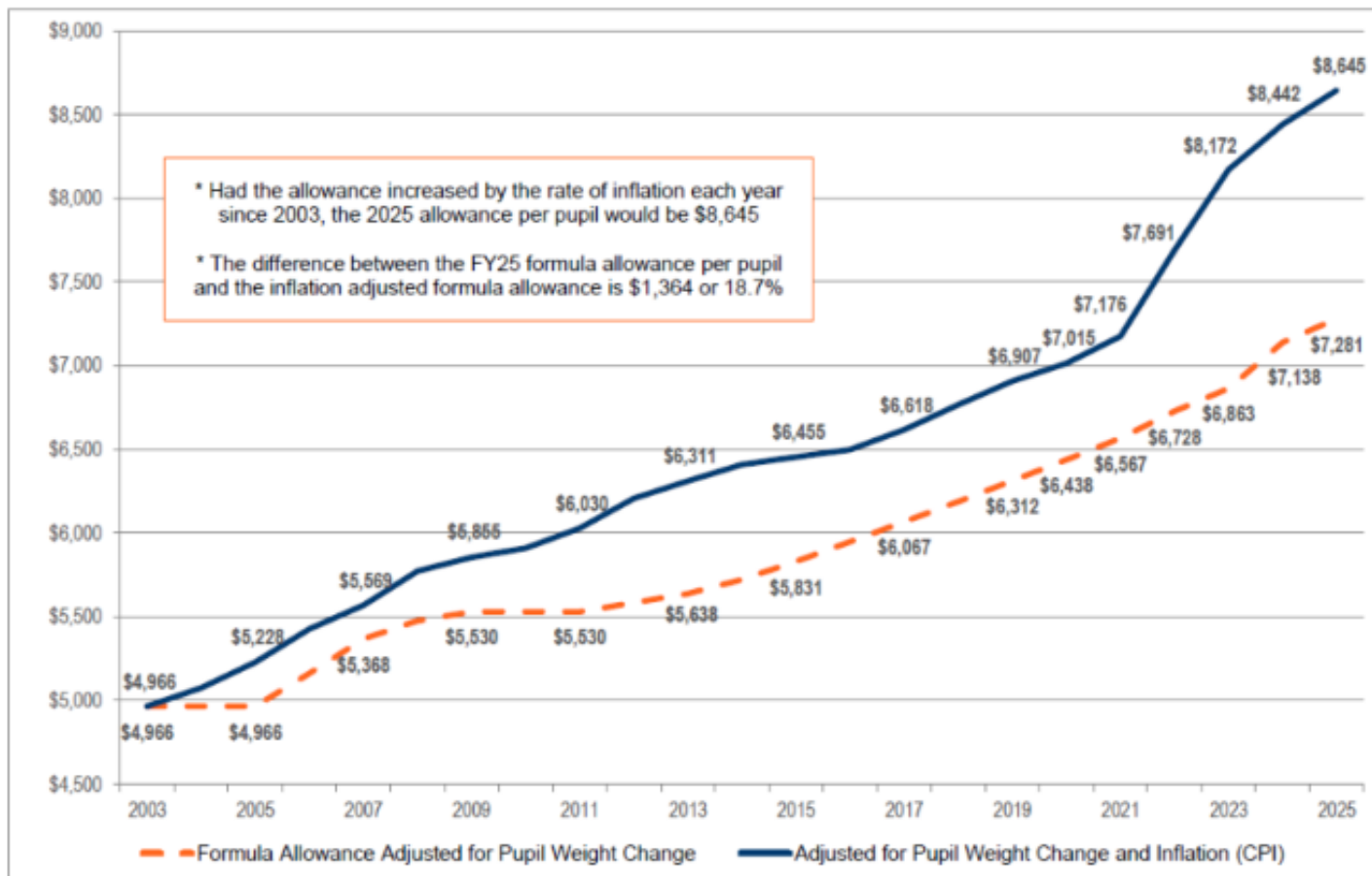
Basic General Education Formula and Inflation

- Since 2002-03, state General Education Revenue formula has not kept pace with inflation
 - For Fiscal Year 2023-24
 - An increase of 4.00% or \$275 from \$6,863 to \$7,138
 - The Consumer Price Index (CPI) for All Urban Consumers (CPI-U) increased 4.9% over the 12 months ending in April 2023
 - For Fiscal Year 2024-25
 - An increase of 2.00% or \$143 from \$7,138 to \$7,281
 - For fiscal year 2025-26 and beyond
 - Indexed to inflation with minimum increase of 2% and maximum increase of 3%



General Education Formula Allowance, 2003-2025

Adjusted for Pupil Weight Change and Inflation (CPI)



Review of 2023 Legislative Changes

Unemployment Insurance: Beginning in the summer of 2023, employees who have their hours significantly reduced may be eligible for unemployment. This change may now impact school staff during the summer (i.e. paras, clerical, etc... who are not year round).

Impact:

- Cost:
 - Summer of 2023 - \$421,085
 - Summer of 2024 - TBD (Q3 is July-September)
 - Uncertain reimbursement after FY 24-25
- Time: HR reviewing applications to provide background information or challenge submittals.



Review of 2023 Legislative Changes

Earned Sick and Safe Time: Beginning on January 1, 2024, employers must provide 1 hour of paid sick and safe time for every 30 hours an employee works (up to 48 hours of earned sick and safe time per year).

Impact:

- Cost: employees who had not already been earning sick time
- Time:



Review of 2023 Legislative Changes

Read Act: Additional literacy training for certain teachers.

Impact:

- Additional information in 2024 Legislative Information.



Review of 2023 Legislative Changes

Teacher retirement age to 65: Beginning in 2025, teacher retirement age reduced to 65. Increase in employer TRA contribution rate from 8.75% to 9.5%.

Impact:

- Cost:
 - \$514,629 to cover additional cost of rate increase for year just ended as an estimate
 - District will receive increased pension adjustment revenue in FY 26-27 that is anticipated to be prorated



Review of 2023 Legislative Changes

Highly Qualified Paras: By the start of the 2025 school year all paras funded with special education dollars need to be highly qualified (60 college credits, AA degree, pass a pre-approved assessment or complete a portfolio)

This is not a Legislative Change. It has been a federal law that MN is now electing to enforce.

Impact:

- Cost: \$10,340 for training modules and tests
- Time:
 - Paras not in classroom if training
 - Current staff organizing and providing ongoing onboarding and training



Review of 2023 Legislative Changes

Paid Family Medical Leave: Effective January 1, 2026, employees are eligible for up to 20 weeks of paid family medical leave (increase from 12 weeks). A .7% tax of the employee's wage will go to fund the PFMLA account. This will be adjusted moving forward with a maximum rate of 1.2%. The employer is responsible for a minimum of 50%.

Impact:

- Cost: Contribution to state FMLA tax beginning Jan. 2026
 - Estimate at .35% with current wages = \$367,159
 - Estimate at .6% with current wages = \$629,415
- Other impact:
 - More Substitutes and impact on student learning
 - Sub costs - Employees could take 12 weeks previously and now 20 weeks in MN



2024 Legislative Update



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Review of 2024 Legislative Changes

Read Act:

- Added additional flexibility for previous Literacy Incentive Aid to support implementation of Read Act
- Added one time funding for 24-25 FY to support implementation of Read Act. Required MOU with Chaska Education Association

Impact:

- New Revenue: Estimated \$327,172
- Cost:
 - Cohort 1 estimated \$364,135; Cohort 2 estimated \$77,378
 - Potential for Required Positions
- Time: Additional time for planning and training

