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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5476

1.1 A bill for an act

1.2 relating to education finance; establishing minimum compensation rates for teachers

1.3 and certain other school staff; establishing aid programs to support teacher base

1.4 compensation and unlicensed staff wage requirements; proposing coding for new

1.5 law in Minnesota Statutes, chapter 122A.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. [122A.418] COMPENSATION FOR TEACHERS AND OTHER

1.8 UNLICENSED SCHOOL STAFF.

1.9 Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this

1.10 subdivision have the meanings given, unless another meaning is clearly indicated.

1.11 (b) "Base teacher compensation" means annual base salary, exclusive of fringe benefits.

1.12 (c) "Covered unlicensed staff member" means an employee of a school district, charter

1.13 school, intermediate school district, cooperative unit under section 123A.24, subdivision

1.14 2, Perpich Center for Arts Education, or the Minnesota State Academies who: (1) works at

1.15 least 14 hours per week for at least 100 days in a school year in one position; (2) is not

1.16 required to hold a license issued by the Professional Educator Licensing and Standards

1.17 Board or the Board of School Administrators; and (3) regularly interacts with students as

1.18 part of their job duties.

1.19 (d) "Full-time equivalent teacher" means a licensed teacher who works for at least 182

1.20 days in a school year and is employed by a school district, charter school, intermediate

1.21 school district, cooperative unit under section 123A.24, subdivision 2, Perpich Center for

1.22 Arts Education, or the Minnesota State Academies.

2.1 (e) "Teacher compensation threshold" means, for the 2025-2026 school year: (1) \$80,000  
2.2 for a full-time equivalent teacher who holds a master's degree and has been employed as a  
2.3 licensed teacher in Minnesota for at least ten years; and (2) \$60,000 for a full-time equivalent  
2.4 teacher who does not meet the criteria under clause (1). For the 2026-2027 school year and  
2.5 later, the thresholds must be periodically adjusted as provided under subdivision 2.

2.6 (f) "Unlicensed staff wage threshold" means, for the 2025-2026 school year, \$25 per  
2.7 hour. For the 2026-2027 school year and later, the threshold must be periodically adjusted  
2.8 as provided under subdivision 2.

2.9 Subd. 2. **Inflationary adjustment to compensation and wage thresholds.** (a) The  
2.10 compensation and wage thresholds must be periodically adjusted for inflation as provided  
2.11 under this subdivision. The adjusted thresholds become effective on the July 1 following  
2.12 the commissioner's publication of each adjustment.

2.13 (b) On January 15, 2029, and every four years thereafter, the commissioner of education  
2.14 must calculate and publish adjusted compensation and wage thresholds. The thresholds  
2.15 must be increased by the greater of zero or the rate of change in inflation equal to the change  
2.16 in the Consumer Price Index for all urban consumers as published by the Bureau of Labor  
2.17 Statistics of the Department of Labor for the average of the fourth calendar quarter of fiscal  
2.18 year 2024 compared to the average of the fourth calendar quarter of the immediately prior  
2.19 fiscal year.

2.20 Subd. 3. **Base compensation.** Beginning on July 1, 2025, the base teacher compensation  
2.21 for a full-time equivalent teacher must not be less than the teacher compensation threshold  
2.22 applicable to the teacher for that school year.

2.23 Subd. 4. **Bargaining.** This section does not modify a district's obligation to bargain  
2.24 collectively with the exclusive representative for teachers and other educators.

2.25 Subd. 5. **Base teacher compensation aid.** (a) For fiscal year 2026 and later, a school  
2.26 district, charter school, intermediate school district, or cooperative unit under section  
2.27 123A.24, subdivision 2, is eligible for base teacher compensation aid.

2.28 (b) The aid for each district equals the sum of the amounts calculated under paragraph  
2.29 (c).

2.30 (c) For each teacher employed by the district on September 1, 2024, the commissioner  
2.31 must calculate the difference between: (1) the teacher compensation threshold applicable  
2.32 to the teacher for the 2025-2026 school year; and (2) the teacher's base compensation as of

3.1 September 1, 2024. The amount calculated for a teacher under this paragraph must not be  
3.2 less than zero.

3.3 (d) The commissioner must recalculate each district's base teacher compensation aid  
3.4 upon each inflationary adjustment of the compensation thresholds.

3.5 (e) Aid under this subdivision must be reserved to pay teacher compensation.

3.6 Subd. 6. **Unlicensed staff minimum wage.** Beginning on July 1, 2025, notwithstanding  
3.7 any law to the contrary, a school district or charter school must pay every covered unlicensed  
3.8 staff member wages at a rate at least equal to the unlicensed staff wage threshold for that  
3.9 school year.

3.10 Subd. 7. **Aid for unlicensed staff wages.** (a) For fiscal year 2026 and later, a school  
3.11 district, charter school, intermediate school district, or cooperative unit under section  
3.12 123A.24, subdivision 2, is eligible for aid for unlicensed staff wages.

3.13 (b) The aid for each district equals the sum of the amounts calculated under paragraph  
3.14 (c).

3.15 (c) For each covered unlicensed staff member employed by the district on September  
3.16 1, 2024, the commissioner must calculate the difference between: (1) the unlicensed staff  
3.17 wage threshold for the 2025-2026 school year; and (2) the covered staff member's hourly  
3.18 wage as of September 1, 2024. The amount calculated for a covered staff member under  
3.19 this paragraph must not be less than zero.

3.20 (d) The commissioner must recalculate each district's aid for unlicensed staff wages  
3.21 upon each inflationary adjustment of the wage threshold.

3.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.