

## Memo

**Date:** February 2, 2026

**To:** Agency Payroll and Human Resources Staff

**From:** Katie Karow, Director, Statewide Payroll Services

### **RE: Payroll-Related Changes for 2025-2027 SRSEA Agreement**

For agencies with employees in the State Residential Schools Education Association (SRSEA) this memo includes payroll changes in the 2025-2027 agreement. Agencies should take appropriate action to compensate employees accordingly. MMB will be implementing General Salary Adjustments during the weekend of February 27.

**PLEASE SHARE THIS INFORMATION WITH APPROPRIATE AGENCY STAFF**

#### **Updated Resources**

The [2025-2027 agreements and summaries](#) will be available on MMB's website.

#### **SRSEA**

The following payroll changes are effective **January 14, 2026**:

- All salary ranges and rates shall be increased by 1.5% effective July 1, 2025, and by 1.75% effective July 1, 2026.
- Progression increases now occur on an employee's anniversary date.
- Bilingual/Multilingual/Sign Language Differential Pilot has been established. At the Appointing Authority's discretion, the employee may be compensated on a recurring or specific basis.
  - Use earnings code **L10** to pay \$1.00 per hour. Employees will report all eligible hours with that earnings code (e.g., L10 2.00 to be paid for two hours).  
Use earnings code **L50** to pay \$50.00 per pay period. Employees will report the earnings code with the number one (1.00) to receive the fifty dollars for the pay period (e.g., L50 1.00).
- An Equity Adjustments Pilot has been established. Upon the request of the Appointing Authority, Minnesota Management & Budget may make equity adjustments and advance incumbents within a range, and/or provide a one-time lump sum up to \$2,500.
- A Student Loan Reimbursement Pilot has been established. Upon advance written notice to SRSEA and Minnesota Management & Budget (MMB), agencies may participate in the pilot. Under the pilot an employee may be reimbursed up to \$5,000 for payments the employee made on their student loan balances. The Student Loan Reimbursement is taxable income to the employee.
- The state-paid deferred compensation match has increased from to \$600 per teacher per fiscal year.
- All employees will accrue sick leave beginning at ¼ hour worked.

#### **Questions?**

Agency Payroll, HR or Accounting staff should contact Jody Dahl with Statewide Payroll Services at 651-201-8206 or by [email](#) if there are questions.