

Memorandum

Date: September 19, 2025
To: Professional Educator Licensing and Standards Board
From: Yelena Bailey, Executive Director
RE: Fiscal Year 2026 Budget - REPORT

AT A GLANCE

PELSB's operational work entails oversight of teacher licensure, renewals, preparation, and ethics for more than 105,000 licensed educators in the State, 72,000 of whom are actively teaching in Minnesota classrooms.

- Oversight and daily support for 38 teacher preparation program providers
- 6-10 reviews of Minnesota teacher preparation provider conducted annually
- Ongoing Program Review of nearly 630 licensure area programs
- Around 230 teacher conduct investigations reviewed annually
- Issuance and renewal of 43,000 educator licenses annually

Background:

PELSB receives an annual appropriation from the legislature each biennium. Working with the Department of Administration, PELSB's Executive Director sets the annual budget for the appropriated funds. The executive director presents this budget to the Board each fall.

The majority of the PELSB's operations funds are spent on the 27 staff members responsible for implementing the Board's work in teacher licensure and renewal, teacher preparation, alternative pathways, data and compliance, policy work, and teacher ethics. Additionally, operations funds are used to pay expert reviewers for program and portfolio. Other operating expenses include professional contractors, work-related travel expenses for board members and staff, and a monthly stipend for 13 Board members.

In addition to operations costs, PELSB receives funding for special programs, such as heritage language and alternative pathways. We also received one-time funding to finish the online licensing system, complete computer science rulemaking, and contribute to the Teachers of Color and American Indian Teachers Report.

Fiscal Year 2026 Considerations:

During the 2025 legislative session, PELSB sought funding to cover all operations costs but was appropriated less money than needed. This left PELSB with a projected shortfall of nearly \$500,000 for the 2026-2027 biennium. Fortunately, a new law was passed allowing agencies to carryover unspent funds. Because PELSB had several open staff positions over the previous biennium, we were able to carryover enough funds to cover the budget shortfall. While this helps PELSB in the short term, PELSB will still need a significant adjustment to the regular appropriation amount granted by the legislature.

Budget Spreadsheet:

This budget spreadsheet itemizes PELSB's operational and program costs. Carryover funds have been incorporated into the FY25 operational budget, but they are not listed in the program budgets (heritage language, alternative pathways). Those programs will use any carryover funds to sustain their work as neither was fully funded this biennium.

Options:

This is a report. No action is needed.