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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4004

03/03/2022 Authored by Xiong, T., The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; modifying the growth factor for adult basic education
1.3 aid; increasing the maximum contact hour rate; appropriating money; amending
1.4 Minnesota Statutes 2020, section 124D.531, subdivisions 1, 4.

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

1.6 Section 1. Minnesota Statutes 2020, section 124D.531, subdivision 1, is amended to read:

1.7 Subdivision 1. State total adult basic education aid. (a) The state total adult basic
1.8 education aid for fiscal year ~~2011~~ 2023 equals ~~\$44,419,000~~ \$51,781,000, plus any amount
1.9 that is not paid during the previous fiscal year as a result of adjustments under subdivision
1.10 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education
1.11 aid for later fiscal years equals:

1.12 (1) the state total adult basic education aid for the preceding fiscal year plus any amount
1.13 that is not paid for during the previous fiscal year, as a result of adjustments under subdivision
1.14 4, paragraph (a), or section 124D.52, subdivision 3; times

1.15 (2) the lesser of 1.03, or the greater of:

1.16 (i) ~~1.03~~ one plus the percent change in the formula allowance under section 126C.10,
1.17 subdivision 2, from the previous fiscal year to the current fiscal year; or

1.18 (ii) the average growth in state total contact hours over the prior ten program years.

1.19 Three percent of the state total adult basic education aid must be set aside for adult basic
1.20 education supplemental service grants under section 124D.522.

2.1 (b) The state total adult basic education aid, excluding basic population aid, equals the
 2.2 difference between the amount computed in paragraph (a), and the state total basic population
 2.3 aid under subdivision 2.

2.4 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2023 and later.

2.5 Sec. 2. Minnesota Statutes 2020, section 124D.531, subdivision 4, is amended to read:

2.6 Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding subdivisions
 2.7 2 and 3, the total adult basic education aid for a program per prior year contact hour must
 2.8 not exceed ~~\$22~~ \$28 per prior year contact hour computed under subdivision 3, clause (2).

2.9 (b) The aid for a program under subdivision 3, clause (2), adjusted for changes in program
 2.10 membership, must not exceed the aid for that program under subdivision 3, clause (2), for
 2.11 the first preceding fiscal year by more than the greater of 11 percent or \$10,000.

2.12 (c) Adult basic education aid is payable to a program for unreimbursed costs occurring
 2.13 in the program year as defined in section 124D.52, subdivision 3.

2.14 (d) Any adult basic education aid that is not paid to a program because of the program
 2.15 aid limitation under paragraph (a) must be added to the state total adult basic education aid
 2.16 for the next fiscal year under subdivision 1. Any adult basic education aid that is not paid
 2.17 to a program because of the program aid limitations under paragraph (b) must be reallocated
 2.18 among programs by adjusting the rate per contact hour under subdivision 3, clause (2).

2.19 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2023 and later.

2.20 Sec. 3. **APPROPRIATION; ADULT BASIC EDUCATION.**

2.21 \$..... in fiscal year 2023 is appropriated from the general fund to the Department of
 2.22 Education for the additional adult basic education aid required under sections 1 and 2. This
 2.23 appropriation is in addition to the appropriation under Laws 2021, First Special Session
 2.24 chapter 13, article 10, section 1, subdivision 8.