

State of Minnesota

H. F. No. 3295

1.1 A bill for an act

1.2 relating to education finance; providing for a more complete count of low-income

1.3 students; appropriating money; amending Minnesota Statutes 2020, section

1.4 126C.05, subdivision 16; Minnesota Statutes 2021 Supplement, section 126C.05,

1.5 subdivision 3.

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

1.7 Section 1. Minnesota Statutes 2021 Supplement, section 126C.05, subdivision 3, is amended

1.8 to read:

1.9 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units must

1.10 be computed according to this subdivision.

1.11 (a) The compensation revenue concentration percentage for each building in a district

1.12 equals the product of 100 times the ratio of:

1.13 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch

1.14 plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the

1.15 previous fiscal year; to

1.16 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal

1.17 year.

1.18 (b) For fiscal years 2023 and 2024, the compensation revenue concentration percentage

1.19 for each building in a district equals the greater of the percentage for the previous fiscal

1.20 year or the percentage for fiscal year 2020. For fiscal year 2025 and later, the compensation

1.21 revenue concentration percentage for each building in a district equals the greater of the

1.22 percentage for the previous fiscal year or the percentage for the first fiscal year after the

2.1 site is participating in, or has renewed its participation in, the community eligibility provision
2.2 meals program.

2.3 ~~(b)~~ (c) The compensation revenue pupil weighting factor for a building equals the lesser
2.4 of one or the quotient obtained by dividing the building's compensation revenue concentration
2.5 percentage by 80.0.

2.6 ~~(e)~~ (d) The compensation revenue pupil units for a building equals the product of:

2.7 (1) the sum of the number of pupils enrolled in the building eligible to receive free lunch
2.8 and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the
2.9 previous fiscal year; times

2.10 (2) the compensation revenue pupil weighting factor for the building; times

2.11 (3) .60.

2.12 ~~(d)~~ (e) Notwithstanding paragraphs (a) to ~~(e)~~ (d), for voluntary prekindergarten programs
2.13 under section 124D.151, charter schools, and contracted alternative programs in the first
2.14 year of operation, compensation revenue pupil units shall be computed using data for the
2.15 current fiscal year. If the voluntary prekindergarten program, charter school, or contracted
2.16 alternative program begins operation after October 1, compensatory revenue pupil units
2.17 shall be computed based on pupils enrolled on an alternate date determined by the
2.18 commissioner, and the compensation revenue pupil units shall be prorated based on the
2.19 ratio of the number of days of student instruction to 170 days.

2.20 ~~(e)~~ (f) Notwithstanding paragraphs (a) to ~~(e)~~ (d), for voluntary prekindergarten seats
2.21 discontinued in fiscal year 2024 due to the reduction in the participation limit under section
2.22 124D.151, subdivision 6, those discontinued seats must not be used to calculate compensation
2.23 revenue pupil units for fiscal year 2024.

2.24 ~~(f)~~ (g) The percentages in this subdivision must be based on the count of individual
2.25 pupils and not on a building average or minimum.

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

2.27 Sec. 2. Minnesota Statutes 2020, section 126C.05, subdivision 16, is amended to read:

2.28 Subd. 16. **Free and reduced-price lunches.** (a) The commissioner shall determine the
2.29 number of children eligible to receive either a free or reduced-price lunch on October 1
2.30 each year.

2.31 (b) Children enrolled in a building on October 1 and determined to be eligible to receive
2.32 free or reduced-price lunch by December 15 of that school year shall be counted as eligible

3.1 on October 1 for purposes of subdivision 3. The commissioner may use federal definitions
3.2 for these purposes and may adjust these definitions as appropriate. The commissioner may
3.3 adopt reporting guidelines to assure accuracy of data counts and eligibility. Districts shall
3.4 use any guidelines adopted by the commissioner.

3.5 (c) The commissioner must provide each school district the opportunity to adjust its
3.6 count of eligible students who were enrolled in a building on October 1 under this subdivision
3.7 by June 1 of that school year with any additional eligibility determined through shared data
3.8 authorized under section 124D.1115.

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

3.10 Sec. 3. **ADDITIONAL GENERAL EDUCATION AID: COMPENSATORY**
3.11 **REVENUE; APPROPRIATION.**

3.12 \$..... in fiscal year 2023 is appropriated from the general fund to the Department of
3.13 Education for additional general education compensatory aid.