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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2949

02/01/2022 Authored by Feist, Jordan, Davnie, Youakim, Frazier and others
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; linking the general education basic formula allowance
1.3 to the rate of inflation; linking extended time revenue and local optional revenue
1.4 to the general education basic formula allowance; appropriating money; amending
1.5 Minnesota Statutes 2020, section 126C.10, subdivision 2a; Minnesota Statutes
1.6 2021 Supplement, section 126C.10, subdivisions 2, 2e.

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

1.8 Section 1. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2, is amended
1.9 to read:

1.10 Subd. 2. Basic revenue. (a) The basic revenue for each district equals the formula
1.11 allowance times the adjusted pupil units for the school year.

1.12 The formula allowance for fiscal year 2021 is \$6,567. (b) The formula allowance for
1.13 fiscal year 2022 is \$6,728. The formula allowance for fiscal year 2023 and later is \$6,863.

1.14 (c) For fiscal year 2024 and later, the formula allowance equals the formula allowance
1.15 for fiscal year 2023 times the inflationary increase for that year.

1.16 (d) For purposes of this subdivision, "inflationary increase" means one plus the percentage
1.17 change in the Consumer Price Index for urban consumers, as prepared by the United States
1.18 Bureau of Labor Standards, from the current fiscal year to fiscal year 2023.

1.19 Sec. 2. Minnesota Statutes 2020, section 126C.10, subdivision 2a, is amended to read:

1.20 Subd. 2a. Extended time revenue. (a) A school district's extended time revenue is equal
1.21 to the product of \$5,117 the extended time allowance and the sum of the adjusted pupil

2.1 units of the district for each pupil in average daily membership in excess of 1.0 and less  
2.2 than 1.2 according to section 126C.05, subdivision 8.

2.3 (b) The extended time allowance equals \$5,117 for fiscal years 2022 and 2023. The  
2.4 extended time allowance for fiscal year 2024 and later equals \$5,117 times the ratio of the  
2.5 basic formula allowance for the current year to \$6,863.

2.6 (c) Extended time revenue for pupils placed in an on-site education program at the Prairie  
2.7 Lakes Education Center or the Lake Park School, located within the borders of Independent  
2.8 School District No. 347, Willmar, for instruction provided after the end of the preceding  
2.9 regular school year and before the beginning of the following regular school year equals  
2.10 membership hours divided by the minimum annual instructional hours in section 126C.05,  
2.11 subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05,  
2.12 subdivision 1, times \$5,117 the extended time allowance.

2.13 (e) (d) A school district's extended time revenue may be used for extended day programs,  
2.14 extended week programs, summer school, vacation break academies such as spring break  
2.15 academies and summer term academies, and other programming authorized under the  
2.16 learning year program.

2.17 Sec. 3. Minnesota Statutes 2021 Supplement, section 126C.10, subdivision 2e, is amended  
2.18 to read:

2.19 Subd. 2e. **Local optional revenue.** (a) A district's first tier local optional revenue  
2.20 allowance equals \$300 for fiscal years 2022 and 2023. The first tier local optional revenue  
2.21 allowance for fiscal year 2024 and later equals \$300 times the ratio of the basic formula  
2.22 allowance for the current year to \$6,863.

2.23 (b) A district's second tier local optional revenue allowance equals \$424 for fiscal years  
2.24 2022 and 2023. The second tier local optional revenue allowance for fiscal year 2024 and  
2.25 later equals \$424 times the ratio of the basic formula allowance for the current year to  
2.26 \$6,863.

2.27 (c) For fiscal year 2021 and later, local optional revenue for a school district equals the  
2.28 sum of the district's first tier local optional revenue and second tier local optional revenue.  
2.29 A district's first tier local optional revenue equals ~~\$300~~ the local optional revenue first tier  
2.30 allowance times the adjusted pupil units of the district for that school year. A district's  
2.31 second tier local optional revenue equals \$424 the local optional revenue second tier  
2.32 allowance times the adjusted pupil units of the district for that school year.

3.1 ~~(b)~~ ~~For fiscal year 2021 and later,~~ (d) A district's local optional levy equals the sum of  
 3.2 the first tier local optional levy and the second tier local optional levy.

3.3 ~~(e)~~ (e) A district's first tier local optional levy equals the district's first tier local optional  
 3.4 revenue times the lesser of one or the ratio of the district's referendum market value per  
 3.5 resident pupil unit to \$880,000.

3.6 ~~(d)~~ (f) For fiscal year 2022, a district's second tier local optional levy equals the district's  
 3.7 second tier local optional revenue times the lesser of one or the ratio of the district's  
 3.8 referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's  
 3.9 second tier local optional levy equals the district's second tier local optional revenue times  
 3.10 the lesser of one or the ratio of the district's referendum market value per resident pupil unit  
 3.11 to \$548,842. For fiscal year 2024 and later, a district's second tier local optional levy equals  
 3.12 the district's second tier local optional revenue times the lesser of one or the ratio of the  
 3.13 district's referendum market value per resident pupil unit to \$510,000.

3.14 ~~(e)~~ (g) The local optional levy must be spread on referendum market value. A district  
 3.15 may levy less than the permitted amount.

3.16 ~~(f)~~ (h) A district's local optional aid equals its local optional revenue minus its local  
 3.17 optional levy. If a district's actual levy for first or second tier local optional revenue is less  
 3.18 than its maximum levy limit for that tier, its aid must be proportionately reduced.

3.19 **Sec. 4. ADDITIONAL GENERAL EDUCATION AID; APPROPRIATION.**

3.20 \$..... in fiscal year 2023 is appropriated from the general fund to the Department of  
 3.21 Education for additional general education aid for the purposes of sections 1 to 3.