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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **2895**

03/27/2025

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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; creating an education empowerment account program;
- 1.3 requiring a report; appropriating money; proposing coding for new law in Minnesota
- 1.4 Statutes, chapter 124D.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. **[124D.0905] EDUCATION EMPOWERMENT ACCOUNTS FOR**
- 1.7 **STUDENTS.**
- 1.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 1.9 the meanings given.
- 1.10 (b) "Available federal funds" means federal elementary and secondary aid paid to the
- 1.11 state through a block grant or otherwise not required by federal law to be used for a specific
- 1.12 purpose.
- 1.13 (c) "Eligible education expenses" include:
- 1.14 (1) tuition and fees;
- 1.15 (2) textbooks, curricular materials, and other instructional materials and supplies;
- 1.16 (3) registration fees for nationally standardized achievement tests, advanced placement
- 1.17 and international baccalaureate tests, and any other examination related to postsecondary
- 1.18 admission;
- 1.19 (4) educational therapies, including individualized observation and instruction to students
- 1.20 who may be struggling in a specific academic subject area;

(5) pupil transportation services to and from school, unless transportation is provided under sections 123B.84 to 123B.87; and

(6) computer hardware, software, and connectivity devices and expenses necessary for a student to participate in an educational program.

(d) "Eligible student" means any student who resides in Minnesota and is eligible to enroll in a public school for prekindergarten through grade 12 programming.

(e) "Individual education empowerment account" means an education empowerment account established on behalf of an eligible student according to subdivision 4.

(f) "Participating student" means an eligible student who has enrolled in the education empowerment account program.

(g) "Postsecondary institution" means an eligible institution under section 124D.09, subdivision 3, paragraph (a).

(h) "Student education empowerment amount" means the statewide average general education revenue per pupil unit under section 126C.10.

Subd. 2. Education empowerment account program created. (a) An education empowerment account program is created.

(b) A student qualifies to participate in the program if the student is an eligible student under subdivision 1, paragraph (d).

(c) A parent must only use the money deposited in a participating student's education empowerment account for tuition and fees.

(d) Upon a participating student's graduation from high school, any money remaining in a participating student's individual education empowerment account may be applied to tuition and fees charged for courses taken from a postsecondary institution in the school year immediately following the year of graduation.

(e) If, at any time after the creation of a student's individual education empowerment account, the participating student re-enrolls in a Minnesota school district or charter school, the student's individual education empowerment account must be closed, and any remaining money in the student's individual education empowerment account must be returned to the state general fund.

Subd. 3. Individual education empowerment account funding. (a) The commissioner must create an individual education empowerment account for each participating student upon request of the student's parent.

3.1 (b) Each student's education empowerment amount equals the student education
3.2 empowerment amount for that school year times grade-level weighting under section 126C.05
3.3 for the eligible student's grade.

3.4 (c) On July 30 of each year, the amount determined under paragraph (b) is appropriated
3.5 from the general fund to the commissioner for placement into each participating student's
3.6 education empowerment account. The amount transferred to each account equals the product
3.7 of the pupil's grade-level weighting for that year and the basic formula allowance for that
3.8 year.

3.9 **Subd. 4. Application information.** (a) The commissioner must create an application
3.10 form, ensure that the application is readily available to interested students and families, and
3.11 post the form to the Department of Education's website. The commissioner must provide
3.12 information to participating students and families explaining (1) the obligation of the parent
3.13 to document the appropriate expenditure of account funds, and (2) the duties of the
3.14 commissioner to oversee the spending of the funds. The information must also be made
3.15 available on the department's website.

3.16 (b) By October 1 of each year, the commissioner shall annually notify all students who
3.17 are eligible to participate in the education empowerment account program of the existence
3.18 of the program.

3.19 **Subd. 5. Special revenue fund; education empowerment account.** (a) An account is
3.20 established in the special revenue fund known as the "education empowerment account."

3.21 (b) Available federal funds must be deposited into the education empowerment account.
3.22 If the commissioner estimates that the available federal funds are in excess of the amount
3.23 necessary to fund the educational empowerment accounts, the remaining available funds
3.24 may be used as otherwise provided by law.

3.25 (c) State funds appropriated for the education empowerment account must be transferred
3.26 to the education empowerment account in the special revenue fund.

3.27 (d) Money in the account is annually appropriated to the commissioner for transfer into
3.28 participating students' individual education empowerment accounts.

3.29 **Subd. 6. Effect on nonpublic schools.** Nothing in this section authorizes the Department
3.30 of Education or any school district in this state to exercise any additional control or
3.31 supervision, other than that set forth in this section, or to impose any additional requirements
3.32 or restrictions, other than those set forth in this section, over any nonpublic school, nonpublic
3.33 school student, or parent of any nonpublic school student.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to eligible students enrolling in an eligible school for the 2026-2027 school year and later.

Sec. 2. **APPROPRIATIONS; EDUCATION EMPOWERMENT ACCOUNTS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Development of education empowerment accounts.** For development of education empowerment accounts under Minnesota Statutes, section 124D.0905:

\$ **2026**

Subd. 3. **Education empowerment accounts.** (a) For transfer to the education empowerment account in the special revenue fund under Minnesota Statutes, section 124D.0905, subdivision 5:

\$ **2027**

(b) By March 15 of each year, the commissioner must annually estimate and report to the chairs and ranking minority members of the legislative committees with jurisdiction over education the state aid, when added to the available federal funds, necessary to fully fund the education empowerment account for the following school year.