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# State of Minnesota

## HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **515**

02/13/2025 Authored by Bakeberg, Myers, Nadeau, Witte, Anderson, P. E., 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; increasing the general education basic formula
- 1.3 allowance by an additional three percent per year; appropriating money; amending
- 1.4 Minnesota Statutes 2024, section 126C.10, subdivision 2.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2024, section 126C.10, subdivision 2, is amended to read:
- 1.7 Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula
- 1.8 allowance times the adjusted pupil units for the school year. ~~The formula allowance for~~
- 1.9 ~~fiscal year 2023 is \$6,863.~~ The formula allowance for fiscal year 2024 is \$7,138. The formula
- 1.10 allowance for fiscal year 2025 is \$7,281.
- 1.11 (b) The formula allowance for fiscal year 2026 and later must be rounded to the nearest
- 1.12 whole dollar and equals the formula allowance for the previous fiscal year times the greater
- 1.13 of:
- 1.14 (1) ~~1.02~~ 1.05; or
- 1.15 (2) one plus the rate of change in inflation calculated in paragraph (c) but not to exceed
- 1.16 ~~1.03~~ 1.06.
- 1.17 (c) In January of the calendar year in which the formula allowance begins, the
- 1.18 commissioner of education must calculate the rate of change in inflation equal to the change
- 1.19 in the Consumer Price Index for all urban consumers as published by the Bureau of Labor
- 1.20 Statistics of the Department of Labor for the average of the fourth calendar quarter of the
- 1.21 second prior fiscal year compared to the average of the fourth calendar quarter of the
- 1.22 immediately prior fiscal year.

(d) The commissioner must publish the formula allowance by the end of February of each year.

(e) It is the policy and purpose of the legislature to fund its public schools consistent with its constitutional obligations. To this purpose, the legislature may enact additional increases in the general education basic formula allowance.

**EFFECTIVE DATE.** This section is effective for fiscal year 2026 and later.

Sec. 2. **APPROPRIATION; GENERAL EDUCATION AID.**

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

**Subd. 2. General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	.....	.....	<u>2026</u>
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\$	.....	.....	<u>2027</u>
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