

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1426

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DATE	D-PG	OFFICIAL STATUS
02/17/2025	400	Introduction and first reading Referred to Education Finance See See First Special Session, HF5

1.1A bill for an act

1.2relating to education finance; increasing career and technical revenue for school

1.3districts; appropriating money; amending Minnesota Statutes 2024, section

1.4124D.4531, subdivisions 1, 1a, 1b, 3, 4; repealing Minnesota Statutes 2024, section

1.5124D.4531, subdivision 3a.

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

1.7Section 1. Minnesota Statutes 2024, section 124D.4531, subdivision 1, is amended to

1.8read:

1.9Subdivision 1. **Career and technical revenue.** (a) A district with a career and technical

1.10program approved under this section for the fiscal year in which the levy is certified is

1.11eligible for career and technical revenue equal to ~~35~~ 50 percent of approved expenditures

1.12in the fiscal year in which the levy is certified for the following:

1.13(1) salaries paid to essential, licensed personnel providing direct instructional services

1.14to students in that fiscal year, including extended contracts, for services rendered in the

1.15district's approved career and technical education programs, excluding salaries reimbursed

1.16by another school district under clause (2);

1.17(2) amounts paid to another Minnesota school district for salaries of essential, licensed

1.18personnel providing direct instructional services to students in that fiscal year for services

1.19rendered in the district's approved career and technical education programs;

1.20(3) contracted services provided by a public or private agency other than a Minnesota

1.21school district or cooperative center under chapter 123A or 136D;

1.22(4) necessary travel between instructional sites by licensed career and technical education

1.23personnel;

(5) necessary travel by licensed career and technical education personnel for vocational student organization activities held within the state for instructional purposes;

(6) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(7) necessary travel by licensed career and technical education personnel for noncollegiate credit-bearing professional development; and

(8) specialized vocational instructional supplies.

(b) The district must recognize the full amount of this levy as revenue for the fiscal year in which it is certified.

~~(c) The amount of the revenue calculated under this subdivision may not exceed \$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and \$20,657,000 for taxes payable in 2014.~~

~~(d) If the estimated revenue exceeds the amount in paragraph (c), the commissioner must reduce the percentage in paragraph (a) until the estimated revenue no longer exceeds the limit in paragraph (c).~~

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

Sec. 2. Minnesota Statutes 2024, section 124D.4531, subdivision 1a, is amended to read:

Subd. 1a. **Career and technical levy.** ~~(a) For fiscal year 2014 only, a district may levy an amount not more than the product of its career and technical revenue times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is certified to the career and technical revenue equalizing factor. The career and technical revenue equalizing factor for fiscal year 2014 equals \$7,612.~~

~~(b)~~ (a) For fiscal year ~~2015 and later~~ 2025, a district may levy an amount not more than the product of its career and technical revenue times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is certified to the career and technical revenue equalizing factor. The career and technical revenue equalizing factor for fiscal year ~~2015 and later~~ 2025 equals \$7,612.

(b) For fiscal year 2026 and later, the commissioner of education must establish a tax rate for career and technical program revenue that raises \$46,461,000 in each fiscal year. If the commissioner of education determines that the initial amount of a school district's career and technical program levy exceeds the district's career and technical program revenue,

then the district's career and technical program levy must be reduced to equal the career and technical program revenue.

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

Sec. 3. Minnesota Statutes 2024, section 124D.4531, subdivision 1b, is amended to read:

Subd. 1b. **Career and technical aid.** ~~For fiscal year 2014 and later,~~ A district's career and technical aid equals its career and technical revenue less its career and technical levy. If the district levy is less than the permitted levy, the district's career and technical aid shall be reduced proportionately.

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

Sec. 4. Minnesota Statutes 2024, section 124D.4531, subdivision 3, is amended to read:

Subd. 3. **Revenue guarantee.** (a) Notwithstanding subdivision 1, paragraph (a), the career and technical education revenue for a district is not less than the lesser of:

(1) the district's career and technical education revenue for the previous fiscal year; or

(2) 100 percent of the approved expenditures for career and technical programs included in subdivision 1, paragraph (a), for the fiscal year in which the levy is certified.

(b) A district subject to the revenue guarantee in paragraph (a) must place its career and technical revenue in an account reserved for career and technical programming.

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

Sec. 5. Minnesota Statutes 2024, section 124D.4531, subdivision 4, is amended to read:

Subd. 4. **District reports.** (a) Each district or cooperative center must report data to the department for all career and technical education programs as required by the department to implement the career and technical revenue formula.

(b) A district receiving career and technical revenue under the revenue guarantee in subdivision 3 must annually report its career and technical reserve account balance in total dollars, amount per pupil unit, and amount per student participating in career and technical programming for that year. A school district with a balance in its career and technical reserve account exceeding \$200 per pupil unit must hold a public discussion of its career and technical programming at a regularly scheduled school board meeting by March 15 of the following fiscal year.

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

4.1

Sec. 6. **APPROPRIATIONS; CAREER AND TECHNICAL PROGRAM AID.**

4.2

Subdivision 1. **Department of Education.** The sums indicated in this section are

4.3

appropriated from the general fund to the Department of Education in the fiscal years

4.4

designated.

4.5

Subd. 2. **Career and technical program aid.** For career and technical program aid

4.6

under Minnesota Statutes, section 124D.4531:

4.7

\$ 2026

4.8

\$ 2027

4.9

Sec. 7. **REPEALER.**

4.10

Minnesota Statutes 2024, section 124D.4531, subdivision 3a, is repealed.

124D.4531 CAREER AND TECHNICAL REVENUE.

Subd. 3a. **Revenue adjustments.** Notwithstanding subdivisions 1, 1a, and 3, for taxes payable in 2012 to 2014 only, the department must calculate the career and technical revenue for each district according to Minnesota Statutes 2010, section 124D.4531, and adjust the revenue for each district proportionately to meet the statewide revenue target under subdivision 1, paragraph (c). For purposes of calculating the revenue guarantee under subdivision 3, the career and technical education revenue for the previous fiscal year is the revenue according to Minnesota Statutes 2010, section 124D.4531, before adjustments to meet the statewide revenue target.