SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 880

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DATE	D-PG	OFFICIAL STATUS
02/03/2025	250	Introduction and first reading Referred to Education Finance

A bill for an act

relating to education finance; establishing the funding for success incentive aid program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

Section 1. **[124D.701] FUNDING FOR SUCCESS INCENTIVE AID PROGRAM.**

Subdivision 1. **Funding for success program establishment.** The funding for success program is established to provide outcome-based incentive aid to schools that demonstrate success through metrics on graduation rates and recent graduate enrollment success rates.

Subd. 2. **Metrics for success.** (a) "Graduation rate multiplier" is determined by the percentage above 90 percent of students at a school who meet graduation requirements under section 120B.02, subdivision 2. Graduation rate data must be measured for the two preceding academic years. Each percentage point above 90 percent is worth a 0.1 multiplier, with a 90 percent graduation rate being zero and 100 percent graduation rate being one.

(b) "Recent graduate enrollment success rate multiplier" is determined by the percentage of a school's recent graduates who are enrolled in a public college or university with in-state tuition status who are not taking any remedial academic courses. Recent graduates are students who graduated in the two preceding academic years. Recent graduate enrollment success data must be measured for the two preceding academic years. Each percentage point above 90 percent is worth a 0.1 multiplier, with a 90 percent recent graduate enrollment rate without any remedial academic courses being zero and 100 percent graduation rate being one.

Subd. 3. **Funding for success.** (a) A school's funding for success incentive aid for fiscal year 2026 and later equals the ratio of:

(1) the product of: (i) the sum of the graduation rate multiplier under subdivision 2, paragraph (a), plus the recent graduate enrollment success rate multiplier under subdivision 2, paragraph (b); times (ii) the total enrollment of the school; and

(2) the total amount of funding for success incentive aid available to all schools.

(b) A school that does not meet either metric in subdivision 2 for having a graduation rate multiplier or recent graduate enrollment success rate multiplier above zero may not receive any funding for success incentive aid.

Sec. 2. **APPROPRIATION.**

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. **Funding for success incentive aid.** (a) For funding for success incentive aid under Minnesota Statutes, section 124D.701:

$ 2026

$ 2027

(b) The base for fiscal year 2028 is $.....

EFFECTIVE DATE. This section is effective for the 2026-2027 school year and later.