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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1365

03/07/2013 Authored by Dorholt and Newton
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; requiring an adequacy study of Minnesota's school
1.3 finance system; appropriating money.

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

1.5 Section 1. MINNESOTA SCHOOL FINANCE SYSTEM STUDY.

1.6 Subdivision 1. Data acquisition. The Minnesota Department of Education
1.7 shall assemble cost data necessary for the legislature's consideration when meeting its
1.8 constitutional duties to secure a thorough and efficient system of public schools throughout
1.9 the state and to ensure that adequate funding is provided to local school districts to fulfill
1.10 their statutory responsibilities.

1.11 Subd. 2. Professional cost study analysis. Subject to the provisions of subdivision
1.12 3, the Department of Education shall conduct a professional cost study analysis to
1.13 determine the costs of delivering the kindergarten through grade 12 curriculum, related
1.14 services, and other programs mandated by state statute for public schools. The department
1.15 shall provide a preliminary report to the education committees of the legislature by
1.16 February 1, 2014, and deliver its final report by January 1, 2015. The department shall
1.17 consult with the leadership of the two caucuses in the house of representatives and senate
1.18 on the study design and provide regular reports to the leadership on its progress.

1.19 Subd. 3. Provisions in study. The study must include:

1.20 (1) a review of the services or programs required by state statute to be provided by
1.21 school districts including high school graduation requirements, admissions requirements
1.22 established by Minnesota State Colleges and Universities and the University of Minnesota,
1.23 and proficiency requirements established by law as well as courses of instruction at
1.24 various grade levels required pursuant to state statute;

2.1 (2) a study of the actual costs incurred in a sample of school districts to provide  
 2.2 reasonable estimates of the costs of providing services and programs required by state  
 2.3 statutes to be provided by school districts for regular elementary and secondary education,  
 2.4 including instruction, administration, support staff, supplies, equipment, and building costs;

2.5 (3) a study of the actual costs incurred in a sample of school districts to provide  
 2.6 reasonable estimates of the costs of providing services and programs required by state  
 2.7 statutes to be provided by school districts for specialized education services including,  
 2.8 but not limited to, special education and related services, bilingual education, and at-risk  
 2.9 programs;

2.10 (4) recommendations for efficiencies and reforms in the use of state revenues and for  
 2.11 legislation required to implement those efficiencies and reforms;

2.12 (5) identification of where existing funding is failing to meet educational objectives  
 2.13 established by state law, including Minnesota Statutes, section 120B.30, and estimates  
 2.14 of the additional funding and any reforms in delivery systems necessary to meet those  
 2.15 objectives;

2.16 (6) a study of the factors which may contribute to the variations in costs incurred by  
 2.17 school districts of various sizes and in various regions of the state when providing services  
 2.18 or programs required by state statutes to be provided by school districts, including the  
 2.19 administrative costs of providing such services and programs; and

2.20 (7) any additional reviews or analyses the department considers relevant to the  
 2.21 legislature's decisions regarding the cost of funding services or programs required by state  
 2.22 statutes to be provided by school districts.

2.23 Subd. 4. **Contracts authorized.** The Department of Education may enter into  
 2.24 contracts for consultants as the post auditor deems necessary with consultants, as needed.

2.25 Sec. 2. **APPROPRIATION.**

2.26 \$..... is appropriated in fiscal year 2014 from the general fund to the commissioner  
 2.27 of education for the costs associated with the study required in section 1.