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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3553

02/12/2024 Authored by Bakeberg, Myers, Nadeau, Witte, Altendorf 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 two percent for fiscal year 2025; appropriating money; amending
1.4 Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2; Laws 2023,
1.5 chapter 55, article 1, section 36, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 2, is amended
1.8 to read:

1.9 Subd. 2. Basic revenue. (a) The basic revenue for each district equals the formula
1.10 allowance times the adjusted pupil units for the school year. The formula allowance for
1.11 fiscal year 2023 is \$6,863. The formula allowance for fiscal year 2024 is \$7,138. The formula
1.12 allowance for fiscal year 2025 is \$7,281 \$7,427.

1.13 (b) The formula allowance for fiscal year 2026 and later must be rounded to the nearest
1.14 whole dollar and equals the formula allowance for the previous fiscal year times the greater
1.15 of:

1.16 (1) 1.02; or

1.17 (2) one plus the rate of change in inflation calculated in paragraph (c) but not to exceed
1.18 1.03.

1.19 (c) In January of the calendar year in which the formula allowance begins, the
1.20 commissioner of education must calculate the rate of change in inflation equal to the change
1.21 in the Consumer Price Index for all urban consumers as published by the Bureau of Labor
1.22 Statistics of the Department of Labor for the average of the fourth calendar quarter of the

2.1 second prior fiscal year compared to the average of the fourth calendar quarter of the
2.2 immediately prior fiscal year.

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

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

2.8 Sec. 2. Laws 2023, chapter 55, article 1, section 36, subdivision 2, is amended to read:

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

2.11	\$	8,093,493,000	2024
2.12		8,229,982,000		
2.13	\$	<u>.....</u>	2025

2.14 (b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,386,239,000 for
2.15 2024.

2.16 (c) The 2025 appropriation includes \$771,521,000 for 2024 and \$7,458,461,000 \$.....
2.17 for 2025.