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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4424

03/17/2022 Authored by Sandstede, Sundin, Ecklund, Marquart and Lislegard 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 consolidation transition aid for
1.3 consolidating school districts; appropriating money; amending Minnesota Statutes
1.4 2020, section 123A.485, subdivision 2; Laws 2021, First Special Session chapter
1.5 13, article 1, section 10, subdivision 5.

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

1.7 Section 1. Minnesota Statutes 2020, section 123A.485, subdivision 2, is amended to read:

1.8 Subd. 2. Aid. (a) For school districts consolidating after June 30, 2020, consolidation
1.9 transition aid is equal to \$200 \$400 times the number of resident pupil units in the newly
1.10 created district in the year of consolidation and \$100 \$300 times the number of resident
1.11 pupil units in the first year following the year of consolidation. The number of pupil units
1.12 used to calculate aid in either year shall not exceed 1,000 for districts consolidating July 1,
1.13 1994, and 1,500 for districts consolidating July 1, 1995, and thereafter.

1.14 (b) If the total appropriation for consolidation transition aid for any fiscal year, plus any
1.15 amount transferred under section 127A.41, subdivision 8, is insufficient to pay all districts
1.16 the full amount of aid earned, the department must first pay the districts in the first year
1.17 following the year of consolidation the full amount of aid earned and distribute any remaining
1.18 funds to the newly created districts in the first year of consolidation.

1.19 EFFECTIVE DATE. This section is effective for consolidations occurring after June
1.20 30, 2020.

2.1 Sec. 2. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 5,
2.2 is amended to read:

2.3 Subd. 5. **Consolidation transition aid.** (a) For districts consolidating under Minnesota
2.4 Statutes, section 123A.485:

2.5	\$	309,000	2022
2.6		373,000		
2.7	\$	<u>.....</u>	2023

2.8 (b) The 2022 appropriation includes \$30,000 for 2021 and \$279,000 for 2022.

2.9 (c) The 2023 appropriation includes \$31,000 for 2022 and ~~\$342,000~~ \$..... for 2023.

2.10 (d) The 2023 appropriation includes 100 percent of the amount necessary to make the
2.11 adjustment required under section 1.