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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3635

02/13/2024   Authored by Jordan and Howard
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 special education and English learner
1.3   cross subsidy aid by the increase in the Consumer Price Index; amending Minnesota
1.4   Statutes 2023 Supplement, sections 124D.65, subdivision 5; 125A.76, subdivision
1.5   2e.

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

1.7   Section 1. Minnesota Statutes 2023 Supplement, section 124D.65, subdivision 5, is

1.8   amended to read:

1.9   Subd. 5. **School district EL revenue.** (a) For fiscal year 2024 through fiscal year 2026,

1.10   a district's English learner programs revenue equals the sum of:

1.11   (1) the product of (i) $1,228, and (ii) the greater of 20 or the adjusted average daily

1.12   membership of eligible English learners enrolled in the district during the current fiscal

1.13   year; and

1.14   (2) $436 times the English learner pupil units under section 126C.05, subdivision 17.

1.15   (b) For fiscal year 2027 and later, a district's English learner programs revenue equals

1.16   the sum of:

1.17   (1) the product of (i) $1,775, and (ii) the greater of 20 or the adjusted average daily

1.18   membership of eligible English learners enrolled in the district during the current fiscal

1.19   year;

1.20   (2) $630 times the English learner pupil units under section 126C.05, subdivision 17;

1.21   and

Section 1.   1

2.1   (3) the district's English learner cross subsidy aid. A district's English learner cross

2.2   subsidy aid ~~under paragraph (c)~~ equals ~~25 percent of~~ the cross subsidy factor for that year

2.3   times the district's English learner cross subsidy for fiscal year 2027 and later.

2.4   (c) A district's English learner cross subsidy ~~aid~~ equals the greater of zero or the difference

2.5   between the district's expenditures for qualifying English learner services for the second

2.6   previous year and the district's English learner revenue for the second previous year.

2.7   (d) The English learner cross subsidy factor equals 25 percent for fiscal year 2027. For

2.8   fiscal year 2028 and later, the English learner cross subsidy factor equals the cross subsidy

2.9   factor for the previous fiscal year times one plus the rate of change in inflation calculated

2.10   under section 126C.10, subdivision 2, paragraph (c). The English learner cross subsidy

2.11   factor must not exceed 80 percent in any fiscal year.

2.12   (e) A pupil ceases to generate state English learner aid in the school year following the

2.13   school year in which the pupil attains the state cutoff score on a commissioner-provided

2.14   assessment that measures the pupil's emerging academic English.

2.15   **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2028 and later.

2.16   Sec. 2. Minnesota Statutes 2023 Supplement, section 125A.76, subdivision 2e, is amended

2.17   to read:

2.18   Subd. 2e. **Cross subsidy reduction aid.** (a) A school district's annual cross subsidy

2.19   reduction aid equals the school district's initial special education cross subsidy for the

2.20   previous fiscal year times the cross subsidy aid factor for that fiscal year.

2.21   (b) The cross subsidy aid factor equals ~~6.43 percent for fiscal year 2023;~~ 44 percent for

2.22   fiscal years 2024, 2025, and 2026; ~~and~~ 50 percent for fiscal year 2027; and the amount

2.23   specified in paragraph (c) for fiscal year 2028 and later.

2.24   (c) For fiscal year 2028 and later, the special education cross subsidy factor equals the

2.25   cross subsidy factor for the previous fiscal year times one plus the rate of change in inflation

2.26   calculated under section 126C.10, subdivision 2, paragraph (c). The special education cross

2.27   subsidy factor must not exceed 80 percent in any fiscal year.

2.28   **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2028 and later.