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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 456

- 01/17/2023 Authored by Pérez-Vega, Pinto, Hicks, Youakim, Clardy and others
- 01/23/2023 The bill was read for the first time and referred to the Committee on Children and Families Finance and Policy
- 01/23/2023 Adoption of Report: Re-referred to the Committee on Education Finance
- 02/06/2023 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act

1.2 relating to education finance; making permanent the expansion of the voluntary

1.3 prekindergarten and school readiness plus program; appropriating money; amending

1.4 Minnesota Statutes 2022, sections 124D.151, subdivision 6; 126C.05, subdivision

1.5 1; 126C.10, subdivision 2d.

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

1.7 Section 1. Minnesota Statutes 2022, section 124D.151, subdivision 6, is amended to read:

1.8 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,

1.9 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school

1.10 district or charter school must not exceed 60 percent of the kindergarten pupil units for that

1.11 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

1.12 (b) In reviewing applications under subdivision 5, the commissioner must limit the total

1.13 number of participants in the voluntary prekindergarten and school readiness plus programs

1.14 under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160

1.15 participants ~~for fiscal years 2019, 2020, 2021, 2022, and 2023, and 3,160 participants for~~

1.16 ~~fiscal years 2024 and later~~ per fiscal year.

1.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

1.18 Sec. 2. Minnesota Statutes 2022, section 126C.05, subdivision 1, is amended to read:

1.19 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age

1.20 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in

1.21 average daily membership enrolled in the district of residence, in another district under

1.22 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under

2.1 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,
2.2 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03
2.3 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

2.4 (a) A prekindergarten pupil with a disability who is enrolled in a program approved by
2.5 the commissioner and has an individualized education program is counted as the ratio of
2.6 the number of hours of assessment and education service to 825 times 1.0 with a minimum
2.7 average daily membership of 0.28, but not more than 1.0 pupil unit.

2.8 (b) A prekindergarten pupil who is assessed but determined not to be disabled is counted
2.9 as the ratio of the number of hours of assessment service to 825 times 1.0.

2.10 (c) A kindergarten pupil with a disability who is enrolled in a program approved by the
2.11 commissioner is counted as the ratio of the number of hours of assessment and education
2.12 services required in the fiscal year by the pupil's individualized education program to 875,
2.13 but not more than one.

2.14 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled
2.15 in an approved voluntary prekindergarten program under section 124D.151 is counted as
2.16 the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil
2.17 units.

2.18 (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil
2.19 unit if the pupil is enrolled in a free all-day, every day kindergarten program available to
2.20 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
2.21 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
2.22 every day kindergarten program available to all kindergarten pupils at the pupil's school.

2.23 (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

2.24 (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

2.25 (h) A pupil who is in the postsecondary enrollment options program is counted as 1.2
2.26 pupil units.

2.27 (i) ~~For fiscal years 2018 through 2023,~~ A prekindergarten pupil who:

2.28 (1) is not included in paragraph (a), (b), or (d);

2.29 (2) is enrolled in a school readiness plus program under Laws 2017, First Special Session
2.30 chapter 5, article 8, section 9; and

2.31 (3) has one or more of the risk factors specified by the eligibility requirements for a
2.32 school readiness plus program,

3.1 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
3.2 than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same
3.3 manner as a voluntary prekindergarten student for all general education and other school
3.4 funding formulas.

3.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

3.6 Sec. 3. Minnesota Statutes 2022, section 126C.10, subdivision 2d, is amended to read:

3.7 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment
3.8 revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance
3.9 for that year and (2) the difference between the adjusted pupil units for the preceding year
3.10 and the adjusted pupil units for the current year.

3.11 ~~(b) Notwithstanding paragraph (a), for fiscal year 2024 only, prekindergarten pupil units~~
3.12 ~~under section 126C.05, subdivision 1, paragraph (d), must be excluded from the calculation~~
3.13 ~~of declining enrollment revenue.~~

3.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

3.15 Sec. 4. **VOLUNTARY PREKINDERGARTEN AND SCHOOL READINESS PLUS**
3.16 **LEVY ADJUSTMENT.**

3.17 Subdivision 1. **Levy calculation adjustment.** Each year, the Department of Education
3.18 must calculate each school district's levy, with and without a school district's portion of the
3.19 4,000 voluntary prekindergarten and school readiness plus participants that are included in
3.20 the school district's levy calculations, and determine the difference for each school district.
3.21 The difference must be provided to each school district in state aid.

3.22 Subd. 2. **Levy certification.** Each year, the Department of Education must calculate
3.23 each school district's certified levies for the year, excluding 4,000 voluntary prekindergarten
3.24 and school readiness plus participants.

3.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

3.26 Sec. 5. **APPROPRIATIONS; VOLUNTARY PREKINDERGARTEN AND SCHOOL**
3.27 **READINESS PLUS.**

3.28 Subdivision 1. **Department of Education.** The sums indicated in this section are
3.29 appropriated from the general fund to the Department of Education in the fiscal years
3.30 designated.

4.1 Subd. 2. **Aid increases.** (a) For increases in general education aid, special education aid,
 4.2 achievement and integration aid, charter school lease aid, alternative compensation aid,
 4.3 long-term facilities maintenance aid, school breakfast aid, and school lunch aid to school
 4.4 districts and charter schools attributable to the additional voluntary prekindergarten and
 4.5 school readiness plus pupil units authorized in this act:

4.6 \$ 16,968,000 2024

4.7 \$ 19,069,000 2025

4.8 (b) The Department of Education must apportion the aid allocated in paragraph (a) to
 4.9 each district and charter school based on the additional pupil units authorized in this act.
 4.10 This aid is offset by any other amounts appropriated for the same purpose.

4.11 Subd. 3. **Levy reductions.** (a) For the levy reductions required in section 4 of this act:

4.12 \$ 2,467,000 2024

4.13 \$ 3,037,000 2025

4.14 (b) The commissioner must proportionately reduce each district's general education levy,
 4.15 achievement and integration levy, long-term facilities maintenance levy, alternative
 4.16 compensation levy, and safe schools levy.

4.17 Subd. 4. **Administrative and IT costs.** (a) For administrative and IT costs:

4.18 \$ 41,000 2024

4.19 \$ 8,000 2025

4.20 (b) The base for fiscal year 2026 is \$4,000 and the base for fiscal year 2027 is \$0.