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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **3485**

02/15/2022 Authored by Pryor and Kotyza-Witthuhn  
The bill was read for the first time and referred to the Committee on Education Policy  
02/17/2022 By motion, recalled and re-referred to the Committee on Early Childhood Finance and Policy  
03/14/2022 Adoption of Report: Amended and re-referred to the Committee on Education Finance

- 1.1 A bill for an act
- 1.2 relating to education finance; increasing the age range of children served by
- 1.3 school-age care programs; increasing funding for wrap-around care programs;
- 1.4 providing for wrap-around care revenue; appropriating money; amending Minnesota
- 1.5 Statutes 2020, sections 124D.19, subdivision 11, by adding a subdivision; 124D.20,
- 1.6 subdivision 8; 124D.22; 127A.49, subdivision 2; Minnesota Statutes 2021
- 1.7 Supplement, section 127A.49, subdivision 3; Laws 2021, First Special Session
- 1.8 chapter 13, article 10, section 1, subdivision 5.
- 1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.10 Section 1. Minnesota Statutes 2020, section 124D.19, subdivision 11, is amended to read:
- 1.11 Subd. 11. **School-age care programs.** (a) A school board may offer, as part of a
- 1.12 community education program, a school-age care program for children from kindergarten
- 1.13 through grade ~~6~~ 8 for the purpose of expanding students' learning opportunities. If the school
- 1.14 board chooses not to offer a school-age care program, it may allow an appropriate insured
- 1.15 community group, for profit entity or nonprofit organization to use available school facilities
- 1.16 for the purpose of offering a school-age care program.
- 1.17 (b) A school-age care program must include the following:
- 1.18 (1) adult supervised programs while school is not in session;
- 1.19 (2) parental involvement in program design and direction;
- 1.20 (3) partnerships with the kindergarten through grade 12 system, and other public, private,
- 1.21 or nonprofit entities;
- 1.22 (4) opportunities for trained secondary school pupils to work with younger children in
- 1.23 a supervised setting as part of a community service program; and

2.1 (5) access to available school facilities, including the gymnasium, sports equipment,  
2.2 computer labs, and media centers, when not otherwise in use as part of the operation of the  
2.3 school. The school district may establish reasonable rules relating to access to these facilities  
2.4 and may require that:

2.5 (i) the organization request access to the facilities and prepare and maintain a schedule  
2.6 of proposed use;

2.7 (ii) the organization provide evidence of adequate insurance to cover the activities to be  
2.8 conducted in the facilities; and

2.9 (iii) the organization prepare and maintain a plan demonstrating the adequacy and training  
2.10 of staff to supervise the use of the facilities.

2.11 (c) The district may charge a sliding fee based upon family income for school-age care  
2.12 programs. The district may receive money from other public or private sources for the  
2.13 school-age care program. The board of the district must develop standards for school-age  
2.14 child care programs. The commissioner of education may not adopt rules for school-age  
2.15 care programs.

2.16 (d) The district shall maintain a separate account within the community services fund  
2.17 for all funds related to the school-age care program.

2.18 (e) A district is encouraged to coordinate the school-age care program with its special  
2.19 education, vocational education, adult basic education, early childhood family education  
2.20 programs, kindergarten through grade 12 instruction and curriculum services, youth  
2.21 development and youth service agencies, and with related services provided by other  
2.22 governmental agencies and nonprofit agencies.

2.23 **EFFECTIVE DATE.** This section is effective July 1, 2022.

2.24 Sec. 2. Minnesota Statutes 2020, section 124D.19, is amended by adding a subdivision to  
2.25 read:

2.26 Subd. 11a. **Preschool care** In addition to other authority, a school district that offers a  
2.27 1.16 licensed child care program serving children age 33 months or older or a program  
2.28 exempt 1.17 from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5),  
2.29 may offer, 1.18 as part of a community education program, a preschool care program for  
2.30 the portion of the 1.19 day a child is not enrolled in early childhood special education,  
2.31 voluntary prekindergarten, 1.20 school readiness plus, or school readiness.

3.1 Sec. 3. Minnesota Statutes 2020, section 124D.20, subdivision 8, is amended to read:

3.2 Subd. 8. **Uses of general revenue.** (a) General community education revenue may be  
3.3 used for:

3.4 (1) nonvocational, recreational, and leisure time activities and programs;

3.5 (2) programs for adults with disabilities, if the programs and budgets are approved by  
3.6 the department;

3.7 (3) adult basic education programs, according to section 124D.52;

3.8 (4) summer programs for elementary and secondary pupils;

3.9 (5) implementation of a youth development plan;

3.10 (6) implementation of a youth service program;

3.11 (7) early childhood family education programs, according to section 124D.13;

3.12 (8) school readiness programs, according to section 124D.15; and

3.13 (9) school-age care programs, according to section 124D.19, subdivision 11; and  
3.14 preschool care programs, according to section 124D.19, subdivision 11a.

3.15 (b) In addition to money from other sources, a district may use up to ten percent of its  
3.16 community education revenue for equipment that is used exclusively in community education  
3.17 programs. This revenue may be used only for the following purposes:

3.18 (1) to purchase or lease computers and related materials;

3.19 (2) to purchase or lease equipment for instructional programs; and

3.20 (3) to purchase textbooks and library books.

3.21 (c) General community education revenue must not be used to subsidize the direct activity  
3.22 costs for adult enrichment programs. Direct activity costs include, but are not limited to,  
3.23 the cost of the activity leader or instructor, cost of materials, or transportation costs.

3.24 Sec. 4. Minnesota Statutes 2020, section 124D.22, is amended to read:

3.25 **124D.22 ~~SCHOOL-AGE~~ WRAP-AROUND CARE REVENUE.**

3.26 Subdivision 1. **Eligibility.** A district that offers a school-age care program according to  
3.27 section 124D.19, subdivision 11, or a preschool care program according to section 124D.19,  
3.28 subdivision 11a, is eligible for school-age wrap-around care revenue for the additional costs  
3.29 of providing services to children with disabilities or to children experiencing family or

4.1 related problems of a temporary nature who participate in the school-age care program or  
 4.2 the preschool care program.

4.3 Subd. 2. **School-age Wrap-around care revenue.** The ~~school-age~~ wrap-around care  
 4.4 revenue for an eligible district equals the approved additional cost of providing services to  
 4.5 children with disabilities or children experiencing family or related problems of a temporary  
 4.6 nature who participate in the school-age care program or the preschool care program.

4.7 Subd. 3. **School-age Wrap-around care levy.** For fiscal year 2023 and later, to obtain  
 4.8 ~~school-age~~ wrap-around care revenue, a school district may levy an amount equal to the  
 4.9 district's ~~school-age~~ wrap-around care revenue as defined in subdivision 2 multiplied by  
 4.10 the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity  
 4.11 of the district for the year before the year the levy is certified by the resident pupil units in  
 4.12 the district for the school year to which the levy is attributable, to ~~\$2,318~~ \$15,747.

4.13 Subd. 4. **School-age Wrap-around care aid.** A district's ~~school-age~~ wrap-around care  
 4.14 aid is the difference between its ~~school-age~~ wrap-around care revenue and its ~~school-age~~  
 4.15 wrap-around care levy. If a district does not levy the entire amount permitted, ~~school-age~~  
 4.16 wrap-around care aid must be reduced in proportion to the actual amount levied.

4.17 Sec. 5. Minnesota Statutes 2020, section 127A.49, subdivision 2, is amended to read:

4.18 Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192,  
 4.19 or otherwise, the net tax capacity or referendum market value of any district for any taxable  
 4.20 year is changed after the taxes for that year have been spread by the county auditor and the  
 4.21 local tax rate as determined by the county auditor based upon the original net tax capacity  
 4.22 is applied upon the changed net tax capacities, the county auditor must, prior to February  
 4.23 1 of each year, certify to the commissioner of education the amount of any resulting net  
 4.24 revenue loss that accrued to the district during the preceding year. Each year, the  
 4.25 commissioner must pay an abatement adjustment to the district in an amount calculated  
 4.26 according to the provisions of this subdivision. This amount must be deducted from the  
 4.27 amount of the levy authorized by section 126C.46. The amount of the abatement adjustment  
 4.28 must be the product of:

4.29 (1) the net revenue loss as certified by the county auditor, times

4.30 (2) the ratio of:

4.31 (i) the sum of the amounts of the district's certified levy in the third preceding year  
 4.32 according to the following:

- 5.1 (A) section 123B.595, if the district received long-term facilities maintenance aid  
5.2 according to that section for the second preceding year;
- 5.3 (B) section 124D.20, if the district received aid for community education programs  
5.4 according to that section for the second preceding year;
- 5.5 (C) section 124D.135, subdivision 3, if the district received early childhood family  
5.6 education aid according to section 124D.135 for the second preceding year;
- 5.7 (D) section 126C.17, subdivision 6, if the district received referendum equalization aid  
5.8 according to that section for the second preceding year;
- 5.9 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
5.10 according to section 126C.10, subdivision 13b, in the second preceding year;
- 5.11 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
5.12 section 126C.10, subdivision 30, in the second preceding year;
- 5.13 (G) section 126C.10, subdivision 32, if the district received transition aid according to  
5.14 section 126C.10, subdivision 33, in the second preceding year;
- 5.15 (H) section 123B.53, subdivision 5, if the district received debt service equalization aid  
5.16 according to section 123B.53, subdivision 6, in the second preceding year;
- 5.17 (I) section 123B.535, subdivision 4, if the district received natural disaster debt service  
5.18 equalization aid according to section 123B.535, subdivision 5, in the second preceding year;
- 5.19 (J) section 124D.22, subdivision 3, if the district received ~~school-age~~ wrap-around care  
5.20 aid according to section 124D.22, subdivision 4, in the second preceding year;
- 5.21 (K) section 126C.10, subdivision 2e, paragraph (b), if the district received local optional  
5.22 aid according to section 126C.10, subdivision 2e, paragraph (c), in the second preceding  
5.23 year; and
- 5.24 (L) section 122A.415, subdivision 5, if the district received alternative teacher  
5.25 compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a),  
5.26 in the second preceding year; to
- 5.27 (ii) the total amount of the district's certified levy in the third preceding December, plus  
5.28 or minus auditor's adjustments.

6.1 Sec. 6. Minnesota Statutes 2021 Supplement, section 127A.49, subdivision 3, is amended  
6.2 to read:

6.3 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a  
6.4 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon  
6.5 decertification of a tax increment district, the school district's aid and levy limitations must  
6.6 be adjusted for the fiscal year in which the excess tax increment is paid under the provisions  
6.7 of this subdivision.

6.8 (b) An amount must be subtracted from the district's aid for the current fiscal year equal  
6.9 to the product of:

6.10 (1) the amount of the payment of excess tax increment to the district in the preceding  
6.11 year, times

6.12 (2) the ratio of:

6.13 (i) the sum of the amounts of the district's certified levy in the third preceding year  
6.14 according to the following:

6.15 (A) section 123B.57, if the district received health and safety aid according to that section  
6.16 for the second preceding year;

6.17 (B) section 124D.20, if the district received aid for community education programs  
6.18 according to that section for the second preceding year;

6.19 (C) section 124D.135, subdivision 3, if the district received early childhood family  
6.20 education aid according to section 124D.135 for the second preceding year;

6.21 (D) section 126C.17, subdivision 6, if the district received referendum equalization aid  
6.22 according to that section for the second preceding year;

6.23 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
6.24 according to section 126C.10, subdivision 13b, in the second preceding year;

6.25 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
6.26 section 126C.10, subdivision 30, in the second preceding year;

6.27 (G) section 126C.10, subdivision 32, if the district received transition aid according to  
6.28 section 126C.10, subdivision 33, in the second preceding year;

6.29 (H) section 123B.53, subdivision 5, if the district received debt service equalization aid  
6.30 according to section 123B.53, subdivision 6, in the second preceding year;

7.1 (I) section 123B.535, subdivision 4, if the district received natural disaster debt service  
7.2 equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

7.3 (J) section 124D.22, subdivision 3, if the district received ~~school-age~~ wrap-around care  
7.4 aid according to section 124D.22, subdivision 4, in the second preceding year; and

7.5 (K) section 122A.415, subdivision 5, if the district received alternative teacher  
7.6 compensation equalization aid according to section 122A.415, subdivision 6, paragraph (a),  
7.7 in the second preceding year; to

7.8 (ii) the total amount of the district's certified levy in the third preceding year, plus or  
7.9 minus auditor's adjustments.

7.10 (c) An amount must be subtracted from the school district's levy limitation for the next  
7.11 levy certified equal to the difference between:

7.12 (1) the amount of the distribution of excess increment; and

7.13 (2) the amount subtracted from aid pursuant to clause (a).

7.14 If the aid and levy reductions required by this subdivision cannot be made to the aid for  
7.15 the fiscal year specified or to the levy specified, the reductions must be made from aid for  
7.16 subsequent fiscal years, and from subsequent levies. The school district must use the payment  
7.17 of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

7.18 (d) This subdivision applies only to the total amount of excess increments received by  
7.19 a district for a calendar year that exceeds \$25,000.

7.20 Sec. 7. Laws 2021, First Special Session chapter 13, article 10, section 1, subdivision 5,  
7.21 is amended to read:

7.22 Subd. 5. ~~School-age~~ **Wrap-around care aid.** For ~~school-age~~ wrap-around care aid under  
7.23 Minnesota Statutes, section 124D.22:

7.24 \$ 1,000 ..... 2022

7.25 ~~1,000~~

7.26 \$ 8,439,000 ..... 2023

7.27 The 2022 appropriation includes \$0 for 2021 and \$1,000 for 2022.

7.28 The 2023 appropriation includes \$0 for 2022 and ~~\$1,000~~ \$8,439,000 for 2023.