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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 274

01/23/2025

Authored by Quam
The bill was read for the first time and referred to the Committee on Education Finance

- 1.1A bill for an act
- 1.2relating to education finance; establishing the funding for success incentive aid
- 1.3program; appropriating money; proposing coding for new law in Minnesota
- 1.4Statutes, chapter 124D.
- 1.5BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6Section 1. [124D.701] FUNDING FOR SUCCESS INCENTIVE AID PROGRAM.
- 1.7Subdivision 1. Funding for success program establishment. The funding for success
- 1.8program is established to provide outcome-based incentive aid to schools that demonstrate
- 1.9success through metrics on graduation rates and recent graduate enrollment success rates.
- 1.10Subd. 2. Metrics for success. (a) "Graduation rate multiplier" is determined by the
- 1.11percentage above 90 percent of students at a school who meet graduation requirements
- 1.12under section 120B.02, subdivision 2. Graduation rate data must be measured for the two
- 1.13preceding academic years. Each percentage point above 90 percent is worth a 0.1 multiplier,
- 1.14with a 90 percent graduation rate being zero and 100 percent graduation rate being one.
- 1.15(b) "Recent graduate enrollment success rate multiplier" is determined by the percentage
- 1.16of a school's recent graduates who are enrolled in a public college or university with in-state
- 1.17tuition status who are not taking any remedial academic courses. Recent graduates are
- 1.18students who graduated in the two preceding academic years. Recent graduate enrollment
- 1.19success data must be measured for the two preceding academic years. Each percentage point
- 1.20above 90 percent is worth a 0.1 multiplier, with a 90 percent recent graduate enrollment
- 1.21rate without any remedial academic courses being zero and 100 percent graduation rate
- 1.22being one.

2.1 Subd. 3. **Funding for success.** (a) A school's funding for success incentive aid for fiscal
2.2 year 2026 and later equals the ratio of:

2.3 (1) the product of: (i) the sum of the graduation rate multiplier under subdivision 2,
2.4 paragraph (a), plus the recent graduate enrollment success rate multiplier under subdivision
2.5 2, paragraph (b); times (ii) the total enrollment of the school; and

2.6 (2) the total amount of funding for success incentive aid available to all schools.

2.7 (b) A school that does not meet either metric in subdivision 2 for having a graduation
2.8 rate multiplier or recent graduate enrollment success rate multiplier above zero may not
2.9 receive any funding for success incentive aid.

2.10 Sec. 2. **APPROPRIATION.**

2.11 Subdivision 1. **Department of Education.** The sums indicated in this section are
2.12 appropriated from the general fund to the Department of Education for the fiscal years
2.13 designated.

2.14 Subd. 2. **Funding for success incentive aid.** (a) For funding for success incentive aid
2.15 under Minnesota Statutes, section 124D.701:

2.16 \$ 2026

2.17 \$ 2027

2.18 (b) The base for fiscal year 2028 is \$.....

2.19 **EFFECTIVE DATE.** This section is effective for the 2026-2027 school year and later.