On January 24, 2025, the Minnesota Supreme Court held that 68 members are necessary to constitute a quorum of the House. 12/20/24 This document reflects proceedings that occurre the foresting decision was issued and are no longer active. 25-01588 See Simon v. Demuth, No. A25-0066 (Minn. Jan. 24, 2025) (consolidated with Hortman et al. v. Demuth et al., No. A25-0068).

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## State of Minnesota HOUSE OF REPRESENTATIVES H. F. No. 301

## NINETY-FOURTH SESSION

Authored by Bakeberg; Nadeau; Myers; Johnson, W.; Witte and others The bill was read for the first time and referred to the Committee on Education Finance 01/23/2025

| 1.1               | A bill for an act   |
|-------------------|---|
| 1.2<br>1.3<br>1.4 | relating to education finance; increasing the general education basic formula allowance by an additional three percent per year; appropriating money; amending Minnesota Statutes 2024, section 126C.10, subdivision 2. |
| 1.5               | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:   |
| 1.6               | Section 1. Minnesota Statutes 2024, section 126C.10, subdivision 2, is amended to read:   |
| 1.7               | Subd. 2. Basic revenue. (a) The basic revenue for each district equals the formula  |
| 1.8               | allowance times the adjusted pupil units for the school year. The formula allowance for   |
| 1.9               | fiscal year 2023 is \$6,863. The formula allowance for fiscal year 2024 is \$7,138. The formula   |
| 1.10              | allowance for fiscal year 2025 is \$7,281.  |
| 1.11              | (b) The formula allowance for fiscal year 2026 and later must be rounded to the nearest   |
| 1.12              | whole dollar and equals the formula allowance for the previous fiscal year times the greater  |
| 1.13              | of:   |
| 1.14              | (1) <del>1.02</del> <u>1.05</u> ; or  |
| 1.15              | (2) one plus the rate of change in inflation calculated in paragraph (c) but not to exceed  |
| 1.16              | <u>1.03_1.06</u> .  |
| 1.17              | (c) In January of the calendar year in which the formula allowance begins, the  |
| 1.18              | commissioner of education must calculate the rate of change in inflation equal to the change  |
| 1.19              | in the Consumer Price Index for all urban consumers as published by the Bureau of Labor   |
| 1.20              | Statistics of the Department of Labor for the average of the fourth calendar quarter of the   |
| 1.21              | second prior fiscal year compared to the average of the fourth calendar quarter of the  |
| 1.22              | immediately prior fiscal year.  |

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- 2.1 (d) The commissioner must publish the formula allowance by the end of February of
- 2.2 each year.
- 2.3 (e) It is the policy and purpose of the legislature to fund its public schools consistent
- 2.4 with its constitutional obligations. To this purpose, the legislature may enact additional
- 2.5 increases in the general education basic formula allowance.
- 2.6 **EFFECTIVE DATE.** This section is effective for fiscal year 2026 and later.

## 2.7 Sec. 2. APPROPRIATION; GENERAL EDUCATION AID.

- 2.8 <u>Subdivision 1.</u> Department of Education. The sums indicated in this section are
- 2.9 appropriated from the general fund to the Department of Education in the fiscal years
- 2.10 <u>designated.</u>

## 2.11 Subd. 2. General education aid. For general education aid under Minnesota Statutes,

- 2.12 section 126C.13, subdivision 4:
- 2.13 <u>\$</u> <u>.....</u> <u>2026</u>
- 2.14 <u>\$</u> <u>.....</u> <u>2027</u>