

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1855

(SENATE AUTHORS: XIONG)

DATE
02/20/2023

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904

Introduction and first reading
 Referred to Education Finance
 See HF2497

OFFICIAL STATUS

1.1 A bill for an act
 1.2 relating to education finance; modifying the growth factor for adult basic education
 1.3 aid; increasing the maximum contact hour rate; appropriating money; amending
 1.4 Minnesota Statutes 2022, section 124D.531, subdivisions 1, 4.

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

1.6 Section 1. Minnesota Statutes 2022, section 124D.531, subdivision 1, is amended to read:

1.7 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic
 1.8 education aid for fiscal year ~~2011~~ 2024 equals ~~\$44,419,000~~ \$52,781,000, plus any amount
 1.9 that is not paid during the previous fiscal year as a result of adjustments under subdivision
 1.10 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education
 1.11 aid for later fiscal years equals:

1.12 (1) the state total adult basic education aid for the preceding fiscal year plus any amount
 1.13 that is not paid for during the previous fiscal year, as a result of adjustments under subdivision
 1.14 4, paragraph (a), or section 124D.52, subdivision 3; times

1.15 (2) the lesser of 1.03, or the greater of:

1.16 (i) ~~1.03~~ one plus the percent change in the formula allowance under section 126C.10,
 1.17 subdivision 2, from the previous fiscal year to the current fiscal year; or

1.18 (ii) the average growth in state total contact hours over the prior ten program years.

1.19 Three percent of the state total adult basic education aid must be set aside for adult basic
 1.20 education supplemental service grants under section 124D.522.

2.1 (b) The state total adult basic education aid, excluding basic population aid, equals the
2.2 difference between the amount computed in paragraph (a), and the state total basic population
2.3 aid under subdivision 2.

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

2.5 Sec. 2. Minnesota Statutes 2022, section 124D.531, subdivision 4, is amended to read:

2.6 Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding subdivisions
2.7 2 and 3, the total adult basic education aid for a program per prior year contact hour must
2.8 not exceed ~~\$22~~ \$30 per prior year contact hour computed under subdivision 3, clause (2).

2.9 (b) The aid for a program under subdivision 3, clause (2), adjusted for changes in program
2.10 membership, must not exceed the aid for that program under subdivision 3, clause (2), for
2.11 the first preceding fiscal year by more than the greater of 11 percent or \$10,000.

2.12 (c) Adult basic education aid is payable to a program for unreimbursed costs occurring
2.13 in the program year as defined in section 124D.52, subdivision 3.

2.14 (d) Any adult basic education aid that is not paid to a program because of the program
2.15 aid limitation under paragraph (a) must be added to the state total adult basic education aid
2.16 for the next fiscal year under subdivision 1. Any adult basic education aid that is not paid
2.17 to a program because of the program aid limitations under paragraph (b) must be reallocated
2.18 among programs by adjusting the rate per contact hour under subdivision 3, clause (2).

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

2.20 Sec. 3. **APPROPRIATION; ADULT BASIC EDUCATION.**

2.21 \$..... in fiscal year 2024 and \$..... in fiscal year 2025 are appropriated from the general
2.22 fund to the Department of Education for the additional adult basic education aid required
2.23 under sections 1 and 2.