

1.1 **Senator Marty from the Committee on Finance, to which was re-referred**

1.2 **S.F. No. 2255:** A bill for an act relating to education finance; modifying provisions for
 1.3 prekindergarten through grade 12 education; providing funding for general education,
 1.4 education excellence, teachers, American Indian education, special education, facilities,
 1.5 health, safety, school nutrition, libraries, early childhood education, community education,
 1.6 and state agencies; making forecast adjustments; requiring reports; transferring money;
 1.7 appropriating money; amending Minnesota Statutes 2024, sections 120B.117, subdivision
 1.8 4; 120B.124, subdivision 4; 120B.241, subdivision 3; 121A.642, by adding a subdivision;
 1.9 122A.59, by adding a subdivision; 122A.63, subdivision 9; 122A.635; 122A.70, subdivisions
 1.10 2, 3, 5, 5a, 6, by adding a subdivision; 123A.485, subdivision 2; 123A.73, subdivisions 4,
 1.11 5; 123B.595, subdivisions 1, 4, 8, 10; 123B.63, subdivision 3; 123B.71, subdivision 8;
 1.12 123B.84; 123B.86, subdivisions 1, 3; 123B.87; 123B.92, subdivision 1; 124D.111,
 1.13 subdivisions 2a, 3; 124D.119, subdivision 1; 124D.231; 124D.42, subdivision 9; 124D.65,
 1.14 subdivision 5a; 124D.81, subdivision 2b; 124D.83, subdivision 2; 124D.861, subdivisions
 1.15 3, 4; 124D.862, subdivisions 1, 8; 124D.901, subdivisions 1, 2, 3, 4, by adding subdivisions;
 1.16 124D.98; 124D.992, subdivisions 1, 2; 124D.995, subdivision 6; 124E.20, by adding a
 1.17 subdivision; 125A.76, subdivision 2e; 126C.05, subdivision 3; 126C.10, subdivisions 2, 3,
 1.18 3c; 126C.17, subdivision 9b; 126C.40, subdivision 1, by adding a subdivision; 126C.45;
 1.19 127A.41, subdivisions 8, 9; 127A.45, subdivision 13; 127A.47, subdivision 7; 127A.49,
 1.20 subdivision 3; 136A.1276, subdivision 4; 142D.06, subdivision 4; 142D.08, subdivision 8;
 1.21 142D.093; 142D.11, subdivisions 1, 2, 10; Laws 2023, chapter 18, section 4, subdivisions
 1.22 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 7, as amended,
 1.23 9, as amended, 17, as amended; Laws 2023, chapter 55, article 1, sections 33; 36, subdivisions
 1.24 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended,
 1.25 9, as amended, 12; 37; article 2, section 64, subdivisions 2, as amended, 6, as amended, 16,
 1.26 as amended, 20, 21, as amended, 23, as amended, 34; article 3, section 11, subdivision 3,
 1.27 as amended; article 4, section 21, subdivisions 2, as amended, 5, as amended; article 5,
 1.28 section 64, subdivisions 3, as amended, 14, as amended; article 7, section 18, subdivisions
 1.29 2, as amended, 3, as amended, 4, as amended, 6, as amended, 7, as amended; article 8,
 1.30 section 19, subdivision 6, as amended; article 9, section 18, subdivisions 4, as amended, 8,
 1.31 as amended; article 11, section 11, subdivisions 2, as amended, 3, as amended, 10, as
 1.32 amended; article 12, sections 17, subdivision 2, as amended; 19; Laws 2024, chapter 115,
 1.33 article 3, sections 7, subdivision 4; 8, subdivision 4; proposing coding for new law in
 1.34 Minnesota Statutes, chapter 121A; repealing Minnesota Statutes 2024, sections 120B.241,
 1.35 subdivisions 2, 4, 6; 123B.40; 123B.41, subdivisions 2, 3, 4, 5, 5a, 6, 7, 8, 12, 14, 15;
 1.36 123B.42; 123B.43; 123B.44; 123B.45; 123B.46; 123B.47; 123B.48; 123B.595, subdivision
 1.37 2; 123B.86, subdivision 2; 123B.92, subdivision 9; 124D.992, subdivision 1a.

1.38 Reports the same back with the recommendation that the bill be amended as follows:

1.39 Page 2, after line 18, insert:

1.40 "Sec. 2. Minnesota Statutes 2024, section 123A.73, subdivision 2, is amended to read:

1.41 Subd. 2. **Dissolution; referendum revenue.** As of the effective date of the voluntary
 1.42 or involuntary dissolution of a district and its attachment to one or more existing districts
 1.43 pursuant to sections 123A.60 or 123A.64 to 123A.72, the authorization for any referendum
 1.44 revenue previously ~~approved by the voters of~~ authorized for the dissolved district in that
 1.45 district pursuant to section 126C.17, ~~subdivision 9,~~ or its predecessor or successor provision,
 1.46 is canceled. The authorization for any referendum revenue previously ~~approved by the voters~~
 1.47 ~~of~~ authorized for a district to which all or part of the dissolved district is attached shall not

2.1 be affected by the attachment and shall apply to the entire area of the district as enlarged
2.2 by the attachment."

2.3 Page 2, line 23, strike "approved by the voters"

2.4 Page 2, line 24, strike "of" and insert "authorized for" and strike "subdivision 9,"

2.5 Page 3, line 15, strike "approved by the voters of" and insert "authorized for"

2.6 Page 3, line 16, strike "subdivision 9,"

2.7 Page 4, after line 4, insert:

2.8 "Sec. 5. Minnesota Statutes 2024, section 123A.73, subdivision 6, is amended to read:

2.9 Subd. 6. **Discontinued referendum revenue.** If the plan for consolidation provides for
2.10 discontinuance of referendum revenue previously ~~approved by voters of~~ authorized for the
2.11 component districts pursuant to section 126C.17, ~~subdivision 9,~~ or its predecessor provision,
2.12 the newly created district must not receive referendum revenue unless the voters of the
2.13 newly created district authorize referendum revenue pursuant to section 126C.17, subdivision
2.14 9.

2.15 Sec. 6. Minnesota Statutes 2024, section 123B.445, is amended to read:

2.16 **123B.445 NONPUBLIC EDUCATION COUNCIL.**

2.17 ~~(a)~~ The commissioner shall appoint a 15-member Council on Nonpublic Education. The
2.18 15 members shall represent various areas of the state, represent various methods of providing
2.19 nonpublic education, and shall be knowledgeable about nonpublic education. The
2.20 compensation, removal of members, filling of vacancies, and terms are governed by section
2.21 15.0575. The council shall not expire. The council shall advise the commissioner on issues
2.22 affecting nonpublic education and nonpublic schools. The council may recognize educational
2.23 accrediting agencies, for the sole purpose of sections 120A.22, 120A.24, and 120A.26.

2.24 ~~(b) A parent or guardian of a nonpublic school pupil or a nonpublic school may file a~~
2.25 ~~complaint about services provided under sections 123B.40 to 123B.42, and 123B.44 to~~
2.26 ~~123B.48 with the Nonpublic Education Council. The council may review the complaint and~~
2.27 ~~make a recommendation for resolution to the commissioner."~~

2.28 Page 9, line 17, delete "32.7323" and insert "31.367"

2.29 Page 11, delete section 13 and insert:

3.1 "Sec. 16. Minnesota Statutes 2024, section 126C.10, subdivision 2, is amended to read:

3.2 Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula
3.3 allowance times the adjusted pupil units for the school year. ~~The formula allowance for~~
3.4 ~~fiscal year 2023 is \$6,863. The formula allowance for fiscal year 2024 is \$7,138. The formula~~
3.5 ~~allowance for fiscal year 2025 is \$7,281. The formula allowance for fiscal year 2026 is~~
3.6 ~~\$7,481. The formula allowance for fiscal years 2027, 2028, and 2029 is \$7,705.~~

3.7 (b) The formula allowance for fiscal year ~~2026~~ 2030 and later must be rounded to the
3.8 nearest whole dollar and equals the formula allowance for the previous fiscal year times
3.9 the greater of:

3.10 (1) 1.02; or

3.11 (2) one plus the rate of change in inflation calculated in paragraph (c) but not to exceed
3.12 1.03.

3.13 (c) In January of the calendar year in which the formula allowance begins, the
3.14 commissioner of education must calculate the rate of change in inflation equal to the change
3.15 in the Consumer Price Index for all urban consumers as published by the Bureau of Labor
3.16 Statistics of the Department of Labor for the average of the fourth calendar quarter of the
3.17 second prior fiscal year compared to the average of the fourth calendar quarter of the
3.18 immediately prior fiscal year.

3.19 (d) The commissioner must publish the formula allowance by the end of February of
3.20 each year.

3.21 (e) It is the policy and purpose of the legislature to fund its public schools consistent
3.22 with its constitutional obligations. To this purpose, the legislature may enact additional
3.23 increases in the general education basic formula allowance."

3.24 Page 42, line 5, delete "\$187.75" and insert "\$195.50"

3.25 Page 50, line 22, delete "2,000,000" and insert "1,470,000"

3.26 Page 65, delete section 14 and insert:

3.27 "Sec. 14. Minnesota Statutes 2024, section 124D.901, subdivision 4, is amended to read:

3.28 Subd. 4. **Allowed uses.** (a) Except as provided in paragraph (d) or subdivision 4a, aid
3.29 under this section must be used to:

3.30 (1) hire new positions for student support services personnel or;

(2) increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or;

(3) make permanent a position hired using onetime resources awarded through the federal Coronavirus Aid Relief and Economic Security Act, the federal Consolidated Appropriations Act, the federal Division M-Coronavirus Response and Relief Supplemental Appropriations Act, or the federal American Rescue Plan Act, or to maintain a position that would otherwise be eliminated; or

(4) maintain a current student support services personnel position, including a position established prior to the 2023-2024 school year, if that position provided pupil support services to nonpublic pupils and was funded in whole or in part with state aid allotted to the school district or intermediary service area to provide such services under section 123B.44 in fiscal year 2025 or earlier.

(b) For fiscal year 2025, except as provided in paragraph (d) or subdivision 4a, cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the American Rescue Plan Act at the intermediate district or cooperative unit.

(c) If a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid or use the aid as otherwise provided under paragraph (d) or subdivision 4a, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

(d) Aid under this section may also be used to pay the costs of:

(1) necessary transportation among school sites for student support services personnel;

(2) training for student support services personnel; or

(3) technology upgrades for student support services personnel.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2025 and later."

Page 67, after line 6, insert:

"(d) If a school district, charter school, or cooperative unit uses student support personnel aid to initially maintain a position under paragraph (a) in any fiscal year, the school district, charter school, or cooperative unit may continue to use student support personnel aid to maintain that position in later fiscal years, notwithstanding the requirements of paragraph (a)."

Page 71, lines 21 and 22, delete "23,954,000" and insert "22,954,000"

Page 72, lines 5 and 6, delete "3,000,000" and insert "2,000,000"

Page 72, line 7, delete "\$740,000" and insert "\$493,000"

Page 72, line 15, delete "\$40,000" and insert "\$28,000"

Page 72, line 23, after "For" insert "student support personnel" and delete "to support schools in addressing"

Page 72, line 24, delete "students' social, emotional, and physical health"

Page 73, lines 5 and 6, delete "5,000,000" and insert "4,000,000"

Page 73, line 7, delete "\$150,000" and insert "\$120,000"

Page 74, line 10, delete "\$150,000" and insert "\$120,000"

Page 82, after line 23, insert:

"Sec. 2. Minnesota Statutes 2024, section 123A.48, subdivision 2, is amended to read:

Subd. 2. **Resolution.** (a) Upon a resolution of a board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is less, the county auditor of the county which contains the greatest land area of the proposed new district shall prepare a plat. The resolution or petition must show the approximate area proposed for consolidation.

(b) The resolution or petition may propose the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 18;

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.297 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that

all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

(3) that referendum levies previously ~~approved by voters of~~ authorized for the component districts pursuant to section 126C.17, ~~subdivision 9~~, or its predecessor provision, be combined as provided in section 123A.73, subdivision 4 or 5, or that the referendum levies be discontinued;

(4) that capital project referendum revenue previously authorized for the component districts pursuant to section 123B.63 be combined as provided in section 123A.73, subdivision 6a, or that the capital project referendum revenue be discontinued;

(5) that the board of the newly created district consist of the number of members determined by the component districts, which may be six or seven members elected according to subdivision 20, or any number of existing school board members of the component districts, and a method to gradually reduce the membership to six or seven; or

~~(5)~~ (6) that separate election districts from which board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established.

The resolution must provide for election of board members from one of the following options: single-member districts; multimember districts; at large; or a combination of these options. The resolution must include a plan for the orderly transition to the option chosen.

A group of districts that operates a cooperative secondary facility funded under section 123A.443 may also propose a temporary board structure as specified in section 123A.443, subdivision 9.

If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat must show:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(3) The boundaries of any proposed separate election districts, and

(4) Other pertinent information as determined by the county auditor.

Sec. 3. Minnesota Statutes 2024, section 123A.48, subdivision 5, is amended to read:

Subd. 5. **Supporting statement.** The county auditor shall prepare a supporting statement to accompany the plat. The statement must contain:

(a) The adjusted net tax capacity of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted net tax capacity of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the commissioner of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.297, capital loan obligations, capital project referendum revenue, or referendum levies of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 4. Minnesota Statutes 2024, section 123A.73, is amended by adding a subdivision to read:

Subd. 6a. **Consolidation; capital project referendum revenue.** (a) As of the effective date of a consolidation pursuant to section 123A.48, the capital project referendum revenue for the newly created district must be recalculated as provided in this subdivision.

(b) The capital project tax rate for the newly created district may not exceed the rate that would raise an amount equal to the combined dollar amount of the capital project referendum revenues authorized by each of the component districts for the year preceding the

8.1 consolidation, unless the capital project referendum revenue authorization of the newly
8.2 created district is subsequently modified pursuant to section 123B.63.

8.3 (c) If the plan for consolidation so provides, or if the plan makes no provision concerning
8.4 capital project referendum revenues, the capital project tax rate equals the maximum rate
8.5 calculated under paragraph (b).

8.6 (d) If the plan for consolidation so provides, the capital project tax rate may be less than
8.7 the maximum rate calculated under paragraph (b).

8.8 (e) If the plan for consolidation provides for discontinuance of capital project referendum
8.9 revenue previously authorized for the component districts, the newly created district must
8.10 not receive capital project referendum revenue unless the voters of the newly created district
8.11 authorize capital project referendum revenue pursuant to section 123B.63.

8.12 (f) The capital project referendum authorization for the newly created district as
8.13 recalculated under this subdivision must continue for a period of time equal to the longest
8.14 period authorized for any component district.

8.15 (g) The capital project referendum revenue authorization for the newly created district
8.16 may be renewed by the school board of the newly created district pursuant to section 123B.63
8.17 for a term not to exceed the longest period authorized for any component district."

8.18 Page 86, line 10, after "referendum" insert ", including an expiring capital project
8.19 referendum authorized under section 123A.73, subdivision 6a,"

8.20 Page 86, line 13, after "voters" insert ", except as provided under section 123A.73,
8.21 subdivision 6a"

8.22 Page 87, after line 19, insert:

8.23 "Sec. 11. Minnesota Statutes 2024, section 125B.15, is amended to read:

8.24 **125B.15 INTERNET ACCESS FOR STUDENTS.**

8.25 (a) Recognizing the difference between school libraries, school computer labs, and
8.26 school media centers, which serve unique educational purposes, and public libraries, which
8.27 are designed for public inquiry, all computers at a school site with access to the Internet
8.28 available for student use must be equipped to restrict, including by use of available software
8.29 filtering technology or other effective methods, all student access to material that is
8.30 reasonably believed to be obscene or child pornography or material harmful to minors under
8.31 federal or state law.

(b) A school site is not required to purchase filtering technology if the school site would incur more than incidental expense in making the purchase.

(c) A school district ~~receiving technology revenue under section 125B.26~~ must prohibit, including through use of available software filtering technology or other effective methods, adult access to material that under federal or state law is reasonably believed to be obscene or child pornography.

(d) A school district, its agents or employees, are immune from liability for failure to comply with this section if they have made a good faith effort to comply with the requirements of this section.

(e) "School site" means an education site as defined in section 123B.04, subdivision 1, or charter school under chapter 124E."

Page 91, delete subdivision 4

Renumber the subdivisions in sequence

Page 91, after line 3, insert:

"Sec. 15. Minnesota Statutes 2024, section 127A.45, subdivision 11, is amended to read:

Subd. 11. **Payment percentage for reimbursement aids.** One hundred percent of the aid for the previous fiscal year must be paid in the current year for the following aids: ~~telecommunications/Internet access equity aid according to section 125B.26~~, special education special pupil aid according to section 125A.75, subdivision 3, aid for court-placed special education expenses according to section 125A.79, subdivision 4, and aid for special education out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid according to section 126C.01, subdivision 7."

Page 92, delete section 12 and insert:

"Sec. 17. **REPEALER.**

Minnesota Statutes 2024, sections 123B.595, subdivision 2; and 125B.26, are repealed."

Page 96, after line 18, insert:

"Sec. 3. Minnesota Statutes 2024, section 124D.111, is amended by adding a subdivision to read:

Subd. 6. **Second lunch.** A school that receives school lunch aid under this section must allow a student to purchase a second lunch if the student has already selected a reimbursable

10.1 lunch. The meal price for the second lunch must not exceed the meal price for lunch served
 10.2 to a nonprogram adult.

10.3 Sec. 4. Minnesota Statutes 2024, section 124D.1158, is amended by adding a subdivision
 10.4 to read:

10.5 Subd. 5. **Second breakfast.** A school that receives school breakfast aid under this section
 10.6 or under section 124D.111, subdivision 1d, must allow a student to purchase a second
 10.7 breakfast if the student has already selected a reimbursable breakfast. The meal price for
 10.8 the second breakfast must not exceed the meal price for breakfast served to a nonprogram
 10.9 adult."

10.10 Page 96, line 29, reinstate the stricken "\$16.11" and delete "\$7.38"

10.11 Page 96, line 31, reinstate the stricken language and delete the new language

10.12 Page 97, after line 10, insert:

10.13 "Sec. 8. Laws 2023, chapter 55, article 9, section 18, subdivision 5, is amended to read:

10.14 Subd. 5. **Licensed library media specialists.** (a) For aid to multicounty, multitype
 10.15 library systems to increase the number of licensed library media specialists:

10.16 \$ 1,000,000 2024

10.17 \$ 0 2025

10.18 (b) The aid awarded under this subdivision must be used for activities associated with
 10.19 increasing the number of licensed library media specialists, including but not limited to
 10.20 conducting a census of licensed library media specialists currently working in Minnesota
 10.21 schools, conducting a needs-based assessment to identify gaps in licensed library media
 10.22 specialist services, providing professional development opportunities for licensed library
 10.23 media specialists, and providing tuition support to candidates seeking to attain school library
 10.24 media specialist licensure.

10.25 (c) This is a onetime appropriation. This appropriation is available until June 30, 2027.

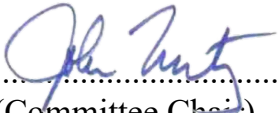
10.26 **EFFECTIVE DATE.** This section is effective the day following final enactment."

10.27 Page 98, delete subdivisions 8 and 9 and insert:

10.28 "Subd. 8. **Regional library telecommunications.** (a) For regional library
 10.29 telecommunications aid under Minnesota Statutes, section 134.355:

10.30 \$ 2,300,000 2026

10.31 \$ 2,300,000 2027

- 11.1
- (b) The 2026 appropriation includes \$230,000 for 2025 and \$2,070,000 for 2026.
- 11.2
- (c) The 2027 appropriation includes \$230,000 for 2026 and \$2,070,000 for 2027.
- 11.3
- Subd. 9. **School library aid.** (a) For school library aid under Minnesota Statutes, section
- 11.4
- 124D.992:
- 11.5
- \$ 23,698,000 2026
- 11.6
- \$ 23,644,000 2027
- 11.7
- (b) The 2026 appropriation includes \$2,376,000 for 2025 and \$21,322,000 for 2026.
- 11.8
- (c) The 2027 appropriation includes \$2,369,000 for 2026 and \$21,275,000 for 2027."
- 11.9
- Renumber the sections in sequence
- 11.10
- Amend the title numbers accordingly
- 11.11
- And when so amended the bill do pass. Amendments adopted. Report adopted.
- 11.12
- .....
- 11.13
- (Committee Chair)
- 11.14
- April 29, 2025.....
- 11.15
- (Date of Committee recommendation)