



S.F. No. 2002 – Compensatory education revenue modifications (as proposed to be amended by the A-1 delete-everything amendment)

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Section 1. Compensation revenue pupil units. Provides a hold-harmless in fiscal year 2026 on the calculation of compensation revenue pupil units. In that year, the compensation revenue pupil units for each building in a district equals the greater of the pupil units computed for fiscal year 2024 (per the October 1, 2022 enrollment count) or computed for fiscal year 2026 (per the October 1, 2024 enrollment count). Under the proposal, students identified by direct certification or by an application for educational benefits would be included in the fiscal year 2026 calculation.

Sec. 2. Compensatory education revenue. Provides that the compensatory revenue in fiscal year 2026 is calculated under the same formula as in fiscal years 2024 and 2025. Delays the transition to the new compensatory formula enacted in Laws 2023, chapter 55, until fiscal year 2027.

Sec. 3. Free and reduced-price meals. Includes children determined eligible for free and reduced-price meals by means of an application for educational benefits (a.k.a. “paper forms”) in the compensatory pupil count beginning in fiscal year 2026. Under current law, beginning in fiscal year 2026, only students determined eligible by direct certification are included in the count.

Sec. 4. Statewide compensatory allowance. Makes a conforming change to delay the transition to the new compensatory formula. (The compensatory allowance indicated for fiscal year 2027 corresponds with the figure estimated under the November 2024 budget and economic forecast.)

Sec. 5. Building allocation. Authorizes a district to allocate up to 40 percent of its compensatory revenue under a board-adopted plan in fiscal years 2026 and 2027 if the district’s compensatory pupil count excludes students identified by an application for educational benefits. If a district does not meet those criteria, at least 80 percent of a district’s compensatory revenue must be allocated to each building where students who have generated the revenue are served.

Sec. 6. Effective date. Makes a conforming change to delay the transition to the new compensatory formula. (Portions of the previous formula were scheduled for repeal beginning in fiscal year 2026 under Laws 2023, chapter 55.)

Sec. 7. Appropriations; Department of Education. Appropriates additional general education aid in fiscal years 2026 and 2027 to fund the increased compensatory aid under the bill.