

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2255

(SENATE AUTHORS: KUNESH and Cwodzinski)		
DATE	D-PG	OFFICIAL STATUS
03/06/2025	667	Introduction and first reading Referred to Education Finance
04/22/2025		Comm report: To pass as amended and re-refer to Taxes

1.1A bill for an act

1.2relating to education finance; making changes to kindergarten through grade 12

1.3education; providing funding for prekindergarten through grade 12 education;

1.4modifying provisions for general education, education excellence, American Indian

1.5education, teachers, special education, facilities, school nutrition, libraries, early

1.6childhood, community education, and state agencies; making forecast adjustments;

1.7requiring reports; appropriating money; amending Minnesota Statutes 2024, sections

1.8122A.414, by adding a subdivision; 122A.4144; 122A.415, subdivisions 1, 4;

1.9122A.63, subdivision 9; 122A.635; 122A.70, subdivisions 2, 3, 5, 5a, 6, by adding

1.10a subdivision; 123B.84; 123B.86, subdivisions 1, 3; 123B.87; 123B.92, subdivision

1.111; 124D.111, subdivision 3; 124D.119, subdivision 1; 124D.83, subdivision 2;

1.12124D.861, subdivision 4; 124D.862, subdivisions 1, 8; 124D.901, subdivisions 3,

1.134; 124D.98, subdivision 5, by adding subdivisions; 125A.76, subdivision 2a;

1.14126C.05, subdivision 3; 126C.10, subdivisions 3, 3c; 126C.40, subdivision 1, by

1.15adding a subdivision; 127A.45, subdivision 14; Laws 2023, chapter 18, section 4,

1.16subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20,

1.17subdivisions 7, as amended, 9, as amended, 17, as amended; Laws 2023, chapter

1.1855, article 1, sections 36, subdivisions 2, as amended, 3, as amended, 4, as amended,

1.195, as amended, 7, as amended, 9, as amended; 37; article 2, section 64, subdivisions

1.202, as amended, 6, as amended, 23, as amended; article 5, section 64, subdivisions

1.213, as amended, 14, as amended, 15, as amended; article 7, section 18, subdivisions

1.222, as amended, 4, as amended, 7, as amended; article 8, section 19, subdivision 6,

1.23as amended; article 9, section 18, subdivisions 4, as amended, 8, as amended;

1.24article 11, section 11, subdivisions 2, as amended, 3, as amended, 5, as amended,

1.2510, as amended; article 12, sections 17, subdivision 2, as amended; 19; Laws 2023,

1.26chapter 63, article 9, section 8; Laws 2024, chapter 115, article 22, section 3;

1.27repealing Minnesota Statutes 2024, sections 122A.414, subdivisions 1, 2, 3, 4, 4a,

1.285, 5a, 6, 7, 8, 9, 10, 11, 12, 13, 14a, 15, 16; 122A.4144; 122A.415, subdivisions

1.291, 3, 4, 5, 6, 7; 122A.4155; 122A.416; 122A.417; 123B.40; 123B.41, subdivisions

1.302, 3, 4, 5, 5a, 6, 7, 8, 12, 14, 15; 123B.42; 123B.43; 123B.44; 123B.45; 123B.46;

1.31123B.47; 123B.48; 123B.86, subdivision 2; 123B.92, subdivision 9; 124D.98,

1.32subdivisions 1, 2, 3, 4.

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

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2024, section 123B.84, is amended to read:

123B.84 POLICY.

In districts where the state provides aids for transportation it is in the public interest to provide equality of treatment in transporting public school children of the state who are required to attend elementary and secondary schools pursuant to chapter 120A, so that the health, welfare and safety of the children, while using the public highways of the state, shall be protected.

School children attending any public schools, complying with section 120A.22, are therefore entitled to the same rights and privileges relating to transportation.

Sec. 2. Minnesota Statutes 2024, section 123B.86, subdivision 1, is amended to read:

Subdivision 1. **General provisions.** A district shall provide equal transportation within the district for all public school children to any public school when transportation is deemed necessary by the school board because of distance or traffic condition in like manner and form as provided in sections 123B.88 and 123B.92, when applicable.

Sec. 3. Minnesota Statutes 2024, section 123B.86, subdivision 3, is amended to read:

Subd. 3. **Board control.** (a) When transportation is provided, the scheduling of routes, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the board.

~~(b) A school board and a nonpublic school may mutually agree to a written plan for the board to provide nonpublic pupil transportation to nonpublic school students.~~

~~(c) A school board that provides pupil transportation through the school's employees may transport nonpublic school students according to the plan and retain the nonpublic pupil transportation aid attributable to that plan. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services not required under sections 123B.84 to 123B.87.~~

~~(d)~~ (b) A school board that contracts for pupil transportation services may enter into a contractual arrangement with a school bus contractor according to the written plan adopted

by the school board ~~and the nonpublic school to transport nonpublic school students and retain the nonpublic pupil transportation aid attributable to that plan for the purposes of paying the school bus contractor. A nonpublic school may make a payment to the school district to cover additional transportation services agreed to in the written plan for nonpublic pupil transportation services included in the contract that are not required under sections 123B.84 to 123B.87.~~

~~(e) The school district must report the number of nonpublic school students transported and the nonpublic pupil transportation expenditures incurred under paragraph (b) in the form and manner specified by the commissioner.~~

Sec. 4. Minnesota Statutes 2024, section 123B.87, is amended to read:

123B.87 FUNDS AND AIDS.

Subdivision 1. **State aid.** State aids made available or appropriated shall be for the equal benefit of all public school children, and be disbursed in such manner as determined by the board.

Subd. 2. **Boards may expend money.** The board of any district may expend any moneys in its treasury, whether received from state or any other source for the purpose of providing equal transportation treatment of all public school children attending school.

Sec. 5. Minnesota Statutes 2024, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for

pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) "Regular transportation" is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public ~~or nonpublic~~ school they attend, and resident secondary pupils residing two miles or more from the public ~~or nonpublic~~ school they attend, excluding desegregation transportation and noon kindergarten transportation; ~~but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;~~

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school;

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation; and

(vi) transportation of pregnant or parenting pupils to and from a program that was established on or before January 1, 2018, or that is in operation on or after July 1, 2021, that provides:

(A) academic instruction;

(B) at least four hours per week of parenting instruction; and

(C) high-quality child care on site during the education day with the capacity to serve all children of enrolled pupils.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) "Excess transportation" is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) "Desegregation transportation" is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes;

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; and

(viii) services described in items (i) to (vii), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individualized education program or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a student placed in a family foster home as defined in section 260C.007, subdivision 16b, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), items (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

~~(5) "Nonpublic nonregular transportation" is:~~

~~(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);~~

~~(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and~~

~~(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.~~

~~(e) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.~~

Sec. 6. Minnesota Statutes 2024, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free meals plus one-half of the pupils eligible to receive reduced-priced meals on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free meals and one-half of the pupils eligible to receive reduced-priced meals on October 1 of the previous fiscal year; times

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

(d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under section 142D.08, charter schools, and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current

fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

(f) Notwithstanding paragraphs (a) to (e), for revenue in fiscal year 2025 only, the compensation revenue pupil units for each building in a district equals the greater of the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2025, or the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2024.

(g) Notwithstanding paragraphs (a) to (e), for revenue in fiscal year 2026 only, the compensation revenue pupil units for each building in a district equals the greater of the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2026, or the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2024.

Sec. 7. Minnesota Statutes 2024, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) A district's compensatory revenue equals the sum of its compensatory revenue for each building in the district and the amounts designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) For fiscal years 2024 ~~and~~, 2025, and 2026, the compensatory education revenue for each building in the district equals the formula allowance minus \$839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.

(c) For fiscal year ~~2026~~ 2027 and later, the compensatory education revenue for each building in the district equals its compensatory pupils multiplied by the building compensatory allowance.

(d) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program

for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(e) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

(f) Notwithstanding paragraph (c), for fiscal year 2026, if the sum of the amounts calculated under paragraph (c) is less than \$838,947,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals \$838,947,000.

(g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the sum of the amounts calculated under paragraph (c) is less than \$857,152,000, the commissioner must proportionately increase the revenue to each building until the total statewide revenue calculated for each building equals \$857,152,000.

Sec. 8. Minnesota Statutes 2024, section 126C.10, subdivision 3c, is amended to read:

Subd. 3c. **Statewide compensatory allowance.** For fiscal year ~~2026~~ 2027, the statewide compensatory allowance is ~~\$6,734~~ \$6,904. For fiscal year ~~2027~~ 2028 and later, the statewide compensatory allowance equals the statewide compensatory allowance in effect for the prior fiscal year times the ratio of the formula allowance under section 126C.10, subdivision 2, for the current fiscal year to the formula allowance under section 126C.10, subdivision 2, for the prior fiscal year, rounded to the nearest whole dollar.

Sec. 9. Minnesota Statutes 2024, section 127A.45, subdivision 14, is amended to read:

Subd. 14. **Nonpublic aids.** The state shall pay aid according to sections 123B.40 to 123B.48 for pupils attending nonpublic schools as follows:

(1) an advance payment by November 30 equal to the current year aid payment percentage of the estimated entitlement for the current fiscal year; and

(2) a final payment by October 31 of the following fiscal year, adjusted for actual data.

If a payment advance to meet cash flow needs is requested by a district and approved by the commissioner, the state shall pay nonpublic pupil transportation aid according to section 123B.92 by October 31. Beginning in fiscal year 2026 and later, no payments will be made under this subdivision. No amounts remaining from the fiscal year 2025 entitlement may be paid after June 30, 2025.

10.1 Sec. 10. Laws 2023, chapter 55, article 1, section 37, the effective date, is amended to
10.2 read:

10.3 **EFFECTIVE DATE.** Paragraph (a) is effective for revenue for fiscal year ~~2026~~ 2027.
10.4 Paragraph (b) is effective May 28, 2023. Paragraph (c) is effective the day following final
10.5 enactment.

10.6 Sec. 11. **COMPENSATORY REVENUE WORKING GROUP.**

10.7 **Subdivision 1. Compensatory revenue working group established.** A compensatory
10.8 revenue working group of ten members is established to examine compensatory revenue
10.9 formula options and make a recommendation to the commissioner of education.

10.10 **Subd. 2. Membership and appointments.** (a) Appointed members of the working group
10.11 must meet one or more of the following qualifications:

10.12 (1) professional experience in kindergarten through grade 12 education funding support
10.13 for Minnesota Local Education Agencies;

10.14 (2) professional experience in areas related to equity in education;

10.15 (3) hold a current Minnesota superintendent's license;

10.16 (4) professional experience working with the current compensatory revenue funding
10.17 components;

10.18 (5) national recognition in demographic and economic trends and student well-being;

10.19 (6) demonstrated development of education funding formula in rural districts;

10.20 (7) demonstrated development of education funding formula in metropolitan districts;

10.21 (8) professional experience working with advocacy organizations that address issues
10.22 related to hunger and low-income students; or

10.23 (9) professional experience representing an educators union.

10.24 (b) Working group members must be appointed by the commissioner of education no
10.25 later than September 15, 2025. The first meeting of the working group must be convened
10.26 by the commissioner of education no later than October 1, 2025. Members of the working
10.27 group are eligible for per diem compensation in accordance with Minnesota Statutes, section
10.28 15.059, subdivision 3.

10.29 (c) The Department of Education must provide staff, technical assistance, and
10.30 organizational support for the working group. The Department of Children, Youth, and

11.1 Families; the Department of Human Services; and Minnesota Management and Budget may
 11.2 provide staff, technical assistance, and organizational support for the working group.

11.3 Subd. 3. **Duties.** The working group must review compensatory revenue formula models
 11.4 presented by the Department of Education. The working group must evaluate formula
 11.5 components and projected outcomes of compensatory revenue distribution. The working
 11.6 group must make a final recommendation for the compensatory revenue formula to the
 11.7 commissioner of education by February 15, 2026.

11.8 Subd. 4. **Report; expiration.** (a) The commissioner of education must report findings
 11.9 of the working group and recommendations for a compensatory revenue funding formula
 11.10 to the legislative committees with jurisdiction over education finance by February 28, 2026.

11.11 (b) The working group expires February 28, 2026, or upon submission of the report
 11.12 required under paragraph (a), whichever is earlier.

11.13 Sec. 12. **APPROPRIATIONS.**

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

11.17 Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes,
 11.18 section 126C.13, subdivision 4:

11.19 \$ 8,456,343,000 2026

11.20 \$ 8,658,266,000 2027

11.21 (b) The 2026 appropriation includes \$782,979,000 for 2025 and \$7,673,364,000 for
 11.22 2026.

11.23 (c) The 2027 appropriation includes \$801,424,000 for 2026 and \$7,856,842,000 for
 11.24 2027.

11.25 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
 11.26 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
 11.27 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

11.28 \$ 25,000 2026

11.29 \$ 27,000 2027

11.30 Subd. 4. **Abatement aid.** (a) For abatement aid under Minnesota Statutes, section
 11.31 127A.49:

12.1 \$ 1,952,000 2026

12.2 \$ 2,201,000 2027

12.3 (b) The 2026 appropriation includes \$140,000 for 2025 and \$1,812,000 for 2026.

12.4 (c) The 2027 appropriation includes \$201,000 for 2026 and \$2,000,000 for 2027.

12.5 Subd. 5. **Consolidation transition aid.** (a) For districts consolidating under Minnesota
 12.6 Statutes, section 123A.485:

12.7 \$ 270,000 2026

12.8 \$ 165,000 2027

12.9 (b) The 2026 appropriation includes \$0 for 2025 and \$270,000 for 2026.

12.10 (c) The 2027 appropriation includes \$30,000 for 2026 and \$135,000 for 2027.

12.11 Subd. 6. **One-room schoolhouse.** (a) For aid to Independent School District No. 690,
 12.12 Warroad, to operate the Angle Inlet School:

12.13 \$ 65,000 2026

12.14 \$ 65,000 2027

12.15 (b) This aid is 100 percent payable in the current year.

12.16 Subd. 7. **Career and technical aid.** (a) For career and technical aid under Minnesota
 12.17 Statutes, section 124D.4531, subdivision 1b:

12.18 \$ 531,000 2026

12.19 \$ 391,000 2027

12.20 (b) The 2026 appropriation includes \$85,000 for 2025 and \$446,000 for 2026.

12.21 (c) The 2027 appropriation includes \$49,000 for 2026 and \$342,000 for 2027.

12.22 Subd. 8. **Pregnant and parenting pupil transportation reimbursement.** (a) To
 12.23 reimburse districts for transporting pregnant or parenting pupils under Minnesota Statutes,
 12.24 section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi):

12.25 \$ 55,000 2026

12.26 \$ 55,000 2027

12.27 (b) To receive reimbursement, districts must apply in the form and manner prescribed
 12.28 by the commissioner. If the appropriation is insufficient, the commissioner must prorate
 12.29 the amount paid to districts seeking reimbursement.

12.30 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

13.1 Subd. 9. Career and technical education consortium. (a) To the Minnesota Service
13.2 Cooperatives for career and technical education consortium grants under Minnesota Statutes,
13.3 section 124D.4536:

13.4 \$ 5,000,000 2026

13.5 \$ 5,000,000 2027

13.6 (b) If the appropriation in fiscal year 2026 is insufficient, the appropriation in fiscal year
13.7 2027 is available.

13.8 (c) Up to three percent of the appropriation is available for grant administration.

13.9 (d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

13.10 Subd. 10. Emergency medical training. (a) For grants to offer high school students
13.11 courses in emergency medical services:

13.12 \$ 500,000 2026

13.13 \$ 500,000 2027

13.14 (b) A school district, charter school, Tribal contract school, or cooperative unit under
13.15 Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant under this section
13.16 to offer enrolled students emergency medical services courses approved by the Minnesota
13.17 Emergency Medical Services Regulatory Board to prepare students to take the emergency
13.18 medical technician certification test, including an emergency medical services course that
13.19 is a prerequisite to an emergency medical technician course.

13.20 (c) A grant recipient may use grant funds to partner with a district, charter school,
13.21 cooperative unit, postsecondary institution, political subdivision, or entity with expertise in
13.22 emergency medical services, including health systems, hospitals, ambulance services, and
13.23 health care providers to offer an emergency medical services course.

13.24 (d) Eligible uses of grant funds include teacher salaries, transportation, equipment costs,
13.25 emergency medical technician certification test fees, and student background checks.

13.26 (e) To the extent practicable, the commissioner must award at least half of the grant
13.27 funds to applicants outside of the seven-county metropolitan area, and at least 30 percent
13.28 of the grant funds to applicants with high concentrations of students of color.

13.29 (f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

13.30 (g) Up to \$50,000 each year is available for grant administration.

13.31 Subd. 11. Area learning center transportation aid. (a) For area learning center
13.32 transportation aid under Minnesota Statutes, section 123B.92, subdivision 11:

14.1 \$ 1,000,000 2026

14.2 \$ 1,000,000 2027

14.3 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

14.4 (c) This aid is 100 percent payable in the current year.

14.5 Subd. 12. Unemployment aid for hourly workers over the summer term. (a) For

14.6 unemployment aid under Minnesota Statutes, section 124D.995:

14.7 \$ 30,000,000 2026

14.8 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
14.9 124D.995.

14.10 (c) This is a onetime appropriation.

14.11 Subd. 13. Compensatory revenue work group. (a) To administer the compensatory

14.12 revenue work group:

14.13 \$ 94,000 2026

14.14 (b) This is a onetime appropriation.

14.15 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

14.16 Sec. 13. REVISOR INSTRUCTION.

14.17 The revisor of statutes must substitute the term "district, charter school, or Tribal school"
14.18 for "district," "school district," "district or charter school," or "school district or charter
14.19 school"; the term "district, charter school, and Tribal school" for "district and charter school"
14.20 or "school district and charter school"; and similar singular or plural phrases wherever the
14.21 terms appear in Minnesota Statutes for any statutorily named competitive grant program in
14.22 Minnesota Statutes, chapters 120A to 129C, or a competitive grant program in Laws 2023,
14.23 chapter 55, or Laws 2024, chapter 115, whose eligible grantees include school districts and
14.24 charter schools, to name Tribal contract schools as eligible grantees. The revisor may also
14.25 make any grammatical changes needed related to the change in terms.

14.26 Sec. 14. REPEALER.

14.27 Minnesota Statutes 2024, sections 123B.40; 123B.41, subdivisions 2, 3, 4, 5, 5a, 6, 7,
14.28 8, 12, 14, and 15; 123B.42; 123B.43; 123B.44; 123B.45; 123B.46; 123B.47; 123B.48;
14.29 123B.86, subdivision 2; and 123B.92, subdivision 9, are repealed.

15.1 **ARTICLE 2**

15.2 **EDUCATION EXCELLENCE**

15.3 Section 1. Minnesota Statutes 2024, section 124D.861, subdivision 4, is amended to read:

15.4 Subd. 4. **Timeline and implementation.** A board must approve its plan and submit it
15.5 to the department by March 15. If a district that is part of a multidistrict council applies for
15.6 revenue for a plan, the individual district shall not receive revenue unless it ratifies the plan
15.7 adopted by the multidistrict council. Each plan has a term of three years. ~~For the 2014-2015~~
15.8 ~~school year, an eligible district under this section must submit its plan to the commissioner~~
15.9 ~~for review by March 15, 2014. For the 2013-2014 school year only, an eligible district may~~
15.10 ~~continue to implement its current plan until the commissioner approves a new plan under~~
15.11 ~~this section.~~ Progress reports identified in subdivision 3 must be submitted to the
15.12 commissioner of education by October 15 annually.

15.13 Sec. 2. Minnesota Statutes 2024, section 124D.862, subdivision 1, is amended to read:

15.14 Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible district's
15.15 initial achievement and integration revenue equals the lesser of 100.3 percent of the district's
15.16 expenditures under the budget approved by the commissioner under section 124D.861,
15.17 subdivision 3, paragraph (c), excluding expenditures used to generate incentive revenue
15.18 under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil units for that
15.19 year times the ratio of the district's enrollment of protected students for the previous school
15.20 year to total enrollment for the previous school year and (2) the greater of zero or 66 percent
15.21 of the difference between the district's integration revenue for fiscal year 2013 and the
15.22 district's integration revenue for fiscal year 2014 under clause (1).

15.23 (b) In each year, an amount equal to ~~0.3~~ 1.3 percent of each district's initial achievement
15.24 and integration revenue for the second prior fiscal year is transferred to the department for
15.25 the oversight and accountability activities required under this section and section 124D.861.

15.26 Sec. 3. Minnesota Statutes 2024, section 124D.862, subdivision 8, is amended to read:

15.27 Subd. 8. **Commissioner authority to withhold revenue.** (a) The commissioner must
15.28 review the results of each district's integration and achievement plan by ~~August~~ January 1
15.29 at the end of the third year of implementing the plan and determine if the district met its
15.30 goals.

15.31 (b) If a district met its goals, it may submit a new three-year plan to the commissioner
15.32 for review.

16.1 (c) If a district has not met its goals, the commissioner must:

16.2 (1) guide the district in the development of an improvement plan and timeline that
16.3 identifies strategies and practices designed to meet the district's goals under this section and
16.4 section 120B.11; and

16.5 (2) direct the district to use up to 20 percent of the district's integration revenue, until
16.6 the district's goals are reached, to implement the improvement plan.

16.7 Sec. 4. Minnesota Statutes 2024, section 124D.98, subdivision 5, is amended to read:

16.8 Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive
16.9 aid to support implementation of evidence-based reading instruction. The following are
16.10 eligible uses of literacy incentive aid:

16.11 (1) training for kindergarten through grade 3 teachers, early childhood educators, special
16.12 education teachers, reading intervention teachers working with students in kindergarten
16.13 through grade 12, curriculum directors, and instructional support staff that provide reading
16.14 instruction, on using approved evidence-based screening and progress monitoring tools;

16.15 (2) evidence-based training using a training program approved by the Department of
16.16 Education under the Read Act;

16.17 (3) employing or contracting with a literacy lead, as defined in section 120B.119;

16.18 (4) employing an intervention specialist;

16.19 (5) approved screeners, materials, training, and ongoing coaching to ensure reading
16.20 interventions under section 125A.56, subdivision 1, are evidence-based;

16.21 (6) costs of substitute teachers to allow teachers to complete required training during
16.22 the teachers' contract day; and

16.23 (7) stipends for teachers completing training required under section 120B.12.

16.24 Sec. 5. Minnesota Statutes 2024, section 124D.98, is amended by adding a subdivision to
16.25 read:

16.26 Subd. 6. **Literacy incentive aid revenue.** A district's literacy incentive aid revenue
16.27 equals the district's literacy incentive aid allowance multiplied by the district's average daily
16.28 membership for kindergarten through grade four for the previous fiscal year.

17.1 Sec. 6. Minnesota Statutes 2024, section 124D.98, is amended by adding a subdivision to
17.2 read:

17.3 Subd. 7. **Statewide literacy incentive aid allowance.** The statewide literacy incentive
17.4 aid allowance is \$347.27 for fiscal year 2026, \$351.30 for fiscal year 2027, \$348.45 for
17.5 fiscal year 2028, and \$348.54 for fiscal years 2029 and later.

17.6 Sec. 7. Minnesota Statutes 2024, section 124D.98, is amended by adding a subdivision to
17.7 read:

17.8 Subd. 8. **Definitions.** For the purposes of literacy incentive aid revenue and allowance
17.9 under subdivisions 6 and 7, the following terms have the meanings given:

17.10 (1) "poverty concentration factor" means the ratio of: (i) the sum of the number of pupils
17.11 enrolled in the district eligible to receive free meals, plus one-half of the pupils eligible to
17.12 receive reduced-priced meals on October 1 of the previous fiscal year; to (ii) the number
17.13 of pupils enrolled in the district on October 1 of the previous fiscal year; and

17.14 (2) "district literacy incentive aid allowance" means a district's poverty concentration
17.15 factor multiplied by the statewide literacy incentive aid allowance.

17.16 Sec. 8. Minnesota Statutes 2024, section 124D.98, is amended by adding a subdivision to
17.17 read:

17.18 Subd. 9. **Free and reduced-price meals.** The commissioner shall determine the number
17.19 of children eligible to receive either a free or reduced-price meal on October 1 each year
17.20 by means of direct certification or through the application of educational benefits. Children
17.21 enrolled in a district on October 1 and determined to be eligible to receive free or
17.22 reduced-price meals by December 15 of that school year shall be counted as eligible on
17.23 October 1 for purposes of subdivision 8. The commissioner may use federal definitions for
17.24 these purposes and may adjust these definitions as appropriate. The commissioner may
17.25 adopt reporting guidelines to assure accuracy of data counts and eligibility. Districts shall
17.26 use any guidelines adopted by the commissioner.

17.27 Sec. 9. **APPROPRIATIONS.**

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

18.1 Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid
18.2 under Minnesota Statutes, section 124D.862:

18.3 \$ 85,153,000 2026

18.4 \$ 84,996,000 2027

18.5 (b) The 2026 appropriation includes \$8,431,000 for 2025 and \$76,722,000 for 2026.

18.6 (c) The 2027 appropriation includes \$8,525,000 for 2026 and \$76,471,000 for 2027.

18.7 Subd. 3. **Charter school building lease aid.** (a) For building lease aid under Minnesota
18.8 Statutes, section 124E.22:

18.9 \$ 96,733,000 2026

18.10 \$ 99,829,000 2027

18.11 (b) The 2026 appropriation includes \$9,400,000 for 2025 and \$87,333,000 for 2026.

18.12 (c) The 2027 appropriation includes \$9,703,000 for 2026 and \$90,126,000 for 2027.

18.13 Subd. 4. **College entrance examination reimbursement.** (a) To reimburse districts for
18.14 the costs of college entrance examination fees for students who are eligible for free or
18.15 reduced-price meals who take the ACT or SAT test under Minnesota Statutes, section
18.16 120B.30, subdivision 16:

18.17 \$ 1,011,000 2026

18.18 \$ 1,011,000 2027

18.19 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

18.20 Subd. 5. **COMPASS and MTSS.** (a) To support the development and implementation
18.21 of the MTSS framework and the Collaborative Minnesota Partnerships to Advance Student
18.22 Success (COMPASS) school improvement model:

18.23 \$ 13,500,000 2026

18.24 \$ 13,500,000 2027

18.25 (b) Of this amount, \$5,000,000 each year is to support implementation of MTSS and
18.26 COMPASS. Funds must be used to support increased capacity at the Department of Education
18.27 and the Minnesota service cooperatives for implementation supports.

18.28 (c) Of this amount, \$5,000,000 each year is reserved for grants to school districts, charter
18.29 schools, Tribal contract schools, and cooperative units as defined in Minnesota Statutes,
18.30 section 123A.24, subdivision 2, for implementation of MTSS, including: hiring local MTSS
18.31 coordinators; deferring costs for personnel to participate in cohort activities and professional
18.32 learning; and piloting the Department of Education One Plan, the consolidation of multiple

19.1 reporting structures to streamline various applications, reports, and submissions by school
19.2 districts and charter schools. Up to five percent of this amount is available for program and
19.3 grant administration.

19.4 (d) Of this amount, \$3,000,000 each year must be used to develop a regional network
19.5 focusing on mathematics to provide dedicated mathematics trainers and coaches to train
19.6 regional support staff from the Minnesota service cooperatives and to support school leaders
19.7 and teachers to implement evidence-based instructional strategies in mathematics. Funds
19.8 may also be used to host an annual mathematics standards-based instructional institute.

19.9 (e) Of this amount, \$500,000 each year is for the University of Minnesota Center for
19.10 Applied Research and Educational Improvement to support implementation and evaluation
19.11 of the MTSS framework.

19.12 (f) Support for school districts, charter schools, and cooperative units under this
19.13 subdivision may include but is not limited to:

19.14 (1) partnering with the Minnesota Service Cooperatives to support districts in
19.15 implementing COMPASS to support schools in the areas of literacy, math, social-emotional
19.16 learning, and mental health using the MTSS framework;

19.17 (2) providing support to districts and charter schools identified under Minnesota Statutes,
19.18 section 120B.11;

19.19 (3) providing support to districts and charter schools to streamline various applications,
19.20 reports, and submissions to the Department of Education through One Plan;

19.21 (4) providing training, guidance, and implementation resources for MTSS, including a
19.22 universal screening process approved by the Department of Education to identify students
19.23 who may be at risk of experiencing academic, behavioral, and social-emotional development
19.24 difficulties;

19.25 (5) providing guidance to convene school-based teams to analyze data provided by
19.26 screenings and resources for related identification, instruction, and intervention methods;

19.27 (6) dyslexia screening and interventions that are evidence-based;

19.28 (7) requiring school districts and charter schools to provide parents of students identified
19.29 in screenings with notice of screening findings and related support information;

19.30 (8) requiring districts and charter schools to provide at-risk students with interventions
19.31 and to monitor the effectiveness of these interventions and student progress; and

19.32 (9) developing and annually reporting findings regarding the implementation of MTSS.

20.1 (g) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

20.2 Subd. 6. **Computer science education advancement.** (a) For computer science
20.3 advancement:

20.4 \$ 500,000 2026

20.5 \$ 500,000 2027

20.6 (b) Of this amount, \$150,000 is for the computer science supervisor.

20.7 (c) Eligible uses of the appropriation include expenses related to the implementation of
20.8 Laws 2023, chapter 55, article 2, section 61, and expenses related to the development,
20.9 advancement, and promotion of kindergarten through grade 12 computer science education.

20.10 (d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

20.11 Subd. 7. **Concurrent enrollment aid.** (a) For concurrent enrollment aid under Minnesota
20.12 Statutes, section 124D.091:

20.13 \$ 4,000,000 2026

20.14 \$ 4,000,000 2027

20.15 (b) If the appropriation is insufficient, the commissioner must proportionately reduce
20.16 the aid payment to each school district.

20.17 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

20.18 Subd. 8. **Ethnic studies community consultation.** To consult with community members
20.19 throughout Minnesota on the development of ethnic studies curricula, resources, and
20.20 implementation support:

20.21 \$ 150,000 2026

20.22 \$ 150,000 2027

20.23 Subd. 9. **Ethnic studies school grants.** (a) For competitive grants to school districts,
20.24 charter schools, and Tribal contract schools to develop, evaluate, and implement ethnic
20.25 studies courses:

20.26 \$ 700,000 2026

20.27 \$ 700,000 2027

20.28 (b) The commissioner must consult with the Ethnic Studies Working Group to develop
20.29 criteria for the grants.

20.30 (c) Up to five percent of the appropriation is available for grant administration.

20.31 (d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 10. Examination fees; teacher training and support programs. (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and for training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$ 4,500,000 2026

\$ 4,500,000 2027

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees, training, and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent funds are available, shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

(e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 11. Full-service community schools. (a) For grants to plan or expand the full-service community schools program under Minnesota Statutes, section 124D.231:

\$ 5,000,000 2026

\$ 5,000,000 2027

(b) Of this amount, priority must be given to programs in the following order:

(1) current grant recipients under Minnesota Statutes, section 124D.231;

(2) schools identified as low-performing under the federal Every Student Succeeds Act; and

(3) any other applicants.

22.1 (c) Up to two percent of the appropriation is available for grant administration.

22.2 (d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

22.3 Subd. 12. **Grants to increase science, technology, engineering, and math course**

22.4 **offerings.** (a) For grants to schools to encourage low-income and other underserved students

22.5 to participate in advanced placement and international baccalaureate programs according

22.6 to Minnesota Statutes, section 120B.132:

22.7 \$ 250,000 2026

22.8 \$ 250,000 2027

22.9 (b) To the extent practicable, the commissioner must distribute grant funds equitably

22.10 among geographic areas in the state, including to schools located in greater Minnesota and

22.11 in the seven-county metropolitan area.

22.12 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

22.13 (d) Up to ten percent of the grant amount is available for grant administration and

22.14 monitoring.

22.15 Subd. 13. **Implementation of education on the Holocaust, genocide of Indigenous**

22.16 **Peoples, and other genocides.** For implementation of requirements for education on the

22.17 Holocaust, genocide of Indigenous Peoples, and other genocides under Minnesota Statutes,

22.18 section 120B.252:

22.19 \$ 75,000 2026

22.20 \$ 75,000 2027

22.21 Subd. 14. **Interdistrict desegregation or integration transportation grants.** For

22.22 interdistrict desegregation or integration transportation grants under Minnesota Statutes,

22.23 section 124D.87:

22.24 \$ 18,161,000 2026

22.25 \$ 20,088,000 2027

22.26 Subd. 15. **Literacy incentive aid.** (a) For literacy incentive aid under Minnesota Statutes,

22.27 section 124D.98:

22.28 \$ 40,616,000 2026

22.29 \$ 40,890,000 2027

22.30 (b) The 2026 appropriation includes \$4,057,000 for 2025 and \$36,559,000 for 2026.

22.31 (c) The 2027 appropriation includes \$4,062,000 for 2026 and \$36,828,000 for 2027.

23.1 Subd. 16. **Minnesota Center for the Book programming.** (a) For grants to the entity
23.2 designated by the Library of Congress as the Minnesota Center for the Book to provide
23.3 statewide programming related to the Minnesota Book Awards and for additional
23.4 programming throughout the state related to the Center for the Book designation:

23.5 \$ 200,000 2026

23.6 \$ 200,000 2027

23.7 (b) Up to three percent of the appropriation is available for grant administration.

23.8 Subd. 17. **Minnesota Independence College and Community.** (a) For transfer to the
23.9 Office of Higher Education for grants to Minnesota Independence College and Community
23.10 for tuition reduction and institutional support:

23.11 \$ 625,000 2026

23.12 \$ 625,000 2027

23.13 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

23.14 (c) By January 15 of each year, Minnesota Independence College and Community must
23.15 submit a report detailing expenditures, activities, and outcomes to the commissioner and
23.16 the chairs and ranking minority members of the legislative committees with jurisdiction
23.17 over kindergarten through grade 12 education.

23.18 Subd. 18. **Minnesota math corps.** (a) For the Minnesota math corps program under
23.19 Minnesota Statutes, section 124D.42, subdivision 9:

23.20 \$ 1,000,000 2026

23.21 \$ 1,000,000 2027

23.22 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

23.23 Subd. 19. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota
23.24 College of Education and Human Development for the operation of the Minnesota Principals
23.25 Academy:

23.26 \$ 200,000 2026

23.27 \$ 200,000 2027

23.28 (b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals
23.29 and school leaders from schools identified for intervention under the state's accountability
23.30 system as implemented to comply with the federal Every Student Succeeds Act. To the
23.31 extent funds are available, the Department of Education is encouraged to use up to \$200,000
23.32 of federal Title II funds to support additional participation in the Principals Academy by

24.1 principals and school leaders from schools identified for intervention under the state's
24.2 accountability system as implemented to comply with the federal Every Student Succeeds
24.3 Act.

24.4 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

24.5 Subd. 20. **Museums and education centers.** (a) For grants to museums and education
24.6 centers:

24.7 \$ 1,791,000 2026

24.8 \$ 1,791,000 2027

24.9 (b) \$500,000 each year is for the Minnesota Children's Museum.

24.10 (c) \$50,000 each year is for the Children's Museum of Rochester.

24.11 (d) \$41,000 each year is for the Minnesota Academy of Science.

24.12 (e) \$100,000 each year is for The Bakken Museum, Minneapolis.

24.13 (f) \$60,000 each year is for the Headwaters Science Center.

24.14 (g) \$100,000 each year is for The Works Museum, Bloomington.

24.15 (h) \$100,000 each year is for the WonderTrek Children's Museum, Brainerd-Baxter.

24.16 (i) \$100,000 each year is for the Otter Cove Children's Museum, Fergus Falls.

24.17 (j) \$100,000 each year is for the Children's Discovery Museum, Grand Rapids.

24.18 (k) \$100,000 each year is for the Wheel and Cog Children's Museum, Hutchinson.

24.19 (l) \$100,000 each year is for the Village Children's Museum, Willmar.

24.20 (m) \$110,000 each year is for the Duluth Children's Museum, Duluth.

24.21 (n) \$110,000 each year is for the Children's Museum of Southern Minnesota, Mankato.

24.22 (o) \$110,000 each year is for the Great River Children's Museum, St. Cloud.

24.23 (p) \$110,000 each year is for the Children's Discovery Museum, Breckenridge.

24.24 (q) A recipient of a grant under this subdivision must use the funds to encourage and
24.25 increase access for historically underserved communities.

24.26 (r) Up to three percent of the appropriation is available for grant administration.

24.27 (s) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

24.28 Subd. 21. **Nonexclusionary discipline.** (a) For grants to school districts and charter
24.29 schools to provide training for school staff on nonexclusionary disciplinary practices:

25.1 \$ 1,750,000 2026

25.2 \$ 1,750,000 2027

25.3 (b) Grants must be used to develop training and to work with schools to train staff on
 25.4 nonexclusionary disciplinary practices that maintain the respect, trust, and attention of
 25.5 students and help keep students in classrooms. These funds may also be used for grant
 25.6 administration.

25.7 (c) Eligible grantees include school districts, charter schools, Tribal charter schools,
 25.8 intermediate school districts, and cooperative units as defined in section 123A.24, subdivision
 25.9 2.

25.10 (d) Up to five percent of the appropriation is available for grant administration.

25.11 (e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

25.12 Subd. 22. **P-TECH schools.** (a) For P-TECH implementation grants under Minnesota
 25.13 Statutes, section 124D.093, subdivision 5:

25.14 \$ 791,000 2026

25.15 \$ 791,000 2027

25.16 (b) The amount in paragraph (a) is for a grant to a public-private partnership that includes
 25.17 Independent School District No. 535, Rochester.

25.18 (c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the department
 25.19 may retain money from this appropriation for administrative costs under Minnesota Statutes,
 25.20 section 124D.093, subdivision 5.

25.21 (d) This appropriation is available until June 30, 2029.

25.22 (e) The department may award start-up and mentoring and technical assistance grants
 25.23 beginning in fiscal year 2026. Of the amount in fiscal year 2026, at least \$500,000 is for a
 25.24 support grant to a public-private partnership that includes Independent School District No.
 25.25 535, Rochester. Of the amount in fiscal year 2027, at least \$250,000 is for a support grant
 25.26 to a public-private partnership that includes Independent School District No. 535, Rochester.

25.27 Subd. 23. **Paraprofessional training.** (a) For compensation associated with paid
 25.28 orientation and professional development for paraprofessionals under Minnesota Statutes,
 25.29 section 121A.642:

25.30 \$ 8,213,000 2026

25.31 \$ 8,418,000 2027

25.32 (b) The 2026 appropriation includes \$803,000 for 2025 and \$7,410,000 for 2026.

26.1 (c) The 2027 appropriation includes \$823,000 for 2026 and \$7,595,000 for 2027.

26.2 Subd. 24. **Recovery program grants.** (a) For recovery program grants under Minnesota
 26.3 Statutes, section 124D.695:

26.4 \$ 750,000 2026

26.5 \$ 750,000 2027

26.6 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

26.7 (c) Up to ten percent of the grant amount is available for grant administration and
 26.8 monitoring.

26.9 Subd. 25. **Sanneh Foundation.** (a) For grants to the Sanneh Foundation:

26.10 \$ 1,500,000 2026

26.11 \$ 1,500,000 2027

26.12 (b) Up to three percent of the appropriation is available for grant administration.

26.13 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

26.14 Subd. 26. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under
 26.15 Minnesota Statutes, sections 124D.37 to 124D.45:

26.16 \$ 900,000 2026

26.17 \$ 900,000 2027

26.18 (b) A grantee organization may provide health and child care coverage to the dependents
 26.19 of each participant enrolled in a full-time ServeMinnesota program to the extent such
 26.20 coverage is not otherwise available.

26.21 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

26.22 Subd. 27. **Starbase MN.** (a) For a grant to Starbase MN for a rigorous science,
 26.23 technology, engineering, and math program providing students in grades 4 through 6 with
 26.24 a multisensory learning experience and a hands-on curriculum in an aerospace environment
 26.25 using state-of-the-art technology:

26.26 \$ 500,000 2026

26.27 \$ 500,000 2027

26.28 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

26.29 Subd. 28. **Statewide testing and reporting system.** (a) For the statewide testing and
 26.30 reporting system under Minnesota Statutes, sections 120B.302 and 120B.305:

27.1 \$ 10,892,000 2026

27.2 \$ 10,892,000 2027

27.3 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

27.4 Subd. 29. **Student organizations.** (a) For student organizations:

27.5 \$ 1,084,000 2026

27.6 \$ 1,084,000 2027

27.7 (b) \$68,000 each year is for student organizations serving health occupations (HOSA).

27.8 (c) \$100,000 each year is for student organizations serving trade and industry occupations
27.9 (Skills USA, secondary and postsecondary).

27.10 (d) \$122,000 each year is for student organizations serving business occupations (BPA,
27.11 secondary and postsecondary).

27.12 (e) \$322,000 each year is for student organizations serving agriculture occupations (FFA,
27.13 PAS).

27.14 (f) \$185,000 each year is for student organizations serving family and consumer science
27.15 occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and
27.16 31, the student organizations serving FCCLA shall continue to serve students younger than
27.17 grade 9.

27.18 (g) \$202,000 each year is for student organizations serving marketing occupations (DECA
27.19 and DECA collegiate).

27.20 (h) \$85,000 each year is for the Minnesota Foundation for Student Organizations. Of
27.21 this amount, \$30,000 each year must be used for direct support of underserved and special
27.22 student populations.

27.23 (i) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

27.24 Subd. 30. **Read Act professional development.** (a) For evidence-based training on
27.25 structured literacy for teachers working in school districts, charter schools, and service
27.26 cooperatives:

27.27 \$ 7,750,000 2026

27.28 \$ 7,750,000 2027

27.29 (b) Of the amounts in paragraph (a), \$6,500,000 each year is for the regional literacy
27.30 networks and \$1,250,000 each year is for statewide training. The department must use the
27.31 funding to develop a data collection system to: (1) collect and analyze the submission of
27.32 the local literacy plans and student-level universal screening data; (2) establish the regional

literacy networks as a partnership between the department and the Minnesota service cooperatives; and (3) administer statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and the department. The regional literacy networks must focus on implementing comprehensive literacy reform efforts based on structured literacy. Each regional literacy network must maintain a literacy lead position and maintain a team of trained literacy coaches to facilitate evidence-based structured literacy training opportunities and ongoing supports to school districts and charter schools in each region. Funds may be used to provide training in structured literacy to grade 4 and 5 classroom teachers and literacy professors from Minnesota institutions of higher education.

(c) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved structured literacy training using funds under this subdivision, and the amounts awarded to districts, charter schools, or service cooperatives.

(d) The regional literacy networks and staff from the Department of Education must provide ongoing support to school districts, charter schools, and service cooperatives implementing evidence-based literacy instruction.

Subd. 31. **Department literacy specialist.** For a full-time literacy specialist at the Department of Education:

\$ 250,000 2026

\$ 250,000 2027

Sec. 10. **REPEALER.**

Minnesota Statutes 2024, section 124D.98, subdivisions 1, 2, 3, and 4, are repealed.

ARTICLE 3

TEACHERS

Section 1. Minnesota Statutes 2024, section 122A.414, is amended by adding a subdivision to read:

Subd. 1b. **Planning year for program closure.** (a) School districts, charter schools, school sites, and cooperative units with an approved alternative teacher professional pay system may conduct a planning year to make arrangements for the closure of the alternative teacher professional pay system program. During the year of planning for program closure, a local program may use up to ten percent of alternative compensation revenue for transition

planning activities, including but not limited to stipends for employees or community members working on transition planning teams, professional development for staff to learn about the transition, or communications during the planning year. Following the planning year, programs must distribute remaining reserved amounts equally among current teaching staff.

(b) A program conducting a planning year for program closure must continue to implement all alternative compensation program activities required under this section during the planning year. Payment to teachers for earned performance pay must continue, even if payments cannot be made until the following fiscal year.

(c) The goal of the planning year for program closure is to update local teacher development and evaluation activities to be conducted without alternative compensation revenue which ends effective June 30, 2026. A program conducting a planning year:

(1) may immediately make changes to program activities to align with teacher development and evaluation requirements without first seeking approval from the department, provided these changes do not conflict with paragraph (b);

(2) must, where applicable, develop and implement teacher development and evaluation plans through a joint agreement between the school board and the exclusive representative of teachers as required under sections 122A.40, subdivision 8, and 122A.41, subdivision 5; and

(3) is encouraged to participate in department-led activities designed to assist in transition planning.

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

Sec. 2. Minnesota Statutes 2024, section 122A.4144, is amended to read:

122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER PAY.

Notwithstanding section 179A.20 or other law to the contrary, a school board and the exclusive representative of the teachers may agree to reopen a collective bargaining agreement for the purpose of entering into or transitioning out of an alternative teacher professional pay system agreement under sections 122A.414 and 122A.415. Negotiations for a contract reopened under this section must be limited to issues related to the alternative teacher professional pay system.

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

30.1 Sec. 3. Minnesota Statutes 2024, section 122A.415, subdivision 1, is amended to read:

30.2 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,
30.3 cooperative unit as defined in section 123A.24, subdivision 2, school site, or charter school
30.4 that meets the conditions of section 122A.414 and submits an application approved by the
30.5 commissioner is eligible for alternative teacher compensation revenue.

30.6 (b) For school district and intermediate school district applications, the commissioner
30.7 must consider only those applications to participate that are submitted jointly by a district
30.8 and the exclusive representative of the teachers. The application must contain an alternative
30.9 teacher professional pay system agreement that:

30.10 (1) implements an alternative teacher professional pay system consistent with section
30.11 122A.414; and

30.12 (2) is negotiated and adopted according to the Public Employment Labor Relations Act
30.13 under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district
30.14 may enter into a contract for a term of two or four years.

30.15 Alternative teacher compensation revenue for a qualifying school district or site in which
30.16 the school board and the exclusive representative of the teachers agree to place teachers in
30.17 the district or at the site on the alternative teacher professional pay system equals \$260 for
30.18 fiscal year 2026, and \$0 for fiscal year 2027 and later times the number of pupils enrolled
30.19 at the district or site on October 1 of the previous fiscal year. Alternative teacher
30.20 compensation revenue for a qualifying intermediate school district or cooperative must be
30.21 calculated under subdivision 4, paragraph (b).

30.22 (c) For a newly combined or consolidated district, the revenue shall be computed using
30.23 the sum of pupils enrolled on October 1 of the previous year in the districts entering into
30.24 the combination or consolidation. The commissioner may adjust the revenue computed for
30.25 a site using prior year data to reflect changes attributable to school closings, school openings,
30.26 or grade level reconfigurations between the prior year and the current year.

30.27 (d) The revenue is available only to school districts, intermediate school districts,
30.28 cooperatives, school sites, and charter schools that fully implement an alternative teacher
30.29 professional pay system by October 1 of the current school year.

30.30 Sec. 4. Minnesota Statutes 2024, section 122A.415, subdivision 4, is amended to read:

30.31 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher
30.32 compensation aid for a school with a plan approved under section 122A.414, subdivision
30.33 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1.

The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 for fiscal year 2026, and \$0 for fiscal year 2027 and later times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$88,118,000 for fiscal year 2023; \$88,461,000 for fiscal year 2024; \$88,961,000 for fiscal year 2025; ~~and~~ \$89,486,000 for fiscal year 2026; and \$0 for fiscal year 2027 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 for fiscal year 2026, and \$0 for fiscal year 2027 and later times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Sec. 5. Minnesota Statutes 2024, section 122A.635, is amended to read:

**122A.635 COLLABORATIVE URBAN AND GREATER MINNESOTA
EDUCATORS OF COLOR GRANT PROGRAM.**

Subdivision 1. **Establishment.** ~~The Professional Educator Licensing and Standards Board~~ Department of Education must award competitive grants to increase the number of teacher candidates who are of color or who are American Indian, complete teacher preparation programs, and meet the requirements for a Tier 3 license under section 122A.183. Eligibility for a grant under this section is limited to public or private higher education institutions that offer a teacher preparation program approved by the Professional Educator Licensing and Standards Board.

Subd. 2. **Competitive grants.** (a) ~~The Professional Educator Licensing and Standards Board~~ commissioner must award competitive grants to a variety of higher education institution types under this section. ~~The board~~ commissioner must require an applicant institution to submit a plan describing how it would use grant funds to increase the number

32.1 of teachers who are of color or who are American Indian, ~~and must award grants based on~~
32.2 ~~the following criteria, listed in descending order of priority.~~ To the extent practicable, the
32.3 commissioner must award grants based on the following criteria:

32.4 (1) program outcomes, including graduation or program completion rates and licensure
32.5 recommendation rates for candidates who are of color or who are American Indian compared
32.6 to all candidates enrolled in a teacher preparation program at the institution and, for each
32.7 outcome measure, the number of teacher candidates who are of color or who are American
32.8 Indian;

32.9 (2) the extent to which an institution's plan is clear in describing how the institution
32.10 would use grant funds for implementing explicit research-based practices to provide
32.11 programmatic support to teacher candidates who are of color or who are American Indian.
32.12 Plans for grant funds may include:

32.13 (i) recruiting more racially and ethnically diverse candidates for admission to teacher
32.14 preparation programs;

32.15 (ii) providing differentiated advising, mentoring, or other supportive community-building
32.16 activities in addition to what the institution provides to all candidates enrolled in the
32.17 institution;

32.18 (iii) providing academic tutoring or support to help teacher candidates pass required
32.19 assessments; and

32.20 (iv) providing for program staffing expenses;

32.21 (3) an institution's plan to provide direct financial assistance as scholarships or stipends
32.22 ~~within the allowable dollar range determined by the board under subdivision 3, paragraph~~
32.23 ~~(b), to teacher candidates who are of color or who are American Indian, not to exceed \$5,000~~
32.24 per academic year for each candidate. The purpose of direct financial assistance is to provide
32.25 cost of attendance financial assistance to candidates matriculating through the licensure
32.26 program if they demonstrate financial need;

32.27 (4) whether the institution has previously received a competitive grant under this section
32.28 and has demonstrated positive outcomes from the use of grant funds for efforts helping
32.29 teacher candidates who are of color or who are American Indian to enroll in and successfully
32.30 complete teacher preparation programs and be recommended for licensure;

32.31 (5) geographic diversity among the applicant institutions. ~~In order to expand the number~~
32.32 ~~of grant recipients throughout the state, whenever there is at least a 20 percent increase in~~
32.33 ~~the base appropriation for this grant program, the board must prioritize awarding grants to~~

~~institutions outside of the Twin Cities metropolitan area. If the board awards a grant based on the criteria in paragraph (a) to a program that has not previously received funding, the board must thereafter give priority to the program equivalent to other programs that have received grants and demonstrated positive outcomes~~ To the extent there are sufficient applications, and to the extent practicable, the commissioner must award an equal number of grants between applicants in greater Minnesota and those in the seven-county metropolitan area; and

(6) the percentage of racially and ethnically diverse teacher candidates enrolled in the ~~institution~~ teacher preparation program compared to: the aggregate percentage of students of color and American Indian students enrolled in the institution, regardless of major.

~~(i) the aggregate percentage of students of color and American Indian students enrolled in the institution, regardless of major; and~~

~~(ii) the percentage of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.~~

(b) ~~The board~~ commissioner must not penalize an applicant institution in the grant review process for using grant funds only to provide direct financial support to teacher candidates if that is the institution's priority and the institution uses other resources to provide programmatic support to candidates.

(c) ~~The board~~ commissioner must determine award amounts for development, maintenance, or expansion of programs based only on the degree to which applicants meet the criteria in this subdivision, the number of candidates who are of color or who are American Indian supported by an applicant program, and funds available.

~~(d) The board must determine grant awards in part by multiplying the number of teacher candidates to be provided direct financial assistance by the average amount the institution proposes per candidate that is within the allowable dollar range. After assessing an institution's adherence to grant criteria and funds available, the board may grant an institution a lower average amount per candidate and the institution may decide to award less per candidate or provide financial assistance to fewer candidates within the allowable range. Additionally, an institution may use up to 25 percent of the awarded grant funds to provide programmatic support as described in paragraph (a), clause (3). If the board does not award an applicant institution's full request, the board must allow the institution to modify how it uses grant funds to maximize program outcomes consistent with the requirements of this section. The commissioner must allow an institution to use up to 25 percent of the awarded~~

34.1 grant funds to provide programmatic support for the teacher candidates receiving financial
34.2 support.

34.3 Subd. 3. **Grant program administration.** (a) ~~The Professional Educator Licensing and~~
34.4 ~~Standards Board may enter into an interagency agreement with the Office of Higher~~
34.5 ~~Education. The agreement may include a transfer of funds to the Office of Higher Education~~
34.6 ~~to help establish and administer the competitive grant process. The board must award grants~~
34.7 ~~to institutions located in various economic development regions throughout the state, but~~
34.8 The department must not predetermine the number of institutions to be awarded grants
34.9 under this section or set a limit for the amount that any one institution may receive as part
34.10 of the competitive grant application process.

34.11 ~~(b) The board must establish a standard allowable dollar range for the amount of direct~~
34.12 ~~financial assistance an applicant institution may provide to each candidate. To determine~~
34.13 ~~the range, the board may collect de-identified data from institutions that received a grant~~
34.14 ~~during the previous grant period and calculate the average scholarship amount awarded to~~
34.15 ~~all candidates across all institutions using the most recent fiscal year data available. The~~
34.16 ~~calculation may be used to determine a scholarship range that is no more than 25 percent~~
34.17 ~~of this amount and no less than half the average of this amount. The purpose of direct~~
34.18 ~~financial assistance is to assist candidates matriculating through completing licensure~~
34.19 ~~programs if they demonstrate financial need after considering other grants and scholarships~~
34.20 ~~provided.~~

34.21 ~~(c)~~ (b) All grants must be awarded by August 15 of the fiscal year in which the grants
34.22 are to be used. The deadline must be extended if changes to the grant program or
34.23 appropriation impact the timeline for grant awards. An institution that receives a grant under
34.24 this section may use the grant funds ~~over a two-~~ up to a four-year period to sustain support
34.25 for teacher candidates at any stage from recruitment and program admission to graduation
34.26 and licensure application. For grantees who receive multiple awards that overlap in the same
34.27 academic years, the maximum combined total of direct financial assistance that an institution
34.28 may provide to the same teacher candidate in the same academic year is \$10,000.

34.29 Subd. 4. **Report.** (a) By August 15 of each year, an institution awarded a grant under
34.30 this section must prepare for the ~~board~~ commissioner a detailed report regarding the
34.31 expenditure of grant funds, including the amounts used to recruit, retain, and support teacher
34.32 candidates of color or American Indian teacher candidates to complete programs and be
34.33 recommended for licensure. The report must include:

(1) the total number of teacher candidates of color and American Indian teacher candidates who:

(i) are enrolled in the institution;

(ii) are supported by grant funds with direct financial assistance during the academic reporting year;

(iii) are supported with other programmatic supports;

(iv) are recruited and newly admitted to a licensure program;

(v) are enrolled in a licensure program;

(vi) have completed a licensure program; and

(vii) were recommended for licensure in the field for which they were prepared;

(2) the total number of teacher candidates of color or American Indian teacher candidates at each stage from program admission to licensure recommendation as a percentage of all candidates seeking the same licensure at the institution; and

(3) a brief narrative describing the successes and challenges of efforts proposed in the grant application to support candidates with grant funds, and lessons learned for future efforts.

(b) By November 1 of each year, the ~~board~~ commissioner must post a report on its website summarizing the activities and outcomes of grant recipients and results that promote sharing of effective practices and lessons learned among grant recipients.

Subd. 5. **Positions transferred.** All classified and unclassified positions associated with the administration of grant programs being transferred to the Department of Education under this section are transferred with their incumbents in accordance with section 15.039, subdivision 7, except as otherwise provided in section 122A.07.

Sec. 6. Minnesota Statutes 2024, section 122A.70, subdivision 2, is amended to read:

Subd. 2. ~~**Board Grants.**~~ (a) ~~The Professional Educator Licensing and Standards Board~~ Department of Education must make grant application forms available to sites interested in developing, sustaining, or expanding a mentorship program.

(b) The following ~~applicants~~ are eligible for a program grant:

(1) a school district, charter school, or cooperative unit, on behalf of its participating school sites;

- 36.1 (2) a Tribal contract school;
- 36.2 (3) a coalition of teachers; ~~and~~
- 36.3 (4) a higher education institution;
- 36.4 (5) a nonprofit organization;
- 36.5 (6) a professional organization; and
- 36.6 ~~(4)~~ (7) a coalition of two or more applicants that are individually eligible for a grant.
- 36.7 A higher education institution, professional organization, or nonprofit organization ~~may~~
- 36.8 must partner with ~~an eligible grant applicant but is not eligible as a sole applicant for grant~~
- 36.9 ~~funds~~ a school district, charter school, cooperative unit, Tribal contract school, or coalition
- 36.10 of teachers to apply for a grant.
- 36.11 (c) ~~The Professional Educator Licensing and Standards Board, in consultation with the~~
- 36.12 ~~teacher mentoring task force,~~ commissioner of education must approve or disapprove the
- 36.13 applications. To the extent possible, the approved applications must reflect effective
- 36.14 mentoring, professional development, and retention components, and be geographically
- 36.15 distributed throughout the state. ~~The Professional Educator Licensing and Standards Board~~
- 36.16 ~~must encourage the selected sites to consider the use of its assessment procedures.~~
- 36.17 Sec. 7. Minnesota Statutes 2024, section 122A.70, subdivision 3, is amended to read:
- 36.18 Subd. 3. **Criteria for selection.** (a) ~~At a minimum,~~ Applicants for grants under
- 36.19 subdivision 2 must express commitment to:
- 36.20 (1) allow staff participation;
- 36.21 (2) assess skills of both beginning and mentor teachers;
- 36.22 (3) provide appropriate in-service to needs identified in the assessment;
- 36.23 (4) provide leadership to the effort;
- 36.24 (5) cooperate with higher education institutions or teacher educators;
- 36.25 (6) provide facilities and other resources;
- 36.26 (7) share findings, materials, and techniques with other school districts; and
- 36.27 (8) retain teachers of color and teachers who are American Indian.
- 36.28 (b) ~~The Professional Educator Licensing and Standards Board~~ commissioner of education
- 36.29 must give priority to applications to fund programs to induct, mentor, and retain ~~Tier 2 or~~

37.1 ~~Tier 3~~ teachers who are of color or who are American Indian; and ~~Tier 2 or Tier 3~~ teachers
37.2 in licensure shortage areas within the applicant's economic development region.

37.3 Sec. 8. Minnesota Statutes 2024, section 122A.70, subdivision 5, is amended to read:

37.4 Subd. 5. **Program implementation.** A grant recipient may use grant funds on
37.5 implementing activities over a period of time up to 24 months. New and expanding
37.6 mentorship sites that receive a ~~board~~ grant under subdivision 2 to design, develop, implement,
37.7 and evaluate their program must participate in activities that support program development
37.8 and implementation.

37.9 Sec. 9. Minnesota Statutes 2024, section 122A.70, subdivision 5a, is amended to read:

37.10 Subd. 5a. **Grant program administration.** ~~The Professional Educator Licensing and~~
37.11 ~~Standards Board~~ commissioner of education may enter into an interagency agreement with
37.12 the Office of Higher Education or the ~~Department of Education~~ Professional Educator
37.13 Licensing and Standards Board. The agreement may include a transfer of funds to the Office
37.14 of Higher Education or the ~~Department of Education~~ Professional Educator Licensing and
37.15 Standards Board to help administer the competitive grant process.

37.16 Sec. 10. Minnesota Statutes 2024, section 122A.70, subdivision 6, is amended to read:

37.17 Subd. 6. **Report.** By September 30 of each year after receiving a grant, recipients must
37.18 submit a report to ~~the Professional Educator Licensing and Standards Board~~ the Department
37.19 of Education on program efforts that describes mentoring and induction activities and
37.20 assesses the impact of these programs on teacher effectiveness and retention. ~~The board~~
37.21 commissioner of education must publish a summary report for the public and submit the
37.22 report to the committees of the legislature with jurisdiction over kindergarten through grade
37.23 12 education policy and finance in accordance with section 3.302 by November 30 of each
37.24 even year.

37.25 Sec. 11. Minnesota Statutes 2024, section 122A.70, is amended by adding a subdivision
37.26 to read:

37.27 Subd. 7. **Positions transferred.** Classified and unclassified positions associated with
37.28 the administration of grant programs being transferred to the Department of Education under
37.29 this section are transferred with their incumbents in accordance with section 15.039,
37.30 subdivision 7, except as otherwise provided in section 122A.07.

Sec. 12. Minnesota Statutes 2024, section 124D.901, subdivision 3, is amended to read:

Subd. 3. **Student support personnel aid.** (a) The initial student support personnel aid for a school district equals the greater of the student support personnel allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. The initial student support personnel aid for a charter school equals the greater of the student support personnel allowance times the adjusted pupil units at the charter school for the current fiscal year or \$20,000. Aid under this paragraph must be reserved in a fund balance that, beginning in fiscal year 2025, may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year.

(b) The cooperative student support personnel aid ~~for a school district that is a member of an intermediate school district or other cooperative unit that serves students equals the greater of the cooperative student support allowance times the adjusted pupil units at the district for the current fiscal year or \$40,000. If a district is a member of more than one cooperative unit that serves students, the revenue must be allocated among the cooperative units. Aid under this paragraph must not exceed actual expenditures~~ the sum of: (1) \$100,000; plus (2) the number of member districts in excess of ten times \$10,000. After the amounts under clauses (1) and (2) are calculated, the remaining available funds are divided in half to determine (3) a prorated per cooperative site distribution and (4) a prorated adjusted pupil unit (APU) cooperative distribution in the form and manner prescribed by the commissioner of education. The total aid for distribution in this section is generated by the allowance in paragraph (d).

(c) The student support personnel allowance equals \$11.94 for fiscal year 2024, \$17.08 for fiscal year 2025, and \$48.73 for fiscal year 2026 and later.

(d) For the purposes of this section, "cooperative" includes intermediate districts and cooperative units serving students. The cooperative student support total allowance, to be distributed to eligible cooperatives directly, calculated in paragraph (b) equals \$0.60 for fiscal year 2024, \$0.85 for fiscal year 2025, and \$2.44 for fiscal year 2026 and later of all eligible adjusted pupil unit students in districts who are members of a cooperative, or \$40,000 per member cooperative district, whichever is greater.

Sec. 13. Minnesota Statutes 2024, section 124D.901, subdivision 4, is amended to read:

Subd. 4. **Allowed uses.** (a) Aid under this section must be 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 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.

~~(b) 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.~~

~~(e)~~ (b) 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, 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.

(c) If a school district, charter school, or cooperative unit is not able to spend aid for the uses in paragraphs (a) and (b), aid may be used for the following purposes:

(1) to maintain student support personnel positions if a district receives declining enrollment revenue according to section 126C.10, subdivision 2d, in fiscal years 2025 and later and districts are forced to lay off a student support staff employee due to budgetary concerns;

(2) to cover the costs of planning and implementing training and job-embedded coaching for student support personnel; and

(3) to cover material costs of evidence-based, culturally responsive curriculums and programs that proactively support student mental health and school community well-being. The curriculum must be accredited through a national accreditation program before use.

(d) Any use of aid under paragraph (c) must be reviewed by the Department of Education to ensure the aid uses in paragraphs (a) and (b) were unable to be implemented.

Sec. 14. Laws 2023, chapter 55, article 5, section 64, subdivision 15, as amended by Laws 2024, chapter 115, article 5, section 14, is amended to read:

Subd. 15. Student support personnel workforce ~~pipeline~~ pathway. (a) For a grant program to develop a student support personnel workforce ~~pipeline~~ pathway focused on increasing school psychologists, school nurses, school counselors, and school social workers of color and Indigenous providers, professional respecialization, recruitment, and retention:

40.1 \$ 5,000,000 2024

40.2 \$ 5,000,000 2025

40.3 (b) Of the amount in paragraph (a), \$150,000 is for providing support to school nurses
40.4 across the state.

40.5 (c) To the extent practicable, the ~~pipeline~~ pathway grants must be used to support equal
40.6 numbers of students pursuing careers as school psychologists, school nurses, school
40.7 counselors, and school social workers.

40.8 (d) For grants awarded under this subdivision to school psychologists, the following
40.9 terms have the meanings given:

40.10 (1) "eligible designated trainee" means an individual enrolled in a NASP-approved or
40.11 APA-accredited school psychology program granting educational specialist certificates or
40.12 doctoral degrees in school psychology;

40.13 (2) "practica" means an educational experience administered and evaluated by the
40.14 graduate training program, with university and site supervision by appropriately credentialed
40.15 school psychologists, to develop trainees' competencies to provide school psychological
40.16 services based on the graduate program's goals and competencies relative to accreditation
40.17 and licensure requirements; and

40.18 (3) "eligible employment" means a paid position within a school or local education
40.19 agency directly related to the training program providing direct or indirect school psychology
40.20 services. Direct services include assessment, intervention, prevention, or consultation services
40.21 to students or their family members and educational staff. Indirect services include
40.22 supervision, research and evaluation, administration, program development, technical
40.23 assistance, or professional learning to support direct services.

40.24 (e) Grants awarded to school psychologists must be used for:

40.25 (1) the provision of paid, supervised, and educationally meaningful practica in a public
40.26 school setting for an eligible designated trainee enrolled in a qualifying program within the
40.27 grantee's institution;

40.28 (2) to support student recruitment and retention to enroll and hire an eligible designated
40.29 trainee for paid practica in public school settings; and

40.30 (3) oversight of trainee practica and professional development by the qualifying institution
40.31 to ensure the qualifications and conduct by an eligible designated trainee meet requirements
40.32 set forth by the state and accrediting agencies.

(f) Upon successful completion of the graduate training program, grants awarded to school psychologists must maintain eligible employment within Minnesota for a minimum period of one-year full-time equivalent for each academic year of paid traineeship under the grant program.

(g) Up to \$150,000 of the appropriation is available for grant administration.

(h) Any balance in the first year does not cancel but is available in the second year.

Sec. 15. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

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

Subd. 2. Agricultural educator grants. (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

\$ 250,000 2026

\$ 250,000 2027

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) Up to ten percent of the grant amount is available for grant administration and monitoring.

Subd. 3. Alternative teacher compensation aid. (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$ 88,351,000 2026

\$ 8,837,000 2027

(b) The 2026 appropriation includes \$8,814,000 for fiscal year 2025 and \$79,537,000 for fiscal year 2026.

(c) The 2027 appropriation includes \$8,837,000 for fiscal year 2026 and \$0 for fiscal year 2027.

Subd. 4. Black Men Teach Twin Cities. (a) For a grant to Black Men Teach Twin Cities for the purposes listed in paragraph (c):

\$ 500,000 2026

\$ 500,000 2027

(b) Black Men Teach Twin Cities must use the grant to establish partnerships with public elementary schools with a goal of increasing the number of black male teachers to 20 percent

42.1 of the teachers at each school site. To the extent possible, Black Men Teach Twin Cities
 42.2 must include sites in greater Minnesota, suburban areas, and urban settings.

42.3 (c) The grant money may be used for:

42.4 (1) scholarships for aspiring teachers;

42.5 (2) student teacher stipends;

42.6 (3) mentoring activities;

42.7 (4) professional development, with an emphasis on early literacy training, including best
 42.8 practices associated with the science of reading; and

42.9 (5) stipends for housing to allow a teacher to live closer to the teacher's school.

42.10 (d) Black Men Teach Twin Cities must provide a detailed report to the chairs and ranking
 42.11 minority members of the legislative committees with jurisdiction over kindergarten through
 42.12 grade 12 education and higher education by January 15 of each year following the year of
 42.13 a grant award describing how the grant money was used. The report must describe the
 42.14 progress made toward the goal of increasing the number of Black male teachers at each
 42.15 school site, identify the strategies used to recruit Black teachers, and describe barriers Black
 42.16 men face in the teaching profession. The report must be filed in accordance with Minnesota
 42.17 Statutes, section 3.195.

42.18 (e) Up to three percent of the appropriation is available for grant administration.

42.19 Subd. 5. **Coalition to Increase Teachers of Color and American Indian Teachers.** (a)
 42.20 For the Board of Directors of the Minnesota Humanities Center for a grant to the Coalition
 42.21 to Increase Teachers of Color and American Indian Teachers in Minnesota for nonlobbying
 42.22 activities and general operating expenses that support the recruitment and retention of
 42.23 racially and ethnically diverse teachers underrepresented in the state's workforce:

42.24 \$ 100,000 2026

42.25 \$ 100,000 2027

42.26 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

42.27 Subd. 6. **Come Teach in Minnesota hiring bonuses.** (a) For the Come Teach in
 42.28 Minnesota hiring bonuses program under Minnesota Statutes, section 122A.59:

42.29 \$ 400,000 2026

42.30 \$ 400,000 2027

42.31 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
 42.32 122A.59, subdivision 5.

43.1 Subd. 7. **Concurrent enrollment teacher training program.** (a) For the concurrent
43.2 enrollment teacher partnership under Minnesota Statutes, section 122A.76:

43.3 \$ 375,000 2026

43.4 \$ 375,000 2027

43.5 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

43.6 Subd. 8. **Expanded concurrent enrollment grants.** (a) For grants to institutions offering
43.7 "Introduction to Teaching" or "Introduction to Education" courses under Minnesota Statutes,
43.8 section 124D.09, subdivision 10, paragraph (b):

43.9 \$ 500,000 2026

43.10 \$ 500,000 2027

43.11 (b) Up to five percent of the grant amount is available for grant administration and
43.12 monitoring.

43.13 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

43.14 Subd. 9. **Grow Your Own pathways to teacher licensure grants.** (a) For grants to
43.15 develop, continue, or expand Grow Your Own new teacher programs under Minnesota
43.16 Statutes, section 122A.73, to develop a teaching workforce that more closely reflects the
43.17 state's increasingly diverse student population and ensure all students have equitable access
43.18 to effective and diverse teachers:

43.19 \$ 31,954,000 2026

43.20 \$ 31,954,000 2027

43.21 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
43.22 122A.73, subdivision 5.

43.23 Subd. 10. **Special education teacher pipeline.** (a) For grants to develop special education
43.24 teacher pipelines across Minnesota under Minnesota Statutes, section 122A.77:

43.25 \$ 0 2026

43.26 \$ 10,000,000 2027

43.27 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
43.28 122A.77, subdivision 5.

43.29 (c) The base for fiscal year 2028 and later is \$10,000,000.

43.30 Subd. 11. **Student support personnel aid.** (a) For aid to support schools in addressing
43.31 students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

44.1 \$ 58,515,000 2026

44.2 \$ 60,713,000 2027

44.3 (b) The 2026 appropriation includes \$3,650,000 for fiscal year 2025 and \$54,865,000
44.4 for fiscal year 2026.

44.5 (c) The 2027 appropriation includes \$6,096,000 for fiscal year 2026 and \$54,617,000
44.6 for fiscal year 2027.

44.7 Subd. 12. **Student support personnel workforce pathway.** (a) For a grant program to
44.8 develop a student support personnel workforce pathway focused on increasing school
44.9 psychologists, school nurses, school counselors, and school social workers of color and
44.10 Indigenous providers, professional respecialization, recruitment, and retention:

44.11 \$ 5,000,000 2026

44.12 \$ 5,000,000 2027

44.13 (b) Of the amount in paragraph (a), \$150,000 each year is for providing support to school
44.14 nurses across the state.

44.15 (c) To the extent practicable, the pathway grants must be used to support equal numbers
44.16 of students pursuing careers as school psychologists, school nurses, school counselors, and
44.17 school social workers.

44.18 (d) For grants awarded to school psychologists under this subdivision, the following
44.19 terms have the meanings given:

44.20 (1) "eligible designated trainee" means an individual enrolled in a National Association
44.21 of School Psychologists approved or American Psychological Association accredited school
44.22 psychology program granting educational specialist certificates or doctoral degrees in school
44.23 psychology;

44.24 (2) "eligible employment" means a paid position within a school or local education
44.25 agency directly related to a training program providing direct or indirect school psychology
44.26 services. Direct services include assessment, intervention, prevention, or consultation services
44.27 to students or their family members and educational staff. Indirect services include
44.28 supervision, research and evaluation, administration, program development, technical
44.29 assistance, or professional learning to support direct services; and

44.30 (3) "practica" means an educational experience administered and evaluated by a graduate
44.31 training program, with university and site supervision provided by appropriately credentialed
44.32 school psychologists, to develop trainees' competencies to provide school psychological

45.1 services based on the graduate training program's goals and competencies relative to
45.2 accreditation and licensure requirements.

45.3 (e) Grants awarded to school psychologists must be used for:

45.4 (1) providing paid, supervised, and educationally meaningful practica in a public school
45.5 setting for an eligible designated trainee enrolled in a qualifying program within the grantee's
45.6 institution;

45.7 (2) supporting student recruitment and retention to enroll and hire an eligible designated
45.8 trainee for paid practica in public school settings; and

45.9 (3) oversight of trainee practica and professional development by a qualifying program
45.10 to ensure the qualifications and conduct by an eligible designated trainee meet requirements
45.11 set forth by the state and accrediting agencies.

45.12 (f) Upon successful completion of the graduate training program, grants awarded to
45.13 school psychologists must maintain eligible employment within Minnesota for a minimum
45.14 period of one-year full-time equivalent for each academic year of paid training under the
45.15 grant program.

45.16 (g) Up to \$150,000 of the appropriation is available for grant administration.

45.17 (h) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

45.18 Subd. 13. **Teacher residency program.** (a) For a teacher residency program that meets
45.19 the requirements of Minnesota Rules, part 8705.2100, subpart 2, item D, subitem (5), unit
45.20 (g):

45.21 \$ 3,000,000 2026

45.22 \$ 3,000,000 2027

45.23 (b) Up to three percent of the appropriation is available for grant administration.

45.24 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

45.25 Subd. 14. **Collaborative urban and greater Minnesota educators of color grants.** (a)
45.26 For collaborative urban and greater Minnesota educators of color competitive grants under
45.27 Minnesota Statutes, section 122A.635:

45.28 \$ 5,440,000 2026

45.29 \$ 5,440,000 2027

45.30 (b) The department may retain up to \$100,000 of the appropriation to monitor and
45.31 administer the grant program.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Subd. 15. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$ 4,500,000 2026

\$ 4,500,000 2027

(b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

(c) Of the amounts in paragraph (a), at least \$3,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The department may retain up to three percent of the appropriation amount to monitor and administer the grant program.

Sec. 16. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated.

Subd. 2. **Alternative pathways support position.** To fund a position at the Professional Educator Licensing and Standards Board to support candidates through alternative pathway programs, including the licensure via portfolio process, and to support districts, charter schools, and educational cooperatives to become alternative preparation providers:

\$ 150,000 2026

\$ 150,000 2027

Subd. 3. **Heritage language and culture teachers.** To support an additional licensure pathway program for heritage language and culture teachers under Minnesota Statutes, section 122A.631, including funding for a portfolio liaison and funding for substitute teachers on meeting days, portfolio fees, licensure fees, and licensure exam fees for 50 program participants:

\$ 208,000 2026

\$ 208,000 2027

Subd. 4. **Licensure via portfolio online platform.** To complete the licensure via portfolio online platform to streamline the portfolio submission and review process:

47.1 \$ 150,000 2026

47.2 \$ 150,000 2027

47.3 Subd. 5. **Pathway preparation grants.** (a) For grants to support teachers holding a Tier
 47.4 1 or Tier 2 license who are seeking a Tier 3 or Tier 4 license:

47.5 \$ 400,000 2026

47.6 \$ 400,000 2027

47.7 (b) The following are eligible for grants under this subdivision:

47.8 (1) school districts;

47.9 (2) charter schools;

47.10 (3) service cooperatives; and

47.11 (4) partnerships between one or more teacher preparation providers, school districts, or
 47.12 charter schools.

47.13 (c) Grant funds must be used to support teachers holding a Tier 1 or Tier 2 license and
 47.14 seeking a Tier 3 or Tier 4 license through completion of a teacher preparation program or
 47.15 the licensure via portfolio process. A grant recipient must provide teachers holding a Tier
 47.16 1 or Tier 2 license with professional development, mentorship, and coursework aligned to
 47.17 state standards for teacher licensure.

47.18 (d) The Professional Educator Licensing and Standards Board may collaborate with the
 47.19 Department of Education and the Office of Higher Education to administer the grant program.

47.20 (e) The board may retain up to three percent of the appropriation amount to monitor and
 47.21 administer the grant.

47.22 Subd. 6. **Teacher recruitment marketing campaign.** (a) To develop two contracts to
 47.23 develop and implement an outreach and marketing campaign under this subdivision:

47.24 \$ 500,000 2026

47.25 \$ 500,000 2027

47.26 (b) The Professional Educator Licensing and Standards Board must issue a request for
 47.27 proposals to develop and implement an outreach and marketing campaign to elevate the
 47.28 profession and recruit teachers, especially teachers of color and American Indian teachers.
 47.29 Outreach efforts may include and support current and former Teacher of the Year finalists
 47.30 interested in being recruitment fellows to encourage prospective educators throughout the
 47.31 state. The board may renew a grant contract with a prior recipient if it determines sufficient

deliverables were achieved and the plans of the firm or organization are more promising than proposals from other entities.

(c) The outreach and marketing campaign must focus on increasing interest in teaching in Minnesota public schools for the following individuals:

(1) high school and college students of color or American Indian students who have not chosen a career path; or

(2) adults from racial or ethnic groups underrepresented in the teacher workforce who may be seeking to change careers.

(d) The board must award two \$250,000 grants each year to firms or organizations that demonstrate capacity to reach wide and varied audiences of prospective teachers based on a work plan with quarterly deliverables. Preferences may be given to firms or organizations that are led by people of color and that have people of color working on the campaign with a proven record of success. The grant recipients must recognize current pathways or programs to become a teacher and must partner with educators, schools, institutions, and racially diverse communities. The grant recipients are encouraged to provide in-kind contributions or seek funds from nonstate sources to supplement the grant award.

(e) The board may use no more than three percent of the appropriation amount to administer the program under this subdivision, and may have an interagency agreement with the Department of Education including transfer of funds to help administer the program.

(f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Sec. 17. **REPEALER.**

Minnesota Statutes 2024, sections 122A.414, subdivisions 1, 2, 3, 4, 4a, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 13, 14a, 15, and 16; 122A.4144; 122A.415, subdivisions 1, 3, 4, 5, 6, and 7; 122A.4155; 122A.416; and 122A.417, are repealed for fiscal year 2028 and later.

EFFECTIVE DATE. This section is effective June 30, 2027.

ARTICLE 4

AMERICAN INDIAN EDUCATION

Section 1. Minnesota Statutes 2024, section 122A.63, subdivision 9, is amended to read:

Subd. 9. **Eligible programming.** (a) The grantee institutions may provide scholarships to eligible students progressing toward educational goals in a kindergarten through grade

49.1 12 educational setting in any area of teacher licensure, including an associate's, bachelor's,
49.2 master's, or doctoral degree in the following:

49.3 (1) any educational certification necessary for employment;

49.4 (2) early childhood family education or prekindergarten licensure;

49.5 (3) elementary and secondary education;

49.6 (4) school administration; or

49.7 (5) any educational program that provides services to American Indian students in
49.8 prekindergarten through grade 12.

49.9 (b) Scholarships may be used to cover an eligible student's cost of attendance under
49.10 section 136A.126, subdivision 3.

49.11 (c) For purposes of recruitment, the grantees or their contracted partner institutions must
49.12 agree to work with their respective organizations to hire an American Indian work-study
49.13 student or other American Indian staff to conduct initial information queries and to contact
49.14 persons working in schools to provide programming regarding education professions to
49.15 high school students who may be interested in education as a profession.

49.16 (d) At least 80 percent of the grants awarded under this section must be used for student
49.17 scholarships. No more than 20 percent of the grants awarded under this section may be used
49.18 for recruitment or administration of the student scholarships.

49.19 Sec. 2. Minnesota Statutes 2024, section 124D.83, subdivision 2, is amended to read:

49.20 Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or grant school
49.21 that is located on a reservation within the state and that complies with the requirements in
49.22 subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is
49.23 derived by:

49.24 (1) multiplying the formula allowance under section 126C.10, subdivision 2, less \$170,
49.25 times the difference between (i) the resident pupil units as defined in section 126C.05,
49.26 subdivision 6, in average daily membership, excluding section 126C.05, subdivision 13,
49.27 and (ii) the number of pupils for the current school year, weighted according to section
49.28 126C.05, subdivision 1, ~~receiving benefits under section 123B.42 or 123B.44 or for which~~
49.29 the school is receiving reimbursement under section 124D.69;

49.30 (2) adding to the result in clause (1) an amount equal to the product of the formula
49.31 allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract
49.32 compensation revenue pupil units;

(3) subtracting from the result in clause (2) the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 124D.69;

(4) dividing the result in clause (3) by the sum of the resident pupil units in average daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract compensation revenue pupil units; and

(5) multiplying the sum of the resident pupil units, including section 126C.05, subdivision 13, in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of \$3,230 for fiscal year 2019 and 51.17 percent of the formula allowance for fiscal year 2020 and later or the result in clause (4).

Sec. 3. **APPROPRIATIONS.**

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

Subd. 2. American Indian education aid. (a) For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	<u>20,469,000</u>	<u>.....</u>	<u>2026</u>
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\$	<u>21,343,000</u>	<u>.....</u>	<u>2027</u>
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(b) The 2026 appropriation includes \$1,976,000 for 2025 and \$18,493,000 for 2026.

(c) The 2027 appropriation includes \$2,054,000 for 2026 and \$19,289,000 for 2027.

Subd. 3. Minnesota Indian teacher training program grants. (a) For joint grants to assist people who are American Indian to become teachers under Minnesota Statutes, section 122A.63:

\$	<u>600,000</u>	<u>.....</u>	<u>2026</u>
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\$	<u>600,000</u>	<u>.....</u>	<u>2027</u>
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51.1 (b) This appropriation is subject to the requirements under Minnesota Statutes, section
51.2 122A.63, subdivision 10.

51.3 Subd. 4. **Native language revitalization grants to schools.** (a) For grants to school
51.4 districts, charter schools, and Tribal contract schools to offer language instruction in Dakota
51.5 and Anishinaabe languages or another language indigenous to the United States or Canada:

51.6 \$ 7,500,000 2026

51.7 \$ 7,500,000 2027

51.8 (b) Grant amounts are to be determined based upon the number of schools within a
51.9 district implementing language courses. Eligible expenses include costs for teachers, program
51.10 supplies, and curricular resources.

51.11 (c) Up to five percent of the grant amount is available for grant administration and
51.12 monitoring.

51.13 (d) Up to \$300,000 each year is for administrative and programmatic capacity at the
51.14 Department of Education.

51.15 (e) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

51.16 Subd. 5. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota
51.17 Statutes, section 124D.83:

51.18 \$ 2,415,000 2026

51.19 \$ 2,692,000 2027

51.20 (b) The 2026 appropriation includes \$219,000 for 2025 and \$2,196,000 for 2026.

51.21 (c) The 2027 appropriation includes \$244,000 for 2026 and \$2,448,000 for 2027.

51.22 Subd. 6. **Early childhood programs at Tribal contract schools.** (a) For early childhood
51.23 family education programs at Tribal contract schools under Minnesota Statutes, section
51.24 124D.83, subdivision 4:

51.25 \$ 68,000 2026

51.26 \$ 68,000 2027

51.27 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

ARTICLE 5**SPECIAL EDUCATION**

Section 1. Minnesota Statutes 2024, section 125A.76, subdivision 2a, is amended to read:

Subd. 2a. **Special education initial aid.** For fiscal year 2021 and later, a district's special education initial aid equals the sum of:

(1) the least of 62 percent of the district's old formula special education expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50 percent of the district's nonfederal special education expenditures for the prior year, excluding pupil transportation expenditures, or 56 percent of the product of the sum of the following amounts, computed using prior fiscal year data, and the program growth factor:

(i) the product of the district's average daily membership served and the sum of:

(A) \$460; plus

(B) \$405 times the ratio of the sum of the number of pupils enrolled on October 1 who are eligible to receive free meals plus one-half of the pupils enrolled on October 1 who are eligible to receive reduced-price meals to the total October 1 enrollment; plus

(C) .008 times the district's average daily membership served; plus

(ii) \$13,300 times the December 1 child count for the primary disability areas of autism spectrum disorders, developmental delay, and severely multiply impaired; plus

(iii) \$19,200 times the December 1 child count for the primary disability areas of deaf and hard-of-hearing and emotional or behavioral disorders; plus

(iv) \$25,200 times the December 1 child count for the primary disability areas of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, and deafblind; plus

(2) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4), reimbursed at 95 percent for fiscal year 2026, and 90 percent for fiscal years 2027 and later.

Sec. 2. **APPROPRIATIONS.**

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

53.1 Subd. 2. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section
 53.2 125A.75, subdivision 3, for children with disabilities placed in residential facilities within
 53.3 district boundaries for whom no district of residence can be determined:

53.4 \$ 2,240,000 2026

53.5 \$ 2,570,000 2027

53.6 (b) If the appropriation for either year is insufficient, the appropriation for the other year
 53.7 is available.

53.8 Subd. 3. **Court-placed special education revenue.** For reimbursing serving school
 53.9 districts for unreimbursed eligible expenditures attributable to children placed in the serving
 53.10 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

53.11 \$ 41,000 2026

53.12 \$ 42,000 2027

53.13 Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota
 53.14 Statutes, section 125A.76:

53.15 \$ 2,741,694,000 2026

53.16 \$ 2,950,159,000 2027

53.17 (b) The 2026 appropriation includes \$320,095,000 for 2025 and \$2,421,599,000 for
 53.18 2026.

53.19 (c) The 2027 appropriation includes \$340,891,000 for 2026 and \$2,609,268,000 for
 53.20 2027.

53.21 Subd. 5. **Special education out-of-state tuition.** For special education out-of-state
 53.22 tuition under Minnesota Statutes, section 125A.79, subdivision 8:

53.23 \$ 250,000 2026

53.24 \$ 250,000 2027

53.25 Subd. 6. **Special education separate sites and programs.** (a) For aid for special
 53.26 education separate sites and programs under Minnesota Statutes, section 125A.81, subdivision
 53.27 4:

53.28 \$ 4,730,000 2026

53.29 \$ 4,966,000 2027

53.30 (b) The 2026 appropriation includes \$452,000 for 2025 and \$4,278,000 for 2026.

53.31 (c) The 2027 appropriation includes \$475,000 for 2026 and \$4,491,000 for 2027.

Subd. 7. Travel for home-based services. (a) For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$ 643,000 2026

\$ 709,000 2027

(b) The 2026 appropriation includes \$58,000 for 2025 and \$585,000 for 2026.

(c) The 2027 appropriation includes \$65,000 for 2026 and \$644,000 for 2027.

ARTICLE 6

FACILITIES

Section 1. Minnesota Statutes 2024, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, ~~and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose,~~ it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain ~~financial justification for the proposed levy,~~ the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. For any capital or joint powers lease application with a total value of over \$2,000,000, a review and comment must be submitted prior to a capital lease approval.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district as prescribed by the commissioner, including but not limited to a review of statutory operating debt percentage. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for

regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 may include in its authority under this section the costs associated with leases of administrative and classroom space for programs of the intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or joint powers district under

section 471.59. This authority must not exceed \$65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. The intermediate school district, other cooperative unit, or joint powers district may specify which member districts will levy for lease costs under this paragraph.

(i) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the district's proportionate share of deferred maintenance expenditures for a district-owned building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 for any instructional purposes or for school storage.

EFFECTIVE DATE. This section is effective for taxes payable in 2026 and later.

Sec. 2. Minnesota Statutes 2024, section 126C.40, is amended by adding a subdivision to read:

Subd. 7. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Capital lease" means an agreement to use, construct, or remodel a site under subdivision 1, paragraph (c), with the end result being site ownership.

(c) "Criteria of approval" means guidelines approved and updated as needed by the commissioner for each levy year.

(d) Notwithstanding subdivision 1, "instructional purposes" means the use of a building or land being leased leads to educational-related outcomes identified in statute or state program policy.

(e) "Joint lease" means districts with levy authority agree to contribute to the annual costs of hosted or joint powers operational or capital leases. The host district or joint powers district has the authority to apply leases to member district levies for leases approved by the commissioner.

57.1 (f) "Operating costs" means regular maintenance or custodial supplies and services.

57.2 (g) "Operational lease" means an agreement to use building or land not leading to
57.3 ownership.

57.4 (h) "Rent or lease" means a formal agreement or Department of Education approval for
57.5 occasional-use sites, in writing, with the term, cost, and board approval included.

57.6 (i) "Review and comment" means completing the Department of Education review
57.7 process for any capital lease projected to cost \$2,000,000 or more.

57.8 **EFFECTIVE DATE.** This section is effective for taxes payable in 2026 and later.

57.9 Sec. 3. **APPROPRIATIONS.**

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

57.13 Subd. 2. **Debt service equalization aid.** (a) For debt service equalization aid under
57.14 Minnesota Statutes, section 123B.53, subdivision 6:

57.15 \$ 16,225,000 2026

57.16 \$ 13,580,000 2027

57.17 (b) The 2026 appropriation includes \$1,986,000 for 2025 and \$14,239,000 for 2026.

57.18 (c) The 2027 appropriation includes \$1,582,000 for 2026 and \$11,998,000 for 2027.

57.19 Subd. 3. **Equity in telecommunications access.** (a) For equity in telecommunications
57.20 access:

57.21 \$ 3,750,000 2026

57.22 \$ 3,750,000 2027

57.23 (b) If the appropriation amount is insufficient, the commissioner must reduce the
57.24 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
57.25 revenue for fiscal years 2026 and 2027 must be prorated.

57.26 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

57.27 Subd. 4. **Grants for gender-neutral single-user restrooms.** (a) For grants to school
57.28 districts for remodeling, constructing, or repurposing space for gender-neutral single-user
57.29 restrooms:

58.1 \$ 1,000,000 2026

of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of ~~lunchroom supervision~~, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program must be charged to the general fund.

~~That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.~~

Staff whose primary responsibility is financial or program management of food service operations may charge time spent managing the program to the food service program.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. ~~However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.~~

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for ~~that fiscal year~~ the documented costs of ~~lunchroom supervision~~, lunchroom custodial services, lunchroom utilities, lunchroom furniture, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund identified by the

60.1 commissioner in a total amount not to exceed the amount of surplus ~~in the food service~~
60.2 ~~fund~~.

60.3 (i) For purposes of this subdivision, "lunchroom furniture" means tables and chairs
60.4 regularly used by pupils in a lunchroom from which they may consume milk, meals, or
60.5 snacks in connection with school or community service activities.

60.6 Sec. 2. Minnesota Statutes 2024, section 124D.119, subdivision 1, is amended to read:

60.7 Subdivision 1. **Summer ~~Food Service~~ Electronic Benefit Transfer Program**
60.8 **replacement aid.** State funds are available to compensate ~~department-approved~~ school food
60.9 authorities who gather student data for the Summer ~~Food Service~~ Electronic Benefit Transfer
60.10 Program sponsors. Reimbursement shall be made on by December 15 based on total meals
60.11 served by each sponsor from the end of the school year to the beginning of the next school
60.12 year the number of pupil units eligible during the Summer Electronic Benefit Transfer
60.13 Program eligibility year on a pro rata basis.

60.14 Sec. 3. **APPROPRIATIONS.**

60.15 Subdivision 1. **Department of Education.** The sums indicated in this section are
60.16 appropriated from the general fund to the Department of Education for the fiscal years
60.17 designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

60.18 Subd. 2. **Basic system support.** (a) For basic system support aid under Minnesota
60.19 Statutes, section 134.355:

60.20 \$ 17,883,000 2026

60.21 \$ 18,329,000 2027

60.22 (b) The 2026 appropriation includes \$1,752,000 for 2025 and \$16,131,000 for 2026.

60.23 (c) The 2027 appropriation includes \$1,792,000 for 2026 and \$16,537,000 for 2027.

60.24 Subd. 3. **Electronic library for Minnesota.** For statewide licenses to online databases
60.25 selected in cooperation with the Minnesota Office of Higher Education for school media
60.26 centers, public libraries, state government agency libraries, and public or private college or
60.27 university libraries:

60.28 \$ 900,000 2026

60.29 \$ 900,000 2027

60.30 Subd. 4. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
60.31 including the amounts for the free school meals program:

61.1 \$ 265,107,000 2026

61.2 \$ 276,479,000 2027

61.3 Subd. 5. **School breakfast.** For school breakfast aid under Minnesota Statutes, section
61.4 124D.1158:

61.5 \$ 56,996,000 2026

61.6 \$ 59,531,000 2027

61.7 Subd. 6. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
61.8 section 124D.118:

61.9 \$ 387,000 2026

61.10 \$ 387,000 2027

61.11 Subd. 7. **Multicounty, multitype library systems.** (a) For aid under Minnesota Statutes,
61.12 sections 134.353 and 134.354, to multicounty, multitype library systems:

61.13 \$ 2,000,000 2026

61.14 \$ 2,000,000 2027

61.15 (b) The 2026 appropriation includes \$200,000 for 2025 and \$1,800,000 for 2026.

61.16 (c) The 2027 appropriation includes \$200,000 for 2026 and \$1,800,000 for 2027.

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

61.19 \$ 2,300,000 2026

61.20 \$ 2,300,000 2027

61.21 (b) The 2026 appropriation includes \$230,000 for 2025 and \$2,070,000 for 2026.

61.22 (c) The 2027 appropriation includes \$230,000 for 2026 and \$2,070,000 for 2027.

61.23 Subd. 9. **School library aid.** (a) For school library aid under Minnesota Statutes, section
61.24 134.356:

61.25 \$ 23,680,000 2026

61.26 \$ 23,603,000 2027

61.27 (b) The 2026 appropriation includes \$2,378,000 for 2025 and \$21,302,000 for 2026.

61.28 (c) The 2027 appropriation includes \$2,366,000 for 2026 and \$21,237,000 for 2027.

61.29 Subd. 10. **Summer Electronic Benefit Transfer Program.** To support local education
61.30 agencies uploading data for and administering the Summer Electronic Benefit Transfer
61.31 Program.

62.1 \$ 150,000 2026

62.2 \$ 150,000 2027

62.3 **ARTICLE 8**

62.4 **EARLY CHILDHOOD EDUCATION**

62.5 Section 1. **APPROPRIATIONS.**

62.6 Subdivision 1. **Department of Education.** The sums indicated in this section are
62.7 appropriated from the general fund to the Department of Education in the fiscal years
62.8 designated.

62.9 Subd. 2. **Kindergarten entry assessment.** (a) For the kindergarten entry assessment
62.10 under Minnesota Statutes, section 124D.162:

62.11 \$ 2,357,000 2026

62.12 \$ 1,743,000 2027

62.13 (b) The base for fiscal year 2028 and later is \$1,743,000.

62.14 Subd. 3. **Early childhood and family education teacher shortage.** (a) For transfer to
62.15 the Office of Higher Education for grants to Minnesota institutions of higher education to
62.16 address the early childhood and family education teacher shortage:

62.17 \$ 500,000 2026

62.18 \$ 500,000 2027

62.19 (b) Grant funds may be used to provide tuition and other supports to students.

62.20 (c) Up to five percent of the grant amount is available for grant administration and
62.21 monitoring.

62.22 (d) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

62.23 **ARTICLE 9**

62.24 **COMMUNITY EDUCATION AND LIFELONG LEARNING**

62.25 Section 1. **APPROPRIATIONS.**

62.26 Subdivision 1. **Department of Education.** The sums indicated in this section are
62.27 appropriated from the general fund to the Department of Education for the fiscal years
62.28 designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

62.29 Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota
62.30 Statutes, section 124D.531:

63.1 \$ 55,281,000 2026

63.2 \$ 56,919,000 2027

63.3 (b) The 2026 appropriation includes \$5,401,000 for 2025 and \$49,880,000 for 2026.

63.4 (c) The 2027 appropriation includes \$5,542,000 for 2026 and \$51,377,000 for 2027.

63.5 Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs
63.6 under Minnesota Statutes, section 124D.56:

63.7 \$ 1,517,000 2026

63.8 \$ 1,534,000 2027

63.9 (b) The 2026 appropriation includes \$149,000 for 2025 and \$1,368,000 for 2026.

63.10 (c) The 2027 appropriation includes \$151,000 for 2026 and \$1,383,000 for 2027.

63.11 Subd. 4. **Community education aid.** (a) For community education aid under Minnesota
63.12 Statutes, section 124D.20:

63.13 \$ 10,081,000 2026

63.14 \$ 10,442,000 2027

63.15 (b) The 2026 appropriation includes \$872,000 for 2025 and \$9,209,000 for 2026.

63.16 (c) The 2027 appropriation includes \$1,023,000 for 2026 and \$9,419,000 for 2027.

63.17 Subd. 5. **Deaf, deafblind, and hard-of-hearing adults.** For programs for deaf, deafblind,
63.18 and hard-of-hearing adults under Minnesota Statutes, section 124D.57:

63.19 \$ 70,000 2026

63.20 \$ 70,000 2027

63.21 Subd. 6. **High school equivalency tests.** For payment of the costs of the
63.22 commissioner-selected high school equivalency tests under Minnesota Statutes, section
63.23 124D.55:

63.24 \$ 125,000 2026

63.25 \$ 125,000 2027

63.26 Subd. 7. **Neighborhood partnership grants.** (a) For neighborhood partnership grants
63.27 under Minnesota Statutes, section 124D.99:

63.28 \$ 2,600,000 2026

63.29 \$ 2,600,000 2027

63.30 (b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside
63.31 Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

64.1 Subd. 8. Regional neighborhood partnership grants. (a) For regional neighborhood
64.2 partnership grants under Minnesota Statutes, section 124D.99:

64.3 \$ 1,400,000 2026

64.4 \$ 1,400,000 2027

64.5 (b) Of the amounts in paragraph (a), \$200,000 each year is for the following programs:

64.6 (1) Northfield Healthy Community Initiative in Northfield;

64.7 (2) Red Wing Youth Outreach Program in Red Wing;

64.8 (3) United Way of Central Minnesota in St. Cloud;

64.9 (4) Austin Aspires in Austin;

64.10 (5) Rochester Area Foundation in Rochester;

64.11 (6) Greater Twin Cities United Way for Generation Next; and

64.12 (7) Children First and Partnership for Success in St. Louis Park.

64.13 Subd. 9. School-age care aid. (a) For school-age care aid under Minnesota Statutes,
64.14 section 124D.22:

64.15 \$ 1,000 2026

64.16 \$ 1,000 2027

64.17 (b) The 2026 appropriation includes \$0 for 2025 and \$1,000 for 2026.

64.18 (c) The 2027 appropriation includes \$0 for 2026 and \$1,000 for 2027.

64.19 ARTICLE 10

64.20 STATE AGENCIES

64.21 Section 1. Laws 2023, chapter 55, article 12, section 17, subdivision 2, as amended by
64.22 Laws 2024, chapter 115, article 10, section 3, is amended to read:

64.23 Subd. 2. **Department.** (a) For the Department of Education:

64.24 \$ 47,005,000 2024

64.25 \$ 40,052,000 2025

64.26 Of these amounts:

64.27 (1) \$405,000 each year is for the Board of School Administrators;

64.28 (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes,
64.29 section 120B.115;

- 65.1 (3) \$720,000 each year is for implementing Minnesota's Learning for English Academic
65.2 Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;
- 65.3 (4) \$480,000 each year is for the Department of Education's mainframe update;
- 65.4 (5) \$7,500,000 in fiscal year 2024 only is for legal fees and costs associated with
65.5 litigation;
- 65.6 (6) \$595,000 in fiscal year 2024 and \$2,609,000 in fiscal year 2025 are for modernizing
65.7 district data submissions. The base for fiscal year 2026 and later is \$2,359,000;
- 65.8 (7) \$573,000 each year is for engagement and rulemaking related to Specific Learning
65.9 Disability;
- 65.10 (8) \$150,000 each year is for an ethnic studies specialist in the academic standards
65.11 division to provide support to the ethnic studies working group and to school districts seeking
65.12 to establish or strengthen ethnic studies courses;
- 65.13 (9) \$150,000 each year is for the comprehensive school mental health services lead under
65.14 Minnesota Statutes, section 127A.215;
- 65.15 (10) \$150,000 each year is for a school health services specialist under Minnesota
65.16 Statutes, section 121A.20;
- 65.17 (11) \$2,000,000 each year is for the Office of the Inspector General established under
65.18 Minnesota Statutes, section 127A.21;
- 65.19 (12) \$800,000 each year is for audit and internal control resources;
- 65.20 (13) \$2,000,000 in fiscal year 2024 only is for information technology infrastructure
65.21 and portfolio resources;
- 65.22 (14) \$2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center
65.23 at the Department of Education;
- 65.24 (15) \$275,000 in fiscal year 2024 and \$175,000 in fiscal year 2025 are for administrative
65.25 expenses for unemployment aid; and
- 65.26 (16) \$130,000 in fiscal year 2025 only is for the state school librarian under Minnesota
65.27 Statutes, section 127A.151.
- 65.28 (b) None of the amounts appropriated under this subdivision may be used for Minnesota's
65.29 Washington, D.C., office.
- 65.30 (c) The expenditures of federal grants and aids as shown in the biennial budget document
65.31 and its supplements are approved and appropriated and must be spent as indicated.

66.1 (d) The base for fiscal year 2026 and later is \$39,667,000.

66.2 (e) All of the amounts appropriated under this subdivision are available until June 30,
66.3 2027.

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

66.5 Sec. 2. Laws 2023, chapter 55, article 12, section 19, is amended to read:

66.6 Sec. 19. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

66.7 (a) The sums indicated in this section are appropriated from the general fund to the
66.8 Perpich Center for Arts Education for the fiscal years designated:

66.9 \$ 9,243,000 2024

66.10 \$ 8,435,000 2025

66.11 Of these amounts:

66.12 (1) \$1,150,000 in fiscal year 2024 only is for furniture replacement in the agency's
66.13 dormitory and classrooms, including costs associated with moving and disposal. These
66.14 funds may also be used for equipment and technology. This appropriation is available until
66.15 June 30, 2027; and

66.16 (2) \$24,000 each year is for unemployment costs.

66.17 (b) Except for the amount in (1), any balance in the first year does not cancel but is
66.18 available in the second year.

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

66.20 Sec. 3. Laws 2023, chapter 63, article 9, section 8, is amended to read:

66.21 Sec. 8. **EDUCATION** \$ 180,000 \$ 120,000

66.22 This appropriation is available until June 30,
66.23 2027.

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

66.25 Sec. 4. Laws 2024, chapter 115, article 22, section 3, is amended to read:

66.26 Sec. 3. **COMMISSIONER OF EDUCATION** \$ 1,882,000 \$ 1,715,000

66.27 (a) **Summer EBT.** \$1,882,000 in fiscal year
66.28 2024 and \$1,542,000 in fiscal year 2025 are

67.1 for administration of the summer electronic
67.2 benefits transfer program under Public Law
67.3 117-328. The base for this appropriation is
67.4 \$572,000 in fiscal year 2026 and \$572,000 in
67.5 fiscal year 2027. This appropriation is
67.6 available until June 30, 2027.

67.7 **(b) Operating Adjustment for Department**
67.8 **of Children, Youth, and Families**
67.9 **Transition.** \$173,000 in fiscal year 2025 is to
67.10 maintain current levels of service after the
67.11 transition of staff and resources to the
67.12 Department of Children, Youth, and Families.
67.13 The base for this appropriation is \$345,000 in
67.14 fiscal year 2026 and \$345,000 in fiscal year
67.15 2027. This appropriation is available until June
67.16 30, 2027.

67.17 **(c) Base Level Adjustment.** The general fund
67.18 base is increased by \$917,000 in fiscal year
67.19 2026 and increased by \$917,000 in fiscal year
67.20 2027.

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

67.22 Sec. 5. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

67.23 **Subdivision 1. Department of Education.** The sums indicated in this section are
67.24 appropriated from the general fund to the Department of Education for the fiscal years
67.25 designated. Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

67.26 **Subd. 2. Department.** (a) For the Department of Education:

67.27 \$ 46,628,000 2026

67.28 \$ 41,316,000 2027

67.29 **Of these amounts:**

67.30 (1) \$405,000 each year is for the Board of School Administrators;

67.31 (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes,
67.32 section 120B.115;

- 68.1 (3) \$720,000 each year is for implementing Minnesota's Learning for English Academic
68.2 Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;
- 68.3 (4) \$480,000 each year is for the Department of Education's mainframe update;
- 68.4 (5) \$6,000,000 in fiscal year 2026 only is for legal fees and costs associated with
68.5 litigation;
- 68.6 (6) \$2,359,000 each year is for modernizing district data submissions;
- 68.7 (7) \$573,000 each year is for engagement and rulemaking related to Specific Learning
68.8 Disability;
- 68.9 (8) \$150,000 each year is for an ethnic studies specialist in the academic standards
68.10 division to provide support to the ethnic studies working group and to school districts seeking
68.11 to establish or strengthen ethnic studies courses;
- 68.12 (9) \$150,000 each year is for the comprehensive school mental health services lead under
68.13 Minnesota Statutes, section 127A.215;
- 68.14 (10) \$150,000 each year is for a school health services specialist under Minnesota
68.15 Statutes, section 121A.20;
- 68.16 (11) \$2,000,000 each year is for the Office of the Inspector General established under
68.17 Minnesota Statutes, section 127A.21;
- 68.18 (12) \$800,000 each year is for audit and internal control resources;
- 68.19 (13) \$2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center
68.20 at the Department of Education;
- 68.21 (14) \$175,000 each year is for administrative expenses for unemployment aid;
- 68.22 (15) \$550,000 each year is for fraud prevention and detection;
- 68.23 (16) \$120,000 each year is to support schools and districts in accessing resources on
68.24 cannabis use and substance use;
- 68.25 (17) \$572,000 each year is for administration of the Summer Electronic Benefits Transfer
68.26 Program; and
- 68.27 (18) \$345,000 each year is to maintain current levels of service after the transition of
68.28 staff and resources to the Department of Children, Youth, and Families.
- 68.29 (b) None of the amounts appropriated under this subdivision may be used for Minnesota's
68.30 Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2028 and later is \$41,316,000.

Sec. 6. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

\$	<u>17,838,000</u>	<u>.....</u>	<u>2026</u>
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\$	<u>17,937,000</u>	<u>.....</u>	<u>2027</u>
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Of these amounts:

(1) \$185,000 in fiscal year 2026 and \$185,000 in fiscal year 2027 are for a mental health day treatment program. These funds are available until June 30, 2027. The base amount for the allocation under this clause is \$185,000 in fiscal year 2028 and later; and

(2) \$321,000 each year is for unemployment costs.

(b) The base for fiscal year 2028 is \$17,937,000 and the base for fiscal year 2029 and later is \$17,937,000.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Sec. 7. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

(a) The sums indicated in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>8,637,000</u>	<u>.....</u>	<u>2026</u>
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\$	<u>8,818,000</u>	<u>.....</u>	<u>2027</u>
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(b) \$24,000 each year is for unemployment costs.

(c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

Sec. 8. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. Professional Educator Licensing and Standards Board. (a) The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated:

70.1 \$ 3,703,000 2026

70.2 \$ 3,776,000 2027

70.3 (b) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

70.4 Subd. 2. Licensure by portfolio. (a) For licensure by portfolio:

70.5 \$ 25,000 2026

70.6 \$ 25,000 2027

70.7 (b) This appropriation is from the education licensure portfolio account in the special
70.8 revenue fund.

ARTICLE 11

FORECAST

A. GENERAL EDUCATION

70.12 Section 1. Laws 2023, chapter 55, article 1, section 36, subdivision 2, as amended by Laws
70.13 2024, chapter 81, section 1, and Laws 2024, chapter 115, article 1, section 15, is amended
70.14 to read:

70.15 Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes,
70.16 section 126C.13, subdivision 4:

70.17 \$ 8,103,909,000 2024

70.18 ~~8,333,843,000~~

70.19 \$ 8,277,423,000 2025

70.20 (b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,396,655,000 for
70.21 2024.

70.22 (c) The 2025 appropriation includes \$771,421,000 for 2024 and ~~\$7,562,422,000~~

70.23 ~~\$7,506,002,000~~ for 2025.

70.24 Sec. 2. Laws 2023, chapter 55, article 1, section 36, subdivision 3, as amended by Laws
70.25 2024, chapter 81, section 2, is amended to read:

70.26 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
70.27 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
70.28 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

70.29 \$ 23,000 2024

70.30	25,000
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70.31 \$ 23,000 2025

71.1 Sec. 3. Laws 2023, chapter 55, article 1, section 36, subdivision 4, as amended by Laws
71.2 2024, chapter 81, section 3, is amended to read:

71.3 Subd. 4. **Abatement aid.** (a) For abatement aid under Minnesota Statutes, section
71.4 127A.49:

71.5 \$ 2,318,000 2024

71.6 ~~2,516,000~~

71.7 \$ 1,503,000 2025

71.8 (b) The 2024 appropriation includes \$126,000 for 2023 and \$2,192,000 for 2024.

71.9 (c) The 2025 appropriation includes \$243,000 for 2024 and ~~\$2,273,000~~ \$1,260,000 for
71.10 2025.

71.11 Sec. 4. Laws 2023, chapter 55, article 1, section 36, subdivision 5, as amended by Laws
71.12 2024, chapter 81, section 4, is amended to read:

71.13 Subd. 5. **Consolidation transition aid.** (a) For districts consolidating under Minnesota
71.14 Statutes, section 123A.485:

71.15 \$ 7,000 2024

71.16 ~~180,000~~

71.17 \$ 0 2025

71.18 (b) The 2024 appropriation includes \$7,000 for 2023 and \$0 for 2024.

71.19 (c) The 2025 appropriation includes \$0 for 2024 and ~~\$180,000~~ \$0 for 2025.

71.20 Sec. 5. Laws 2023, chapter 55, article 1, section 36, subdivision 7, as amended by Laws
71.21 2024, chapter 81, section 6, is amended to read:

71.22 Subd. 7. **Nonpublic pupil transportation.** (a) For nonpublic pupil transportation aid
71.23 under Minnesota Statutes, section 123B.92, subdivision 9:

71.24 \$ 22,979,000 2024

71.25 ~~27,177,000~~

71.26 \$ 27,198,000 2025

71.27 (b) The 2024 appropriation includes \$2,115,000 for 2023 and \$20,864,000 for 2024.

71.28 (c) The 2025 appropriation includes \$2,318,000 for 2024 and ~~\$24,859,000~~ \$24,480,000
71.29 for 2025.

72.1 Sec. 6. Laws 2023, chapter 55, article 1, section 36, subdivision 9, as amended by Laws
72.2 2024, chapter 81, section 7, is amended to read:

72.3 Subd. 9. **Career and technical aid.** (a) For career and technical aid under Minnesota
72.4 Statutes, section 124D.4531, subdivision 1b:

72.5 \$ 1,664,000 2024

72.6 ~~874,000~~

72.7 \$ 937,000 2025

72.8 (b) The 2024 appropriation includes \$183,000 for 2023 and \$1,481,000 for 2024.

72.9 (c) The 2025 appropriation includes \$164,000 for 2024 and ~~\$710,000~~ \$773,000 for 2025.

72.10 **B. EDUCATION EXCELLENCE**

72.11 Sec. 7. Laws 2023, chapter 55, article 2, section 64, subdivision 2, as amended by Laws
72.12 2024, chapter 81, section 8, and Laws 2024, chapter 115, article 2, section 13, is amended
72.13 to read:

72.14 Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid
72.15 under Minnesota Statutes, section 124D.862:

72.16 \$ 82,818,000 2024

72.17 ~~85,043,000~~

72.18 \$ 84,173,000 2025

72.19 (b) The 2024 appropriation includes \$8,172,000 for 2023 and \$74,646,000 for 2024.

72.20 (c) The 2025 appropriation includes \$8,294,000 for 2024 and ~~\$76,749,000~~ \$75,879,000
72.21 for 2025.

72.22 Sec. 8. Laws 2023, chapter 55, article 2, section 64, subdivision 6, as amended by Laws
72.23 2024, chapter 81, section 9, and Laws 2024, chapter 115, article 6, section 3, is amended
72.24 to read:

72.25 Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota
72.26 Statutes, section 124E.22:

72.27 \$ 91,457,000 2024

72.28 ~~94,906,000~~

72.29 \$ 93,760,000 2025

72.30 (b) The 2024 appropriation includes \$9,047,000 for 2023 and \$82,410,000 for 2024.

72.31 (c) The 2025 appropriation includes \$9,156,000 for 2024 and ~~\$85,750,000~~ \$84,604,000
72.32 for 2025.

73.1 Sec. 9. Laws 2023, chapter 55, article 2, section 64, subdivision 23, as amended by Laws
73.2 2024, chapter 81, section 11, is amended to read:

73.3 Subd. 23. **Literacy incentive aid.** (a) For literacy incentive aid under Minnesota Statutes,
73.4 section 124D.98:

73.5 \$ 41,071,000 2024

73.6 ~~41,588,000~~

73.7 \$ 40,570,000 2025

73.8 (b) The 2024 appropriation includes \$4,606,000 for 2023 and \$36,465,000 for 2024.

73.9 (c) The 2025 appropriation includes \$4,051,000 for 2024 and ~~\$37,537,000~~ \$36,519,000
73.10 for 2025.

73.11 **C. TEACHERS**

73.12 Sec. 10. Laws 2023, chapter 55, article 5, section 64, subdivision 3, as amended by Laws
73.13 2024, chapter 81, section 14, and Laws 2024, chapter 115, article 5, section 11, is amended
73.14 to read:

73.15 Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation
73.16 aid under Minnesota Statutes, section 122A.415, subdivision 4:

73.17 \$ 88,706,000 2024

73.18 ~~89,012,000~~

73.19 \$ 88,206,000 2025

73.20 (b) The 2024 appropriation includes \$8,824,000 for fiscal year 2023 and \$79,882,000
73.21 for fiscal year 2024.

73.22 (c) The 2025 appropriation includes \$8,875,000 for fiscal year 2024 and ~~\$80,137,000~~
73.23 \$79,331,000 for fiscal year 2025.

73.24 Sec. 11. Laws 2023, chapter 55, article 5, section 64, subdivision 14, as amended by Laws
73.25 2024, chapter 81, section 15, is amended to read:

73.26 Subd. 14. **Student support personnel aid.** (a) For aid to support schools in addressing
73.27 students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

73.28 \$ 30,255,000 2024

73.29 ~~36,498,000~~

73.30 \$ 36,215,000 2025

73.31 (b) The 2024 appropriation includes \$0 for fiscal year 2023 and \$30,255,000 for fiscal
73.32 year 2024.

74.1 (c) The 2025 appropriation includes \$3,361,000 for fiscal year 2024 and ~~\$33,137,000~~
74.2 \$32,854,000 for fiscal year 2025.

74.3 **D. SPECIAL EDUCATION**

74.4 Sec. 12. Laws 2023, chapter 55, article 7, section 18, subdivision 2, as amended by Laws
74.5 2024, chapter 81, section 16, is amended to read:

74.6 Subd. 2. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section
74.7 125A.75, subdivision 3, for children with disabilities placed in residential facilities within
74.8 the district boundaries for whom no district of residence can be determined:

74.9 \$ 1,597,000 2024

74.10 ~~1,844,000~~

74.11 \$ 1,952,000 2025

74.12 (b) If the appropriation for either year is insufficient, the appropriation for the other year
74.13 is available.

74.14 Sec. 13. Laws 2023, chapter 55, article 7, section 18, subdivision 4, as amended by Laws
74.15 2024, chapter 81, section 18, and Laws 2024, chapter 115, article 7, section 4, is amended
74.16 to read:

74.17 Subd. 4. **Special education; regular.** (a) For special education aid under Minnesota
74.18 Statutes, section 125A.75:

74.19 \$ 2,288,826,000 2024

74.20 ~~2,486,181,000~~

74.21 \$ 2,563,710,000 2025

74.22 (b) The 2024 appropriation includes \$229,860,000 for 2023 and \$2,058,966,000 for
74.23 2024.

74.24 (c) The 2025 appropriation includes \$289,842,000 for 2024 and ~~\$2,196,339,000~~
74.25 \$2,273,868,000 for 2025.

74.26 Sec. 14. Laws 2023, chapter 55, article 7, section 18, subdivision 7, as amended by Laws
74.27 2024, chapter 81, section 20, is amended to read:

74.28 Subd. 7. **Travel for home-based services.** (a) For aid for teacher travel for home-based
74.29 services under Minnesota Statutes, section 125A.75, subdivision 1:

74.30 \$ 425,000 2024

74.31 ~~475,000~~

74.32 \$ 565,000 2025

75.1 (b) The 2024 appropriation includes \$32,000 for 2023 and \$393,000 for 2024.

75.2 (c) The 2025 appropriation includes \$43,000 for 2024 and ~~\$432,000~~ \$522,000 for 2025.

75.3 **E. FACILITIES**

75.4 Sec. 15. Laws 2023, chapter 55, article 8, section 19, subdivision 6, as amended by Laws
75.5 2024, chapter 81, section 22, and Laws 2024, chapter 115, article 8, section 5, is amended
75.6 to read:

75.7 Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities
75.8 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

75.9 \$ 107,905,000 2024

75.10 ~~107,865,000~~

75.11 \$ 107,270,000 2025

75.12 (b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,084,000 for 2024.

75.13 (c) The 2025 appropriation includes \$10,787,000 for 2024 and ~~\$97,078,000~~ \$96,483,000
75.14 for 2025.

75.15 **F. NUTRITION**

75.16 Sec. 16. Laws 2023, chapter 18, section 4, subdivision 2, as amended by Laws 2023,
75.17 chapter 55, article 9, section 16, Laws 2024, chapter 81, section 23, and Laws 2024, chapter
75.18 115, article 9, section 8, is amended to read:

75.19 Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
75.20 including the amounts for the free school meals program:

75.21 \$ 218,801,000 2024

75.22 ~~239,686,000~~

75.23 \$ 252,109,000 2025

75.24 Sec. 17. Laws 2023, chapter 18, section 4, subdivision 3, as amended by Laws 2023,
75.25 chapter 55, article 9, section 17, Laws 2024, chapter 81, section 24, and Laws 2024, chapter
75.26 115, article 9, section 9, is amended to read:

75.27 Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section
75.28 124D.1158:

75.29 \$ 44,178,000 2024

75.30 ~~48,747,000~~

75.31 \$ 54,134,000 2025

76.1 Sec. 18. Laws 2023, chapter 55, article 9, section 18, subdivision 4, as amended by Laws
76.2 2024, chapter 81, section 25, is amended to read:

76.3 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
76.4 section 124D.118:

76.5 \$ 428,000 2024

76.6 ~~428,000~~

76.7 \$ 387,000 2025

76.8 Sec. 19. Laws 2023, chapter 55, article 9, section 18, subdivision 8, as amended by Laws
76.9 2024, chapter 81, section 26, is amended to read:

76.10 Subd. 8. **School library aid.** (a) For school library aid under Minnesota Statutes, section
76.11 ~~134.356~~ 124D.992:

76.12 \$ 21,586,000 2024

76.13 ~~23,903,000~~

76.14 \$ 23,800,000 2025

76.15 (b) The 2024 appropriation includes \$0 for 2023 and \$21,586,000 for 2024.

76.16 (c) The 2025 appropriation includes \$2,398,000 for 2024 and ~~\$21,505,000~~ \$21,402,000
76.17 for 2025.

76.18 **G. EARLY EDUCATION**

76.19 Sec. 20. Laws 2023, chapter 54, section 20, subdivision 7, as amended by Laws 2024,
76.20 chapter 81, section 27, is amended to read:

76.21 Subd. 7. **Early childhood family education aid.** (a) For early childhood family education
76.22 aid under Minnesota Statutes, section ~~124D.135~~ 142D.11:

76.23 \$ 37,209,000 2024

76.24 ~~38,985,000~~

76.25 \$ 37,881,000 2025

76.26 (b) The 2024 appropriation includes \$3,518,000 for 2023 and \$33,691,000 for 2024.

76.27 (c) The 2025 appropriation includes \$3,743,000 for 2024 and ~~\$35,242,000~~ \$34,138,000
76.28 for 2025.

77.1 Sec. 21. Laws 2023, chapter 54, section 20, subdivision 9, as amended by Laws 2024,
77.2 chapter 81, section 28, is amended to read:

77.3 Subd. 9. **Developmental screening aid.** (a) For developmental screening aid under
77.4 Minnesota Statutes, sections ~~121A.17~~ 142D.091 and ~~121A.19~~ 142D.093:

77.5 \$ 4,148,000 2024

77.6 ~~4,151,000~~

77.7 \$ 4,127,000 2025

77.8 (b) The 2024 appropriation includes \$349,000 for 2023 and \$3,799,000 for 2024.

77.9 (c) The 2025 appropriation includes \$422,000 for 2024 and ~~\$3,729,000~~ \$3,705,000 for
77.10 2025.

77.11 Sec. 22. Laws 2023, chapter 54, section 20, subdivision 17, as amended by Laws 2024,
77.12 chapter 81, section 29, is amended to read:

77.13 Subd. 17. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section
77.14 ~~124D.135~~ 142D.11:

77.15 \$ 382,000 2024

77.16 ~~300,000~~

77.17 \$ 290,000 2025

77.18 (b) The 2024 appropriation includes \$41,000 for 2023 and \$341,000 for 2024.

77.19 (c) The 2025 appropriation includes \$37,000 for 2024 and ~~\$263,000~~ \$253,000 for 2025.

77.20 **H. COMMUNITY EDUCATION AND LIFELONG LEARNING**

77.21 Sec. 23. Laws 2023, chapter 55, article 11, section 11, subdivision 2, as amended by Laws
77.22 2024, chapter 81, section 30, is amended to read:

77.23 Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota
77.24 Statutes, section 124D.531:

77.25 \$ 52,566,000 2024

77.26 ~~53,684,000~~

77.27 \$ 53,880,000 2025

77.28 (b) The 2024 appropriation includes \$5,179,000 for 2023 and \$47,387,000 for 2024.

77.29 (c) The 2025 appropriation includes \$5,265,000 for 2024 and ~~\$48,419,000~~ \$48,615,000
77.30 for 2025.

78.1 Sec. 24. Laws 2023, chapter 55, article 11, section 11, subdivision 3, as amended by Laws
78.2 2024, chapter 81, section 31, is amended to read:

78.3 Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs
78.4 under Minnesota Statutes, section 124D.56:

78.5 \$ 710,000 2024

78.6 ~~1,520,000~~

78.7 \$ 1,416,000 2025

78.8 (b) The 2024 appropriation includes \$71,000 for 2023 and \$639,000 for 2024.

78.9 (c) The 2025 appropriation includes \$71,000 for 2024 and ~~\$1,449,000~~ \$1,345,000 for
78.10 2025.

78.11 Sec. 25. Laws 2023, chapter 55, article 11, section 11, subdivision 5, as amended by Laws
78.12 2024, chapter 81, section 32, is amended to read:

78.13 Subd. 5. **Community education aid.** (a) For community education aid under Minnesota
78.14 Statutes, section 124D.20:

78.15 \$ 98,000 2024

78.16 ~~7,857,000~~

78.17 \$ 7,859,000 2025

78.18 (b) The 2024 appropriation includes \$14,000 for 2023 and \$84,000 for 2024.

78.19 (c) The 2025 appropriation includes \$9,000 for 2024 and ~~\$7,848,000~~ \$7,850,000 for
78.20 2025.

78.21 Sec. 26. Laws 2023, chapter 55, article 11, section 11, subdivision 10, as amended by
78.22 Laws 2024, chapter 81, section 33, is amended to read:

78.23 Subd. 10. **School-age care aid.** (a) For school-age care aid under Minnesota Statutes,
78.24 section 124D.22:

78.25 \$ 0 2024

78.26 ~~1,000~~

78.27 \$ 0 2025

78.28 (b) The 2024 appropriation includes \$0 for 2023 and \$0 for 2024.

78.29 (c) The 2025 appropriation includes \$0 for 2024 and ~~\$1,000~~ \$0 for 2025.

78.30 Sec. 27. **EFFECTIVE DATE.**

78.31 Sections 1 to 26 are effective the day following final enactment.

APPENDIX
Article locations for 25-00210

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ARTICLE 2 EDUCATION EXCELLENCE..... Page.Ln 15.1

ARTICLE 3 TEACHERS..... Page.Ln 28.24

ARTICLE 4 AMERICAN INDIAN EDUCATION..... Page.Ln 48.26

ARTICLE 5 SPECIAL EDUCATION..... Page.Ln 52.1

ARTICLE 6 FACILITIES..... Page.Ln 54.7

ARTICLE 7 SCHOOL NUTRITION AND LIBRARIES..... Page.Ln 58.20

ARTICLE 8 EARLY CHILDHOOD EDUCATION..... Page.Ln 62.3

ARTICLE 9 COMMUNITY EDUCATION AND LIFELONG LEARNING..... Page.Ln 62.23

ARTICLE 10 STATE AGENCIES..... Page.Ln 64.19

ARTICLE 11 FORECAST..... Page.Ln 70.9

122A.414 ALTERNATIVE TEACHER PAY.

Subdivision 1. **Restructured pay system.** A restructured alternative teacher professional pay system is established under subdivision 2 to provide incentives to encourage teachers to improve their knowledge and instructional skills in order to improve student learning and for school districts, intermediate school districts, cooperative units, as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain qualified teachers, encourage qualified teachers to undertake challenging assignments, and support teachers' roles in improving students' educational achievement.

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, an intermediate school district consistent with paragraph (d), a school site, or a charter school must have a comprehensive achievement and civic readiness plan under section 120B.11 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, paragraph (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41, subdivision 5, paragraph (b), clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section 120B.11, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

(c) The alternative teacher professional pay system may:

(1) include a hiring bonus or other added compensation to provide students with equitable access to teachers who, consistent with section 120B.11, subdivision 2, clause (3):

(i) are identified as effective or highly effective under the local teacher professional review cycle or, when being considered for hire as first-year teachers, have demonstrated skills during student teaching for being highly effective at closing achievement gaps;

(ii) work in a high-need or hard-to-fill position; or

(iii) are hired to work in a hard-to-staff school such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students;

(2) include incentives for teachers to obtain a master's degree or other advanced certification with at least 18 credits in their content field of licensure required for teaching concurrent enrollment or college in the schools courses, or to pursue the training or education necessary to obtain an additional licensure in shortage areas identified by the district or charter school; or

(3) help fund a Grow Your Own new teacher initiative involving nonlicensed educational professionals, including paraprofessionals and cultural liaisons.

(d) An intermediate school district under this subdivision must demonstrate in a form and manner determined by the commissioner that it uses the aid it receives under this section for activities identified in the alternative teacher professional pay system agreement.

Subd. 3. **Report.** (a) Participating districts, intermediate school districts, cooperatives, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards.

(b) A district must include the report required under paragraph (a) as part of the comprehensive achievement and civic readiness report under section 120B.11, subdivision 5.

Subd. 4. **Planning and staff development.** A school district that qualifies to participate in the alternative teacher professional pay system transitional planning year under subdivision 1a may use up to two percent of basic revenue that would otherwise be reserved under section 122A.61 for complying with the planning and staff development activities under this section.

No active language found for: 122A.414.4a

No active language found for: 122A.414.5

No active language found for: 122A.414.5a

No active language found for: 122A.414.6

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No active language found for: 122A.414.8

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No active language found for: 122A.414.10

No active language found for: 122A.414.11

No active language found for: 122A.414.12

No active language found for: 122A.414.13

No active language found for: 122A.414.14a

No active language found for: 122A.414.15

No active language found for: 122A.414.16

122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER PAY.

Notwithstanding section 179A.20 or other law to the contrary, a school board and the exclusive representative of the teachers may agree to reopen a collective bargaining agreement for the purpose of entering into an alternative teacher professional pay system agreement under sections 122A.414 and 122A.415. Negotiations for a contract reopened under this section must be limited to issues related to the alternative teacher professional pay system.

122A.415 ALTERNATIVE COMPENSATION REVENUE.

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, cooperative unit as defined in section 123A.24, subdivision 2, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

APPENDIX
Repealed Minnesota Statutes: 25-00210

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district or cooperative must be calculated under subdivision 4, paragraph (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, cooperatives, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

Subd. 3. Revenue timing. (a) Districts, intermediate school districts, cooperatives, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, cooperative, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. A qualifying district, intermediate school district, cooperative, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, cooperative, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, cooperative, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school or cooperative, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, cooperatives, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

Subd. 4. Basic alternative teacher compensation aid. (a) The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$88,118,000 for fiscal year 2023; \$88,461,000 for fiscal year 2024; \$88,961,000 for fiscal year 2025; and \$89,486,000 for fiscal year 2026 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Subd. 5. Alternative teacher compensation levy. The alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic

alternative teacher compensation aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to \$6,100.

Subd. 6. **Alternative teacher compensation equalization aid.** (a) A district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a district does not levy the entire amount permitted, the alternative teacher compensation equalization aid must be reduced in proportion to the actual amount levied.

(b) A district's alternative teacher compensation aid equals the sum of the district's basic alternative teacher compensation aid and the district's alternative teacher compensation equalization aid.

Subd. 7. **Revenue reserved.** Revenue received under this section must be reserved and used only for the programs authorized under section 122A.414.

122A.4155 ALTERNATIVE COMPENSATION RURAL DISTRICT APPLICATION ASSISTANCE.

Subdivision 1. **Eligibility.** School districts located in greater Minnesota that submit a letter of intent and begin the transitional planning year, under section 122A.414, subdivision 1a, are eligible for alternative compensation application assistance. For the purposes of this section, an eligible school district is any school district located in the rural equity region under section 126C.10, subdivision 28.

Subd. 2. **Multidistrict technical assistance.** The department shall provide technical assistance in the form of, but not limited to, networking, training, and professional development to a rural district or groups of rural districts in developing applications for the alternative compensation program.

Subd. 3. **Model plans.** The department shall develop and disseminate alternative compensation model plans based on the unique needs and characteristics of rural districts.

Subd. 4. **Multidistrict consortia.** The department may promote the development of multidistrict consortia to optimize opportunities for rural districts to participate in and implement alternative compensation programs. A multidistrict consortium shall develop and implement a collaborative alternative compensation plan that includes the program components outlined in section 122A.414, subdivision 2. A multidistrict consortium shall provide opportunities to share best practices, professional development training and expertise, training of teacher observers, or the purchase of programmatic resources.

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives and the Perpich Center for Arts Education are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative or the Perpich Center for Arts Education must meet all of the requirements of sections 122A.414 and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

122A.417 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR ST. CROIX RIVER EDUCATION DISTRICT.

Notwithstanding section 122A.415, subdivision 4, paragraph (c), the St. Croix River Education District, No. 6009-61, is eligible to receive alternative teacher compensation revenue based on its staffing as of October 1 of the previous fiscal year as reported to the department in a manner determined by the commissioner. To qualify for alternative teacher compensation revenue, the St. Croix River Education District must meet all the requirements of sections 122A.414 and 122A.415 that apply to cooperative units, must report its staffing as of October 1 of each year to the department in a manner determined by the commissioner, and must annually report to the department by November 30 its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards.

123B.40 DECLARATION OF POLICY.

It is the intent of the legislature to provide for distribution of educational aids such as textbooks, standardized tests and pupil support services so that every school pupil in the state will share equitably in education benefits and therefore further assure all Minnesota pupils and their parents freedom of choice in education.

123B.41 DEFINITIONS.

Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including electronic books as well as other printed materials delivered electronically, which a pupil uses as a text or text substitute in a particular class or program in the school regularly attended and a copy of which is expected to be available for the individual use of each pupil in this class or program. Textbook includes an online book with an annual subscription cost. Textbook includes a teacher's edition, teacher's guide, or other materials that accompany a textbook that a pupil uses when the teacher's edition, teacher's guide, or other teacher materials are packaged physically or electronically with textbooks for student use.

(b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks, the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf form, as well as electronic books and other printed materials delivered electronically, intended for use as a principal source of study material for a given class or a group of students.

(c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software or other educational technology" include only such secular, neutral, and nonideological materials as are available, used by, or of benefit to Minnesota public school pupils.

Subd. 3. **Standardized tests.** "Standardized tests" means standardized tests and scoring services which are provided by commercial publishing organizations or the state and which are in use in the public schools of Minnesota to measure the progress of pupils in secular subjects.

Subd. 4. **Pupil support services.** "Pupil support services" means guidance and counseling services and health services.

Subd. 5. **Individualized instructional or cooperative learning materials.** (a) "Individualized instructional or cooperative learning materials" means educational materials which:

(1) are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends, including teacher materials that accompany materials that a pupil uses;

(2) are secular, neutral, nonideological and not capable of diversion for religious use; and

(3) are available, used by, or of benefit to Minnesota public school pupils.

(b) Subject to the requirements in paragraph (a), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in subdivision 2: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-Rom.

(c) "Individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware, or ordinary daily consumable classroom supplies.

Subd. 5a. **Software or other educational technology.** For purposes of sections 123B.42 and 123B.43, "software or other educational technology" includes software, programs, applications, hardware, and any other electronic educational technology. Software or other educational technology includes course registration fees for advanced placement courses delivered online.

Subd. 6. **Pupils.** "Pupils" means elementary and secondary pupils.

Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42, and 123B.44 to 123B.48.

Subd. 8. **Secondary pupils.** "Secondary pupils" means pupils in grades 7 through 12.

Subd. 12. **Intermediary service area.** "Intermediary service area" means a school administrative unit approved by the commissioner, other than a single school district, including but not limited to the following:

- (a) a service cooperative;
- (b) a cooperative of two or more school districts;
- (c) learning centers; or
- (d) an association of schools or school districts.

Subd. 14. **Guidance and counseling services.** "Guidance and counseling services" means all activities of a licensed counselor in counseling pupils and parents, providing counseling on learning problems, evaluating the abilities of pupils, assisting pupils in personal and social development and providing referral assistance.

Subd. 15. **Health services.** "Health services" means physician, dental, nursing or optometric services and health supplies brought to the site by the health professional for pupil usage in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to sections 125A.03 to 125A.24, and 125A.65, and 125A.26 to 125A.48, or services which are eligible to receive special education aid pursuant to section 125A.75.

123B.42 TEXTBOOKS; INDIVIDUAL INSTRUCTION OR COOPERATIVE LEARNING MATERIAL; STANDARD TESTS.

Subdivision 1. **Providing education materials and tests.** The commissioner of education shall promulgate rules under the provisions of chapter 14 requiring that in each school year, based upon formal requests by or on behalf of nonpublic school pupils in a nonpublic school, the local districts or intermediary service areas must purchase or otherwise acquire textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests and loan or provide them for use by children enrolled in that nonpublic school. These textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests must be loaned or provided free to the children for the school year for which requested. The loan or provision of the textbooks, individualized instructional or cooperative learning materials, and standardized tests shall be subject to rules prescribed by the commissioner of education.

Subd. 1a. **Curriculum; electronic components.** A school district that provides curriculum to resident students that has both physical and electronic components must make the electronic component accessible to a resident student in a home school in compliance with sections 120A.22 and 120A.24 at the request of the student or the student's parent or guardian, provided that the district does not incur more than an incidental cost as a result of providing access electronically.

Subd. 2. **Title to education materials and tests.** The title to textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized testing materials must remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonpublic school attended by the nonpublic school pupil or pupils to whom the textbooks, individualized instructional or cooperative learning materials, or standardized tests are loaned or provided.

Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests provided for in this section for each school year must not exceed the statewide average expenditure per pupil, adjusted pursuant to paragraph (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in paragraph (a) shall be increased by an inflation adjustment equal to the percent of increase in the formula allowance, pursuant to section 126C.10, subdivision 2, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, according to paragraph (a), adjusted pursuant to paragraph (b), multiplied

by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

123B.43 USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.

(a) The commissioner shall assure that textbooks and individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Textbooks, individualized instructional materials, software or other educational technology must not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Textbooks and individualized instructional materials must be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the commissioner. The request forms shall provide for verification by the parent or guardian or pupil that the requested textbooks and individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) The servicing school district or the intermediary service area must take adequate measures to ensure an accurate and periodic inventory of all textbooks, individualized instructional materials, software or other educational technology loaned to elementary and secondary school pupils attending nonpublic schools. The commissioner of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if the commissioner determines, after notice and opportunity for hearing, that the textbooks, individualized instructional materials, or software or other educational technology, have been used in a manner contrary to the provisions of section 123B.41, subdivision 5, 123B.42, or this section or any rules promulgated by the commissioner of education.

(e) Nothing contained in section 123B.41, subdivision 5, 123B.42, or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

123B.44 PROVISION OF PUPIL SUPPORT SERVICES.

Subdivision 1. **Provided services.** The commissioner of education shall promulgate rules under the provisions of chapter 14 requiring each district or other intermediary service area: (a) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school pupil enrolled in a nonpublic school located in that district or area, the same specific health services as are provided for public school pupils by the district where the nonpublic school is located; and (b) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school secondary pupil enrolled in a nonpublic school located in that district or area, the same specific guidance and counseling services as are provided for public school secondary pupils by the district where the nonpublic school is located. The district where the nonpublic school is located must provide the necessary transportation within the district boundaries between the nonpublic school and a public school or neutral site for nonpublic school pupils who are provided pupil support services under this section if the district elects to provide pupil support services at a site other than the nonpublic school. Each request for pupil support services must set forth the guidance and counseling or health services requested by or on behalf of all eligible nonpublic school pupils enrolled in a given nonpublic school. No district or intermediary service area must not expend an amount for these pupil support services which exceeds the amount allotted to it under this section.

Subd. 2. **Location of services.** Health and guidance and counseling services may be provided to nonpublic school pupils under this section at a public school, a neutral site, the nonpublic school or any other suitable location. District or intermediary service area personnel and representatives of the nonpublic school pupils receiving pupil support services must hold an annual consultation regarding the type of services, provider of services, and the location of the provision of these services. The district board or intermediary service area governing board must make the final decision on the location of the provision of these services.

Subd. 3. **Guidance and counseling; exclusions.** Guidance and counseling services provided to nonpublic school pupils pursuant to this section shall not include the planning or selection of particular courses or classroom activities of the nonpublic school.

Subd. 4. **Health services; allotment.** Each school year the commissioner shall allot to the school districts or other intermediary service areas for the provision of health services pursuant to this section the actual cost of the services provided for the pupils in each respective nonpublic school for that school year. The allotment must not exceed the average expenditure per public school pupil

for these services by those Minnesota public elementary and secondary schools which provide health services to public school pupils, multiplied by the number of pupils in that particular nonpublic school who request these health services and who are enrolled as of September 15 of the current school year.

Subd. 5. **Guidance and counseling services; allotment.** Each school year the commissioner shall allot to the school districts or intermediary service areas for the provision of guidance and counseling services pursuant to this section the actual cost of the services provided for the pupils in each respective nonpublic school for that school year. The allotment for guidance and counseling services for the secondary pupils in each nonpublic school must not exceed the average expenditure per public school secondary pupil for these services by those Minnesota public schools which provide these services to their secondary pupils, multiplied by the number of secondary pupils in that particular nonpublic school who request these services and who are enrolled as of September 15 of the current school year.

Subd. 6. **Computation of maximum allotments.** For purposes of computing maximum allotments for each school year pursuant to this section, the average public school expenditure per pupil for health services and the average public school expenditure per secondary pupil for guidance and counseling services shall be computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

123B.45 PAYMENTS FOR CONTRACTUAL OBLIGATIONS.

The commissioner shall make such payments to school districts or intermediary service areas pursuant to sections 123B.40 to 123B.42, and 123B.44 to 123B.48 as are needed to meet contractual obligations incurred for the provision of benefits to nonpublic school students pursuant to section 123B.42, 123B.44, or 123B.445.

123B.46 ADMINISTRATIVE COSTS.

Each year, a district or intermediary service area may claim and receive from the department an additional sum for the administration of sections 123B.42, 123B.44, and 123B.445, equal to five percent of the district's or area's allocation for that year pursuant to those sections.

123B.47 NOTICE TO DISTRICTS; PRORATION.

If the appropriation for nonpublic educational aid under sections 123B.40 to 123B.48 is not sufficient to meet the required payments in any fiscal year, the department must notify the school districts at the earliest possible date of the need to prorate the appropriation among the districts.

123B.48 LIMIT ON DISTRICT OBLIGATIONS.

If the amount appropriated for purposes of sections 123B.40 to 123B.42, and 123B.44 to 123B.48, for any year is not sufficient to make the payments required pursuant to sections 123B.40 to 123B.42, and 123B.44 to 123B.48, for that year, then no school district or intermediary service area is required to expend an amount pursuant to sections 123B.40 to 123B.42, and 123B.44 to 123B.48, for that year which exceeds the amount of the payments it receives pursuant to sections 123B.40 to 123B.42, and 123B.44 to 123B.48, for that year.

123B.86 EQUAL TREATMENT.

Subd. 2. **Nonpublic school students.** (a) The board of any local district must provide school bus transportation to the district boundary for school children residing in the district at least the same distance from a nonpublic school actually attended in another district as public school pupils are transported in the transporting district. Such transportation must be provided whether or not there is another nonpublic school within the transporting district, if the transportation is to schools maintaining grades or departments not maintained in the district or if the attendance of such children at school can more safely, economically, or conveniently be provided for by such means.

(b) The school board of any local district may provide school bus transportation to a nonpublic school in another district for school children residing in the district and attending that school, whether or not there is another nonpublic school within the transporting district, if the transportation is to schools maintaining grades or departments not maintained in the district or if the attendance of such children at school can more safely, economically, or conveniently be provided for by such means. If the board transports children to a nonpublic school located in another district, the nonpublic school must pay the cost of such transportation provided outside the district boundaries.

123B.92 TRANSPORTATION AID ENTITLEMENT.

Subd. 9. **Nonpublic pupil transportation aid.** (a) A district's nonpublic pupil transportation aid for the 1996-1997 and later school years for transportation services for nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

(b) For regular and excess transportation according to subdivision 1, paragraph (b), clauses (1) and (2), an amount equal to the product of:

(1) the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times

(2) the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times

(3) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(c) For nonpublic nonregular transportation according to subdivision 1, paragraph (b), clause (5), an amount equal to the product of:

(1) the district's actual expenditure for nonpublic nonregular transportation during the second preceding school year; times

(2) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(d) Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year minus \$414 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 2015 and 2016.

124D.98 LITERACY INCENTIVE AID.

Subdivision 1. **Literacy incentive aid.** A district's literacy incentive aid equals the sum of the proficiency aid under subdivision 2, and the growth aid under subdivision 3.

Subd. 2. **Proficiency aid.** The proficiency aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's proficiency allowance times the number of third grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

Subd. 3. **Growth aid.** The growth aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's growth allowance times the number of fourth grade pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth allowance is equal to the percentage of students at that school making medium or high growth, under subdivision 4, on the fourth grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

Subd. 4. **Medium and high growth.** (a) The definitions in this subdivision apply to this section.

(b) "Medium growth" is an assessment score within one-half standard deviation above or below the average year-two assessment scores for students with similar year-one assessment scores.

(c) "High growth" is an assessment score one-half standard deviation or more above the average year-two assessment scores for students with similar year-one assessment scores.