

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 3186

(SENATE AUTHORS: MAYE QUADE)

DATE	D-PG	OFFICIAL STATUS
04/01/2025	Introduction and first reading Referred to Education Finance	

1.1A bill for an act

1.2relating to education finance; modifying the literacy incentive aid program;

1.3establishing new eligible uses for literacy aid; appropriating money for literacy

1.4aid; amending Minnesota Statutes 2024, section 124D.98.

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

1.6Section 1. Minnesota Statutes 2024, section 124D.98, is amended to read:

1.7**124D.98 LITERACY INCENTIVE AID.**

1.8Subdivision 1. **Literacy incentive aid.** A district's literacy incentive aid equals the sum

1.9of the ~~proficiency aid under subdivision 2, and the growth aid under subdivision 3~~ basic

1.10literacy aid under subdivision 6, English learner literacy aid under subdivision 7, and targeted

1.11literacy aid under subdivision 8.

1.12Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the

1.13meanings given.

1.14(b) "English learner concentration factor" means the ratio of: (1) the district's adjusted

1.15average daily membership of English learners under section 124D.59, subdivision 2, for

1.16the previous fiscal year; to (2) the district's total adjusted average daily membership for the

1.17previous fiscal year.

1.18(c) "Poverty concentration factor" means the ratio of: (1) the sum of the number of pupils

1.19enrolled in the district eligible to receive free meals, plus one-half of the pupils eligible to

1.20receive reduced-priced meals on October 1 of the previous fiscal year; to (2) the number of

1.21pupils enrolled in the district on October 1 of the previous fiscal year.

~~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.~~

~~Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive aid to support implementation of evidence-based reading instruction meet the requirements and goals adopted in the district's local literacy plan under section 120B.12, subdivision 4a. The following are eligible uses of literacy incentive aid:~~

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

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

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

~~(4) employing an intervention specialist;~~

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

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

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

Subd. 6. **Basic literacy aid.** (a) A district's basic literacy aid equals the product of: (1) the basic literacy aid allowance; and (2) the district's adjusted average daily membership for kindergarten through grade four for the previous fiscal year.

(b) The basic literacy aid allowance equals \$..... for fiscal year 2026 and later.

Subd. 7. **English learner literacy aid.** (a) A district's English learner literacy aid equals the product of: (1) the English learner literacy aid allowance; (2) the district's English learner concentration factor; and (3) the district's adjusted average daily membership for kindergarten through grade four for the previous fiscal year.

(b) The English learner literacy aid allowance equals \$..... for fiscal year 2026 and later.

Subd. 8. **Targeted literacy aid.** (a) A district's targeted literacy aid equals the product of: (1) the statewide targeted literacy aid allowance; (2) the district's poverty concentration factor; and (3) the district's adjusted average daily membership for kindergarten through grade four for the previous fiscal year.

(b) The statewide targeted literacy aid allowance equals \$..... for fiscal year 2026 and later.

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

EFFECTIVE DATE. This section is effective for aid payable in fiscal year 2026 and later.

4.1 Sec. 2. **APPROPRIATIONS.**

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

4.5 Subd. 2. Literacy aid. (a) For literacy aid under Minnesota Statutes, section 124D.98:

4.6 \$ 2026

4.7 \$ 2027

4.8 (b) The 2026 appropriation includes \$..... for 2025 and \$..... for 2026.

4.9 (c) The 2027 appropriation includes \$..... for 2026 and \$..... for 2027.