SENATE
COUNSEL, RESEARCH, & FISCAL ANALYSIS

BILL SUMMARY

Revisor No. 26-05908 – Governor's Education Finance Recommendations

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ARTICLE 1
GENERAL EDUCATION

Section 1. Student Support, Intervention, and Resource Teams. Requires a school district or charter school to establish a Student Support, Intervention, and Resource Team (SSIRT), to provide certain mental health services. Provides for the membership, duties, and training requirements for each SSIRT. Requires the Department of Education to make available a model SSIRT plan, training, and certain other guidance, oversight, and professional development. Effective for the 2026-2027 school year and later.

Sec. 2. Notice to districts; proration. Requires that, if scholarship funds become available through the federal tax credit under Public Law 119-21, section 70411, the money appropriated for nonpublic education aids must be reallocated to the voluntary prekindergarten program. Effective immediately.

Sec. 3. Nonpublic school students. Removes the duty of a school district to provide transportation to nonpublic pupils if scholarship funds become available through the federal tax credit under Public Law 119-21, section 70411. Effective immediately.

Sec. 4. Nonpublic pupil transportation aid. Requires that, if scholarship funds become available through the federal tax credit under Public Law 119-21, section 70411, the money allocated for nonpublic transportation aids must be reallocated to the voluntary prekindergarten program. Effective immediately.

Sec. 5. Use of revenue. Eliminates basic skills revenue as a category of revenue. (The components of basic skills revenue, compensatory revenue and English learner revenue, would continue to exist.) Effective immediately.

Sec. 6. Federal voucher program; nonpublic aids. Provides for the contingent repeal of nonpublic aid programs if the state elects to participate in the federal tax credit under Public Law 119-21, section 70411. Directs the commissioner to determine the general fund savings attributable to the repeal. Effective immediately.

Sec. 7. [Voluntary prekindergarten] participation limits. Increases the voluntary prekindergarten participation limit upon the contingent repeal of nonpublic aids as provided under section 6. Effective immediately.

Sec. 8. Attendance pilot program. Extends the availability of the Laws 2024 onetime appropriation for the attendance pilot program. Effective immediately.

Sec. 9. Appropriation. Appropriates money to the Department of Education for activities related to the Student Support, Intervention, and Resources Team.

ARTICLE 2
EDUCATION EXCELLENCE

Section 1. MnMTSS and Collaborative Minnesota Partnerships to Advance Student Success (COMPASS). Renames MTSS to MnMTSS. Clarifies that the COMPASS model may provide support in educational technology and artificial intelligence. Effective immediately.

Sec. 2. Coursework. Delays the literacy training requirement for Tier 2 teachers seeking an initial Tier 3 license. Effective immediately.

Sec. 3. Digital instruction. Clarifies the authority of an intermediate district or joint powers cooperative to provide online instruction to students enrolled in member and nonmember districts.

Sec. 4. Full-service community schools. Modifies various elements of the full-service community schools program, including grant criteria, school leadership teams, baseline analysis, school plans, and review. Effective immediately.

Sec. 5. Purpose [of alternative programs]. Modifies the legislative finding regarding the purpose of alternative learning programs. Effective immediately.

Sec. 6. Eligible pupils. Modifies pupil eligibility for alternative learning programs. Requires a program to give enrollment priority to students who require additional education, health, and social services supports. Effective immediately.

Sec. 7. Pupil enrollment. Strikes language authorizing a pupil to enroll in an adult basic education program without approval of the student's resident district. Effective immediately.

Sec. 8. Literacy aid. Provides that a district's literacy aid equals the sum of its basic literacy aid, English learner literacy aid, and targeted literacy aid. Effective for fiscal year 2027 and later.

Sec. 9. Definitions. Defines "English learner concentration factor" and "poverty concentration factor" for the purposes of aid calculations later in the section. Effective for fiscal year 2027 and later.

Sec. 10. Literacy aid uses. Clarifies the eligible uses of literacy aid. Effective for fiscal year 2027 and later.

Sec. 11. Basic literacy aid. Provides that basic literacy aid equals the district's prior year adjusted average daily membership (ADM) of students in kindergarten through grade 4, times $100. Effective for fiscal year 2027 and later.

Sec. 12. English learner literacy aid. Provides that English learner literacy aid equals the district's prior year ADM of students in kindergarten through grade 4, times the English learner concentration factor (defined in subdivision 1a), times $193.25. (All else equal, districts that enroll higher proportions of English learners will generate more aid under this subdivision.) Effective for fiscal year 2027 and later.

Sec. 13. Targeted literacy aid. Provides that targeted literacy aid equals the district's prior year ADM of students in kindergarten through grade 4, times the poverty concentration factor (defined in subdivision 1a), times $45. (All else equal, districts that enroll higher proportions of students eligible for free or reduced-price meals will generate more aid under this subdivision.) Effective for fiscal year 2027 and later.

Sec. 14. Free and reduced-price meals. Requires the commissioner to determine the number of students eligible to receive free or reduced-price meals by means of direct certification or through the application for educational benefits. Effective for fiscal year 2027 and later.

Sec. 15. Appropriation adjustment. Clarifies the proration procedures for literacy aid to make the proposal budget-neutral relative to the February 2026 forecast. Effective for fiscal year 2027 and later.

Sec. 16. Full-service community schools. Increases the amount of the full-service community schools appropriation available for grant administration. Effective immediately.

Sec. 17. College entrance exam reimbursement. Authorizes the Department of Education to use up to $800,000 of the amount remaining from the fiscal year 2026 and 2027 appropriations for system updates and maintenance. Extends the availability of the fiscal year 2027 appropriation. Effective immediately.

Sec. 18. COMPASS and MnMTSS educational technology. Renames the MnMTSS framework. Clarifies the support activities available to districts, charter schools, and cooperative units through COMPASS and MnMTSS.

Sec. 19. Student organizations. Clarifies the Laws 2025 appropriation for student organizations. Effective immediately.

Sec. 20. Task force to examine Minnesota testing and assessments. Establishes a task force to examine the state's assessment and accountability system. Provides for the membership, duties, meeting arrangements, and reporting requirements of the task force. Effective immediately.

Sec. 21. Appropriation. Appropriates money for the task force to examine Minnesota's testing and assessments. Effective immediately.

Sec. 22. Revisor instruction. Directs the revisor of statutes to renumber a section related to the graduation incentives program and alternative learning programs.

Sec. 23. Repealer. Repeals the innovation research zone pilot program; testing disruption database requirement; literacy aid provisions (to conform with the proposed changes in sections 8-15); graduation incentives provisions (to conform with the proposed changes in sections 5-7). Effective immediately.

ARTICLE 3
TEACHERS

Section 1. Student support personnel aid. Modifies the calculation and distribution of student support personnel aid to intermediate school districts and other eligible cooperative units. Effective for revenue in fiscal year 2027 and later.

Sec. 2. Educator tuition assistance program. Extends the availability of the fiscal year 2026 and 2027 appropriations for the educator tuition assistance program. Requires that the grant awards be made by fiscal year 2027.

Sec. 3. Funding transfer from Grow Your Own to Special Education Pathway Grant. Authorizes a transfer of up to $20 million in fiscal year 2027 from the Grow Your Own account to the special education teacher pathway program account in the special revenue fund.

ARTICLE 4
THE READ ACT

Section 1. Policy. Clarifies that the legislature's intent is to promote materials and training aligned with science-based reading research.

Sec. 2. Certified training facilitator. Strikes the requirement from the definition of "certified trained facilitator" that they receive coaching or mentoring provided by CAREI.

Sec. 3. Oral language. Clarifies the definition of "oral language."

Sec. 4. Structured literacy. Clarifies the definition of "structured literacy."

Sec. 5. Identification; report. Strikes redundant language. Makes other grammatical clarifications.

Sec. 6. Intervention. Clarifies a reference to the Regional Literacy Network.

Sec. 7. Teacher licensure; renewal. Modifies the evidence-based structured literacy training requirements for Tier 1 and Tier 2 teachers responsible for selecting literacy curriculum materials for kindergarten through grade 12.

Sec. 8. Department of Education. Clarifies the department's role in identifying training required for a literacy lead or literacy specialist.

Sec. 9. Resources. Clarifies the requirements for literacy curricula and supporting materials jointly identified by the Department of Education and CAREI.

Sec. 10. Support. Clarifies the requirements for curriculum guidance issued by the Department of Education and CAREI.

Sec. 11. Volunteer and paraprofessional training. Clarifies several references to the Regional Literacy Network.

Sec. 12. [Tier 1] term of license and renewal. Modifies the licensure requirements for Tier 1 teachers responsible for selecting literacy curriculum materials for kindergarten through grade 12.

Sec. 13. [Tier 2] term of license and renewal. Modifies the licensure requirements for Tier 2 teachers responsible for selecting literacy curriculum materials for kindergarten through grade 12.

Sec. 14. Coursework. Modifies the licensure requirements for certain Tier 2 teachers seeking a Tier 3 license who are responsible for selecting literacy curriculum materials for kindergarten through grade 12.

Sec. 15. Regional Literacy Network paraprofessional and volunteer training. Clarifies a reference to the Regional Literacy Network.

Sec. 16. Read Act professional development. Clarifies several references to the Regional Literacy Network.

ARTICLE 5
SCHOOL FACILITIES

Section 1. Grants for gender-neutral single-user restrooms. Extends the availability of the fiscal year 2026 and 2027 appropriations for grants for gender-neutral single-user restrooms. Provides that the legislative report is submitted every two years.

ARTICLE 6
SPECIAL EDUCATION

Section 1. Duties. Requires that the action plan developed by the Blue Ribbon Commission on Special Education must not include increase to other state education programs or appropriations.

Sec. 2. Direction to commissioner of management and budget; contingent reduction in special education aid appropriations. Increases from $250 million to $300 million the amount of special education aid savings assumed in the budget forecast for the FY28-29 biennium and later.

ARTICLE 7
STATE AGENCIES

Section 1. Department of Education Office of the Inspector General; investigative data. Provides for the classification of data on persons that are collected, maintained, used, or disseminated by the Department of Education Office of the Inspector General. Effective immediately.

Sec. 2. Application. Provides that the Office of the Inspector General with the Department of Education is subject to the Data Practices Act provision governing comprehensive law enforcement data.

Sec. 3. Establishment of Office of the Inspector General; powers; duties. Provides that the duties of the Office of the Inspector General include detecting and preventing theft.

Sec. 4. Definitions. Modifies and clarifies various definitions related to the Office of the Inspector General, including the definitions of “abuse,” “excluded,” “fraud,” “program participant,” “theft,” and “waste.”

Sec. 5. Access to records. Requires that program participants give the Office of the Inspector General immediate access to certain records related to department programs. Authorizes the Office of the Inspector General to photocopy or duplicate any records related to a department program at its own expense. Requires program participants offer certain assistance in duplicating records.

Sec. 6. Sanctions; appeal. Modifies the criteria under which the inspector general may recommend that the commissioner impose sanctions upon a program participant. Gives the

commissioner discretion to lift sanctions if the inspector general notifies the commissioner of insufficient evidence of fraud, theft, or misuse by the program participant.

Sec. 7. Data practices. Clarifies the classification of data collected, created, received, or maintained by the inspector general.

Sec. 8. Immunity and confidentiality. Provides that a person who makes a good faith report is immune from any civil liability that might otherwise arise from reporting or participating in the investigation by the inspector general. Provides that the reporter's name and identifying information must be kept confidential.

Sec. 9. Limits on receiving public funds; prohibition. Requires the commissioner to prohibit program participants from enrolling or otherwise participating in other programs administered by the commissioner if the program participant is excluded from any Department of Education program. Authorizes the commissioner to prohibit program participants from enrolling or otherwise participating in other programs administered by the commissioner if the program participant has been excluded from any other program administered by a Minnesota state agency or federal agency.

Sec. 10. Notice. Requires the commissioner to send notice to the program participant within five days of the commissioner's action to prohibit participation in department programs.

Sec. 11. Appeal. Provides for a process to appeal the commissioner's action to prohibit participation in department programs.

Sec. 12. Withholding of payments. Directs the inspector general to notify and recommend to the commissioner to withhold payments to a program participant, to the extent permitted under federal law, if the commissioner determines there is a credible allegation of fraud or theft for which an investigation is pending for a program administered by the department, a Minnesota state agency, or a federal agency. Requires the commissioner to notify the program participant of the withholding action. Provides that payment withholding is a temporary action and not subject to appeal.

Sec. 13. Program participant records retention. Requires program participants to retain certain records related to the department program. Requires that the records be maintained, controlled, and immediately available to the department upon request. Effective immediately.

Sec. 14. Paraprofessional training. Authorizes the department to retain $186,000 from the fiscal year 2026 and 2027 appropriations for paraprofessional training reimbursements. The amount must be transferred to the operating appropriation for the agency and used for certain activities related to paraprofessional requirements.

ARTICLE 8
FORECAST ADJUSTMENTS

This article amends E-12 education appropriations enacted during the 2025 legislative session for fiscal years 2026 and 2027 to align with the February 2026 forecast. The February 2026 forecast provides the most current official estimate of the amount of state aid necessary to fully fund statutory formulas under current law. Forecasted appropriation adjustments are typically the result of changes in pupil counts, program participation, or actual costs. The appropriation changes are real, but the forecast adjustments have no trackable fiscal impact relative to the February 2026 forecast baseline. The forecast adjustments under the bill provide the Department of Education with the necessary appropriation authority to ensure schools receive the full amount of state aid to which they are entitled under current law. Effective immediately.