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State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 4492

05/08/2018 Authored by Bernardy, Omar, Pinto, Hansen, Maye Quade and others  
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; increasing funding for Minnesota's public schools  
1.3 by increasing the general education basic formula allowance for fiscal year 2019;  
1.4 appropriating money; amending Minnesota Statutes 2016, sections 123B.42,  
1.5 subdivision 3; 123B.92, subdivision 9; Minnesota Statutes 2017 Supplement,  
1.6 section 126C.10, subdivision 2; Laws 2017, First Special Session chapter 5, article  
1.7 1, section 19, subdivision 2.

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

1.9 Section 1. Minnesota Statutes 2016, section 123B.42, subdivision 3, is amended to read:

1.10 Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized  
1.11 instructional or cooperative learning materials, software or other educational technology,  
1.12 and standardized tests provided for in this section for each school year must not exceed the  
1.13 statewide average expenditure per pupil, adjusted pursuant to ~~elause~~ paragraph (b), by the  
1.14 Minnesota public elementary and secondary schools for textbooks, individualized  
1.15 instructional materials and standardized tests as computed and established by the department  
1.16 by February 1 of the preceding school year from the most recent public school year data  
1.17 then available.

1.18 (b) The cost computed in ~~elause~~ paragraph (a) shall be increased by an inflation  
1.19 adjustment equal to the greater of zero or the percent of increase in the formula allowance,  
1.20 pursuant to section 126C.10, subdivision 2, from the second preceding school year to the  
1.21 current school year. ~~Notwithstanding the amount of the formula allowance for fiscal years~~  
1.22 ~~2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount~~  
1.23 ~~of the formula allowance for the current year minus \$414 in determining the inflation~~  
1.24 ~~adjustment for fiscal years 2015 and 2016.~~

2.1 (c) The commissioner shall allot to the districts or intermediary service areas the total  
 2.2 cost for each school year of providing or loaning the textbooks, individualized instructional  
 2.3 or cooperative learning materials, software or other educational technology, and standardized  
 2.4 tests for the pupils in each nonpublic school. The allotment shall not exceed the product of  
 2.5 the statewide average expenditure per pupil, according to ~~clause~~ paragraph (a), adjusted  
 2.6 pursuant to ~~clause~~ paragraph (b), multiplied by the number of nonpublic school pupils who  
 2.7 make requests pursuant to this section and who are enrolled as of September 15 of the current  
 2.8 school year.

2.9 Sec. 2. Minnesota Statutes 2016, section 123B.92, subdivision 9, is amended to read:

2.10 Subd. 9. **Nonpublic pupil transportation aid.** (a) A district's nonpublic pupil  
 2.11 transportation aid for the 1996-1997 and later school years for transportation services for  
 2.12 nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this section,  
 2.13 equals the sum of the amounts computed in paragraphs (b) and (c). This aid does not limit  
 2.14 the obligation to transport pupils under sections 123B.84 to 123B.87.

2.15 (b) For regular and excess transportation according to subdivision 1, paragraph (b),  
 2.16 clauses (1) and (2), an amount equal to the product of:

2.17 (1) the district's actual expenditure per pupil transported in the regular and excess  
 2.18 transportation categories during the second preceding school year; times

2.19 (2) the number of nonpublic school pupils residing in the district who receive regular  
 2.20 or excess transportation service or reimbursement for the current school year; times

2.21 (3) the greater of zero or the ratio of the formula allowance pursuant to section 126C.10,  
 2.22 subdivision 2, for the current school year to the formula allowance pursuant to section  
 2.23 126C.10, subdivision 2, for the second preceding school year.

2.24 (c) For nonpublic nonregular transportation according to subdivision 1, paragraph (b),  
 2.25 clause (5), an amount equal to the product of:

2.26 (1) the district's actual expenditure for nonpublic nonregular transportation during the  
 2.27 second preceding school year; times

2.28 (2) the greater of zero or the ratio of the formula allowance pursuant to section 126C.10,  
 2.29 subdivision 2, for the current school year to the formula allowance pursuant to section  
 2.30 126C.10, subdivision 2, for the second preceding school year.

2.31 ~~(d) Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016~~  
 2.32 ~~in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula~~

3.1 ~~allowance for the current year minus \$414 in determining the nonpublic pupil transportation~~  
 3.2 ~~revenue in paragraphs (b) and (c) for fiscal years 2015 and 2016.~~

3.3 Sec. 3. Minnesota Statutes 2017 Supplement, section 126C.10, subdivision 2, is amended  
 3.4 to read:

3.5 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance  
 3.6 times the adjusted pupil units for the school year. The formula allowance for fiscal year  
 3.7 2017 is \$6,067. The formula allowance for fiscal year 2018 is \$6,188. The formula allowance  
 3.8 for fiscal year 2019 is \$6,438. The formula allowance for fiscal year 2020 and later is \$6,312.

3.9 Sec. 4. Laws 2017, First Special Session chapter 5, article 1, section 19, subdivision 2, is  
 3.10 amended to read:

3.11 Subd. 2. **General education aid.** For general education aid under Minnesota Statutes,  
 3.12 section 126C.13, subdivision 4:

|      |    |                          |       |      |
|------|----|--------------------------|-------|------|
| 3.13 | \$ | 7,032,051,000            | ..... | 2018 |
| 3.14 |    | <del>7,227,809,000</del> |       |      |
| 3.15 | \$ | <u>.....</u>             | ..... | 2019 |

3.16 The 2018 appropriation includes \$686,828,000 for 2017 and \$6,345,223,000 for 2018.

3.17 The 2019 appropriation includes \$705,024,000 for 2018 and ~~\$6,522,785,000~~ \$..... for  
 3.18 2019.