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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 843

02/08/2021 Authored by Stephenson
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 the general education basic formula
1.3 allowance by two percent per year; linking future increases in the basic formula
1.4 allowance to the rate of inflation; appropriating money; amending Minnesota
1.5 Statutes 2020, section 126C.10, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2020, section 126C.10, subdivision 2, is amended to read:

1.8 Subd. 2. Basic revenue. (a) The basic revenue for each district equals the formula
1.9 allowance times the adjusted pupil units for the school year. The formula allowance for
1.10 fiscal year 2019 is \$6,312. The formula allowance for fiscal year 2020 is \$6,438.

1.11 (b) The formula allowance for fiscal year 2021 and later is \$6,567. The formula allowance
1.12 for 2022 is \$6,698. The formula allowance for 2023 is \$6,832.

1.13 (c) For fiscal year 2024 and later, the formula allowance equals the formula allowance
1.14 for fiscal year 2023 times the inflationary increase for that year.

1.15 (d) For purposes of this subdivision, "inflationary increase" means one plus the percentage
1.16 change in the Consumer Price Index for urban consumers, as prepared by the United States
1.17 Bureau of Labor Standards, from the current fiscal year to fiscal year 2023.

1.18 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2022 and later.

1.19 Sec. 2. APPROPRIATION; GENERAL EDUCATION REVENUE.

1.20 Subdivision 1. Department of Education. The sums indicated in this section are
1.21 appropriated from the general fund to the Department of Education in the fiscal year
1.22 designated.

2.1 Subd. 2. General education aid. For general education aid under Minnesota Statutes,
 2.2 section 126C.13:

2.3 \$ 2022

2.4 \$ 2023