

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1417

(SENATE AUTHORS: CHAMBERLAIN)

DATE
02/25/2021

D-PG

Introduction and first reading
Referred to Education Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; clarifying general education aid; amending Minnesota
1.3 Statutes 2020, section 126C.21.

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

1.5 Section 1. Minnesota Statutes 2020, section 126C.21, is amended to read:

1.6 **126C.21 DEDUCTIONS FROM GENERAL EDUCATION AID.**

1.7 Subd. 2. **Minimum.** The amount payable to any district from state sources for any one
1.8 year may not be reduced below the amount payable as apportionment of the school
1.9 endowment fund pursuant to sections 127A.32 to 127A.34.

1.10 Subd. 3. **County apportionment deduction.** Each year the amount of money apportioned
1.11 to a district for that year pursuant to ~~sections~~ section 127A.34, subdivision 2, ~~and 272.029,~~
1.12 ~~subdivision 6,~~ must be deducted from the general education aid earned by that district for
1.13 the same year or from aid earned from other state sources.

1.14 Subd. 5. **Adjustment for failure to meet federal maintenance of effort.** (a) The general
1.15 education aid paid to a school district or charter school that failed to meet federal special
1.16 education maintenance of effort for the previous fiscal year must be reduced by the amount
1.17 that must be paid to the federal government due to the shortfall.

1.18 (b) The general education aid paid to school districts that were members of a cooperative
1.19 that failed to meet federal special education maintenance of effort must be reduced by the
1.20 amount that must be paid to the federal government due to the shortfall. The commissioner
1.21 must apportion the aid reduction amount to the member school districts based on each
1.22 district's individual shortfall in maintaining effort, and on each member district's proportionate

2.1 share of any shortfall in expenditures made by the cooperative. Each district's proportionate
2.2 share of shortfall in expenditures made by the cooperative must be calculated using the
2.3 adjusted marginal pupil units of each member school district.

2.4 (c) The amounts recovered under this subdivision shall be paid to the federal government
2.5 to meet the state's obligations resulting from the district's, charter school's, or cooperative's
2.6 failure to meet federal special education maintenance of effort.