

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

S.F. No. 1881

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DATE
02/20/2023

D-PG

Introduction and first reading
Referred to Education Finance

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; increasing the general education basic formula
1.3 allowance; directing money to class size reduction; appropriating money; amending
1.4 Minnesota Statutes 2022, sections 126C.10, subdivision 2; 126C.12.

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

1.6 Section 1. Minnesota Statutes 2022, section 126C.10, subdivision 2, is amended to read:

1.7 Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula
1.8 allowance times the adjusted pupil units for the school year. ~~The formula allowance for~~
1.9 ~~fiscal year 2021 is \$6,567. The formula allowance for fiscal year 2022 is \$6,728.~~

1.10 (b) The formula allowance for fiscal year 2023 ~~and later~~ is \$6,863.

1.11 (c) The formula allowance for fiscal year 2024 is \$8,236.

1.12 (d) The formula allowance for fiscal year 2025 and later equals the formula allowance
1.13 for fiscal year 2024 times the inflationary increase calculated in paragraph (e).

1.14 (e) For purposes of this subdivision, "inflationary increase" means one plus the percentage
1.15 change in the Consumer Price Index for urban consumers, as prepared by the United States
1.16 Bureau of Labor Standards, from fiscal year 2024 to the current fiscal year.

1.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2024 and later.

2.1 Sec. 2. Minnesota Statutes 2022, section 126C.12, is amended to read:

2.2 **126C.12 LEARNING AND DEVELOPMENT REVENUE AMOUNT AND USE**
 2.3 **CLASS SIZE REDUCTION.**

2.4 Subdivision 1. **Revenue.** ~~Of a district's general education revenue for fiscal year 2015~~
 2.5 ~~and thereafter each school district shall reserve an amount equal to the following calculation:~~

2.6 ~~(1) average daily membership, according to section 126C.05, subdivision 5, in~~
 2.7 ~~kindergarten times \$299; plus~~

2.8 ~~(2) average daily membership, according to section 126C.05, subdivision 5, in grades~~
 2.9 ~~1 to 6 times \$459.~~

2.10 A district is required to reserve an amount equal to at least eight percent of the basic
 2.11 revenue under section 126C.10, subdivision 2, to implement the class size ratios specified
 2.12 in this section.

2.13 Subd. 2. **Definitions.** (a) "Classroom teacher" means a public employee licensed by the
 2.14 Professional Educator Licensing and Standards Board who is authorized to teach all subjects
 2.15 to children in any grade in kindergarten through grade ~~6~~ 12 and whose duties are full-time
 2.16 regular classroom instruction, excluding a teacher for whom federal aids are received or for
 2.17 whom categorical aids are received under section 125A.76 or who is an itinerant teacher or
 2.18 provides instruction outside of the regular classroom. Except as provided in section 122A.68,
 2.19 subdivision 6, classroom teacher does not include supervisory and support personnel defined
 2.20 in section 122A.15. ~~A classroom teacher whose duties are less than full-time instruction~~
 2.21 ~~must be included as an equivalent only for the number of hours of instruction in kindergarten~~
 2.22 ~~through grade 3.~~

2.23 (b) "Class size" means the districtwide ratio at each grade level of the number of full-time
 2.24 students in kindergarten through grade ~~3~~ 12 served at least 40 percent of the time in regular
 2.25 classrooms to the number of full-time classroom teachers in kindergarten through grade ~~3~~
 2.26 12, determined as of October 1 of each school year. A regular classroom does not include
 2.27 band, orchestra, choir, or physical education courses.

2.28 Subd. 3. **Instruction contact time.** Instruction may be provided by a classroom teacher
 2.29 or by a team of classroom teachers, or by a teacher resident supervised by a classroom
 2.30 teacher. ~~The district must maximize classroom teacher to learner average instructional~~
 2.31 ~~contact time in the core subjects of reading and mathematics.~~

3.1 Subd. 4. **Revenue use.** (a) Revenue must be used to reduce and maintain the district's
 3.2 average class size ~~in kindergarten through grade 3 to a level of 17 to 1 on average in each~~
 3.3 ~~of the respective grades~~ according to the ratios established in subdivision 6.

3.4 (b) ~~A district must not increase the districtwide class sizes in other grades as a result of~~
 3.5 ~~reducing class sizes in kindergarten through grade 3.~~ Revenue may not be used to provide
 3.6 instructor preparation. If a district reduces class sizes to the ratios specified in this section,
 3.7 the district may use a portion of the revenue reserved under this section to employ up to the
 3.8 same number of full-time equivalent education assistants or aides as the district employed
 3.9 during the 1992-1993 school year under Minnesota Statutes 1992, section 124.331,
 3.10 subdivision 2, through fiscal year 2002. Beginning in fiscal year 2003 2024, class size
 3.11 reduction revenue ~~may only~~ must be reserved to employ classroom teachers contributing
 3.12 to lower class sizes in kindergarten through grade 3 12.

3.13 Subd. 5. ~~**Additional revenue use.** If the board of a district determines that the district~~
 3.14 ~~has achieved and is maintaining the class sizes specified in subdivision 4, the board may~~
 3.15 ~~use the revenue to reduce class size in grades 4, 5, and 6, prepare and use individualized~~
 3.16 ~~learning plans, improve program offerings, purchase instructional material, services, or~~
 3.17 ~~technology, or provide staff development needed for reduced class sizes.~~

3.18 Subd. 6. **Class size ratios.** (a) A school district or charter school must have a class size
 3.19 ratio no greater than:

3.20 (1) for kindergarten through grade 3, a class size of 17 to one;

3.21 (2) for grades 4 to 9, a class size of 21 to one; and

3.22 (3) for grades 10 to 12, a class size of 23 to one.

3.23 (b) A district must negotiate a plan to reduce class sizes with the exclusive representative
 3.24 for teachers. A negotiated class size reduction plan may specify ratios different than those
 3.25 established in paragraph (a).

3.26 Subd. 7. **Reporting.** A school district must annually report the district's class size ratios
 3.27 to the commissioner of education in the form and manner specified by the commissioner.

3.28 Sec. 3. **APPROPRIATION; ADDITIONAL GENERAL EDUCATION AID.**

3.29 Subdivision 1. **Department of Education.** The sums indicated in this section are
 3.30 appropriated from the general fund to the Department of Education in the fiscal years
 3.31 designated.

3.32 Subd. 2. **Additional general education aid.** For additional general education aid:

4.1 \$ 2024

4.2 \$ 2025