

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

S.F. No. 3556

(SENATE AUTHORS: KUNESH)

DATE
02/12/2024

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; making intermediate districts and cooperative units
1.3 eligible for reimbursement of area learning center transportation costs; modifying
1.4 the calculation of the pupil transportation adjustment; appropriating money;
1.5 amending Minnesota Statutes 2023 Supplement, sections 123B.92, subdivision
1.6 11; 126C.10, subdivision 18a; Laws 2023, chapter 55, article 1, section 36,
1.7 subdivision 14.

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

1.9 Section 1. Minnesota Statutes 2023 Supplement, section 123B.92, subdivision 11, is
1.10 amended to read:

1.11 Subd. 11. **Area learning center transportation aid.** (a) A district that provides
1.12 transportation of pupils to and from an area learning center program established under
1.13 section 123A.05 is eligible for state aid to reimburse the additional costs of transportation
1.14 during the preceding fiscal year. For the purposes of this subdivision, "district" includes a
1.15 school district, intermediate school district, or other cooperative unit under section 123A.24,
1.16 subdivision 2.

1.17 (b) A district may apply to the commissioner of education for state aid to reimburse the
1.18 costs of transporting pupils who are enrolled in an area learning center program established
1.19 under section 123A.05 during the preceding fiscal year. The commissioner shall develop
1.20 the form and manner of applications for state aid, the criteria to determine when transportation
1.21 is necessary, and the accounting procedure to determine excess costs. In determining aid
1.22 amounts, the commissioner shall consider other revenue received by the district for
1.23 transportation for area learning center purposes.

2.1 (c) The total aid entitlement ~~for under this section is \$1,000,000~~ subdivision for aid to
 2.2 school districts must not exceed \$..... each year. The total aid entitlement under this
 2.3 subdivision for aid to intermediate school districts or other cooperative units must not exceed
 2.4 \$..... each year.

2.5 (d) The commissioner must prorate aid if ~~this~~ the amount available is insufficient to
 2.6 fully reimburse district costs. Aid under this subdivision is 100 percent payable in the current
 2.7 fiscal year.

2.8 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2025 and later.

2.9 Sec. 2. Minnesota Statutes 2023 Supplement, section 126C.10, subdivision 18a, is amended
 2.10 to read:

2.11 Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special
 2.12 school district's transportation sparsity revenue under subdivision 18 is increased by the
 2.13 greater of zero or 35 percent of the difference between:

2.14 (1) the lesser of the district's total cost for regular and excess pupil transportation under
 2.15 section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal
 2.16 year or 105 percent of the district's total cost for the second previous fiscal year; and

2.17 (2) the sum of:

2.18 (i) 4.66 percent of the district's basic revenue for the previous fiscal year;

2.19 (ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;

2.20 (iii) the district's charter school transportation adjustment for the previous fiscal year;

2.21 **and**

2.22 (iv) the district's reimbursement for transportation provided under section 123B.92,
 2.23 subdivision 1, paragraph (b), clause (1), item (vi), for the previous fiscal year; and

2.24 (v) the district's area learning center transportation aid under section 123B.92, subdivision
 2.25 11, for the previous fiscal year.

2.26 (b) A charter school's pupil transportation adjustment equals the school district per pupil
 2.27 unit adjustment under paragraph (a).

2.28 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2025 and later.

3.1 Sec. 3. Laws 2023, chapter 55, article 1, section 36, subdivision 14, is amended to read:

3.2 Subd. 14. **Area learning center transportation aid.** (a) For area learning center
3.3 transportation aid under Minnesota Statutes, section 123B.92, subdivision 11:

3.4 \$ 1,000,000 2024

3.5 ~~1,000,000~~

3.6 \$ 2025

3.7 (b) Any balance in the first year does not cancel but is available in the second year.

3.8 (c) This aid is 100 percent payable in the current year.

3.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.