

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

**S.F. No. 505**

(SENATE AUTHORS: LUCERO)

DATE  
01/23/2023

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; creating a new source of state aid for school districts  
1.3 with low general education revenue and low property wealth per pupil;  
1.4 appropriating money; proposing coding for new law in Minnesota Statutes, chapter  
1.5 126C.

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

1.7 Section 1. 126C.127 **GENERAL EDUCATION DISPARITY AID.**

1.8 Subdivision 1. Eligible districts. A school district, not including a charter school,  
1.9 qualifies for general education disparity aid if: (1) the district's adjusted net tax capacity per  
1.10 adjusted pupil unit is less than the value of the district at or immediately below the 20th  
1.11 percentile of districts; or (2) the district's referendum market value per resident pupil unit  
1.12 is less than the value of the district at or immediately below the 20th percentile of districts.

1.13 Subd. 2. General education disparity aid. (a) A district's general education disparity  
1.14 aid allowance equals 0.7 times the greater of:

1.15 (1) zero; or

1.16 (2) the difference between (i) the amount of general education revenue per adjusted  
1.17 pupil unit under section 126C.10, not including referendum revenue, for the district at or  
1.18 immediately below the 20th percentile of districts, and (ii) the amount of general education  
1.19 revenue per adjusted pupil unit under section 126C.10, not including referendum revenue,  
1.20 for the district.

1.21 (b) For fiscal year 2024 and later, a district's general education disparity aid equals its  
1.22 general education disparity aid allowance times the adjusted pupil units.

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

2.2 Sec. 2. **APPROPRIATIONS.**

2.3 Subdivision 1. **Department of Education.** The sums indicated in this section are  
2.4 appropriated from the general fund to the Department of Education for the fiscal years  
2.5 designated.

2.6 Subd. 2. **General education disparity aid.** For general education disparity aid under  
2.7 Minnesota Statutes, section 126C.127:

2.8	\$	.....	.....	<u>2024</u>
2.9	\$	.....	.....	<u>2025</u>