

E12-Education

First Special Session
Working Group Agreement

Subject K-12 Education Policy and Finance Bill

Authors K12 Working Group

Analyst House and Senate Nonpartisan K12 Staff

Date June 2, 2025

Overview

This is the K-12 education finance and policy bill.

Article 1: General Education

This article defines how a student is determined to be in attendance and modifies other requirements related to attendance. It also modifies requirements related to the Postsecondary Enrollment Options (PSEO) Act, online instruction, and adult basic education (ABE), and allows schools to start the school year as early as September 1 for two school years.

The article provides a one-year increase in compensatory revenue for school districts, increases consolidation transition aid, moves \$132 per pupil unit from long-term facilities maintenance funding to general education aid for charter schools, and clarifies operating referendum revenue renewals and the way operating referendum amounts are handled when a district consolidates.

Section Description – Article 1: General Education

1 Legitimate exceptions.

Provides that an application to excuse a child from school attendance may be made to a truant officer or other school official designated by the principal. Removes other school officials from the set of people who may receive such applications.

2 Compulsory instruction; reporting attendance.

Defines a student as being in attendance when a school employee provides supervision, instruction, or services to the student. Requires a principal or a principal's designee, rather than a clerk, to keep a record of excused absences.

3 Reports to the state or county.

Requires a principal, within 15 days after the beginning of a term, to report to the superintendent a list of the students who were enrolled in school the previous term, are not enrolled in the current term, and are eligible for enrollment, unless the school has been notified that the student has enrolled in another school. Requires

Section Description – Article 1: General Education

- the superintendent to make the list available to an authorized representative of a county agency whose statutory purpose is to enroll students in school.
- 4 **Attendance provisions coded elsewhere.**
Refers to student attendance provisions coded elsewhere in statute. Provisions relate to age of instruction, nonpublic student reporting, transportation, students with disabilities, funding to reduce truancy, excused absences, removal from the attendance roll, truancy, maltreatment, and criminal penalties.
- 5 **Aid. [Consolidation aid]**
Increases the amount of consolidation aid available to consolidating school districts from \$200 per pupil in the first year of consolidation to \$424 per pupil and increases the consolidation aid in the second year of consolidation from \$100 per pupil to \$212 per pupil. Strikes other obsolete language.
- 6 **Dissolution; referendum revenue.**
Clarifies that both voter-approved and board-approved referendum allowances may be recalculated or discontinued under the existing reorganization procedures in cases of school district dissolution or consolidation.
- 7 **Consolidation; maximum authorized referendum revenues.**
Provides that the referendum authority recalculated for a consolidated school district upon its consolidation may be renewed by the school board of the newly created district under 126C.17, subdivision 9b. Effective retroactively from June 16, 2024, and applies to school board renewal resolutions adopted on or after that date.
- 8 **Alternative method. [Consolidation]**
Provides that the referendum authority adopted in the consolidation plan for a consolidated school district may be renewed by the school board of the newly created district under 126C.17, subdivision 9b. Effective retroactively from June 16, 2024, and applies to school board renewal resolutions adopted on or after that date.
- 9 **Discontinued referendum revenue.**
Clarifies that a consolidation plan may provide for discontinuation of referendum revenue that was previously approved by the voters or authorized by the school board under its renewal authority.
- 10 **Authorization; notification. [PSEO]**
Clarifies that students enrolled in charter schools or Tribal contract schools are eligible to participate in PSEO programs. Requires a postsecondary institution to

Section Description – Article 1: General Education

- notify a pupil’s school if the pupil withdraws from a course or stops attending a course that the student is taking for postsecondary credit.
- 11 **Authorization; career or technical education. [PSEO]**
Clarifies that students enrolled in charter schools or Tribal contract schools are eligible to participate in PSEO programs.
- 12 **Authorization; 9th or 10th grade pupil. [PSEO]**
Clarifies that students enrolled in charter schools or Tribal contract schools are eligible to participate in PSEO programs.
- 13 **Enrollment priority. [PSEO]**
Strikes obsolete language limiting postsecondary institution advertisements and recruitment of secondary pupils.
- 14 **Courses according to agreements. [PSEO]**
Clarifies that students enrolled in charter schools or Tribal contract schools are eligible to participate in PSEO programs.
- 15 **Definitions [for the Online Instruction Act].**
Clarifies that the Online Instruction Act is applicable to charter schools and is not applicable to nonpublic schools. Provides that state-operated schools are eligible supplemental online course providers under the Online Instruction Act.
- 16 **Revenue calculation. [Charter school general education revenue]**
Increases general education revenue for a charter school by \$132 per adjusted pupil unit (APU). The revenue increase under this section is equal to the revenue reduction for charter schools under the long-term facility maintenance (LTFM) proposal later in the bill and provides no additional money to charter schools. Effective for revenue for fiscal year 2026 and later.
- 17 **Compensation revenue pupil units.**
Provides, for fiscal year 2026 only, that compensation revenue pupil units for each building in a district equals the greater of the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2026, or the building's actual compensation revenue pupil units computed according to paragraphs (a) to (e) for revenue in fiscal year 2024.

Section Description – Article 1: General Education

- 18 **Compensatory education revenue.**
Delays the transition to the new compensatory formula enacted in Laws 2023, chapter 55, until fiscal year 2027.
- 19 **Statewide compensatory allowance.**
Delays the transition to the new compensatory formula enacted in Laws 2023, chapter 55, until fiscal year 2027. (The allowance indicated for fiscal year 2027 is the amount projected under current law under the February 2025 budget forecast.)
- 20 **Building allocation. [Compensatory revenue]**
Authorizes a school district, upon board approval for fiscal years 2026 and 2027 only, to allocate up to 40 percent of the district’s compensatory revenue on a districtwide basis (under current law, at least 80 percent of the revenue must remain for use at each specific school site).
- 21 **Renewal by school board.**
Clarifies that a school board may renew an expiring operating referendum recalculated or authorized for a consolidated school district. Clarifies the time period during which a school board may adopt a resolution to renew an expiring operating referendum. Clarifies that the renewal period is a continuous period of time that begins July 1 of the second fiscal year prior to the last fiscal year of the expiring referendum and extends until June 15 of the fiscal year prior to the last year of the expiring referendum. Requires that a district renewing a referendum submit a copy of the adopted resolution to the commissioner of education and to the county auditor no later than August 15 of the fiscal year in which the referendum expires. Effective retroactively from June 16, 2024, and applies to school board renewal resolutions adopted on or after that date.
- 22 **Alternative attendance programs. [Transfers to ALCs]**
Requires 100 percent (instead of an amount determined by the resident district between 90 percent and 100 percent) of the designated portion of general education revenue to be transferred from the resident school district to the Area Learning Center (ALC). Effective for revenue for fiscal year 2026 and later.
- 23 **Unemployment insurance report.**
Requires that the annual unemployment insurance report prepared by the Minnesota Department of Education (MDE) separately identify costs attributable to special education paraprofessionals. Effective for reports filed after July 1, 2025.

Section Description – Article 1: General Education

- 24 **Career and technical program expansion; aeronautics pilot program.**
Clarifies that equipment purchases made by the Little Falls School District after receiving a legislative grant of \$450,000 for an aeronautics and commercial over-the-road career and technical education program are valid and reimbursable by the grant regardless of the official date of grant approval from MDE. Requires the district to show how the early expenditures for the program were successful in providing the aeronautics and commercial over-the-road technical program in a more timely manner to the school district's participating high school students. Effective retroactively from May 24, 2023.
- 25 **Laws 2023, chapter 55 effective date.**
Delays the repeal of various statutory provisions governing the compensatory aid program to conform with the alternative fiscal year 2026 aid calculation under an earlier section of this article.
- 26 **School start date for the 2026-2027 and 2027-2028 school years only.**
Allows a district to begin the school year on September 1 or later for the 2026-2027 and 2027-2028 school years only. Effective immediately.
- 27 **Compensatory Revenue Task Force.**
Creates a Compensatory Revenue Task Force consisting of 14 members and charges the task force with examining Minnesota's compensatory revenue program and reporting recommendations to the legislature. Requires an initial report by February 25, 2026, and a final report by October 15, 2026.
- 28 **Appropriations.**
Appropriates money for general education programs. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.
- 29 **Revisor instruction.**
Directs the revisor to explicitly include Tribal contract school students as students eligible for PSEO programming.

Article 2: Education Excellence

This article modifies provisions relating to instruction, including instruction on violence prevention, substance use, and health aging; paraprofessional requirements; the achievement and integration program; innovative education programs; literacy aid; and makes other changes.

Section Description – Article 2: Education Excellence

- 1 Application and review process; funding priority.**
Allows the commissioner to give priority for AP-IB grants to applicants that have adopted a policy to automatically enroll eligible students in preadvanced placement, advanced placement, or international baccalaureate programs.
- 2 Healthy aging and dementia education.**
Encourages school districts and charter schools to provide instruction on healthy aging and dementia to students in grades 6 through 12 that is aligned with applicable health standards and integrated into existing curriculum.
- 3 Model program. [Education on cannabis use and substance use]**
Requires the commissioner-identified model programs on cannabis use and substance use to also include overdose recognition, prevention, and response. Effective immediately.
- 4 Violence prevention curriculum.**
Encourages districts to include instruction on reducing physical abuse in a violence prevention curriculum. Effective immediately.
- 5 State growth measures; other state measures. [Student academic achievement and growth]**
Requires the commissioner to report language development outcomes of the target language of instruction other than English for all students in dual immersion programs or in programs in which the objective is improving or maintaining the students' native language.
- 6 Local policy components.**
Allows a parent or guardian to designate another individual to be notified of prohibited conduct under the school student bullying policy.
- 7 State model policy.**
Clarifies that the Department has authority to assess and evaluate, not investigate, noncompliance with the school student bullying requirements.
- 8 Qualifications [for paraprofessionals].**
Establishes the competency criteria for a Minnesota special education paraprofessional to meet federal personnel qualifications. Allows a school, upon request from a paraprofessional employed by the school, to provide administrative assistance to the paraprofessional when completing the competencies. Effective immediately.

Section Description – Article 2: Education Excellence

- 9 **Student representation.**
Encourages a school board to adopt a process to include student representation to advise the school board.
- 10 **Disposing of surplus books.**
Allows a school district to dispose of surplus schoolbooks by donating them to a family of a student residing in the district or a charitable organization.
- 11 **Experiential and applied learning opportunities for students.**
Prohibits the commissioner of education from approving or denying a school board-adopted experiential and applied learning program.
- 12 **P-TECH schools; board approval process.**
Allows a school board to adopt a P-TECH program without commissioner approval.
- 13 **P-TECH schools; grant process.**
Clarifies that the commissioner is not authorized to approve or deny a locally adopted P-TECH plan.
- 14 **Full-service community schools.**
Modifies the full-service community schools program requirements, including the types of community organizations eligible to partner with full-service community schools. Establishes statutory criteria for the commissioner to prioritize grant awards. Modifies the composition of the school leadership team.
- 15 **Minnesota math corps program.**
Requires Minnesota math corps to use evidence-based instructional support to evaluate and accelerate student learning on foundational mathematics skills. Defines “evidence-based.”
- 16 **[Achievement and Integration] Public engagement; progress report and budget process.**
Requires that a school board annually submit its most recent achievement and integration progress report to the commissioner.
- 17 **Timeline and implementation.**
Strikes obsolete language.
- 18 **Initial achievement and integration revenue.**
Increases the amount of each district’s initial achievement and integration revenue that MDE may retain for administration of the program. The administrative amount

Section Description – Article 2: Education Excellence

- increases from 0.3 percent to 1.3 percent of initial achievement and integration revenue for the second prior fiscal year. Effective for revenue in fiscal year 2026 and later.
- 19 **[Achievement and Integration] Commissioner authority to withhold revenue.**
Amends the deadline for the commissioner to review district achievement and integration results from August 1 to January 1. Clarifies that the commissioner directs districts to use up to 20 percent of their integration revenue to implement the improvement plan until the district’s goals are met.
- 20 **Literacy aid.**
Renames "literacy incentive aid" as "literacy aid"
- 21 **Literacy aid.**
Beginning in fiscal year 2026, requires that literacy aid be used to meet the requirements and goals adopted in the district’s local literacy plan. Effective for revenue in fiscal year 2026 and later.
- 22 **Full-service community schools.**
Extends the 2024/2025 appropriations for full-service community schools from June 30, 2025, to June 30, 2027. Effective immediately.
- 23 **Innovation service-learning grants.**
Extends the availability of the fiscal year 2024 appropriation for innovation service-learning grants until June 30, 2026. Effective immediately.
- 24 **Appropriations.**
Appropriates money for educational excellence programs. See Fiscal worksheets.
- 25 **Repealer.**
Repeals section 123B.935, subdivision 2 (active transportation safety training deadlines).
- 26 **Revisor instruction.**
Instructs the revisor to codify a new chapter of statutes relating to education innovation, and codifies innovation zone session law in new chapter.

Article 3: Teachers

This article transfers programs from the Professional Educators Licensing and Standards Board (PELSB) to the Department of Education; modifies the short-call substitute teacher program; modifies the teacher mentoring program; modifies the student support personnel aid amounts and uses; and makes other changes.

Section	Description – Article 3: Teachers
---------	-----------------------------------

- | | |
|---|---|
| 1 | Reporting. [Teachers of color and American Indian teachers]
Requires MDE, instead of PELSB, to report on programs receiving state funds that have the purpose of increasing the racial and ethnic diversity of the teacher workforce. |
| 2 | Requirements for board approval.
Removes a requirement that PELSB annually report certain performance of teacher candidates to the legislature. Strikes other obsolete language. |
| 3 | Reading strategies.
Completes a technical correction under Laws 2024, chapter 85, section 18, related to teacher testing requirements that were substantively modified under Laws 2023, chapter 55, article 5, sections 39 and 40. |
| 4 | Short-call emergency substitute teacher program.
Makes permanent a program that allows qualifying education support personnel or paraprofessionals to obtain a short-call substitute teacher license. Modifies requirements to substitute teacher rate of pay, and how long a short-call substitute teacher under the program may cover a particular assignment. Effective immediately. |
| 5 | Expiration.
Expires the Come Teach in Minnesota Hiring Bonus program on June 30, 2029, and cancels any remaining balance in the program account to the general fund on that date. |
| 6 | Educator Tuition Assistance Program.
Transfers responsibility for awarding grants from PELSB to MDE. Modifies the grant award criteria, the grant award uses, the process for establishing the amount of direct financial assistance to candidates, and the grant award timeline. Provides for the transfer of staff positions from PELSB to MDE. Makes other conforming changes. Renames the Collaborative and Urban Greater Minnesota Educators of Color Grant Program as the Educator Tuition Assistance Program (ETAP). |

Section Description – Article 3: Teachers

- 7 **[Teacher mentorship] Grants.**
Transfers responsibility for administering the teacher mentorship grant program from PELSB to MDE. Expands individual grant eligibility to additional entities, including nonprofit organizations or professional organizations.
- 8 **Criteria for selection [for teacher mentorship grants].**
Removes the requirement that the commissioner give priority to grant applications from programs specifically serving Tier 2 or Tier 3 teachers. Makes other conforming changes.
- 9 **Program implementation [for teacher mentorship grants].**
Makes conforming changes related to the transfer of the grant program from PELSB to MDE.
- 10 **Grant program administration [for teacher mentorship grants].**
Makes conforming changes related to the transfer of the grant program from PELSB to MDE.
- 11 **Report [on teacher mentorship grants].**
Reduces the frequency of the report on teacher mentorship grants from an annual report to a biennial report. Makes other conforming changes.
- 12 **Positions transferred [for teacher mentorship grants].**
Provides for the transfer of staff positions from PELSB to MDE related to the transfer of the grant program.
- 13 **Student support personnel aid.**
Modifies student support personnel aid (SSPA). Sets the per pupil allowance at \$30.05 for fiscal years 2026 and 2027 and \$34.32 per pupil for each year thereafter (current law increased the per pupil allowance from \$17.08 in fiscal year 2025 to \$48.73 for fiscal year 2026 and later). Sets the cooperative student support allowance at \$1.60 for fiscal year 2026 and thereafter. Expands the uses of the aid to include up to \$5,000 per year for employee training, job-embedded coaching, and for qualifying travel expenses among school buildings for support staff.

Authorizes a school district with declining enrollment to expend funds on retaining student support personnel to maintain an existing position that would otherwise be eliminated due to budgetary concerns.

Section Description – Article 3: Teachers

- 14 **Transfer of grant administration and staff.**
Provides for transfer of contracts, obligations, unexpended funds, and staff from PELSB to MDE relating to the transfer of the ETAP grants and teacher mentorship grants. Provides a framework for future transfer of facilities, services, or operations related to the transferred grant programs.
- 15 **Appropriations; MDE.**
Appropriates money for teacher programs administered by MDE. See Fiscal worksheets.
- 16 **Appropriations: PELSB.**
Appropriates money for teacher programs administered by PELSB. See Fiscal worksheets.
- 17 **Revisor instruction.**
Directs the revisor to change the term “pipeline” to “pathway” wherever it appears in Minnesota Statutes, section 122A.77. Directs the revisor of statutes to codify the Agricultural Educators grant program under chapter 122A.

Article 4: Read Act

This article establishes the legislative intent of the Read Act; modifies definitions; clarifies screening and intervention requirements; modifies local literacy plan requirements; modifies licensure requirements related to training on teaching foundational reading skills; and makes other changes.

Section Description – Article 4: Read Act

- 1 **Title; the Read Act.**
Adds subdivision establishing legislative intent of the Read Act.
- 2 **Certified trained facilitator.**
Clarifies that a “certified trained facilitator” may be employed by a service cooperative rather than a literacy network.
- 3 **Oral language.**
Modifies definition of “oral language.”

Section Description – Article 4: Read Act

- 4 **Structured literacy.**
Modifies definition of “structured literacy.”
- 5 **Literacy goal.**
Clarifies that the benchmarks determine grade level expectations and are more appropriate for goal setting. Encourages districts to include a process for engaging families and communities as part of a multi-tiered systems of support (MTSS) framework.
- 6 **Identification; report.**
Includes students enrolled in dual language immersion programs in the universal kindergarten through grade 3 screening for mastery of foundational reading skills. Clarifies when oral reading fluency screeners may be used to assess reading difficulties, including characteristics of dyslexia. Establishes separate screening requirements for students enrolled in dual language immersion programs.
- 7 **Parent notification and involvement.**
Requires the district to measure a student's reading proficiency in the dual language immersion program's partner language, if a screener is available. Requires the notification to parents of students enrolled in dual language immersion programs to follow the district's language access plan and to include information about students' reading proficiency, supports provided, and strategies to use at home.
- 8 **Intervention.**
Clarifies the interventions needed for students must be aligned and targeted reading support to accelerate student growth. Extends the deadline for implementing evidence-based literacy interventions from the 2025-2026 school year to the 2026-2027 school year. Requires paraprofessionals who are providing a foundational literacy intervention to be monitored by a teacher who has completed one of the approved professional development trainings. Requires a paraprofessional or other unlicensed person to complete training under the Read Act offered at no cost through the regional literacy networks.
- 9 **Staff development.**
Strikes reference to “oral” in reference to academic language development.
- 10 **Local literacy plan.**
Clarifies that curricula must be evidence-based. Amends the report to the legislature summarizing local literacy plans to include the number of teachers or other staff required to complete the training under section 120B.123, subdivision 5 that have received other training or education that meets the requirements of the training

Section Description – Article 4: Read Act

approved by the Department of Education; and how the district used its literacy aid. Requires additional reporting for a district with a dual language immersion program beginning on December 31, 2025.

11 Dual language immersion advisory committee.

Requires the Department of Education to establish an advisory committee to advise the department on the unique needs of dual language immersion programs' implementation of the Read Act.

12 Approved screeners.

Broadens requirement relating to persons that use approved screeners to include all "external partners offering literacy supports in schools."

13 Professional development.

(a) Clarifies that special education teachers who are responsible for literacy instruction are required to take the required training by July 1, 2026.

(b) Expands lists of persons and organizations that can provide required professional development to teachers.

(e) Beginning July 1, 2027, requires an educator required to receive training under this section, who is new to the state of Minnesota or is newly licensed who did not receive instruction in the teaching of foundational reading skills based on structured literacy, to complete one of the approved training programs. The required training must be offered through the regional literacy network and facilitated by a local certified trained facilitator. Directs the department to review district literacy lead waiver requests and grant waivers to educators new to the state who have completed the professional development requirements consistent with this subdivision.

(f) Extends the hours of instruction reduction for elementary students to the 2025-2026 school year. Allows the hours of instruction for secondary students to be reduced by 5 ½ hours for the 2025-2026 school year. Effective immediately.

14 Teacher licensure; renewal.

Establishes training requirements linked to licensure for Tier 1 and Tier 2 teachers holding particular field licenses, starting July 1, 2027. A teacher that does not complete the training requirements for reasons of insubordination or willful refusal to comply is subject to discipline from their employing district or charter school.

Section Description – Article 4: Read Act

- 15 **Department of Education.**
Allows the department to identify additional literacy intervention models after the partnership with CAREI has ended.
- 16 **Resources.**
Requires the department to post on its website the rubric used to evaluate curriculum. Effective immediately.
- 17 **Review.**
Requires the review process to use the rubric used to approve curriculum with the addition of culturally responsive criteria. Requires alternative curriculum and intervention programs for those who cannot access sound-based approaches to be reviewed on the same cycle as traditional programs.
- 18 **Volunteer and paraprofessional training.**
Strikes references to CAREI and Tier 2 as a descriptor for interventions.
- 19 **Ongoing review of literacy materials.**
Requires the rubrics for ongoing reviews of curriculum and intervention materials to be posted on the department website.
- 20 **Comprehensive review of literacy materials.**
Requires the rubrics for future reviews of curriculum and intervention materials to be posted on the department website.
- 21 **Term of license and renewal.**
Amends the Tier 1 licensure statute to conform to the Read Act teacher licensure requirements in this article.
- 22 **Term of license and renewal.**
Amends the Tier 2 licensure statute to conform to the Read Act teacher licensure requirements in this article.
- 23 **Coursework.**
Amends the Tier 3 licensure statute to conform to the Read Act teacher licensure requirements in this article.
- 24 **Minnesota reading corps program.**
Requires reading corps to use a department-approved screener.

Section Description – Article 4: Read Act

- 25 **CAREI. [2024/25 appropriation]**
Cancels the portion of a Laws 2023 appropriation for CAREI back to the general fund on June 29, 2025. Effective immediately.

- 26 **Read Act literacy aid.**
Cancels the fiscal year 2024 appropriation for Read Act administration to the general fund on June 29, 2025. Effective immediately.

- 27 **Administrative process. [for distribution of Read Act funding]**
Requires a district to distribute Read Act funding in the form of stipends to each teacher eligible for compensation if the district has not otherwise entered into a memorandum of understanding (MOU) with the exclusive representative of teachers by August 1, 2025. Effective immediately.

- 28 **Regional literacy network paraprofessional and volunteer training.**
Clarifies that the regional literacy networks may use the fiscal year 2025 appropriation to develop and administer literacy training. Effective immediately.

- 29 **Appropriation cancellation; CAREI paraprofessional and volunteer training.**
Cancels a portion of a Laws 2024 appropriation for CAREI to develop training for paraprofessional and volunteer training back to the general fund on June 30, 2025. Effective immediately.

- 30 **Appropriations.**
Appropriates money for the Read Act. See Fiscal worksheets.

Article 5: Charter Schools

This article modifies requirements related to charter school procurement policies, boards of directors, and authorizers, and makes other changes.

Section Description – Article 5: Charter Schools

- 1 **Definitions. [Certain gifts by lobbyists and principals prohibited]**
Adds a member of a charter school board, charter school director or chief administrator to the definition of “official” for purposes of the public official gift ban.

Section Description – Article 5: Charter Schools

- 2 Definitions. [Charter schools; generally]**
Provides a definition of “competitive procurement process” relating to procurement provisions modified later in this article. Clarifies that a charter school “market need and demand study” must include information relating to all of the proposed grades, sites, and programs for the school or additional school site.
- 3 Certain federal, state, and local requirements.**
Clarifies that a charter school must comply with all requirements under chapter 120B, not only those relating to state standards and assessments. Provides that a charter school must comply with the statutory limits on screen time for children in preschool, prekindergarten, and kindergarten.
- 4 Statement of economic interest; gift ban.**
Makes charter school board members and persons employed as charter school directors or chief administrators subject to the gift bans under current state law.
- 5 Roles, responsibilities, and requirements of authorizers.**
Requires a charter school authorizer to include information in its annual report regarding the commissioner’s performance review of the authorizer. Provides that an authorizer must participate in annual department-approved training.
- 6 Merger.**
Requires that the merged school and its authorizer must execute a new charter contract by June 1 preceding the July 1 effective date of the merger. Effective for mergers after July 1, 2025.
- 7 Change in location.**
Requires a charter school to apply to its authorizer to change the location of the school and requires certain documentation for the authorizer’s review and approval. Effective for applications submitted on or after July 1, 2025.
- 8 Ongoing board of directors.**
Strikes language regarding the timing of charter school board elections that is recodified in a later section of this article.
- 9 Membership criteria.**
Prohibits an individual who has violated the law against serving on more than one charter school board at the same time from continuing to serve as a board member and makes them ineligible to be elected or appointed to a charter school board for 24 months. Provides that a charter school board member who is compensated for

Section Description – Article 5: Charter Schools

- serving on the board must not receive more compensation than a school board member in the district in which the charter school is located.
- 10 **Board elections.**
Recodifies language regarding the timing of charter school board elections that was stricken in a previous section of this article. Requires charter school board members to file a written oath of office with the charter school’s authorizer.
- 11 **Duties.**
Requires a charter school board of directors to establish a finance committee and establishes statutory duties for the committee. Requires a charter school that is under corrective actions for financial reasons must include the school’s authorizer in meetings of its finance committee, and, upon request of the authorizer, hire a financial expert.
- 12 **Causes for nonrenewal or termination of a charter school contract.**
Requires that a hearing before a charter school’s authorizer regarding nonrenewal or termination of the charter school’s contract be live-streamed. (Under current law, the hearing must be recorded by audio, video, or a court reporter.)
- 13 **Affiliated nonprofit building corporation.**
Requires that a contractor or certain other interested parties must not serve on the board of a charter school’s affiliated building corporation (ABC). Provides that a charter school employee or immediate family member of the employee may serve on the ABC board if the employee has no conflict of interest.
- 14 **Audit report.**
Requires that a charter school annually submit all supplemental information included in its audit to the commissioner and to its authorizer. The supplemental information must include any management agreement with a charter management organization (CMO) or educational management organization (EMO).
- 15 **Authorizer performance evaluation report.**
Requires a charter school to publish on its website the formal written performance evaluation from its authorizer and disseminate the evaluation to enrolled families.
- 16 **Dissemination of information.**
Requires an authorizer to publish on its website information about charter contracts, school performance reviews, notices to terminate or not renew, and certain other notices regarding charter schools in its portfolio. Requires a charter school to post a link from its website to this information on the authorizer’s website, and upon

Section Description – Article 5: Charter Schools

- request of the authorizer, distribute certain information from the authorizer to charter school employees and families. Requires an authorizer to publish on its website certain financial statements related to its authorizing activities.
- 17 **Required policy components.**
Clarifies charter school procurement procedures, including requirements for procurement by sealed bids or proposals.
- 18 **Competitive procurement.**
Defines the requirements for procurement by sealed bids or procurement by proposals.
- 19 **Appropriations.**
Appropriates money for charter school building lease aid. See Fiscal worksheets.
- 20 **Revisor instruction.**
Instructs the revisor to renumber subdivision on public accounting and reporting CMO and EMO agreements as new statute.

Article 6: American Indian Education

This article modifies requirements related to American Indian mascots, scholarship programs, graduation activities and other ceremonies, and Tribal school eligibility for various grant programs.

Section Description – Article 6: American Indian Education

- 1 **Prohibition on mascots. [Report]**
Requires the annual report on American Indian mascots to also be submitted to the Education Finance Committees of the legislature (currently the reports are sent to the Education Policy Committees). Effective for reports submitted after June 30, 2025.
- 2 **Exemption. [American Indian Mascots]**
Authorizes a school district to retain an American Indian mascot and American Indian symbols upon approval of the geographically closest American Indian Tribe and the school district's American Indian Parent Advisory Committee, as applicable. Effective immediately.

Section Description – Article 6: American Indian Education

- 3 Eligible programming. [Minnesota Indian Teacher Training Program]**
Clarifies that the Minnesota Indian Teacher Training Program (MITTP) scholarships are available to eligible students progressing toward educational goals in an early education through grade 12 educational setting (and not available for students progressing toward a career in a higher education setting).
- 4 Graduation ceremonies; Tribal regalia and objects of cultural significance; drumming and culturally appropriate activities.**
Encourages a school district or charter school, if requested by the school's American Indian Parent Advisory Committee, to work with the committee on incorporating American Indian drumming and other culturally appropriate activities during graduation activities, celebrations, or ceremonies. Effective immediately.
- 5 Eligibility for other grants.**
Makes a Tribal contract school eligible to apply for education grants otherwise available to school district applicants.
- 6 Appropriations.**
Appropriates money for American Indian education aid programs. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.

Article 7: Special Education

This article modifies special education funding for special education pupil transportation services, reduces charter school special education payments as part of the tuition billing process, creates a Blue Ribbon Commission to study special education, and creates a contingent reduction in the special education cross subsidy aid reimbursement rate if insufficient savings are realized from the recommendations of the Blue Ribbon Commission.

Other provisions establish a developmental delay work group, modify school district language access plan requirements, and establish a state process for filing and resolving a complaint over a violation of the federal Individuals with Disabilities Act (IDEA).

Section Description – Article 7: Special Education

- 1 Language access plan required.**
Provides that the school board-adopted language access plan must also specify the district's process and procedures to render effective language assistance to students and adults who require additional assistance due to a disability.

Section Description – Article 7: Special Education

- 2 Plan requirements. [Language access plan]**
Clarifies that the language access plan should address district procedures for communication relating to special education determinations and placements, ensure meaningful participation in the individualized education program (IEP) process by families where the family speaks a language other than English or has a disability themselves, and provide a process to appeal the accommodations of the access plan if needs are not met.
- 3 Definitions. [Pupil transportation definitions]**
Reformats the statutory definition of special education pupil transportation without making any substantive changes to the eligible pupil transportation services.
- 4 Special education aid. [Charter schools]**
Reduces the state-paid tuition reimbursement of unfunded charter school special education costs from ten percent to six percent of the charter school’s unreimbursed costs (80 percent of the charter school’s unreimbursed special education costs continue to be billed to each student’s resident school district).
- 5 State complaint process.**
Establishes a process to file a complaint over a violation of the federal IDEA.
- Subd. 1. Filing a state complaint.** Allows an organization or individual to file a complaint with the Department of Education, Office of General Counsel, Dispute Resolution. Establishes requirements for a complaint.
- Subd. 2. Remedies.** Requires the department to address the failure to provide appropriate services and appropriate future provision of services for all children with disabilities when resolving a complaint and finding a failure to provide appropriate services.
- Subd. 3. Time limit and procedures.** Establishes investigation and other procedures for resolving a complaint.
- Subd. 4. Complaints and due process hearings.** Requires the department to set aside an issue or complaint that is also the subject of a due process hearing. Allows an organization or individual to file a complaint alleging a failure to implement a due process hearing decision.
- 6 Special education initial aid.**
Lowers the initial reimbursement of special education pupil transportation aid expenditures from 100 percent of eligible costs to 95 percent of eligible costs for fiscal year 2026 and 90 percent of the eligible costs for fiscal years 2027 and later.

Section Description – Article 7: Special Education

Keeps the reimbursement cost for the transportation of homeless and highly mobile students at 100 percent of eligible costs.

7 Blue ribbon commission.

Establishes a Blue Ribbon Commission on Special Education consisting of 18 members. Requires the commissioner of education to serve as chair of the commission, convene the first meeting no later than October 15, 2025, and provide administrative support to the commission. Compensates members of the commission under Minnesota Statutes, section 15.0575, subdivision 3. Requires public and stakeholder engagement. Requires the commissioner to seek input from special education experts. Establishes specific duties for the commission and requires the commission to adopt its action plan by October 1, 2026.

8 Contingent reduction in special education appropriations.

When preparing the forecast for state revenues and expenditures under Minnesota Statutes, section 16A.103, requires the commissioner of management and budget to assume a \$250,000,000 reduction in the appropriations for special education aid for the biennium beginning July 1, 2027, and for each subsequent biennium, until the end of the legislative session that enacts a budget for the Department of Education for the biennium beginning July 1, 2027.

Upon enactment of a budget for the Department of Education for the biennium beginning July 1, 2027, requires the legislature to identify enacted provisions that were recommended by or based on the recommendation of the Blue Ribbon Commission on Special Education.

If the net savings attributable to the provisions of the commission action plan are less than \$250,000,000 for the biennium beginning July 1, 2027, and for each subsequent biennium, the commissioner of education must reduce the special education cross subsidy aid factor under Minnesota Statutes, section 125A.76, subdivision 2e, paragraph (b), as necessary until the reductions and the action plan achieve \$250,000,000 of biennial savings.

9 Developmental delay age limit working group.

Requires the Department of Education to establish a working group on the age limit for children receiving special education services for developmental delay. Requires the commissioner to consult with interested organizations before appointing members to the working group.

Requires the working group to meet on a regular basis, review current law limiting the eligibility of children seven years old or older from receiving intervention services for developmental delay, and assess the impact of extending eligibility to children

Section Description – Article 7: Special Education

under age nine. The working group must report its findings and recommendations to the legislative committees with jurisdiction over kindergarten through grade 12 education by February 1, 2026.

10 Appropriations.

Appropriates money for special education aid programs and the work groups. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.

Article 8: Facilities, Health, and Safety

This article modifies various facilities, health, and safety programs, including provisions relating to epinephrine and opiate antagonists; cardiac emergency response; capital project referendum authority and procedures; roof repair and replacement in the long-term facilities maintenance programs; review and comment requirements; and cooperative ice arena levy authority.

Section Description – Article 8: Facilities, Health, and Safety

1 Exclusions. [Administration of drugs and medicine]

Replaces reference to epinephrine auto-injectors with more generic reference to epinephrine delivery system.

2 Possession and use of epinephrine delivery systems; model policy.

Replaces “epinephrine auto-injector” with “epinephrine delivery system” which expands how epinephrine can be administered.

3 Life-threatening allergies in schools; stock supply of epinephrine delivery systems.

Replaces reference to epinephrine auto-injectors with more generic reference to epinephrine delivery system. Requires the commissioner of health to provide a district or school with a standing order for distribution of epinephrine delivery systems.

4 Opiate antagonists.

Allows a district or charter school to allow a high school student to possess and administer an opiate antagonist to another high school student.

5 Cardiac Emergency Response Plan.

Defines cardiac emergency response plan. Requires a school district or charter school to develop a cardiac emergency response plan beginning in the 2026-2027 school year. Establishes minimum requirements for the plan.

Section Description – Article 8: Facilities, Health, and Safety

- 6 **Resolution [consolidating districts].**
Provides that capital project referendum authority for a school district may continue if that district consolidates with another district before the current authority expires, unless the consolidation plan provides otherwise. Makes other changes to conform with the operating referendum changes in an earlier article of the bill.
- 7 **Supporting statement [for consolidation].**
Requires that the county auditor’s supporting statement regarding school district consolidation include information about the disposition of capital project referendum revenue of the component districts.
- 8 **Consolidation; capital project referendum revenue.**
Provides a process for recalculating and establishing the remaining term of the capital project referendum authority for the consolidated school district.
- 9 **Long-term facilities maintenance revenue.**
Authorize a school district to include roof repair and replacement costs totaling \$100,000 or more per site in the district’s annual long-term facilities maintenance (LTFM) revenue authority. (For most districts, this specific authority would increase revenues potentially available for roof repair and replacement and free up money currently being spent for that purpose for reallocation toward other deferred maintenance projects.) Effective for fiscal year 2027 and later.
- 10 **[Long-term facilities maintenance] facilities plans.**
Beginning in fiscal year 2027, requires each district to include information about roof repair and replacement in its ten-year LTFM facility plan.
- 11 **Long-term facilities maintenance equalized levy.**
Increases the LTFM equalizing factor beginning in fiscal year 2027 to offset projected increases in statewide LTFM levies with additional equalization aid.
- 12 **Allowed uses for long-term facilities maintenance revenue.**
Clarifies that repair and replacement of roofs is an allowable use of LTFM revenue. Effective for revenue for fiscal year 2026 and later.
- 13 **Review and comment. [Capital expenditures]**
Removes the current-law review and comment exemption for projects funded only with proceeds from an additional capital expenditure levy (building lease levy). Effective for review and comments submitted on or after July 1, 2025.

Section Description – Article 8: Facilities, Health, and Safety

- 14 **Internet access for students.**
Strikes language to conform with the repeal of the equity in telecommunications access aid program.
- 15 **To lease building or land.**
Provides that projects funded by the building lease levy may be subject to review and comment if the project exceeds certain expenditure thresholds. Requires the commissioner to annually prescribe criteria for approval of lease levy applications. Makes other clarifying and technical changes. Effective for review and comments submitted on or after July 1, 2025.
- 16 **Definitions. [for the building lease levy program]**
Provides definitions applicable to the building lease levy program. Effective for review and comments submitted on or after July 1, 2025.
- 17 **Ice arena levy.**
Authorizes two or more school districts to apportion the levy for the costs of cooperative operation of an ice arena among cooperating districts. Requires each cooperating district to report information about the apportionment to the commissioner. Effective for taxes payable in 2026 and later.
- 18 **Appropriations.**
Appropriates money for facilities, health, and safety programs. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.
- 19 **Repealer.**
Repeals LTFM revenue authority for charter schools (the same aid amount is paid to the charter school as additional general education aid). Repeals the equity in telecommunications access aid program after fiscal year 2027.

Article 9: Nutrition and Libraries

Expands eligible uses for nutrition funds and lowers the extra school lunch aid amounts by 6.25 cents per meal beginning in fiscal year 2028. Requires schools to allow students to purchase a second breakfast and a second lunch at full cost. Reduces school library aid for fiscal year 2026 and later.

Section Description – Article 9: Nutrition and Libraries

- 1 School lunch aid amounts. [Additional state contribution]**
Lowers the additional state funding for school lunch (above the amount established by federal rule for free lunch) from 12.5 cents to 6.25 cents per meal served beginning in fiscal year 2028.
- 2 Federal food programs.**
Establishes statutory criteria for evaluating applications from nonprofit organizations applying for sponsorship as a multisite sponsoring organization under the federal child and adult care food program and federal summer food service program. Requires certain financial staffing and board governance. Requires the commissioner to establish salary guidelines and limits the amount of salary costs that may be charged to the nonprofit food service fund.
- 3 School food service fund.**
Clarifies the administrative costs that may be charged to a school district's food service fund. States that Minnesota should allow schools to expend food service funds on nutritional programs, lunchroom space, and kitchen space to the extent allowed by federal law.
- 4 Second lunch.**
Requires a school to allow a student to purchase a second lunch if the student has already selected a reimbursable lunch.
- 5 Second breakfast.**
Requires a school to allow a student to purchase a second breakfast if the student has already selected a reimbursable breakfast.
- 6 Summer Electronic Benefit Transfer Program replacement aid.**
Redirects state funds available to support data collection of students participating in the summer electronic benefit (S-EBT) from the department to the schools providing S-EBT data.
- 7 Summer food service program locations.**
Modifies reference to applicable federal regulation.
- 8 School library aid.**
Reduces per pupil school library aid to \$10.27 for fiscal years 2026 and 2027 and to \$9.12 for fiscal year 2028 and later. Reduces minimum amounts from \$40,000 for a school district and \$20,000 for a charter school, to \$20,000 for a school district and \$10,000 for a charter school beginning in fiscal year 2026. Clarifies that only independent and special school districts are eligible to receive school library aid, not

Section Description – Article 9: Nutrition and Libraries

- including common school districts or “nonoperating” school districts. Strikes other obsolete language.
- 9 **State school librarian.**
Limits the funding of the state school librarian from school library aid to fiscal year 2026 and 2027 only. For fiscal year 2028 and later, the position will be funded out of MDE’s agency appropriation.
- 10 **Uses of school library aid.**
Removes electronic, computer, and audiovisual equipment; and information technology infrastructure and digital tools from the list of eligible uses of school library aid. Effective for fiscal year 2026 and later.
- 11 **Appropriations.**
Appropriates money school nutrition and library programs. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.

Article 10: Early Childhood Education

This article clarifies the payment and administration of various early education aids administered by the Department of Children, Youth, and Families, and modifies the implementation schedule for the kindergarten entry assessment.

Section Description – Article 10: Early Childhood Education

- 1 **[Kindergarten entry assessment] Implementation.**
Delays district and charter school compliance with statutory requirements until the 2026-2027 school year.
- 2 **Aid payment percentage.**
Clarifies the state aid payment schedule for certain early childhood education programs that were transferred from MDE to the Department of Children, Youth, and Families (DCYF).
- 3 **Funding. [School readiness aid]**
Clarifies the state aid administration and payment schedule for the school readiness program that was transferred from MDE to DCYF.

Section Description – Article 10: Early Childhood Education

- 4 **Funding. [Voluntary prekindergarten program]**
Clarifies the state aid administration and payment schedule for the voluntary prekindergarten program that was transferred from MDE to DCYF.
- 5 **Developmental screening aid.**
Clarifies the state aid administration and payment schedule for the developmental screening aid program that was transferred from MDE to DCYF.
- 6 **Revenue. [Early childhood family education]**
Makes a technical correction to provide a statutory cross-reference to the basic revenue formula allowance.
- 7 **Population. [Early childhood family education]**
Makes a technical correction to specifically identify that school district population data are reported to MDE.
- 8 **[Early childhood family education] funding.**
Clarifies the state aid administration and payment schedule for the early childhood family education (ECFE) program that was transferred from MDE to DCYF.
- 9 **Appropriations; MDE.**
Appropriates money for the kindergarten entry assessment. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.
- 10 **Appropriations; DCYF.**
Appropriates money for certain early education programs administered by the Department of Children, Youth, and Families. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.
- 11 **Appropriations; Office of Higher Education.**
Appropriates money for the early childhood and family education teacher shortage program. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.

Article 11: Community Education and Lifelong Learning

This article modifies the adult basic education program approval cycle and appropriates money for various community education aid programs.

Section Description – Article 11: Community Education and Lifelong Learning

- 1 **Program approval. [Adult basic education]**
Moves the adult basic education program approval from a five-year cycle to a six-year cycle.
- 2 **Appropriations.**
Appropriates money for community education and lifelong learning aid programs. See Fiscal worksheets at <https://www.house.mn.gov/Fiscal/Home/TrackingSheets>.

Article 12: State Agencies

This article establishes new standards for grants administered by the Department of Education; modifies educational data requirements; modifies the rulemaking process used for standards adoption; makes other changes; and appropriates money to the Department of Education, Minnesota State Academies, Perpich Center for Arts Education, and Professional Educator Licensing and Standards Board.

Section Description – Article 12: State Agencies

- 1 **Directory information. [Educational data]**
Requires educational agencies or institutions sharing personal student contact information and directory information for students in special education to comply with requirements for parental consent under federal regulations.
- 2 **Rulemaking. [Required academic standards]**
Requires MDE to adopt standards through the regular rulemaking process rather than the expedited rulemaking process.
- 3 **Education grants.**
Establishes new standards for the Department of Education when awarding or administering grants. The new standards prohibit the department from issuing a grant or require the cancellation of an existing grant under certain conditions relating to federal and state registration and filing requirements. Exempts grants to school districts, charter schools, cooperative units, Tribal contract schools, and other political subdivisions from the new standards.
- 4 **Excess tax increment.**
Directs the county auditor to certify to the commissioner the amount of any excess tax increment by February 1 of each year. Modifies the calculation of a school district's aid and levy limitations upon return of excess tax increment or decertification of a tax increment financing (TIF) district. (The amendment to

Section Description – Article 12: State Agencies

paragraph (b)(2)(i)(A) is a technical change to correctly reference the name and statutory reference of the long-term facilities maintenance (LTFM) program. The amendment to paragraph (b)(2)(i)(K) adds the equalized local optional revenue (LOR) program to the list of programs adjusted for excess tax increment.) Various effective dates.

5 Report. [Alternative teacher preparation grant program]

Modifies reporting requirement.

6 Appropriations; Perpich Center for Arts Education [FY2024-25 appropriation].

Extends the Perpich Center’s fiscal year 2024 appropriation for furniture replacement until June 30, 2027. Expands the allowable uses of the funds to include equipment and technology. Effective immediately.

7 Appropriations cancellation.

Cancels the remaining portions of two fiscal year appropriations to MDE that would otherwise go unspent. Reduces the appropriation for the Office of Inspector General by \$1,500,000 and the appropriation for activities related to the proposed new special education rule for specific learning disabilities by \$500,000.

8 Appropriations; Department of Education.

Appropriates money for the Department of Education. See Fiscal worksheets.

9 Appropriations; Minnesota State Academies.

Appropriates money for the Minnesota State Academies for the Deaf and the Blind. See Fiscal worksheets.

10 Appropriations; Perpich Center for Arts Education.

Appropriates money for the Perpich Center for Arts Education. See Fiscal worksheets.

11 Appropriations; Professional Educator Licensing and Standards Board.

Appropriates money for the Professional Educator Licensing and Standards Board. See Fiscal worksheets.

Article 13: Forecast

This article makes adjustments to fiscal year 2025 education appropriations enacted during the 2023 and 2024 legislative sessions to match forecast data. The adjusted amounts in each of the appropriations sections included in this article reflect the February 2025 Forecast of revenue

and expenditures. The forecast aid levels are the best estimates of the state aid required for each K12 program and appropriation. Changes in the appropriations are real and the changes must be enacted in law, but forecast adjustments have no fiscal impact when measured against the K12 budget because the changes are built into the forecast estimate of the budget base.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155