

**Subject** Legislative Work Group to Identify Student Eligibility for  
Compensatory Revenue

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## Overview

Minnesota uses the count of students eligible for free and reduced-price meals to calculate general education compensatory revenue. Compensatory revenue is site-based revenue and is used to meet the educational needs of pupils whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Compensatory revenue is calculated based on the number of pupils eligible for free or reduced-price meals enrolled at each school site.

A pupil is counted as a compensatory pupil if the pupil is eligible for free or reduced-price meals. Eligibility for free and reduced-price meals is set by the federal government at 130 percent and 185 percent of the federal poverty guidelines, respectively. In addition to parent-reported income data, school districts may also qualify students through a “direct match” with income information held by the state for participants in certain public assistance programs such as SNAP (the Supplemental Nutrition Assistance Program). Recent years have seen a substantial drop in the number of students who are as eligible for free or reduced-price meals.

H.F. 3891 creates a legislative work group to evaluate alternative ways to determine student eligibility.

## Summary

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<b>1</b>	<b>Legislative working group on identifying the appropriate student eligibility metric for calculating compensatory revenue.</b>
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Creates an eight-member legislative work group (four House and four Senate members) to study requirements and practices to identify qualifying students. Requires the work group to seek input from state demographer, the Children’s

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Cabinet, state agencies, school districts and charter schools, county program managers implementing MNBenefits, and other interested stakeholders.

Requires the Department of Education to provide technical support for the legislative work group. Requires the work group to report its results to the Governor and Legislature by June 30, 2023.



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