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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4270

03/12/2026 Authored by Knudsen and Keeler The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education; modifying payments to postsecondary institutions and schools
1.3 for the postsecondary enrollment options program; amending Minnesota Statutes
1.4 2025 Supplement, section 124D.09, subdivision 13.

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

1.6 Section 1. Minnesota Statutes 2025 Supplement, section 124D.09, subdivision 13, is
1.7 amended to read:

1.8 Subd. 13. Financial arrangements. (a) For a pupil enrolled in a course under this section,
1.9 the department must make payments according to this subdivision for courses that were
1.10 taken for secondary credit.

1.11 (b) The department must not make payments to a school district, charter school, Tribal
1.12 contract school, or postsecondary institution for a course taken for postsecondary credit
1.13 only. The department must not make payments to a postsecondary institution for a course
1.14 from which a student officially withdraws during the first ten business days of the
1.15 postsecondary institution's quarter or semester or who has been absent from the postsecondary
1.16 institution for the first ten business days of the postsecondary institution's quarter or semester
1.17 and is not receiving instruction in the home or hospital. If the student officially withdraws
1.18 within 11 to 30 business days after the start of the postsecondary institution's quarter or
1.19 semester, the department must prorate the payment to the postsecondary institution under
1.20 paragraph (c), clause (1) or (2), by the ratio of the business days prior to the withdrawal to
1.21 the total business days for the course. If the student enrolls in a course in the student's high
1.22 school in place of a course from which the student has withdrawn, the department must pay

2.1 to the student's school district or charter school the difference between the amount calculated
2.2 in paragraph (c) and the prorated amount paid to the postsecondary institution.

2.3 (c) A postsecondary institution shall receive the following:

2.4 (1) for an institution granting quarter credit, the reimbursement per credit hour shall be
2.5 an amount equal to 88 percent of the product of the formula allowance minus \$425, multiplied
2.6 by 1.2, and divided by 45; or

2.7 (2) for an institution granting semester credit, the reimbursement per credit hour shall
2.8 be an amount equal to 88 percent of the product of the general revenue formula allowance
2.9 minus \$425, multiplied by 1.2, and divided by 30.

2.10 (d) The department must pay to each postsecondary institution 100 percent of the amount
2.11 in paragraph (c), clause (1) or (2), within 45 days of receiving initial enrollment information
2.12 each quarter or semester. If changes in enrollment occur during a quarter or semester, the
2.13 change shall be reported by the postsecondary institution at the time the enrollment
2.14 information for the succeeding quarter or semester is submitted. At any time the department
2.15 notifies a postsecondary institution that an overpayment has been made, the institution shall
2.16 promptly remit the amount due.

2.17 **EFFECTIVE DATE.** This section is effective July 1, 2026.