

Subject School District Declining Enrollment Aid

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Date March 23, 2022

Overview

Under current law, a school district's declining enrollment revenue equals 28 percent of the formula allowance for that year multiplied by the difference between adjusted pupil units for the current year and the adjusted pupil units for the previous year.

According to February 2022 Forecast data, about half of Minnesota's school districts are expected to have declining enrollment for the 2022-2023 school year compared to the 2021-2022 school year.

H.F. 4477 proposes to increase the aid percentage from 28 to 60 percent of the basic formula allowance and would have an annual cost of roughly \$20 million.

Summary

Section	Description
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| 1 | Declining enrollment revenue.
Increases the declining enrollment aid percentage from 28 percent to 60 percent of the basic formula allowance for that year. The declining enrollment allowance is multiplied by the loss of pupil units between the previous year and the current year. |
| 2 | Appropriation; declining enrollment aid.
Appropriates an unspecified amount in fiscal year 2023 from the general fund to the Department of Education for additional declining pupil unit aid. |