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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **798**

February 8, 2007

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The bill was read for the first time and referred to the Committee on E-12 Education

1.1 A bill for an act  
1.2 relating to education finance; creating a funding mechanism for rewarding  
1.3 excellent education results; appropriating money; amending Minnesota Statutes  
1.4 2006, section 126C.10, subdivision 1, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 1, is amended to read:

1.7 Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~

1.8 The general education revenue for each district equals the sum of the district's basic  
1.9 revenue, extended time revenue, gifted and talented revenue, basic skills revenue, training  
1.10 and experience revenue, secondary sparsity revenue, elementary sparsity revenue,  
1.11 transportation sparsity revenue, total operating capital revenue, equity revenue, alternative  
1.12 teacher compensation revenue, and transition revenue.

1.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

1.14 Sec. 2. Minnesota Statutes 2006, section 126C.10, is amended by adding a subdivision  
1.15 to read:

1.16 Subd. 2c. **Education excellence revenue.** (a) Beginning in fiscal year 2008, a  
1.17 school district is eligible for education excellence revenue based on the performance of  
1.18 each school site on any four of the following six standards:

1.19 (1) graduation rate;

1.20 (2) attendance rate;

1.21 (3) achievement of educational standards;

1.22 (4) adequate yearly progress;

1.23 (5) school safety; and

2.1 (6) publication of a school report card.

2.2 The commissioner of education must establish expectations for improvement for  
2.3 each of the six standards listed in this paragraph. A school district with school sites that  
2.4 meet or exceed the expectations for improvement established by the commissioner for that  
2.5 school district in four of six standards is eligible for educational excellence revenue.

2.6 (b) Total revenue in the education excellence account equals \$..... .

2.7 (c) The education excellence revenue allowance equals \$100 per enrollee. If the  
2.8 revenue in paragraph (b) is not sufficient to fully fund this amount, the commissioner first  
2.9 must award revenue to those sites that failed to make adequate yearly progress in the  
2.10 previous year. Remaining amounts must be prorated among other qualifying sites.

2.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.