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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **817**

February 12, 2007

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The bill was read for the first time and referred to the Committee on Finance

February 19, 2007

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1.1 A bill for an act  
1.2 relating to education finance; increasing funding for districts with declining  
1.3 enrollment; amending Minnesota Statutes 2006, section 126C.05, subdivisions  
1.4 5, 6.

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

1.6 Section 1. Minnesota Statutes 2006, section 126C.05, subdivision 5, is amended to read:

1.7 Subd. 5. **Adjusted pupil units.** (a) Adjusted pupil units for a district or charter  
1.8 school means the sum of:

1.9 (1) the number of pupil units served, according to subdivision 7, plus

1.10 (2) pupil units according to subdivision 1 for whom the district or charter school  
1.11 pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,  
1.12 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65,  
1.13 minus

1.14 (3) pupil units according to subdivision 1 for whom the district or charter school  
1.15 receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,  
1.16 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

1.17 (b) Adjusted marginal cost pupil units means the greater of:

1.18 (1) the sum of ~~.77~~ .50 times the pupil units defined in paragraph (a) for the current  
1.19 school year and ~~.23~~ .50 times the pupil units defined in paragraph (a) for the previous  
1.20 school year; or

1.21 (2) the number of adjusted pupil units defined in paragraph (a) for the current school  
1.22 year.

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

2.1 Sec. 2. Minnesota Statutes 2006, section 126C.05, subdivision 6, is amended to read:

2.2 Subd. 6. **Resident pupil units.** (a) Resident pupil units for a district means the  
2.3 number of pupil units according to subdivision 1 residing in the district.

2.4 (b) Resident marginal cost pupil units means the greater of:

2.5 (1) the sum of ~~.77~~ .50 times the pupil units defined in paragraph (a) for the current  
2.6 year and ~~.23~~ .50 times the pupil units defined in paragraph (a) for the previous school  
2.7 year; or

2.8 (2) the number of resident pupil units defined in paragraph (a) for the current school  
2.9 year.

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