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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1411

February 26, 2007

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

1.1 A bill for an act
1.2 relating to education finance; creating a new component of general education
1.3 revenue to support small school districts with declining enrollment; amending
1.4 Minnesota Statutes 2006, section 126C.10, subdivision 1, by adding a
1.5 subdivision.

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

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

1.8 Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~ The
1.9 general education revenue for each district equals the sum of the district's basic revenue,
1.10 extended time revenue, gifted and talented revenue, small schools declining enrollment
1.11 revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue,
1.12 elementary sparsity revenue, transportation sparsity revenue, total operating capital
1.13 revenue, equity revenue, alternative teacher compensation revenue, and transition revenue.

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

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

1.17 **Subd. 2c. Small schools declining enrollment revenue.** A school district's small
1.18 schools declining enrollment revenue equals the product of:

1.19 (1) the basic formula allowance for that year;

1.20 (2) 0.2;

1.21 (3) the lesser of 100 or the district's actual loss in adjusted average daily membership
1.22 from the current year to the second prior year; and

2.1 (4) the greater of one or the ratio of 1,000 to the district's adjusted average daily
2.2 membership for that year.

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