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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1565**

March 1, 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; increasing the state aid for consolidating school
1.3 districts; amending Minnesota Statutes 2006, section 123A.485, subdivision 2.

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

1.5 Section 1. Minnesota Statutes 2006, section 123A.485, subdivision 2, is amended to
1.6 read:

1.7 Subd. 2. **Aid.** (a) Consolidation transition aid is equal to ~~\$200~~ \$300 times the
1.8 number of resident pupil units in the newly created district in the year of consolidation and
1.9 ~~\$100~~ \$150 times the number of resident pupil units in the first year following the year
1.10 of consolidation. The number of pupil units used to calculate aid in either year shall not
1.11 exceed ~~1,000 for districts consolidating July 1, 1994, and~~ 1,500 for districts consolidating
1.12 July 1, 1995, and thereafter.

1.13 (b) If the total appropriation for consolidation transition aid for any fiscal year, plus
1.14 any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all
1.15 districts the full amount of aid earned, the department must first pay the districts in the first
1.16 year following the year of consolidation the full amount of aid earned and distribute any
1.17 remaining funds to the newly created districts in the first year of consolidation.

1.18 **EFFECTIVE DATE.** This section is effective the day following final enactment for
1.19 consolidations occurring on or after July 1, 2006, for revenue for fiscal year 2007 and later.