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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1802**

March 7, 2007

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

March 8, 2007

By motion, recalled and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to education; providing funding for a school district with average general
1.3 revenue below the state average; amending Minnesota Statutes 2006, section
1.4 126C.10, by adding a subdivision.

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

1.6 Section 1. **PURPOSE.**

1.7 The state of Minnesota recognizes that certain inequities exist in the state funding of
1.8 kindergarten through grade 12 education and that, as state revenues have remained flat
1.9 in the previous years, subject to certain adjustments, some districts, for various reasons,
1.10 have fallen behind in funding and now lag well below the average amount received by
1.11 school districts throughout the state on a per-pupil basis. To recognize this disparity and to
1.12 attempt to grant some relief to the districts receiving below average funding on a per-pupil
1.13 unit basis, Minnesota Statutes, section 126C.10, is amended.

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

1.16 Subd. 2c. **Districts falling below average revenue.** (a) For fiscal year 2008 and
1.17 later, "statewide average educational revenue per pupil" means the average general
1.18 education revenue available to all school districts on an adjusted per-pupil basis calculated
1.19 by the total amount of general education revenue provided statewide to all school districts
1.20 under this section divided by the adjusted marginal cost pupil units in the state.

1.21 (b) For fiscal year 2008 and later, "district average educational revenue per pupil"
1.22 means the average education revenue available to a district on an adjusted per-pupil basis

2.1 calculated by the total amount of general education revenue provided to the district under
2.2 this section divided by the district's adjusted marginal cost pupil units.

2.3 (c) For fiscal year 2008 and later, a school district with a district average educational
2.4 revenue per pupil lower than the statewide average educational revenue per pupil in any
2.5 given fiscal year shall receive an adjustment equal to the lesser of (1) the statewide average
2.6 educational revenue per pupil minus the district average educational revenue per pupil
2.7 multiplied by the district's adjusted marginal cost pupil units or (2) \$100 multiplied by the
2.8 district's adjusted marginal cost pupil units.