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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1996**

March 12, 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 minimum amount of compensatory
1.3 revenue; amending Minnesota Statutes 2006, section 126C.05, subdivision 3.

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

1.5 Section 1. Minnesota Statutes 2006, section 126C.05, subdivision 3, is amended to read:

1.6 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units
1.7 for fiscal year 1998 and thereafter must be computed according to this subdivision.

1.8 (a) The compensation revenue concentration percentage for each building in a
1.9 district equals the product of 100 times the ratio of:

1.10 (1) the sum of the number of pupils enrolled in the building eligible to receive free
1.11 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October
1.12 1 of the previous fiscal year; to

1.13 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal
1.14 year.

1.15 (b) The compensation revenue pupil weighting factor for a building equals the
1.16 greater of:

1.17 (1) .36; or

1.18 (2) the lesser of one or the quotient obtained by dividing the building's compensation
1.19 revenue concentration percentage by 80.0.

1.20 (c) The compensation revenue pupil units for a building equals the product of:

1.21 (1) the sum of the number of pupils enrolled in the building eligible to receive free
1.22 lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1
1.23 of the previous fiscal year; times

1.24 (2) the compensation revenue pupil weighting factor for the building; times

2.1 (3) .60.

2.2 (d) Notwithstanding paragraphs (a) to (c), for charter schools and contracted
2.3 alternative programs in the first year of operation, compensation revenue pupil units shall
2.4 be computed using data for the current fiscal year. If the charter school or contracted
2.5 alternative program begins operation after October 1, compensatory revenue pupil units
2.6 shall be computed based on pupils enrolled on an alternate date determined by the
2.7 commissioner, and the compensation revenue pupil units shall be prorated based on the
2.8 ratio of the number of days of student instruction to 170 days.

2.9 (e) The percentages in this subdivision must be based on the count of individual
2.10 pupils and not on a building average or minimum.

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