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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2030**

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; proposing a uniform increase in the basic general
1.3 education revenue amounts; amending Minnesota Statutes 2006, section
1.4 126C.10, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 2, is amended to read:

1.7 Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula
1.8 allowance times the adjusted marginal cost pupil units for the school year. The formula
1.9 allowance for fiscal year 2005 is \$4,601. The formula allowance for fiscal year 2006 is
1.10 \$4,783. The formula allowance for fiscal year 2007 and subsequent years is \$4,974.

1.11 (b) The basic formula allowance in paragraph (a) is increased by \$295 for fiscal year
1.12 2008 and by \$525 for fiscal year 2009 and later. The increase in the formula allowance
1.13 under this paragraph applies only for general education basic revenue and does not affect
1.14 any other school formula.

1.15 (c) At least 90 percent of the revenue received under paragraph (b) must be spent on
1.16 regular classroom instruction as defined in the uniform financial and accounting standards
1.17 used for school accounting.

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