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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2263**

March 20, 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; modifying transition revenue; amending Minnesota
1.3 Statutes 2006, section 126C.10, subdivision 31.

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

1.5 Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to
1.6 read:

1.7 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
1.8 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
1.9 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
1.10 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
1.11 between: (1) the lesser of the district's general education revenue less its compensatory
1.12 revenue for that year plus the compensatory revenue the district would have received for
1.13 fiscal year 2004 according to Minnesota Statutes 2002, per adjusted marginal cost pupil
1.14 unit for fiscal year 2003 or the amount of general education revenue the district would
1.15 have received per adjusted marginal cost pupil unit for fiscal year 2004 according to
1.16 Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year
1.17 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
1.18 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

1.19 (b) A district's transition revenue for fiscal year 2006 and later equals the sum of
1.20 the product of the district's transition allowance times the district's adjusted marginal cost
1.21 pupil units plus the district's transition for prekindergarten revenue under subdivision 31a.

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