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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 2008

March 23, 2009

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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; adding a pupil miles transported component to the
1.3 general education revenue formula; amending Minnesota Statutes 2008, section
1.4 126C.10, subdivisions 1, 18, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2008, section 126C.10, subdivision 1, is amended to read:

1.7 Subdivision 1. **General education revenue.** For fiscal year ~~2006~~ 2010 and later,
1.8 the general education revenue for each district equals the sum of the district's basic
1.9 revenue, extended time revenue, gifted and talented revenue, basic skills revenue, training
1.10 and experience revenue, secondary sparsity revenue, elementary sparsity revenue,
1.11 transportation ~~sparsity~~ revenue, total operating capital revenue, equity revenue, alternative
1.12 teacher compensation revenue, and transition revenue.

1.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010
1.14 and later.

1.15 Sec. 2. Minnesota Statutes 2008, section 126C.10, subdivision 18, is amended to read:

1.16 Subd. 18. **Transportation sparsity revenue allowance.** ~~(a)~~ A district's
1.17 transportation sparsity allowance equals the greater of zero or the result of the following
1.18 computation:

1.19 (i) Multiply the formula allowance according to subdivision 2, by .1469.

1.20 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the
1.21 26/100 power.

1.22 (iii) Multiply the result in clause (ii) by the district's density index raised to the
1.23 13/100 power.

2.1 (iv) Multiply the formula allowance according to subdivision 2, by .0485.

2.2 (v) Subtract the result in clause (iv) from the result in clause (iii).

2.3 ~~(b) Transportation sparsity revenue is equal to the transportation sparsity allowance~~
2.4 ~~times the adjusted marginal cost pupil units.~~

2.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010
2.6 and later.

2.7 Sec. 3. Minnesota Statutes 2008, section 126C.10, is amended by adding a subdivision
2.8 to read:

2.9 Subd. 18a. **Transportation revenue.** (a) A school district's transportation revenue
2.10 equals the sum of its transportation sparsity revenue and its pupil miles transported
2.11 revenue.

2.12 (b) A school district's transportation sparsity revenue equals its transportation
2.13 sparsity allowance computed under subdivision 18 times its adjusted marginal cost pupil
2.14 units for that year.

2.15 (c) A school district's pupil miles transported revenue equals 50 cents times the
2.16 number of miles pupils were transported by the school district or the district's contracted
2.17 transportation provider in the regular and excess categories for the previous fiscal year.

2.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010
2.19 and later.