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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 2417

February 4, 2010
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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 the state aid payment schedule
- 1.3

for charter schools; amending Minnesota Statutes 2008, section 127A.45,
- 1.4

subdivisions 3, 4.
- 1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6

Section 1. Minnesota Statutes 2008, section 127A.45, subdivision 3, is amended to
- 1.7

read:
- 1.8

Subd. 3. **Payment dates and percentages.** (a) ~~For fiscal year 2004 and later,~~ The
- 1.9

commissioner shall pay to a district on the dates indicated an amount computed as follows:
- 1.10

the cumulative amount guaranteed minus the sum of ~~(a)~~ (1) the district's other district
- 1.11

receipts through the current payment, and ~~(b)~~ (2) the aid and credit payments through the
- 1.12

immediately preceding payment. For purposes of this computation, the payment dates and
- 1.13

the cumulative disbursement percentages are as follows:
- 1.14
- 1.15

Payment 1 Payment date Percentage
- 1.16

Payment 1 July 15: 5.5
- 1.17

Payment 2 July 30: 8.0
- 1.18

Payment 3 August 15: 17.5
- 1.19

Payment 4 August 30: 20.0
- 1.20

Payment 5 September 15: 22.5
- 1.21

Payment 6 September 30: 25.0
- 1.22

Payment 7 October 15: 27.0
- 1.23

Payment 8 October 30: 30.0
- 1.24

Payment 9 November 15: 32.5
- 1.25

Payment 10 November 30: 36.5
- 1.26

Payment 11 December 15: 42.0
- Payment 12 December 30: 45.0

2.1	Payment 13	January 15:	50.0
2.2	Payment 14	January 30:	54.0
2.3	Payment 15	February 15:	58.0
2.4	Payment 16	February 28:	63.0
2.5	Payment 17	March 15:	68.0
2.6	Payment 18	March 30:	74.0
2.7	Payment 19	April 15:	78.0
2.8	Payment 20	April 30:	85.0
2.9	Payment 21	May 15:	90.0
2.10	Payment 22	May 30:	95.0
2.11	Payment 23	June 20:	100.0

2.12 ~~(b) In addition to the amounts paid under paragraph (a), for fiscal year 2004, the~~
 2.13 ~~commissioner shall pay to a district on the dates indicated an amount computed as follows:~~

2.14	~~Payment 3~~	~~August 15: the final adjustment for the prior fiscal year for the state paid~~
2.15		~~property tax credits established in section 273.1392~~
2.16	~~Payment 4~~	~~August 30: one-third of the final adjustment for the prior fiscal year for~~
2.17		~~all aid entitlements except state paid property tax credits~~
2.18	~~Payment 6~~	~~September 30: one-third of the final adjustment for the prior fiscal year~~
2.19		~~for all aid entitlements except state paid property tax credits~~
2.20	~~Payment 8~~	~~October 30: one-third of the final adjustment for the prior fiscal year for~~
2.21		~~all aid entitlements except state paid property tax credits~~

2.22 ~~(c) In addition to the amounts paid under paragraph (a), for fiscal year 2005 and later~~
 2.23 ~~districts other than charter schools, the commissioner shall pay to a district on the dates~~
 2.24 ~~indicated an amount computed as follows:~~

2.25	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
2.26		property tax credits established in section 273.1392
2.27	Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for
2.28		all aid entitlements except state paid property tax credits
2.29	Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year
2.30		for all aid entitlements except state paid property tax credits
2.31	Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year
2.32		for all aid entitlements except state paid property tax credits

2.33 (c) In addition to the amounts paid under paragraph (a), for charter schools, the
 2.34 commissioner shall pay to a charter on the dates indicated an amount computed as follows:

2.35	<u>Payment 1</u>	<u>July 15: 100 percent of the final adjustment for the prior fiscal year</u>
2.36		<u>for all aid entitlements including the state paid property tax credits</u>
2.37		<u>established in section 273.1392</u>
2.38	<u>Payment 8</u>	<u>October 30: The amount of any adjustment, positive or negative,</u>
2.39		<u>necessary to conform the July 15th payment to the final aid entitlement</u>
2.40		<u>amount for the previous year</u>

2.41 **EFFECTIVE DATE.** This section is effective July 1, 2010.

3.1 Sec. 2. Minnesota Statutes 2008, section 127A.45, subdivision 4, is amended to read:

3.2 Subd. 4. **Appeal.** (a) The commissioner, in consultation with the commissioner of
3.3 management and budget, may revise the payment dates and percentages in subdivision 3
3.4 for a district if it is determined that:

3.5 (1) there is an emergency; or

3.6 (2) there are serious cash flow problems in the district that cannot be resolved by
3.7 issuing warrants or other forms of indebtedness; ~~or~~

3.8 (3) the interest rate on the warrants or other forms of indebtedness issued by a
3.9 charter school exceed by more than two percentage points the rate commonly paid by
3.10 school districts for borrowing under sections 126C.50 to 126C.56 for that year; or

3.11 (4) the district is facing a serious cash flow problem because of an abatement that
3.12 exceeds \$100 times the resident pupil units of the district.

3.13 (b) The commissioner shall establish a process and criteria for districts to appeal the
3.14 payment dates and percentages established in subdivision 3.

3.15 **EFFECTIVE DATE.** This section is effective July 1, 2010.