

2.1 in section 124E.21, subdivision 2, for educating students not eligible for special education
2.2 services.

2.3 Sec. 2. Minnesota Statutes 2016, section 126C.05, is amended by adding a subdivision to
2.4 read:

2.5 Subd. 13a. **PSEO impact revenue pupil.** For each pupil, the average daily membership
2.6 for a PSEO impact revenue pupil equals one minus the pupil's PSEO average daily
2.7 membership under subdivision 13.

2.8 Sec. 3. Minnesota Statutes 2016, section 126C.10, subdivision 1, is amended to read:

2.9 Subdivision 1. **General education revenue.** The general education revenue for each
2.10 district equals the sum of the district's basic revenue, extended time revenue, gifted and
2.11 talented revenue, declining enrollment revenue, local optional revenue, small schools
2.12 revenue, postsecondary enrollment options impact revenue, basic skills revenue, secondary
2.13 sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating
2.14 capital revenue, equity revenue, pension adjustment revenue, and transition revenue.

2.15 Sec. 4. Minnesota Statutes 2016, section 126C.10, is amended by adding a subdivision to
2.16 read:

2.17 Subd. 2f. **Postsecondary enrollment options impact revenue.** (a) A school district's
2.18 postsecondary enrollment options impact revenue for the current year equals the product
2.19 of:

2.20 (1) the basic formula allowance under subdivision 2;

2.21 (2) for the previous year, the district's PSEO impact revenue pupils under section 126C.05,
2.22 subdivision 13a;

2.23 (3) for the previous year for grade 12 pupils, the ratio of the district's PSEO impact
2.24 revenue pupils to the district's average daily membership; and

2.25 (4) two.

2.26 (b) A district's postsecondary enrollment options impact revenue must be reserved and
2.27 used to ensure sustainable educational offerings and programs at the high school level.