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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 40

01/08/2015 Authored by Persell, Marquart, Dettmer, Hoppe and Bly
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; providing full funding for K-12 pupil transportation;
1.3 amending Minnesota Statutes 2014, section 126C.10, subdivisions 1, 18.

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

1.5 Section 1. Minnesota Statutes 2014, section 126C.10, subdivision 1, is amended to read:

1.6 Subdivision 1. **General education revenue.** ~~(a) For fiscal years 2013 and 2014, the~~
1.7 ~~general education revenue for each district equals the sum of the district's basic revenue,~~
1.8 ~~extended time revenue, gifted and talented revenue, small schools revenue, basic skills~~
1.9 ~~revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity~~
1.10 ~~revenue, total operating capital revenue, equity revenue, alternative teacher compensation~~
1.11 ~~revenue, and transition revenue.~~

1.12 ~~(b)~~ For fiscal year ~~2015~~ 2016 and later, the general education revenue for each
1.13 district equals the sum of the district's basic revenue, extended time revenue, gifted and
1.14 talented revenue, declining enrollment revenue, local optional revenue, small schools
1.15 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,
1.16 transportation sparsity revenue, total operating capital revenue, equity revenue, pension
1.17 adjustment revenue, and transition revenue.

1.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2016
1.19 and later.

1.20 Sec. 2. Minnesota Statutes 2014, section 126C.10, subdivision 18, is amended to read:

2.1 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's pupil
 2.2 transportation revenue equals the sum of the district's transportation sparsity revenue and
 2.3 its transportation cost revenue.

2.4 (b) A district's transportation sparsity allowance equals the greater of zero or the
 2.5 result of the following computation:

2.6 (i) Multiply the formula allowance according to subdivision 2, by .141.

2.7 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the
 2.8 $26/100$ power.

2.9 (iii) Multiply the result in clause (ii) by the district's density index raised to the
 2.10 $13/100$ power.

2.11 (iv) Multiply the formula allowance according to subdivision 2, by .0466.

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

2.13 ~~(b)~~ (c) Transportation sparsity revenue is equal to the transportation sparsity
 2.14 allowance times the adjusted pupil units.

2.15 (d) A district's total transportation cost revenue equals the greater of zero or the
 2.16 difference between:

2.17 (1) the district's total cost for regular and excess pupil transportation under section
 2.18 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous year; and

2.19 (2) the sum of:

2.20 (i) 4.66 percent of the district's basic revenue for the previous fiscal year;

2.21 (ii) transportation sparsity revenue under paragraph (c); and

2.22 (iii) the district's charter school transportation adjustment for the previous year.

2.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2016
 2.24 and later.