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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 1032

02/28/2013 Authored by Erickson, R.; Radinovich; Ward, J.A., and Kresha
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; authorizing an enhanced aid payment schedule for
1.3 school districts with declining fund balances; amending Minnesota Statutes
1.4 2012, section 127A.45, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2012, section 127A.45, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 6b. **Cash flow; districts with declining fund balances.** (a) A school district
1.9 that meets the conditions listed in paragraph (b) must have its aid payments made under
1.10 subdivision 3 based on a current year aid payment percentage of 90.

1.11 (b) A school district qualifies for the enhanced aid payment schedule under
1.12 paragraph (a) if the district has notified the commissioner and:

1.13 (1) has not passed an operating referendum under section 126C.17 within the last 5
1.14 calendar years;

1.15 (2) has had a net unreserved general fund balance of less than ten percent of its
1.16 general fund expenditures for the last three years; and

1.17 (3) has had a decline in its net unreserved general fund balance over the last three
1.18 years.

1.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.