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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-EIGHTH SESSION

**H. F. No. 1103**

03/04/2013 Authored by Newton, Abeler, Uglem and Hortman  
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 a minimum level of compensatory  
1.3 funding for each school district; amending Minnesota Statutes 2012, section  
1.4 126C.10, subdivision 3.  
1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2012, section 126C.10, subdivision 3, is amended to read:

1.7 Subd. 3. **Compensatory education revenue.** (a) A school district's compensatory  
1.8 revenue equals the greater of:

1.9 (1) \$1,600 times the sum of the number of pupils enrolled in the district eligible to  
1.10 receive a free lunch plus one-half of the pupils eligible to receive a reduced-price lunch on  
1.11 October 1 of the previous year; or

1.12 (2) ~~The compensatory education revenue~~ for each building in the district equals,  
1.13 the formula allowance minus \$415 times the compensation revenue pupil units computed  
1.14 according to section 126C.05, subdivision 3.

1.15 Revenue shall be paid to the district and must be allocated according to section 126C.15,  
1.16 subdivision 2.

1.17 (b) When the district contracting with an alternative program under section 124D.69  
1.18 changes prior to the start of a school year, the compensatory revenue generated by pupils  
1.19 attending the program shall be paid to the district contracting with the alternative program  
1.20 for the current school year, and shall not be paid to the district contracting with the  
1.21 alternative program for the prior school year.

1.22 (c) When the fiscal agent district for an area learning center changes prior to the start  
1.23 of a school year, the compensatory revenue shall be paid to the fiscal agent district for the  
1.24 current school year, and shall not be paid to the fiscal agent district for the prior school year.

- 2.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
- 2.2 and later.