

A bill for an act
relating to education finance; eliminating the concentration factor in
compensatory revenue; amending Minnesota Statutes 2008, sections 126C.05,
subdivision 3; 126C.10, subdivision 3; repealing Minnesota Statutes 2008,
section 126C.10, subdivision 3.

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

Section 1. Minnesota Statutes 2008, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **Compensation Remedial revenue pupil units.** ~~(a) Compensation~~
Remedial revenue pupil units for fiscal year 1998 and thereafter must be computed
according to this subdivision.

~~(a) The compensation revenue concentration percentage for each building in a
district equals the product of 100 times the ratio of:~~

~~(1) the sum of the number of pupils enrolled in the building eligible to receive free
lunch plus one-half of the pupils eligible to receive reduced priced lunch on October
1 of the previous fiscal year; to~~

~~(2) the number of pupils enrolled in the building on October 1 of the previous fiscal
year.~~

~~(b) The compensation revenue pupil weighting factor for a building equals the
lesser of one or the quotient obtained by dividing the building's compensation revenue
concentration percentage by 80.0.~~

~~(c)~~ (b) The compensation remedial revenue pupil units for a building equals the
product of:

(1) the sum of the number of enrolled pupils enrolled in the building eligible to
receive free lunch who have not demonstrated proficiency on the state's reading or math
GRAD test and who are members of a student subgroup under No Child Left Behind who

have not demonstrated reading or math proficiency in the school and one-half of the enrolled pupils eligible to receive reduced priced lunch on October 1 of who have not demonstrated proficiency on the state's reading or math GRAD test and whose failure to demonstrate proficiency did not negatively affect the school's adequate yearly progress status in the previous fiscal school year; times

~~(2) the compensation revenue pupil weighting factor for the building; times~~

~~(3) .60 .25.~~

~~(d)~~ (c) Notwithstanding ~~paragraphs (a) to (c)~~ paragraph (b), for charter schools and contracted alternative programs in the first year of operation, ~~compensation~~ remedial revenue pupil units shall be computed using data for the current fiscal year. If the charter school or contracted alternative program begins operation after October 1, ~~compensatory~~ remedial revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the ~~compensation~~ remedial revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

~~(e)~~ (d) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

Sec. 2. Minnesota Statutes 2008, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory Remedial education revenue.** (a) The ~~compensatory~~ remedial education revenue for each building in the district equals ~~the formula allowance minus \$415 \$5,124~~ times the ~~compensation~~ remedial revenue pupil units computed according to section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

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

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

Sec. 3. **REVISOR'S INSTRUCTION.**

H.F. No. 1376, as introduced - 86th Legislative Session (2009-2010) [09-0951]

3.1 In the next and subsequent editions of Minnesota Statutes, the revisor shall change
3.2 all references to "compensatory revenue" to "remedial revenue."

3.3 Sec. 4. **REPEALER.**

3.4 Minnesota Statutes 2008, section 126C.10, subdivision 3, is repealed for revenue
3.5 for fiscal year 2012.

126C.10 GENERAL EDUCATION REVENUE.

Subd. 3. **Compensatory education revenue.** (a) The compensatory education revenue for each building in the district equals the formula allowance minus \$415 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

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

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