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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1436

03/04/2015 Authored by Quam, Drazkowski, Wills, Newberger, Johnson, B., and others
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; establishing basic needs revenue; reserving revenue for
1.3 essential uses identified by school boards; providing limited-term relief from
1.4 state mandates.

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

1.6 Section 1. **BASIC NEEDS REVENUE.**

1.7 The basic needs allowance for fiscal year 2016 equals \$175. The basic needs
1.8 allowance for fiscal year 2017 equals \$355. Basic needs revenue for a school district
1.9 or charter school equals the basic needs allowance times the adjusted pupil units for
1.10 the school year.

1.11 Sec. 2. **RESERVE ACCOUNT.**

1.12 Subdivision 1. Reserve account authorized. (a) For fiscal years 2016 and 2017
1.13 only, a school district may establish a reserve account in the general fund and specify the
1.14 purposes for which money transferred into the account will be used. Funds transferred into
1.15 the account shall not be used for any purpose not specifically authorized by the district.

1.16 (b) The school board of a school district that creates an account under paragraph
1.17 (a) may formally resolve to make or schedule to make a fund transfer from the general
1.18 fund to the reserve account. No transfer shall be made or scheduled without a formal
1.19 resolution of the school board. Each scheduled transfer must be defined as a specific dollar
1.20 amount or a percentage of the district's unreserved net general fund balance on the date of
1.21 the scheduled transfer. The district may make more than one transfer to the account. The
1.22 amount of any transfer must not exceed the net unreserved general fund balance on the

2.1 date of the transfer. The amount scheduled to be transferred may assume revenues that the
2.2 district reasonably anticipates to recognize for fiscal years 2016 and 2017.

2.3 (c) Any balance remaining in the reserve account on July 1, 2017, shall be transferred
2.4 to the district's unreserved general fund balance and the reserve account shall be closed.

2.5 Subd. 2. **School districts and exclusive representative.** Notwithstanding Minnesota
2.6 Statutes, chapter 179A, and any other law to the contrary, the exclusive representative and
2.7 employer shall not enter into a collective bargaining agreement that requires the use of
2.8 funds in, or scheduled to be transferred into, a reserve account created under this section.

2.9 Sec. 3. **RELIEF FROM STATE MANDATES.**

2.10 Notwithstanding any law to the contrary, for the 2015-2016 and 2016-2017 school
2.11 years only, a district is not required to comply with a state law or rule applicable to that
2.12 school if enacted, adopted, or amended after May 16, 2014. A school board that formally
2.13 resolves not to comply with a state law or rule under this section must transmit to the
2.14 commissioner a timely, electronic notice of its intent not to comply, cite the law or rule
2.15 implicated, and identify a reason for noncompliance.

2.16 Sec. 4. **APPROPRIATION.**

2.17 Subdivision 1. **Department of Education.** The sums indicated in this section are
2.18 appropriated from the general fund to the Department of Education for the fiscal years
2.19 designated.

2.20 Subd. 2. **Basic needs revenue.** For basic needs revenue:

2.21 \$ 144,647,000 2016

2.22 \$ 310,776,000 2017

2.23 The base for fiscal year 2018 and later is zero.