A bill for an act

relating to education finance; eliminating the permanent school fund subtraction; simplifying education funding; dedicating permanent school fund revenue for technology; proposing coding for new law in Minnesota Statutes, chapter 127A; repealing Minnesota Statutes 2006, section 126C.21, subdivision 1.

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

Section 1. **[127A.331] SCHOOL ENDOWMENT FUND; USE OF REVENUE.**

A school that receives school endowment fund revenue under section 127A.33 may use that revenue only for the following purposes:

(1) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(2) to purchase or lease assistive technology or equipment for instructional programs;

(3) to purchase new and replacement library media resources or technology;

(4) to pay for ongoing or recurring telecommunications/Internet access costs associated with Internet access, data lines, and video links; and

(5) to pay for service provider installation fees for installation of new telecommunications lines or increased bandwidth.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009.

Sec. 2. **REPEALER.**

Minnesota Statutes 2006, section 126C.21, subdivision 1, is repealed.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2009.

126C.21 DEDUCTIONS FROM GENERAL EDUCATION AID.

Subdivision 1. **Permanent school fund.** The amount of money received by a district as income from the permanent school fund for any year must be deducted from the general education aid earned by the district for the same year or from aid earned from other state sources.