A bill for an act

relating to education finance; requiring a location equity revenue study.

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

Section 1. **LOCATION EQUITY INDEX FORMULA.**

Subdivision 1. **Department of Education study.** The Department of Education must analyze cost differences among Minnesota's school districts based on market-based wage rate differentials and develop a formula for a location equity revenue component of general education revenue. The Department of Education must review cost of living and wage differential education formulas in other states when developing this formula.

Subd. 2. **Determination of regions.** The department's study must develop a methodology for determining geographic regions within Minnesota. If the regions are based on county characteristics, the study must determine how regional data should be treated for school districts split among two or more counties.

Subd. 3. **Report.** The department must submit its report to the governor and the education committees of the legislature by November 1, 2008.

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