A bill for an act

relating to education finance; creating a permanent source of funding for school technology purposes; modifying the distribution of permanent school fund endowment income; amending Minnesota Statutes 2006, section 127A.33; Laws 2007, chapter 146, article 4, section 11; repealing Minnesota Statutes 2006, section 126C.21, subdivision 1.

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

Section 1. Minnesota Statutes 2006, section 127A.33, is amended to read:

127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.

The commissioner shall apportion the school endowment fund semiannually on the first Monday in March and September in each year, to districts whose schools have been in session at least nine months. The apportionment shall be ~~in proportion to the number of pupils in average daily membership during the preceding year. The apportionment shall not be paid to a district for pupils for whom tuition is received by the district~~ made according to section 2.

Sec. 2. Laws 2007, chapter 146, article 4, section 11, is amended to read:

Sec. 11. **SCHOOL TECHNOLOGY ~~AND OPERATING CAPITAL AID~~ REVENUE.**

Subdivision 1. **Revenue.** (a) For fiscal years 2008, and 2009 only, school technology and operating capital aid equals $40 for fiscal year 2008 and $55 for fiscal year 2009 times the district's adjusted marginal cost pupil units for that fiscal year. This aid must only be used for the purposes of Minnesota Statutes, section 126C.10, subdivision 14.

(b) For fiscal year 2010, a district's school technology revenue equals $60 times the district's adjusted marginal cost pupil units for that year.

(c) For each subsequent fiscal year, a district's school technology revenue equals the adjusted marginal cost pupil units for that year times the revenue allowance for the previous year times the greater of one or the ratio of permanent school fund endowment income for the most recent year to the permanent school fund endowment income for the preceding year.

Subd. 2. **Statewide levy amount.** The department must annually determine the school technology tax rate. The school technology tax rate equals the rate that, when multiplied by each district's adjusted net tax capacity, raises the statewide technology levy amount for that year. The statewide technology levy amount equals the difference between the statewide technology revenue amount and the statewide permanent school fund endowment income amount for that year.

Subd. 3. **District technology levy.** A school district's school technology levy equals the technology tax rate for that year times the district's adjusted net tax capacity. If a school district's technology levy exceeds its technology revenue, the amount of the technology levy must be limited to the district's technology revenue amount.

Subd. 4. **Technology aid.** A school district's technology aid equals the difference between its technology revenue and its technology levy.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2008 and later.

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

In the next and subsequent editions of Minnesota Statutes, the revisor shall codify section 2 as Minnesota Statutes, section 127A.325.

Sec. 4. **REPEALER.**

Minnesota Statutes 2006, section 126C.21, subdivision 1, is repealed for revenue for fiscal year 2010.

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.