A bill for an act

relating to education finance; increasing the general education basic formula allowance by three percent per year; amending Minnesota Statutes 2006, section 126C.10, subdivision 2.

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

Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. ~~The formula allowance for fiscal year 2005 is $4,601. The formula allowance for fiscal year 2006 is $4,783.~~ The formula allowance for fiscal year 2007 is $4,974. The formula allowance for fiscal year 2008 is $5,123. The formula allowance for fiscal year 2009 and subsequent years is ~~$4,974~~ $5,277.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.