SENATE STATE OF MINNESOTA EIGHTY-SEVENTH LEGISLATURE

S.F. No. 977

(SENATE AUTHORS: WOLF, Thompson, Olson, Bonoff and Torres Ray)

DATE D-PG **OFFICIAL STATUS**

03/21/2011 Introduction and first reading 608

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Referred to Education

1.1 1.2 1.3	A bill for an act relating to education finance; modifying charter school revenue formulas; amending Minnesota Statutes 2010, section 124D.11, subdivisions 1, 4.
1.4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
1.5	Section 1. Minnesota Statutes 2010, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. General education revenue. (a) General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted marginal cost pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, plus savings aid under subdivision 4, paragraph (c), minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills revenue, extended time revenue, alternative teacher compensation revenue, transition revenue, and transportation sparsity revenue, plus basic skills revenue, extended time revenue, basic alternative teacher compensation aid according to section 126C.10, subdivision 34, and transition revenue as though the school were a school district. The general education revenue for each extended time marginal cost pupil unit equals \$4,378.

(b) Notwithstanding paragraph (a), for charter schools in the first year of operation, general education revenue shall be computed using the number of adjusted pupil units in the current fiscal year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 1.21 and later. 1.22

Section 1. 1

S.F. No. 977, as introduced - 87th Legislative Session (2011-2012) [11-2173]

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Sec. 2. Minnesota Statutes 2010, section 124D.11, subdivision 4, is amended to read: Subd. 4. Building lease and savings aid. (a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose. The commissioner must review and either approve or deny a lease aid application using the following criteria: (1) the reasonableness of the price based on current market values; (2) the extent to which the lease conforms to applicable state laws and rules; and (3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. (b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs. The amount of building lease aid per pupil unit served for a charter school for any year shall not exceed the lesser of (a) (1) 90 percent of the approved cost or (b) (2) the product of the pupil units served for the current school year times the greater of the charter school's building lease aid per pupil unit served for fiscal year 2003, excluding the adjustment under Laws 2002, chapter 392, article 6, section 4, or \$1,200. (c) If a charter school, currently receiving aid under this subdivision, negotiates a lease that would decrease the lease aid per pupil unit that the charter school receives, the charter school's savings aid shall equal one-half of that difference. If a charter school has not previously received aid under this subdivision, the charter school's savings aid shall equal one-half of the difference between \$1,200 and the school's initial lease aid per pupil unit.

2.25 <u>EFFECTIVE DATE.</u> This section is effective for revenue for fiscal year 2012 2.26 <u>and later.</u>

Sec. 2. 2