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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **114**

01/17/2019 Authored by Lucero, Quam, O'Neill, McDonald, Swedzinski and others
The bill was read for the first time and referred to the Committee on Ways and Means

- 1.1 A bill for an act
- 1.2 relating to education finance; creating a minimum revenue guarantee for low
- 1.3 revenue school districts; appropriating money; amending Minnesota Statutes 2018,
- 1.4 section 126C.10, subdivision 1, by adding a subdivision.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2018, section 126C.10, subdivision 1, is amended to read:
- 1.7 Subdivision 1. **General education revenue.** The general education revenue for each
- 1.8 district equals the sum of the district's basic revenue, extended time revenue, gifted and
- 1.9 talented revenue, declining enrollment revenue, local optional revenue, small schools
- 1.10 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,
- 1.11 transportation sparsity revenue, total operating capital revenue, equity revenue, pension
- 1.12 adjustment revenue, minimum revenue guarantee, and transition revenue.
- 1.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.
- 1.14 Sec. 2. Minnesota Statutes 2018, section 126C.10, is amended by adding a subdivision to
- 1.15 read:
- 1.16 Subd. 38. **Minimum revenue guarantee.** (a) For purposes of this section, general
- 1.17 education component revenue means extended time revenue, gifted and talented revenue,
- 1.18 declining enrollment revenue, local optional revenue, small schools revenue, basic skills
- 1.19 revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity
- 1.20 revenue, total operating capital revenue, equity revenue, pension adjustment revenue,
- 1.21 transition revenue, and operating referendum revenue.

2.1 (b) A district's minimum revenue guarantee equals the product of the district's adjusted
2.2 pupil units for that year and the greater of zero or the difference between:

2.3 (1) \$1,850; and

2.4 (2) the ratio of (i) the district's general education component revenue to (ii) the district's
2.5 adjusted pupil units for that year.

2.6 (c) A school district's revenue under paragraph (b) must not exceed \$100 times the
2.7 district's adjusted pupil units for that year.

2.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.