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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 1612

02/23/2017 Authored by Hoppe, Loonan, Ecklund, Dettmer, Bliss and others
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; fully funding pupil transportation services;
1.3 appropriating money; amending Minnesota Statutes 2016, sections 124E.20,
1.4 subdivision 1; 124E.23; 126C.10, subdivisions 1, 18.

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

1.6 Section 1. Minnesota Statutes 2016, section 124E.20, subdivision 1, is amended to read:

1.7 Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a
1.8 charter school as though it were a district. The general education revenue for each adjusted
1.9 pupil unit is the state average general education revenue per pupil unit, plus the referendum
1.10 equalization aid allowance in the pupil's district of residence, minus an amount equal to the
1.11 product of the formula allowance according to section 126C.10, subdivision 2, times .0466,
1.12 calculated without declining enrollment revenue, local optional revenue, basic skills revenue,
1.13 extended time revenue, pension adjustment revenue, transition revenue, and transportation
1.14 sparsity revenue, plus declining enrollment revenue, basic skills revenue, pension adjustment
1.15 revenue, and transition revenue as though the school were a school district.

1.16 (b) For a charter school operating an extended day, extended week, or summer program,
1.17 the general education revenue in paragraph (a) is increased by an amount equal to 25 percent
1.18 of the statewide average extended time revenue per adjusted pupil unit.

1.19 (c) Notwithstanding paragraph (a), the general education revenue for an eligible special
1.20 education charter school as defined in section 124E.21, subdivision 2, equals the sum of
1.21 the amount determined under paragraph (a) and the school's unreimbursed cost as defined
1.22 in section 124E.21, subdivision 2, for educating students not eligible for special education
1.23 services.

2.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

2.2 Sec. 2. Minnesota Statutes 2016, section 124E.23, is amended to read:

2.3 **124E.23 TRANSPORTATION REVENUE AID.**

2.4 Transportation ~~revenue~~ aid must be paid to a charter school that provides transportation
2.5 services according to section 124E.15, according to this section. ~~Transportation aid shall~~
2.6 ~~equal transportation revenue.~~

2.7 In addition to the revenue under section 124E.20, a charter school providing transportation
2.8 services must receive general education aid equal to ~~the sum of the product of (1) an amount~~
2.9 ~~equal to the product of the formula allowance according to section 126C.10, subdivision 2,~~
2.10 ~~times .0466, plus the transportation sparsity allowance for the school district in which the~~
2.11 ~~charter school is located times (2) the adjusted pupil units, plus the product of \$223 times~~
2.12 ~~the extended time pupil units~~ its transportation revenue under section 126C.10, subdivision
2.13 18.

2.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

2.15 Sec. 3. Minnesota Statutes 2016, section 126C.10, subdivision 1, is amended to read:

2.16 Subdivision 1. **General education revenue.** The general education revenue for each
2.17 district equals the sum of the district's basic revenue, extended time revenue, gifted and
2.18 talented revenue, declining enrollment revenue, local optional revenue, small schools
2.19 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,
2.20 transportation ~~sparsity~~ revenue, total operating capital revenue, equity revenue, pension
2.21 adjustment revenue, and transition revenue.

2.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

2.23 Sec. 4. Minnesota Statutes 2016, section 126C.10, subdivision 18, is amended to read:

2.24 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's transportation
2.25 revenue equals the sum of its transportation sparsity revenue and its pupil transportation
2.26 cost revenue.

2.27 (b) A district's transportation sparsity allowance equals the greater of zero or the result
2.28 of the following computation:

2.29 (i) Multiply the formula allowance according to subdivision 2, by .141.

3.1 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the 26/100
3.2 power.

3.3 (iii) Multiply the result in clause (ii) by the district's density index raised to the 13/100
3.4 power.

3.5 (iv) Multiply the formula allowance according to subdivision 2, by .0466.

3.6 (v) Subtract the result in clause (iv) from the result in clause (iii).

3.7 ~~(b)~~ (c) Transportation sparsity revenue is equal to the transportation sparsity allowance
3.8 times the adjusted pupil units.

3.9 (d) A district's pupil transportation cost revenue equals the greater of zero or the difference
3.10 between:

3.11 (1) the district's total cost for regular and excess pupil transportation under section
3.12 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous year; and

3.13 (2) the sum of:

3.14 (i) 4.66 percent of the district's basic revenue for the previous fiscal year;

3.15 (ii) transportation sparsity revenue under paragraph (c); and

3.16 (iii) the district's charter school transportation adjustment for the previous year.

3.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.