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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SEVENTH SESSION

**H. F. No. 1860**

01/24/2012 Authored by Woodard, Garofalo and Scott

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; requiring operating referendum levies to follow  
1.3 resident students to charter schools; amending Minnesota Statutes 2010, sections  
1.4 124D.11, subdivision 1; 127A.47, subdivision 8.

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

1.6 Section 1. Minnesota Statutes 2010, section 124D.11, subdivision 1, is amended to read:

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

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

1.21 (c) The revenue amount under paragraph (a) must be increased for each charter  
1.22 school by an aid amount equal to the product of:

2.1 (1) the referendum levy amount per resident marginal cost pupil unit for that year  
 2.2 computed under section 127A.47, subdivision 8, for the district within whose boundaries  
 2.3 the charter school is located; and

2.4 (2) the number of resident marginal cost pupil units from the resident school district  
 2.5 enrolling in that charter school.

2.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2014  
 2.7 and later.

2.8 Sec. 2. Minnesota Statutes 2010, section 127A.47, subdivision 8, is amended to read:

2.9 Subd. 8. **Charter schools.** (a) The general education aid for districts must be  
 2.10 adjusted for each pupil attending a charter school under section 124D.10. The adjustments  
 2.11 must be made according to this subdivision.

2.12 (b) General education aid paid to a district in which a charter school not providing  
 2.13 transportation according to section 124D.10, subdivision 16, is located must be increased  
 2.14 by an amount equal to the sum of:

2.15 (1) the product of: (i) the sum of an amount equal to the product of the formula  
 2.16 allowance according to section 126C.10, subdivision 2, times .0485, plus the transportation  
 2.17 sparsity allowance for the district; times (ii) the adjusted marginal cost pupil units  
 2.18 attributable to the pupil; plus

2.19 (2) the product of \$223 and the extended time marginal cost pupil units attributable  
 2.20 to the pupil.

2.21 (c) General education aid paid to a school district must be reduced by an amount  
 2.22 equal to that district's referendum levy amount per resident marginal cost pupil unit for  
 2.23 the current school year times the number of resident marginal cost pupil units attending a  
 2.24 charter school located within the boundaries of the resident school district.

2.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2014  
 2.26 and later.