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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 425

01/28/2021 Authored by Lucero
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; creating a minimum revenue guarantee for low
1.3 revenue school districts; appropriating money; amending Minnesota Statutes 2020,
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 2020, 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 2022 and later.

1.14 Sec. 2. Minnesota Statutes 2020, 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 2022 and later.