

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 489**

(SENATE AUTHORS: NELSON, Hoffman, Senjem, Abeler and Kent)

DATE  
01/30/2017

D-PG  
451 Introduction and first reading  
Referred to E-12 Finance

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to education finance; making the compensatory revenue pilot project  
1.3 permanent; amending Minnesota Statutes 2016, section 126C.10, subdivision 3.

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

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

1.6 Subd. 3. **Compensatory education revenue.** (a) ~~For fiscal year 2014, the compensatory~~  
1.7 ~~education revenue for each building in the district equals the formula allowance minus \$415~~  
1.8 ~~times the compensation revenue pupil units computed according to section 126C.05,~~  
1.9 ~~subdivision 3. For fiscal year 2015 and later, The compensatory education revenue for each~~  
1.10 building in the district equals the formula allowance minus \$839 times the compensation  
1.11 revenue pupil units computed according to section 126C.05, subdivision 3. A district's  
1.12 compensatory revenue equals the sum of its compensatory revenue for each building in the  
1.13 district and the amounts designated under Laws 2015, First Special Session chapter 3, article  
1.14 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and  
1.15 must be allocated according to section 126C.15, subdivision 2.

1.16 (b) When the district contracting with an alternative program under section 124D.69  
1.17 changes prior to the start of a school year, the compensatory revenue generated by pupils  
1.18 attending the program shall be paid to the district contracting with the alternative program  
1.19 for the current school year, and shall not be paid to the district contracting with the alternative  
1.20 program for the prior school year.

1.21 (c) When the fiscal agent district for an area learning center changes prior to the start of  
1.22 a school year, the compensatory revenue shall be paid to the fiscal agent district for the  
1.23 current school year, and shall not be paid to the fiscal agent district for the prior school year.

2.1

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