

CHAPTER 124A

SCHOOL FOUNDATION REVENUE

124A.02	Definitions.	124A.20	Declining pupil unit aid and levy.
124A.03	Foundation related levies.	124A.21	Isolated school aid for St. Louis county district.
124A.031	Dates of aid payments.	124A.22	General education revenue.
124A.032	Annual foundation on general education aid appropriation.	124A.23	General education levy and aid.
124A.035	Deductions from foundation aid.	124A.24	General education levy equity.
124A.036	Foundation aid; resident and nonresident districts.	124A.25	Supplemental revenue.
124A.06	Cost differential tier.	124A.26	Reduction to general education revenue.
124A.08	Second tier with 100 percent equalizing factor.	124A.27	Reserved revenue for certain programs.
124A.10	Third tier with 75 percent equalizing factor.	124A.28	Compensatory education revenue.
124A.12	Fourth tier with 50 percent equalizing factor.	124A.29	Reserved revenue for staff development.
124A.14	Fifth tier with 50 percent equalizing factor.	124A.30	Statewide average revenue.

124A.02 DEFINITIONS.

[For text of subd 1, see M.S.1986]

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 3a. **Adjusted assessed valuation.** "Adjusted assessed valuation" means the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the commissioner of revenue under section 124.2131. The adjusted assessed valuation for any given calendar year shall be used to compute levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

[For text of subd 5, see M.S.1986]

Subd. 5a. **Basic foundation aid; 1987-1988 school year.** A district's basic foundation aid for the 1987-1988 school year equals its basic foundation revenue for that school year, minus the lesser of (1) the basic maintenance mill rate times the applicable adjusted assessed valuation of the district; or (2) \$1,700 times the district's total pupil units for that school year.

[For text of subd 6, see M.S.1986]

Subd. 7. [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 8. **Equalizing factor.** "Equalizing factor" means a number equal to the minimum adjusted assessed valuation per total pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for the 1987-1988 school year and for levies for use in that school year equals \$74,890. The equalizing factor for each school year, except the 1987-1988 school year, and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year.

Subd. 9. **Formula allowance.** "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. The formula allowance is \$1,720 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.

[For text of subd 10, see M.S.1986]

Subd. 11. **Minimum aid.** A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) the amount of the district's homestead credit replacement aid paid under section 273.1394 and its agricultural credit replacement aid under section 273.1395 for that school year, after any positive tax base adjustment but prior to any negative tax base adjustment under section 273.1396;

(2) the amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

(3) the amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and

(4) the amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserve provisions in section 473H.10.

[For text of subds 12 and 13, see M.S.1986]

Subd. 14. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 15, see M.S.1986]

Subd. 16. **Pupil units, AFDC.** For the 1986-1987 and 1987-1988 school years, "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1a. For the 1988-1989 school year and each year thereafter, "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1b.

[For text of subds 19 to 24, see M.S.1986]

History: 1987 c 268 art 6 s 5; art 7 s 12,13; 1987 c 398 art 1 s 4-7

NOTE: Subdivisions 5, 6, 9, 11, 12, and 13, are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.03 FOUNDATION RELATED LEVIES.

Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 1a. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 2, see M.S.1986]

Subd. 3. [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 3a. **Basic maintenance levy; districts off the formula; 1987-1988 school year.** If the amount of the maximum levy limitation under subdivision 1 for any district exceeds the product of \$1,700 times the estimated number of total pupil units for that district for the 1987-1988 school year, the levy limitation for that district under subdivision 1 is limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 1:

(a) the product of \$1,700 times the estimated number of total pupil units for the 1987-1988 school year; less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124A.035, subdivision 4, in the school year in which the levy is recognized as revenue.

A levy made by a district under this subdivision shall be construed to be the levy made by that district under subdivision 1 for purposes of statutory cross-reference.

Subd. 4. [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 6. [Repealed, 1987 c 398 art 1 s 27 subd 1]

History: 1987 c 398 art 1 s 8

124A.031 DATES OF AID PAYMENTS.

Subdivision 1. [Repealed, 1987 c 398 art 7 s 43]

[For text of subd 3, see M.S.1986]

Subd. 4. **Lost revenue aid.** Each year, based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 124.2137. On or before July 15 of each year, the commissioner of revenue shall certify the amounts so determined to the department of education. The department of education shall pay each school district its distribution as part of the foundation aid payment to each district in accordance with the payment dates in section 124.195, as applicable.

History: 1987 c 398 art 7 s 27

NOTE: Except where provided otherwise, subdivision 4, is repealed by Laws 1987, chapter 268, article 6, section 53, effective for taxes levied in 1988, payable in 1989 and thereafter. See Laws 1987, chapter 268, article 6, section 54.

124A.032 ANNUAL FOUNDATION ON GENERAL EDUCATION AID APPROPRIATION.

There is annually appropriated from the general fund to the department of education the amount necessary for foundation aid or general education aid. This amount shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund.

History: 1987 c 398 art 1 s 9

124A.035 DEDUCTIONS FROM FOUNDATION AID.

[For text of subds 1 to 4, see M.S.1986]

Subd. 5. **Taconite deductions.** (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district.

(2) For districts which received payments under sections 298.018; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections, or revenue recognized pursuant to section 477A.15 in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable. If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld. The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

History: 1987 c 268 art 9 s 5

NOTE: Subdivision 1 is repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

NOTE: The amendment to subdivision 5 by Laws 1987, chapter 268, article 9, section 5, is effective for taxable years beginning after December 31, 1989. See Laws 1987, chapter 268, article 9, section 44.

124A.036 FOUNDATION AID; RESIDENT AND NONRESIDENT DISTRICTS.

[For text of subds 1 to 4, see M.S.1986]

Subd. 5. **Certain nonresidents.** The foundation aid for districts must be adjusted for each pupil attending a nonresident district under sections 123.3515 and 129B.52. The adjustments must be made according to this subdivision.

(a) Foundation aid paid to a resident district must be reduced by an amount equal to the formula allowance plus the total tier revenue per actual pupil unit of the resident district times the number of pupil units of pupils enrolled in a nonresident district.

(b) Foundation aid paid to a nonresident district shall be increased by an amount equal to the formula allowance plus the total tier revenue per actual pupil unit of the nonresident district times the number of pupil units of nonresident pupils enrolled in that nonresident district.

(c) If the amount of the reduction to be made from the foundation aid of the resident district is greater than the amount of foundation aid otherwise due the district, the excess reduction must be made from other state aids due the district.

History: 1987 c 398 art 8 s 10

124A.06 COST DIFFERENTIAL TIER.

[For text of subds 1 to 2, see M.S.1986]

Subd. 3a. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 4, see M.S.1986]

NOTE: Subdivisions 1, 1a, 1b, 2, and 4, are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.08 SECOND TIER WITH 100 PERCENT EQUALIZING FACTOR.

[For text of subds 1 and 2, see M.S.1986]

Subd. 3a. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 4, see M.S.1986]

Subd. 5. **Second tier levy fund balance.** Beginning with the 1983 payable 1984 levy, for a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per total pupil unit in the year when the levy is certified, the second tier levy shall be reduced by the amount of the excess times the lesser of (a) one, or (b) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year for which the levy is attributable, to the equalizing factor. Beginning with the 1984-1985 school year, the second tier aid for the year when that levy is used shall be reduced by any amount of the excess which is not subtracted from the levy.

History: 1987 c 268 art 7 s 14

NOTE: Subdivisions 1, 2, 4, and 5, are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.10 THIRD TIER WITH 75 PERCENT EQUALIZING FACTOR.

[For text of subds 1 and 2, see M.S.1986]

Subd. 3a. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 4, see M.S.1986]

NOTE: Subdivisions 1, 2, and 4, are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.12 FOURTH TIER WITH 50 PERCENT EQUALIZING FACTOR.

[For text of subds 1 and 2, see M.S.1986]

Subd. 3a. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 4, see M.S.1986]

NOTE: Subdivisions 1, 2, and 4, are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.14 FIFTH TIER WITH 50 PERCENT EQUALIZING FACTOR.*[For text of subds 1 to 5, see M.S.1986]*

Subd. 5a. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 6, see M.S.1986]

NOTE: Subdivisions 1, 2, 3, 4, 5, and 6, are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.20 DECLINING PUPIL UNIT AID AND LEVY.*[For text of subd 1, see M.S.1986]*

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 1]

[For text of subd 3, see M.S.1986]

NOTE: Subdivisions 1 and 3 are repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.21 ISOLATED SCHOOL AID FOR ST. LOUIS COUNTY DISTRICT.

In the 1987-1988 school year, a district having more than 2,500 square miles in area and operating six or more secondary schools shall be entitled to additional foundation aid. The additional aid shall equal \$50 times the actual pupil units in the school year.

History: 1987 c 398 art 1 s 10

NOTE: This section is repealed by Laws 1987, chapter 398, article 1, section 27, subdivision 3, effective June 30, 1988. See Laws 1987, chapter 398, article 1, section 27, subdivision 3.

124A.22 GENERAL EDUCATION REVENUE.

Subdivision 1. **General education revenue.** The general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, training and experience revenue, and sparsity revenue.

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,735 for the 1988-1989 school year.

Subd. 3. **Compensatory education revenue.** The compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.

Subd. 4. **Training and experience revenue.** The training and experience revenue for each district equals the greater of zero or the result of the following computation:

(a) Subtract 1.6 from the training and experience index.

(b) Multiply the result in clause (a) by the product of \$700 times the actual pupil units for the school year.

Subd. 5. **Definitions.** The definitions in this subdivision apply only to subdivision 6.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades seven through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades seven through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually-traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

Subd. 6. **Sparsity revenue.** A district's sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

History: 1987 c 398 art 1 s 11

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 11, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.23 GENERAL EDUCATION LEVY AND AID.

Subdivision 1. **General education mill rate.** The commissioner of revenue shall establish the general education mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted assessed valuation for all districts, raises the amount specified in this subdivision. The general education mill rate for the 1989 fiscal year shall be the rate that raises \$1,079,000,000. The general education mill rate certified by the commissioner of revenue must not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Subd. 2. **General education levy.** To obtain general education revenue, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, the general education levy shall be determined according to subdivision 3. The adjusted assessed valuation must be determined each year by the equalization aid review committee according to section 124.2131.

Subd. 3. **General education levy; districts off the formula.** If the amount of the general education levy for a district exceeds the district's general education revenue, the amount of the general education levy shall be limited to the following:

- (1) the district's general education revenue; plus
- (2) the amount of the aid reduction for the same school year according to section 124A.24; minus
- (3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Subd. 4. **General education aid.** A district's general education aid is the difference between the general education revenue and the general education levy, multiplied times the ratio of the actual amount levied to the permitted levy.

Subd. 5. **Uses of revenue.** General education revenue may be used during the regular school year and the summer for general and special school purposes.

History: 1987 c 398 art 1 s 12

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 12, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.24 GENERAL EDUCATION LEVY EQUITY.

If a district's general education levy is determined according to section 124A.23, subdivision 3, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state payments receivable for the same school year authorized in sections 273.115; 273.116; 273.123, subdivision 6; 273.13, subdivision 15a; and Laws 1983, chapter 342, article 8, section 8. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education mill rate, according to section 124A.23, times the district's adjusted assessed valuation used to determine the general education aid for the same school year; and

(2) the district's general education revenue for the same school year, according to section 124A.22.

However, for fiscal year 1989, the amount of the deduction shall be one-fourth of the difference between clauses (1) and (2); for fiscal year 1990, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); and for fiscal year 1991, the amount of the deduction shall be three-fourths of the difference between clauses (1) and (2).

History: 1987 c 398 art 1 s 13

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 13, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.25 SUPPLEMENTAL REVENUE.

Subdivision 1. **1987-1988 revenue.** "1987-1988 revenue" means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) interdistrict cooperation aid and levy, according to Minnesota Statutes 1986, sections 124.272 and 275.125, subdivision 8a;

(6) arts education aid, according to Minnesota Statutes 1986, section 124.275;

(7) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;

(8) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and

(9) liability insurance levy, according to Minnesota Statutes 1986, section 466.06.

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their member school districts.

Subd. 2. **Minimum allowance.** "Minimum allowance" for a district means:

(1) the district's 1987-1988 revenue, according to subdivision 1; divided by

(2) the district's 1987-1988 actual pupil units, adjusted for the change in pupil unit weighting made in section 124.17, subdivision 1; plus

(3) \$40.

Subd. 3. **Revenue amount.** If a district's minimum allowance exceeds the amount of its general education revenue per actual pupil unit for a school year, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year.

Subd. 4. **Supplemental levy.** To obtain supplemental revenue, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue for the same year.

Subd. 5. **Supplemental aid.** A district's supplemental aid is the difference between its supplemental revenue and its supplemental levy, times the ratio of the actual amount levied to the permitted levy.

Subd. 6. **Uses of revenue.** Supplemental revenue may be used during the regular school year and the summer for general and special school purposes.

History: 1987 c 398 art 1 s 14; 1Sp1987 c 4 art 1 s 6

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 14, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.26 REDUCTION TO GENERAL EDUCATION REVENUE.

Subdivision 1. **Revenue reduction.** A district's general education revenue for a school year shall be reduced if the net unappropriated operating fund balance as of June 30 in the second prior school year exceeds \$600 times the actual pupil units in the second prior year. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the school year.

Subd. 2. **Levy reduction.** If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

- (1) the reduction specified in subdivision 1, times
- (2) the lesser of one or the ratio of the district's general education levy to its general education revenue.

Subd. 3. **Aid reduction.** A district's general education aid shall be reduced by an amount equal to the difference between the revenue reduction and the levy reduction.

History: 1987 c 398 art 1 s 15

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 15, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.27 RESERVED REVENUE FOR CERTAIN PROGRAMS.

Subdivision 1. **Requirement.** An amount equal to 1.85 percent of the basic revenue under section 124A.22, subdivision 2, shall be reserved and may be used only to provide one or more of the programs enumerated in this section. The school board shall determine which programs to provide, the manner in which they will be provided, and the extent to which other money may be used for the programs. Except for the requirements of sections 124A.28 and 124A.29, the remaining general education revenue under section 124A.22 and supplemental revenue under section 124A.25 may be used to provide one or more of the programs enumerated in this section.

Subd. 2. **State assistance.** The state board of education and the commissioner of education shall provide assistance to school boards offering the programs enumerated in this section. The state board or commissioner may establish an advisory committee for any program area. Technical assistance shall be provided commensurate with school board and district needs. State board of education rules apply to all programs or portions of programs offered.

Subd. 3. **Separate records.** A district offering any program enumerated in this section shall maintain records of the expenditures for each program offered.

Subd. 4. **Arts education.** A school board may use the reserved revenue to provide a variety of arts education programs for its pupils and staff. The programs may involve staff development, curriculum offerings, and arts activities for all forms of creative and artistic endeavors.

Subd. 5. **Chemical abuse prevention.** A school board may use the reserved revenue to offer a program to prevent chemical abuse among pupils in public and nonpublic schools and area vocational technical institutes.

Subd. 6. **Gifted and talented.** A school board may use the reserved revenue to offer programs for gifted and talented pupils.

Subd. 7. **Interdistrict cooperation to expand curriculum.** A school board may use the reserved revenue to expand curricular offerings in secondary mathematics, secondary science, foreign languages, and computer usage by entering into cooperation agreements with other school boards. The agreements shall emphasize instruction and minimize administrative costs.

Subd. 8. **Programs of excellence.** A school board may use the reserved revenue for a secondary academic program designated by the commissioner of education as a program of excellence. The commissioner shall establish criteria for the programs of excellence and may approve applications of not more than 100 nonresident pupils to attend the programs full time. The district of attendance may count a pupil attending a program as a resident pupil for the purpose of determining aids and levies.

Subd. 9. **Summer programs.** A school board may use the reserved revenue to provide summer instructional programs that are offered for credit or required for graduation or that provide academic enrichment or remediation. The reserved revenue may not be used for recreational sports, leisure activities, entertainment, recreational activities, crafts, hobbies, or any other classes of a similar nature. Summer programs for a handicapped pupil shall relate to the pupil's individual education plan.

Subd. 10. **Liability insurance.** A school board may use the reserved revenue to procure liability insurance, according to section 466.06.

Subd. 11. **Examination fees.** A school board may use the reserved revenue to pay \$30 of the examination fees for the international baccalaureate program and for the college board advanced placement program for public school pupils in the 11th and 12th grades.

History: 1987 c 384 art 3 s 33; 1987 c 398 art 1 s 16

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 16, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.28 COMPENSATORY EDUCATION REVENUE.

Subdivision 1. **Use of the revenue.** The compensatory education revenue under section 124A.22, subdivision 3, may be used only to meet the special educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of these pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasize material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to improve their ability to recognize these pupils and provide appropriate responses to the pupils' needs;

(5) for instruction of these pupils, textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, prerecorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Subd. 2. **Separate accounts.** Each district that receives compensatory education revenue shall maintain separate accounts to identify expenditures for salaries and programs related to this revenue.

History: 1987 c 398 art 1 s 17

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 17, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.29 RESERVED REVENUE FOR STAFF DEVELOPMENT.

Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$10 times the number of actual pupil units shall be reserved and may be used only to provide staff development programs, according to section 126.70, subdivisions 1 and 2a. The school board shall determine which programs to provide, the manner in which they will be provided, and the extent to which other money may be used for the programs.

History: 1987 c 398 art 1 s 18

NOTE: This section, as added by Laws 1987, chapter 398, article 1, section 18, is effective for revenue for the 1988-1989 school year and thereafter. See Laws 1987, chapter 398, article 1, section 28.

124A.30 STATEWIDE AVERAGE REVENUE.

By October 1 of each year the commissioner shall estimate the statewide average foundation revenue or general education revenue per actual pupil unit and provide that information to all school districts.

History: 1987 c 398 art 1 s 24