

## CHAPTER 124A

## GENERAL EDUCATION REVENUE

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**124A.01** [Repealed, 1987 c 398 art 1 s 27 subd 3]

### 124A.02 DEFINITIONS.

Subdivision 1. **Applicability.** For the purpose of this chapter and chapter 124, the following terms have the meaning given them.

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 [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 3. [Renumbered 124A.02 subd 14]

Subd. 3a. **Adjusted gross tax capacity.** "Adjusted gross tax capacity" means the gross tax capacity of the taxable property of the school district as adjusted by the commissioner of revenue under section 124.2131. The adjusted gross tax capacity 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.

Subd. 4. [Renumbered 124A.02 subd 23]

Subd. 4a. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1]

Subd. 5. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 5a. [Repealed, 1988 c 486 s 102]

Subd. 6. [Repealed, 1987 c 398 art 1 s 27 subd 3]

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 [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 8. **Equalizing factor.** "Equalizing factor" means the ratio, rounded to the nearest dollar, of the formula allowance to the general education tax capacity rate for the corresponding year.

Subd. 9. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 10. **Levy use.** A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the levy certified in the calendar year ending in the school year preceding that particular school year, and payable in the calendar year in which that school year begins.

Subd. 11. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 12. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 13. [Repealed, 1987 c 398 art 1 s 27 subd 3]

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 [Repealed, 1987 c 398 art 1 s 27 subd 1]

Subd. 15. **Pupil units, actual.** "Actual pupil units" means pupil units identified in section 124.17, subdivision 1.

Subd. 16. **Pupil units, AFDC.** "AFDC pupil units" means pupil units identified in section 124.17, subdivision 1b.

Subd. 17. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1]

Subd. 18. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1]

Subd. 19. **Pupil units, total.** "Total pupil units" means actual pupil units plus AFDC pupil units.

**Subd. 20. Shared time average daily membership.** The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

**Subd. 21. Shared time aid.** Aid for shared time pupils shall equal the formula allowance times the full-time equivalent actual pupil units for shared time pupils. Aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled. Shared time average daily membership shall not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time aid pursuant to subdivisions 20 to 22 and section 124A.034, subdivisions 1 to 1b.

**Subd. 22. Shared time pupils.** Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a nonpublic school.

**Subd. 23. Training and experience index.** "Training and experience index" means a measure of a district's teacher training and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 124A.04 and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.

**Subd. 24. Average salary for beginning teachers.** "Average salary for beginning teachers" means the average salary for all teachers in the state who are in their first year of teaching and who have no additional credits or degrees above a bachelor's degree. At least biennially, the department shall recompute this average using complete new data.

**History:** 1981 c 358 art 1 s 20,21,25,26; 1Sp1981 c 2 s 5; 3Sp1981 c 2 art 2 s 4,5,6; art 4 s 4; 1982 c 548 art 1 s 3,4,8; art 7 s 5; 1983 c 314 art 1 s 1,2,4,5,9,22; 1984 c 463 art 1 s 3,4,5; 1Sp1985 c 12 art 1 s 9-13; 1Sp1985 c 14 art 4 s 23,24; 1Sp1986 c 1 art 9 s 15,16; 1Sp1986 c 3 art 1 s 18; 1987 c 268 art 6 s 5; art 7 s 12,13; 1987 c 398 art 1 s 4-7; 1988 c 486 s 46-48; 1988 c 719 art 5 s 4,5,84

### 124A.03 REFERENDUM LEVY.

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

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

**Subd. 2. Referendum levy.** (1) The levy authorized by section 124A.23, subdivision 2, may be increased in any amount that is approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only two elections may be held to approve a levy increase that will commence in a specific school year. The ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate shall be used to finance school operations. The ballot may designate a specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of ....., School District No. ..., be approved?"

If approved, the amount provided by the approved tax capacity rate applied to each year's gross tax capacity shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(2) A referendum on the question of revoking or reducing the increased levy

amount authorized pursuant to clause (1) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to clause (1) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one such revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(3) A petition authorized by clause (1) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(4) A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. A revocation or reduction referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(5) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(6) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

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

Subd. 3a. [Repealed, 1988 c 486 s 102]

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

Subd. 5. [Repealed, 1Sp1985 c 12 art 1 s 37 subd 1; art 8 s 65]

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

**History:** *Ex*1971 c 31 art 20 s 8; 1973 c 683 s 18,19; 1974 c 521 s 29-31; 1975 c 432 s 74-81; 1976 c 2 s 97; 1976 c 134 s 78; 1976 c 271 s 80-90; 1977 c 307 s 29; 1977 c 423 art 3 s 12; 1977 c 447 art 1 s 19,20; art 2 s 8; art 4 s 5; art 5 s 12; art 6 s 8-10; art 7 s 26; 1978 c 764 s 103-111; 1979 c 303 art 2 s 22; 1979 c 334 art 1 s 14-24; art 2 s 13; art 4 s 4; art 6 s 23; 1980 c 509 s 112; 1980 c 607 art 7 s 9; 1980 c 609 art 1 s 9-13; art 2 s 3,4; art 4 s 15-18,22; art 5 s 19; 1981 c 224 s 38; 1981 c 356 s 248; 1981 c 358 art 1 s 31-42,48; art 4 s 10; art 6 s 32,33; 3Sp1981 c 2 art 2 s 10; art 4 s 7; 1982 c 548 art 1 s 12-14; art 2 s 4-6; art 3 s 26; art 6 s 19-22; art 7 s 6; 1983 c 216 art 1 s 45; 1983 c 314 art 1 s 18-21,22; art 2 s 3-6; art 3 s 13-15; art 4 s 6; art 6 s 24-29; art 7 s 34; 1983 c 323 s 2-4; 1984 c 463 art 1 s 11; art 2 s 6,7; art 4 s 5,6; art 5 s 36; art 6 s 6-11; art 7 s 20; 1984 c 502 art 7 s 7-9; 1984 c 583 s 32; 1985 c 248 s 33; 1Sp1985 c 12 art 1 s 14-16; 1Sp1986 c 1 art 9 s 17; 1987 c 398 art 1 s 8; 1988 c 486 s 49

**124A.031** Subdivision 1. [Repealed, 1987 c 398 art 7 s 43]

Subd. 2. [Repealed, 1Sp1986 c 1 art 5 s 12]

Subd. 3. [Repealed, 1988 c 486 s 102]

Subd. 4. [Repealed, 1987 c 268 art 6 s 53]

#### **124A.032 ANNUAL FOUNDATION OR GENERAL EDUCATION AID APPROPRIATION.**

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

**History:** 1961 c 562 s 14; 1969 c 399 s 15,16; 1973 c 492 s 7; 1975 c 432 s 20; 1977 c 447 art 1 s 3; art 2 s 1; 1979 c 334 art 6 s 19; 1981 c 358 art 7 s 23-26; 1982 c 548 art 7 s 4; 1983 c 314 art 1 s 22; art 7 s 22; 1987 c 398 art 1 s 9; 1988 c 486 s 50

**124A.033** [Repealed, 1987 c 398 art 1 s 27 subd 2]

**124A.034 SHARED TIME AID.**

**Subdivision 1. To resident district.** Aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in section 124A.02, subdivision 20, times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

**Subd. 1a. Exception.** Notwithstanding the provisions of subdivision 1, the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, but not for unreimbursed transportation costs. The agreement may, however, provide for the resident district to pay the cost of any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.

**Subd. 1b. Section 123.935 services.** Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time aid.

**Subd. 2. Location of services.** Public school programs may be provided to shared time pupils only at a public school building; provided, however, that special instruction and services for handicapped children required pursuant to section 120.17 may also be provided at a neutral site as defined in section 123.932, and diagnostic and health services required pursuant to section 120.17 may also be provided at a nonpublic school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health services" means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

**History:** 1981 c 358 art 1 s 26; 1983 c 314 art 1 s 5,22; 1988 c 486 s 51,52

**124A.035 DEDUCTIONS FROM GENERAL EDUCATION AID.**

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

**Subd. 2. Permanent school fund.** The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the general education aid earned by the district for the same year or from aid earned from other state sources.

**Subd. 3. Minimum.** In no event shall the amount payable to any district from state sources for any one year be reduced below the amount payable as apportionment of the school endowment fund pursuant to sections 124.08 to 124.10.

**Subd. 4. County apportionment deduction.** Each year the amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the general education aid earned by that district for the same year.

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

(2) For districts that received payments under sections 298.018; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; and 298.405; any law imposing a tax upon severed mineral values, or recognized revenue pursuant to section 477A.15; the general education aid shall be reduced in the final 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 final 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 final adjustment is attributable. If the final adjustment of a district's general education aid for a fiscal year is a negative amount because of this clause, the next fiscal year's general education aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each scheduled general education 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 general education aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the final adjustment payment is attributable.

Subd. 6. [Repealed, 1985 c 248 s 34; 1Sp1985 c 12 art 1 s 37 subd 1]

**History:** 1981 c 358 art 1 s 27; 1982 c 548 art 1 s 10; 1983 c 314 art 1 s 6,17,22; 1987 c 268 art 9 s 5; 1988 c 486 s 53-55; 1988 c 719 art 5 s 84

**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 PAYMENTS TO RESIDENT AND NONRESIDENT DISTRICTS.

Subdivision 1. **Aid to district of residence.** General education aid shall be paid to the district of residence unless otherwise specifically provided by law.

Subd. 2. **District without schools.** Except as otherwise provided in law, any district not maintaining classified elementary or secondary schools shall pay the tuition required in order to enable resident pupils to attend school in another district when necessary, and shall receive general education aid on the same basis as other districts. The aid shall be computed as if the pupils were enrolled in the district of residence.

Subd. 3. **Notification of resident district.** A district educating a pupil who is a resident of another district shall notify the district of residence within 60 days of the date the pupil is determined by the district to be a nonresident, but not later than August 1 following the end of the school year in which the pupil is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after August 1 of the next school year.

Subd. 4. **State agency and court placements.** If a state agency or a court of the state desires to place a child in a school district which is not the child's district of residence, that agency or court shall, prior to placement, allow the district of residence an opportunity to participate in the placement decision and notify the district of residence, the district of attendance and the commissioner of education of the placement decision. When a state agency or court determines that an immediate emergency placement is necessary and that time does not permit district participation in the placement decision or notice to the districts and the commissioner of education of the placement decision prior to the placement, the agency or court may make the decision and placement without that participation or prior notice. The agency or court shall notify the district of residence, the district of attendance and the commissioner of education of an emergency placement within 15 days of the placement.

Subd. 5. **Alternative attendance programs.** The general education aid for districts must be adjusted for each pupil, excluding a handicapped pupil as defined in section 120.03, attending a nonresident district under sections 120.062, 120.075, 120.0751, 120.0752, 123.3515, 126.22, and 129B.52 to 129B.55. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision shall be increased by an amount equal to the general education revenue exclusive of compensatory revenue attributable to the pupil in the nonresident district.

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

(d) The district of residence shall pay tuition to a district providing special instruction and services to a handicapped pupil, as defined in section 120.03, who is enrolled in a program listed in this subdivision. The tuition shall be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for debt service and for capital expenditure facilities and equipment, and debt service but not including any amount for transportation, minus (2) the amount of special education aid, attributable to that pupil, that is received by the district providing special instruction and services.

**History:** 1981 c 358 art 1 s 28; 1982 c 548 art 1 s 11; 1983 c 314 art 1 s 22; 1987 c 398 art 8 s 10; 1988 c 486 s 56,57; 1988 c 718 art 7 s 32,33

**124A.037** [Repealed, 1Sp1985 c 12 s 37 subd 2]

#### **124A.04 TRAINING AND EXPERIENCE INDEX.**

The training and experience index shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which the district takes into account in determining each teacher's salary.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

**History:** 1983 c 314 art 1 s 10

**124A.06** Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 3]

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

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

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 3. [Renumbered 124A.06 subd 4]

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

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

**124A.08** Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 3. [Renumbered 124A.08 subd 4]

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

Subd. 4. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 5. [Repealed, 1987 c 398 art 1 s 27 subd 3]

**124A.10** Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 3. [Renumbered 124A.10 subd 4]

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

Subd. 4. [Repealed, 1987 c 398 art 1 s 27 subd 3]

**124A.12** Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 3. [Renumbered 124A.12 subd 4]

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

Subd. 4. [Repealed, 1987 c 398 art 1 s 27 subd 3]

**124A.14** Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 2. [Repealed, 1987 c 398 art 1 s 27 subd 3]

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

Subd. 4. [Repealed, 1987 c 398 art 1 s 27 subd 3]

Subd. 5. [Repealed, 1987 c 398 art 1 s 27 subd 3]

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

Subd. 6. [Repealed, 1987 c 398 art 1 s 27 subd 3]

**124A.16** [Repealed, 1987 c 398 art 1 s 27 subd 3]

**124A.20** Subdivision 1. [Repealed, 1987 c 398 art 1 s 27 subd 3]

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

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

**124A.21** [Repealed, 1987 c 398 art 1 s 27 subd 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, sparsity revenue, and supplemental 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 \$2,755 for the 1988-1989 school year. The formula allowance is \$2,800 for fiscal year 1990.

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 7 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 7 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.

Subd. 7. **Definitions for 1988-1989 supplemental revenue.** (a) The definitions in this subdivision apply only to subdivision 8.

(b) "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 Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, 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 participating school districts.

(c) "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 secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus

(3) \$70.

Subd. 8. **Supplemental revenue.** If a district's minimum allowance exceeds the sum of its basic revenue, compensatory revenue, training and experience revenue, and sparsity 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. 9. **Definitions for supplemental revenue.** (a) The definitions in this subdivision apply only to subdivision 8.

(b) "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 Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, 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;



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- (5) arts education aid, according to Minnesota Statutes 1986, section 124.275;
- (6) summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;
- (7) programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and
- (8) 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 participating school districts.

(c) "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 secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus
- (3) \$105.

**History:** 1987 c 398 art 1 s 11; 1988 c 486 s 58,60; 1988 c 718 art 1 s 1-3

**NOTE:** Subdivision 7 was also added by Laws 1988, chapter 486, section 59, to read as follows:

"Subd. 7. **Definitions for supplemental revenue.** (a) The definitions in this subdivision apply only to subdivision 8.

(b) "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 Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, 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 participating school districts.

(c) "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 secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus

(3) \$40."

**NOTE:** Subdivision 7 is repealed June 30, 1989. See Laws 1988, chapter 718, article 1, section 14.

**NOTE:** Subdivision 9 is effective for revenue for the 1989-1990 school year. See Laws 1988, chapter 718, article 1, section 14.

## 124A.23 GENERAL EDUCATION LEVY AND AID.

**Subdivision 1. General education tax capacity rate.** The commissioner of revenue shall establish the general education tax capacity rate and certify it to the commissioner of education by September 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted gross tax capacity for all districts, raises the amount specified in this subdivision. The general education tax capacity rate for the 1990 fiscal year shall be the rate that raises \$1,100,580,000. The general education tax capacity rate certified by the commissioner of revenue may not be changed due to changes or corrections made to a district's adjusted gross tax capacity after the tax capacity rate has been certified.

Subd. 2. **General education levy.** To obtain general education revenue, excluding supplemental revenue, a district may levy an amount not to exceed the general education tax capacity rate times the adjusted gross tax capacity of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, excluding supplemental revenue, the general education levy shall be determined according to subdivision 3.

Subd. 2a. **Supplemental revenue levy.** To obtain supplemental revenue, a district may levy an amount not more than 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, excluding supplemental revenue, for the same year.

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, excluding supplemental revenue, the amount of the general education levy shall be limited to the following:

- (1) the district's general education revenue, excluding supplemental 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 sum of the following amounts:

- (1) the product of (i) the difference between the general education revenue, excluding supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;
- (2) the product of (i) the difference between the supplemental revenue and the supplemental levy, times (ii) the ratio of the actual amount levied to the permitted levy; and
- (3) shared time aid according to section 124A.02, subdivision 21.

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

(b) General education revenue may not be used:

(1) for premiums for motor vehicle insurance protecting against injuries or damages arising from the operation of district-owned, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223; or

(2) for any purpose for which the district may levy according to section 275.125, subdivision 5e.

**History:** 1987 c 398 art 1 s 12; 1988 c 486 s 61-64; 1988 c 718 art 1 s 4-6; 1988 c 719 art 5 s 84

#### 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 tax capacity rate, according to section 124A.23, times the district's adjusted gross tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding supplemental 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-third of the difference between clauses (1) and (2); for fiscal year 1991, the amount of the deduction shall be one-half of the difference between clauses (1) and (2); for fiscal year 1992, the amount of the deduction shall be four-sixths of the difference between clauses (1) and (2); and for fiscal year 1993, the amount of the deduction shall be five-sixths of the difference between clauses (1) and (2).

**History:** 1987 c 398 art 1 s 13; 1988 c 486 s 65; 1988 c 718 art 1 s 7; 1988 c 719 art 5 s 84

#### 124A.25 [Repealed, 1988 c 486 s 102]

#### 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, excluding supplemental 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; 1988 c 486 s 66

#### 124A.27 RESERVED REVENUE FOR CERTAIN PROGRAMS.

Subdivision 1. **Requirement.** An amount equal to 2.20 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 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, computer usage, and other programs recommended by the state board 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. [Repealed, 1988 c 718 art 1 s 14]

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 258 s 12; 1987 c 384 art 3 s 33; 1987 c 398 art 1 s 16; 1988 c 486 s 67; 1988 c 718 art 1 s 8

**NOTE:** Subdivision 10 was also amended by Laws 1988, chapter 486, section 68, to read as follows:

"Subd. 10. **Liability insurance.** Except as provided in this subdivision, a school board may use the reserved revenue to procure liability insurance according to section 466.06. The school board may not use the reserved revenue for premiums for motor vehicle insurance protecting against injuries or damages arising from operating district owned, operated, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223. The board may not use the reserved revenue for any purpose for which the district may levy under section 275.125, subdivision 5e."

## 124A.28 COMPENSATORY EDUCATION REVENUE.

Subdivision 1. **Use of the revenue.** The compensatory education revenue under section 124A.22, subdivision 3, may be used to meet the 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 instructional material for these pupils including: 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.

**Subd. 3. Annual expenditure report.** Each year a district that receives compensatory education revenue shall submit a report identifying the expenditures it incurred in providing compensatory education to the pupils described in subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose.

*History: 1987 c 398 art 1 s 17; 1988 c 718 art 1 s 9,10*

#### **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*

#### **124A.30 STATEWIDE AVERAGE REVENUE.**

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

*History: 1987 c 398 art 1 s 24; 1988 c 486 s 69*

#### **124A.31 EQUITABLE COMPENSATION PENALTY.**

**Subdivision 1. Implementation.** A school district subject to sections 471.991 to 471.999 shall implement the plan to establish equitable compensation relationships set forth in its report to the commissioner of employee relations. The plan shall be implemented by December 31, 1991, unless a later date is approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner.

**Subd. 2. Aid reduction for administration costs.** By October 1, 1992, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied with subdivision 1. For each of these school districts, the commissioner of education shall reduce general education aid for fiscal year 1993 by an amount equal to five percent of the district's administration costs for the 1990-1991 school year. If the reduction exceeds the district's general education aid, the reduction shall be made from other aids paid to the district.

**Subd. 3. Adjustment of years.** The commissioners of employee relations and education shall adjust the years designated in subdivision 2 for school districts with implementation dates after December 31, 1991.

**Subd. 4. Extensions.** The commissioner of employee relations must extend an implementation date upon a finding that failure to implement was attributable to severe hardship or to circumstances beyond the control of the district.

*History: 1988 c 718 art 7 s 34*