

CHAPTER 124A

GENERAL EDUCATION REVENUE

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124A.02 DEFINITIONS.

[For text of subd 1, see M.S.1988]

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

[For text of subds 8 to 24, see M.S.1988]

History: 1989 c 329 art 13 s 20

124A.03 REFERENDUM LEVY.

Subd. 2. **Referendum levy.** (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount 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 must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, 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 the net tax capacity for the year preceding the year the levy is certified 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.

(b) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) 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 paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(c) A petition authorized by paragraph (a) or (b) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) 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.

History: 1989 c 329 art 1 s 4

124A.035 DEDUCTIONS FROM GENERAL EDUCATION AID.

[For text of subs 2 to 4, see M.S.1988]

Subd. 5. Taconite deductions. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted net 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.

History: 1989 c 329 art 13 s 20

124A.036 PAYMENTS TO RESIDENT AND NONRESIDENT DISTRICTS.

[For text of subd 1, see M.S.1988]

Subd. 1a. Reporting; revenue for homeless. For all school purposes, unless otherwise specifically provided by law, a homeless pupil must be considered a resident of the school district that enrolls the pupil.

[For text of subs 2 to 5, see M.S.1988]

History: 1989 c 329 art 7 s 5

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, secondary sparsity revenue, elementary 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 \$2,838 for fiscal year 1990. The formula allowance for subsequent fiscal years is \$2,953.

Subd. 2a. Eligibility for increase. Notwithstanding subdivision 2 or any other law to the contrary, if a school board and the bargaining unit of the teachers in a school district have not ratified a contract by January 15, 1990, for the two-year period ending June 30, 1991, the district is no longer eligible for \$25 of the formula allowance for fiscal year 1990. The total amount of money that would have been paid to districts that are not eligible according to this subdivision shall be allocated to eligible districts according to the number of actual pupil units in all of the eligible districts.

[For text of subds 3 and 4, see M.S.1988]

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.

(f) "Qualifying elementary school" means an elementary school that is located 20 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Subd. 6. **Secondary sparsity revenue.** A district's secondary 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. 6a. **Elementary sparsity revenue.** A district's elementary sparsity revenue equals the sum of the following amounts for each qualifying elementary school in the district:

- (1) the formula allowance for the year, multiplied by
- (2) the elementary average daily membership of the school, multiplied by
- (3) the quotient obtained by dividing 140 minus the elementary average daily membership by 140 plus the average daily membership.

Subd. 7. [Repealed, 1988 c 718 art 1 s 14]

Subd. 8. **Supplemental revenue.** If a district's minimum allowance exceeds the sum of its basic revenue, compensatory revenue, training and experience revenue, secondary sparsity revenue, and elementary 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;

(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) \$143 for fiscal year 1990 and \$258 for subsequent fiscal years.

History: 1989 c 329 art 1 s 5-12

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 percent, 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 shall be the rate that raises \$1,156,000,000 for fiscal year 1991 and \$1,213,800,000 for subsequent fiscal years. 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 net 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.

[For text of subds 2a to 5, see M.S.1988]

History: 1989 c 329 art 1 s 13; art 13 s 20

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 chapter 273. 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 net 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: 1989 c 209 art 2 s 9; 1989 c 222 s 29; 1989 c 329 art 13 s 20

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 may be used to provide one or more of the programs enumerated in this section.

[For text of subds 2 to 6, see M.S.1988]

Subd. 7. [Repealed, 1989 c 329 art 9 s 34]

[For text of subds 8 to 11, see M.S.1988]

History: 1989 c 209 art 2 s 10

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 provide eligible services to eligible pupils according to section 124.311, subdivisions 3 and 4. It also 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, pre-recorded 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.

[For text of subds 2 and 3, see M.S.1988]

History: 1989 c 329 art 3 s 19

124A.29 RESERVED REVENUE FOR STAFF DEVELOPMENT.

Subdivision 1. **General staff development programs.** 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.

Subd. 2. **Career teacher staff development.** Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units shall be reserved by a district operating a career teacher program according to sections 129B.42 to 129B.46. The revenue may be used only to provide staff development for the career teacher program.

History: 1989 c 329 art 7 s 6

124A.291 RESERVED REVENUE FOR CAREER TEACHER PROGRAM.

A district that has a career teacher program may reserve part of the basic revenue under section 124A.22, subdivision 2, for the district's share, according to section 124.276, of the portion of the teaching contract that is in addition to the standard teaching contract of the district.

History: 1989 c 329 art 7 s 7