

CHAPTER 124A

GENERAL EDUCATION REVENUE

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124A.02 DEFINITIONS.

[For text of subds 1 to 15, see M.S.1994]

Subd. 16. **Pupil units, AFDC.** "AFDC pupil units" for fiscal year 1993 and thereafter means pupil units identified in section 124.17, subdivision 1d.

[For text of subds 20 to 25, see M.S.1994]

History: 1Sp1995 c 3 art 13 s 6

124A.03 REFERENDUM REVENUE.

[For text of subd 1b, see M.S.1994]

Subd. 1c. **Referendum allowance limit.** Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1994; or
- (2) 25 percent of the formula allowance minus \$300 for fiscal year 1997 and later.

[For text of subds 1d to 1f, see M.S.1994]

Subd. 1g. **Referendum equalization levy.** (a) For fiscal year 1996, a district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8.

(b) For fiscal year 1997 and thereafter, a district's referendum equalization levy for a referendum levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b, equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per actual pupil unit to \$476,000.

(c) For fiscal year 1997 and thereafter, a district's referendum equalization levy for a referendum levied against the net tax capacity of all taxable property equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor for that year.

Subd. 1h. **Referendum equalization aid.** (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) If a district's actual levy for referendum equalization revenue is less than its maximum levy limit, aid shall be proportionately reduced.

[For text of subd 1i, see M.S.1994]

Subd. 2. **Referendum revenue.** (a) The revenue authorized by section 124A.22, subdivision 1, 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 refer-

endum shall be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), 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 revenue per actual pupil unit, the estimated referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed ten, for which the referendum authorization shall apply. The notice required under section 275.60 may be modified to read, in cases of renewing existing levies:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU MAY BE VOTING FOR A PROPERTY TAX INCREASE."

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 revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after 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) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The school board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum may result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue 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 referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) 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).

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

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of children, families, and learning. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of children, families, and learning of the results of the referendum.

(g) Except for a referendum held under subdivision 2b, any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

[For text of subds 2a to 3b, see M.S.1994]

History: *1Sp1995 c 3 art 1 s 20-23; art 16 s 13*

NOTE: The amendment to subdivision 1c by Laws 1995, First Special Session chapter 3, article 1, section 20, is effective for revenue for fiscal year 1997. See Laws 1995, First Special Session chapter 3, article 1, section 64.

124A.0311 REFERENDUM AUTHORITY.

[For text of subd 1, see M.S.1994]

Subd. 2. Conversion to market value. (a) Prior to June 1, 1997, by June 1 of each year, a school board may, by resolution of a majority of its board, convert any remaining portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of all taxable property located within the school district. At the option of the school board, any remaining portion of its referendum authority may be converted in two or more parts at separate times. The board must notify the commissioner of children, families, and learning of the amount of referendum authority that has been converted from net tax capacity to referendum market value, if any, by June 15, of each year. The maximum length of a referendum converted under this paragraph is ten years.

(b) For referendum levy amounts converted between June 1, 1997, and June 1, 1998, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to seven years.

(c) For referendum levy amounts converted between June 1, 1998, and June 1, 1999, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to six years.

(d) For referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years.

[For text of subd 3, see M.S.1994]

Subd. 4. Referendum. The school board must prepare and publish in the official legal newspaper of the school district a notice of the public meeting on the district's intent to convert any portion of its referendum levy to market value not less than 30 days before the scheduled date of the meeting. The resolution converting a portion of the district's referendum levy to referendum market value becomes final unless within 30 days after the meeting where the resolution was adopted a petition requesting an election 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. If a petition is filed, then the school board resolution has no effect and the amount of referendum revenue authority specified in the resolution cancels for taxes payable in the following year and thereafter. The school board shall schedule a referendum under section 124A.03, subdivision 2.

History: *1Sp1995 c 3 art 1 s 24; art 16 s 13*

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

There is annually appropriated from the general fund to the department of children, families, and learning 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: *1Sp1995 c 3 art 16 s 13*

124A.036 PAYMENTS TO RESIDENT AND NONRESIDENT DISTRICTS.

[For text of subs 1 to 3, see M.S.1994]

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 children, families, and learning 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 children, families, and learning 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 children, families, and learning of an emergency placement within 15 days of the placement.

[For text of subd 5, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

124A.04 TRAINING AND EXPERIENCE INDEX.

Subdivision 1. *[Repealed, 1Sp1995 c 3 art 1 s 63]*

[For text of subd 2, see M.S.1994]

124A.22 GENERAL EDUCATION REVENUE.

Subdivision 1. **General education revenue.** (a) For fiscal year 1996, 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.

(b) For fiscal year 1997 and thereafter, the general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity, total operating capital revenue, transition 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 for fiscal year 1995 is \$3,150. The formula allowance for fiscal year 1996 is \$3,205. The formula allowance for fiscal year 1997 is \$3,505 and for fiscal year 1998 and subsequent fiscal years the formula allowance is \$3,430.

Subd. 2a. Contract deadline and penalty. (a) The following definitions apply to this subdivision:

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a posi-

tion for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

(c)(1) For a district that reorganizes according to section 122.22, 122.23, or 122.241 to 122.248 effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization.

(2) For a district that jointly negotiates a contract prior to the effective date of reorganization under section 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(3) Only one extension of the contract deadline is available to a district under this paragraph.

(d) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of children, families, and learning shall determine the number of full-time equivalent actual pupil units in the programs. The department of children, families, and learning shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(e) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Subd. 3. Compensatory education revenue. The compensatory education revenue for each district equals the formula allowance less \$300 times the AFDC pupil units computed according to section 124.17, subdivision 1d.

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:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$660 times the actual pupil units for the school year.

Subd. 4a. Fiscal year 1996 training and experience levy. A district's training and experience levy for fiscal year 1996 equals its training and experience revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified to the equalizing factor for the school year to which the levy is attributable.

Subd. 4b. Fiscal year 1996 training and experience aid. A district's training and experience aid for fiscal year 1996 equals its training and experience revenue minus its training and experience levy times the ratio of the actual amount levied to the permitted levy.

[For text of subd 5, see M.S.1994]

Subd. 6. Secondary sparsity revenue. (a) 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 less \$300, 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 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23 shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

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 less \$300, 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. 8. Supplemental revenue. (a) A district's supplemental revenue allowance for fiscal year 1994 and later fiscal years equals the district's supplemental revenue for fiscal year 1993 divided by the district's 1992–1993 actual pupil units.

(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 9.

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its actual pupil units for that year.

(d) A school district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A school district that is reorganizing under section 122.22, 122.23, or 122.241 may cancel its supplemental revenue by notifying the commissioner of children, families, and learning prior to July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 9 and section 124A.03, subdivision 3b, equals zero.

Subd. 8a. Supplemental 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 transition revenue and supplemental revenue, for the same year.

[For text of subd 8b, see M.S.1994]

Subd. 9. Supplemental revenue reduction. A district's supplemental revenue allowance is reduced by the sum of:

- (1) the sum of one-fourth of the difference of:
 - (i) the sum of the district's training and experience revenue and compensatory revenue per actual pupil unit for fiscal year 1996, and
 - (ii) the sum of district's training and experience revenue and compensatory revenue per actual pupil unit for fiscal year 1994; and
- (2) \$100.

A district's supplemental revenue allowance may not be less than zero.

Subd. 10. Total operating capital revenue. (a) For fiscal year 1997 and thereafter, total operating capital revenue for a district equals the amount determined under paragraph (b), (c), (d), (e), or (f), plus \$68 times the actual pupil units for the school year. The revenue must

be placed in a reserved account in the general fund and may only be used according to subdivision 11.

(b) For fiscal years 1996 and later, capital revenue for a district equals \$100 times the district's maintenance cost index times its actual pupil units for the school year.

(c) For 1996 and later fiscal years, the previous formula revenue for a district equals \$128 times its actual pupil units for fiscal year 1995.

(d) Notwithstanding paragraph (b), for fiscal year 1996, the revenue for each district equals 25 percent of the amount determined in paragraph (b) plus 75 percent of the previous formula revenue.

(e) Notwithstanding paragraph (b), for fiscal year 1997, the revenue for each district equals 50 percent of the amount determined in paragraph (b) plus 50 percent of the previous formula revenue.

(f) Notwithstanding paragraph (b), for fiscal year 1998, the revenue for each district equals 75 percent of the amount determined in paragraph (b) plus 25 percent of the previous formula revenue.

(g) The revenue in paragraph (b) for a district that operates a program under section 121.585, is increased by an amount equal to \$15 times the number of actual pupil units at the site where the program is implemented.

Subd. 11. Uses of total operating capital revenue. Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes, up to \$400,000;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123.36, subdivision 10;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and
- (15) to purchase or lease interactive telecommunications equipment;
- (16) by school board resolution, to transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475;
- (17) to pay capital expenditure equipment-related assessments of any entity formed under a cooperative agreement between two or more districts;
- (18) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

- (19) to purchase or lease assistive technology or equipment for instructional programs;
- (20) to purchase textbooks;
- (21) to purchase new and replacement library books;
- (22) to purchase vehicles;
- (23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:
 - (i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;
 - (ii) managing student assessment, services, and achievement information required for students with individual education plans; and
 - (iii) other classroom information management needs; and
- (24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software.

Subd. 12. Maintenance cost index. (a) A district's maintenance cost index is equal to the ratio of:

- (1) the total weighted square footage for all eligible district-owned facilities; and
 - (2) the total unweighted square footage of these facilities.
- (b) The department shall determine a district's maintenance cost index annually. Eligible district-owned facilities shall include only instructional or administrative square footage owned by the district. The commissioner of children, families, and learning may adjust the age of a building or addition for major renovation projects.
- (c) The square footage weighting factor for each original building or addition equals the lesser of:
- (1) one plus the ratio of the age in years to 100; or
 - (2) 1.5.
- (d) The weighted square footage for each original building or addition equals the product of the unweighted square footage times the square footage weighting factor.

Subd. 13. Transportation sparsity definitions. The definitions in this subdivision apply to subdivisions 13a and 13b.

(a) "Sparsity index" for a school district means the greater of .2 or the ratio of the square mile area of the school district to the actual pupil units of the school district.

(b) "Density index" for a school district means the ratio of the square mile area of the school district to the actual pupil units of the school district. However, the density index for a school district cannot be greater than .2 or less than .005.

(c) "Fiscal year 1996 base allowance" for a school district means the result of the following computation:

- (1) sum the following amounts:
 - (i) the fiscal year 1996 regular transportation revenue for the school district according to section 124.225, subdivision 7d, paragraph (a), excluding the revenue attributable nonpublic school pupils and to pupils with disabilities receiving special transportation services; plus
 - (ii) the fiscal year 1996 nonregular transportation revenue for the school district according to section 124.225, subdivision 7d, paragraph (b), excluding the revenue for desegregation transportation according to section 124.225, subdivision 1, paragraph (c), clause (4), and the revenue attributable to nonpublic school pupils and to pupils with disabilities receiving special transportation services or board and lodging; plus
 - (iii) the fiscal year 1996 excess transportation levy for the school district according to section 124.226, subdivision 5, excluding the levy attributable to nonpublic school pupils; plus
 - (iv) the fiscal year 1996 late activity bus levy for the school district according to section 124.226, subdivision 9, excluding the levy attributable to nonpublic school pupils; plus
 - (v) an amount equal to one-third of the fiscal year 1996 bus depreciation for the school district according to section 124.225, subdivision 1, paragraph (b), clauses (2), (3), and (4).

(2) divide the result in paragraph (c), clause (1), by the school districts 1995–1996 actual pupil units.

Subd. 13a. Transportation sparsity revenue allowance. (a) A district's transportation sparsity allowance equals the greater of zero or the result of the following computation:

(i) Multiply the formula allowance according to section 124A.22, subdivision 2, by .1469.

(ii) Multiply the result in clause (i) by the district's sparsity index raised to the 26/100 power.

(iii) Multiply the result in clause (ii) by the district's density index raised to the 13/100 power.

(iv) Multiply the formula allowance according to section 124A.22, subdivision 2, by .0485.

(v) Subtract the result in clause (iv) from the result in clause (iii).

(b) Transportation sparsity revenue is equal to the transportation sparsity allowance times the actual pupil units.

Subd. 13b. Transition allowance. (a) A district's transportation transition allowance for fiscal year 1997 equals the result of the following computation:

(1) if the result in subdivision 13a, paragraph (a), clause (iii), for fiscal year 1997 is less than the fiscal year 1996 base allowance, the transportation transition allowance equals the fiscal year 1996 base allowance minus the result in section 124A.22, subdivision 13a, paragraph (a), clause (iii).

(2) if the result in subdivision 13a, paragraph (b), for fiscal year 1997 is greater than the fiscal year 1996 base allowance and less than 110 percent of the fiscal year 1996 base allowance, the transportation transition allowance equals zero.

(3) if the result in subdivision 13a, paragraph (b), for fiscal year 1997 is greater than 110 percent of the fiscal year 1996 base allowance, the transportation transition allowance equals 110 percent of the fiscal year 1996 base allowance minus the result in subdivision 13a, paragraph (a), clause (iii).

(b) For fiscal years 1997 and 1998, a district's training and experience transition allowance is equal to the training and experience revenue the district would have received under Minnesota Statutes 1994, section 124A.22, subdivision 4, divided by the actual pupil units for fiscal year 1997 minus \$130. For fiscal year 1999 and later, a district's training and experience transition allowance equals zero.

If the training and experience transition allowance is less than zero, the reduction shall be determined according to the following schedule:

(i) for fiscal year 1997, the reduction is equal to .9 times the amount initially determined;

(ii) for fiscal year 1998, the reduction is equal to .75 times the amount initially determined;

(iii) for fiscal year 1999, the reduction is equal to .50 times the amount initially determined;

(iv) for fiscal year 2000, the reduction is equal to .25 times the amount initially determined; and

(v) for fiscal year 2001 and thereafter, the transition allowance shall not be less than zero.

(c) A district's transition allowance for fiscal year 1997 and thereafter is equal to the sum of its transportation transition allowance and its training and experience transition allowance.

Subd. 13c. Transition revenue adjustment. A district's transition revenue adjustment equals the district's transition allowance times the actual pupil units for the school year.

Subd. 13d. Transition levy adjustment. A district's general education levy shall be adjusted by an amount equal to the district's transition revenue times the lesser of 1 or the ratio of the district's general education levy to its general education revenue, excluding transition revenue and supplemental revenue.

Subd. 13e. **Transition aid adjustment.** A district's transition aid adjustment is the difference between the transition revenue and the transition levy.

Subd. 13f. **Training and experience revenue.** Training and experience revenue for each district equals the greater of zero or the result of the following computation:

- (1) subtract .8 from the training and experience index;
- (2) multiply the result in clause (1) by the product of \$660 times the actual pupil units for that school year.

History: 1995 c 212 art 4 s 64; 1Sp1995 c 3 art 1 s 25–44; art 13 s 7; art 16 s 13

NOTE: The amendments to subdivisions 3, 6, 6a, and 8a by Laws 1995, First Special Session chapter 3, article 1, sections 27, 31, 32, and 33, are effective for revenue for fiscal year 1997. See Laws 1995, First Special Session chapter 3, article 1, section 64.

NOTE: Subdivision 13f, as added by Laws 1995, First Special Session chapter 3, article 1, section 44, is effective for revenue for fiscal year 1999 and thereafter. See Laws 1995, First Special Session chapter 3, article 1, section 64.

124A.225 LEARNING AND DEVELOPMENT REVENUE AMOUNT AND USE.

Subdivision 1. **Revenue.** Of a district's general education revenue an amount equal to the sum of the number of elementary fund balance pupils in average daily membership defined in section 124.17, subdivision 1h, and one-half of the number of kindergarten fund balance pupils in average daily membership as defined in section 124.17, subdivision 1h, times .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section.

Subd. 2. **Instructor defined.** Primary instructor means a public employee licensed by the board of teaching whose duties are full-time instruction, excluding a teacher for whom categorical aids are received pursuant to sections 124.3201, 124.3202, and 124.321. Except as provided in section 125.230, subdivision 6, instructor does not include supervisory and support personnel, except school social workers as defined in section 125.03. An instructor whose duties are less than full-time instruction must be included as an equivalent only for the number of hours of instruction in grades kindergarten through 6.

[For text of subds 3 to 6, see M.S.1994]

History: 1Sp1995 c 3 art 1 s 45; art 13 s 8

124A.23 GENERAL EDUCATION LEVY AND AID.

Subdivision 1. **General education tax rate.** The commissioner shall establish the general education tax rate by July 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 net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises \$1,054,000,000 for fiscal year 1996 and \$1,359,000,000 for fiscal year 1997 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

[For text of subds 2 and 3, see M.S.1994]

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, transition revenue and supplemental revenue, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;
- (2) transition aid according to section 124A.22, subdivision 13e;
- (3) supplemental aid according to section 124.214, subdivision 2;
- (4) shared time aid according to section 124A.02, subdivision 21; and
- (5) referendum aid according to section 124A.03.

[For text of subd 5, see M.S.1994]

History: 1Sp1995 c 3 art 1 s 46,47

NOTE: The amendments to subdivision 4 by Laws 1995, First Special session chapter 3, article 1, section 47, are effective for revenue for fiscal year 1997. See Laws 1995, First Special Session chapter 3, article 1, section 64.

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 chapters 124 and 124B, 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 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 transition revenue and supplemental revenue, for the same school year, according to section 124A.22.

History: *1Sp1995 c 3 art 1 s 48*

NOTE: The amendments to this section by Laws 1995, First Special Session chapter 3, article 1, section 48, are effective for revenue for fiscal year 1997. See Laws 1995, First Special Session chapter 3, article 1, section 64.

124A.27 RESERVED REVENUE FOR CERTAIN PROGRAMS.

Subd. 11. [Repealed, 1Sp1995 c 3 art 1 s 63]

124A.29 RESERVED REVENUE FOR STAFF DEVELOPMENT.

Subdivision 1. **Staff development and parental involvement revenue.** A district is encouraged to reserve general education revenue for in-service education for programs under section 126.77, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 126.70, and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, and other related costs for staff development efforts. Districts may expend an additional amount of basic revenue for staff development based on their needs. The school board shall initially allocate 50 percent of the revenue to each school site in the district on a per teacher basis, which shall be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue shall be used to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A grant may be used for any purpose authorized under section 126.70, 126.77, subdivision 2, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

[For text of subd 2, see M.S.1994]

History: *1Sp1995 c 3 art 1 s 49*

124A.31 EQUITABLE COMPENSATION PENALTY.

[For text of subds 1 and 2, see M.S.1994]

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

[For text of subd 4, see M.S.1994]

History: *1Sp1995 c 3 art 16 s 13*

124A.711 SUPPORT SERVICES AID.

[For text of subd 1, see M.S.1994]

Subd. 2. Determination of aid. The total amount of support services aid shall be determined according to indices for each service recommended by the commissioner of children, families, and learning after consultations with appropriate state agencies, educators, and other interested persons. The commissioner shall recommend indices and aid amounts to the legislature by February 1 of each odd-numbered year. The indices shall reflect the need for each service based on the economic, geographic, demographic, and other appropriate characteristics of each district.

History: *1Sp1995 c 3 art 16 s 13*