

126C.21 DEDUCTIONS FROM GENERAL EDUCATION AID.

Subdivision 1. **Permanent school fund.** The amount of money received by a district as income from the permanent school fund for any year must be deducted from the general education aid earned by the district for the same year or from aid earned from other state sources.

Subd. 2. **Minimum.** The amount payable to any district from state sources for any one year may not be reduced below the amount payable as apportionment of the school endowment fund pursuant to sections 127A.32 to 127A.34.

Subd. 3. **County apportionment deduction.** Each year the amount of money apportioned to a district for that year pursuant to sections 127A.34, subdivision 2, and 272.029, subdivision 6, must be deducted from the general education aid earned by that district for the same year or from aid earned from other state sources.

Subd. 4. [Repealed, 2009 c 88 art 12 s 23]

Subd. 5. **Adjustment for failure to meet federal maintenance of effort.** (a) The general education aid paid to a school district or charter school that failed to meet federal special education maintenance of effort for the previous fiscal year must be reduced by the amount that must be paid to the federal government due to the shortfall.

(b) The general education aid paid to school districts that were members of a cooperative that failed to meet federal special education maintenance of effort must be reduced by the amount that must be paid to the federal government due to the shortfall. The commissioner must apportion the aid reduction amount to the member school districts based on each district's individual shortfall in maintaining effort, and on each member district's proportionate share of any shortfall in expenditures made by the cooperative. Each district's proportionate share of shortfall in expenditures made by the cooperative must be calculated using the adjusted marginal pupil units of each member school district.

(c) The amounts recovered under this subdivision shall be paid to the federal government to meet the state's obligations resulting from the district's, charter school's, or cooperative's failure to meet federal special education maintenance of effort.

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; 1989 c 329 art 13 s 20; 1991 c 130 s 37; 1992 c 499 art 12 s 29; 1996 c 412 art 1 s 21; 1998 c 397 art 7 s 143,164; art 11 s 3; 1999 c 86 art 1 s 34; 1Sp2001 c 5 art 6 s 2; 2002 c 377 art 8 s 1; 1Sp2003 c 9 art 1 s 42; 1Sp2005 c 5 art 1 s 34; 2006 c 263 art 3 s 12; 2007 c 146 art 1 s 12,13

NOTE: Subdivision 1 is repealed by Laws 2008, chapter 363, article 2, section 52, paragraph (a), effective for revenue for fiscal year 2010 and later.