

**124D.20 COMMUNITY EDUCATION REVENUE.**

Subdivision 1. **Total community education revenue.** Total community education revenue equals the sum of a district's general community education revenue, youth service program revenue, and youth after-school enrichment revenue.

Subd. 2. **Eligibility.** To be eligible for community education revenue, a district must operate a community education program that complies with section 124D.19.

Subd. 3. **General community education revenue.** The general community education revenue for a district equals \$5.23 for fiscal years 2005 and 2006 and \$5.42 for fiscal year 2007 and later, times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

Subd. 4. **Youth service revenue.** Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals \$1 times the greater of 1,335 or the population of the district.

Subd. 4a. **Youth after-school enrichment revenue.** In fiscal year 2003 and thereafter, youth after-school enrichment revenue for a district operating a youth after-school enrichment program under section 124D.19, subdivision 12, equals:

(1) \$1.85 times the greater of 1,335 or the population of the district, as defined in section 275.14, not to exceed 10,000; and

(2) \$0.43 times the population of the district, as defined in section 275.14, in excess of 10,000. Youth after-school enrichment revenue must be reserved for youth after-school enrichment programs.

Subd. 5. **Total community education levy.** To obtain total community education revenue, a district may levy the amount raised by a maximum tax rate of 0.94 percent times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue, the total community education levy shall be determined according to subdivision 6.

Subd. 6. **Community education levy; districts off the formula.** If the amount of the community education levy for a district exceeds the district's community education revenue, the amount of the community education levy is limited to the district's community education revenue according to subdivision 1.

Subd. 7. **Community education aid.** A district's community education aid is the difference between its community education revenue and the community education levy. If the district does not levy the entire amount permitted, the community education aid must be reduced in proportion to the actual amount levied.

Subd. 8. **Uses of general revenue.** (a) General community education revenue may be used for:

- (1) nonvocational, recreational, and leisure time activities and programs;
- (2) programs for adults with disabilities, if the programs and budgets are approved by the department;
- (3) adult basic education programs, according to section 124D.52;
- (4) summer programs for elementary and secondary pupils;

- (5) implementation of a youth development plan;
- (6) implementation of a youth service program;
- (7) early childhood family education programs, according to section 124D.13;
- (8) school readiness programs, according to section 124D.15; and
- (9) extended day programs, according to section 124D.19, subdivision 11.

(b) In addition to money from other sources, a district may use up to ten percent of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes:

- (1) to purchase or lease computers and related materials;
- (2) to purchase or lease equipment for instructional programs; and
- (3) to purchase textbooks and library books.

(c) General community education revenue must not be used to subsidize the direct activity costs for adult enrichment programs. Direct activity costs include, but are not limited to, the cost of the activity leader or instructor, cost of materials, or transportation costs.

**Subd. 9. Use of youth service revenue.** Youth service revenue may be used to implement a youth development plan approved by the school board and to provide a youth service program according to section 124D.19, subdivision 10.

**Subd. 10. Reserve account.** Community education revenue, which includes aids, levies, fees, grants, and all other revenues received by the school district for community education programs, must be maintained in a reserve account within the community service fund.

**Subd. 11. Reserve account limit.** (a) Under this section, the sum of the average balances during the most recent three-year period in a district's community education reserve account and unreserved/undesignated community service fund account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the sum of the district's maximum total community education revenue under subdivision 1, excluding adjustments under this subdivision, plus any fees, grants, or other revenue received by the district for community education programs for the prior year. For purposes of this paragraph, "community education programs" means programs according to subdivisions 8, paragraph (a), and 9, and section 124D.19, subdivision 12, excluding early childhood family education programs under section 124D.13, school readiness programs under section 124D.15, and adult basic education programs under section 124D.52.

(b) If the sum of the average balances during the most recent three-year period in a district's community education reserve account and unreserved/undesignated community service fund account on June 30 of each year, adjusted for any prior reductions under this subdivision, is in excess of the limit under paragraph (a), the district's community education state aid and levy authority for the current school year must be reduced by the lesser of the current year revenue under subdivision 1 or the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue under subdivision 1 times the ratio of the district's aid for the current year under subdivision 7 to the district's revenue for the current year under subdivision 1. The levy reduction equals the excess reserve amount minus the aid reduction. For purposes of this paragraph, if a district does not levy the entire amount permitted

under subdivision 5 or 6, the revenue under subdivision 1 must be reduced in proportion to the actual amount levied.

(c) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balances in a district's community education reserve account and unreserved/undesignated community service fund account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balances in a district's community education reserve account and unreserved/undesignated community service fund account on June 30, 2002, and June 30, 2003.

*[See Note.]*

Subd. 12. **Waiver.** (a) If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 11 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

(b) Notwithstanding paragraph (a), for fiscal year 2003, a district may submit a waiver request within 30 days of May 30, 2003.

*[See Note.]*

**History:** 1989 c 329 art 4 s 12; 1Sp1989 c 1 art 2 s 11; 1990 c 562 art 3 s 13; art 10 s 3; 1991 c 265 art 4 s 14-18; 1993 c 224 art 4 s 27-30; art 12 s 20; 1994 c 647 art 4 s 24,25; 1Sp1995 c 3 art 4 s 19; art 16 s 13; 1996 c 412 art 4 s 8; 1997 c 162 art 2 s 22,23; 1998 c 397 art 3 s 77,78,103; art 11 s 3; 1998 c 398 art 1 s 17,18; 1999 c 205 art 2 s 1; 1Sp2001 c 3 art 2 s 11-13; 1Sp2003 c 9 art 8 s 2-5; 2004 c 294 art 5 s 8; 1Sp2005 c 5 art 8 s 5,6; 2010 c 346 art 1 s 9; 2012 c 239 art 3 s 6; 2012 c 292 art 1 s 6

**NOTE:** Subdivisions 11 and 12 are repealed by Laws 2012, chapter 239, article 3, section 6, for revenue for fiscal year 2014 and later. Laws 2012, chapter 239, article 3, section 6, paragraph (b).