

This Document can be made available in alternative formats upon request

State of Minnesota  
HOUSE OF REPRESENTATIVES  
NINETIETH SESSION

H. F. No. 2537

03/27/2017 Authored by Sandstede, Lee, Omar, Kunesh-Podein, Davnie and others  
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; creating an additional component of general education  
1.3 revenue to mitigate the postsecondary enrollment options program's impact on  
1.4 high schools; amending Minnesota Statutes 2016, sections 124E.20, subdivision  
1.5 1; 126C.05, by adding a subdivision; 126C.10, subdivision 1, by adding a  
1.6 subdivision.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2016, section 124E.20, subdivision 1, is amended to read:

1.9 Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a  
1.10 charter school as though it were a district. The general education revenue for each adjusted  
1.11 pupil unit is the state average general education revenue per pupil unit, plus the referendum  
1.12 equalization aid allowance in the pupil's district of residence, minus an amount equal to the  
1.13 product of the formula allowance according to section 126C.10, subdivision 2, times .0466,  
1.14 calculated without declining enrollment revenue, local optional revenue, basic skills revenue,  
1.15 extended time revenue, postsecondary enrollment options impact revenue, pension adjustment  
1.16 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment  
1.17 revenue, basic skills revenue, postsecondary enrollment options impact revenue, pension  
1.18 adjustment revenue, and transition revenue as though the school were a school district.

1.19 (b) For a charter school operating an extended day, extended week, or summer program,  
1.20 the general education revenue in paragraph (a) is increased by an amount equal to 25 percent  
1.21 of the statewide average extended time revenue per adjusted pupil unit.

1.22 (c) Notwithstanding paragraph (a), the general education revenue for an eligible special  
1.23 education charter school as defined in section 124E.21, subdivision 2, equals the sum of  
1.24 the amount determined under paragraph (a) and the school's unreimbursed cost as defined

2.1 in section 124E.21, subdivision 2, for educating students not eligible for special education  
2.2 services.

2.3 Sec. 2. Minnesota Statutes 2016, section 126C.05, is amended by adding a subdivision to  
2.4 read:

2.5 Subd. 13a. **PSEO impact revenue pupil.** For each pupil, the average daily membership  
2.6 for a PSEO impact revenue pupil equals one minus the pupil's PSEO average daily  
2.7 membership under subdivision 13.

2.8 Sec. 3. Minnesota Statutes 2016, section 126C.10, subdivision 1, is amended to read:

2.9 Subdivision 1. **General education revenue.** The general education revenue for each  
2.10 district equals the sum of the district's basic revenue, extended time revenue, gifted and  
2.11 talented revenue, declining enrollment revenue, local optional revenue, small schools  
2.12 revenue, postsecondary enrollment options impact revenue, basic skills revenue, secondary  
2.13 sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating  
2.14 capital revenue, equity revenue, pension adjustment revenue, and transition revenue.

2.15 Sec. 4. Minnesota Statutes 2016, section 126C.10, is amended by adding a subdivision to  
2.16 read:

2.17 Subd. 2f. **Postsecondary enrollment options impact revenue.** (a) A school district's  
2.18 postsecondary enrollment options impact revenue for the current year equals the product  
2.19 of:

2.20 (1) the basic formula allowance under subdivision 2;

2.21 (2) for the previous year, the district's PSEO impact revenue pupils under section 126C.05,  
2.22 subdivision 13a;

2.23 (3) for the previous year for grade 12 pupils, the ratio of the district's PSEO impact  
2.24 revenue pupils to the district's average daily membership; and

2.25 (4) two.

2.26 (b) A district's postsecondary enrollment options impact revenue must be reserved and  
2.27 used to ensure sustainable educational offerings and programs at the high school level.