

A bill for an act
relating to education finance; increasing funding for districts with declining
enrollment; amending Minnesota Statutes 2006, section 126C.05, subdivisions
5, 6.

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

Section 1. Minnesota Statutes 2006, section 126C.05, subdivision 5, is amended to read:

Subd. 5. **Adjusted pupil units.** (a) Adjusted pupil units for a district or charter
school means the sum of:

(1) the number of pupil units served, according to subdivision 7, plus

(2) pupil units according to subdivision 1 for whom the district or charter school
pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,
123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65,
minus

(3) pupil units according to subdivision 1 for whom the district or charter school
receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,
123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

(b) Adjusted marginal cost pupil units means the greater of:

(1) the sum of ~~.77 times~~ the pupil units defined in paragraph (a) for the current
school year and ~~.23 times the pupil units defined in paragraph (a) for the previous three~~
school ~~year~~ years all divided by four; or

(2) the number of adjusted pupil units defined in paragraph (a) for the current school
year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2008.

2.1 Sec. 2. Minnesota Statutes 2006, section 126C.05, subdivision 6, is amended to read:

2.2 Subd. 6. **Resident pupil units.** (a) Resident pupil units for a district means the
2.3 number of pupil units according to subdivision 1 residing in the district.

2.4 (b) Resident marginal cost pupil units means the greater of:

2.5 (1) the sum of ~~.77 times~~ the pupil units defined in paragraph (a) for the current
2.6 year and ~~.23 times the pupil units defined in paragraph (a) for the~~ three previous school
2.7 ~~year~~ years all divided by four; or

2.8 (2) the number of resident pupil units defined in paragraph (a) for the current school
2.9 year.

2.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.