A bill for an act

relating to education finance; increasing funding for isolated school districts with declining enrollment; amending Minnesota Statutes 2006, section 126C.10, subdivision 1, by adding a subdivision.

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

Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~ The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, isolated schools declining enrollment revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, and transition revenue.

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

Sec. 2. Minnesota Statutes 2006, section 126C.10, is amended by adding a subdivision to read:

Subd. 2c. **Isolated schools declining enrollment revenue.** (a) A school district that has 30 percent fewer adjusted marginal cost pupil units or greater than it did in fiscal year 1998 and 80 percent or greater of the land in the school district is exempt from property taxation is eligible for isolated schools declining enrollment revenue.

(b) A district's isolated school declining enrollment revenue equals $1,100 times the adjusted marginal cost pupil units for the school year.

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