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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2434

03/08/2016 Authored by Newton

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; providing funding for prekindergarten through
1.3 grade 12 pupil transportation; amending Minnesota Statutes 2014, section
1.4 126C.10, subdivision 18; Minnesota Statutes 2015 Supplement, section 126C.10,
1.5 subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 1, is
1.8 amended to read:

1.9 Subdivision 1. **General education revenue.** The general education revenue for
1.10 each district equals the sum of the district's basic revenue, extended time revenue, gifted
1.11 and talented revenue, declining enrollment revenue, local optional revenue, small schools
1.12 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,
1.13 transportation sparsity revenue, total operating capital revenue, equity revenue, pension
1.14 adjustment revenue, and transition revenue.

1.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
1.16 and later.

1.17 Sec. 2. Minnesota Statutes 2014, section 126C.10, subdivision 18, is amended to read:

1.18 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's pupil
1.19 transportation revenue equals the sum of the district's transportation sparsity revenue and
1.20 its transportation cost revenue.

1.21 (b) A district's transportation sparsity allowance equals the greater of zero or the
1.22 result of the following computation:

1.23 (i) Multiply the formula allowance according to subdivision 2, by .141.

2.1 (ii) Multiply the result in ~~clause~~ item (i) by the district's sparsity index raised to
 2.2 the 26/100 power.

2.3 (iii) Multiply the result in ~~clause~~ item (ii) by the district's density index raised to
 2.4 the 13/100 power.

2.5 (iv) Multiply the formula allowance according to subdivision 2, by .0466.

2.6 (v) Subtract the result in ~~clause~~ item (iv) from the result in ~~clause~~ item (iii).

2.7 ~~(b)~~ (c) Transportation sparsity revenue is equal to the transportation sparsity
 2.8 allowance times the adjusted pupil units.

2.9 (d) A district's total transportation cost revenue equals the greater of zero or the
 2.10 difference between:

2.11 (1) the district's total cost in the previous year for regular and excess pupil
 2.12 transportation, including depreciation, under section 123B.92, subdivision 1, paragraph
 2.13 (b), for secondary students who live more than one mile from school and for all
 2.14 prekindergarten, kindergarten, and elementary pupils; and

2.15 (2) the sum of:

2.16 (i) 4.66 percent of the district's basic revenue for the previous fiscal year;

2.17 (ii) transportation sparsity revenue under paragraph (c); and

2.18 (iii) the district's charter school transportation adjustment for the previous year.

2.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
 2.20 and later.