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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 416

02/07/2013 Authored by Radinovich, Anzelc, Morgan, Newton, Mariani 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 annual minimum increase in the general  
1.3 education basic formula allowance; amending Minnesota Statutes 2012, section  
1.4 126C.10, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2012, section 126C.10, subdivision 2, is amended to read:

1.7 Subd. 2. **Basic revenue; annual minimum increase required.** (a) The basic  
1.8 revenue for each district equals the formula allowance times the adjusted marginal cost  
1.9 pupil units for the school year. The formula allowance for fiscal year 2011 is \$5,124.  
1.10 The formula allowance for fiscal year 2012 is \$5,174. The formula allowance for fiscal  
1.11 year 2013 ~~and subsequent years~~ is \$5,224.

1.12 (b) For fiscal year 2014 and later, the formula allowance equals the formula  
1.13 allowance for the previous year times the sum of 1.0 and the greater of zero or the ratio of  
1.14 the implicit price deflator, as defined in section 275.70, subdivision 2, for the most recent  
1.15 year to the implicit price deflator for the previous year.

1.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
1.17 and later.