

## CHAPTER 124A

### SCHOOL DISTRICT TIER REVENUE

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#### 124A.01 FOUNDATION AID COMPONENTS.

Foundation aid shall equal the sum of the following:

- (a) basic aid;
- (b) cost differential tier aid;
- (c) second tier aid;
- (d) third tier aid;
- (e) fourth tier aid;
- (f) fifth tier aid;
- (g) minimum aid; and
- (h) shared time pupil aid.

**History:** 1983 c 314 art 1 s 8

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 8, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

#### 124A.02 DEFINITIONS.

Subdivision 1. **Applicability.** For the purpose of this chapter, the following terms have the meaning given them.

Subd. 2. **Actual levy.** "Actual levy" means the amount a district reports, according to section 275.125, subdivision 18, to the department of education that it has levied for each tier.

Subd. 3. **Permitted levy.** "Permitted levy" means the amount a district is permitted to levy for each tier, as determined by the department of education according to section 275.125, subdivisions 7d and 7e.

Subd. 4. **Training and experience index.** "Training and experience index" means a measure of a district's teacher training and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 124A.04 and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.

**History:** 1983 c 314 art 1 s 9

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 9, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

#### 124A.04 TRAINING AND EXPERIENCE INDEX.

The training and experience index shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which the district takes into account in determining each teacher's salary.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

**History:** 1983 c 314 art 1 s 10

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 10, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

#### 124A.06 COST DIFFERENTIAL TIER AID.

Subdivision 1. **Cost differential tier allowance.** "Cost differential tier allowance" means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district's cost differential tier allowance shall be the result of the following computation:

(a) Divide the amount of aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, section 124.224, as amended by section 124.2124, subdivision 1, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year.

(b) Divide the formula allowance for the school year by \$1265.

(c) Multiply the result in clause (a) by the result in clause (b).

(d) Subtract 1.25 from the training and experience index, and multiply the difference by \$300.

(e) Select the greater of the result in clause (d) or zero.

(f) Add the results of clauses (c) and (e).

Subd. 2. **Cost differential tier revenue.** A district's cost differential tier revenue for each school year shall equal the cost differential tier allowance times the actual pupil units for that school year.

Subd. 3. **Cost differential tier aid.** A district's cost differential tier aid shall be the result of the following computation:

(1) Subtract the amount of the cost differential tier levy from the amount of the cost differential tier revenue.

(2) Divide the actual cost differential tier levy by the permitted cost differential tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

**History:** 1983 c 314 art 1 s 11

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 11, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

**124A.08 SECOND TIER AID WITH 100 PERCENT EQUALIZING FACTOR.**

Subdivision 1. **Second tier allowance.** "Second tier allowance" means the amount of revenue per actual pupil unit used to compute the second tier aid for a particular school year and the corresponding levy for that school year. The second tier allowance is \$150.

Subd. 2. **Second tier revenue.** A district's second tier revenue for each school year shall equal the second tier allowance times its actual pupil units for that school year.

Subd. 3. **Second tier aid.** A district's second tier aid shall be the result of the following computation:

- (1) Subtract the amount of the second tier levy from the amount of the second tier revenue.
- (2) Divide the actual second tier levy by the permitted second tier levy.
- (3) Multiply the result in clause (1) by the result in clause (2).

**History:** 1983 c 314 art 1 s 12

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 12, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

**124A.10 THIRD TIER AID WITH 75 PERCENT EQUALIZING FACTOR.**

Subdivision 1. **Third tier allowance.** "Third tier allowance" means the amount of revenue per actual pupil unit used to compute the third tier aid for a particular school year and the corresponding levy for that school year. The third tier allowance is \$100.

Subd. 2. **Third tier revenue.** A district's third tier revenue for each school year shall equal the third tier allowance times its actual pupil units for that school year.

Subd. 3. **Third tier aid.** A district's third tier aid shall be the result of the following computation:

- (1) Subtract the amount of the third tier levy from the amount of the third tier revenue.
- (2) Divide the actual third tier levy by the permitted third tier levy.
- (3) Multiply the result in clause (1) by the result in clause (2).

**History:** 1983 c 314 art 1 s 13

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 13, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

**124A.12 FOURTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.**

Subdivision 1. **Fourth tier allowance.** "Fourth tier allowance" means the amount of revenue per actual pupil unit used to compute the fourth tier aid for a particular school year and the corresponding levy for that school year. The fourth tier allowance is \$100.

Subd. 2. **Fourth tier revenue.** A district's fourth tier revenue for each school year shall equal the fourth tier allowance times its actual pupil units for that school year.

Subd. 3. **Fourth tier aid.** A district's fourth tier aid shall be the result of the following computation:

- (1) Subtract the amount of the fourth tier levy from the amount of the fourth tier revenue.

- (2) Divide the actual fourth tier levy by the permitted fourth tier levy.
- (3) Multiply the result in clause (1) by the result in clause (2).

**History:** 1983 c 314 art 1 s 14

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 14, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

#### 124A.14 FIFTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.

Subdivision 1. **Fifth tier allowance.** "Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. The fifth tier allowance shall equal the result of the following computation:

(a) Determine the revenue the district would have received for the 1984-1985 school year from grandfather revenue, replacement revenue, and low fund balance revenue, if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, and 124.2128 had been effective for the 1984-1985 school year.

(b) Determine the discretionary revenue the district would have received for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, section 124.2125 had been effective for the 1984-1985 school year. Assume the district had been entitled to and had levied the maximum allowable under section 275.125, subdivisions 7a, and no aid or levy reductions were made according to section 275.125, subdivision 7c.

(c) Determine the amount of revenue equal to \$25 times the total pupil units in the 1984-1985 school year.

(d) Add the results in clauses (a), (b), and (c).

(e) Determine the estimated revenue the district would receive for the 1984-1985 school year from the first to fourth tier revenue for the 1984-1985 school year.

(f) Subtract the result of clause (e) from the result of clause (d).

(g) Divide the amount in clause (f) by the 1984-1985 actual pupil units.

Subd. 2. **Fifth tier revenue.** A district's fifth tier revenue for each school year shall equal the fifth tier allowance times its actual pupil units for that school year.

Subd. 3. **Fifth tier aid.** A district's fifth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fifth tier levy from the amount of the fifth tier revenue.

(2) Divide the actual fifth tier levy by the permitted fifth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

**History:** 1983 c 314 art 1 s 15

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 15, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.

#### 124A.16 COMMENCEMENT OF TIER REVENUE.

Subdivision 1. **Total tier allowance.** "Total tier allowance" shall mean the sum of the allowances from the tiers specified in sections 124A.06, 124A.08, 124A.10, 124A.12, and 124A.14.

Subd. 2. **Previous formula amount.** "Previous formula amount" shall mean the revenue per actual pupil unit from the previous formula as specified in section 124A.14, subdivision 1, clauses (a) and (b).

Subd. 3. **Minimum increase.** "Minimum increase" shall mean the amount equal to \$25 times the total pupil units in the 1984-1985 school year, divided by the actual pupil units in the 1984-1985 school year.

Subd. 4. The total revenue per actual pupil unit permitted from the tiers specified in sections 124A.06, 124A.08, 124A.10, 124A.12, and 124A.14 shall equal the sum of the previous formula amount plus the greater of:

(a) the minimum increase; or

(b) 25 percent of the difference between the total tier allowance and the previous formula amount in the 1984-1985 school year, 50 percent of the difference in the 1985-1986 school year, 75 percent of the difference in the 1986-1987 school year, or 100 percent of the difference in the 1987-1988 school year and subsequent school years.

Subd. 5. The revenue permitted by this section shall be accorded to the lowest numbered tiers, beginning with the cost differential tier.

Subd. 6. The permitted total revenue per actual pupil unit specified in subdivision 4 shall be determined prior to the reduction according to section 275.125, subdivision 7e.

**History:** 1983 c 314 art 1 s 16

NOTE: This section, as added by Laws 1983, chapter 314, article 1, section 16, is effective July 1, 1984. See Laws 1983, chapter 314, article 1, section 25.