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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 2860

February 14, 2008
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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to education finance; adjusting transition revenue for Independent
1.3 School District No. 356, Lancaster; amending Minnesota Statutes 2006, section
1.4 126C.10, subdivision 31.

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

1.6 Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to
1.7 read:

1.8 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
1.9 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
1.10 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
1.11 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
1.12 between: (1) the lesser of the district's general education revenue per adjusted marginal
1.13 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district
1.14 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according
1.15 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year
1.16 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
1.17 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

1.18 (b) A district's transition revenue for fiscal year 2006 and later equals the sum of
1.19 the product of the district's transition allowance times the district's adjusted marginal cost
1.20 pupil units plus the district's transition for prekindergarten revenue under subdivision 31a.

1.21 (c) Notwithstanding paragraph (b), for fiscal year 2009 and later, the transition
1.22 revenue for Independent School District No. 356, Lancaster, equals the sum of the product
1.23 of the district's transition allowance plus \$361 times the district's adjusted marginal cost
1.24 pupil units plus the district's transition for prekindergarten revenue under subdivision 31a.