

1.1 A bill for an act

1.2 relating to education finance; creating a new component of general education  
1.3 revenue to support small school districts; amending Minnesota Statutes 2006,  
1.4 section 126C.10, subdivision 1, by adding a subdivision.

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

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

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

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

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

1.16 Subd. 2c. **Small schools revenue.** A school district's small schools revenue equals  
1.17 the product of:

1.18 (1) the basic formula allowance for that year;

1.19 (2) the lesser of 100 or the district's adjusted marginal cost pupil units for that  
1.20 year; and

1.21 (3) 0.1.

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