

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 1643

(SENATE AUTHORS: TOMASSONI and Saxhaug)

| DATE | D-PG | OFFICIAL STATUS |
|------------|------|---|
| 03/11/2015 | | Introduction and first reading Referred to Finance |

1.1 A bill for an act
 1.2 relating to education finance; modifying the calculation of compensation revenue
 1.3 pupil units; amending Minnesota Statutes 2014, section 126C.05, subdivision 3.

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

1.5 Section 1. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

1.6 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units
 1.7 for fiscal year 1998 and thereafter must be computed according to this subdivision.

1.8 (a) The compensation revenue concentration percentage for each building in a
 1.9 district equals the product of 100 times the ratio of:

1.10 (1) the sum of the number of pupils enrolled in the building eligible to receive free
 1.11 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October
 1.12 1 of the previous fiscal year; to

1.13 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal
 1.14 year.

1.15 (b) The compensation revenue pupil weighting factor for a building equals the
 1.16 lesser of one or the quotient obtained by dividing the building's compensation revenue
 1.17 concentration percentage by 80.0.

1.18 (c) The initial compensation revenue pupil units for a building equals the product of:

1.19 (1) the sum of the number of pupils enrolled in the building eligible to receive free
 1.20 lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1
 1.21 of the previous fiscal year; times

1.22 (2) the compensation revenue pupil weighting factor for the building; times

1.23 (3) .60.

2.1 (d) For fiscal year 2016 and later, the declining compensation revenue pupil units
2.2 for a building equal the greater of zero or (1) the sum of the initial compensation revenue
2.3 pupil units calculated for the building for the current year and each of the two previous
2.4 fiscal years, divided by three; minus (2) the initial compensation revenue pupil units
2.5 for the building calculated for the current fiscal year. For a charter school or contracted
2.6 alternative program in the first or second year of operation, declining compensation
2.7 revenue pupil units equal zero.

2.8 (e) The compensation revenue pupil units for a building equals the sum of the pupil
2.9 units calculated under paragraphs (c) and (d).

2.10 (f) Notwithstanding paragraphs (a) to (c), for charter schools and contracted
2.11 alternative programs in the first year of operation, initial compensation revenue pupil units
2.12 shall be computed using data for the current fiscal year. If the charter school or contracted
2.13 alternative program begins operation after October 1, initial compensatory revenue pupil
2.14 units shall be computed based on pupils enrolled on an alternate date determined by the
2.15 commissioner, and the initial compensation revenue pupil units shall be prorated based on
2.16 the ratio of the number of days of student instruction to 170 days.

2.17 ~~(e)~~ (g) The percentages in this subdivision must be based on the count of individual
2.18 pupils and not on a building average or minimum.

2.19 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
2.20 later.