

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 3411**

(SENATE AUTHORS: HOUSLEY)

DATE	D-PG	OFFICIAL STATUS
04/01/2016		Introduction and first reading Referred to Education

A bill for an act

1.1 relating to education finance; granting school boards authority to reallocate  
 1.2 school district revenue; making permanent authority to reallocate money  
 1.3 among school district accounts and funds; amending Minnesota Statutes 2015  
 1.4 Supplement, section 126C.10, subdivision 1; Laws 2013, chapter 116, article 7,  
 1.5 section 19, as amended.  
 1.6

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

1.8 Section 1. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 1, is  
 1.9 amended to read:

1.10 Subdivision 1. **General education revenue.** (a) Notwithstanding any law to the  
 1.11 contrary, a school board in any school year may adopt a resolution declaring an urgent  
 1.12 educational need for that school year and resolve to reallocate the district's general  
 1.13 education revenue under this section to provide more effective education programs and  
 1.14 services designed to improve the educational outcomes of all students enrolled in the  
 1.15 district. A board action under this paragraph must not increase state aid obligations to  
 1.16 the district, result in additional property tax authority for the district, or interfere with  
 1.17 federally mandated laws or state or federal court orders.

1.18 (b) The general education revenue for each district equals the sum of the district's  
 1.19 basic revenue, extended time revenue, gifted and talented revenue, declining enrollment  
 1.20 revenue, local optional revenue, small schools revenue, basic skills revenue, secondary  
 1.21 sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total  
 1.22 operating capital revenue, equity revenue, pension adjustment revenue, and transition  
 1.23 revenue.

1.24 **EFFECTIVE DATE.** This section is effective July 1, 2016.

2.1 Sec. 2. Laws 2013, chapter 116, article 7, section 19, as amended by Laws 2015, First  
2.2 Special Session chapter 3, article 7, section 6, is amended to read:

2.3 Sec. 19. ~~FUND OR ACCOUNT TRANSFER; FISCAL YEAR 2014 THROUGH~~  
2.4 ~~FISCAL YEAR 2017 ONLY.~~

2.5 (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal  
2.6 year 2014 ~~through fiscal year 2017 only~~ and later, the commissioner must approve a  
2.7 request for a fund or account transfer if the transfer does not increase state aid obligations  
2.8 to the district or result in additional property tax authority for the district. This section  
2.9 does not permit transfers from the community service fund, the food service fund, or the  
2.10 reserved account for staff development under section 122A.61.

2.11 (b) A school board may approve a fund or account transfer under paragraph (a)  
2.12 only after adopting a resolution stating the fund or account transfer will not diminish  
2.13 instructional opportunities for students.

2.14 **EFFECTIVE DATE.** This section is effective July 1, 2016.

2.15 Sec. 3. **REVISOR'S INSTRUCTION.**

2.16 The revisor of statutes shall codify section 2 in Minnesota Statutes, section 123B.79,  
2.17 consistent with other limitations on school district fund and account transfers and  
2.18 appropriately revise any statutory cross-reference consistent with that recoding.