

Senators Marty, Chaudhary and Stumpf introduced--
S.F. No. 384: Referred to the Committee on Finance.

1 A bill for an act

2 relating to education finance; modifying the
3 referendum aid adjustment for open enrollment
4 students; altering the statewide property tax;
5 amending Minnesota Statutes 2004, sections 127A.47,
6 subdivision 7; 275.025, subdivision 1.

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

8 Section 1. Minnesota Statutes 2004, section 127A.47,
9 subdivision 7, is amended to read:

10 Subd. 7. [ALTERNATIVE ATTENDANCE PROGRAMS.] The general
11 education aid for districts must be adjusted for each pupil
12 attending a nonresident district under sections 123A.05 to
13 123A.08, 124D.03, 124D.06, 124D.08, and 124D.68. The
14 adjustments must be made according to this subdivision.

15 (a) General education aid paid to a resident district must
16 be reduced by an amount equal to the referendum equalization aid
17 attributable to the pupil in the resident district.

18 (b) General education aid paid to a district serving a
19 pupil in programs listed in this subdivision must be increased
20 by an amount equal to the greater of (1) the referendum
21 equalization aid attributable to the pupil in the nonresident
22 district; or (2) the product of the district's open enrollment
23 concentration index, the maximum amount of referendum revenue in
24 the first tier, and the district's net open enrollment pupil
25 units for that year. A district's open enrollment concentration
26 equals the greater of zero, or the lesser of 1.0, or the ratio

1 of the district's number of net open enrollment pupil units for
2 that year divided by its resident pupil units for that year to
3 .50.

4 (c) If the amount of the reduction to be made from the
5 general education aid of the resident district is greater than
6 the amount of general education aid otherwise due the district,
7 the excess reduction must be made from other state aids due the
8 district.

9 (d) The district of residence must pay tuition to a
10 district or an area learning center, operated according to
11 paragraph (e), providing special instruction and services to a
12 pupil with a disability, as defined in section 125A.02, or a
13 pupil, as defined in section 125A.51, who is enrolled in a
14 program listed in this subdivision. The tuition must be equal
15 to (1) the actual cost of providing special instruction and
16 services to the pupil, including a proportionate amount for debt
17 service and for capital expenditure facilities and equipment,
18 and debt service but not including any amount for
19 transportation, minus (2) the amount of general education
20 revenue and special education aid but not including any amount
21 for transportation, attributable to that pupil, that is received
22 by the district providing special instruction and services.

23 (e) An area learning center operated by a service
24 cooperative, intermediate district, education district, or a
25 joint powers cooperative may elect through the action of the
26 constituent boards to charge the resident district tuition for
27 pupils rather than to have the general education revenue paid to
28 a fiscal agent school district. Except as provided in paragraph
29 (d), the district of residence must pay tuition equal to at
30 least 90 percent of the district average general education
31 revenue per pupil unit minus an amount equal to the product of
32 the formula allowance according to section 126C.10, subdivision
33 2, times .0485, calculated without basic skills revenue and
34 transportation sparsity revenue, times the number of pupil units
35 for pupils attending the area learning center, plus the amount
36 of compensatory revenue generated by pupils attending the area

1 learning center.

2 [EFFECTIVE DATE.] This section is effective for revenue for
3 fiscal year 2006.

4 Sec. 2. Minnesota Statutes 2004, section 275.025,
5 subdivision 1, is amended to read:

6 Subdivision 1. [LEVY AMOUNT.] The state general levy is
7 levied against commercial-industrial property and seasonal
8 residential recreational property, as defined in this section.
9 The state general levy base amount is \$592,000,000 for taxes
10 payable in 2002. The base amount is increased by \$2,000,000 for
11 taxes payable in 2006 and later. For taxes payable in
12 subsequent years, the levy base amount is increased each year by
13 multiplying the levy base amount for the prior year by the sum
14 of one plus the rate of increase, if any, in the implicit price
15 deflator for government consumption expenditures and gross
16 investment for state and local governments prepared by the
17 Bureau of Economic Analysts of the United States Department of
18 Commerce for the 12-month period ending March 31 of the year
19 prior to the year the taxes are payable. The tax under this
20 section is not treated as a local tax rate under section 469.177
21 and is not the levy of a governmental unit under chapters 276A
22 and 473F.

23 The commissioner shall increase or decrease the preliminary
24 or final rate for a year as necessary to account for errors and
25 tax base changes that affected a preliminary or final rate for
26 either of the two preceding years. Adjustments are allowed to
27 the extent that the necessary information is available to the
28 commissioner at the time the rates for a year must be certified,
29 and for the following reasons:

30 (1) an erroneous report of taxable value by a local
31 official;

32 (2) an erroneous calculation by the commissioner; and

33 (3) an increase or decrease in taxable value for
34 commercial-industrial or seasonal residential recreational
35 property reported on the abstracts of tax lists submitted under
36 section 275.29 that was not reported on the abstracts of

1 assessment submitted under section 270.11, subdivision 2, for
2 the same year.

3 The commissioner may, but need not, make adjustments if the
4 total difference in the tax levied for the year would be less
5 than \$100,000.

6 [EFFECTIVE DATE.] This section is effective for taxes
7 payable in 2006.

Consolidated Fiscal Note – 2005-06 Session

Bill #: S0384-0 (R) Complete Date: 02/18/05

Chief Author: MARTY, JOHN

Title: AID ADJUSTMENT FOR OPEN ENROLLMENT

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue	X	

Agencies: Education Department (02/17/05)

Revenue Dept (02/18/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Net Expenditures					
General Fund		999	1,220	1,220	1,220
Education Department		999	1,220	1,220	1,220
Revenues					
General Fund		2,000	2,054	2,107	2,166
Revenue Dept		2,000	2,054	2,107	2,166
Net Cost <Savings>					
General Fund		(1,001)	(834)	(887)	(946)
Education Department		999	1,220	1,220	1,220
Revenue Dept		(2,000)	(2,054)	(2,107)	(2,166)
Total Cost <Savings> to the State		(1,001)	(834)	(887)	(946)

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES

Date: 02/18/05 Phone: 296-8674

Fiscal Note – 2005-06 Session

Bill #: S0384-0 (R) **Complete Date:** 02/17/05

Chief Author: MARTY, JOHN

Title: AID ADJUSTMENT FOR OPEN ENROLLMENT

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		999	1,220	1,220	1,220
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		999	1,220	1,220	1,220
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		999	1,220	1,220	1,220
Total Cost <Savings> to the State		999	1,220	1,220	1,220

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

BILL DESCRIPTION:

This fiscal note addresses Section 1 of SF 384, which amends M.S. 127A.47, subd. 7 by increasing the open enrollment adjustment for referendum aid for certain school districts that gain more students than they lose through open enrollment.

ASSUMPTIONS:

The simulation used the same FY 2006 inputs used for the November 2004 state budget forecast. The effect on revenues was assumed to be constant after FY 2006.

EXPENDITURE AND/OR REVENUE FORMULA

Under current law, the open enrollment adjustment for referendum aid equals a district's net open enrollment gain or loss, multiplied by the district's average referendum equalization aid per resident pupil unit (RPU).

The bill's language is somewhat ambiguous, but it has been interpreted as follows: In the open enrollment adjustment for referendum aid, average referendum equalization aid per RPU is replaced by the greater of a) average equalization aid per RPU, or b) the product of a district's open enrollment concentration (meaning the ratio of the net open enrollment pupil units divided by the RPU's, divided by 0.5, but restricted to the range from 0.0 to 1.0) multiplied by the lesser of the district's referendum allowance or the tier 1 referendum cap (which is currently \$500).

The effect on aid entitlements and appropriations is as follows:

	A	B	C	D
		CURRENT PAYMENT = A X ENTITLEMENT	CLEANUP FOR PRIOR YEAR	COST = B+C
2005-06	1,219,864	999,069	0	999,069
2006-07	1,219,864	999,069	220,795	1,219,864
2007-08	1,219,864	999,069	220,795	1,219,864
2008-09	1,219,864	999,069	220,795	1,219,864

LONG-TERM FISCAL CONSIDERATIONS

This is a continuing program.

LOCAL GOVERNMENT COSTS

Referendum aid revenue will increase for selected districts.

Agency Contact Name: Porter, Bob 651-582-8851
FN Coord Signature: AUDREY BOMSTAD
Date: 02/17/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
Date: 02/17/05 Phone: 296-8674

Fiscal Note – 2005-06 Session

Bill #: S0384-0 (R) **Complete Date:** 02/18/05

Chief Author: MARTY, JOHN

Title: AID ADJUSTMENT FOR OPEN ENROLLMENT

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue	X	

Agency Name: Revenue Dept

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
General Fund		2,000	2,054	2,107	2,166
Net Cost <Savings>					
General Fund		(2,000)	(2,054)	(2,107)	(2,166)
Total Cost <Savings> to the State		(2,000)	(2,054)	(2,107)	(2,166)

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

This bill version has no fiscal effect on our agency.

FN Coord Signature: JOHN POWERS
Date: 02/18/05 Phone: 556-4054

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: NANCY HOMANS
Date: 02/18/05 Phone: 296-9370

Senator Foley introduced--

S.F. No. 2103: Referred to the Committee on Finance.

A bill for an act

relating to education funding; increasing referendum equalization aid; increasing the referendum revenue cap; amending Minnesota Statutes 2004, section 126C.17, subdivisions 2, 5.

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

Section 1. Minnesota Statutes 2004, section 126C.17, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1, for fiscal year 2003, a district's referendum allowance must not exceed the greater of:

(1) the sum of a district's referendum allowance for fiscal year 1994 times 1.162 plus its referendum conversion allowance for fiscal year 2003, minus \$415;

(2) 18.2 percent of the formula allowance;

(3) for a newly reorganized district created on July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization, minus \$415; or

(4) for a newly reorganized district created after July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization.

1 ~~(b)~~ Notwithstanding subdivision 1, ~~for-fiscal-year-2004-and~~
 2 ~~later~~, a district's referendum allowance must not exceed the
 3 greater of:

4 (1) the sum of: (i) a district's referendum allowance for
 5 fiscal year 1994 times 1.177 times the annual inflationary
 6 increase as calculated under paragraph (c) plus (ii) its
 7 referendum conversion allowance for fiscal year 2003, minus
 8 (iii) \$415;

9 (2) the greater of (i) ~~18.6~~ 28 percent of the formula
 10 allowance or (ii) ~~\$855.79~~ \$1,288 times the annual inflationary
 11 increase as calculated under paragraph (c); or

12 (3) for a newly reorganized district created after July 1,
 13 2002, the referendum revenue authority for each reorganizing
 14 district in the year preceding reorganization divided by its
 15 resident marginal cost pupil units for the year preceding
 16 reorganization.

17 ~~(c)~~ (b) For purposes of this subdivision, for fiscal year
 18 2005 and later, "inflationary increase" means one plus the
 19 percentage change in the Consumer Price Index for urban
 20 consumers, as prepared by the United States Bureau of Labor
 21 Standards, for the current fiscal year to fiscal year 2004. For
 22 fiscal years 2009 and later, for purposes of paragraph ~~(b)~~ (a),
 23 clause (1), the inflationary increase equals the inflationary
 24 increase for fiscal year 2008 plus one-fourth of the percentage
 25 increase in the formula allowance for that year compared with
 26 the formula allowance for fiscal year 2008.

27 [EFFECTIVE DATE.] This section is effective for taxes
 28 payable in 2006.

29 Sec. 2. Minnesota Statutes 2004, section 126C.17,
 30 subdivision 5, is amended to read:

31 Subd. 5. [REFERENDUM EQUALIZATION REVENUE.] (a) ~~For-fiscal~~
 32 ~~year-2003-and-later~~, A district's referendum equalization
 33 revenue equals the sum of the first tier referendum equalization
 34 revenue and the second tier referendum equalization revenue.

35 (b) A district's first tier referendum equalization revenue
 36 equals the district's first tier referendum equalization

1 allowance times the district's resident marginal cost pupil
2 units for that year.

3 ~~(c) For fiscal years 2003 and 2004, a district's first tier~~
4 ~~referendum equalization allowance equals the lesser of the~~
5 ~~district's referendum allowance under subdivision 1 or \$126.~~
6 ~~For fiscal year 2005, a district's first tier referendum~~
7 ~~equalization allowance equals the lesser of the district's~~
8 ~~referendum allowance under subdivision 1 or \$405. For fiscal~~
9 ~~year 2006 and later, A district's first tier referendum~~
10 equalization allowance equals the lesser of the district's
11 referendum allowance under subdivision 1 or \$500 \$800.

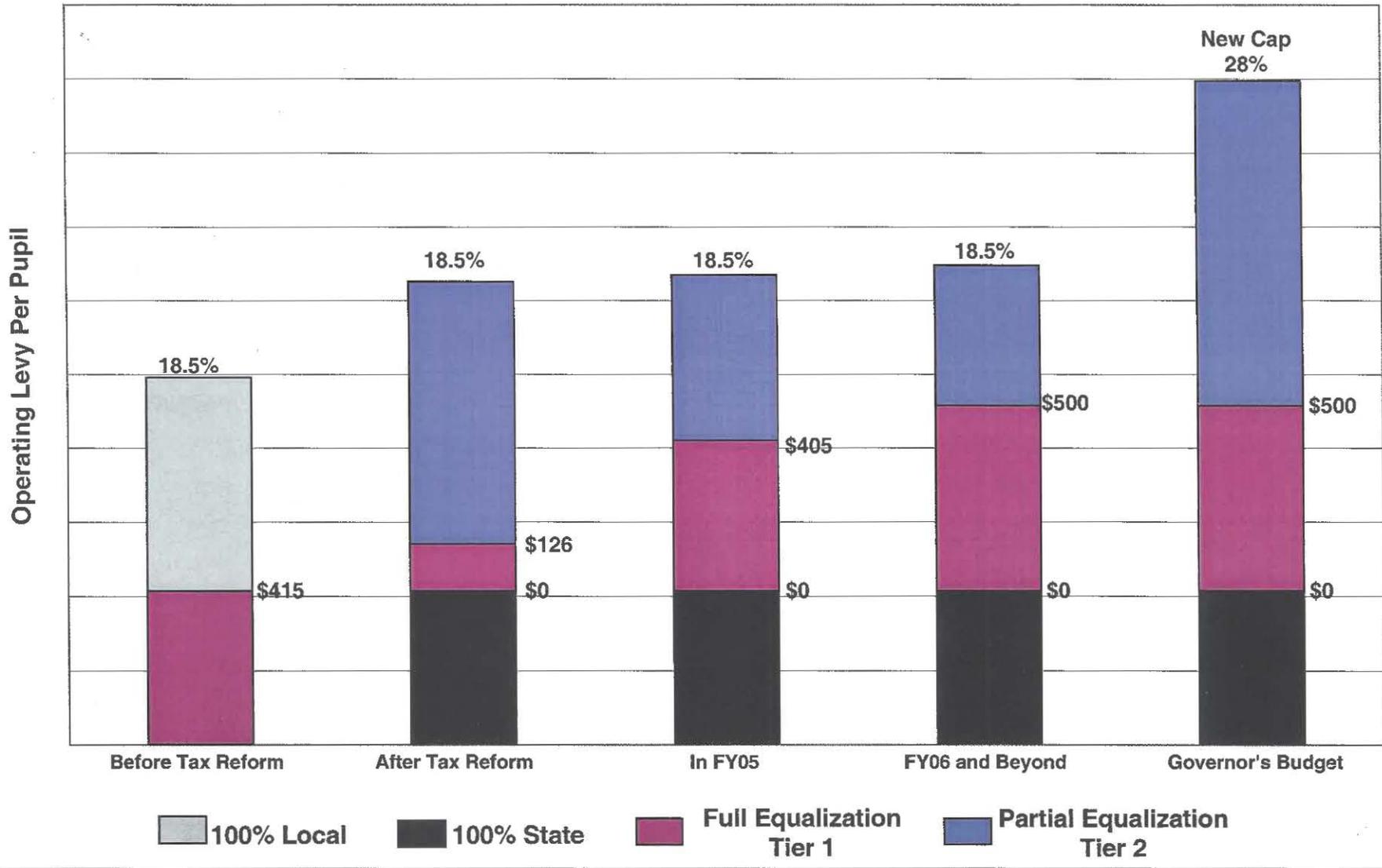
12 (d) A district's second tier referendum equalization
13 revenue equals the district's second tier referendum
14 equalization allowance times the district's resident marginal
15 cost pupil units for that year.

16 (e) A district's second tier referendum equalization
17 allowance equals the lesser of the district's referendum
18 allowance under subdivision 1 or ~~18.6~~ 28 percent of the formula
19 allowance, minus the district's first tier referendum
20 equalization allowance.

21 (f) Notwithstanding paragraph (e), the second tier
22 referendum allowance for a district qualifying for secondary
23 sparsity revenue under section 126C.10, subdivision 7, or
24 elementary sparsity revenue under section 126C.10, subdivision
25 8, equals the district's referendum allowance under subdivision
26 1 minus the district's first tier referendum equalization
27 allowance.

28 [EFFECTIVE DATE.] This section is effective for taxes
29 payable in 2006.

Governor Increases Operating Levies by Raising the Cap



Senator Frederickson introduced--

S.F. No. 1588: Referred to the Committee on Finance.

1 A bill for an act.

2 relating to education; increasing levy amount for
3 certain capital levies; amending Minnesota Statutes
4 2004, section 126C.40, subdivision 1.

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

6 Section 1. Minnesota Statutes 2004, section 126C.40,
7 subdivision 1, is amended to read:

8 Subdivision 1. [TO LEASE BUILDING OR LAND.] (a) When an
9 independent or a special school district or a group of
10 independent or special school districts finds it economically
11 advantageous to rent or lease a building or land for any
12 instructional purposes or for school storage or furniture
13 repair, and it determines that the operating capital revenue
14 authorized under section 126C.10, subdivision 13, is
15 insufficient for this purpose, it may apply to the commissioner
16 for permission to make an additional capital expenditure levy
17 for this purpose. An application for permission to levy under
18 this subdivision must contain financial justification for the
19 proposed levy, the terms and conditions of the proposed lease,
20 and a description of the space to be leased and its proposed use.

21 (b) The criteria for approval of applications to levy under
22 this subdivision must include: the reasonableness of the price,
23 the appropriateness of the space to the proposed activity, the
24 feasibility of transporting pupils to the leased building or
25 land, conformity of the lease to the laws and rules of the state

1 of Minnesota, and the appropriateness of the proposed lease to
2 the space needs and the financial condition of the district.
3 The commissioner must not authorize a levy under this
4 subdivision in an amount greater than 90 percent of the cost to
5 the district of renting or leasing a building or land for
6 approved purposes for completed agreements entered into after
7 July 1, 2003. Completed agreements entered into before July 1,
8 2003, may be levied at the cost to the district of renting or
9 leasing a building or land for approved purposes. The proceeds
10 of this levy must not be used for custodial or other maintenance
11 services. A district may not levy under this subdivision for
12 the purpose of leasing or renting a district-owned building or
13 site to itself.

14 (c) For agreements finalized after July 1, 1997, a district
15 may not levy under this subdivision for the purpose of leasing:
16 (1) a newly constructed building used primarily for regular
17 kindergarten, elementary, or secondary instruction; or (2) a
18 newly constructed building addition or additions used primarily
19 for regular kindergarten, elementary, or secondary instruction
20 that contains more than 20 percent of the square footage of the
21 previously existing building.

22 (d) Notwithstanding paragraph (b), a district may levy
23 under this subdivision for the purpose of leasing or renting a
24 district-owned building or site to itself only if the amount is
25 needed by the district to make payments required by a lease
26 purchase agreement, installment purchase agreement, or other
27 deferred payments agreement authorized by law, and the levy
28 meets the requirements of paragraph (c). A levy authorized for
29 a district by the commissioner under this paragraph may be in
30 the amount needed by the district to make payments required by a
31 lease purchase agreement, installment purchase agreement, or
32 other deferred payments agreement authorized by law, provided
33 that any agreement include a provision giving the school
34 districts the right to terminate the agreement annually without
35 penalty.

36 (e) The total levy under this subdivision for a district

1 for any year must not exceed \$90 times the resident pupil units
2 for the fiscal year to which the levy is attributable.

3 (f) For agreements for which a review and comment have been
4 submitted to the Department of Education after April 1, 1998,
5 the term "instructional purpose" as used in this subdivision
6 excludes expenditures on stadiums.

7 (g) The commissioner of education may authorize a school
8 district to exceed the limit in paragraph (e) if the school
9 district petitions the commissioner for approval. The
10 commissioner shall grant approval to a school district to exceed
11 the limit in paragraph (e) for not more than five years if the
12 district meets the following criteria:

13 (1) the school district has been experiencing pupil
14 enrollment growth in the preceding five years;

15 (2) the purpose of the increased levy is in the long-term
16 public interest;

17 (3) the purpose of the increased levy promotes colocation
18 of government services; and

19 (4) the purpose of the increased levy is in the long-term
20 interest of the district by avoiding over construction of school
21 facilities.

22 (h) A school district that is a member of an intermediate
23 school district may include in its authority under this section
24 90 percent of the costs associated with leases of administrative
25 and classroom space for intermediate school district programs.
26 This authority must not exceed \$22.50 times the adjusted
27 marginal cost pupil units of the member districts. This
28 authority is in addition to any other authority authorized under
29 this section.

30 (i) In addition to the allowable capital levies in
31 paragraph (a), a district that is a member of the "Technology
32 and Information Education Systems" data processing joint board,
33 that finds it economically advantageous to enter into a lease
34 purchase agreement for a building for a group of school
35 districts or special school districts for staff development
36 purposes, may levy for its portion of lease costs attributed to

03/04/05

[REVISOR] KLL/MD 05-3271

1 the district within the total levy limit in paragraph (e).

Fiscal Note – 2005-06 Session

Bill #: S1588-0 Complete Date: 03/21/05

Chief Author: FREDERICKSON, DENNIS

Title: SCHOOL DIST CAPITAL LEVY AMOUNT INCR

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
-- No Impact --					
Total FTE					

Bill Description

This bill amends M.S. 126C.40, Subd. 1 to change the lease levy authority from 90% of the cost of leasing to

- a) 100% of the cost for approved operating leases in which the lease contract was entered into before July 1, 2003, and
- b) 100% of the cost for approved capitalized leases in which the lease contract was entered into before July 1, 2003.

The \$90 pupil unit maximum still applies to the total lease levy authority.

Assumptions

This proposal would allow districts to levy 100% of all leases authorized under M.S. 126C.40, Subd. 1 entered into before July 1, 2003.

The calculation fiscal impact on the capital and operating leases for school districts is based on the following assumptions:

- 1. The maximum annual statewide increase is 10% of annual cost of the total leases under this authority.
- 2. Due to the following assumptions, it is assumed that 85% of the total amount of capital leases will be levied at 100% rather than 90%, and 40% of the total amount of capital leases will be levied at 100% rather than 90%.
 - a. Most capital leases terms are for 15 to 20 years and terms of leases vary.
 - b. Most operating leases terms are for 5 or fewer years.
 - c. Most leases are relatively recent
 - d. Some lease levies may be limited due to the \$90 pupil unit limitation
 - e. A number of lease agreements are retired each year.
 - f. Some districts may choose to underlevy

For purposes of this fiscal note, it is assumed that the total capital and operating leases will remain at the same level as Pay 2005.

Levy changes resulting from this bill will affect early levy recognition (tax shift) under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

Capital Leases

For Payable 2005, 69 districts with levy authority had capitalized lease costs of \$15,115,478 that were eligible for levy under M.S. 126C.40, subd. 1. The corresponding levy authority for these districts at 90% of the eligible costs was \$13,603,930. The lease agreements are for a variety of time periods, amounts and have a variety of ending dates.

It is assumed that the Payable 2006 levy would increase by \$1,284,816

Increase from 90% to 100% Payable 2005 capitalized lease costs	\$15,115,478 x 10%	=	\$1,511,548
Times 85% for assumptions (a) through (f)	\$1,511,548 x 85%	=	\$1,284,816

It is assumed that in subsequent years, the levy would be smaller than the Payable 2006 levy primarily due to the retirement of lease agreements. This change is estimated to be 3% per year.

For Payable 2007, it is estimated the capitalized lease levy under this bill would increase by (1,284,816 x .97) = \$1,246,272 over current law.

For Payable 2008, it is estimated the lease capitalized levy under this bill would increase by (1,284,816 x .94) = \$1,207,727 over current law.

Operating leases

Operating leases are normally 1 year in length, but some are for longer terms. Operating leases typically do not have terms longer than 5 years.

For Payable 2006, it is estimated that the operating lease levy under this bill would 40% of the 10% maximum of the Pay 2005 operating lease levy total of \$21,953,728.

Pay 2006 operating leases	\$21,953,728 x 10%	=	\$2,195,373
Times 40% for assumptions a through f	\$ 2,195,373 x 40%	=	\$ 878,149

It is assumed that in subsequent years, levy increase would be smaller due to the natural aging and retirement of lease agreements. This change is estimated to be about 50% of the previous year's increase.

For Pay 2007, it is estimated that the operating lease levy under this bill would increase by \$440,000 over current law.

For Pay 2008 it is estimated that the operating lease levy under this bill would increase by \$220,000 over current law.

Total estimated fiscal impact will be determined by the decisions of local school boards.

The total levy impact is estimated to be

	FY 2007	FY 2008	FY 2009
Capital Leases	1,284,316	1,246,272	1,207,727
Operating Leases	878,149	440,000	220,000
Total Estimated Increase	2,162,465	1,686,272	1,427,727

Expenditure and/or Revenue Formula

Estimated Tax Shift Cost/(Savings)		Rate		0.486
Levy Year	Pay 2006	Pay 2007	Pay 2008	**Pay 2009
Revenue Recognition Year	FY 2006	FY 2007	FY 2008	FY 2009
Levy Amt	2,162.4	1,686.3	1,427.7	1,208.8
Early Levy Recognition	1,050.9	819.5	693.9	587.5
Aid Cost (Savings) General Education	(1,050.9)	231.4	125.7	106.4

** Assumes a decrease at the same rate as previous year.

The actual amount of the tax shift will be dependent upon the actions of locally elected school board members regarding the need to increase their lease aid levy.

Long-Term Fiscal Considerations

This is a continuing program.

Local Government Costs

It is estimated that this bill would increase local property taxes by the following amounts:

Payable 2006	2,162,465
Payable 2007	1,686,272
Payable 2008	1,427,727

Agency Contact Name: Kiesow, Bill 651-582-8801
 FN Coord Signature: AUDREY BOMSTAD
 Date: 03/21/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER
Date: 03/21/05 Phone: 296-6661

Senators Hann, Michel, Gaither and Kelley introduced--
S.F. No. 738: Referred to the Committee on Finance.

1 A bill for an act
2 relating to education finance; eliminating the
3 referendum allowance limit; repealing Minnesota
4 Statutes 2004, section 126C.17, subdivisions 2, 3.
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6 Section 1. [REPEALER.]
7 Minnesota Statutes 2004, section 126C.17, subdivisions 2
8 and 3, are repealed July 1, 2005, for revenue for fiscal year
9 2007 and later.

APPENDIX
Repealed Minnesota Statutes for 05-1065

126C.17 REFERENDUM REVENUE.

Subd. 2. Referendum allowance limit. (a)
Notwithstanding subdivision 1, for fiscal year 2003, a district's referendum allowance must not exceed the greater of:

(1) the sum of a district's referendum allowance for fiscal year 1994 times 1.162 plus its referendum conversion allowance for fiscal year 2003, minus \$415;

(2) 18.2 percent of the formula allowance;

(3) for a newly reorganized district created on July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization, minus \$415; or

(4) for a newly reorganized district created after July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization.

(b) Notwithstanding subdivision 1, for fiscal year 2004 and later, a district's referendum allowance must not exceed the greater of:

(1) the sum of: (i) a district's referendum allowance for fiscal year 1994 times 1.177 times the annual inflationary increase as calculated under paragraph (c) plus (ii) its referendum conversion allowance for fiscal year 2003, minus (iii) \$415;

(2) the greater of (i) 18.6 percent of the formula allowance or (ii) \$855.79 times the annual inflationary increase as calculated under paragraph (c); or

(3) for a newly reorganized district created after July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization.

(c) For purposes of this subdivision, for fiscal year 2005 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor Standards, for the current fiscal year to fiscal year 2004. For fiscal years 2009 and later, for purposes of paragraph (b), clause (1), the inflationary increase equals the inflationary increase for fiscal year 2008 plus one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2008.

Subd. 3. Sparsity exception. A district that qualifies for sparsity revenue under section 126C.10 is not subject to a referendum allowance limit.

1 Senator moves to amend S.F. No. 738 as follows:

2 Delete everything after the enacting clause and insert:

3 "Section 1. Minnesota Statutes 2004, section 126C.17,
4 subdivision 2, is amended to read:

5 Subd. 2. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding
6 ~~subdivision 1, for fiscal year 2003, a district's referendum~~
7 ~~allowance must not exceed the greater of:~~

8 ~~(1) the sum of a district's referendum allowance for fiscal~~
9 ~~year 1994 times 1.162 plus its referendum conversion allowance~~
10 ~~for fiscal year 2003, minus \$415;~~

11 ~~(2) 18.2 percent of the formula allowance;~~

12 ~~(3) for a newly reorganized district created on July 1,~~
13 ~~2002, the referendum revenue authority for each reorganizing~~
14 ~~district in the year preceding reorganization divided by its~~
15 ~~resident marginal cost pupil units for the year preceding~~
16 ~~reorganization, minus \$415; or~~

17 ~~(4) for a newly reorganized district created after July 1,~~
18 ~~2002, the referendum revenue authority for each reorganizing~~
19 ~~district in the year preceding reorganization divided by its~~
20 ~~resident marginal cost pupil units for the year preceding~~
21 ~~reorganization;~~

22 (b) Notwithstanding subdivision 1, for fiscal year 2004
23 2005 and ~~later~~ 2006, a district's referendum allowance must not
24 exceed the greater of:

25 (1) the sum of: (i) a district's referendum allowance for
26 fiscal year 1994 times 1.177 times the annual inflationary
27 increase as calculated under paragraph (c) plus (ii) its
28 referendum conversion allowance for fiscal year 2003, minus
29 (iii) \$415;

30 (2) the greater of (i) 18.6 percent of the formula
31 allowance or (ii) \$855.79 times the annual inflationary increase
32 as calculated under paragraph (c); or

33 (3) for a newly reorganized district created after July 1,
34 2002, the referendum revenue authority for each reorganizing
35 district in the year preceding reorganization divided by its
36 resident marginal cost pupil units for the year preceding

1 reorganization.

2 (b) Notwithstanding subdivision 1, for fiscal year 2007 and
3 later, a district's referendum allowance must not exceed the
4 greater of:

5 (1) the sum of:

6 (i) a district's referendum allowance for fiscal year 1994
7 times 1.177 times the annual inflationary increase as calculated
8 under paragraph (c); plus

9 (ii) its referendum conversion allowance for fiscal year
10 2003; minus

11 (iii) \$415;

12 (2) the greater of:

13 (i) 40 percent of the formula allowance; or

14 (ii) \$855.79 times the annual inflationary increase as
15 calculated under paragraph (c); or

16 (3) for a newly reorganized district created after July 1,
17 2002, the referendum revenue authority for each reorganizing
18 district in the year preceding reorganization divided by its
19 resident marginal cost pupil units for the year preceding
20 reorganization.

21 (c) For purposes of this subdivision, for fiscal year 2005
22 and later, "inflationary increase" means one plus the percentage
23 change in the Consumer Price Index for urban consumers, as
24 prepared by the United States Bureau of Labor Standards, for the
25 current fiscal year to fiscal year 2004. For fiscal years 2009
26 and later, for purposes of paragraph (b), clause (1), the
27 inflationary increase equals the inflationary increase for
28 fiscal year 2008 plus one-fourth of the percentage increase in
29 the formula allowance for that year compared with the formula
30 allowance for fiscal year 2008."

31 Delete the title and insert:

32 "A bill for an act relating to education finance;
33 increasing the referendum allowance limit; amending Minnesota
34 Statutes 2004, section 126C.17, subdivision 2."

AMENDMENT

Fiscal Note – 2005-06 Session

Bill #: S0738-1A Complete Date: 04/11/05

Chief Author: HANN, DAVID

Title: REFERENDUM ALLOWANCE LIMIT REPEAL

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund			61	78	74
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund			61	78	74
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund			61	78	74
Total Cost <Savings> to the State			61	78	74

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Effective for FY 2007, the bill increases the standard cap on operating referendum revenue from 18.6% of the general revenue formula allowance to 40% of the formula allowance.

Assumptions

The bill's costs were estimated as follows:

School districts that receive sparsity revenue were excluded from the analysis. These districts aren't subject to the referendum cap, so they aren't affected by a change in the cap.

School districts that currently have less than \$750 per resident marginal cost pupil unit (RMCPU) of operating referendum authority were also excluded from the analysis. These districts are far enough below the current cap that they aren't likely to seek revenue above the current cap.

For the remaining districts, the estimated revenue impact was based on a two-step process. The first step was to estimate the impact of increasing the standard cap from the current 18.6% of the general education formula allowance to 28.0 percent of the formula allowance. (This corresponds to an aspect of the governor's education funding proposal.) The second step was to estimate the additional impact of increasing the cap further, from 28% of the formula allowance to 40% of the formula allowance.

The first step involved estimating a) the total operating referendum revenue that would be generated if every district generated maximum revenue using the current cap, and b) the total revenue that would be generated if every district generated maximum revenue if the basis for the standard cap were increased from 18.6% of the general education formula allowance to 28.0% of the formula allowance. The difference between these two values represents the increase in potential referendum revenue associated with increasing the standard cap basis to 28.0%.

Next, assumptions were made regarding the portion of the potential new revenue that would be proposed by school districts, and the portion of the requested amount that would be approved by voters. The assumed values were as follows: Requested portion of potential revenue: 50% in FY 2007, 50% in FY 2008, and 40% in FY 2009. Granted portion of requests: 70% in FY 207, 50% in FY 2008, and 70% in FY 2009.

These assumed portions of potential revenue are the same as the ones used to estimate the impact of the governor's general education funding proposal. The governor's proposal includes increases in the general education formula allowance that are not reflected in this fiscal note. However, since there is no established relationship between the formula allowance and referendum increases, the assumptions concerning realized portions of potential new revenue have not been changed.

For the second step of the process it was assumed that districts with at least \$1,200 of existing uncapped authority per RMCPU would generate an additional amount based on the distinction between the 28% cap and the 40% cap. For these districts it was assumed that the additional revenue per RMCPU would be \$100 per RMCPU in FY 2007, \$150 per RMCPU in FY 2008, and \$200 per RMCPU in FY 2009.

Levy changes resulting from this bill will affect early levy recognition (tax shift) under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

Expenditure and/or Revenue Formula

The simulation is based on current laws regarding general education funding, with the exception of changing the standard cap on operating referendum revenue.

After adjusting for the 84.3% current year payment portion for general state aid entitlements, appropriation increases are estimated to be \$61,130 in FY 2007, \$78,218 in FY 2008, and \$73,960 in FY 2009.

Tax Shift

Estimated Tax Shift Cost/(Savings)	Rate	0.486
(\$=000s)		

Levy Year	Pay 2006	Pay 2007	Pay 2008
Revenue Recognition Year	FY 2006	FY 2007	FY 2008
Levy Amt	\$ 42,400.0	\$ 52,700.0	\$ 80,600.0
Early Levy Recognition	20,606.4	25,612.2	39,171.6

Aid Cost (Savings) General			
Education	\$ (20,606.4)	\$ (5,005.8)	\$ (13,559.4)

Long-Term Fiscal Considerations

Increases to state aid would diminish over time as increases in referendum market value (RMV) create decreases in the aid portions provided by the operating referendum equalization formula.

Local Government Costs

Property taxes will increase.

State total operating referendum levy authorities are projected to increase as follows: \$42.4 million in FY 2007; \$62.7 million in FY 2008; and \$80.6 million in FY 2009.

Note that aid is a very small portion of the projected new revenue. This is because 1) aid is generated only by districts with existing referendum authorities per RMCPU between \$750.00 and \$855.79, based only on the revenue relating to the difference between the districts' existing referendum allowances and \$855.79, and 2) the new aid is based entirely on the tier 2 equalization formula, which provides a relatively low aid portion.

Agency Contact Name: Porter, Bob 651-582-8851
 FN Coord Signature: AUDREY BOMSTAD
 Date: 04/11/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
 Date: 04/11/05 Phone: 296-8674

ORIGINAL BILL

Fiscal Note – 2005-06 Session

Bill #: S0738-0 **Complete Date:** 02/23/05

Chief Author: HANN, DAVID

Title: REFERENDUM ALLOWANCE LIMIT REPEAL

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund			57	68	59
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund			57	68	59
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund			57	68	59
Total Cost <Savings> to the State			57	68	59

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

State total operating referendum levy authorities are projected to increase as follows: \$52.5 million in FY 2007; \$91.9 million in FY 2008; and \$149.8 million in FY 2009.

Agency Contact Name: Porter, Bob 651-582-8851
FN Coord Signature: AUDREY BOMSTAD
Date: 02/22/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
Date: 02/23/05 Phone: 296-8674

AMENDMENT

Fiscal Note – 2005-06 Session

Bill #: S0738-1A **Complete Date:** 04/11/05

Chief Author: HANN, DAVID

Title: REFERENDUM ALLOWANCE LIMIT REPEAL

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government.. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund			61	78	74
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund			61	78	74
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund			61	78	74
Total Cost <Savings> to the State			61	78	74

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Effective for FY 2007, the bill increases the standard cap on operating referendum revenue from 18.6% of the general revenue formula allowance to 40% of the formula allowance.

Assumptions

The bill's costs were estimated as follows:

School districts that receive sparsity revenue were excluded from the analysis. These districts aren't subject to the referendum cap, so they aren't affected by a change in the cap.

School districts that currently have less than \$750 per resident marginal cost pupil unit (RMCPU) of operating referendum authority were also excluded from the analysis. These districts are far enough below the current cap that they aren't likely to seek revenue above the current cap.

For the remaining districts, the estimated revenue impact was based on a two-step process. The first step was to estimate the impact of increasing the standard cap from the current 18.6% of the general education formula allowance to 28.0 percent of the formula allowance. (This corresponds to an aspect of the governor's education funding proposal.) The second step was to estimate the additional impact of increasing the cap further, from 28% of the formula allowance to 40% of the formula allowance.

The first step involved estimating a) the total operating referendum revenue that would be generated if every district generated maximum revenue using the current cap, and b) the total revenue that would be generated if every district generated maximum revenue if the basis for the standard cap were increased from 18.6% of the general education formula allowance to 28.0% of the formula allowance. The difference between these two values represents the increase in potential referendum revenue associated with increasing the standard cap basis to 28.0%.

Next, assumptions were made regarding the portion of the potential new revenue that would be proposed by school districts, and the portion of the requested amount that would be approved by voters. The assumed values were as follows: Requested portion of potential revenue: 50% in FY 2007, 50% in FY 2008, and 40% in FY 2009. Granted portion of requests: 70% in FY 207, 50% in FY 2008, and 70% in FY 2009.

These assumed portions of potential revenue are the same as the ones used to estimate the impact of the governor's general education funding proposal. The governor's proposal includes increases in the general education formula allowance that are not reflected in this fiscal note. However, since there is no established relationship between the formula allowance and referendum increases, the assumptions concerning realized portions of potential new revenue have not been changed.

For the second step of the process it was assumed that districts with at least \$1,200 of existing uncapped authority per RMCPU would generate an additional amount based on the distinction between the 28% cap and the 40% cap. For these districts it was assumed that the additional revenue per RMCPU would be \$100 per RMCPU in FY 2007, \$150 per RMCPU in FY 2008, and \$200 per RMCPU in FY 2009.

Levy changes resulting from this bill will affect early levy recognition (tax shift) under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

Expenditure and/or Revenue Formula

The simulation is based on current laws regarding general education funding, with the exception of changing the standard cap on operating referendum revenue.

After adjusting for the 84.3% current year payment portion for general state aid entitlements, appropriation increases are estimated to be \$61,130 in FY 2007, \$78,218 in FY 2008, and \$73,960 in FY 2009.

Tax Shift

Estimated Tax Shift Cost/(Savings)	Rate	0.486
(\$=000s)		

Levy Year	Pay 2006	Pay 2007	Pay 2008
Revenue Recognition Year	FY 2006	FY 2007	FY 2008
Levy Amt	\$ 42,400.0	\$ 52,700.0	\$ 80,600.0
Early Levy Recognition	20,606.4	25,612.2	39,171.6

Aid Cost (Savings) General Education	\$ (20,606.4)	\$ (5,005.8)	\$ (13,559.4)
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Long-Term Fiscal Considerations

Increases to state aid would diminish over time as increases in referendum market value (RMV) create decreases in the aid portions provided by the operating referendum equalization formula.

Local Government Costs

Property taxes will increase.

State total operating referendum levy authorities are projected to increase as follows: \$42.4 million in FY 2007; \$62.7 million in FY 2008; and \$80.6 million in FY 2009.

Note that aid is a very small portion of the projected new revenue. This is because 1) aid is generated only by districts with existing referendum authorities per RMCPU between \$750.00 and \$855.79, based only on the revenue relating to the difference between the districts' existing referendum allowances and \$855.79, and 2) the new aid is based entirely on the tier 2 equalization formula, which provides a relatively low aid portion.

Agency Contact Name: Porter, Bob 651-582-8851
 FN Coord Signature: AUDREY BOMSTAD
 Date: 04/11/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
 Date: 04/11/05 Phone: 296-8674

ORIGINAL BILL

Fiscal Note – 2005-06 Session

Bill #: S0738-0 **Complete Date:** 02/23/05

Chief Author: HANN, DAVID

Title: REFERENDUM ALLOWANCE LIMIT REPEAL

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund			57	68	59
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund			57	68	59
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund			57	68	59
Total Cost <Savings> to the State			57	68	59

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

Effective for FY 2007, the bill eliminates the cap on operating referendum revenues.

Assumptions

The only districts that will be moved by the bill to request increases to their operating referendum authorities are those that currently have at least \$750 per resident marginal cost pupil unit (RMCPU) of existing authority, and that don't receive any sparsity revenue. (Districts with less than \$750 per RMCPU for the most part haven't been affected by the existing cap; districts with sparsity revenue are exempt from the cap.)

The affected districts that will be moved by the bill to request operating referendum increases will, in aggregate, request enough new authority to generate annual 5% increases in total general revenue (including referendum revenue) for FY 2007 and thereafter.

The following portions of requested new authority will be approved by voters: 70% for FY 2007, based on CY 2005 elections; 50% for FY 2008, based on CY 2006 elections, and 70% for FY 2009, based on CY 2007 elections.

The affected districts will generate the following portions of potential new equalization aid: 40% in FY 2007, 50% in FY 2008, and 60% in FY 2009. (Aid is a very small portion of the projected new revenue. This is because 1) aid is generated only by districts with existing referendum authorities per RMCPU between \$750.00 and \$855.79, based only on the revenue relating to the difference between the districts' existing referendum allowance and \$855.79, and 2) the new aid is based on the tier 2 equalization formula, which provides a relatively low aid portion.)

Levy changes resulting from this bill will affect early levy recognition (tax shift) under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

Expenditure and/or Revenue Formula

The simulation is based on current laws regarding general education funding, with the exception that the referendum cap is not applied. State aid entitlement increases are estimated for FY 2007, FY 2008, and FY 2009 are \$69,013, \$67,695, and \$57,377, respectively. Corresponding appropriation increases based on 81.9%/18.1% funding are \$56,521 in FY 2007, \$67,695 in FY 2008, and \$59,245 in FY 2009.

State savings or costs shown below are entirely dependent upon voter-approval of additional property taxes and the level to which school districts choose to use the approved authority.

Tax Shift for Fiscal Notes Rate 0.486
\$ in thousands

SF738	Pay 2006	Pay 2007	Pay 2008
Levy Amt	\$52,500.0	\$91,900.0	\$149,800.0
Recognition	25,515.0	44,663.4	72,802.8
Aid Cost (Savings)	(25,515.0)	(19,148.4)	(28,139.4)

Long-Term Fiscal Considerations

Increases to state aid would diminish over time as increases in referendum market value (RMV) create decreases in the aid portions provided by the operating referendum equalization formula.

Local Government Costs

State total operating referendum levy authorities are projected to increase as follows: \$52.5 million in FY 2007; \$91.9 million in FY 2008; and \$149.8 million in FY 2009.

Agency Contact Name: Porter, Bob 651-582-8851
FN Coord Signature: AUDREY BOMSTAD
Date: 02/22/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
Date: 02/23/05 Phone: 296-8674

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Ref Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share of Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
852	Campbell-Tintah	146	11,675	6	152	2,800	yes	1	50.8%	148,781	957
2171	Kittson Central	433	9,076	37	428	2,333	yes	2	56.3%	281,775	466
850	Rothsay	255	8,204	105	210	2,138	yes	3	39.0%	117,159	712
676	Badger	237	8,378	84	226	2,126	yes	4	33.0%	99,273	707
264	Herman-Norcross	158	9,871	21	193	1,959	yes	5	34.6%	183,834	368
592	Climax	157	12,286	4	226	1,940	yes	6	20.2%	61,502	638
505	Fulda	544	7,558	186	463	1,890	yes	7	40.0%	121,839	620
561	Goodridge	176	11,165	11	152	1,837	yes	8	25.5%	78,124	600
356	Lancaster	212	9,107	35	195	1,673	yes	9	30.7%	95,153	539
283	St. Louis Park	4,371	10,207	16	4,964	1,501	no	10	100.0%	728,015	206
801	Browns Valley	195	8,408	80	160	1,489	yes	11	24.0%	75,889	471
2856	Stephen-Argyle Central Sc	402	8,599	63	419	1,427	yes	12	43.6%	138,672	449
273	Edina	7,164	8,323	90	7,504	1,427	no	13	100.0%	744,896	191
2176	Warren-Alvarado	558	9,609	25	707	1,400	yes	14	39.2%	125,328	439
276	Minnetonka	7,653	8,265	98	8,917	1,383	no	15	99.6%	562,275	245
270	Hopkins	8,492	9,463	27	8,913	1,353	no	16	99.9%	809,074	167
282	St. Anthony-New Brighton	1,538	7,985	129	1,119	1,317	no	17	100.0%	602,711	218
330	Heron Lake (Ica)	340	8,017	125	347	1,294	yes	18	36.1%	116,987	399
599	Fertile-Beltram	569	8,549	69	517	1,201	yes	19	42.9%	141,254	365
623	Roseville	6,541	8,703	56	6,735	1,193	no	20	99.9%	627,430	190
600	Fisher	294	7,026	280	249	1,052	no	21	43.4%	109,791	416
500	Southland	698	8,119	113	686	1,031	yes	22	41.1%	140,615	302
545	Henning	367	7,341	226	463	1,002	yes	23	76.7%	264,046	291
630	Red Lake Falls (Ase)	406	8,623	60	449	1,000	yes	24	26.9%	92,843	290
2884	Red Rock Central	531	7,761	160	552	950	yes	25	40.2%	140,579	272
2527	Halstad-Hendrum	362	9,222	32	353	950	yes	26	25.2%	88,061	272
278	Orono	2,481	7,938	137	2,349	946	no	27	98.8%	899,770	104
2358	Tri-County	291	9,769	23	369	922	yes	28	37.7%	132,979	261
284	Wayzata	9,638	8,201	106	11,060	902	no	29	99.7%	649,686	138
371	Bellingham (Ase)	123	10,072	19	162	889	no	30	23.7%	74,728	282
507	Nicollet	288	8,757	48	336	889	no	31	56.0%	330,601	151
832	Mahtomedi	3,098	7,715	166	3,461	889	no	32	92.5%	412,513	199
277	Westonka	2,273	8,311	92	3,027	889	no	33	98.6%	694,231	126
271	Bloomington	10,967	8,197	107	12,205	889	no	34	100.0%	711,481	125
197	West St. Paul-Mendota	4,842	8,353	86	5,651	889	no	35	100.0%	740,370	120
833	South Washington Co.	15,644	7,636	177	18,911	889	no	36	81.5%	319,642	227
272	Eden Prairie	10,425	7,261	248	11,367	889	no	37	100.0%	589,758	151

School District Spending Sorted from Highest to Least FY 03; Referendum Revenue From FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Ref Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share of Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
771	Chokio-Alberta	224	9,232	31	250	889	no	38	37.1%	178,236	185
815	Prinsburg	29	12,010	5	35	889	no	39	100.0%	695,612	128
323	Franconia	34	7,289	241	45	889	no	40	81.9%	322,614	226
2135	Maple River	1,286	7,313	236	1,309	889	no	41	47.0%	162,246	257
316	Coleraine	1,352	8,671	57	1,592	889	no	42	52.3%	182,173	255
486	Swanville	380	7,988	128	353	889	no	43	48.9%	169,651	257
2159	Buffalo Lake-Hector	567	7,882	143	652	889	yes	44	53.2%	189,766	249
914	Ulen-Hitterdal	268	9,259	30	330	886	yes	45	32.4%	115,799	248
411	Balaton	113	9,436	28	172	886	no	46	59.1%	208,321	251
2886	Glenville-Emmons	485	7,979	132	556	882	yes	47	45.0%	160,922	246
707	Nett Lake	100	15,908	2	134	878	yes	48	0.0%	16	245
516	Round Lake (Ica)	140	4,964	342	143	877	no	49	38.1%	132,195	253
695	Chisholm	825	8,578	65	876	873	no	50	48.4%	171,125	247
6	South St. Paul	3,505	7,438	209	3,285	870	no	51	82.3%	329,603	217
578	Pine City	1,697	7,112	268	1,963	864	no	52	64.8%	232,920	240
173	Mountain Lake	506	8,219	103	530	859	no	53	37.5%	134,706	239
611	Cyrus	104	9,077	36	126	859	no	54	41.4%	148,686	239
621	Mounds View	11,323	7,734	164	11,474	856	no	55	100.0%	568,624	151
482	Little Falls	3,054	7,466	203	3,023	856	no	56	61.9%	223,799	237
194	Lakeville	10,148	7,034	278	12,264	855	no	57	80.6%	317,827	217
495	Grand Meadow	338	8,649	59	398	853	no	58	39.9%	144,403	236
513	Brewster (Ica)	179	7,046	276	219	851	no	59	31.9%	115,360	235
499	Leroy	389	8,313	91	476	848	no	60	37.7%	136,771	234
191	Burnsville	11,348	8,008	126	12,309	845	no	61	90.5%	399,922	191
803	Wheaton	476	8,794	45	433	844	yes	62	46.6%	169,151	233
768	Hancock	220	8,608	62	212	841	no	63	45.5%	165,366	231
199	Inver Grove	3,954	8,040	124	4,520	840	no	64	94.4%	431,610	184
280	Richfield	4,331	8,332	89	4,608	840	no	65	100.0%	677,176	124
2898	Westbrook-Walnut Grove	530	7,928	140	603	840	yes	66	27.8%	101,202	231
281	Robbinsdale	14,298	8,387	83	15,728	839	no	67	95.3%	438,321	182
38	Red Lake	1,498	14,604	3	1,980	839	no	68	0.1%	312	231
279	Osseo	22,056	7,837	147	26,058	839	no	69	87.1%	373,002	196
624	White Bear Lake	9,100	7,657	171	9,267	839	no	70	99.8%	505,620	166
208	Evansville	223	8,405	81	288	838	no	71	48.9%	177,987	230
239	Rushford-Peterson	692	7,573	185	745	838	no	72	53.8%	195,759	230
294	Houston	587	6,559	324	577	838	no	73	47.2%	171,966	230
14	Fridley	2,644	7,846	146	2,432	838	no	74	91.6%	408,738	188

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Refr Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share of Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
635	Milroy	134	8,060	120	150	837	no	75	28.1%	102,436	230
719	Prior Lake	5,312	7,070	272	7,542	837	no	76	85.0%	356,177	200
622	N. St. Paul-Maplewood	12,219	7,328	231	12,853	837	no	77	96.2%	445,386	181
2536	Granada Huntley-East Chai	289	8,746	50	347	837	no	78	37.7%	137,195	230
2364	Belgrade-Brooten-Elrosa	778	7,941	136	907	837	yes	79	37.9%	137,897	230
2683	Greenbush-Middle River	464	8,793	46	536	837	yes	80	26.4%	96,289	230
297	Spring Grove	388	7,472	201	387	835	no	81	48.7%	177,417	229
2169	Murray County	820	7,815	154	878	835	yes	82	40.6%	147,865	229
16	Spring Lake Park	4,335	7,281	245	4,637	834	no	83	98.9%	466,900	177
458	Truman	413	8,526	71	464	817	no	84	38.9%	142,763	223
836	Butterfield	206	9,067	38	227	817	no	85	30.0%	110,023	222
834	Stillwater	9,341	7,484	199	10,726	814	no	86	99.4%	488,998	165
628	Plummer	217	7,344	223	165	813	no	87	46.3%	170,437	221
534	Stewartville	1,773	6,741	310	1,950	812	no	88	52.3%	192,622	221
423	Hutchinson	3,115	6,766	306	3,265	806	no	89	72.8%	268,602	219
2890	Renville County West	776	8,439	77	865	803	no	90	38.8%	143,224	217
2759	Eagle Valley	401	8,711	53	522	802	no	91	31.6%	116,870	217
81	Comfrey	179	10,379	14	221	801	no	92	32.5%	120,215	217
441	Newfolden	366	8,804	44	376	800	yes	93	54.7%	202,534	216
402	Hendricks (Ica)	196	5,615	339	188	800	no	94	44.8%	165,899	216
820	Sebeka	604	7,508	196	660	800	no	95	28.7%	106,376	216
497	Lyle	270	8,288	95	267	787	no	96	38.8%	144,467	211
2180	M A C C R A Y	878	8,971	40	884	771	yes	97	46.4%	174,284	205
112	Chaska	8,120	7,821	151	10,007	768	no	98	85.4%	368,865	178
415	Lynd (Ase)	116	9,742	24	199	758	no	99	41.6%	157,322	201
378	Dawson	603	8,139	111	655	752	no	100	29.5%	111,959	199
564	Thief River Falls	2,140	7,556	187	2,454	750	no	101	37.6%	142,539	198
726	Becker	2,337	7,118	267	3,074	732	no	102	86.7%	383,311	166
299	Caledonia	959	7,393	218	1,069	721	no	103	49.5%	191,111	187
492	Austin	4,130	7,467	202	4,614	720	no	104	54.3%	209,723	186
584	Ruthton	146	5,641	338	159	703	no	105	26.2%	102,307	180
2887	Mcleod West Schools	486	7,198	256	519	700	no	106	52.1%	203,788	179
728	Elk River	9,804	6,802	303	13,136	698	no	107	71.6%	287,222	174
200	Hastings	5,247	7,447	207	5,843	690	no	108	79.3%	339,723	161
11	Anoka-Hennepin	40,959	7,341	225	47,944	688	no	109	70.6%	283,537	171
659	Northfield	3,856	7,744	163	4,404	685	no	110	76.6%	323,332	162
761	Owatonna	5,049	7,095	271	5,643	684	no	111	64.8%	255,886	173

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Ref Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share of Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
2396	A.C.G.C.	932	8,474	76	1,179	682	no	112	46.6%	184,507	172
2859	Glencoe-Silver Lake	1,755	7,262	247	2,046	678	no	113	56.8%	225,271	171
831	Forest Lake	7,798	7,156	262	9,158	655	no	114	78.8%	343,989	150
2860	Blue Earth Area Public Sc	1,434	7,513	194	1,513	650	no	115	40.4%	163,436	161
743	Sauk Centre	1,226	7,186	258	1,307	650	no	116	56.8%	229,727	161
2134	United South Central	1,007	8,432	78	1,262	649	no	117	33.9%	137,291	160
881	Maple Lake	930	7,430	213	980	642	no	118	69.8%	291,705	154
2071	Lake Crystal-Welcome	837	8,080	118	1,137	634	no	119	55.9%	229,026	155
829	Waseca	2,251	7,709	167	2,281	610	no	120	51.9%	217,142	146
404	Lake Benton	256	7,108	269	276	609	no	121	33.7%	141,240	145
581	Edgerton	295	7,835	148	220	608	yes	122	65.9%	278,678	144
196	Rosemount-Apple Valley	28,571	7,340	228	31,843	606	no	123	77.3%	344,823	136
593	Crookston	1,538	7,898	141	1,698	601	no	124	32.5%	136,929	143
256	Red Wing	3,055	8,046	122	3,241	600	no	125	98.8%	469,363	126
62	Ortonville (Ase)	631	8,212	104	478	600	yes	126	37.3%	157,374	142
813	Lake City	1,439	6,991	289	1,633	600	no	127	63.9%	270,054	142
85	Springfield	686	6,787	305	748	600	no	128	25.9%	109,586	142
701	Hibbing	2,708	8,073	119	2,803	594	no	129	48.6%	206,389	140
806	Elgin-Millville	537	7,305	237	494	593	no	130	48.5%	206,099	140
286	Brooklyn Center	1,753	8,706	54	1,632	588	no	131	73.5%	327,788	132
2215	Norman County East	401	9,387	29	452	587	yes	132	18.7%	79,959	137
195	Randolph	464	7,215	252	494	579	no	133	72.1%	343,729	122
840	St. James	1,298	7,511	195	1,451	569	no	134	26.5%	115,667	131
110	Waconia	2,277	7,777	158	3,795	562	no	135	66.4%	296,130	126
361	International Falls	1,464	7,996	127	1,640	561	no	136	51.7%	227,197	128
712	Mountain Iron-B	568	9,143	34	813	561	no	137	46.1%	202,714	128
720	Shakopee	4,819	6,839	301	6,198	559	no	138	86.7%	405,415	120
742	St. Cloud	10,443	8,561	68	10,897	551	no	139	84.7%	395,749	118
13	Columbia Heights	3,027	7,665	170	3,506	550	no	140	87.6%	410,880	117
2754	Cedar Mountain	410	8,243	100	449	538	yes	141	27.1%	122,288	119
857	Lewiston	753	7,480	200	707	532	no	142	49.9%	227,120	117
885	St. Michael-Albertville	3,374	6,253	335	4,704	515	no	143	54.2%	252,335	111
238	Mabel-Canton	386	7,696	168	398	507	no	144	32.7%	154,113	108
775	Kerkhoven-Murdock-Sunburg	648	7,752	162	655	505	yes	145	27.1%	127,959	107
2889	Lake Park-Audubon	686	7,618	180	750	504	no	146	61.9%	293,271	106
252	Cannon Falls	1,485	6,427	331	1,587	502	no	147	63.7%	302,389	106
2853	Lac Qui Parle Valley	1,199	7,877	144	1,370	502	no	148	25.0%	118,670	106

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

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	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
129	Montevideo	1,608	8,478	73	1,574	502	no	149	32.1%	152,264	106
31	Bemidji	5,118	7,956	134	5,916	501	no	150	43.8%	208,089	105
207	Brandon	319	7,549	190	321	501	no	151	48.9%	232,648	105
424	Lester Prairie	492	7,035	277	534	501	no	152	44.8%	212,843	105
484	Pierz	1,003	7,019	283	951	500	no	153	38.6%	183,633	105
640	Wabasso	423	8,528	70	491	500	no	154	22.0%	104,884	105
108	Norwood	1,034	8,240	101	1,067	500	no	155	77.0%	366,678	105
2752	Fairmont Area Schools	1,883	8,165	109	2,019	500	no	156	49.6%	236,106	105
93	Carlton	683	7,813	155	887	500	no	157	42.8%	203,947	105
2167	Lakeview	567	7,209	254	594	500	yes	158	29.6%	140,841	105
255	Pine Island	1,236	6,582	322	1,197	500	no	159	50.0%	237,890	105
150	Hawley	942	6,366	333	1,040	500	no	160	25.0%	118,981	105
418	Russell (Ica)	151	4,630	343	197	500	no	161	35.9%	170,787	105
242	Alden	419	6,961	291	297	500	no	162	34.1%	162,106	105
891	Canby	675	7,819	153	723	499	yes	163	24.0%	114,318	105
241	Albert Lea	3,710	7,394	217	4,209	492	no	164	46.9%	223,325	103
877	Buffalo	5,141	6,720	312	6,570	488	no	165	55.6%	264,640	103
861	Winona	4,161	8,110	116	4,804	486	no	166	77.2%	367,529	102
347	Willmar	4,331	7,823	150	4,592	485	no	167	43.1%	205,136	102
514	Ellsworth	217	7,029	279	197	473	no	168	1.4%	90,954	7
1	Minneapolis	47,416	11,302	7	52,236	459	no	169	96.4%	458,630	97
876	Annandale	1,857	7,153	263	2,040	457	no	170	62.7%	298,231	96
721	New Prague	2,784	7,023	281	3,633	455	no	171	56.8%	270,462	96
88	New Ulm	2,458	7,774	159	2,540	453	no	172	66.6%	316,903	95
2143	Waterville-Elysian-Morris	1,017	7,321	234	1,209	452	no	173	54.8%	261,021	95
511	Adrian	664	6,739	311	578	450	no	174	19.9%	94,781	95
2365	G.F.W.	933	8,474	75	1,139	450	no	175	37.0%	176,312	95
627	Oklee	243	8,281	96	214	446	yes	176	33.4%	159,037	94
740	Melrose	1,574	7,931	139	1,748	445	no	177	36.5%	173,648	94
535	Rochester	16,265	7,692	169	19,468	441	no	178	73.4%	349,440	93
77	Mankato	6,994	7,214	253	8,034	440	no	179	74.7%	355,416	92
879	Delano	1,917	6,653	316	2,269	426	no	180	73.9%	351,984	90
2342	West Central Area	864	7,652	173	954	425	no	181	35.2%	167,531	89
417	Tracy	760	7,501	197	813	425	no	182	33.1%	157,402	89
2190	Yellow Medicine East	1,148	8,476	74	1,426	418	no	183	31.2%	148,609	88
544	Fergus Falls	2,860	7,645	175	3,062	417	no	184	58.7%	279,230	88
177	Windom	1,052	8,423	79	1,049	416	no	185	41.7%	198,628	87

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	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
2534	Bird Island-Olivia-Lake L	961	7,438	210	954	415	yes	186	41.7%	198,568	87
741	Paynesville	1,147	7,293	239	1,197	415	no	187	46.4%	221,081	87
2198	Fillmore Central	721	7,802	156	841	411	no	188	42.5%	202,129	86
15	St. Francis	5,874	6,867	298	6,713	405	no	189	55.6%	264,476	85
709	Duluth	11,506	8,568	66	13,333	405	no	190	63.5%	302,289	85
182	Crosby-Ironton	1,485	8,106	117	1,783	405	no	191	73.3%	348,752	85
2753	Long Prairie-Grey Eagle	1,473	7,380	219	1,320	405	no	192	42.8%	203,509	85
745	Albany	1,574	7,102	270	1,831	405	no	193	42.7%	203,205	85
99	Esko	1,077	6,641	317	1,155	405	no	194	41.4%	197,209	85
2172	Kenyon-Wanamingo	955	7,639	176	1,044	405	no	195	47.9%	228,015	85
547	Parkers Prairie	608	7,981	130	584	403	yes	196	38.8%	184,557	85
2144	Chisago Lakes	3,470	6,863	299	4,102	402	no	197	63.6%	302,595	84
2184	Luverne	1,339	7,228	251	1,318	400	no	198	34.5%	164,058	84
2854	Ada-Borup	546	7,892	142	544	400	yes	199	24.3%	115,593	84
2125	Triton	1,157	7,325	232	1,437	400	no	200	36.1%	171,751	84
2689	Pipestone-Jasper	1,369	7,276	246	1,513	400	no	201	27.4%	130,356	84
403	Ivanhoe (Ica)	254	5,521	340	244	400	yes	202	30.3%	144,121	84
203	Hayfield	961	6,598	321	1,066	400	no	203	34.5%	164,356	84
518	Worthington	2,351	7,826	149	2,731	397	no	204	32.7%	155,467	83
345	New London-Spic	1,753	6,982	290	1,658	396	no	205	64.9%	308,932	83
206	Alexandria	4,210	7,334	229	4,674	393	no	206	78.2%	372,065	83
508	St. Peter	1,897	8,403	82	2,039	382	no	207	54.8%	260,714	80
118	Remer	555	11,139	12	610	375	yes	208	100.0%	485,034	77
2154	Eveleth-Gilbert	1,518	6,883	296	1,531	367	no	209	36.1%	171,776	77
391	Cleveland	440	6,674	315	463	351	no	210	68.5%	325,902	74
166	Cook County	696	7,320	235	759	350	yes	211	100.0%	492,540	71
756	Blooming Prairi	787	7,047	275	888	350	no	212	36.1%	171,963	74
227	Chatfield	931	6,369	332	985	350	no	213	45.0%	214,106	74
2448	Martin County West	946	7,625	179	903	348	no	214	28.0%	202,210	48
625	St. Paul	45,584	9,984	20	52,329	333	no	215	57.0%	271,463	70
2835	Janesville-Waldorf-Pembert	585	8,891	42	793	318	no	216	35.1%	227,880	49
777	Benson	1,120	7,432	212	1,186	316	no	217	33.4%	159,206	66
22	Detroit Lakes	2,857	7,541	191	2,967	315	no	218	55.2%	262,765	66
229	Lanesboro	356	7,791	157	271	315	no	219	53.8%	256,098	66
769	Morris (Ase)	997	8,345	88	942	302	no	220	47.9%	227,952	63
2397	Lesueur-Henderson	1,334	7,206	255	1,532	301	no	221	47.8%	227,611	63
738	Holdingford	1,091	6,697	314	1,094	301	no	222	36.2%	172,513	63

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	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
465	Litchfield	1,941	7,342	224	2,347	300	no	223	42.4%	201,776	63
2137	Kingsland	898	7,870	145	1,070	300	no	224	38.5%	183,365	63
748	Sartell	2,702	6,925	294	3,229	298	no	225	51.5%	245,226	63
314	Braham	949	7,412	215	1,101	296	no	226	42.2%	201,024	62
146	Barnesville	764	6,844	300	833	264	yes	227	33.8%	161,088	55
97	Moose Lake	789	7,287	243	848	250	no	228	43.6%	207,364	53
392	Lecenter	699	7,249	250	741	249	no	229	44.5%	211,912	52
111	Watertown-Mayer	1,416	6,879	297	1,493	240	no	230	72.8%	346,658	50
671	Hills-Beaver Creek	323	8,245	99	347	230	yes	231	19.5%	150,586	30
763	Medford	581	6,459	329	793	225	no	232	37.5%	178,600	47
75	St. Clair	648	7,159	260	542	222	no	233	51.0%	242,823	47
463	Eden Valley	834	7,552	188	913	219	no	234	39.7%	189,017	46
2805	Zumbrota-Mazeppa	1,185	7,341	227	1,356	209	no	235	49.7%	236,510	44
882	Monticello	3,887	7,142	265	4,462	208	no	236	61.5%	292,779	44
696	Ely	700	8,353	87	632	201	yes	237	83.2%	396,110	42
2310	Sibley East	1,299	7,330	230	1,440	200	yes	238	37.4%	178,041	42
91	Barnum	661	7,520	192	678	200	no	239	37.0%	176,130	42
413	Marshall (Ase)	2,310	7,962	133	2,401	200	no	240	58.2%	277,098	42
553	New York Mills	739	7,010	287	782	198	no	241	27.9%	132,671	42
181	Brainerd	7,334	8,041	123	7,921	185	no	242	63.9%	304,016	39
192	Farmington	5,247	6,899	295	6,842	180	no	243	49.0%	233,363	38
2711	Mesabi East	985	8,960	41	1,094	137	yes	244	47.0%	223,591	29
811	Wabasha	708	7,415	214	855	133	no	245	64.0%	304,622	28
487	Upsala	399	8,054	121	406	131	no	246	32.0%	152,200	27
2165	Hinckley-Finlayson	1,122	7,734	165	1,237	130	no	247	46.1%	219,201	27
837	Madelia	621	8,873	43	738	129	no	248	26.7%	127,272	27
601	Fosston	661	8,779	47	758	129	yes	249	22.9%	108,922	27
786	Bertha-Hewitt	506	8,373	85	458	126	no	250	19.0%	90,448	27
533	Dover-Eyota	1,216	5,781	337	808	126	no	251	41.2%	195,967	27
690	Warroad	1,326	7,578	183	1,396	126	yes	252	26.5%	126,203	27
466	Dassel-Cokato	2,262	6,523	326	2,289	126	no	253	41.6%	198,043	27
2142	St. Louis County	2,461	10,133	18	3,140	126	yes	254	57.7%	274,708	27
810	Plainview	1,139	7,065	274	1,164	126	no	255	40.1%	190,947	27
308	Nevis	547	7,979	131	347	126	no	256	92.9%	442,395	26
595	East Grand Fork	1,789	7,450	206	1,828	126	no	257	36.1%	172,006	26
332	Mora	1,917	7,014	286	1,938	126	no	258	46.4%	220,630	26
531	Byron	1,485	6,743	308	1,625	126	no	259	45.4%	216,018	26

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Ref Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share of Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
390	Lake Of The Woods	706	7,634	178	728	126	yes	260	37.8%	179,964	26
2888	Clinton-Graceville-Beards	510	8,271	97	608	126	yes	261	16.7%	79,352	26
682	Roseau	1,473	6,541	325	1,632	126	no	262	25.4%	121,115	26
447	Grygla	215	10,600	13	219	126	yes	263	15.3%	72,686	26
577	Willow River	455	9,023	39	511	126	yes	264	43.1%	205,365	26
787	Browerville	519	7,517	193	535	126	no	265	25.0%	119,060	26
253	Goodhue	585	6,945	292	712	126	no	266	32.7%	155,805	26
750	Cold Spring	2,372	7,443	208	2,572	124	no	267	53.3%	253,489	26
414	Minneota	503	6,793	304	500	122	yes	268	32.4%	154,438	26
319	Nashwauk-Keewat	643	8,523	72	788	117	yes	269	34.7%	165,143	25
911	Cambridge-Isanti	5,154	6,119	336	5,634	109	no	270	48.9%	232,704	23
2155	Wadena-Deer Creek	1,362	7,653	172	1,440	102	no	271	33.6%	159,917	22
2687	Howard Lake-Waverly-Winst	971	7,550	189	1,459	101	no	272	57.8%	275,067	21
94	Cloquet	2,637	7,819	152	2,648	97	no	273	46.0%	219,055	20
2311	Clearbrook-Gonvick	509	8,614	61	565	85	yes	274	50.0%	238,071	18
2170	Staples-Motley	1,577	8,564	67	1,936	61	no	275	32.7%	155,487	13
706	Virginia	1,721	8,592	64	1,612	60	no	276	46.0%	219,185	13
2895	Jackson County Central	1,360	7,301	238	1,422	50	no	277	35.9%	170,708	11
36	Kelliher	277	11,260	9	243	50	yes	278	20.2%	96,332	11
12	Centennial	7,003	7,142	264	7,891	39	no	279	51.7%	246,092	8
152	Moorhead	5,578	7,496	198	6,042	39	no	280	43.7%	208,158	8
2580	East Central	959	9,585	26	1,147	35	yes	281	32.4%	154,084	7
656	Faribault	4,041	8,193	108	4,988	29	no	282	60.0%	285,537	6
549	Perham	1,690	7,371	220	1,828	26	no	283	59.8%	284,489	5
883	Rockford	1,756	7,139	266	2,079	13	no	284	61.6%	293,207	3
727	Big Lake	3,037	6,352	334	3,880	7	no	285	42.3%	201,443	2
409	Tyler (Ica)	303	5,489	341	357	1	no	286	29.5%	140,257	0
485	Royalton	738	6,926	293	804	1	no	287	38.6%	183,537	0
2174	Pine River-Backus	1,160	7,650	174	1,302	1	no	288	60.3%	287,217	0
912	Milaca	1,948	6,702	313	2,184	1	no	289	39.4%	187,397	0
480	Onamia	831	8,653	58	917	1	yes	290	49.6%	236,235	0
363	South Koochiching	381	11,291	8	202	1	yes	291	30.0%	142,798	0
4	Mcgregor	551	10,205	17	673	1	yes	292	52.6%	250,559	0
32	Blackduck	805	8,229	102	776	1	no	293	30.1%	143,178	0
704	Proctor	1,841	7,345	222	2,235	1	no	294	52.9%	251,870	0
186	Pequot Lakes	1,339	7,157	261	1,351	1	no	295	100.0%	578,502	0
300	Lacrescent-Hokah	1,690	7,016	284	1,642	1	no	296	52.8%	251,204	0

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Rev Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share of Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
717	Jordan	1,383	7,015	285	1,961	1	no	297	55.9%	266,035	0
700	Hermantown	1,949	6,640	318	1,996	1	no	298	62.6%	297,743	0
362	Littlefork-Big Falls	353	7,950	135	313	1	yes	299	28.3%	134,853	0
2149	Minnewaska	1,513	8,162	110	1,645	0	no	300	47.6%	226,464	0
1	Aitkin	1,327	7,573	184	1,366	0	yes	301	67.8%	322,577	0
25	Pine Point (Exp)	58	19,808	1	81	0	no	302	0.0%	0	0
115	Cass Lake	1,225	11,188	10	1,144	0	no	303	0.0%	142,362	0
435	Waubun	575	10,283	15	687	0	yes	304	0.0%	105,999	0
432	Mahnomen	780	9,857	22	809	0	yes	305	0.0%	110,647	0
306	Laporte	319	9,163	33	198	0	yes	306	0.0%	357,869	0
113	Walker-Akeley	995	8,753	49	1,110	0	no	307	0.0%	490,654	0
317	Deer River	1,075	8,743	51	1,193	0	yes	308	0.0%	194,986	0
84	Sleepy Eye	632	8,727	52	670	0	yes	309	0.0%	266,173	0
2	Hill City	371	8,703	55	337	0	yes	310	0.0%	114,622	0
381	Lake Superior	1,732	8,303	93	2,110	0	yes	311	0.0%	317,440	0
95	Cromwell	308	8,299	94	300	0	yes	312	0.0%	195,410	0
698	Floodwood	443	8,133	112	327	0	yes	313	0.0%	230,887	0
318	Grand Rapids	4,150	8,117	114	4,402	0	yes	314	0.0%	372,136	0
309	Park Rapids	1,790	8,114	115	1,972	0	no	315	0.0%	332,564	0
162	Bagley	1,105	7,937	138	1,269	0	no	316	0.0%	126,195	0
739	Kimball	856	7,760	161	928	0	no	317	0.0%	201,664	0
23	Frazee	1,205	7,611	181	1,321	0	no	318	0.0%	176,536	0
2897	Redwood Falls	1,503	7,595	182	1,735	0	no	319	0.0%	153,855	0
542	Battle Lake	512	7,462	204	607	0	no	320	0.0%	443,507	0
333	Ogilvie	704	7,453	205	777	0	no	321	0.0%	142,233	0
394	Montgomery	1,101	7,435	211	1,459	0	no	322	0.0%	265,302	0
116	Pillager	766	7,410	216	961	0	no	323	0.0%	295,631	0
2168	N.R.H.E.G.	990	7,355	221	1,021	0	no	324	0.0%	209,572	0
47	Sauk Rapids	3,492	7,323	233	4,211	0	no	325	0.0%	231,685	0
821	Menahga	756	7,291	240	782	0	no	326	0.0%	129,037	0
473	Isle	552	7,289	242	657	0	yes	327	0.0%	261,678	0
2609	Win-E-Mac	535	7,287	244	625	0	yes	328	0.0%	128,333	0
51	Foley	1,642	7,259	249	1,798	0	no	329	0.0%	192,202	0
550	Underwood	461	7,189	257	408	0	no	330	0.0%	224,170	0
846	Breckenridge	929	7,173	259	1,029	0	no	331	0.0%	142,694	0
818	Verndale	465	7,069	273	341	0	no	332	0.0%	135,536	0
100	Wrenshall	397	7,021	282	364	0	no	333	0.0%	249,103	0

School District Spending Sorted from Most to Least FY 03; Referendum Revenue FY 06

District Number	District Name	FY 03 ADM Served	FY 03 Total Operating Per ADM	Exp. Rank	FY 06 Ref Pupil Units	Refrndm Revenue /pupil	Eligible for Sparsity?	Refrndm Rank	Share or Referndm that is Levy	Ref Mkt Value Tax Base /pupil	Ref Tax on 100,000
	<i>Totals/average</i>	833,116	8,004		937,337	557			77.4%	337,668	128
			8,006								
138	North Branch	3,851	7,005	288	4,757	0	no	334	0.0%	218,755	0
213	Osakis	660	6,821	302	781	0	no	335	0.0%	176,579	0
716	Belle Plaine	1,328	6,758	307	1,745	0	no	336	0.0%	248,111	0
548	Pelican Rapids	1,232	6,742	309	1,401	0	no	337	0.0%	245,608	0
261	Ashby	302	6,639	319	253	0	no	338	0.0%	192,691	0
477	Princeton	3,277	6,636	320	4,162	0	no	339	0.0%	227,783	0
2164	Dilworth-Glyndon-Felton	1,338	6,575	323	1,277	0	no	340	0.0%	145,908	0
204	Kasson-Mantorville	1,857	6,498	327	2,138	0	no	341	0.0%	187,373	0
858	St. Charles	1,052	6,466	328	1,204	0	no	342	0.0%	196,004	0
139	Rush City	971	6,455	330	1,160	0	no	343	0.0%	218,678	0

Senators Hann and Wergin introduced--

S.F. No. 2110: Referred to the Committee on Finance.

A bill for an act

relating to education finance; increasing the referendum revenue allowance; amending Minnesota Statutes 2004, section 126C.17, subdivisions 2, 5, 7.

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

Section 1. Minnesota Statutes 2004, section 126C.17, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding

subdivision 1, for fiscal year 2003, a district's referendum allowance must not exceed the greater of:

(1) the sum of a district's referendum allowance for fiscal year 1994 times 1.162 plus its referendum conversion allowance for fiscal year 2003, minus \$415;

(2) 18.2 percent of the formula allowance;

(3) for a newly reorganized district created on July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization, minus \$415; or

(4) for a newly reorganized district created after July 1, 2002, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost pupil units for the year preceding reorganization.

(b) Notwithstanding subdivision 1, for fiscal year 2004

1 2007 and later, a district's referendum allowance must not
2 exceed the greater of:

3 (1) the sum of: (i) a district's referendum allowance for
4 fiscal year 1994 times 1.177 times the annual inflationary
5 increase as calculated under paragraph (c) plus (ii) its
6 referendum conversion allowance for fiscal year 2003, minus
7 (iii) \$415;

8 (2) the greater of (i) ~~18.6~~ 28 percent of the formula
9 allowance or (ii) ~~\$855.79~~ \$1,288 times the annual inflationary
10 increase as calculated under paragraph (c); or

11 (3) for a newly reorganized district created after July 1,
12 ~~2002~~ 2006, the referendum revenue authority for each
13 reorganizing district in the year preceding reorganization
14 divided by its resident marginal cost pupil units for the year
15 preceding reorganization.

16 ~~(c)~~ (b) For purposes of this subdivision, for fiscal year
17 2005 and later, "inflationary increase" means one plus the
18 percentage change in the Consumer Price Index for urban
19 consumers, as prepared by the United States Bureau of Labor
20 Standards, for the current fiscal year to fiscal year 2004. For
21 ~~fiscal-years-2009-and-later,-for-purposes-of-paragraph-(b),~~
22 ~~clause-(i),-the-inflationary-increase-equals-the-inflationary~~
23 ~~increase-for-fiscal-year-2008-plus-one-fourth-of-the-percentage~~
24 ~~increase-in-the-formula-allowance-for-that-year-compared-with~~
25 ~~the-formula-allowance-for-fiscal-year-2008.~~

26 [EFFECTIVE DATE.] This section is effective for revenue for
27 fiscal year 2007.

28 Sec. 2. Minnesota Statutes 2004, section 126C.17,
29 subdivision 5, is amended to read:

30 Subd. 5. [REFERENDUM EQUALIZATION REVENUE.] (a) For fiscal
31 year 2003 and later, a district's referendum equalization
32 revenue equals the sum of the first tier referendum equalization
33 revenue and the second tier referendum equalization revenue.

34 (b) A district's first tier referendum equalization revenue
35 equals the district's first tier referendum equalization
36 allowance times the district's resident marginal cost pupil

1 units for that year.

2 ~~(c) For fiscal years 2003 and 2004, a district's first tier~~
 3 ~~referendum equalization allowance equals the lesser of the~~
 4 ~~district's referendum allowance under subdivision 1 or \$126.~~
 5 ~~For fiscal year 2005, a district's first tier referendum~~
 6 ~~equalization allowance equals the lesser of the district's~~
 7 ~~referendum allowance under subdivision 1 or \$405.~~ For fiscal
 8 year 2006 and later, a district's first tier referendum
 9 equalization allowance equals the lesser of the district's
 10 referendum allowance under subdivision 1 or \$500.

11 (d) A district's second tier referendum equalization
 12 revenue equals the district's second tier referendum
 13 equalization allowance times the district's resident marginal
 14 cost pupil units for that year.

15 (e) For fiscal year 2006, a district's second tier
 16 referendum equalization allowance equals the lesser of the
 17 district's referendum allowance under subdivision 1 or 18.6
 18 percent of the formula allowance, minus the district's first
 19 tier referendum equalization allowance. For fiscal year 2007
 20 and later, a district's second tier referendum equalization
 21 allowance equals the lesser of the district's referendum
 22 allowance under subdivision 1 or 28 percent of the formula
 23 allowance, minus the district's first tier referendum
 24 equalization allowance.

25 (f) Notwithstanding paragraph (e), the second tier
 26 referendum allowance for a district qualifying for secondary
 27 sparsity revenue under section 126C.10, subdivision 7, or
 28 elementary sparsity revenue under section 126C.10, subdivision
 29 8, equals the district's referendum allowance under subdivision
 30 1 minus the district's first tier referendum equalization
 31 allowance.

32 [EFFECTIVE DATE.] This section is effective for revenue for
 33 fiscal year 2007.

34 Sec. 3. Minnesota Statutes 2004, section 126C.17,
 35 subdivision 7, is amended to read:

36 Subd. 7. [REFERENDUM EQUALIZATION AID.] (a) A district's

1 referendum equalization aid equals the difference between its
2 referendum equalization revenue and levy.

3 (b) If a district's actual levy for first or second tier
4 referendum equalization revenue is less than its maximum levy
5 limit for that tier, aid shall be proportionately reduced.

6 (c) Notwithstanding paragraph (a), the referendum
7 equalization aid for a district, where the referendum
8 equalization aid under paragraph (a) exceeds 90 percent of the
9 referendum revenue, must not exceed ~~18.6~~ 28 percent of the
10 formula allowance times the district's resident ~~marginal-cost~~
11 pupil units. A district's referendum levy is increased by the
12 amount of any reduction in referendum aid under this paragraph.

13 [EFFECTIVE DATE.] This section is effective for revenue for
14 fiscal year 2007.

Senator Rosen introduced--

S.F. No. 2100: Referred to the Committee on Finance.

1 A bill for an act
2 relating to education finance; authorizing a fund
3 transfer for Independent School District No. 2071,
4 Lake Crystal-Wellcome Memorial.
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6 Section 1. [FUND TRANSFER; LAKE CRYSTAL-WELLCOME
7 MEMORIAL.]
8 (a) Notwithstanding Minnesota Statutes, section 123B.79 or
9 123B.80, on June 30, 2005, upon approval of the commissioner of
10 education, Independent School District No. 2071, Lake
11 Crystal-Wellcome Memorial, may permanently transfer up to
12 \$132,754 from its reserved account for handicapped access to its
13 undesignated general fund balance.
14 (b) Prior to making the fund transfer, Independent School
15 District No. 2071, Lake Crystal-Wellcome Memorial, must
16 demonstrate to the commissioner's satisfaction that the
17 district's school buildings are accessible to students or
18 employees with disabilities.
19 (c) Notwithstanding Minnesota Statutes, section 123B.79 or
20 123B.80, on June 30 of 2005, 2006, and 2007, Independent School
21 District No. 2071, Lake Crystal-Wellcome Memorial, may
22 permanently transfer any balance in its reserved for operating
23 capital account resulting from the sale of school property to
24 its undesignated general fund balance.
25 [EFFECTIVE DATE.] This section is effective the day

1 following final enactment.

Senator Wergin introduced—

S. F. No. 831 Referred to the Committee on Finance

1 A bill for an act

2 relating to education; authorizing districts to hold
3 operating referendum for a proposed facility at the
4 same time as a referendum to fund the proposed
5 facility; amending Minnesota Statutes 2004, section
6 126C.17, subdivision 11.

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

8 Section 1. Minnesota Statutes 2004, section 126C.17,
9 subdivision 11, is amended to read:

10 Subd. 11. [REFERENDUM DATE.] (a) Except for a referendum
11 held under paragraph (b) or (d), any referendum under this
12 section held on a day other than the first Tuesday after the
13 first Monday in November must be conducted by mail in accordance
14 with section 204B.46. Notwithstanding subdivision 9, paragraph
15 (b), to the contrary, in the case of a referendum conducted by
16 mail under this paragraph, the notice required by subdivision 9,
17 paragraph (b), must be prepared and delivered by first-class
18 mail at least 20 days before the referendum.

19 (b) In addition to the referenda allowed in subdivision 9,
20 clause (a), the commissioner may grant authority to a district
21 to hold a referendum on a different day if the district is in
22 statutory operating debt and has an approved plan or has
23 received an extension from the department to file a plan to
24 eliminate the statutory operating debt.

25 (c) The commissioner must approve, deny, or modify each
26 district's request for a referendum levy on a different day

1 within 60 days of receiving the request from a district.

2 (d) In addition to the referenda allowed in subdivision 9,
3 paragraph (a), a district may hold a referendum on the same day
4 as a district election for a facility under chapter 475 if the
5 referendum is directly related to the operating costs of the
6 proposed facility except for licensed personnel costs.

7 [EFFECTIVE DATE.] This section is effective for referenda
8 held on or after July 1, 2005.

Fiscal Note – 2005-06 Session

Bill #: S0831-0 **Complete Date:** 02/18/05

Chief Author: WERGIN, BETSY

Title: EXPAND OPERATING REFERENDA AUTHORITY

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

S.F. 831 allows school districts to hold an election for an operating referendum on the same date as a district facility bond referendum if the referendum is directly related to the operation cost of the proposed facility except for licensed personnel costs.

Assumptions

In a bond election, voters are authorizing the school district to issue bonds and to levy over a number of years to repay the bonds. The proceeds from issuing the bonds are used to pay for a specific construction project(s), e.g. new building or building addition. Bond elections are not required to be held on general election day and districts may hold more than one bond election in a calendar year.

With an operating referendum election, voters are authorizing the school district to levy an amount each year for costs of operating the school district.

Under M.S.126C.17, Subd. 9, districts may hold only one referendum election in a calendar year and the election must be on general election day in November, with the following exceptions:

- If the district holds the election by mail ballot, the district can hold the election on a day other than the general election day, but the district can still only have one referendum election (mail ballot or regular ballot) in the calendar year.
- If the district is in statutory operating debt (and has an approved SOD plan and receives approval from the commissioner of education), the district can hold a second election in a calendar year.

It is assumed that under the provisions of S.F. 831, school districts that tie an operating referendum to a facility bond referendum election would be able to have more than one operating referendum election per year.

Presumably, the ballot would propose two questions to voters, one for general obligation bonding for construction, and the second for an operating referendum to provide funds for ongoing operating costs (excluding licensed personnel) for the new facility. It is assumed that the questions would be dependent upon each other, so that both would pass, or both would fail.

When a school district opens an additional building, the district incurs certain fixed costs. These costs generally relate to the cost of having two buildings versus one building and can include building administration, utilities, teaching specialists, etc. As part of the Review and Comment process (M.S. 123B.71), under subdivision 9, (8) a school district must address how the district will fund operating costs of the new facility. This requirement is used to assure that the school district has completed sufficient planning and the school board has considered the financial impact that a new facility will have on the operating budget of the district.

It is assumed that no operating referendum question under this proposal will be approved by voters that would not be approved on the following general election day. Therefore no additional state cost will be incurred.

Expenditure and/or Revenue Formula

No state impact.

Long-Term Fiscal Considerations

The change would be permanent.

Local Government Costs

No new cost under the assumption that no operating referendum will be approved that would not be approved on the following general election day.

References/Sources

Agency Contact Name: Porter, Bob 651-582-8851
FN Coord Signature: AUDREY BOMSTAD

Date: 02/18/05 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES

Date: 02/18/05 Phone: 296-8674