

Senator Dille introduced—

S.F. No. 3622: Referred to the Committee on Finance.

1.1 A bill for an act
1.2 relating to education finance; authorizing a fund transfer for Independent School
1.3 District No. 463, Eden Valley-Watkins.

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

1.5 Section 1. **FUND TRANSFER; EDEN VALLEY-WATKINS.**

1.6 Notwithstanding Minnesota Statutes, sections 123B.79, 123B.80, and 475.61,
1.7 subdivision 4, Independent School District No. 463, Eden Valley-Watkins, as of June 30,
1.8 2006, may permanently transfer up to \$50,000 from its debt redemption fund to the capital
1.9 account in its general fund without making a levy reduction.

1.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

EDEN VALLEY-WATKINS SCHOOLS



Independent District 463

298 Brooks Street N • Eden Valley MN 55329

320.453.2900 • Fax: 320.453.5600

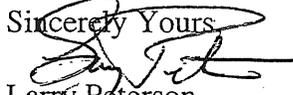
March 28, 2006

Eden Valley-Watkins Public Schools would like to transfer \$50,000 out of the Excess Debt Service Fund #7 which is presently at \$153,802 to the General Fund for the sole purpose of renovation and remodeling of our school library. When we finished our last building improvement project in 2000, there was not enough money to do this project. We need to do this to bring our elementary library into the 21st century. The reasons we need to do this for the students of our school district are:

- . Library book shelving, which is bowed, and coming apart and needs replacing throughout the library. We need to meet ADA standards and as of right now we do not.
- . We have a computer lab with tables that are not computer designed and have old tables that were just given to the library by other entities. We need computer tables and desks to be ADA accessible as well. Thus, we need new computer stations (30).
- . We have an open library on the ground floor of our building that needs to have expanding gates to close access to the library when school is closed. This is needed for security and monitoring reasons.
- . Our library needs a new circulation desk (presently using just a table) so we can do a better job of monitoring library materials.
- . Our outdated circulation of books needs replacement. Since we do not have a community library, we use this library at our elementary school for summer and some community purposes.
- . New chairs, tables, storage cabinets, book drops, book carts and various other improvements are needed to make our elementary library more conducive to learning.

Thank you for listening to our request!

Sincerely Yours

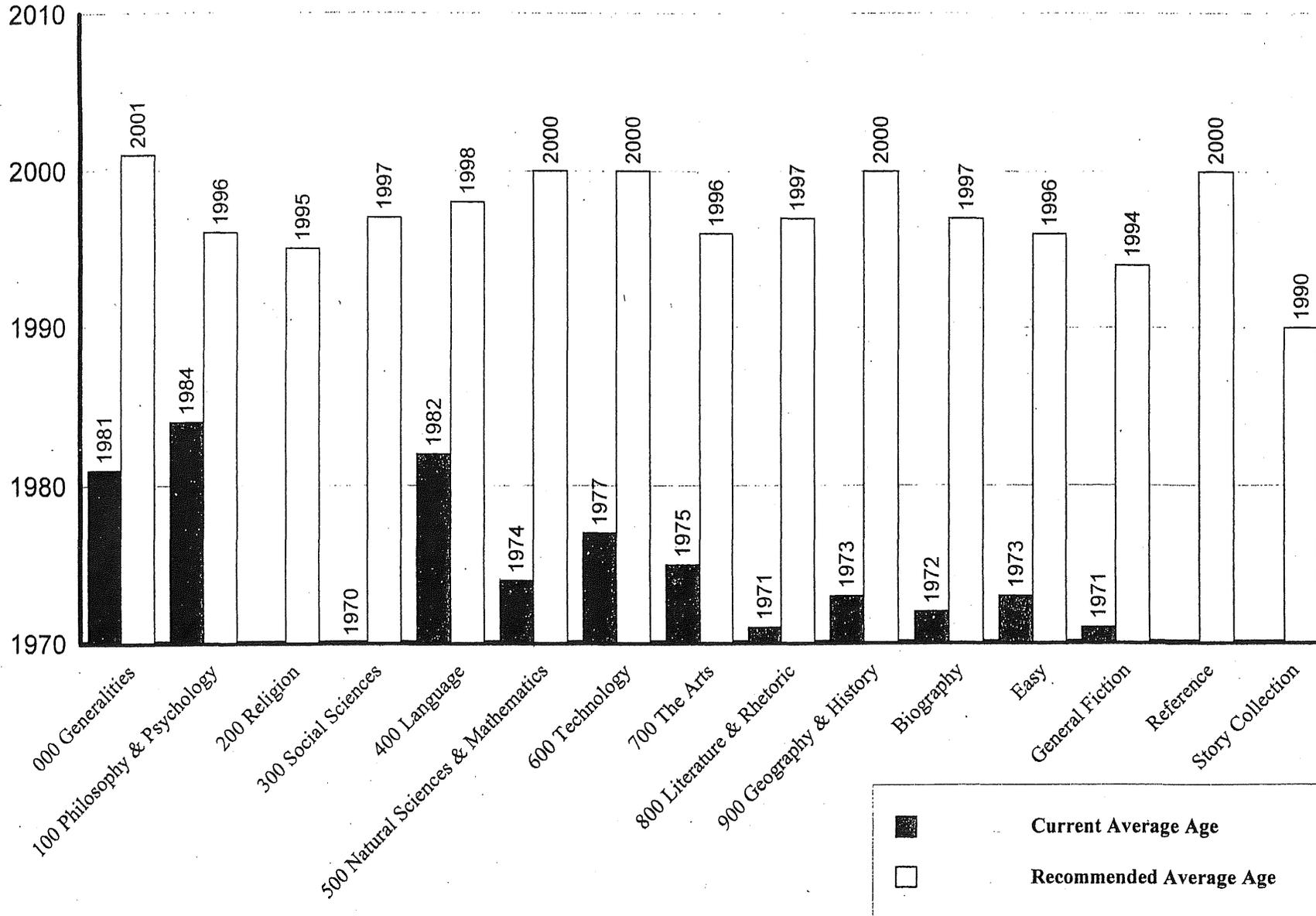

Larry Peterson
Superintendent of Schools
Eden Valley-Watkins Schools
Eden Valley, Mn. 55329

Educating one child at a time.

An Equal Opportunity Employer

Average Publication Year per Classifications

EDEN VALLEY ELEMENTARY



Collection By Year

Decade	# of Books
1900	7
1910	14
1920	33
1930	125
1940	388
1950	1378
1960	3193
1970	2742
1980	2389
1990	1949
2000	291
No year given/out of range	671
Total	13180

Fiscal Note – 2005-06 Session

Bill #: S3622-0 **Complete Date:** 03/31/06

Chief Author: DILLE, STEVE

Title: ISD 463 EDEN VAL-WATKINS FUND TRANS

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

HF 3942 allows ISD #463 (Eden Valley-Watkins) to permanently transfer up to \$50,000 from its debt redemption fund to the designated operating capital account in the general fund without a levy reduction.

Assumptions

At the end of FY 2005, ISD #463 had the following balances:

Operating Capital	\$218,284
Undesignated General	\$474,125
Debt Redemption	\$153,802

Without the proposed legislation, it is estimated ISD #463 would have a debt excess reduction of \$53,000 in Pay 2007 and the district's debt service levy would be reduced by this amount. If the district transfers \$50,000 to operating capital, the reduction to debt service levy will be \$3,000, increasing the Pay 2007 debt service levy by the \$50,000 transfer amount.

ISD #463 does not qualify for debt service aid so there is no state aid impact associated with this bill.

Expenditure and/or Revenue Formula

Since the amount of the requested transfer is less than the anticipated debt redemption fund excess in Pay 2007, a debt service levy increase of \$50,000 will occur entirely on the Pay 2007 levy.

Long-Term Fiscal Considerations

This is a one-time local cost.

Local Government Costs

ISD #463's Pay 2007 debt service levy will increase by \$50,000.

References/Sources

Agency Contact Name: Kiesow, Bill 651-582-8801
FN Coord Signature: AUDREY BOMSTAD
Date: 03/31/06 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
Date: 03/31/06 Phone: 296-8674

Senator Dille introduced-

S.F. No. 3536: Referred to the Committee on Finance.

1.2 A bill for an act
 1.3 relating to education; increasing funding for basic library system support
 1.4 grants; amending Laws 2005, First Special Session chapter 5, article 6, section
 1.5 1, subdivision 2.

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

1.7 Section 1. Laws 2005, First Special Session chapter 5, article 6, section 1, subdivision
 1.8 2, is amended to read:

1.9 Subd. 2. **BASIC SYSTEM SUPPORT.** For basic system support grants under
 1.10 Minnesota Statutes, section 134.355:

1.11	\$ 8,570,000	2006
1.12	8,570,000		
1.13	\$ <u>11,570,000</u>	2007

1.14 The 2006 appropriation includes \$1,345,000 for 2005 and \$7,225,000 for 2006.

1.15 The 2007 appropriation includes \$1,345,000 for 2006 and ~~\$7,225,000~~ \$10,225,000
 1.16 for 2007.

1.17 **EFFECTIVE DATE.** This section is effective July 1, 2006.

Minnesota Regional Public Library Systems

Northwest Regional Library

210 LaBree Ave. N
P.O. Box 593
Thief River Falls, MN 56701-0593
Barbara Jauquet-Kalinoski, Director
Phone 218-681-1066
Fax 218-681-1095
bjauquet@nwrilib.org
<http://www.nwrilib.org>

Lake Agassiz Regional Library

118 South 5th Street
P.O. Box 900
Moorhead, MN 56561-0900
Kathy Fredette, Director
Phone 218-233-3757 Ext. 127
Fax 218-233-7556
<http://www.larl.org>
fredettek@larl.org

Viking Library System

204 N Cascade Street
P.O. Box 7
Fergus Falls, MN 56538-0717
Peg Werner, Director
Phone 218-739-5286
Fax 218-739-5287
pwerner@viking.lib.mn.us
<http://viking.lib.mn.us>

Pioneerland Library System

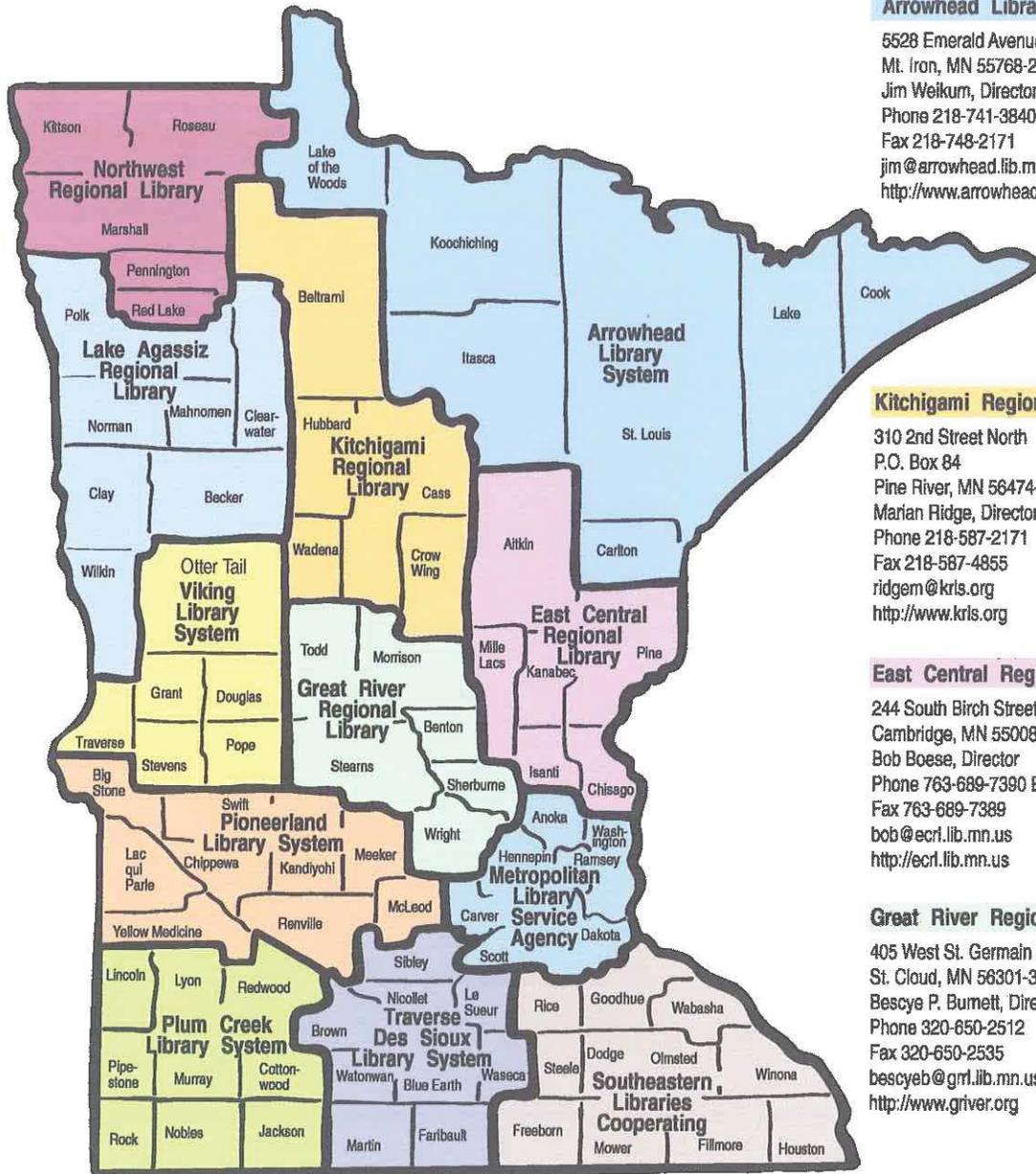
410 5th St. SW
P.O. Box 327
Willmar, MN 56201-0327
John Houlahan, Director
Phone 320-235-6106 Ext. 27
Fax 320-214-0187
johnh@pioneerland.lib.mn.us
<http://www.pioneerland.lib.mn.us>

Plum Creek Library System

290 S. Lake Street
P.O. Box 697
Worthington, MN 56187-0697
Richard MacDonald, Director
Phone 507-376-5803
Fax 507-376-9244
rma@plumcreeklibrary.net
<http://www.plumcreeklibrary.org>

State Library Services & School Technology

Minnesota Department of Education
1500 Hwy 36 West
Roseville, MN 55113
Suzanne Miller, Director
Phone 651-582-8251
Fax 651-582-8752
suzanne.miller@state.mn.us
http://education.state.mn.us/html/intro_ed_support.htm



Arrowhead Library System

5528 Emerald Avenue
Mt. Iron, MN 55768-2069
Jim Weikum, Director
Phone 218-741-3840 Ext. 230
Fax 218-748-2171
jim@arrowhead.lib.mn.us
<http://www.arrowhead.lib.mn.us>

Kitchigami Regional Library

310 2nd Street North
P.O. Box 84
Pine River, MN 56474-0084
Marian Ridgeman, Director
Phone 218-587-2171
Fax 218-587-4855
ridgem@krls.org
<http://www.krls.org>

East Central Regional Library

244 South Birch Street
Cambridge, MN 55008-1588
Bob Boese, Director
Phone 763-689-7390 Ext. 11
Fax 763-689-7389
bob@ecrl.lib.mn.us
<http://ecrl.lib.mn.us>

Great River Regional Library

405 West St. Germain Street
St. Cloud, MN 56301-3697
Bescye P. Burnett, Director
Phone 320-650-2512
Fax 320-650-2535
bescyeb@grrl.lib.mn.us
<http://www.griver.org>

Traverse des Sioux Library System

1400 Madison Avenue Suite 622
Mankato, MN 56002-5488
Patty Biesterfeld, Acting Director
Phone 507-625-6169
Fax 507-625-4049
pbiest@tds.lib.mn.us
<http://www.tds.lib.mn.us>

Southeastern Libraries Cooperating

2600 19th St. NW
Rochester, MN 55901-0767
Ann Hutton, Executive Director
Phone 507-288-5513
Fax 507-288-8697
ann@selco.info
<http://www.selco.info>

Metropolitan Library Service Agency

1619 Dayton Ave., Suite 314
St. Paul, MN 55104-6206
Marlene Moulton Janssen, Executive Director
Phone 651-645-5731
Fax 651-649-3169
marlene@melsa.org
<http://www.melsa.org>

Senators Scheid, Marty, Neuville and Kubly introduced--
S.F. No. 3447: Referred to the Committee on Finance.

A bill for an act
relating to education finance; authorizing a levy for school districts in statutory
operating debt; proposing coding for new law in Minnesota Statutes, chapter
126C.

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

Section 1. [126C.425] OPERATING DEBT LEVIES.

Subdivision 1. 2005 operating debt. (a) A school district that was in statutory
operating debt as of June 30, 2005, under section 123B.81, may levy for up to three years
to eliminate a deficit in the net undesignated balance in the general fund. The annual levy
may not exceed the lesser of \$400,000 or the amount raised by a levy of four percent times
the district's adjusted net tax capacity for the next taxable year. The total amount of the
levy for all years must not exceed the amount of the deficit in the net undesignated balance
of the general fund as of June 30, 2005.

(b) A school district is eligible to levy under this section if the levy has been
approved as part of the district's special operating plan under section 123B.83, subdivision
4, to eliminate its statutory operating debt.

(c) The levy authority under this subdivision expires after taxes payable in 2009.

EFFECTIVE DATE. This section is effective for taxes payable in 2007 through
2009.

Districts & Charter Schools that are in Statutory Operating Debt

Fund Balance Report - FY 05

Districts & Charter Schools			FY05 UNR	GENERAL	FY05	FY05	FY05	ANTC 05		Limited to not more than
NO.	TYPE	NAME	GEN FUND BALANCE	FUND EXPEND	BALANCE CALC	AADM05	AMCPU05	ANTC 05	4% levy	\$400,000
		Totals							12,502,218	4,442,853
3	200	1 HASTINGS	-1,188,805	35,202,142	-3.38%	5,165	6,022	39,105,808	1,564,232	400,000
9	270	1 HOPKINS	-4,227,688	79,087,937	-5.35%	8,220	9,551	103,798,788	4,151,952	400,000
8	286	1 BROOKLYN CENTER	-692,151	14,058,995	-4.92%	1,712	1,981	7,553,089	302,124	302,124
7	306	1 LAPORTE	-122,499	2,560,462	-4.78%	291	344	2,869,575	114,783	114,783
23	316	1 GREENWAY	-1,894,287	10,956,366	-17.29%	1,291	1,476	5,613,811	224,552	224,552
22	371	1 BELLINGHAM	-158,837	958,355	-16.57%	129	145	849,810	33,992	33,992
15	424	1 LESTER PRAIRIE	-219,337	3,281,237	-6.68%	449	536	2,437,071	97,483	97,483
19	577	1 WILLOW RIVER	-335,166	2,960,600	-11.32%	447	516	3,845,299	153,812	153,812
4	623	1 ROSEVILLE	-2,165,307	51,954,696	-4.17%	6,377	7,416	70,097,617	2,803,905	400,000
17	635	1 MILROY	-74,321	879,396	-8.45%	121	139	1,265,707	50,628	50,628
6	659	1 NORTHFIELD	-1,337,341	28,478,334	-4.70%	3,821	4,446	28,324,631	1,132,985	400,000
5	738	1 HOLDINGFORD	-297,577	6,936,719	-4.29%	1,042	1,209	4,068,486	162,739	162,739
18	771	1 CHOKIO-ALBERTA	-220,723	2,048,151	-10.78%	191	230	2,643,533	105,741	105,741
24	815	2 PRINSBURG	-200,590	280,636	-71.48%	-	7	797,493	31,900	31,900
1	2071	1 LAKE CRYSTAL-WELLCOME ME	-176,262	6,377,854	-2.76%	786	918	7,001,010	280,040	280,040
2	2172	1 KENYON-WANAMINGO	-207,365	6,409,176	-3.24%	891	1,043	7,555,440	302,218	302,218
16	2396	1 A.C.G.C.	-561,430	7,378,337	-7.61%	853	1,006	8,644,969	345,799	345,799
13	2859	1 GLENCOE-SILVER LAKE	-746,466	12,709,511	-5.87%	1,690	1,994	10,157,291	406,292	400,000
20	2890	1 RENVILLE COUNTY WEST	-603,608	5,282,928	-11.43%	698	820	5,926,033	237,041	237,041
14	4011	7 NEW VISIONS SCHOOL	-314,257	5,276,261	-5.96%	181	187			
21	4088	7 URBAN ACADEMY	-130,146	1,065,015	-12.22%	154	144			
12	4105	7 GREAT RIVER SCHOOL	-67,586	1,155,137	-5.85%	84	109			
11	4110	7 MAIN ST.SCH.PERFORM.ARTS	-73,442	1,282,699	-5.73%	106	138			
10	4115	7 MINNEAPOLIS ACADEMY CHTR	-47,133	878,526	-5.37%	68	72			

Source: House Research, March 2006.

Senator Lourey introduced—

S.F. No. 3243: Referred to the Committee on Finance.

1.1 A bill for an act
 1.2 relating to education finance; including certain special education fiscal agents in
 1.3 the list of cooperative special education service providers eligible for a waiver;
 1.4 amending Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1,
 1.7 is amended to read:

1.8 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,
 1.9 when a school district provides instruction and services outside the district of residence,
 1.10 board and lodging, and any tuition to be paid, shall be paid by the district of residence.
 1.11 The tuition rate to be charged for any child with a disability, excluding a pupil for whom
 1.12 tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be
 1.13 the sum of (1) the actual cost of providing special instruction and services to the child
 1.14 including a proportionate amount for special transportation and unreimbursed building
 1.15 lease and debt service costs for facilities used primarily for special education, plus (2)
 1.16 the amount of general education revenue and referendum aid attributable to the pupil,
 1.17 minus (3) the amount of special education aid for children with a disability received
 1.18 on behalf of that child, minus (4) if the pupil receives special instruction and services
 1.19 outside the regular classroom for more than 60 percent of the school day, the amount of
 1.20 general education revenue and referendum aid, excluding portions attributable to district
 1.21 and school administration, district support services, operations and maintenance, capital
 1.22 expenditures, and pupil transportation, attributable to that pupil for the portion of time
 1.23 the pupil receives instruction in the regular classroom. If the boards involved do not
 1.24 agree upon the tuition rate, either board may apply to the commissioner to fix the rate.

2.1 Notwithstanding chapter 14, the commissioner must then set a date for a hearing or
2.2 request a written statement from each board, giving each board at least ten days' notice,
2.3 and after the hearing or review of the written statements the commissioner must make an
2.4 order fixing the tuition rate, which is binding on both school districts. General education
2.5 revenue and referendum aid attributable to a pupil must be calculated using the resident
2.6 district's average general education and referendum revenue per adjusted pupil unit.

2.7 (b) For fiscal year 2007 and later, when a school district provides special instruction
2.8 and services for a pupil with a disability as defined in section 125A.02 outside the district
2.9 of residence, excluding a pupil for whom an adjustment to special education aid is
2.10 calculated according to section 127A.47, subdivision 7, paragraph (e), special education
2.11 aid paid to the resident district must be reduced by an amount equal to (1) the actual
2.12 cost of providing special instruction and services to the pupil, including a proportionate
2.13 amount for special transportation and unreimbursed building lease and debt service costs
2.14 for facilities used primarily for special education, plus (2) the amount of general education
2.15 revenue and referendum aid attributable to that pupil, minus (3) the amount of special
2.16 education aid for children with a disability received on behalf of that child, minus (4) if the
2.17 pupil receives special instruction and services outside the regular classroom for more than
2.18 60 percent of the school day, the amount of general education revenue and referendum
2.19 aid, excluding portions attributable to district and school administration, district support
2.20 services, operations and maintenance, capital expenditures, and pupil transportation,
2.21 attributable to that pupil for the portion of time the pupil receives instruction in the regular
2.22 classroom. General education revenue and referendum aid attributable to a pupil must be
2.23 calculated using the resident district's average general education revenue and referendum
2.24 aid per adjusted pupil unit. Special education aid paid to the district or cooperative
2.25 providing special instruction and services for the pupil must be increased by the amount
2.26 of the reduction in the aid paid to the resident district. Amounts paid to cooperatives
2.27 under this subdivision and section 127A.47, subdivision 7, shall be recognized and
2.28 reported as revenues and expenditures on the resident school district's books of account
2.29 under sections 123B.75 and 123B.76. If the resident district's special education aid is
2.30 insufficient to make the full adjustment, the remaining adjustment shall be made to other
2.31 state aid due to the district.

2.32 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,
2.33 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students
2.34 receive special education and related services, an intermediate district, ~~or~~ a special
2.35 education cooperative, or a school district that served as the applicant agency for a group
2.36 of school districts for federal special education aids for fiscal year 2006 may apply to the

3.1 commissioner for authority to charge the resident district an additional amount to recover
3.2 any remaining unreimbursed costs of serving pupils with a disability. The application must
3.3 include a description of the costs and the calculations used to determine the unreimbursed
3.4 portion to be charged to the resident district. Amounts approved by the commissioner
3.5 under this paragraph must be included in the tuition billings or aid adjustments under
3.6 paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

3.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Senator Lourey introduced—

S.F. No. 3299: Referred to the Committee on Finance.

1.2 A bill for an act
1.3 relating to education finance; authorizing the school district to recognize its
1.4 operating levy early.

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

1.6 Section 1. EARLY LEVY RECOGNITION; WILLOW RIVER.

1.7 Notwithstanding Minnesota Statutes, sections 123B.75, and 127A.441, if
1.8 Independent School District No. 577, Willow River, successfully approves an operating
1.9 referendum in September 2006, the district may recognize up to 50 percent of the
1.10 operating referendum levy approved at that election as revenue for the fiscal year in which
1.11 it is certified. This early recognition applies only to referendum authority approved
1.12 in September 2006.

1.13 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2007
and later.

**Minnesota Senate
Finance Committee-K-12 Education Budget Division**

Senator LeRoy A. Stumpf, Chair

Hearing On SF 3299

MONDAY, APRIL 3, 2006

**ROOM 112
CAPITOL**

**Willow River Public Schools
ISD #577
Willow River, Minnesota**

Steve Wymore, Superintendent

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1

**Willow River Public Schools
School Board Members**

**School Board 2004-05/2005-06 (to
12/31/05)**

Dianna Sandstrom, Chair
88099 Old Pine Lane
Sturgeon Lake, MN 55783

Tim Peebles, Vice-Chair
16902 Rocky Road
Willow River, MN 55795

Tarey Johnson, Treasurer
21555 Rock Cuts Road
Sturgeon Lake, MN 55783

Tia Grutkoski, Clerk
26918 Oak Bend Way
Sturgeon Lake, MN 55783

Ray Uszenski, Director
86697 Rosewood Lane
Sturgeon Lake, MN 55783

Doug Alberg, Director
23935 Rutledge Road
Willow River, MN 55795

**School Board 2005-06/2006-07
(Present)**

Tia Grutkoski, Chair
26918 Oak Bend Way
Sturgeon Lake, MN 55783

Roger Else, Vice-Chair
12558 Rutledge Road
Finlayson, MN 55735

David Kliniski, Jr., Treasurer
8056 West First Lake Road
Willow River, MN 55795

Barbara G. Coles, Clerk
43123 County Road 43
Willow River, MN 55795

Gerard Bennett, Director
31854 Walter Road
Willow River, MN 55795

J. J. Waldhalm, Director
8948 General Andrews Drive
Sturgeon Lake, MN 55783

Willow River Public Schools Monthly Enrollment Report

Monthly Enrollment 2005-06 School Year Report														
Grade	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Average ADM	Average ADM Beginning 10/05
Pre-K	3	3	3	3	3	3	3	3	14				4.22	4.83
K	31	24	21	21	20	21	22	23	23				22.89	21.67
HD-K	1	7	6	6	7	7	7	7	7				6.11	6.83
1st	31	37	32	30	31	31	32	32	32				32.00	31.33
2nd	32	31	29	29	29	30	28	27	28				29.22	28.50
3rd	36	37	36	35	35	34	34	33	34				34.89	34.17
4th	33	33	32	32	32	31	30	30	30				31.44	30.83
5th	28	28	28	28	28	27	26	27	27				27.44	27.17
6th	34	33	35	35	35	35	35	35	36				34.78	35.17
7th	34	37	35	33	33	35	35	35	35				34.67	34.33
8th	37	37	36	33	33	34	34	35	35				34.89	34.00
9th	42	43	43	43	42	41	41	42	43				42.22	42.00
10th	37	38	36	34	35	35	35	35	36				35.67	35.00
11th	36	36	33	32	32	33	33	33	32				33.33	32.50
12th	33	33	31	31	31	33	33	33	32				32.22	32.17
Subtotal	448	457	436	425	426	430	428	430	444				436.00	430.50
ALP	21	8	8	3	3	3	3	3	3				6.11	3.00
Grand Total	469	465	444	428	429	433	431	433	447				442.11	433.50
Open Enrollment														
In	87	87	87	69	71	76	79	84	89				81.00	78.00
Out	101	101	101	94	88	88	90	94	94				94.56	91.33
PSEO														
Full-Time	0	0	0	4	4	5	5	5	5				3.11	4.67
Half-Time	0	0	0	1	1	1	1	1	1				0.67	1.00
2 Days Per Wk.	0	0	0	0	0	0	0	0	0				0.00	0.00
Home School	15	15	17	12	12	12	12	12	12				13.22	12.00

3-9-06
 This month's increase in Pre-Kindergarten census is due to MARSS recording of students who went through screening. This must be recorded to receive reimbursement for screening costs.

Grade	Enrollment School Year								Grade	2005-06			Grade	2006-07			
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Pupil Weighting		ADM	WADM	Pupil Weighting		ADM	WADM		
Pre-K	7	11	14	3	3	3	3		K	0.557	23	12.811	K	0.557	49	27.293	
K	30	31	23	49	31	26	23		HD-K	1	7	7	HD-K	1	1	1	
HD-K	1	6	7	1	1	1	1		1st	1.115	32	35.68	1st	1.115	30	33.45	
1st	33	32	32	30	49	31	26		2nd	1.115	28	31.22	2nd	1.115	32	35.68	
2nd	35	36	28	32	30	49	31		3rd	1.115	34	37.91	3rd	1.115	28	31.22	
3rd	27	33	34	28	32	30	49		4th	1.06	30	31.8	4th	1.06	34	36.04	
4th	36	28	30	34	28	32	30		5th	1.06	27	28.62	5th	1.06	30	31.8	
5th	34	34	27	30	34	28	32		6th	1.06	36	38.16	6th	1.06	27	28.62	
6th	34	34	36	27	30	34	28		7th	1.3	35	45.5	7th	1.3	36	46.8	
7th	43	37	35	36	27	30	34		8th	1.3	35	45.5	8th	1.3	35	45.5	
8th	39	42	35	35	36	27	30		9th	1.3	43	55.9	9th	1.3	35	45.5	
9th	37	37	43	35	35	36	27		10th	1.3	36	46.8	10th	1.3	43	55.9	
10th	37	36	36	43	35	35	36		11th	1.3	32	41.6	11th	1.3	36	46.8	
11th	23	33	32	36	43	35	35		12th	1.3	32	41.6	12th	1.3	32	41.6	
12th	24	26	32	32	36	43	35										
Subtotal	440	456	444	451	450	440	420		Subtotal		430	500.101	Subtotal		448	507.203	
ALP	22	23	3	8	8	8	8		ALP	1.3	3	3.9	ALP	1.3	8	10.4	
Grand Total	462	479	447	459	458	448	428		Grand Total		433	504.001	Grand Total		456	517.603	
Open Enrollment									Basic Revenue			\$2,410,636.78	Basic Revenue			\$2,574,557.32	
In	89																
Out	94																
PSEO																	
Full-Time	5																
Half-Time	1																
2 Days Per Wk	0																
	Home School							12	In compliance								

SUPERINTENDENT WYMORE'S PRIORITY REDUCTIONS

Split Class Savings	3531
Staff Development	10000
Alternative Learning Program Eliminate 1. FTE Position	45972
Full Time Non-Title I or Non-Special Ed. Paraprofessional Position	20120
Health Office Proposal Savings	13843
<u>Single Section 3rd Grade & Single Section 4th Grade</u>	<u>38329</u>
<u>Sub-Total</u>	<u>131795</u>
Elementary Music .46 FTE	17847
Alternative Learning Program Eliminate 1 FTE Position	41860
<u>Add a Split Section Position in 1st & 2nd Grade</u>	<u>35362</u> (This was proposed in lieu of eliminating the Elementary Music Position) (Amount is 3531 less than actual total due to split class costs)
Total	226864

No further High School Reductions due to lack of data on pre-registration.

Savings in PE would be \$1711

Need to increase Special Ed. Speech Time from .6 to .88 due to workload study.

Member Roger Else introduced the following resolution and moved its adoption:

RESOLUTION DISCONTINUING AND REDUCING EDUCATIONAL PROGRAMS AND POSITIONS

WHEREAS, the School Board of Independent School District No. 577 adopted a resolution on February 7, 2006, directing the administration to make recommendations for reductions in programs and positions, and

WHEREAS, said recommendations have been received and considered by the school board,

BE IT RESOLVED, by the School Board of Independent School District No. 577, as follows:

That the following programs and positions, or portions thereof, be discontinued:

- 1. High School Alternative Learning Program 1 FTE
- 2. Elementary Classroom 1 FTE

The motion for the adoption of the foregoing resolution was duly seconded by Member

Barbara Coles and upon vote being taken thereon, the

following voted in favor thereof: Gerard Bennett, Barbara Coles, Roger Else, Tia Grutkosk, David Kliniski, Jr., JJ Waldhelm

and the following voted against:

whereupon said resolution was declared duly passed and adopted.

Barbara J. Coles, Clerk
3/21/06

Willow River Public
Schools

March 22, 2006

Dr. Charles Speiker, Management Assistance
Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55113-4266

Tia Grutkoski, Chair
Roger Else, Vice-Chair
Barbara Coles, Clerk
Dave Kliniski, Jr., Treas.
Gerard Bennett, Director
J. J. Waldhalm, Director

Steve Wymore,
Superintendent/K-12 Prin.

Arnie Hughley
Business Manager

Dave Louzek,
Athletic Director

Jason Bexell,
Comm. Ed. Coord.

Mission Statement:
The school district is committed to providing the highest quality of educational programs possible to all learners who enter the doors to the school. This will be done through collaboration with the entire community, including parents, children, adult learners, and staff. We will utilize all resources that we have available to assure that our mission is fulfilled.

Dear Dr. Speiker:

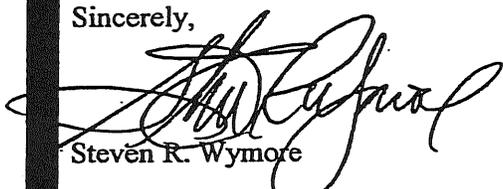
Thank you for taking time to visit with me on such short notice today. While my main purpose for the day was to complete training using EMAP for the amendment process on the Consolidated Title Application, my hope was to try to take a quick moment to update you on Willow River School's progress toward compliance with our Statutory Operating Debt (SOD) Plan.

It was kind of you to spend time with me to address the budget reductions adopted by the school board on March 21, 2006 for FY07. The reductions are reflective of the general discussion held at the March 9, 2006 Willow River School Board Meeting, which you attended. As we discussed, the amount of reductions necessary to comply with a June 30, 2008 deadline would devastate our programs.

The majority of the Willow River School Board has been replaced with five new members beginning terms on January 1, 2006. Because of the high turnover of members, the community consensus is that a referendum can be passed to substantially eliminate the SOD condition. On March 14, 2006, the Willow River School Board passed a resolution calling for a referendum election to increase the operating levy authority by \$500,002 per year for the next 10 years. In a letter dated March 16, 2006, Alice Seagren, Minnesota Department of Education Commissioner approved the Willow River School District request to hold an off schedule election on September 12, 2006.

I respectfully request an extension of one year to comply with the School District's mandate to be out of Statutory Operating Debt by June 30, 2009. We project that with this extension we will be able to maintain the integrity of our programs and demonstrate a positive undesignated/unreserved fund balance by June 30, 2010.

Sincerely,


Steven R. Wymore

8142 Pine St., PO Box 66
Willow River, MN 55795

Phone: 218-372-3131

Fax: 218-372-3132

E-mail:

swymore@willowriver.k12.mn.us

No referendum

SOD calculation - out of SOD by 2009, Positive fund balance by 2010
2008 add back principal 2007 - 2010 budget cuts

General Fund Operations

Years Ended June 30	ADM	447	434	420	420	420	420
		2005	2006	2007	2008	2009	2010
Revenues		3,717,387	3,593,212	3,601,534	3,674,512	3,688,261	3,637,587
Expenditures		(3,808,187)	(3,570,033)	(3,544,134)	(3,588,299)	(3,575,831)	(3,578,464)
Excess of Revenues Over (Under) Expenditures		(90,800)	23,179	57,400	86,213	112,430	59,123
Change in reserved accounts (04-05)		1,698					
Unreserved Undesignated Fund Balance Prior Year End		(246,064)	(335,166)	(311,987)	(254,587)	(168,374)	(55,944)
Unreserved Undesignated Fund Balance		(335,166)	(311,987)	(254,587)	(168,374)	(55,944)	3,179

Revenues

Local Property Taxes		89,823	83,119	145,141	156,445	168,961	182,477
State Sources		3,272,689	3,137,397	3,083,697	3,083,697	3,083,697	3,083,697
State Source inflation increase	0.02				61,674	62,907	64,166
Staff Development							(65,449)
Referendum revenue				0	0	0	0
Other Fund Revenues (see below)		354,875	372,696	372,696	372,696	372,696	372,696
Total		3,717,387	3,593,212	3,601,534	3,674,512	3,688,261	3,637,587

Other Fund Revenues

Federal Title		170,399	170,399	170,399	170,399	170,399	170,399
Federal Special Ed		56,043	56,043	56,043	56,043	56,043	56,043
State Special Ed		119,319	119,319	119,319	119,319	119,319	119,319
REAP		16,935	16,935	16,935	16,935	16,935	16,935
Miscellaneous		10,000	10,000	10,000	10,000	10,000	10,000
Total		372,696	372,696	372,696	372,696	372,696	372,696

Expense assumptions

Prior Year Expenses		(3,808,187)	(3,570,033)	(3,544,134)	(3,588,299)	(3,575,831)	
Budget Cuts		200,000	130,000	150,000	150,000	135,000	
		(3,608,187)	(3,440,033)	(3,394,134)	(3,438,299)	(3,440,831)	
Inflation factor	0.04	3.00%	4.00%	4.00%	4.00%	4.00%	
		(3,716,433)	(3,577,634)	(3,529,899)	(3,575,831)	(3,578,464)	
Teacher additional .5 % wage increase		(8,000)					
Teacher health		20,000	6,500	0	0	0	
Principal/Dean of students (increase) decrease		98,400	0	(98,400)			
Program enhancement							
Bus route adjustment		25,000	26,000	0	0	0	
School Board savings		11,000	1,000	0	0	0	
Honeywell contract				40,000	0	0	
Total estimated expenses		(3,570,033)	(3,544,134)	(3,588,299)	(3,575,831)	(3,578,464)	

Estimated SOD calculation

Unreserved Undesignated Fund Balance	1	(311,987)	(254,587)	(168,374)	(55,944)	3,179
Qualifying Estimated Expenditures	2	2,958,123	2,936,664	2,973,259	2,962,928	2,965,110
SOD Calculation (1/2)		-10.55%	-8.67%	-5.66%	-1.89%	0.11%

MDE approved SOD calculation

Unreserved Undesignated Fund Balance	1	(463,005)	(317,290)	(66,727)		
Qualifying Estimated Expenditures	2	2,834,324	2,764,354	2,706,284		
SOD Calculation (1/2)		-16.34%	-11.48%	-2.47%		

\$500m referendum, recognize 1/2 2007

SOD calculation - out of SOD by 2009, Positive fund balance by 2010
2008 add back principal 2007 - 2010 budget cuts as neededGeneral Fund Operations

	ADM	447	434	420	420	420	420
For Years Ended June 30	2005	2006	2007	2008	2009	2010	
Revenues	3,717,387	3,593,212	3,851,534	4,111,605	4,124,095	4,137,587	
Expenditures	(3,808,187)	(3,570,033)	(3,544,134)	(3,744,299)	(3,854,071)	(3,968,234)	
Excess of Revenues Over (Under) Expenditures	(90,800)	23,179	307,400	367,305	270,024	169,353	
Change in reserved accounts (04-05)		1,698					
Unreserved Undesignated Fund Balance Prior Year End	(246,064)	(335,166)	(311,987)	(4,587)	362,719	632,743	
Unreserved Undesignated Fund Balance	(335,166)	(311,987)	(4,587)	362,719	632,743	802,096	

Revenues

Local Property Taxes	89,823	83,119	145,141	156,445	168,961	182,477
State Sources	3,272,689	3,137,397	3,083,697	3,083,697	3,083,697	3,083,697
State Source inflation increase	0.02			61,674	62,907	64,166
Staff Development				(62,907)	(64,166)	(65,449)
Referendum revenue			250,000	500,000	500,000	500,000
Other Fund Revenues (see below)	354,875	372,696	372,696	372,696	372,696	372,696
Total	3,717,387	3,593,212	3,851,534	4,111,605	4,124,095	4,137,587

Other Fund Revenues

Federal Title	170,399	170,399	170,399	170,399	170,399	170,399
Federal Special Ed	56,043	56,043	56,043	56,043	56,043	56,043
State Special Ed	119,319	119,319	119,319	119,319	119,319	119,319
REAP	16,935	16,935	16,935	16,935	16,935	16,935
Miscellaneous	10,000	10,000	10,000	10,000	10,000	10,000
Total	372,696	372,696	372,696	372,696	372,696	372,696

Expense assumptions

Prior Year Expenses	(3,808,187)	(3,570,033)	(3,544,134)	(3,744,299)	(3,854,071)	
Budget Cuts	200,000	130,000	0	0	0	
	(3,608,187)	(3,440,033)	(3,544,134)	(3,744,299)	(3,854,071)	
Inflation factor	3.00%	4.00%	4.00%	4.00%	4.00%	
	(3,716,433)	(3,577,634)	(3,685,899)	(3,894,071)	(4,008,234)	
Teacher additional .5 % wage increase	(8,000)					
Teacher health	20,000	6,500	0	0	0	
Principal/Dean of students (increase) decrease	98,400	0	(98,400)			
Program enhancement				40,000	40,000	
Bus route adjustment	25,000	26,000	0	0	0	
School Board savings	11,000	1,000	0	0	0	
Honeywell contract			40,000	0	0	
Total estimated expenses	(3,570,033)	(3,544,134)	(3,744,299)	(3,854,071)	(3,968,234)	

Estimated SOD calculation

Unreserved Undesignated Fund Balance	1	(311,987)	(4,587)	362,719	632,743	802,096
Qualifying Estimated Expenditures	2	2,958,123	2,936,664	3,102,520	3,193,477	3,288,072
SOD Calculation (1/2)		-10.55%	-0.16%	11.69%	19.81%	24.39%

MDE approved SOD calculation

Unreserved Undesignated Fund Balance	1	(463,005)	(317,290)	(66,727)		
Qualifying Estimated Expenditures	2	2,834,324	2,764,354	2,706,284		
SOD Calculation (1/2)		-16.34%	-11.48%	-2.47%		

\$500m referendum, recognize 2008

SOD calculation - out of SOD by 2009, Positive fund balance by 2010
2008 add back principal 2007 - 2010 budget cuts as neededGeneral Fund Operations

	ADM	447	434	420	420	420	420
Years Ended June 30	2005	2006	2007	2008	2009	2010	
Revenues	3,717,387	3,593,212	3,601,534	4,174,512	4,124,095	4,137,587	
Expenditures	(3,808,187)	(3,570,033)	(3,544,134)	(3,744,299)	(3,854,071)	(3,968,234)	
Excess of Revenues Over (Under) Expenditures	(90,800)	23,179	57,400	430,213	270,024	169,353	
Change in reserved accounts (04-05)	1,698						
Unreserved Undesignated Fund Balance Prior Year End	(246,064)	(335,166)	(311,987)	(254,587)	175,626	445,650	
Unreserved Undesignated Fund Balance	(335,166)	(311,987)	(254,587)	175,626	445,650	615,003	

Revenues

Local Property Taxes	89,823	83,119	145,141	156,445	168,961	182,477
State Sources	3,272,689	3,137,397	3,083,697	3,083,697	3,083,697	3,083,697
State Source inflation increase				61,674	62,907	64,166
Staff Development					(64,166)	(65,449)
Referendum revenue			0	500,000	500,000	500,000
Other Fund Revenues (see below)	354,875	372,696	372,696	372,696	372,696	372,696
Total	3,717,387	3,593,212	3,601,534	4,174,512	4,124,095	4,137,587

Other Fund Revenues

Federal Title		170,399	170,399	170,399	170,399	170,399
Federal Special Ed		56,043	56,043	56,043	56,043	56,043
State Special Ed		119,319	119,319	119,319	119,319	119,319
REAP		16,935	16,935	16,935	16,935	16,935
Miscellaneous		10,000	10,000	10,000	10,000	10,000
Total		372,696	372,696	372,696	372,696	372,696

Expense assumptions

Prior Year Expenses		(3,808,187)	(3,570,033)	(3,544,134)	(3,744,299)	(3,854,071)
Budget Cuts		200,000	130,000	0	0	0
		(3,608,187)	(3,440,033)	(3,544,134)	(3,744,299)	(3,854,071)
Inflation factor		3.00%	4.00%	4.00%	4.00%	4.00%
		(3,716,433)	(3,577,634)	(3,685,899)	(3,894,071)	(4,008,234)
Teacher additional .5 % wage increase		(8,000)				
Teacher health		20,000	6,500	0	0	0
Principal/Dean of students (increase) decrease		98,400	0	(98,400)		
Program enhancement					40,000	40,000
Bus route adjustment		25,000	26,000	0	0	0
School Board savings		11,000	1,000	0	0	0
Honeywell contract				40,000	0	0
Total estimated expenses		(3,570,033)	(3,544,134)	(3,744,299)	(3,854,071)	(3,968,234)

Estimated SOD calculation

Unreserved Undesignated Fund Balance	1	(311,987)	(254,587)	175,626	445,650	615,003
Qualifying Estimated Expenditures	2	2,958,123	2,936,664	3,102,520	3,193,477	3,288,072
SOD Calculation (1/2)		-10.55%	-8.67%	5.66%	13.96%	18.70%

MDE approved SOD calculation

Unreserved Undesignated Fund Balance	1	(463,005)	(317,290)	(66,727)		
Qualifying Estimated Expenditures	2	2,834,324	2,764,354	2,706,284		
SOD Calculation (1/2)		-16.34%	-11.48%	-2.47%		

Member Roger Else introduced the following Resolution and moved for its adoption:

**RESOLUTION INCREASING THE
GENERAL EDUCATION REVENUE OF THE
SCHOOL DISTRICT AND CALLING FOR AN ELECTION**

BE IT RESOLVED by the School Board of Independent School District No. 577, Willow River, Minnesota as follows:

1. The Board hereby determines and declares that it is necessary and expedient for the School District to increase its general education revenue by \$1,133.39 per pupil. The proposed referendum revenue authorization would be applicable for 10 years unless otherwise revoked or reduced as provided by law. The increase would be effective beginning in 2007, the first year it is to be levied.
2. The question of increasing the general education revenue of the District shall be submitted to the qualified electors of the District at a special election, which is hereby called and directed to be held in conjunction with the state primary election on Tuesday, the 12th day of September, 2006.
3. The clerk is hereby authorized and directed to cause written notice of said special election to be provided to the county auditor of each county in which the School District is located, in whole or in part, and to the Commissioner of Education at least fifty-three (53) days before the date of said election. The notice shall specify the date of said special election and title and language of each ballot question to be voted on at said special election.

The clerk is hereby authorized and directed to cause notice of said special election to be posted at the administrative offices of the School District at least ten (10) days before the date of said special election.

The clerk is hereby authorized and directed to cause a sample ballot to be posted at the administrative offices of the School District at least four (4) days before the date of said special election and to cause a sample ballot to be posted in each polling place on election day. The sample ballot shall not be printed on the same color paper as the official ballot.

The clerk is hereby authorized and directed to cause notice of said special election to be published in the official newspaper of the District, for two (2) consecutive weeks with the last publication being at least one (1) week before the date of the election.

The notice of election so posted and published shall state the question to be submitted to the voters as set forth in the form of ballot below, and shall include information concerning each established precinct and polling place.

The clerk is hereby authorized and directed to cause a notice of the election to be mailed by first class mail to each taxpayer in the District at least fifteen (15) but no more than thirty (30) days prior to the date of the special election. The notice shall contain the required projections and the required statement specified in Minnesota Statutes, Section 126C.17, subdivision 9, paragraph (b). The clerk is also directed to cause a copy of this notice to be submitted to the Commissioner of Department of Education and to the county auditor of each county in which the School District is located in whole or in part at least fifteen (15) days prior to the day of the election.

The clerk is authorized and directed to acquire and distribute such election materials and to take such other actions as may be necessary for the proper conduct of this special election and generally to cooperate with election authorities conducting other elections on that date. The clerk and members of the administration are authorized and directed to take such actions as may be necessary to coordinate this election with those other elections, including entering into agreements with appropriate municipal and county officials regarding preparation and distribution of ballots, election administration, and cost sharing.

5. The clerk is further authorized and directed to cooperate with the proper election officials to cause ballots to be prepared for use at said election in substantially the following form, with such changes in form and instructions as may be necessary to accommodate the use of an optical scan voting system:

SCHOOL DISTRICT QUESTION BALLOT
INDEPENDENT SCHOOL DISTRICT NO. 577
WILLOW RIVER, MINNESOTA

SPECIAL ELECTION
September 12, 2006

To vote for a question, put an (X) in the square next to the word "YES" for that question.
To vote against a question, put an (X) in the square next to the word "NO" for that question.

**APPROVAL OF SCHOOL DISTRICT
REFERENDUM REVENUE AUTHORIZATION**

The Board of Independent School District No. 577, Willow River, has proposed to increase its general education revenue by \$1,133.39 per pupil. The proposed referendum revenue authorization would be applicable for 10 years unless otherwise revoked or reduced as provided by law. The increase would be effective beginning in 2007, the first year it is to be levied.

YES

Shall the increase in revenue proposed by the Board of Independent School District No. 577 be approved?

NO

**BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A
PROPERTY TAX INCREASE.**

On the back of all paper ballots shall be printed the words "OFFICIAL BALLOT," the date of the election, and lines for the initials of two judges. The printing shall be so placed as to be visible when the ballot is properly folded for deposit.

6. If the District will be contracting to print the ballots for this special election, the clerk is hereby authorized and directed to prepare instructions to the printer for layout of the ballot. Before a contract exceeding \$1,000 is awarded for printing ballots, the printer shall furnish, in accordance with Minnesota Statutes, section 204D.04, a sufficient bond, letter of credit, or certified check acceptable to the clerk in an amount not less than \$1,000 conditioned on printing the ballots in conformity with the Minnesota election law and the instructions delivered. The clerk shall set the amount of the bond, letter of credit, or certified check in an amount equal to the value of the purchase.

7. The individuals designated as judges for the state primary election shall act as election judges for this special election at the various polling places and shall conduct said election in the manner described by law. The election judges shall act as clerks of election, count the ballots cast and submit the results to the school board for canvass in the manner provided for other school district elections.

The motion for the adoption of the foregoing Resolution was duly seconded by Tia Grutkoski and upon vote being taken thereon the following voted in favor thereof: Gerard Bennett, Barbara Coles, Roger Else, Tia Grutkoski, David Kliniski, Jr. and J.J. Waldhalm

and the following voted against the same: None

whereupon said Resolution was declared duly passed and adopted.

WITNESS MY HAND officially as such recording officer this 14th day of March, 2006.


School District Clerk
Barbara Coles

Mr. Steve Wymore, Superintendent
Willow River Public Schools
BOX 66
Willow River, Minnesota 55795

March 16, 2006

Dear Superintendent Wymore:

This is a response to your letter dated March 13, 2006 requesting authorization to hold an operating referendum on September 12, 2006.

As a general rule, a school district operating referendum must be held on general election day. Exceptions are provided in law for districts conducting elections by mail and for districts in statutory operating debt. Minnesota Statutes, section 126C.17, subd.11, paragraph (a), provides that:

The commissioner may grant authority for a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

Your district is in statutory operating debt and your revised plan to eliminate this debt was approved on February 1, 2006. Therefore, your request to hold a referendum on September 12, 2006 is approved.

If you have any questions or need further information, please contact Tom Melcher, Program Finance Manager, at (651) 582-8828.

Sincerely,



Alice Seagren, Commissioner of Education

Cc: Tom Melcher, Program Finance
Charles Speiker, Financial Management

DRAFT - FOR DISCUSSION PURPOSES ONLY

Willow River School District No. 577

Estimated Referendum Revenue and Tax Rates

Proposed New Referendum Levy for 2007-08

New Referendum Revenue
\$1,133.39 Per Pupil Unit

March 10, 2006

Year Taxes are Payable Fiscal Year	2006	2007		
	2006-07	Existing Authority	Proposed Authority	Total
1. Est. Resident Marginal Cost Pupil Units (RMCPU) *	458.92	480.88		
2. Est. Net Gain (Loss) in Pupil Units - Alt. Attendance	82.25	18.30		
3. Net Referendum Authority per RMCPU	126.32	126.32	1,133.39	1,259.71
4. Initial Referendum Revenue(#1 x #3)	\$57,971	\$58,193	\$522,130	\$580,323
5. Referendum Market Value (RMV)	126,668,018	150,974,563		
6. RMV per Pupil Unit (#5 / #1)	276,013	327,721		
FIRST TIER OF REVENUE				
7. Revenue per Pupil Unit (lesser of #3 or \$600(FY07) or \$700(FY08))	126.32	126.32	573.88	700.00
8. Revenue (#1 x #7)	57,971	58,193	264,283	322,476
9. State Equalizing Factor	476,000	476,000		
10. Levy Portion of Revenue (lesser of 1 or #6 / #9)	57.99%	68.85%		
11. Aid Portion of Revenue (1 - #10)	42.01%	31.15%		
12. First Tier Aid (#8 x #11)	24,356	18,128	82,327	100,455
SECOND TIER OF REVENUE				
13. Revenue per Pupil Unit ((lesser of \$1,293.24 or #3) - #7)	0.00	0.00	559.71	559.71
14. Revenue (#1 x #13)	0	0	257,847	257,847
15. State Equalizing Factor	270,000	270,000		
16. Levy Portion of Revenue (lesser of 1 or #6 / #15)	100.00%	100.00%		
17. Aid Portion of Revenue (1 - #16)	0.00%	0.00%		
18. Second Tier Aid (#14 x #17)	0	0	0	0
TOTALS				
19. Initial Referendum Aid (#12 + #18)	24,356	18,128	82,327	100,455
20. Tax Base Replacement Aid	0	0	0	0
21. Net Referendum Aid (greater of 0 or (#19 - #20))	24,356	18,128	82,327	100,455
22. Certified Referendum Levy (#4 - #20 - #21)	33,615	40,065	439,803	479,869
23. Fiscal Disparities Distribution Amount **	0	0	0	0
24. Net Levy (#22 - #23) ***	33,615	40,065	439,803	479,869
25. Taxable Referendum Market Value	150,974,563	172,111,002		
Est. Percentage Increase in value		14.00%		
26. Tax Rate for referendum (#24/#25)	0.02227%	0.02328%	0.25553%	0.27881%
27. Aid Adjustment for Open Enrollment (#2 x (#21/#1))	3,304	720	3,270	3,990
28. Total Referendum Aid (#20 + #21 + #27)	27,660	18,848	85,597	104,445
29. Total Referendum Levy (#22)	33,615	40,065	439,803	479,869
30. Total Referendum Revenue (#28 + #29)	61,275	58,913	525,400	584,314
ESTIMATED EQUITY REVENUE				
31. Est. Equity Aid	27,440	19,378	(7,912)	11,466
32. Est. Equity Levy	37,872	42,829	(17,487)	25,343
33. Est. Equity Revenue	65,313	62,207	(25,398)	36,809
34. Tax Rate for Equity Revenue (#32 / #25)	0.02509%	0.02488%	-0.01016%	0.01472%
EST. TOTAL CHANGE IN REVENUE (Referendum + Equity)				
35. State Aid (#28 + #31)			77,685	15.54%
36. Tax Levies (#29 + #32)			422,317	84.46%
37. Total Change in Revenue (#30 + #33)			500,002	

* Pupils units for 2006-07 are estimated resident marginal cost pupil units used to compute payable 2006 taxes. Pupil units for 2006-07 are the most recent estimate of resident marginal cost pupil units.

*** Levy amounts shown above include the "initial levy limitation" only, and do not include adjustments for prior years' levies.

Willow River School District No. 577

Analysis of Tax Impact for Potential Referendum Levy
March 10, 2006

Option				
Additional Revenue/Pupil Unit	\$768.31	\$859.59	\$905.21	\$1,133.39
Est. Net Increase in Revenue	\$340,000	\$380,003	\$400,000	\$500,002
Est. Market Value Tax Rate	0.15782	0.18225	0.19446	0.25553

Type of Property	Taxable Market Value	Estimated Taxes for Referendum Only*			
		Taxes Payable in 2006			
	50,000	\$79	\$91	\$97	\$128
	60,000	95	109	117	153
	70,000	110	128	136	179
	80,000	126	146	156	204
Residential	90,000	142	164	175	230
Homesteads,	100,000	158	182	194	256
Apartments,	125,000	197	228	243	319
and Commercial-	150,000	237	273	292	383
Industrial Property	175,000	276	319	340	447
	200,000	316	365	389	511
	250,000	395	456	486	639
	300,000	473	547	583	767
	400,000	631	729	778	1,022
	500,000	789	911	972	1,278
	1,000,000	1,578	1,823	1,945	2,555
	2,000,000	3,156	3,645	3,889	5,111

* The figures in the table are based on school district taxes for the referendum levy only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the referendum levy for many

NOTE: Agricultural property will pay taxes for the proposed referendum based only on the value of the house, garage and one acre. Seasonal recreational residential property (i.e., cabins) will pay no taxes for the proposed referendum.



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No. 3299, as introduced - 84th Legislative Session (2005-2006) Posted on Mar 15, 2006

H.F. No. 3832

- 1.1 A bill for an act
- 1.2 relating to education finance; authorizing the school district to recognize its
- 1.3 operating levy early.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

- 1.5 Section 1. **EARLY LEVY RECOGNITION; WILLOW RIVER.**
- 1.6 Notwithstanding Minnesota Statutes, sections 123B.75, and 127A.441, if
- 1.7 Independent School District No. 577, Willow River, successfully approves an operating
- 1.8 referendum in September 2006, the district may recognize up to 50 percent of the
- 1.9 operating referendum levy approved at that election as revenue for the fiscal year in which
- 1.10 it is certified. This early recognition applies only to referendum authority approved
- 1.11 in September 2006.
- 1.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2007
- 1.13 and later.

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Minnesota Statutes 2005, 123B.75

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Minnesota Statutes 2005, Table of Chapters

Table of contents for Chapter 123B

123B.75 Revenue; reporting.

Subdivision 1. **Scope.** District revenues must be recognized and reported on the district books of account in accordance with this section.

Subd. 2. **Applicability to period and fund.** Except as provided in this section, revenues must be recorded in a manner which clearly indicates that they are applicable to a specific accounting period and fund.

Subd. 3. **Receivable.** Receivables must be recorded in a manner which clearly reflects the amounts of money due to a particular fund from public and private sources at the date of each accounting statement.

Subd. 4. **Recognized as receivable.** All current levies of local taxes, including portions assumed by the state, shall be recognized as receivable at the beginning of the calendar year during which collection normally takes place.

Subd. 4a. **Taconite revenue.** Taconite revenue received in a calendar year by a school district under section 298.28, subdivisions 4, paragraphs (b) and (c), and 11, paragraph (d), is fully recognized in the fiscal year in which the February payment falls.

Subd. 5. **Levy recognition.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district.

(b) For fiscal year 2004 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17, in the prior calendar year or 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86,

subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to clause (ii).

Subd. 6. **State aids or grants as revenue.** State aids or grants, that are paid as a matching of an expenditure, shall be recognized as revenues and recorded as receivables in the fiscal year during which the eligible expenditure is recognized.

Subd. 6a. **Integration aid.** Integration aid received under section 127A.45, subdivision 12a, must be recognized in the same fiscal year as the integration levy.

Subd. 6b. **General education aid.** If the amount to be recognized as revenue under subdivision 5 exceeds the May, June, and July school district tax settlement revenue received in that calendar year, the district must recognize an amount of general education aid equal to the difference between the total amount to be recognized as revenue under subdivision 5, and the May, June, and July school district tax settlement revenue received in that calendar year as revenue in the previous fiscal year.

Subd. 7. **Other revenues recognized.** Other revenues not specified in this section shall be recognized as revenue and shall be recorded in the fiscal year earned.

Subd. 8. **Deviations footnoted.** Deviations from the principles set forth in this section must be evaluated and explained in footnotes to audited financial statements.

Subd. 9. **Commissioner shall specify fiscal year.** The commissioner shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify.

HIST: 1976 c 271 s 28; 1978 c 764 s 11-13; 1979 c 303 art 10 s 3; 1981 c 358 art 1 s 2; art 7 s 7; 1981 c 365 s 9; 3Sp1981 c 2 art 4 s 1,2; 1982 c 548 art 3 s 4; art 7 s 1-3; 1982 c 642 s 17; 3Sp1982 c 1 art 3 s 1; 1983 c 216 art 1 s 26; 1983 c 314 art 1 s 22; art 13 s 1; 1984 c 463 art 9 s 1,2; 1Sp1985 c 12 art 10 s 1; 1Sp1985 c 14 art 18 s 5,6; 1Sp1986 c 1 art 5 s 4; 1987 c 268 art 9 s 2,3; 1987 c 384 art 2 s 26; 1987 c 398 art 1 s 1; art 7 s 42; 1988 c 486 s 9; 1989 c 222 s 6; 1989 c 329 art 6 s 1,2; 1Sp1989 c 1 art 6 s 1,2; 1990 c 426 art 2 s 4; 1990 c 562 art 6 s 3; 1991 c 130 s 37; 1991 c 265 art 1 s 1,2; 1992 c 499 art 1 s 1,2; art 12 s 29; 1993 c 192 s 111; 1993 c 224 art 1 s 1; art 12 s 11; art 13 s 6; 1994 c 647 art 1 s 2,3; 1Sp1995 c 3 art 1 s 4; art 16 s 13; 1996 c 412 art 14 s 1; 1996 c 461 s 2; 1996 c 471 art 10 s 2; 1Sp1997 c 4 art 1 s 2; 1998 c 397 art 6 s 11-16,124; art 11 s 3; 1998 c 398 art 1 s 1; 1999 c 241 art 2 s 8; 2000 c 489 art 2 s 3; 1Sp2001 c 5 art 2 s 6; 1Sp2001 c 6 art 1 s 10,11; 1Sp2003 c 9 art 5 s 4; 1Sp2003 c 23 s 19; 1Sp2005 c 5 art 1 s 3; art 5 s 1



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Minnesota Statutes 2005, 127A.441

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[Minnesota Statutes 2005, Table of Chapters](#)

[Table of contents for Chapter 127A](#)

127A.441 Aid reduction; levy revenue recognition change.

Each year, the state aids payable to any school district for that fiscal year that are recognized as revenue in the school district's general and community service funds shall be adjusted by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b) or (c), minus (2) the amount the district recognized as revenue for the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (c). For purposes of making the aid adjustments under this section, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b) or (c), shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

HIST: 1Sp2003 c 9 art 5 s 11

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Fiscal Note – 2005-06 Session

Bill #: S3299-0 **Complete Date:** 03/24/06

Chief Author: LOUREY, BECKY

Title: ISD #577; OPER REFERENDUM LEVY

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

Referendum authority approved by voters in September 2006 would first be levied as property taxes for taxes payable in 2007 and, under current law, first recognized as revenue by the district in fiscal year 2008. This bill would allow Independent School District #577, Willow River, to recognize 50% of any referendum authority approved by voters in September 2006 one year early, as revenue in fiscal year 2007. The 50% early recognition would continue each year the levy approved in September, 2006 remains in effect.

Assumptions

- The district currently has referendum authority of \$126.32 per resident marginal cost pupil unit (RMCPU). This authority expires after fiscal year 2012.
- The district currently has 460 RMCPU's.
- The district will pass additional referendum authority in September 2006 of \$1,333 per RMCPU. This would bring the district's total referendum authority up to \$1,460 per RMCPU, the cap for tier 1 referendum equalization aid.
- The new levy authority will be for ten years, the maximum number of years allowed under current law.
- For this district, the tier 1 referendum levy ratio is 58% and the aid ratio is 32%. The tier 2 referendum levy ratio is 100% and the aid ratio is zero percent.
- Referendum equalization aid for the new referendum authority will continue to be paid to the district (and recognized as revenue by the district) in the fiscal year in which the second half of the levy is recognized.
- State cost for referendum aid or forecast referendum levy will not increase over February Forecast level as a result of this bill.
- The intent of the bill is to allow the district access to 50% of this new revenue one year early. The property tax shift for school districts is currently at zero percent so there would be no related state aid adjustment if this revenue is recognized early. If the property tax shift is reinstated (increased from zero percent), this bill should be amended to make it clear this revenue is not subject to the aid adjustment.

Expenditure and/or Revenue Formula

New referendum levy authority is computed as follows:

Tier 1 levy approved	$(\$700 - \$126) \times 460 \times 58\%$	\$153,143
Tier 2 levy approved	$(\$1,460 - \$700) \times 460 \times 100\%$	<u>349,600</u>
Total levy approved		\$502,743
Percent recognized one year early		<u>X 50%</u>
Revenue recognized in fiscal year 2007		\$251,372

Long-Term Fiscal Considerations

There is no state aid impact to the state.

Local Government Costs

Under this bill, the district would be allowed to recognize 50% of the September 2006 referendum revenue one year early. Over the full term of the referendum authority, this bill will not generate any additional revenue to the school district. In the last year of the referendum authority, the district would have only 50% of the referendum left to report as revenue.

When this referendum revenue expires, the district will need to pass another referendum if the district wants to continue the revenue. Assuming the September 2006 authority is approved for ten years and the renewal referendum is passed in September 2016, the district will have only 50% of September 2006 authorized revenue for fiscal year 2017. The September 2016 authority will first be revenue for fiscal year 2018. If the renewal referendum is passed in September 2015, the district will have 50% of the September 2006 authority and 100% of the September 2015 authority as revenue for fiscal year 2017.

Agency Contact Name: Leemon, Colleen 651-582-8566
FN Coord Signature: AUDREY BOMSTAD
Date: 03/22/06 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES

Date: 03/24/06 Phone: 296-8674

Senator Skoe introduced-

S.F. No. 3420: Referred to the Committee on Finance.

1.1 A bill for an act
1.2 relating to education finance; authorizing an account transfer for Independent
1.3 School District No. 601, Fosston.

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

1.5 Section 1. ACCOUNT TRANSFER; FOSSTON.

1.6 Notwithstanding Minnesota Statutes, sections 123B.79 and 123B.80, as of June 30,
1.7 2006, Independent School District No. 601, Fosston, may permanently transfer up to
1.8 \$80,000 from its reserved for disabled accessibility account to its unrestricted general fund
1.9 account without making a levy reduction.

1.10 EFFECTIVE DATE. This section is effective the day following final enactment.

Fosston

Public

Schools

INDEPENDENT SCHOOL DISTRICT 601 – 301 First Street East, Fosston, MN 56542
SUPERINTENDENT Dale R. Salberg – 218-435-6335 – FAX 218-435-1663
MAGELSSSEN ELEMENTARY SCHOOL – 218-435-6036 – FAX 218-435-6414
FOSSTON HIGH SCHOOL 218-435-1909 – FAX 218-435-6340
PRINCIPALS: Gregory M. Bruce, Elementary
Thomas C. Sedler, High School

March 30, 2006

TO: Honorable Senate Committee Chairperson and Senate Committee Members

RE: Fosston ISD 601's request for a fund transfer from the Reserved for Disabled Access Fund to the Unreserved General Fund Account--up to \$80,000.

Honorable Senate Committee Members:

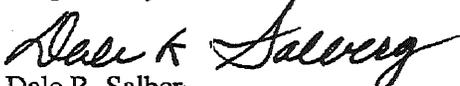
The Fosston School District completed a 6.4 million dollar remodeling project in 1999, which addressed building concerns at the Senior High School Building and Magelssen Elementary site. The plans, approved by the State of Minnesota, addressed fire code and accessibility code deficiencies. The District has reviewed that information and all areas of deficiency have been corrected.

The accessibility transfer money will be used in the 2006-2007 school year to reduce the district's 1st grade class size of 54 from 1 to 27 (two sections) to 1 to 18 (three sections). The reduction will be sustainable with the use of the disabled access revenue due to the fact, that the Fosston ISD 601 passed a referendum in the fall of 2005 for \$700 dollars per pupil unit which should provide an additional \$450,000 for educational programming.

Due to a Special Board Meeting scheduled for this day, Monday, April 2, 2006, and the travel distance, we are unable to attend the committee hearing.

We thank you for your consideration!

Respectfully,


Dale R. Salberg
Superintendent

INDEPENDENT SCHOOL DISTRICT NO. 601
FOSSTON, MINNESOTA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2005

	General Fund	Food Service Fund	Community Service Fund	Scholarship Fund	Building Fund	Debt Service Fund	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 565,236	\$ 23,897	\$	\$ 4,911	\$ 1,164,196	\$ 245,517	\$ 2,003,757
Current Property Taxes Receivable	144,698		18,916			191,981	355,595
Delinquent Property Taxes Receivable	17,512		1,740			918	20,170
Due From Other MN School Districts	11,000						11,000
Due From Department of Education	507,200		6,900			31,800	545,900
Due From Federal Govt. - DOE	86,791						86,791
Due From Other Funds	1,911						1,911
Inventory		8,777					8,777
TOTAL ASSETS	\$ 1,334,348	\$ 32,674	\$ 27,556	\$ 4,911	\$ 1,164,196	\$ 470,216	\$ 3,033,901
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 105,669	\$	\$	\$	\$	\$	\$ 105,669
Due To Other MN School Districts	45,000						45,000
Due To Other Funds			1,911				1,911
Advanced to Unearned General Ed. Aid	(1,143)						(1,143)
Deferred Revenue - Delinquent Taxes	17,512		1,740			918	20,170
Property Taxes Levied - Subs. Years	144,720		20,419			361,912	527,051
TOTAL LIABILITIES	311,758		24,070			362,830	698,658
FUND BALANCES							
Fund Balance:							
Reserved for Health and Safety	(107,059)						(107,059)
Reserved for Severance Pay	120,000						120,000
Reserved for Operating Capital	266,881						266,881
Reserved for Disabled Access	83,646						83,646
Reserved for Community Education			3,365				3,365
Reserved for School Readiness			48				48
Unreserved/Undesignated	659,122	32,674	10	4,911	1,164,196	107,386	1,968,299
TOTAL FUND BALANCES	1,022,590	32,674	3,486	4,911	1,164,196	107,386	2,335,243
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,334,348	\$ 32,674	\$ 27,556	\$ 4,911	\$ 1,164,196	\$ 470,216	\$ 3,033,901

The notes to basic financial statements are an integral part of this statement.

Fiscal Note – 2005-06 Session

Bill #: S3420-0 **Complete Date:** 03/28/06

Chief Author: SKOE, ROD

Title: ISD #601; PERMANENT FUND TRANSFER

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

SF 3420 authorizes ISD 601, Fosston, to permanently transfer up to \$80,000 from its reserve for disabled accessibility account to the undesignated general fund balance.

Assumptions

As of June 30, 2005 the district had the following account balances:

Operating capital	266,881
Disabled Accessibility	83,646
Undesignated general fund balance	659,118

Starting with the Pay 1998 levy, the district has levied \$300,000 in total for disabled accessibility.

It is assumed that the district has completed all accessibility projects.

If the district notifies the Department of an excess amount in the disabled accessibility reserve, the levy limitations in the following year would be adjusted downward to reflect the excess amount, reducing taxpayer burden. Therefore, this bill would result in an increase in the Pay 2007 levy of \$80,000 compared to the amount that would have been authorized had the Department been made aware of the excess, with no special legislation.

Expenditure and/or Revenue Formula

None

Long-Term Fiscal Considerations

This is a one-time transfer of levy funds.

Local Government Costs

If the district chose to report the excess balance after completing all accessibility projects, the Payable 2007 property taxes would decrease by \$80,000 or a lesser amount if the district chooses to transfer a smaller amount.

Agency Contact Name: Kubesh, Chris 651-582-8319
FN Coord Signature: AUDREY BOMSTAD
Date: 03/28/06 Phone: 582-8793

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES
Date: 03/28/06 Phone: 296-8674

Senator Neuville introduced—

S.F. No. 3636: Referred to the Committee on Finance.

1.1 A bill for an act
 1.2 relating to education finance; requiring Independent School Districts Nos. 721,
 1.3 New Prague; 394, Montgomery-Lonsdale; and 659, Northfield, to contract with
 1.4 Holy Cross School to provide transportation for Holy Cross students.

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

1.6 Section 1. **NONPUBLIC PUPIL TRANSPORTATION PILOT PROJECT.**

1.7 **Subdivision 1. Nonpublic pupil contract.** Notwithstanding Minnesota Statutes,
 1.8 section 123B.88, subdivision 2, at the request of Holy Cross School in Webster, Minnesota,
 1.9 Independent School Districts Nos. 721, New Prague; 394, Montgomery-Lonsdale; and
 1.10 659, Northfield, must contract with Holy Cross School to provide transportation services
 1.11 for its resident students that attend Holy Cross School. The contract shall be effective for
 1.12 fiscal years 2007 through 2009.

1.13 **Subd. 2. Nonpublic pupil transportation aid.** Notwithstanding Minnesota
 1.14 Statutes, section 123B.88, if a contract is requested by Holy Cross School under
 1.15 subdivision 1, the school districts must pay Holy Cross School an amount equal to the
 1.16 nonpublic pupil transportation aid that the school districts receive under Minnesota
 1.17 Statutes, section 123B.92, subdivision 9, for each resident pupil that attends Holy Cross
 1.18 School who is transported by Holy Cross School under the contract in subdivision 1.

1.19 **Subd. 3. Financial responsibility.** Notwithstanding Minnesota Statutes, section
 1.20 123B.88, if a contract is requested by Holy Cross School under subdivision 1, the school
 1.21 districts under subdivision 1 are not responsible for any costs associated with transporting
 1.22 students enrolled at Holy Cross School beyond the nonpublic pupil aid provided in
 1.23 subdivision 2.

2.1 Subd. 4. **Transportation responsibility.** Notwithstanding Minnesota Statutes,
2.2 section 123B.88, subdivision 2, if a contract is requested by Holy Cross School under
2.3 subdivision 1, the school districts under subdivision 1 are not responsible for providing
2.4 transportation to any student attending Holy Cross School for the duration of the contract.
2.5 Holy Cross School is responsible for providing transportation for any enrolled student
2.6 who requests it.

2.7 Subd. 5. **School control.** Notwithstanding Minnesota Statutes, section 123B.88,
2.8 if a contract is requested by Holy Cross School under subdivision 1, Holy Cross School
2.9 is responsible for scheduling bus routes, determining the manner of transportation, and
2.10 providing control and discipline of school children who are being transported by the
2.11 school.

2.12 Subd. 6. **Student accounting.** If Holy Cross School requests a contract under
2.13 subdivision 1, the school shall provide each school district with the number of resident
2.14 students enrolled at Holy Cross School who are transported under the contract in
2.15 subdivision 1. The school districts shall be required to report these pupils to the
2.16 Department of Education for the purposes of nonpublic pupil aid under Minnesota
2.17 Statutes, section 123B.92, subdivision 9.

2.18 Subd. 7. **Payment timing.** If Holy Cross School requests a contract under
2.19 subdivision 1, the school districts shall make four equal quarterly payments equal to
2.20 90 percent of the amount that Holy Cross School is eligible to receive for each year of
2.21 the contract. The school districts shall make a final payment equal to ten percent of the
2.22 amount that Holy Cross School is eligible to receive by October 30 of the following
2.23 year for each year of the contract.

2.24 Subd. 8. **Withdrawal.** If Holy Cross School elects to participate in the pilot
2.25 project in this section, the school may withdraw from the project at the conclusion of
2.26 the 2006-2007 or 2007-2008 school year only. The school may not withdraw from the
2.27 project in the middle of the school year.

2.28 Subd. 9. **Report.** Holy Cross School must agree to provide the commissioner
2.29 with information and data about the pilot program by September 15, 2009, if the school
2.30 requests a contract under subdivision 1.

2.31 **EFFECTIVE DATE.** This section is effective the day following final enactment
2.32 and applies to revenue for fiscal years 2007 through 2009.

Senator Frederickson introduced-

S.F. No. 3686: Referred to the Committee on Finance.

1.2 A bill for an act
1.3 relating to education finance; authorizing a fund transfer for Independent School
1.4 District No. 635, Milroy.

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

1.5 Section 1. **FUND TRANSFER; MILROY.**

1.6 Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, on June 30, 2006,
1.7 Independent School District No. 635, Milroy, may permanently transfer up to \$26,000
1.8 from its reserved for disability accessibility account to its undesignated general fund
1.9 balance without making a levy reduction.

1.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

Senators Hann and Wergin introduced-

S.F. No. 3534: Referred to the Committee on Education.

A bill for an act relating to education finance; providing for an approved special education study and report; appropriating money.

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

Section 1. SPECIAL EDUCATION STUDY.

(a) The commissioner of education must contract with an independent consultant that has extensive experience working with various states on special education finance systems to evaluate Minnesota's special education funding structure and make recommendations to improve its effectiveness.

(b) The consultant must do the following:

(1) conduct an in-depth analysis of the current special education finance system in Minnesota;

(2) convene a task force in Minnesota consisting of superintendents and special education directors to help formulate recommendations for improvement; and

(3) prepare a report to be submitted to the Department of Education and the legislature.

(c) In addition to the requirements in paragraph (b), the consultant must analyze and report on the effectiveness of the current special education program in educating Minnesota students. The consultant must use a statistical analysis to help explain differences in spending across school districts while controlling for student performance.

(d) The commissioner must report on the findings on the contract to the legislative committees having jurisdiction over kindergarten through grade 12 finance before December 15, 2007.

2.1 EFFECTIVE DATE. This section is effective the day following final enactment.

2.2 Sec. 2. APPROPRIATION.

2.3 Subdivision 1. Department of Education. The sum indicated in this section is
2.4 appropriated from the general fund to the Department of Education for the fiscal year
2.5 designated.

2.6 Subd. 2. Improved school finance system contract. For a contract to follow up on
2.7 the work of the governor's education funding task force:

2.8 \$ 250,000 2007

1.1 Senator moves to amend S. F. No. as follows:

1.2 Page .., after line .., insert:

1.3 "Sec. ... Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3,
1.4 is amended to read:

1.5 Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building"
1.6 means education site as defined in section 123B.04, subdivision 1.

1.7 (b) Each district shall maintain separate accounts to identify general fund
1.8 expenditures for each building. All expenditures for regular instruction, secondary
1.9 vocational instruction, and school administration must be reported to the department
1.10 separately for each building. All expenditures for special education instruction,
1.11 instructional support services, and pupil support services provided within a specific
1.12 building must be reported to the department separately for each building. Salary
1.13 expenditures reported by building must reflect actual salaries for staff at the building
1.14 and must not be based on districtwide averages. All expenditures for special education
1.15 instruction and services and transportation for nonpublic school pupils must be reported
1.16 separately by location of instruction and services. All other general fund expenditures
1.17 may be reported by building or on a districtwide basis.

1.18 (c) The department must annually report information showing school district general
1.19 fund expenditures per pupil by program category for each building and estimated school
1.20 district general fund revenue generated by pupils attending each building on its Web
1.21 site. For purposes of this report:

1.22 (1) expenditures not reported by building shall be allocated among buildings on a
1.23 uniform per pupil basis;

1.24 (2) basic skills revenue shall be allocated according to section 126C.10, subdivision
1.25 4;

1.26 (3) secondary sparsity revenue and elementary sparsity revenue shall be allocated
1.27 according to section 126C.10, subdivisions 7 and 8;

1.28 (4) other general education revenue shall be allocated on a uniform per pupil unit
1.29 basis;

1.30 (5) first grade preparedness aid shall be allocated according to section 124D.081;

1.31 (6) state and federal special education aid and Title I aid shall be allocated in
1.32 proportion to district expenditures for these programs by building; and

1.33 (7) other general fund revenues shall be allocated on a uniform per pupil basis,
1.34 except that the department may allocate other revenues attributable to specific buildings
1.35 directly to those buildings.

2.1 (d) The amount of state and federal special education aid for nonpublic school pupils
2.2 receiving special education instruction and services and transportation and the number
2.3 of nonpublic school pupils with a disability assessed and receiving special education
2.4 instruction and services and transportation from school districts must be shown in a
2.5 separate category.

2.6 **EFFECTIVE DATE.** This section is effective for fiscal year 2006 and later."

2.7 Renumber the sections in sequence and correct the internal references

2.8 Amend the title accordingly



Minnesota Catholic Conference



Jewish Community Relations Council



Minnesota Independent School
Forum

March 31, 2006

Senator LeRoy A. Stumpf
Senate K-12 Education Budget Division
G-24 State Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, Minnesota 55155

Dear Senator Stumpf and Committee Members:

We write today to urge your support of Senator Scheid's amendment to SF 3534, regarding special education accountability. We feel that this proposal would help address a real need in the state. Currently, school districts cannot determine how much special education funding is being spent on public and non-public school students within their districts. By requiring schools to report disaggregated special education expenditures, this proposal could help schools, districts and the state to focus special education spending where it is needed most. Furthermore, by requiring the Department of Education to report on statewide special education spending, this proposal would provide accurate statewide oversight for policy makers. We feel that this amendment is a reasonable, common-sense approach that will serve students, schools and taxpayers alike. We thank you for your consideration and once again, urge your support for the Scheid amendment.

Sincerely,

Peter Noll
Education Director,
Minnesota Catholic Conference
651-227-8777

Shep Harris
Director Govt. Affairs,
Jewish Community
Relations Council
612-338-7816

James Field
President,
Minnesota Independent School Forum
651-297-6716

1.1 A bill for an act
 1 relating to education finance; delaying by one year the implementation of the state
 1.3 determined tuition rates for special education services provided by intermediate
 1.4 school districts and other cooperative providers of special education services.

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

1.6 Section 1. INTERMEDIATE DISTRICT SPECIAL EDUCATION TUITION
 1.7 BILLING FOR FISCAL YEAR 2006 AND FISCAL YEAR 2007.

1.8 (a) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph
 1.9 (a), and Minnesota Statutes, section 127A.47, subdivision 7, paragraph (d), for fiscal year
 1.10 2006 an intermediate district is not subject to the uniform special education tuition billing
 1.11 calculations, but may instead continue to bill the resident school districts for the actual
 1 unreimbursed costs of serving pupils with a disability as determined by the intermediate
 1.13 district.

1.14 (b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph
 1.15 (c), for fiscal year 2007 only, an intermediate district may apply to the commissioner of
 1.16 education for a waiver from the uniform special education tuition calculations and aid
 1.17 adjustments under Minnesota Statutes, section 125A.11, subdivision 1, paragraph (b), and
 1.18 Minnesota Statutes, section 127A.47, subdivision 7, paragraph (e). The commissioner
 1.19 must grant the waiver within 30 days of receiving the following information from the
 1.20 intermediate district:

1.21 (1) a detailed description of the intermediate district's methodology for calculating
 1.22 special education tuition for fiscal years 2006 and 2007, as required by the intermediate
 1 district to recover the full cost of serving pupils with a disability;

2.1 (2) sufficient data to determine the total amount of special education tuition actually
2.2 charged for each student with a disability, as required by the intermediate district to
2.3 recover the full cost of serving pupils with a disability in fiscal year 2006; and

2.4 (3) sufficient data to determine the amount that would have been charged for each
2.5 student for fiscal year 2006 using the uniform tuition billing methodology according
2.6 to Minnesota Statutes, section 125A.11, subdivision 1, or Minnesota Statutes, section
2.7 127A.47, subdivision 7, as applicable.

2.8 **EFFECTIVE DATE.** This section is effective the day following final enactment
2.9 for fiscal year 2006.