

# HOUSE RESEARCH

## Bill Summary

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**Subject:** District reserve fund requirements and reports; district primary elections

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### Overview

Directs school boards annually to notify the public of relevant budget information, strikes language obligating school superintendents to annually report on expenditures needed to achieve a certain student pass rate on the basic skills test, strikes budget reports to school sites, directs school boards to eliminate reserve accounts for which no specific statutory authority remains as of June 30, 2007, allows school boards to decide to choose school board nominees by a primary and establishes the filing period for those primaries, and directs the Education Department to submit a report to the legislature analyzing the department's data collection procedures.

#### Section

#### **1 Financial information.**

**Subd. 1. Form of notification.** Directs school boards annually to notify the public of relevant budget information, which may be provided as part of a truth in taxation hearing, posted on the district's official web site or published in a qualified newspaper of general circulation.

**Subd. 1a. Budgets.** Strikes language requiring school boards to publish budget information in a qualified newspaper of general circulation or on the district's official web site.

#### **2 Contract; duties.** Strikes language obligating school superintendents to annually submit a report identifying expenditures needed to achieve an 80 percent student pass rate on the

eighth grade basic skills test, the highest student pass rate the district expects to achieve on the test by grade 12, the expenditures needed to attain the requisite pass rate, and the extent of a district's cross subsidies.

**3 Budget approval.** Strikes language directing school boards to inform the administrative authority at each school site about the general education and referendum revenue that the Education Department estimates that enrolled pupils at the site will generate, allowing districts to adjust department estimates, requiring districts to report compensatory revenue adjustments to the department, and requiring the department to use the adjusted compensatory revenue estimates in preparing its report.

**4 Elimination of reserve accounts.** Directs school boards to eliminate reserve accounts established in school districts' general funds before July 1, 2006, for which no specific statutory authority remains as of June 30, 2007. Requires any balance as of June 30, 2007, in school districts' account reserved for bus purchases to be transferred to the reserve account for operating capital in school districts' general fund. Requires balances in other reserve accounts for which no statutory authority remains after June 30, 2007, to be transferred to school districts' unreserved general fund balance. Allows a school board to adopt a resolution to establish a designated account for programs for which reserved accounts were eliminated.

Makes this section effective June 30, 2007.

**5 Resolution requiring primary in certain circumstances.** Allows a school board to adopt a resolution by June 1 in any year to decide to choose school board nominees by a primary. Makes the resolution effective for all subsequent school board elections until the board revokes the resolution.

**6 Filing period.** Requires affidavits of candidacy to be filed between the 70<sup>th</sup> day and the 56<sup>th</sup> day before the first Tuesday after the second Monday in September in a general election year in those school districts that have adopted a resolution to choose nominees for a school board by a primary election. Requires affidavits of candidacy to be filed between the 70<sup>th</sup> day and the 56<sup>th</sup> day before the general election in all other school districts.

**7 Department of Education report.** Directs the Education Department to submit a report to the legislature by January 15, 2008, analyzing the department's data collection procedures under its major data reporting systems and recommending a streamlined, web-based reporting system. Also requires an analysis of stand-alone school district reporting requirements and recommendations for eliminating duplicative reports.

Makes this section effective immediately.

**8 Repealer.** Repeals structurally balanced school district budgets (Minn. Stat. § 123B.749), first grade preparedness reserve revenue account (Minn. Stat. § 124D.081, subd. 9), and alternative program aid reserve account (Minn. Stat. § 124D.69, subd. 2).

Makes this section effective July 1, 2007.