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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1162

02/14/2019 Authored by Wolgamott, Edelson, Lien, Davnie, Youakim and others
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education finance; increasing funding for special education; amending
1.3 Minnesota Statutes 2018, section 125A.76, subdivision 1; proposing coding for
1.4 new law in Minnesota Statutes, chapter 125A.

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

1.6 Section 1. Minnesota Statutes 2018, section 125A.76, subdivision 1, is amended to read:

1.7 Subdivision 1. Definitions. (a) For the purposes of this section and section 125A.79,
1.8 the definitions in this subdivision apply.

1.9 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the
1.10 purposes of computing basic revenue pursuant to this section, each child with a disability
1.11 shall be counted as prescribed in section 126C.05, subdivision 1.

1.12 (c) "Essential personnel" means teachers, cultural liaisons, related services, and support
1.13 services staff providing services to students. Essential personnel may also include special
1.14 education paraprofessionals or clericals providing support to teachers and students by
1.15 preparing paperwork and making arrangements related to special education compliance
1.16 requirements, including parent meetings and individualized education programs. Essential
1.17 personnel does not include administrators and supervisors.

1.18 (d) "Average daily membership" has the meaning given it in section 126C.05.

1.19 (e) "Program growth factor" means ~~1.046 for fiscal years 2012 through 2015, 1.0 for~~
1.20 ~~fiscal year 2016,~~ 1.046 for fiscal year 2017, and the product of 1.046 and the program growth
1.21 factor for the previous year for fiscal year 2018 and later.

2.1 (f) "Nonfederal special education expenditure" means all direct expenditures that are
2.2 necessary and essential to meet the district's obligation to provide special instruction and
2.3 services to children with a disability according to sections 124D.454, 125A.03 to 125A.24,
2.4 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the
2.5 department under section 125A.75, subdivision 4, excluding expenditures:

2.6 (1) reimbursed with federal funds;

2.7 (2) reimbursed with other state aids under this chapter;

2.8 (3) for general education costs of serving students with a disability;

2.9 (4) for facilities;

2.10 (5) for pupil transportation; and

2.11 (6) for postemployment benefits.

2.12 (g) "Old formula special education expenditures" means expenditures eligible for revenue
2.13 under Minnesota Statutes 2012, section 125A.76, subdivision 2.

2.14 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
2.15 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe
2.16 benefits of one-to-one instructional and behavior management aides and one-to-one licensed,
2.17 certified professionals assigned to a child attending the academy, if the aides or professionals
2.18 are required by the child's individualized education program.

2.19 (i) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100 for fiscal
2.20 year 2017, and, for fiscal year 2018 and later, the sum of the special education aid increase
2.21 limit for the previous fiscal year and \$40.

2.22 (j) "District" means a school district, a charter school, or a cooperative unit as defined
2.23 in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as
2.24 defined in section 123A.24, subdivision 2, are eligible to receive special education aid under
2.25 this section and section 125A.79.

2.26 (k) "Initial special education cross subsidy" means the greater of zero or:

2.27 (1) the nonfederal special education expenditure under paragraph (f); plus

2.28 (2) the cost of providing transportation services for pupils with disabilities under section
2.29 123B.92, subdivision 1, paragraph (b), clause (4); minus

2.30 (3) the special education aid under subdivision 2c and sections 125A.11, subdivision 1,
2.31 and 127A.47, subdivision 7; minus

3.1 (4) the amount of general education revenue, excluding local optional revenue, plus
 3.2 local optional aid and referendum equalization aid attributable to pupils receiving special
 3.3 instruction and services outside the regular classroom for more than 60 percent of the school
 3.4 day for the portion of time the pupils receive special instruction and services outside the
 3.5 regular classroom, excluding portions attributable to district and school administration,
 3.6 district support services, operations and maintenance, capital expenditures, and pupil
 3.7 transportation.

3.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2020 and later.

3.9 **Sec. 2. [125A.81] SPECIAL EDUCATION CROSS SUBSIDY AID.**

3.10 (a) A school district's annual special education cross subsidy aid equals the school
 3.11 district's initial special education cross subsidy calculated for the preceding year times the
 3.12 cross subsidy aid factor for that fiscal year.

3.13 (b) The cross subsidy aid factor equals 3.3 percent for fiscal year 2020, 6.6 percent for
 3.14 fiscal year 2021, 9.9 percent for fiscal year 2022, and 13.2 percent for fiscal year 2023 and
 3.15 later.

3.16 **Sec. 3. APPROPRIATIONS.**

3.17 Subdivision 1. **Department of Education.** The sums indicated in this section are
 3.18 appropriated from the general fund to the Department of Education for the fiscal years
 3.19 designated.

3.20 Subd. 2. **Special education cross subsidy aid.** (a) For special education cross subsidy
 3.21 aid under Minnesota Statutes, section 125A.81:

3.22 \$ 2020

3.23 \$ 2021

3.24 (b) Any balance in the first year does not cancel but is available in the second year.

3.25 (c) If the appropriation amount is insufficient in either year, the commissioner of
 3.26 education shall reduce the reimbursement rate in Minnesota Statutes, section 125A.81, and
 3.27 the revenue for that fiscal year must be prorated.