

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

**S.F. No. 1384**

(SENATE AUTHORS: DAHLE)

DATE	D-PG	OFFICIAL STATUS
03/05/2015	565	Introduction and first reading Referred to Finance

1.1 A bill for an act  
 1.2 relating to education finance; modifying certain pupil unit provisions; amending  
 1.3 Minnesota Statutes 2014, sections 126C.05, subdivisions 8, 15; 126C.10,  
 1.4 subdivision 2a.

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

1.6 Section 1. Minnesota Statutes 2014, section 126C.05, subdivision 8, is amended to read:

1.7 Subd. 8. **Average daily membership.** (a) Membership for pupils in grades  
 1.8 kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the  
 1.9 number of pupils on the current roll of the school, counted from the date of entry until  
 1.10 withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves  
 1.11 the school or the date it is officially known that the pupil has left or has been legally  
 1.12 excused. However, a pupil, regardless of age, who has been absent from school for 15  
 1.13 consecutive school days during the regular school year or for five consecutive school days  
 1.14 during summer school or intersession classes of flexible school year programs without  
 1.15 receiving instruction in the home or hospital shall be dropped from the roll and classified  
 1.16 as withdrawn. Nothing in this section shall be construed as waiving the compulsory  
 1.17 attendance provisions cited in section 120A.22. Average daily membership equals the  
 1.18 sum for all pupils of the number of days of the school year each pupil is enrolled in the  
 1.19 district's schools divided by the number of days the schools are in session. Days of  
 1.20 summer school or intersession classes of flexible school year programs are only included  
 1.21 in the computation of membership for pupils with a disability not appropriately served  
 1.22 primarily in the regular classroom. A student must not be counted as more than ~~1.2~~ 1.4  
 1.23 pupils in average daily membership under this section. When the initial total average daily

2.1 membership exceeds ~~1.2~~ 1.4 for a pupil enrolled in more than one school district during  
2.2 the fiscal year, each district's average daily membership must be reduced proportionately.

2.3 (b) A student must not be counted as more than one pupil in average daily  
2.4 membership except for purposes of section 126C.10, subdivision 2a.

2.5 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

2.6 Sec. 2. Minnesota Statutes 2014, section 126C.05, subdivision 15, is amended to read:

2.7 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
2.8 year program under section 124D.128, an area learning center or an alternative learning  
2.9 program approved by the commissioner under sections 123A.05 and 123A.06, or a  
2.10 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
2.11 subdivision 4, for more than 1,020 hours in a school year for a secondary student, more  
2.12 than 935 hours in a school year for an elementary student, more than 850 hours in a school  
2.13 year for a kindergarten student without a disability in an all-day kindergarten program,  
2.14 or more than 425 hours in a school year for a half-day kindergarten student without a  
2.15 disability, that pupil may be counted as more than one pupil in average daily membership  
2.16 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
2.17 be determined by the ratio of the number of hours of instruction provided to that pupil in  
2.18 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
2.19 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
2.20 or the number of hours required for a full-time elementary pupil in the district to 935 for  
2.21 an elementary pupil in grades 1 through 6; and (iii) the greater of 850 hours or the number  
2.22 of hours required for a full-time kindergarten student without a disability in the district to  
2.23 850 for a kindergarten student without a disability. Hours that occur after the close of the  
2.24 instructional year in June shall be attributable to the following fiscal year. A student in  
2.25 kindergarten or grades 1 through 12 must not be counted as more than ~~1.2~~ 1.4 pupils in  
2.26 average daily membership under this subdivision.

2.27 (b)(i) To receive general education revenue for a pupil in an area learning center or  
2.28 alternative learning program that has an independent study component, a district must meet  
2.29 the requirements in this paragraph. The district must develop, for the pupil, a continual  
2.30 learning plan consistent with section 124D.128, subdivision 3. Each school district that has  
2.31 an area learning center or alternative learning program must reserve revenue in an amount  
2.32 equal to at least 90 and not more than 100 percent of the district average general education  
2.33 revenue per pupil unit, minus an amount equal to the product of the formula allowance  
2.34 according to section 126C.10, subdivision 2, times .0466, calculated without basic skills  
2.35 revenue, local optional revenue, and transportation sparsity revenue, times the number of

3.1 pupil units generated by students attending an area learning center or alternative learning  
 3.2 program. The amount of reserved revenue available under this subdivision may only be  
 3.3 spent for program costs associated with the area learning center or alternative learning  
 3.4 program. Basic skills revenue generated according to section 126C.10, subdivision 4, by  
 3.5 pupils attending the eligible program must be allocated to the program.

3.6 (ii) General education revenue for a pupil in a state-approved alternative program  
 3.7 without an independent study component must be prorated for a pupil participating for less  
 3.8 than a full year, or its equivalent. The district must develop a continual learning plan for  
 3.9 the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an  
 3.10 area learning center or alternative learning program must reserve revenue in an amount  
 3.11 equal to at least 90 and not more than 100 percent of the district average general education  
 3.12 revenue per pupil unit, minus an amount equal to the product of the formula allowance  
 3.13 according to section 126C.10, subdivision 2, times .0466, calculated without basic skills  
 3.14 revenue, local optional revenue, and transportation sparsity revenue, times the number of  
 3.15 pupil units generated by students attending an area learning center or alternative learning  
 3.16 program. The amount of reserved revenue available under this subdivision may only be  
 3.17 spent for program costs associated with the area learning center or alternative learning  
 3.18 program. Basic skills revenue generated according to section 126C.10, subdivision 4, by  
 3.19 pupils attending the eligible program must be allocated to the program.

3.20 (iii) General education revenue for a pupil in a state-approved alternative program  
 3.21 that has an independent study component must be paid for each hour of teacher contact  
 3.22 time and each hour of independent study time completed toward a credit or graduation  
 3.23 standards necessary for graduation. Average daily membership for a pupil shall equal the  
 3.24 number of hours of teacher contact time and independent study time divided by 1,020.

3.25 (iv) For a state-approved alternative program having an independent study  
 3.26 component, the commissioner shall require a description of the courses in the program, the  
 3.27 kinds of independent study involved, the expected learning outcomes of the courses, and  
 3.28 the means of measuring student performance against the expected outcomes.

3.29 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

3.30 Sec. 3. Minnesota Statutes 2014, section 126C.10, subdivision 2a, is amended to read:

3.31 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for  
 3.32 fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal cost  
 3.33 pupil units of the district for each pupil in average daily membership in excess of 1.0 and  
 3.34 less than ~~1.2~~ 1.4 according to section 126C.05, subdivision 8. A school district's extended  
 3.35 time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum

4.1 of the adjusted pupil units of the district for each pupil in average daily membership in  
4.2 excess of 1.0 and less than ~~1.2~~ 1.4 according to section 126C.05, subdivision 8.

4.3 (b) A school district's extended time revenue may be used for extended day  
4.4 programs, extended week programs, summer school, and other programming authorized  
4.5 under the learning year program.

4.6 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.