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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **821**

02/21/2013 Authored by Bernardy, Marquart, Mariani, Selcer, Abeler and others
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; authorizing funding for voluntary, full-day
1.3 kindergarten; providing for school district flexibility; amending Minnesota
1.4 Statutes 2012, sections 123B.41, subdivision 7; 126C.05, subdivisions 1, 15;
1.5 126C.12, subdivision 5; 126C.126.

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

1.7 Section 1. Minnesota Statutes 2012, section 123B.41, subdivision 7, is amended to read:
1.8 Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades
1.9 kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be
1.10 counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42,
1.11 and 123B.44 to 123B.48.

1.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

1.13 Sec. 2. Minnesota Statutes 2012, section 126C.05, subdivision 1, is amended to read:

1.14 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the
1.15 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),
1.16 in average daily membership enrolled in the district of residence, in another district under
1.17 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
1.18 section 124D.10; or for whom the resident district pays tuition under section 123A.18,
1.19 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
1.20 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
1.21 subdivision.

1.22 (a) A prekindergarten pupil with a disability who is enrolled in a program approved
1.23 by the commissioner and has an individualized education program is counted as the ratio

of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c):

(1) is counted as .612 pupil units for fiscal year 2014 only; and

(2) who is participating in a half-day kindergarten program is counted as .612 pupil units, and who is participating in a full-day kindergarten program is counted as 1.115 pupil units for fiscal year 2015 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.3 pupil units.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2014.

Sec. 3. Minnesota Statutes 2012, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 3a, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student without a disability in a full-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student without a disability, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours

or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of 425 hours or the number of hours required for a full-time kindergarten student without a disability in the district to 425 for a kindergarten student without a disability; and (iv) the greater of 425 hours or the number of hours required for a half-time kindergarten student without a disability in the district to 425 for a half-day kindergarten student without a disability. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. ~~A kindergarten student must not be counted as more than 1.2 pupils in average daily membership under this subdivision.~~ A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or

alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

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

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015.

Sec. 4. Minnesota Statutes 2012, section 126C.12, subdivision 5, is amended to read:

Subd. 5. **Additional revenue use.** If the board of a district determines that the district has achieved and is maintaining the class sizes specified in subdivision 4, the board may use the revenue to reduce class size in grades 4, 5, and 6, ~~provide all-day, everyday kindergarten~~, prepare and use individualized learning plans, improve program offerings, purchase instructional material, services, or technology, or provide staff development needed for reduced class sizes.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015.

Sec. 5. Minnesota Statutes 2012, section 126C.126, is amended to read:

**126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY
KINDERGARTEN AND PREKINDERGARTEN.**

A school district may spend general education revenue on extended time kindergarten and prekindergarten programs. If a school district determines that the district is meeting the needs of the community for voluntary, full-day kindergarten, the district may use revenue generated by the full-day kindergarten pupil count under section 126C.05, subdivision 1, paragraph (d), for prekindergarten programs.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.