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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 1428

02/20/2017 Authored by Daudt, Miller and Bahr, C.,
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; clarifying the nonresident tuition rate for certain
1.3 court-placed students; amending Minnesota Statutes 2016, section 125A.11,
1.4 subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2016, section 125A.11, subdivision 1, is amended to read:

1.7 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later,
1.8 when a school district provides special instruction and services for a pupil with a disability
1.9 as defined in section 125A.02 outside the district of residence, excluding a pupil for whom
1.10 an adjustment to special education aid is calculated according to section 127A.47, subdivision
1.11 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced
1.12 by an amount equal to (1) the actual cost of providing special instruction and services to
1.13 the pupil, including a proportionate amount for special transportation, plus (2) the amount
1.14 of general education revenue, excluding local optional revenue, plus local optional aid and
1.15 referendum equalization aid attributable to that pupil, calculated using the resident district's
1.16 average general education revenue and referendum equalization aid per adjusted pupil unit
1.17 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue,
1.18 minus (3) the amount of special education aid for children with a disability under section
1.19 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction
1.20 and services outside the regular classroom for more than 60 percent of the school day, the
1.21 amount of general education revenue and referendum equalization aid, excluding portions
1.22 attributable to district and school administration, district support services, operations and
1.23 maintenance, capital expenditures, and pupil transportation, attributable to that pupil for
1.24 the portion of time the pupil receives special instruction and services outside of the regular

2.1 classroom, calculated using the resident district's average general education revenue and
2.2 referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary
2.3 sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue,
2.4 elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit.
2.5 Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal
2.6 agent school district, the general education revenue and referendum equalization aid
2.7 attributable to a pupil must be calculated using the resident district's average general
2.8 education revenue and referendum equalization aid excluding compensatory revenue,
2.9 elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to
2.10 the district or cooperative providing special instruction and services for the pupil must be
2.11 increased by the amount of the reduction in the aid paid to the resident district. If the resident
2.12 district's special education aid is insufficient to make the full adjustment, the remaining
2.13 adjustment shall be made to other state aid due to the district.

2.14 (b) Notwithstanding paragraph (a), when a charter school receiving special education
2.15 aid under section 124E.21, subdivision 3, provides special instruction and services for a
2.16 pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
2.17 adjustment to special education aid is calculated according to section 127A.47, subdivision
2.18 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
2.19 by an amount equal to that calculated under paragraph (a) as if the charter school received
2.20 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
2.21 aid paid to the charter school providing special instruction and services for the pupil must
2.22 not be increased by the amount of the reduction in the aid paid to the resident district.

2.23 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs (b)
2.24 to (d):

2.25 (1) an intermediate district or a special education cooperative may recover unreimbursed
2.26 costs of serving pupils with a disability, including building lease, debt service, and indirect
2.27 costs necessary for the general operation of the organization, by billing membership fees
2.28 and nonmember access fees to the resident district;

2.29 (2) a charter school where more than 30 percent of enrolled students receive special
2.30 education and related services, a site approved under section 125A.515, an intermediate
2.31 district, a site constructed according to Laws 1992, chapter 558, section 7, subdivision 7,
2.32 to meet the educational needs of court-placed adolescents, or a special education cooperative
2.33 may apply to the commissioner for authority to charge the resident district an additional
2.34 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

3.1 (3) the billing under clause (1) or application under clause (2) must include a description
3.2 of the costs and the calculations used to determine the unreimbursed portion to be charged
3.3 to the resident district. Amounts approved by the commissioner under clause (2) must be
3.4 included in the aid adjustments under paragraph (a), or section 127A.47, subdivision 7,
3.5 paragraphs (b) to (d), as applicable.

3.6 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph (b),
3.7 "general education revenue and referendum equalization aid" means the sum of the general
3.8 education revenue according to section 126C.10, subdivision 1, excluding the local optional
3.9 levy according to section 126C.10, subdivision 2e, paragraph (c), plus the referendum
3.10 equalization aid according to section 126C.17, subdivision 7.

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