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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2147

04/07/2015 Authored by Persell; Sundin; Allen; Murphy, M., and Slocum
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; establishing an American Indian education aid
1.3 program; eliminating the equalization cap for Bureau of Indian Education schools;
1.4 amending Minnesota Statutes 2014, sections 124D.81; 124D.83, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2014, section 124D.81, is amended to read:

1.7 **124D.81 CONTINUATION OF AMERICAN INDIAN EDUCATION GRANTS**
1.8 **AID.**

1.9 Subdivision 1. **Grants; Procedures.** ~~Each fiscal year the commissioner of education~~
1.10 ~~must make grants to no fewer than six American Indian education programs. At least~~
1.11 ~~three programs must be in urban areas and at least three must be on or near reservations.~~
1.12 ~~The board of a local district, a participating school or a group of boards may develop a~~
1.13 ~~proposal for grants in support of American Indian education programs. Proposals (a) A~~
1.14 ~~school district, charter school, or American Indian-controlled tribal contract or grant~~
1.15 ~~school enrolling at least 20 American Indian students on October 1 of the previous school~~
1.16 ~~year and operating an American Indian education program according to section 124D.74 is~~
1.17 ~~eligible for Indian education aid if it meets the requirements of this section. Programs may~~
1.18 ~~provide for contracts for the provision of program components by nonsectarian nonpublic,~~
1.19 ~~community, tribal, charter, or alternative schools. The commissioner shall prescribe the~~
1.20 ~~form and manner of application for grants aids, and no grant aid shall be made for a~~
1.21 ~~proposal program not complying with the requirements of sections 124D.71 to 124D.82.~~

1.22 Subd. 2. **Plans.** ~~Each~~ To qualify for aid, an eligible district, charter school, or
1.23 participating tribal contract school submitting a proposal under subdivision 1 must

2.1 develop and submit ~~with the proposal~~ a plan for approval by the Indian education director
2.2 ~~which that~~ shall:

2.3 (a) Identify the measures to be used to meet the requirements of sections 124D.71 to
2.4 124D.82;

2.5 (b) Identify the activities, methods and programs to meet the identified educational
2.6 needs of the children to be enrolled in the program;

2.7 (c) Describe how district goals and objectives as well as the objectives of sections
2.8 124D.71 to 124D.82 are to be achieved;

2.9 (d) Demonstrate that required and elective courses as structured do not have a
2.10 discriminatory effect within the meaning of section 124D.74, subdivision 5;

2.11 (e) Describe how each school program will be organized, staffed, coordinated,
2.12 and monitored; and

2.13 (f) Project expenditures for programs under sections 124D.71 to 124D.82.

2.14 Subd. 2a. **American Indian education aid.** (a) The American Indian education aid
2.15 for an eligible district or tribal contract school equals the greater of (1) the sum of \$20,000
2.16 plus the product of \$405 times the difference between the number of American Indian
2.17 students enrolled on October 1 of the previous school year and 20; or (2) if the district or
2.18 school received a grant under this section for fiscal year 2015, the amount of the grant
2.19 for fiscal year 2015.

2.20 (b) Notwithstanding paragraph (a), the American Indian education aid must not
2.21 exceed the district or tribal contract school's actual expenditure according to the approved
2.22 plan under subdivision 2.

2.23 Subd. 3. **Additional requirements.** Each district receiving a grant aid under this
2.24 section must each year conduct a count of American Indian children in the schools
2.25 of the district; test for achievement; identify the extent of other educational needs of
2.26 the children to be enrolled in the American Indian education program; and classify the
2.27 American Indian children by grade, level of educational attainment, age and achievement.
2.28 Participating schools must maintain records concerning the needs and achievements of
2.29 American Indian children served.

2.30 Subd. 4. **Nondiscrimination; testing.** In accordance with recognized professional
2.31 standards, all testing and evaluation materials and procedures utilized for the identification,
2.32 testing, assessment and classification of American Indian children must be selected and
2.33 administered so as not to be racially or culturally discriminatory and must be valid for the
2.34 purpose of identifying, testing, assessing, and classifying American Indian children.

2.35 Subd. 5. **Records.** Participating schools and districts must keep records and afford
2.36 access to them as the commissioner finds necessary to ensure that American Indian

3.1 education programs are implemented in conformity with sections 124D.71 to 124D.82.
 3.2 Each school district or participating school must keep accurate, detailed, and separate
 3.3 revenue and expenditure accounts for pilot American Indian education programs funded
 3.4 under this section.

3.5 Subd. 6. **Money from other sources.** A district or participating school providing
 3.6 American Indian education programs shall be eligible to receive moneys for these programs
 3.7 from other government agencies and from private sources when the moneys are available.

3.8 Subd. 7. **Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as
 3.9 prohibiting a district or school from implementing an American Indian education program
 3.10 which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for
 3.11 that program is not funded pursuant to this section.

3.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
 3.13 and later.

3.14 Sec. 2. Minnesota Statutes 2014, section 124D.83, subdivision 2, is amended to read:

3.15 Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or
 3.16 grant school that is located on a reservation within the state and that complies with the
 3.17 requirements in subdivision 1 is eligible to receive tribal contract or grant school aid.

3.18 The amount of aid is derived by:

3.19 (1) multiplying the formula allowance under section 126C.10, subdivision 2, less
 3.20 \$170, times the difference between (i) the resident pupil units as defined in section
 3.21 126C.05, subdivision 6, in average daily membership, excluding section 126C.05,
 3.22 subdivision 13, and (ii) the number of pupils for the current school year, weighted
 3.23 according to section 126C.05, subdivision 1, receiving benefits under section 123B.42 or
 3.24 123B.44 or for which the school is receiving reimbursement under section 124D.69;

3.25 (2) adding to the result in clause (1) an amount equal to the product of the formula
 3.26 allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract
 3.27 compensation revenue pupil units;

3.28 (3) subtracting from the result in clause (2) the amount of money allotted to the
 3.29 school by the federal government through Indian School Equalization Program of the
 3.30 Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39,
 3.31 subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for
 3.32 the base rate as applied to kindergarten through twelfth grade, excluding small school
 3.33 adjustments and additional weighting, but not money allotted through subparts F to L for
 3.34 contingency funds, school board training, student training, interim maintenance and minor

4.1 repair, interim administration cost, prekindergarten, and operation and maintenance, and
4.2 the amount of money that is received according to section 124D.69;

4.3 (4) dividing the result in clause (3) by the sum of the resident pupil units in average
4.4 daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract
4.5 compensation revenue pupil units; and

4.6 (5) multiplying the sum of the resident pupil units, including section 126C.05,
4.7 subdivision 13, in average daily membership plus the tribal contract compensation revenue
4.8 pupil units by the lesser of \$1,500 or the result in clause (4).

4.9 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
4.10 later.