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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2657

01/31/2022 Authored by Wolgamott, Stephenson, Bahner, Howard, Her 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; fully funding school district special education
1.3 services; appropriating money; amending Minnesota Statutes 2020, section
1.4 125A.76, subdivision 2e; Laws 2021, First Special Session chapter 13, article 5,
1.5 section 3, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2020, section 125A.76, subdivision 2e, is amended to read:

1.8 Subd. 2e. Cross subsidy reduction aid. (a) A school district's annual cross subsidy
1.9 reduction aid equals (1) the school district's initial special education cross subsidy for the
1.10 previous fiscal year times the cross subsidy aid factor for that fiscal year less (2) the district's
1.11 special education general education reduction defined in paragraph (c).

1.12 (b) The cross subsidy aid factor equals 2.6 percent for fiscal year 2020 and 6.43 percent
1.13 for fiscal year 2021 and fiscal year 2022 and 100 percent for fiscal year 2023 and later.

1.14 (c) A district's special education general education reduction equals the general education
1.15 revenue attributable to special education students who spend 60 percent or more of the
1.16 school day outside of the regular classroom receiving special education services. This
1.17 calculation must be prepared according to the methodology outlined in the annual special
1.18 education cross subsidy report prepared by the Department of Education.

1.19 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2023 and later.

2.1 Sec. 2. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 2, is
2.2 amended to read:

2.3 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,
2.4 section 125A.75:

| | | | | |
|-----|----|--------------------------|-------|------|
| 2.5 | \$ | 1,822,998,000 | | 2022 |
| 2.6 | | 1,945,533,000 | | |
| 2.7 | \$ | <u>.....</u> | | 2023 |

2.8 The 2022 appropriation includes \$215,125,000 for 2021 and \$1,607,873,000 for 2022.

2.9 The 2023 appropriation includes \$226,342,000 for 2022 and ~~\$1,719,191,000~~ \$..... for
2.10 2023.