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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. **525**

01/31/2019 Authored by Persell, Dettmer, Ecklund, Neu, Bernardy and others  
The bill was read for the first time and referred to the Committee on Education Policy  
02/21/2019 Adoption of Report: Re-referred to the Committee on Government Operations  
03/04/2019 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to education; modifying the calculation of the pupil transportation  
1.3 adjustment; providing for a pupil transportation working group; requiring a report;  
1.4 amending Minnesota Statutes 2018, section 126C.10, subdivision 18a.

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

1.6 Section 1. Minnesota Statutes 2018, section 126C.10, subdivision 18a, is amended to read:

1.7 Subd. 18a. **Pupil transportation adjustment.** (a) An independent, common, or special  
1.8 school district's transportation sparsity revenue under subdivision 18 is increased by the  
1.9 greater of zero or ~~18.2~~ ... percent of the difference between:

1.10 (1) the lesser of the district's total cost for regular and excess pupil transportation under  
1.11 section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal  
1.12 year or 105 percent of the district's total cost for the second previous fiscal year; and

1.13 (2) the sum of:

1.14 (i) 4.66 percent of the district's basic revenue for the previous fiscal year;

1.15 (ii) transportation sparsity revenue under subdivision 18 for the previous fiscal year;

1.16 and

1.17 (iii) the district's charter school transportation adjustment for the previous fiscal year.

1.18 (b) A charter school's pupil transportation adjustment equals the school district per pupil  
1.19 adjustment under paragraph (a).

1.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2020 and later.

2.1 Sec. 2. **PUPIL TRANSPORTATION WORKING GROUP.**

2.2 Subdivision 1. **Duties.** (a) A working group on pupil transportation is created to review  
2.3 pupil transportation and transportation efficiencies in Minnesota, to consult with stakeholders,  
2.4 and to submit a written report to the legislature recommending policy and formula changes.

2.5 The pupil transportation working group must examine and consider:

2.6 (1) how school districts, charter schools, intermediate school districts, special education  
2.7 cooperatives, education districts, and service cooperatives deliver pupil transportation  
2.8 services and the costs associated with each model;

2.9 (2) relevant state laws and rules;

2.10 (3) trends in pupil transportation services;

2.11 (4) strategies or programs that would be effective in funding necessary pupil  
2.12 transportation services; and

2.13 (5) the effect of the elimination of categorical funding for pupil transportation services.

2.14 (b) In making its recommendations, the pupil transportation working group must consider  
2.15 a ten-year strategic plan informed by the policy findings in paragraph (a) to help make pupil  
2.16 transportation funding more fair.

2.17 Subd. 2. **Members.** (a) By June 1, 2019, the executive director of each of the following  
2.18 organizations must appoint one representative of that organization to serve as a member of  
2.19 the working group:

2.20 (1) the Minnesota School Boards Association;

2.21 (2) the Minnesota Association of Charter Schools;

2.22 (3) Education Minnesota;

2.23 (4) the Minnesota Rural Education Association;

2.24 (5) the Association of Metropolitan School Districts;

2.25 (6) the Minnesota Association for Pupil Transportation;

2.26 (7) the Minnesota School Bus Operators Association;

2.27 (8) the Minnesota Association of School Administrators;

2.28 (9) the Minnesota Association of School Business Officials;

2.29 (10) Schools for Equity in Education;

2.30 (11) Service Employees International Union Local 284;

3.1 (12) the Minnesota Association of Secondary School Principals;

3.2 (13) the Minnesota Administrators of Special Education; and

3.3 (14) the Minnesota Transportation Alliance.

3.4 (b) The commissioner of education must solicit applications for membership in the  
3.5 working group. By June 25, 2019, the commissioner must designate from the applicants  
3.6 the following to serve as members of the working group:

3.7 (1) a representative from an intermediate school district;

3.8 (2) a representative from a special education cooperative, education district, or service  
3.9 cooperative;

3.10 (3) a representative from a school district in a city of the first class;

3.11 (4) a representative from a school district in a first tier suburb;

3.12 (5) a representative from a rural school district; and

3.13 (6) a representative from a statewide nonprofit advocacy organization serving students  
3.14 with disabilities and their parents.

3.15 Subd. 3. **Meetings.** The commissioner of education, or the commissioner's designee,  
3.16 must convene the first meeting of the working group no later than July 15, 2019. The working  
3.17 group must select a chair or cochairs from among its members at the first meeting. The  
3.18 working group must meet periodically. Meetings of the working group are subject to  
3.19 Minnesota Statutes, chapter 13D.

3.20 Subd. 4. **Compensation.** Working group members are not eligible to receive expenses  
3.21 or per diem payments for serving on the working group.

3.22 Subd. 5. **Administrative support.** The commissioner of education must provide technical  
3.23 and administrative assistance to the working group upon request.

3.24 Subd. 6. **Report.** (a) By January 15, 2020, the working group must submit a report  
3.25 providing its findings and recommendations to the chairs and ranking minority members  
3.26 of the legislative committees with jurisdiction over kindergarten through grade 12 education.

3.27 (b) At its 2020 annual session, the legislature is encouraged to convene a legislative  
3.28 study group to review the recommendations and ten-year strategic plan to develop its own  
3.29 recommendations for legislative changes, as necessary.

3.30 Subd. 7. **Expiration.** The working group expires upon submission of the report required  
3.31 in subdivision 6.

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