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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2409

03/14/2017 Authored by Davnie; Lee; Moran; Dehn, R.; Bly 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; exempting the costs of transporting homeless students
1.3 and students in shelter care facilities from the annual special education aid limit;
1.4 appropriating money; amending Minnesota Statutes 2016, sections 123B.92,
1.5 subdivision 1; 125A.76, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2016, section 123B.92, subdivision 1, is amended to read:

1.8 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms
1.9 defined in this subdivision have the meanings given to them.

1.10 (a) "Actual expenditure per pupil transported in the regular and excess transportation
1.11 categories" means the quotient obtained by dividing:

1.12 (1) the sum of:

1.13 (i) all expenditures for transportation in the regular category, as defined in paragraph
1.14 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

1.15 (ii) an amount equal to one year's depreciation on the district's school bus fleet and
1.16 mobile units computed on a straight line basis at the rate of 15 percent per year for districts
1.17 operating a program under section 124D.128 for grades 1 to 12 for all students in the district
1.18 and 12-1/2 percent per year for other districts of the cost of the fleet, plus

1.19 (iii) an amount equal to one year's depreciation on the district's type III vehicles, as
1.20 defined in section 169.011, subdivision 71, which must be used a majority of the time for
1.21 pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per
1.22 year of the cost of the type three school buses by:

2.1 (2) the number of pupils eligible for transportation in the regular category, as defined
2.2 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause
2.3 (2).

2.4 (b) "Transportation category" means a category of transportation service provided to
2.5 pupils as follows:

2.6 (1) Regular transportation is:

2.7 (i) transportation to and from school during the regular school year for resident elementary
2.8 pupils residing one mile or more from the public or nonpublic school they attend, and
2.9 resident secondary pupils residing two miles or more from the public or nonpublic school
2.10 they attend, excluding desegregation transportation and noon kindergarten transportation;
2.11 but with respect to transportation of pupils to and from nonpublic schools, only to the extent
2.12 permitted by sections 123B.84 to 123B.87;

2.13 (ii) transportation of resident pupils to and from language immersion programs;

2.14 (iii) transportation of a pupil who is a custodial parent and that pupil's child between the
2.15 pupil's home and the child care provider and between the provider and the school, if the
2.16 home and provider are within the attendance area of the school;

2.17 (iv) transportation to and from or board and lodging in another district, of resident pupils
2.18 of a district without a secondary school; and

2.19 (v) transportation to and from school during the regular school year required under
2.20 subdivision 3 for nonresident elementary pupils when the distance from the attendance area
2.21 border to the public school is one mile or more, and for nonresident secondary pupils when
2.22 the distance from the attendance area border to the public school is two miles or more,
2.23 excluding desegregation transportation and noon kindergarten transportation.

2.24 For the purposes of this paragraph, a district may designate a licensed day care facility,
2.25 school day care facility, respite care facility, the residence of a relative, or the residence of
2.26 a person or other location chosen by the pupil's parent or guardian, or an after-school program
2.27 for children operated by a political subdivision of the state, as the home of a pupil for part
2.28 or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence,
2.29 or program is within the attendance area of the school the pupil attends.

2.30 (2) Excess transportation is:

2.31 (i) transportation to and from school during the regular school year for resident secondary
2.32 pupils residing at least one mile but less than two miles from the public or nonpublic school
2.33 they attend, and transportation to and from school for resident pupils residing less than one

3.1 mile from school who are transported because of full-service school zones, extraordinary
3.2 traffic, drug, or crime hazards; and

3.3 (ii) transportation to and from school during the regular school year required under
3.4 subdivision 3 for nonresident secondary pupils when the distance from the attendance area
3.5 border to the school is at least one mile but less than two miles from the public school they
3.6 attend, and for nonresident pupils when the distance from the attendance area border to the
3.7 school is less than one mile from the school and who are transported because of full-service
3.8 school zones, extraordinary traffic, drug, or crime hazards.

3.9 (3) Desegregation transportation is transportation within and outside of the district during
3.10 the regular school year of pupils to and from schools located outside their normal attendance
3.11 areas under a plan for desegregation mandated by the commissioner or under court order.

3.12 (4) "Transportation services for pupils with disabilities" is:

3.13 (i) transportation of pupils with disabilities who cannot be transported on a regular school
3.14 bus between home or a respite care facility and school;

3.15 (ii) necessary transportation of pupils with disabilities from home or from school to
3.16 other buildings, including centers such as developmental achievement centers, hospitals,
3.17 and treatment centers where special instruction or services required by sections 125A.03 to
3.18 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district
3.19 where services are provided;

3.20 (iii) necessary transportation for resident pupils with disabilities required by sections
3.21 125A.12, and 125A.26 to 125A.48;

3.22 (iv) board and lodging for pupils with disabilities in a district maintaining special classes;

3.23 (v) transportation from one educational facility to another within the district for resident
3.24 pupils enrolled on a shared-time basis in educational programs, and necessary transportation
3.25 required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities
3.26 who are provided special instruction and services on a shared-time basis or if resident pupils
3.27 are not transported, the costs of necessary travel between public and private schools or
3.28 neutral instructional sites by essential personnel employed by the district's program for
3.29 children with a disability;

3.30 (vi) transportation for resident pupils with disabilities to and from board and lodging
3.31 facilities when the pupil is boarded and lodged for educational purposes;

4.1 (vii) transportation of pupils for a curricular field trip activity on a school bus equipped
 4.2 with a power lift when the power lift is required by a student's disability or section 504 plan;
 4.3 and

4.4 (viii) services described in clauses (i) to (vii), when provided for pupils with disabilities
 4.5 in conjunction with a summer instructional program that relates to the pupil's individualized
 4.6 education program or in conjunction with a learning year program established under section
 4.7 124D.128.

4.8 For purposes of computing special education initial aid under section 125A.76, the cost
 4.9 of providing transportation for children with disabilities includes (A) the additional cost of
 4.10 transporting a student in a shelter care facility as defined in section 260C.007, subdivision
 4.11 30, a homeless student ~~from a temporary nonshelter home~~ in another district to the school
 4.12 of origin, or a formerly homeless student from a permanent home in another district to the
 4.13 school of origin but only through the end of the academic year; and (B) depreciation on
 4.14 district-owned school buses purchased after July 1, 2005, and used primarily for
 4.15 transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii)
 4.16 and (iii). Depreciation costs included in the disabled transportation category must be excluded
 4.17 in calculating the actual expenditure per pupil transported in the regular and excess
 4.18 transportation categories according to paragraph (a). For purposes of subitem (A), a school
 4.19 district may transport a child who does not have a school of origin to the same school
 4.20 attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

4.21 (5) "Nonpublic nonregular transportation" is:

4.22 (i) transportation from one educational facility to another within the district for resident
 4.23 pupils enrolled on a shared-time basis in educational programs, excluding transportation
 4.24 for nonpublic pupils with disabilities under clause (4);

4.25 (ii) transportation within district boundaries between a nonpublic school and a public
 4.26 school or a neutral site for nonpublic school pupils who are provided pupil support services
 4.27 pursuant to section 123B.44; and

4.28 (iii) late transportation home from school or between schools within a district for
 4.29 nonpublic school pupils involved in after-school activities.

4.30 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational
 4.31 programs and services, including diagnostic testing, guidance and counseling services, and
 4.32 health services. A mobile unit located off nonpublic school premises is a neutral site as
 4.33 defined in section 123B.41, subdivision 13.

5.1 **EFFECTIVE DATE.** This section is effective retroactively from December 10, 2016.

5.2 Sec. 2. Minnesota Statutes 2016, section 125A.76, subdivision 1, is amended to read:

5.3 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
5.4 the definitions in this subdivision apply.

5.5 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the
5.6 purposes of computing basic revenue pursuant to this section, each child with a disability
5.7 shall be counted as prescribed in section 126C.05, subdivision 1.

5.8 (c) "Essential personnel" means teachers, cultural liaisons, related services, and support
5.9 services staff providing services to students. Essential personnel may also include special
5.10 education paraprofessionals or clericals providing support to teachers and students by
5.11 preparing paperwork and making arrangements related to special education compliance
5.12 requirements, including parent meetings and individualized education programs. Essential
5.13 personnel does not include administrators and supervisors.

5.14 (d) "Average daily membership" has the meaning given it in section 126C.05.

5.15 (e) "Program growth factor" means ~~1.046 for fiscal years 2012 through 2015, 1.0 for~~
5.16 ~~fiscal year 2016,~~ 1.046 for fiscal year 2017, and the product of 1.046 and the program growth
5.17 factor for the previous year for fiscal year 2018 and later.

5.18 (f) "Nonfederal special education expenditure" means all direct expenditures that are
5.19 necessary and essential to meet the district's obligation to provide special instruction and
5.20 services to children with a disability according to sections 124D.454, 125A.03 to 125A.24,
5.21 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the
5.22 department under section 125A.75, subdivision 4, excluding expenditures:

5.23 (1) reimbursed with federal funds;

5.24 (2) reimbursed with other state aids under this chapter;

5.25 (3) for general education costs of serving students with a disability;

5.26 (4) for facilities;

5.27 (5) for pupil transportation; and

5.28 (6) for postemployment benefits.

5.29 (g) "Old formula special education expenditures" means expenditures eligible for revenue
5.30 under Minnesota Statutes 2012, section 125A.76, subdivision 2.

6.1 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
 6.2 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe
 6.3 benefits of one-to-one instructional and behavior management aides and one-to-one licensed,
 6.4 certified professionals assigned to a child attending the academy, if the aides or professionals
 6.5 are required by the child's individualized education program.

6.6 ~~(i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and~~
 6.7 ~~2.27 percent for fiscal year 2015.~~

6.8 ~~(j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal~~
 6.9 ~~year 2015.~~

6.10 ~~(i)~~ (i) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100 for
 6.11 fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid
 6.12 increase limit for the previous fiscal year and \$40. For fiscal year 2018 and later, the special
 6.13 education aid increase limit must not be applied to any costs necessary for the transportation
 6.14 of a student who is homeless or in a shelter care facility as defined in section 260C.007,
 6.15 subdivision 30.

6.16 ~~(j)~~ (j) "District" means a school district, a charter school, or a cooperative unit as defined
 6.17 in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as
 6.18 defined in section 123A.24, subdivision 2, are eligible to receive special education aid under
 6.19 this section and section 125A.79.

6.20 Sec. 3. APPROPRIATIONS.

6.21 Subdivision 1. Department of Education. The sums indicated in this section are
 6.22 appropriated from the general fund to the Department of Education for the fiscal years
 6.23 designated.

6.24 Subd. 2. Special education; regular. For additional special education aid under this
 6.25 act:

6.26 \$ 2018

6.27 \$ 2019

6.28 The 2018 appropriation includes \$..... for 2017 and \$..... for 2018.

6.29 The 2019 appropriation includes \$..... for 2018 and \$..... for 2019.