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ARTICLE 4
SPECIAL EDUCATION

74.19
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74.21 Section 1. Minnesota Statutes 2016, section 125A.08, is amended to read:

74.22 **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

74.23 (a) At the beginning of each school year, each school district shall have in effect, for
74.24 each child with a disability, an individualized education program.

74.25 (b) As defined in this section, every district must ensure the following:

74.26 (1) all students with disabilities are provided the special instruction and services which
74.27 are appropriate to their needs. Where the individualized education program team has
74.28 determined appropriate goals and objectives based on the student's needs, including the
74.29 extent to which the student can be included in the least restrictive environment, and where
74.30 there are essentially equivalent and effective instruction, related services, or assistive
75.1 technology devices available to meet the student's needs, cost to the district may be among
75.2 the factors considered by the team in choosing how to provide the appropriate services,
75.3 instruction, or devices that are to be made part of the student's individualized education
75.4 program. The individualized education program team shall consider and may authorize
75.5 services covered by medical assistance according to section 256B.0625, subdivision 26.
75.6 Before a school district evaluation team makes a determination of other health disability
75.7 under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem (1), the evaluation
75.8 team must seek written documentation of the student's medically diagnosed chronic or acute
75.9 health condition signed by a licensed physician or a licensed health care provider acting
75.10 within the scope of the provider's practice. The student's needs and the special education
75.11 instruction and services to be provided must be agreed upon through the development of
75.12 an individualized education program. The program must address the student's need to develop
75.13 skills to live and work as independently as possible within the community. The individualized
75.14 education program team must consider positive behavioral interventions, strategies, and
75.15 supports that address behavior needs for children. During grade 9, the program must address
75.16 the student's needs for transition from secondary services to postsecondary education and
75.17 training, employment, community participation, recreation, and leisure and home living. In
75.18 developing the program, districts must inform parents of the full range of transitional goals
75.19 and related services that should be considered. The program must include a statement of
75.20 the needed transition services, including a statement of the interagency responsibilities or
75.21 linkages or both before secondary services are concluded. If the individualized education
75.22 program meets the plan components in section 120B.125, the individualized education
75.23 program satisfies the requirement and no additional transition plan is needed.

75.24 (2) children with a disability under age five and their families are provided special
75.25 instruction and services appropriate to the child's level of functioning and needs.

- 75.26 (3) children with a disability and their parents or guardians are guaranteed procedural
75.27 safeguards and the right to participate in decisions involving identification, assessment
75.28 including assistive technology assessment, and educational placement of children with a
75.29 disability;
- 75.30 (4) eligibility and needs of children with a disability are determined by an initial
75.31 evaluation or reevaluation, which may be completed using existing data under United States
75.32 Code, title 20, section 33, et seq.;
- 75.33 (5) to the maximum extent appropriate, children with a disability, including those in
75.34 public or private institutions or other care facilities, are educated with children who are not
75.35 disabled, and that special classes, separate schooling, or other removal of children with a
76.1 disability from the regular educational environment occurs only when and to the extent that
76.2 the nature or severity of the disability is such that education in regular classes with the use
76.3 of supplementary services cannot be achieved satisfactorily;
- 76.4 (6) in accordance with recognized professional standards, testing and evaluation materials,
76.5 and procedures used for the purposes of classification and placement of children with a
76.6 disability are selected and administered so as not to be racially or culturally discriminatory;
76.7 and
- 76.8 (7) the rights of the child are protected when the parents or guardians are not known or
76.9 not available, or the child is a ward of the state.
- 76.10 (c) For all paraprofessionals employed to work in programs whose role in part is to
76.11 provide direct support to students with disabilities, the school board in each district shall
76.12 ensure that:
- 76.13 (1) before or beginning at the time of employment, each paraprofessional must develop
76.14 sufficient knowledge and skills in emergency procedures, building orientation, roles and
76.15 responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin
76.16 meeting the needs, especially disability-specific and behavioral needs, of the students with
76.17 whom the paraprofessional works;
- 76.18 (2) annual training opportunities are required to enable the paraprofessional to continue
76.19 to further develop the knowledge and skills, and cultural competency, consistent with
76.20 section 120B.30, subdivision 1, paragraph (q), that are specific to the students with whom
76.21 the paraprofessional works, including understanding disabilities, the unique and individual
76.22 needs of each student according to the student's disability and how the disability affects the
76.23 student's education and behavior, following lesson plans, and implementing follow-up
76.24 instructional procedures and activities; and

105.15 Section 1. Minnesota Statutes 2016, section 125A.0941, is amended to read:

105.16 **125A.0941 DEFINITIONS.**

105.17 (a) The following terms have the meanings given them.

105.18 (b) "Emergency" means a situation where immediate intervention is needed to protect
105.19 a child or other individual from physical injury. Emergency does not mean circumstances
105.20 such as: a child who does not respond to a task or request and instead places his or her head
105.21 on a desk or hides under a desk or table; a child who does not respond to a staff person's
105.22 request unless failing to respond would result in physical injury to the child or other
105.23 individual; or an emergency incident has already occurred and no threat of physical injury
105.24 currently exists.

76.25 (3) a districtwide process obligates each paraprofessional to work under the ongoing
76.26 direction of a licensed teacher and, where appropriate and possible, the supervision of a
76.27 school nurse.

76.28 (d) The school board must make available annual training opportunities to enable a
76.29 special education teacher serving on an individualized education program team to further
76.30 develop the knowledge, skills, and cultural competency necessary to appropriately serve
76.31 students. For purposes of this section, "cultural competency" means the ability to interact
76.32 effectively with people of different cultures, native languages, and socioeconomic
76.33 backgrounds.

77.1 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and later.

77.2 Sec. 2. **[125A.087] DATA REVIEW.**

77.3 Subdivision 1. **School district to review data.** At least once each school year, a school
77.4 district is encouraged to review data for each school site on the number of students that are
77.5 referred for emotional behavioral disorder evaluation, disaggregated by race, ethnicity, and
77.6 gender. Nothing in this section requires a school district or public school to report any
77.7 information to the commissioner of education that is not otherwise required by law.

77.8 Subd. 2. **School site to review data.** Teachers and other educational staff at a school
77.9 site must review at least once each school year the data under subdivision 1 for students at
77.10 the school site. The district is encouraged to consult with teachers and other educational
77.11 staff on strategies to reduce any disproportionate representation of students by race, gender,
77.12 or ethnicity in evaluation referrals.

77.13 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and later.

77.14 Sec. 3. Minnesota Statutes 2016, section 125A.0941, is amended to read:

77.15 **125A.0941 DEFINITIONS.**

77.16 (a) The following terms have the meanings given them.

77.17 (b) "Emergency" means a situation where immediate intervention is needed to protect
77.18 a child or other individual from physical injury. Emergency does not mean circumstances
77.19 such as: a child who does not respond to a task or request and instead places his or her head
77.20 on a desk or hides under a desk or table; a child who does not respond to a staff person's
77.21 request unless failing to respond would result in physical injury to the child or other
77.22 individual; or an emergency incident has already occurred and no threat of physical injury
77.23 currently exists.

105.25 (c) "Physical holding" means physical intervention intended to hold a child immobile
105.26 or limit a child's movement, where body contact is the only source of physical restraint, and
105.27 where immobilization is used to effectively gain control of a child in order to protect a child
105.28 or other individual from physical injury. The term physical holding does not mean physical
105.29 contact that:

105.30 (1) helps a child respond or complete a task;

106.1 (2) assists a child without restricting the child's movement;

106.2 (3) is needed to administer an authorized health-related service or procedure; or

106.3 (4) is needed to physically escort a child when the child does not resist or the child's
106.4 resistance is minimal.

106.5 (d) "Positive behavioral interventions and supports" means interventions and strategies
106.6 to improve the school environment and teach children the skills to behave appropriately,
106.7 including the key components under section 122A.627.

106.8 (e) "Prone restraint" means placing a child in a face down position.

106.9 (f) "Restrictive procedures" means the use of physical holding or seclusion in an
106.10 emergency. Restrictive procedures must not be used to punish or otherwise discipline a
106.11 child.

106.12 (g) "Seclusion" means confining a child alone in a room from which egress is barred.
106.13 Egress may be barred by an adult locking or closing the door in the room or preventing the
106.14 child from leaving the room. Removing a child from an activity to a location where the
106.15 child cannot participate in or observe the activity is not seclusion.

106.16 Sec. 2. Minnesota Statutes 2016, section 125A.11, subdivision 1, is amended to read:

106.17 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later,
106.18 when a school district provides special instruction and services for a pupil with a disability
106.19 as defined in section 125A.02 outside the district of residence, excluding a pupil for whom
106.20 an adjustment to special education aid is calculated according to section 127A.47, subdivision
106.21 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced
106.22 by an amount equal to (1) the actual cost of providing special instruction and services to
106.23 the pupil, including a proportionate amount for special transportation, plus (2) the amount
106.24 of general education revenue, excluding local optional revenue, plus local optional aid and
106.25 referendum equalization aid attributable to that pupil, calculated using the resident district's
106.26 average general education revenue and referendum equalization aid per adjusted pupil unit

77.24 (c) "Physical holding" means physical intervention intended to hold a child immobile
77.25 or limit a child's movement, where body contact is the only source of physical restraint, and
77.26 where immobilization is used to effectively gain control of a child in order to protect a child
77.27 or other individual from physical injury. The term physical holding does not mean physical
77.28 contact that:

77.29 (1) helps a child respond or complete a task;

77.30 (2) assists a child without restricting the child's movement;

77.31 (3) is needed to administer an authorized health-related service or procedure; or

78.1 (4) is needed to physically escort a child when the child does not resist or the child's
78.2 resistance is minimal.

78.3 (d) "Positive behavioral interventions and supports" means interventions and strategies
78.4 to improve the school environment and teach children the skills to behave appropriately,
78.5 including the key components under section 122A.627.

78.6 (e) "Prone restraint" means placing a child in a face down position.

78.7 (f) "Restrictive procedures" means the use of physical holding or seclusion in an
78.8 emergency. Restrictive procedures must not be used to punish or otherwise discipline a
78.9 child.

78.10 (g) "Seclusion" means confining a child alone in a room from which egress is barred.
78.11 Egress may be barred by an adult locking or closing the door in the room or preventing the
78.12 child from leaving the room. Removing a child from an activity to a location where the
78.13 child cannot participate in or observe the activity is not seclusion.

78.14 Sec. 4. Minnesota Statutes 2016, section 125A.11, subdivision 1, is amended to read:

78.15 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later,
78.16 when a school district provides special instruction and services for a pupil with a disability
78.17 as defined in section 125A.02 outside the district of residence, excluding a pupil for whom
78.18 an adjustment to special education aid is calculated according to section 127A.47, subdivision
78.19 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced
78.20 by an amount equal to (1) the actual cost of providing special instruction and services to
78.21 the pupil, including a proportionate amount for special transportation, plus (2) the amount
78.22 of general education revenue, excluding local optional revenue, plus local optional aid and
78.23 referendum equalization aid attributable to that pupil, calculated using the resident district's
78.24 average general education revenue and referendum equalization aid per adjusted pupil unit

106.27 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue,
106.28 minus (3) the amount of special education aid for children with a disability under section
106.29 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction
106.30 and services outside the regular classroom for more than 60 percent of the school day, the
106.31 amount of general education revenue and referendum equalization aid, excluding portions
106.32 attributable to district and school administration, district support services, operations and
106.33 maintenance, capital expenditures, and pupil transportation, attributable to that pupil for
107.1 the portion of time the pupil receives special instruction and services outside of the regular
107.2 classroom, calculated using the resident district's average general education revenue and
107.3 referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary
107.4 sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue,
107.5 elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit.
107.6 Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal
107.7 agent school district, the general education revenue and referendum equalization aid
107.8 attributable to a pupil must be calculated using the resident district's average general
107.9 education revenue and referendum equalization aid excluding compensatory revenue,
107.10 elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to
107.11 the district or cooperative providing special instruction and services for the pupil must be
107.12 increased by the amount of the reduction in the aid paid to the resident district. If the resident
107.13 district's special education aid is insufficient to make the full adjustment, the remaining
107.14 adjustment shall be made to other state aid due to the district.

107.15 (b) Notwithstanding paragraph (a), when a charter school receiving special education
107.16 aid under section 124E.21, subdivision 3, provides special instruction and services for a
107.17 pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
107.18 adjustment to special education aid is calculated according to section 127A.47, subdivision
107.19 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
107.20 by an amount equal to that calculated under paragraph (a) as if the charter school received
107.21 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
107.22 aid paid to the charter school providing special instruction and services for the pupil must
107.23 not be increased by the amount of the reduction in the aid paid to the resident district.

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

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

107.30 (2) a charter school where more than 30 percent of enrolled students receive special
107.31 education and related services, a site approved under section 125A.515, an intermediate
107.32 district, a site constructed according to Laws 1992, chapter 558, section 7, subdivision 7,

78.25 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue,
78.26 minus (3) the amount of special education aid for children with a disability under section
78.27 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction
78.28 and services outside the regular classroom for more than 60 percent of the school day, the
78.29 amount of general education revenue and referendum equalization aid, excluding portions
78.30 attributable to district and school administration, district support services, operations and
78.31 maintenance, capital expenditures, and pupil transportation, attributable to that pupil for
78.32 the portion of time the pupil receives special instruction and services outside of the regular
78.33 classroom, calculated using the resident district's average general education revenue and
78.34 referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary
79.1 sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue,
79.2 elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit.
79.3 Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal
79.4 agent school district, the general education revenue and referendum equalization aid
79.5 attributable to a pupil must be calculated using the resident district's average general
79.6 education revenue and referendum equalization aid excluding compensatory revenue,
79.7 elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to
79.8 the district or cooperative providing special instruction and services for the pupil must be
79.9 increased by the amount of the reduction in the aid paid to the resident district. If the resident
79.10 district's special education aid is insufficient to make the full adjustment, the remaining
79.11 adjustment shall be made to other state aid due to the district.

79.12 (b) Notwithstanding paragraph (a), when a charter school receiving special education
79.13 aid under section 124E.21, subdivision 3, provides special instruction and services for a
79.14 pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
79.15 adjustment to special education aid is calculated according to section 127A.47, subdivision
79.16 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
79.17 by an amount equal to that calculated under paragraph (a) as if the charter school received
79.18 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
79.19 aid paid to the charter school providing special instruction and services for the pupil must
79.20 not be increased by the amount of the reduction in the aid paid to the resident district.

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

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

79.27 (2) a charter school where more than 30 percent of enrolled students receive special
79.28 education and related services, a site approved under section 125A.515, an intermediate
79.29 district, a site constructed according to Laws 1992, chapter 558, section 7, subdivision 7,

107.33 to meet the educational needs of court-placed adolescents, or a special education cooperative
107.34 may apply to the commissioner for authority to charge the resident district an additional
107.35 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

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

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

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

108.12 Sec. 3. Minnesota Statutes 2016, section 125A.21, subdivision 2, is amended to read:

108.13 Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts shall seek
108.14 reimbursement from insurers and similar third parties for the cost of services provided by
108.15 the district whenever the services provided by the district are otherwise covered by the
108.16 child's health coverage. Districts shall request, but may not require, the child's family to
108.17 provide information about the child's health coverage when a child with a disability begins
108.18 to receive services from the district of a type that may be reimbursable, and shall request,
108.19 but may not require, updated information after that as needed.

108.20 (b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare
108.21 under chapter 256L who have no other health coverage, a district shall provide an initial
108.22 and annual written notice to the enrolled child's parent or legal representative of its intent
108.23 to seek reimbursement from medical assistance or MinnesotaCare for:

108.24 (1) the evaluations required as part of the individualized education program process or
108.25 individualized family service plan process; and

108.26 (2) health-related services provided by the district in accordance with the individualized
108.27 education program or individualized family service plan.

108.28 The initial notice must give the child's parent or legal representative the right to request a
108.29 copy of the child's education records on the health-related services that the district provided
108.30 to the child and disclosed to a third-party payer.

79.30 to meet the educational needs of court-placed adolescents, or a special education cooperative
79.31 may apply to the commissioner for authority to charge the resident district an additional
79.32 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

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

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

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

80.10 Sec. 5. Minnesota Statutes 2016, section 125A.21, subdivision 2, is amended to read:

80.11 Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts shall seek
80.12 reimbursement from insurers and similar third parties for the cost of services provided by
80.13 the district whenever the services provided by the district are otherwise covered by the
80.14 child's health coverage. Districts shall request, but may not require, the child's family to
80.15 provide information about the child's health coverage when a child with a disability begins
80.16 to receive services from the district of a type that may be reimbursable, and shall request,
80.17 but may not require, updated information after that as needed.

80.18 (b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare
80.19 under chapter 256L who have no other health coverage, a district shall provide an initial
80.20 and annual written notice to the enrolled child's parent or legal representative of its intent
80.21 to seek reimbursement from medical assistance or MinnesotaCare for:

80.22 (1) the evaluations required as part of the individualized education program process or
80.23 individualized family service plan process; and

80.24 (2) health-related services provided by the district according to the individualized
80.25 education program or individualized family service plan.

80.26 The initial notice must give the child's parent or legal representative the right to request a
80.27 copy of the child's education records on the health-related services that the district provided
80.28 to the child and disclosed to a third-party payer.

108.31 (c) The district shall give the parent or legal representative annual written notice of:

109.1 (1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare
109.2 for evaluations required as part of the individualized education program process or
109.3 individualized family service plan process, and for health-related services provided by the
109.4 district in accordance with the individualized education program or individualized family
109.5 service plan;

109.6 (2) the right of the parent or legal representative to request a copy of all records
109.7 concerning individualized education program or individualized family service plan
109.8 health-related services disclosed by the district to any third party; and

109.9 (3) the right of the parent or legal representative to withdraw consent for disclosure of
109.10 a child's records at any time without consequence.

109.11 The written notice shall be provided as part of the written notice required by Code of Federal
109.12 Regulations, title 34, section 300.504 or 303.520. The district must ensure that the parent
109.13 of a child with a disability is given notice, in understandable language, of federal and state
109.14 procedural safeguards available to the parent under this paragraph and paragraph (b).

109.15 (d) In order to access the private health care coverage of a child who is covered by private
109.16 health care coverage in whole or in part, a district must:

109.17 (1) obtain annual written informed consent from the parent or legal representative, in
109.18 compliance with subdivision 5; and

109.19 (2) inform the parent or legal representative that a refusal to permit the district or state
109.20 Medicaid agency to access their private health care coverage does not relieve the district of
109.21 its responsibility to provide all services necessary to provide free and appropriate public
109.22 education at no cost to the parent or legal representative.

109.23 (e) If the commissioner of human services obtains federal approval to exempt covered
109.24 individualized education program or individualized family service plan health-related
109.25 services from the requirement that private health care coverage refuse payment before
109.26 medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students
109.27 with a combination of private health care coverage and health care coverage through medical
109.28 assistance or MinnesotaCare.

109.29 (f) In the event that Congress or any federal agency or the Minnesota legislature or any
109.30 state agency establishes lifetime limits, limits for any health care services, cost-sharing
109.31 provisions, or otherwise provides that individualized education program or individualized
109.32 family service plan health-related services impact benefits for persons enrolled in medical

80.29 (c) The district shall give the parent or legal representative annual written notice of:

80.30 (1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare
80.31 for evaluations required as part of the individualized education program process or
80.32 individualized family service plan process, and for health-related services provided by the
81.1 district according to the individualized education program or individualized family service
81.2 plan;

81.3 (2) the right of the parent or legal representative to request a copy of all records
81.4 concerning individualized education program or individualized family service plan
81.5 health-related services disclosed by the district to any third party; and

81.6 (3) the right of the parent or legal representative to withdraw consent for disclosure of
81.7 a child's records at any time without consequence.

81.8 The written notice shall be provided as part of the written notice required by Code of Federal
81.9 Regulations, title 34, section 300.504 or 303.520. The district must ensure that the parent
81.10 of a child with a disability is given notice, in understandable language, of federal and state
81.11 procedural safeguards available to the parent under this paragraph and paragraph (b).

81.12 (d) In order to access the private health care coverage of a child who is covered by private
81.13 health care coverage in whole or in part, a district must:

81.14 (1) obtain annual written informed consent from the parent or legal representative, in
81.15 compliance with subdivision 5; and

81.16 (2) inform the parent or legal representative that a refusal to permit the district or state
81.17 Medicaid agency to access their private health care coverage does not relieve the district of
81.18 its responsibility to provide all services necessary to provide free and appropriate public
81.19 education at no cost to the parent or legal representative.

81.20 (e) If the commissioner of human services obtains federal approval to exempt covered
81.21 individualized education program or individualized family service plan health-related
81.22 services from the requirement that private health care coverage refuse payment before
81.23 medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students
81.24 with a combination of private health care coverage and health care coverage through medical
81.25 assistance or MinnesotaCare.

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81.27 state agency establishes lifetime limits, limits for any health care services, cost-sharing
81.28 provisions, or otherwise provides that individualized education program or individualized
81.29 family service plan health-related services impact benefits for persons enrolled in medical

109.33 assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are
110.1 repealed on the effective date of any federal or state law or regulation that imposes the
110.2 limits. In that event, districts must obtain informed consent consistent with this subdivision
110.3 as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement
110.4 for children enrolled in medical assistance under chapter 256B or MinnesotaCare under
110.5 chapter 256L who have no other health care coverage.

110.6 **EFFECTIVE DATE.** This section is effective August 1, 2017.

110.7 Sec. 4. Minnesota Statutes 2016, section 125A.515, is amended to read:

110.8 **125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION**
110.9 **PROGRAM.**

110.10 Subdivision 1. **Approval of on-site education programs.** The commissioner shall
110.11 approve on-site education programs for placement of children and youth in residential
110.12 facilities including detention centers, before being licensed by the Department of Human
110.13 Services or the Department of Corrections. Education programs in these facilities shall
110.14 conform to state and federal education laws including the Individuals with Disabilities
110.15 Education Act (IDEA). This section applies only to placements in children's residential
110.16 facilities licensed by the Department of Human Services or the Department of Corrections.
110.17 For purposes of this section, "on-site education program" means the educational services
110.18 provided directly on the grounds of the ~~care and treatment~~ children's residential facility to
110.19 children and youth placed for care and treatment.

110.20 Subd. 3. **Responsibilities for providing education.** (a) The district in which the children's
110.21 residential facility is located must provide education services, including special education
110.22 if eligible, to all students placed in a facility.

110.23 (b) For education programs operated by the Department of Corrections, the providing
110.24 district shall be the Department of Corrections. For students remanded to the commissioner
110.25 of corrections, the providing and resident district shall be the Department of Corrections.

110.26 Subd. 3a. **Students without a disability from other states.** A school district is not
110.27 required to provide education services under this section to a student who:

110.28 (1) is not a resident of Minnesota;

110.29 (2) does not have an individualized education program; and

110.30 (3) does not have a tuition arrangement or agreement to pay the cost of education from
110.31 the placing authority.

81.30 assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are
81.31 repealed on the effective date of any federal or state law or regulation that imposes the
81.32 limits. In that event, districts must obtain informed consent consistent with this subdivision
81.33 as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement
82.1 for children enrolled in medical assistance under chapter 256B or MinnesotaCare under
82.2 chapter 256L who have no other health care coverage.

82.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

82.4 Sec. 6. Minnesota Statutes 2016, section 125A.515, is amended to read:

82.5 **125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION**
82.6 **PROGRAM.**

82.7 Subdivision 1. **Approval of on-site education programs.** The commissioner shall
82.8 approve on-site education programs for placement of children and youth in residential
82.9 facilities including detention centers, before being licensed by the Department of Human
82.10 Services or the Department of Corrections. Education programs in these facilities shall
82.11 conform to state and federal education laws including the Individuals with Disabilities
82.12 Education Act (IDEA). This section applies only to placements in children's residential
82.13 facilities licensed by the Department of Human Services or the Department of Corrections.
82.14 For purposes of this section, "on-site education program" means the educational services
82.15 provided directly on the grounds of the ~~care and treatment~~ children's residential facility to
82.16 children and youth placed for care and treatment.

82.17 Subd. 3. **Responsibilities for providing education.** (a) The district in which the children's
82.18 residential facility is located must provide education services, including special education
82.19 if eligible, to all students placed in a facility.

82.20 (b) For education programs operated by the Department of Corrections, the providing
82.21 district shall be the Department of Corrections. For students remanded to the commissioner
82.22 of corrections, the providing and resident district shall be the Department of Corrections.

82.23 Subd. 3a. **Students without a disability from other states.** A school district is not
82.24 required to provide education services under this section to a student who:

82.25 (1) is not a resident of Minnesota;

82.26 (2) does not have an individualized education program; and

82.27 (3) does not have a tuition arrangement or agreement to pay the cost of education from
82.28 the placing authority.

- 111.1 Subd. 4. **Education services required.** (a) Education services must be provided to a
111.2 student beginning within three business days after the student enters the ~~care and treatment~~
111.3 children's residential facility. The first four days of the student's placement may be used to
111.4 screen the student for educational and safety issues.
- 111.5 (b) If the student does not meet the eligibility criteria for special education, regular
111.6 education services must be provided to that student.
- 111.7 Subd. 5. **Education programs for students placed in children's residential facilities.**
111.8 (a) When a student is placed in a children's residential facility ~~approved~~ under this section
111.9 that has an on-site education program, the providing district, upon notice from the ~~care and~~
111.10 ~~treatment~~ children's residential facility, must contact the resident district within one business
111.11 day to determine if a student has been identified as having a disability, and to request at
111.12 least the student's transcript, and for students with disabilities, the most recent individualized
111.13 education program (IEP) and evaluation report, ~~and to determine if the student has been~~
111.14 ~~identified as a student with a disability~~. The resident district must send a facsimile copy to
111.15 the providing district within two business days of receiving the request.
- 111.16 (b) If a student placed under this section has been identified as having a disability and
111.17 has an individualized education program in the resident district:
- 111.18 (1) the providing agency must conduct an individualized education program meeting to
111.19 reach an agreement about continuing or modifying special education services in accordance
111.20 with the current individualized education program goals and objectives and to determine if
111.21 additional evaluations are necessary; and
- 111.22 (2) at least the following people shall receive written notice or documented phone call
111.23 to be followed with written notice to attend the individualized education program meeting:
- 111.24 (i) the person or agency placing the student;
- 111.25 (ii) the resident district;
- 111.26 (iii) the appropriate teachers and related services staff from the providing district;
- 111.27 (iv) appropriate staff from the children's residential facility;
- 111.28 (v) the parents or legal guardians of the student; and
- 111.29 (vi) when appropriate, the student.

- 82.29 Subd. 4. **Education services required.** (a) Education services must be provided to a
82.30 student beginning within three business days after the student enters the ~~care and treatment~~
82.31 children's residential facility. The first four days of the student's placement may be used to
82.32 screen the student for educational and safety issues.
- 83.1 (b) If the student does not meet the eligibility criteria for special education, regular
83.2 education services must be provided to that student.
- 83.3 Subd. 5. **Education programs for students placed in children's residential facilities.**
83.4 (a) When a student is placed in a children's residential facility ~~approved~~ under this section
83.5 that has an on-site education program, the providing district, upon notice from the ~~care and~~
83.6 ~~treatment~~ children's residential facility, must contact the resident district within one business
83.7 day to determine if a student has been identified as having a disability, and to request at
83.8 least the student's transcript, and for students with disabilities, the most recent individualized
83.9 education program (IEP) and evaluation report, ~~and to determine if the student has been~~
83.10 ~~identified as a student with a disability~~. The resident district must send a facsimile copy to
83.11 the providing district within two business days of receiving the request.
- 83.12 (b) If a student placed under this section has been identified as having a disability and
83.13 has an individualized education program in the resident district:
- 83.14 (1) the providing agency must conduct an individualized education program meeting to
83.15 reach an agreement about continuing or modifying special education services in accordance
83.16 with the current individualized education program goals and objectives and to determine if
83.17 additional evaluations are necessary; and
- 83.18 (2) at least the following people shall receive written notice or documented phone call
83.19 to be followed with written notice to attend the individualized education program meeting:
- 83.20 (i) the person or agency placing the student;
- 83.21 (ii) the resident district;
- 83.22 (iii) the appropriate teachers and related services staff from the providing district;
- 83.23 (iv) appropriate staff from the children's residential facility;
- 83.24 (v) the parents or legal guardians of the student; and
- 83.25 (vi) when appropriate, the student.

111.30 (c) For a student who has not been identified as a student with a disability, a screening
111.31 must be conducted by the providing districts as soon as possible to determine the student's
112.1 educational and behavioral needs and must include a review of the student's educational
112.2 records.

112.3 Subd. 6. **Exit report summarizing educational progress.** If a student has been placed
112.4 in a facility under this section for 15 or more business days, the providing district must
112.5 prepare an exit report summarizing the regular education, special education, evaluation,
112.6 educational progress, and service information and must send the report to the resident district
112.7 and the next providing district if different, the parent or legal guardian, and any appropriate
112.8 social service agency. For students with disabilities, this report must include the student's
112.9 IEP.

112.10 Subd. 7. **Minimum educational services required.** When a student is placed in a
112.11 children's residential facility approved under this section, at a minimum, the providing
112.12 district is responsible for:

112.13 (1) the education necessary, including summer school services, for a student who is not
112.14 performing at grade level as indicated in the education record or IEP; and

112.15 (2) a school day, of the same length as the school day of the providing district, unless
112.16 the unique needs of the student, as documented through the IEP or education record in
112.17 consultation with treatment providers, requires an alteration in the length of the school day.

112.18 Subd. 8. **Placement, services, and due process.** When a student's treatment and
112.19 educational needs allow, education shall be provided in a regular educational setting. The
112.20 determination of the amount and site of integrated services must be a joint decision between
112.21 the student's parents or legal guardians and the treatment and education staff. When
112.22 applicable, educational placement decisions must be made by the IEP team of the providing
112.23 district. Educational services shall be provided in conformance with the least restrictive
112.24 environment principle of the Individuals with Disabilities Education Act. The providing
112.25 district and ~~care and treatment~~ children's residential facility shall cooperatively develop
112.26 discipline and behavior management procedures to be used in emergency situations that
112.27 comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal
112.28 laws and regulations.

112.29 Subd. 9. **Reimbursement for education services.** (a) Education services provided to
112.30 students who have been placed under this section are reimbursable in accordance with
112.31 special education and general education statutes.

112.32 (b) Indirect or consultative services provided in conjunction with regular education
112.33 prereferral interventions and assessment provided to regular education students suspected

83.26 (c) For a student who has not been identified as a student with a disability, a screening
83.27 must be conducted by the providing districts as soon as possible to determine the student's
83.28 educational and behavioral needs and must include a review of the student's educational
83.29 records.

83.30 Subd. 6. **Exit report summarizing educational progress.** If a student has been placed
83.31 in a facility under this section for 15 or more business days, the providing district must
83.32 prepare an exit report summarizing the regular education, special education, evaluation,
84.1 educational progress, and service information and must send the report to the resident district
84.2 and the next providing district if different, the parent or legal guardian, and any appropriate
84.3 social service agency. For students with disabilities, this report must include the student's
84.4 IEP.

84.5 Subd. 7. **Minimum educational services required.** When a student is placed in a
84.6 children's residential facility approved under this section, at a minimum, the providing
84.7 district is responsible for:

84.8 (1) the education necessary, including summer school services, for a student who is not
84.9 performing at grade level as indicated in the education record or IEP; and

84.10 (2) a school day, of the same length as the school day of the providing district, unless
84.11 the unique needs of the student, as documented through the IEP or education record in
84.12 consultation with treatment providers, requires an alteration in the length of the school day.

84.13 Subd. 8. **Placement, services, and due process.** When a student's treatment and
84.14 educational needs allow, education shall be provided in a regular educational setting. The
84.15 determination of the amount and site of integrated services must be a joint decision between
84.16 the student's parents or legal guardians and the treatment and education staff. When
84.17 applicable, educational placement decisions must be made by the IEP team of the providing
84.18 district. Educational services shall be provided in conformance with the least restrictive
84.19 environment principle of the Individuals with Disabilities Education Act. The providing
84.20 district and ~~care and treatment~~ children's residential facility shall cooperatively develop
84.21 discipline and behavior management procedures to be used in emergency situations that
84.22 comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal
84.23 laws and regulations.

84.24 Subd. 9. **Reimbursement for education services.** (a) Education services provided to
84.25 students who have been placed under this section are reimbursable in accordance with
84.26 special education and general education statutes.

84.27 (b) Indirect or consultative services provided in conjunction with regular education
84.28 prereferral interventions and assessment provided to regular education students suspected

113.1 of being disabled and who have demonstrated learning or behavioral problems in a screening
113.2 are reimbursable with special education categorical aids.

113.3 (c) Regular education, including screening, provided to students with or without
113.4 disabilities is not reimbursable with special education categorical aids.

113.5 Subd. 10. **Students unable to attend school but not covered under this section.**
113.6 Students who are absent from, or predicted to be absent from, school for 15 consecutive or
113.7 intermittent days, and placed at home or in facilities not licensed by the Departments of
113.8 Corrections or Human Services are entitled to regular and special education services
113.9 consistent with this section or Minnesota Rules, part 3525.2325. These students include
113.10 students with and without disabilities who are home due to accident or illness, in a hospital
113.11 or other medical facility, or in a day treatment center.

113.12 Sec. 5. Minnesota Statutes 2016, section 125A.74, subdivision 1, is amended to read:

113.13 Subdivision 1. **Eligibility.** A district may enroll as a provider in the medical assistance
113.14 program and receive medical assistance payments for covered evaluations and special
113.15 education services provided to persons eligible for medical assistance under chapter 256B.
113.16 To receive medical assistance payments, the district must pay the nonfederal share of medical
113.17 assistance services provided according to section 256B.0625, subdivision 26, and comply
113.18 with relevant provisions of state and federal statutes and regulations governing the medical
113.19 assistance program.

113.20 **EFFECTIVE DATE.** This section is effective August 1, 2017.

113.21 Sec. 6. Minnesota Statutes 2016, section 125A.76, subdivision 2c, is amended to read:

113.22 Subd. 2c. **Special education aid.** (a) For fiscal year 2016 and later, a district's special
113.23 education aid equals the sum of the district's special education initial aid under subdivision
113.24 2a and the district's excess cost aid under section 125A.79, subdivision 5.

113.25 (b) Notwithstanding paragraph (a), for fiscal year 2016, the special education aid for a
113.26 school district must not exceed the sum of the special education aid the district would have
113.27 received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79,
113.28 as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision
113.29 7, and the product of the district's average daily membership served and the special education
113.30 aid increase limit.

113.31 (c) Notwithstanding paragraph (a), for fiscal year 2017 and later, the special education
113.32 aid for a school district must not exceed the sum of: (i) the product of the district's average
114.1 daily membership served and the special education aid increase limit and (ii) the product

84.29 of being disabled and who have demonstrated learning or behavioral problems in a screening
84.30 are reimbursable with special education categorical aids.

84.31 (c) Regular education, including screening, provided to students with or without
84.32 disabilities is not reimbursable with special education categorical aids.

85.1 Subd. 10. **Students unable to attend school but not covered under this section.**
85.2 Students who are absent from, or predicted to be absent from, school for 15 consecutive or
85.3 intermittent days, and placed at home or in facilities not licensed by the Departments of
85.4 Corrections or Human Services are entitled to regular and special education services
85.5 consistent with this section or Minnesota Rules, part 3525.2325. These students include
85.6 students with and without disabilities who are home due to accident or illness, in a hospital
85.7 or other medical facility, or in a day treatment center.

85.8 Sec. 7. Minnesota Statutes 2016, section 125A.74, subdivision 1, is amended to read:

85.9 Subdivision 1. **Eligibility.** A district may enroll as a provider in the medical assistance
85.10 program and receive medical assistance payments for covered evaluations and special
85.11 education services provided to persons eligible for medical assistance under chapter 256B.
85.12 To receive medical assistance payments, the district must pay the nonfederal share of medical
85.13 assistance services provided according to section 256B.0625, subdivision 26, and comply
85.14 with relevant provisions of state and federal statutes and regulations governing the medical
85.15 assistance program.

85.16 **EFFECTIVE DATE.** This section is effective August 1, 2017.

114.2 of the sum of the special education aid the district would have received for fiscal year 2016
114.3 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to
114.4 Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the
114.5 district's average daily membership served for the current fiscal year to the district's average
114.6 daily membership served for fiscal year 2016, and the program growth factor.

114.7 (d) Notwithstanding paragraph (a), for fiscal year 2016 and later the special education
114.8 aid for a school district, not including a charter school or cooperative unit as defined in
114.9 section 123A.24, must not be less than the lesser of (1) the district's nonfederal special
114.10 education expenditures for that fiscal year or (2) the product of the sum of the special
114.11 education aid the district would have received for fiscal year 2016 under Minnesota Statutes
114.12 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012,
114.13 sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily
114.14 membership for the current fiscal year to the district's average daily membership for fiscal
114.15 year 2016, and the program growth factor.

114.16 (e) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first year
114.17 of operation shall generate special education aid based on current year data. A newly formed
114.18 cooperative unit as defined in section 123A.24 may apply to the commissioner for approval
114.19 to generate special education aid for its first year of operation based on current year data,
114.20 with an offsetting adjustment to the prior year data used to calculate aid for programs at
114.21 participating school districts or previous cooperatives that were replaced by the new
114.22 cooperative. The department shall establish procedures to adjust the prior year data and
114.23 fiscal year 2016 old formula aid used in calculating special education aid to exclude costs
114.24 that have been eliminated for districts where programs have closed or where a substantial
114.25 portion of the program has been transferred to a cooperative unit.

114.26 (f) The department shall establish procedures through the uniform financial accounting
114.27 and reporting system to identify and track all revenues generated from third-party billings
114.28 as special education revenue at the school district level; include revenue generated from
114.29 third-party billings as special education revenue in the annual cross-subsidy report; and
114.30 exclude third-party revenue from calculation of excess cost aid to the districts.

114.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

114.32 Sec. 7. Minnesota Statutes 2016, section 256B.0625, subdivision 26, is amended to read:

114.33 Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary
114.34 in making a determination for eligibility for individualized education program and
115.1 individualized family service plan services and for medical services identified in a recipient's
115.2 individualized education program and individualized family service plan and covered under
115.3 the medical assistance state plan. Covered services include occupational therapy, physical
115.4 therapy, speech-language therapy, clinical psychological services, nursing services, school

85.17 Sec. 8. Minnesota Statutes 2016, section 256B.0625, subdivision 26, is amended to read:

85.18 Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary
85.19 in making a determination for eligibility for individualized education program and
85.20 individualized family service plan services and for medical services identified in a recipient's
85.21 individualized education program and individualized family service plan and covered under
85.22 the medical assistance state plan. Covered services include occupational therapy, physical
85.23 therapy, speech-language therapy, clinical psychological services, nursing services, school

115.5 psychological services, school social work services, personal care assistants serving as
115.6 management aides, assistive technology devices, transportation services, health assessments,
115.7 and other services covered under the medical assistance state plan. Mental health services
115.8 eligible for medical assistance reimbursement must be provided or coordinated through a
115.9 children's mental health collaborative where a collaborative exists if the child is included
115.10 in the collaborative operational target population. The provision or coordination of services
115.11 does not require that the individualized education program be developed by the collaborative.

115.12 The services may be provided by a Minnesota school district that is enrolled as a medical
115.13 assistance provider or its subcontractor, and only if the services meet all the requirements
115.14 otherwise applicable if the service had been provided by a provider other than a school
115.15 district, in the following areas: medical necessity, physician's orders, documentation,
115.16 personnel qualifications, and prior authorization requirements. The nonfederal share of costs
115.17 for services provided under this subdivision is the responsibility of the local school district
115.18 as provided in section 125A.74. Services listed in a child's individualized education program
115.19 are eligible for medical assistance reimbursement only if those services meet criteria for
115.20 federal financial participation under the Medicaid program.

115.21 (b) Approval of health-related services for inclusion in the individualized education
115.22 program does not require prior authorization for purposes of reimbursement under this
115.23 chapter. The commissioner may require physician review and approval of the plan not more
115.24 than once annually or upon any modification of the individualized education program that
115.25 reflects a change in health-related services.

115.26 (c) Services of a speech-language pathologist provided under this section are covered
115.27 notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

115.28 (1) holds a masters degree in speech-language pathology;

115.29 (2) is licensed by the Minnesota Board of Teaching as an educational speech-language
115.30 pathologist; and

115.31 (3) either has a certificate of clinical competence from the American Speech and Hearing
115.32 Association, has completed the equivalent educational requirements and work experience
115.33 necessary for the certificate or has completed the academic program and is acquiring
115.34 supervised work experience to qualify for the certificate.

116.1 (d) Medical assistance coverage for medically necessary services provided under other
116.2 subdivisions in this section may not be denied solely on the basis that the same or similar
116.3 services are covered under this subdivision.

85.24 psychological services, school social work services, personal care assistants serving as
85.25 management aides, assistive technology devices, transportation services, health assessments,
85.26 and other services covered under the medical assistance state plan. Mental health services
85.27 eligible for medical assistance reimbursement must be provided or coordinated through a
85.28 children's mental health collaborative where a collaborative exists if the child is included
85.29 in the collaborative operational target population. The provision or coordination of services
85.30 does not require that the individualized education program be developed by the collaborative.

85.31 The services may be provided by a Minnesota school district that is enrolled as a medical
85.32 assistance provider or its subcontractor, and only if the services meet all the requirements
85.33 otherwise applicable if the service had been provided by a provider other than a school
86.1 district, in the following areas: medical necessity, physician's orders, documentation,
86.2 personnel qualifications, and prior authorization requirements. The nonfederal share of costs
86.3 for services provided under this subdivision is the responsibility of the local school district
86.4 as provided in section 125A.74. Services listed in a child's individualized education program
86.5 are eligible for medical assistance reimbursement only if those services meet criteria for
86.6 federal financial participation under the Medicaid program.

86.7 (b) Approval of health-related services for inclusion in the individualized education
86.8 program does not require prior authorization for purposes of reimbursement under this
86.9 chapter. The commissioner may require physician review and approval of the plan not more
86.10 than once annually or upon any modification of the individualized education program that
86.11 reflects a change in health-related services.

86.12 (c) Services of a speech-language pathologist provided under this section are covered
86.13 notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

86.14 (1) holds a masters degree in speech-language pathology;

86.15 (2) is licensed by the Minnesota Board of Teaching as an educational speech-language
86.16 pathologist; and

86.17 (3) either has a certificate of clinical competence from the American Speech and Hearing
86.18 Association, has completed the equivalent educational requirements and work experience
86.19 necessary for the certificate or has completed the academic program and is acquiring
86.20 supervised work experience to qualify for the certificate.

86.21 (d) Medical assistance coverage for medically necessary services provided under other
86.22 subdivisions in this section may not be denied solely on the basis that the same or similar
86.23 services are covered under this subdivision.

116.4 (e) The commissioner shall develop and implement package rates, bundled rates, or per
116.5 diem rates for special education services under which separately covered services are grouped
116.6 together and billed as a unit in order to reduce administrative complexity.

116.7 (f) The commissioner shall develop a cost-based payment structure for payment of these
116.8 services. Only costs reported through the designated Minnesota Department of Education
116.9 data systems in distinct service categories qualify for inclusion in the cost-based payment
116.10 structure. The commissioner shall reimburse claims submitted based on an interim rate, and
116.11 shall settle at a final rate once the department has determined it. The commissioner shall
116.12 notify the school district of the final rate. The school district has 60 days to appeal the final
116.13 rate. To appeal the final rate, the school district shall file a written appeal request to the
116.14 commissioner within 60 days of the date the final rate determination was mailed. The appeal
116.15 request shall specify (1) the disputed items and (2) the name and address of the person to
116.16 contact regarding the appeal.

116.17 (g) Effective July 1, 2000, medical assistance services provided under an individualized
116.18 education program or an individual family service plan by local school districts shall not
116.19 count against medical assistance authorization thresholds for that child.

116.20 (h) Nursing services as defined in section 148.171, subdivision 15, and provided as an
116.21 individualized education program health-related service, are eligible for medical assistance
116.22 payment if they are otherwise a covered service under the medical assistance program.
116.23 Medical assistance covers the administration of prescription medications by a licensed nurse
116.24 who is employed by or under contract with a school district when the administration of
116.25 medications is identified in the child's individualized education program. The simple
116.26 administration of medications alone is not covered under medical assistance when
116.27 administered by a provider other than a school district or when it is not identified in the
116.28 child's individualized education program.

116.29 **EFFECTIVE DATE.** This section is effective August 1, 2017.

116.30 Sec. 8. Laws 2016, chapter 189, article 25, section 62, subdivision 17, is amended to read:

116.31 Subd. 17. **Southwest Minnesota State University special education teacher education**
116.32 **program.** (a) For the Southwest Minnesota State University special education teacher
117.1 education program to support Minnesota ~~resident~~ residents working toward licensure in an
117.2 online program, including persons currently employed as:

86.24 (e) The commissioner shall develop and implement package rates, bundled rates, or per
86.25 diem rates for special education services under which separately covered services are grouped
86.26 together and billed as a unit in order to reduce administrative complexity.

86.27 (f) The commissioner shall develop a cost-based payment structure for payment of these
86.28 services. Only costs reported through the designated Minnesota Department of Education
86.29 data systems in distinct service categories qualify for inclusion in the cost-based payment
86.30 structure. The commissioner shall reimburse claims submitted based on an interim rate, and
86.31 shall settle at a final rate once the department has determined it. The commissioner shall
86.32 notify the school district of the final rate. The school district has 60 days to appeal the final
86.33 rate. To appeal the final rate, the school district shall file a written appeal request to the
87.1 commissioner within 60 days of the date the final rate determination was mailed. The appeal
87.2 request shall specify (1) the disputed items and (2) the name and address of the person to
87.3 contact regarding the appeal.

87.4 (g) Effective July 1, 2000, medical assistance services provided under an individualized
87.5 education program or an individual family service plan by local school districts shall not
87.6 count against medical assistance authorization thresholds for that child.

87.7 (h) Nursing services as defined in section 148.171, subdivision 15, and provided as an
87.8 individualized education program health-related service, are eligible for medical assistance
87.9 payment if they are otherwise a covered service under the medical assistance program.
87.10 Medical assistance covers the administration of prescription medications by a licensed nurse
87.11 who is employed by or under contract with a school district when the administration of
87.12 medications is identified in the child's individualized education program. The simple
87.13 administration of medications alone is not covered under medical assistance when
87.14 administered by a provider other than a school district or when it is not identified in the
87.15 child's individualized education program.

87.16 **EFFECTIVE DATE.** This section is effective August 1, 2017.

FROM ARTICLE 2:

48.17 Sec. 34. Laws 2016, chapter 189, article 25, section 62, subdivision 17, is amended to
48.18 read:

48.19 Subd. 17. **Southwest Minnesota State University special education teacher education**
48.20 **program.** (a) For the Southwest Minnesota State University special education teacher
48.21 education program to support Minnesota ~~resident~~ residents working toward licensure in an
48.22 online program, including persons currently employed as:

117.3 (1) special education paraprofessionals working toward licensure in an online program;
117.4 (2) teachers without a special education license working on a variance; or
117.5 (3) individuals teaching with a community expert license:

117.6 385,000
117.7 \$ 132,000 2017
117.8 \$ 253,000 2018

117.9 ~~The base for this program in fiscal year 2018 is \$0.~~ (b) The 2018 appropriation is available
117.10 until June 30, 2019.

117.11 (c) \$253,000 of the \$385,000 appropriation in Laws 2016, chapter 189, article 25, section
117.12 62, subdivision 17, is canceled to the state general fund on June 30, 2017.

117.13 **EFFECTIVE DATE.** This section is effective retroactively to July 1, 2016.

117.14 Sec. 9. **SPECIAL EDUCATION ASSISTIVE TECHNOLOGY STUDY.**

117.15 Subdivision 1. **Study.** The commissioner of education must examine the use of assistive
117.16 technology in Minnesota school districts. The commissioner may examine financial data,
117.17 survey school officials, and use other methods to collect data on the use of assistive
117.18 technology by Minnesota's students. The commissioner must consult with the Minnesota
117.19 Assistive Technology Advisory Council and other interested organizations to determine the
117.20 scope and focus of the study.

117.21 Subd. 2. **Data reporting.** The commissioner must examine the federally required uniform
117.22 financial accounting and reporting standards object codes, and if necessary, recommend
117.23 changes to better capture school district spending on assistive technology. The commissioner
117.24 must examine approaches to collecting additional student level assistive technology data
117.25 through the electronic data reporting system.

117.26 Subd. 3. **Assistive technology manual.** The commissioner must examine the department's
117.27 assistive technology manual, and determine whether to prepare a revised manual.

117.28 Subd. 4. **Report.** The commissioner of education must report to the legislative committees
117.29 having jurisdiction over kindergarten through grade 12 education by February 15, 2018, on
117.30 the use of assistive technology by Minnesota's students and recommend statutory changes

48.23 (1) special education paraprofessionals working toward licensure in an online program;
48.24 (2) teachers without a special education license working on a variance; or
48.25 (3) individuals teaching with a community expert license:

48.26 385,000
48.27 \$ 132,000 2017
48.28 \$ 253,000 2018

48.31 ~~The base for this program in fiscal year 2018 is \$0.~~ (c) The 2018 appropriation is available
48.32 until June 30, 2019.

48.29 (b) \$253,000 of the \$385,000 appropriation in Laws 2016, chapter 189, article 25, section
48.30 62, subdivision 17, is canceled to the state general fund on June 30, 2017.

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

87.17 Sec. 9. **SPECIAL EDUCATION ASSISTIVE TECHNOLOGY STUDY.**

87.18 Subdivision 1. **Study.** The commissioner of education must examine the use of assistive
87.19 technology in Minnesota school districts. The commissioner may examine financial data,
87.20 survey school officials, and use other methods to collect data on the use of assistive
87.21 technology by Minnesota's students. The commissioner must consult with the Minnesota
87.22 Assistive Technology Advisory Council and other interested organizations to determine the
87.23 scope and focus of the study.

87.24 Subd. 2. **Data reporting.** The commissioner must examine the federally required uniform
87.25 financial accounting and reporting standards object codes and, if necessary, recommend
87.26 changes to better capture school district spending on assistive technology. The commissioner
87.27 must examine approaches to collecting additional student-level assistive technology data
87.28 through the electronic data reporting system.

87.29 Subd. 3. **Assistive technology manual.** The commissioner must examine the department's
87.30 assistive technology manual, and determine whether to prepare a revised manual.

87.31 Subd. 4. **Report.** The commissioner of education must report to the chairs and ranking
87.32 minority members of the legislative committees with jurisdiction over kindergarten through
87.33 grade 12 education by February 15, 2018, on the use of assistive technology by Minnesota's
88.1 students and recommend statutory changes to encourage individualized education programs

117.31 to encourage individualized education programs and individualized family service plans to
117.32 incorporate a child-centered assistive technology plan.

118.1 Sec. 10. APPROPRIATIONS.

118.2 Subdivision 1. Department of Education. The sums indicated in this section are
118.3 appropriated from the general fund to the Department of Education for the fiscal years
118.4 designated.

118.5 Subd. 2. Special education; regular. For special education aid under Minnesota Statutes,
118.6 section 125A.75:

118.7 \$ 1,340,361,000 2018

118.8 \$ 1,427,629,000 2019

118.9 The 2018 appropriation includes \$156,403,000 for 2017 and \$1,183,958,000 for 2018.

118.10 The 2019 appropriation includes \$166,667,000 for 2018 and \$1,260,962,000 for 2019.

118.11 Subd. 3. Aid for children with disabilities. For aid under Minnesota Statutes, section
118.12 125A.75, subdivision 3, for children with disabilities placed in residential facilities within
118.13 the district boundaries for whom no district of residence can be determined:

118.14 \$ 1,597,000 2018

118.15 \$ 1,830,000 2019

118.16 If the appropriation for either year is insufficient, the appropriation for the other year is
118.17 available.

118.18 Subd. 4. Travel for home-based services. For aid for teacher travel for home-based
118.19 services under Minnesota Statutes, section 125A.75, subdivision 1:

118.20 \$ 508,000 2018

118.21 \$ 532,000 2019

88.2 and individualized family services plans to incorporate a child-centered assistive technology
88.3 plan.

88.4 Sec. 10. APPROPRIATIONS.

88.5 Subdivision 1. Department of Education. The sums indicated in this section are
88.6 appropriated from the general fund to the Department of Education for the fiscal years
88.7 designated.

88.8 Subd. 2. Special education; regular. For special education aid under Minnesota Statutes,
88.9 section 125A.75:

88.10 \$ 1,339,212,000 2018

88.11 \$ 1,426,317,000 2019

88.12 The 2018 appropriation includes \$156,403,000 for 2017 and \$1,182,809,000 for 2018.

88.13 The 2019 appropriation includes \$166,505,000 for 2018 and \$1,259,812,000 for 2019.

88.14 Subd. 3. Aid for children with disabilities. For aid under Minnesota Statutes, section
88.15 125A.75, subdivision 3, for children with disabilities placed in residential facilities within
88.16 the district boundaries for whom no district of residence can be determined:

88.17 \$ 1,597,000 2018

88.18 \$ 1,830,000 2019

88.19 If the appropriation for either year is insufficient, the appropriation for the other year is
88.20 available.

88.21 Subd. 4. Travel for home-based services. For aid for teacher travel for home-based
88.22 services under Minnesota Statutes, section 125A.75, subdivision 1:

88.23 \$ 508,000 2018

88.24 \$ 532,000 2019

118.22 The 2018 appropriation includes \$48,000 for 2017 and \$460,000 for 2018.

118.23 The 2019 appropriation includes \$51,000 for 2018 and \$481,000 for 2019.

118.24 Subd. 5. **Court-placed special education revenue.** For reimbursing serving school
118.25 districts for unreimbursed eligible expenditures attributable to children placed in the serving
118.26 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

118.27 \$ 46,000 2018

118.28 \$ 47,000 2019

118.29 Subd. 6. **Special education out-of-state tuition.** For special education out-of-state
118.30 tuition under Minnesota Statutes, section 125A.79, subdivision 8:

118.31 \$ 250,000 2018

118.32 \$ 250,000 2019

119.1 Sec. 11. **REPEALER.**

119.2 Minnesota Statutes 2016, sections 125A.75, subdivision 7; and 125A.76, subdivision
119.3 2b, are repealed effective for fiscal year 2018 and later.

88.25 The 2018 appropriation includes \$48,000 for 2017 and \$460,000 for 2018.

88.26 The 2019 appropriation includes \$51,000 for 2018 and \$481,000 for 2019.

88.27 Subd. 5. **Court-placed special education revenue.** For reimbursing serving school
88.28 districts for unreimbursed eligible expenditures attributable to children placed in the serving
88.29 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

88.30 \$ 46,000 2018

88.31 \$ 47,000 2019

89.1 Subd. 6. **Special education out-of-state tuition.** For special education out-of-state
89.2 tuition under Minnesota Statutes, section 125A.79, subdivision 8:

89.3 \$ 250,000 2018

89.4 \$ 250,000 2019