

565.18  
565.19**ARTICLE 37**  
**SPECIAL EDUCATION**

565.20 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

565.21 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding  
565.22 subdivision 1, a district must not deny free admission to a homeless pupil solely because  
565.23 the district cannot determine that the pupil is a resident of the district.

565.24 (b) The school district of residence for a homeless pupil shall be the school district in  
565.25 which the parent or legal guardian resides, unless: (1) parental rights have been terminated  
565.26 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or  
565.27 guardian having legal custody of the child is an inmate of a Minnesota correctional facility  
565.28 or is a resident of a halfway house under the supervision of the commissioner of corrections.  
565.29 If any of clauses (1) to (3) apply, the school district of residence shall be the school district  
565.30 in which the pupil resided when the qualifying event occurred. If no other district of residence  
565.31 can be established, the school district of residence shall be the school district in which the  
565.32 pupil currently resides. If there is a dispute between school districts regarding residency,  
565.33 the district of residence is the district designated by the commissioner of education.

566.1 (c) Except as provided in paragraph (d), the serving district is responsible for transporting  
566.2 a homeless pupil to and from the pupil's district of residence. The district may transport  
566.3 from a permanent home in another district but only through the end of the academic school  
566.4 year. When a pupil is enrolled in a charter school, the district or school that provides  
566.5 transportation for other pupils enrolled in the charter school is responsible for providing  
566.6 transportation. When a homeless student with or without an individualized education program  
566.7 attends a public school other than an independent or special school district or charter school,  
566.8 the district of residence is responsible for transportation.

566.9 (d) For a homeless pupil with an individualized education plan enrolled in a program  
566.10 authorized by an intermediate school district, special education cooperative, service  
566.11 cooperative, or education district, the serving district at the time of the pupil's enrollment  
566.12 in the program remains responsible for transporting that pupil for the remainder of the school  
566.13 year unless the initial serving district and the current serving district mutually agree that  
566.14 the current serving district is responsible for transporting the homeless pupil.

566.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.139.12  
139.13**ARTICLE 5**  
**SPECIAL EDUCATION****NOTE: FROM EDUCATION EXCELLENCE ARTICLE 3, SECTION 1**

33.6 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

33.7 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding  
33.8 subdivision 1, a district must not deny free admission to a homeless pupil solely because  
33.9 the district cannot determine that the pupil is a resident of the district.

33.10 (b) The school district of residence for a homeless pupil shall be the school district in  
33.11 which the parent or legal guardian resides, unless: (1) parental rights have been terminated  
33.12 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or  
33.13 guardian having legal custody of the child is an inmate of a Minnesota correctional facility  
33.14 or is a resident of a halfway house under the supervision of the commissioner of corrections.  
33.15 If any of clauses (1) to (3) apply, the school district of residence shall be the school district  
33.16 in which the pupil resided when the qualifying event occurred. If no other district of residence  
33.17 can be established, the school district of residence shall be the school district in which the  
33.18 pupil currently resides. If there is a dispute between school districts regarding residency,  
33.19 the district of residence is the district designated by the commissioner of education.

33.20 (c) Except as provided in paragraph (d), the serving district is responsible for transporting  
33.21 a homeless pupil to and from the pupil's district of residence. The district may transport  
33.22 from a permanent home in another district but only through the end of the academic school  
33.23 year. When a pupil is enrolled in a charter school, the district or school that provides  
33.24 transportation for other pupils enrolled in the charter school is responsible for providing  
33.25 transportation. When a homeless student with or without an individualized education program  
33.26 attends a public school other than an independent or special school district or charter school,  
33.27 the district of residence is responsible for transportation.

33.28 (d) For a homeless pupil with an individualized education plan enrolled in a program  
33.29 authorized by an intermediate school district, special education cooperative, service  
33.30 cooperative, or education district, the serving district at the time of the pupil's enrollment  
33.31 in the program remains responsible for transporting that pupil for the remainder of the school  
33.32 year unless the initial serving district and the current serving district mutually agree that  
33.33 the current serving district is responsible for transporting the homeless pupil.

34.1 **EFFECTIVE DATE.** This section is effective July 1, 2018.

**S3086-2**

54.17 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

54.18 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding  
54.19 subdivision 1, a district must not deny free admission to a homeless pupil solely because  
54.20 the district cannot determine that the pupil is a resident of the district.

54.21 (b) The school district of residence for a homeless pupil shall be the school district in  
54.22 which the parent or legal guardian resides, unless: (1) parental rights have been terminated  
54.23 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or  
54.24 guardian having legal custody of the child is an inmate of a Minnesota correctional facility  
54.25 or is a resident of a halfway house under the supervision of the commissioner of corrections.  
54.26 If any of clauses (1) to (3) apply, the school district of residence shall be the school district  
54.27 in which the pupil resided when the qualifying event occurred. If no other district of residence  
54.28 can be established, the school district of residence shall be the school district in which the  
54.29 pupil currently resides. If there is a dispute between school districts regarding residency,  
54.30 the district of residence is the district designated by the commissioner of education.

55.1 (c) Except as provided in paragraph (d), the serving district is responsible for transporting  
55.2 a homeless pupil to and from the pupil's district of residence. The district may transport  
55.3 from a permanent home in another district but only through the end of the academic school  
55.4 year. When a pupil is enrolled in a charter school, the district or school that provides  
55.5 transportation for other pupils enrolled in the charter school is responsible for providing  
55.6 transportation. When a homeless student with or without an individualized education program  
55.7 attends a public school other than an independent or special school district or charter school,  
55.8 the district of residence is responsible for transportation.

55.9 (d) For a homeless pupil with an individualized education plan enrolled in a program  
55.10 authorized by an intermediate school district, special education cooperative, service  
55.11 cooperative, or education district, the serving district at the time of the pupil's enrollment  
55.12 in the program remains responsible for transporting that pupil for the remainder of the school  
55.13 year, unless the initial serving district and the current serving district mutually agree that  
55.14 the current serving district is responsible for transporting the homeless pupil.

55.15 **EFFECTIVE DATE.** This section is effective July 1, 2018.

139.14 Section 1. Minnesota Statutes 2016, section 125A.76, subdivision 1, is amended to read:

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

- 139.17 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the  
139.18 purposes of computing basic revenue pursuant to this section, each child with a disability  
139.19 shall be counted as prescribed in section 126C.05, subdivision 1.
- 139.20 (c) "Essential personnel" means teachers, cultural liaisons, related services, and support  
139.21 services staff providing services to students. Essential personnel may also include special  
139.22 education paraprofessionals or clericals providing support to teachers and students by  
139.23 preparing paperwork and making arrangements related to special education compliance  
139.24 requirements, including parent meetings and individualized education programs. Essential  
139.25 personnel does not include administrators and supervisors.
- 139.26 (d) "Average daily membership" has the meaning given it in section 126C.05.
- 139.27 (e) "Program growth factor" means ~~1.046 for fiscal years 2012 through 2015, 1.0 for~~  
139.28 ~~fiscal year 2016, 1.046 for fiscal year 2017, and~~ the product of 1.046 and the program growth  
139.29 factor for the previous year for fiscal year 2018 and later.
- 139.30 (f) "Nonfederal special education expenditure" means all direct expenditures that are  
139.31 necessary and essential to meet the district's obligation to provide special instruction and  
140.1 services to children with a disability according to sections 124D.454, 125A.03 to 125A.24,  
140.2 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the  
140.3 department under section 125A.75, subdivision 4, excluding expenditures:
- 140.4 (1) reimbursed with federal funds;
- 140.5 (2) reimbursed with other state aids under this chapter;
- 140.6 (3) for general education costs of serving students with a disability;
- 140.7 (4) for facilities;
- 140.8 (5) for pupil transportation; and
- 140.9 (6) for postemployment benefits.
- 140.10 (g) "Old formula special education expenditures" means expenditures eligible for revenue  
140.11 under Minnesota Statutes 2012, section 125A.76, subdivision 2.
- 140.12 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy  
140.13 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe  
140.14 benefits of one-to-one instructional and behavior management aides and one-to-one licensed,

- 140.15 certified professionals assigned to a child attending the academy, if the aides or professionals  
 140.16 are required by the child's individualized education program.
- 140.17 ~~(i) "Cross-subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and~~  
 140.18 ~~2.27 percent for fiscal year 2015.~~
- 140.19 ~~(j) "Cross-subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal~~  
 140.20 ~~year 2015.~~
- 140.21 ~~(k) (i) "Special education aid increase limit" means \$80 for fiscal year 2016; \$100 for~~  
 140.22 ~~fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid~~  
 140.23 ~~increase limit for the previous fiscal year and \$40.~~
- 140.24 ~~(l) (j) "District" means a school district, a charter school, or a cooperative unit as defined~~  
 140.25 ~~in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as~~  
 140.26 ~~defined in section 123A.24, subdivision 2, are eligible to receive special education aid under~~  
 140.27 ~~this section and section 125A.79.~~
- 140.28 ~~(k) "Initial special education cross subsidy" means the greater of zero or:~~
- 140.29 ~~(1) the nonfederal special education expenditure under paragraph (f); plus~~
- 140.30 ~~(2) the cost of providing transportation services for pupils with disabilities under section~~  
 140.31 ~~123B.92, subdivision 1, paragraph (b), clause (4); minus~~
- 141.1 ~~(3) the special education aid under subdivision 2c and sections 125A.11, subdivision 1,~~  
 141.2 ~~and 127A.47, subdivision 7; minus~~
- 141.3 ~~(4) the amount of general education revenue, excluding local optional revenue, plus~~  
 141.4 ~~local optional aid and referendum equalization aid attributable to pupils receiving special~~  
 141.5 ~~instruction and services outside the regular classroom for more than 60 percent of the school~~  
 141.6 ~~day for the portion of time the pupils receive special instruction and services outside the~~  
 141.7 ~~regular classroom, excluding portions attributable to district and school administration,~~  
 141.8 ~~district support services, operations and maintenance, capital expenditures, and pupil~~  
 141.9 ~~transportation.~~
- 141.10 ~~(l) "Special education equity metro region" means the districts with their administrative~~  
 141.11 ~~offices located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County~~  
 141.12 ~~on January 1, 2012, and districts in other counties with 7,500 or more pupils in adjusted~~  
 141.13 ~~average daily membership.~~

141.14 (m) "Special education equity rural region" means the districts with their administrative  
 141.15 offices located outside Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington  
 141.16 County on January 1, 2012, and districts in other counties with less than 7,500 pupils in  
 141.17 adjusted average daily membership.

141.18 Sec. 2. **[125A.81] SPECIAL EDUCATION EQUITY AID.**

141.19 Subdivision 1. **Special education equity aid.** For fiscal year 2022 and later, a school  
 141.20 district's special education equity aid equals the greater of zero or, for the second preceding  
 141.21 year, the lesser of (1) 30 percent of the difference between the school district's initial special  
 141.22 education cross subsidy per pupil in adjusted average daily membership and the regional  
 141.23 average initial special education cross subsidy per pupil in adjusted average daily  
 141.24 membership, or (2) \$120 times the district's adjusted average daily membership.

141.25 Subd. 2. **Special education equity region.** The department must assign school districts  
 141.26 to special education equity regions under section 125A.76, subdivision 1, paragraphs (l)  
 141.27 and (m).

141.28 Subd. 3. **Regional equity cross subsidy.** For each region established in subdivision 2,  
 141.29 the department must calculate the regional average initial special education cross subsidy  
 141.30 under section 125A.76, subdivision 1, paragraph (k), per pupil in adjusted average daily  
 141.31 membership for the second preceding year.

141.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2022 and later.

#### **NOTE: FROM SCHOOL SAFETY ARTICLE 2, SECTION 16**

#### **S3656-2**

566.16 Sec. 2. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to  
 566.17 read:

566.18 Sec. 56. **INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH**  
 566.19 **INNOVATION GRANT PROGRAM; APPROPRIATION.**

566.20 (a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated  
 566.21 from the general fund to the commissioner of human services for a grant program to fund  
 566.22 innovative projects to improve mental health outcomes for youth attending a qualifying  
 566.23 school unit.

566.24 (b) A "qualifying school unit" means an intermediate district organized under Minnesota  
 566.25 Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes,  
 566.26 section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students

28.12 Sec. 16. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to  
 28.13 read:

28.14 Sec. 56. **INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH**  
 28.15 **INNOVATION GRANT PROGRAM; APPROPRIATION.**

28.16 (a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated  
 28.17 from the general fund to the commissioner of human services for a grant program to fund  
 28.18 innovative projects to improve mental health outcomes for youth attending a qualifying  
 28.19 school unit.

28.20 (b) A "qualifying school unit" means an intermediate district organized under Minnesota  
 28.21 Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes,  
 28.22 section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students

566.27 in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be  
 566.28 awarded to eligible applicants such that the services are proportionately provided among  
 566.29 qualifying school units. The commissioner shall calculate the share of the appropriation to  
 566.30 be used in each qualifying school unit by dividing the qualifying school unit's average daily  
 566.31 membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the  
 566.32 total average daily membership in a setting of federal instructional level 4 or higher for the  
 566.33 same year for all qualifying school units.

567.1 (c) An eligible applicant is an entity that has demonstrated capacity to serve the youth  
 567.2 identified in paragraph (a) and that is:

567.3 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

567.4 (2) a community mental health center under Minnesota Statutes, section 256B.0625,  
 567.5 subdivision 5;

567.6 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
 567.7 organization operating under United States Code, title 25, section 5321; ~~or~~

567.8 (4) a provider of children's therapeutic services and supports as defined in Minnesota  
 567.9 Statutes, section 256B.0943; or

567.10 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
 567.11 agency and must employ at least two full-time equivalent mental health professionals as  
 567.12 defined in section 245.4871, subdivision 27, clauses (1) to (6), or alcohol and drug counselors  
 567.13 licensed or exempt from licensure under chapter 148F who are qualified to provide clinical  
 567.14 services to children and families.

567.15 (d) An eligible applicant must employ or contract with at least two licensed mental health  
 567.16 professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses  
 567.17 (1) to (6), who have formal training in evidence-based practices.

567.18 (e) A qualifying school unit must submit an application to the commissioner in the form  
 567.19 and manner specified by the commissioner. The commissioner may approve an application  
 567.20 that describes models for innovative projects to serve the needs of the schools and students.  
 567.21 The commissioner may provide technical assistance to the qualifying school unit. The  
 567.22 commissioner shall then solicit grant project proposals and award grant funding to the  
 567.23 eligible applicants whose project proposals best meet the requirements of this section and  
 567.24 most closely adhere to the models created by the intermediate districts and service  
 567.25 cooperatives.

28.23 in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be  
 28.24 awarded to eligible applicants such that the services are proportionately provided among  
 28.25 qualifying school units. The commissioner shall calculate the share of the appropriation to  
 28.26 be used in each qualifying school unit by dividing the qualifying school unit's average daily  
 28.27 membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the  
 28.28 total average daily membership in a setting of federal instructional level 4 or higher for the  
 28.29 same year for all qualifying school units.

28.30 (c) An eligible applicant is an entity that has demonstrated capacity to serve the youth  
 28.31 identified in paragraph (a) and that is:

28.32 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

29.1 (2) a community mental health center under Minnesota Statutes, section 256B.0625,  
 29.2 subdivision 5;

29.3 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
 29.4 organization operating under United States Code, title 25, section 5321; ~~or~~

29.5 (4) a provider of children's therapeutic services and supports as defined in Minnesota  
 29.6 Statutes, section 256B.0943; or

29.7 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
 29.8 agency and must employ at least two full-time equivalent mental health professionals as  
 29.9 defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses (1) to (6), or alcohol  
 29.10 and drug counselors licensed or exempt from licensure under chapter 148F who are qualified  
 29.11 to provide clinical services to children and families.

29.12 (d) An eligible applicant must employ or contract with at least two licensed mental health  
 29.13 professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses  
 29.14 (1) to (6), who have formal training in evidence-based practices.

29.15 (e) A qualifying school unit must submit an application to the commissioner in the form  
 29.16 and manner specified by the commissioner. The commissioner may approve an application  
 29.17 that describes models for innovative projects to serve the needs of the schools and students.  
 29.18 The commissioner may provide technical assistance to the qualifying school unit. The  
 29.19 commissioner shall then solicit grant project proposals and award grant funding to the  
 29.20 eligible applicants whose project proposals best meet the requirements of this section and  
 29.21 most closely adhere to the models created by the intermediate districts and service  
 29.22 cooperatives.

567.26 (f) To receive grant funding, an eligible applicant must obtain a letter of support for the  
567.27 applicant's grant project proposal from each qualifying school unit the eligible applicant is  
567.28 proposing to serve. An eligible applicant must also demonstrate the following:

567.29 (1) the ability to seek third-party reimbursement for services;

567.30 (2) the ability to report data and outcomes as required by the commissioner; and

567.31 (3) the existence of partnerships with counties, tribes, substance use disorder providers,  
567.32 and mental health service providers, including providers of mobile crisis services.

568.1 (g) Grantees shall obtain all available third-party reimbursement sources as a condition  
568.2 of receiving grant funds. For purposes of this grant program, a third-party reimbursement  
568.3 source does not include a public school as defined in Minnesota Statutes, section 120A.20,  
568.4 subdivision 1.

568.5 (h) The base budget for this program is \$0. This appropriation is available until June 30,  
568.6 2020.

568.7 **EFFECTIVE DATE.** This section is effective June 30, 2018.

29.23 (f) To receive grant funding, an eligible applicant must obtain a letter of support for the  
29.24 applicant's grant project proposal from each qualifying school unit the eligible applicant is  
29.25 proposing to serve. An eligible applicant must also demonstrate the following:

29.26 (1) the ability to seek third-party reimbursement for services;

29.27 (2) the ability to report data and outcomes as required by the commissioner; and

29.28 (3) the existence of partnerships with counties, tribes, substance use disorder providers,  
29.29 and mental health service providers, including providers of mobile crisis services.

29.30 (g) Grantees shall obtain all available third-party reimbursement sources as a condition  
29.31 of receiving grant funds. For purposes of this grant program, a third-party reimbursement  
29.32 source does not include a public school as defined in Minnesota Statutes, section 120A.20,  
29.33 subdivision 1.

30.1 (h) The base budget for this program is \$0. This appropriation is available until June 30,  
30.2 2020.

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

142.18 Sec. 4. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2, as  
142.19 amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

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

142.22 1,341,161,000  
142.23 \$ 1,366,903,000 .... 2018

142.24 1,426,827,000  
142.25 \$ 1,469,521,000 .... 2019

142.26 The 2018 appropriation includes \$156,403,000 for 2017 and \$1,184,758,000  
142.27 \$1,210,500,000 for 2018.

142.28 The 2019 appropriation includes \$166,667,000 \$170,291,000 for 2018 and  
142.29 \$1,260,160,000 \$1,299,230,000 for 2019.

568.8 Sec. 3. **TRANSFER OF UNSPENT DEPARTMENT OF EDUCATION LITIGATION**  
 568.9 **FUNDS FOR MONTICELLO SPECIAL EDUCATION AID.**

568.10 The commissioner of education must transfer any funds remaining unspent as of June  
 568.11 30, 2018, estimated at \$800,000, from the amount appropriated for fiscal year 2018 to the  
 568.12 Department of Education for legal fees and costs associated with litigation under Laws  
 568.13 2017, First Special Session chapter 5, article 11, section 9, subdivision 2, paragraph (a),  
 568.14 clause (8), to increase special education aid payments to Independent School District No.  
 568.15 882, Monticello, in an equal amount for fiscal year 2019. This is a onetime transfer.

568.16 **EFFECTIVE DATE.** This section is effective June 30, 2018.

**S3086-2**

55.16 Sec. 2. **SPECIAL EDUCATION LEGISLATIVE WORKING GROUP.**

55.17 Subdivision 1. Duties. (a) A legislative working group on special education is created  
 55.18 to review special education delivery and cost containment in Minnesota, to consult with  
 55.19 stakeholders, and to submit a written report to the legislature recommending policy changes  
 55.20 to reduce costs. The special education legislative working group must examine and consider:

55.21 (1) how school districts, charter schools, intermediate school districts, special education  
 55.22 cooperatives, education districts, and service cooperatives deliver special education services  
 55.23 and the costs associated with each model;

55.24 (2) relevant state and federal special education laws and regulations and where state  
 55.25 mandates exceed federal requirements;

142.1 Sec. 3. Laws 2017, First Special Session chapter 5, article 4, section 11, is amended to  
 142.2 read:  
 142.3 Sec. 11. **SPECIAL EDUCATION ADJUSTMENT; MONTICELLO SCHOOL**  
 142.4 **DISTRICT.**

142.5 (a) Notwithstanding Minnesota Statutes, sections 125A.76 and 127A.45, special education  
 142.6 aid payments to Independent School District No. 882, Monticello, must be increased by  
 142.7 \$800,000 in fiscal year 2018 to mitigate cash flow problems created by an unforeseeable  
 142.8 reduction in the district's special education aid for fiscal year 2016 as a result of the combined  
 142.9 effects of converting from a host district cooperative to a joint powers cooperative and  
 142.10 implementation of a new special education aid formula in the same fiscal year.

142.11 (b) Special education aid payments to Independent School District No. 882, Monticello,  
 142.12 must not be reduced by the same amount in fiscal year 2019 to offset the fiscal year 2018  
 142.13 increase.

142.14 (c) In addition to paragraphs (a) and (b), special education aid payments to Independent  
 142.15 School District No. 882, Monticello, must be increased by an additional \$800,000 for fiscal  
 142.16 year 2019.

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

143.1 Sec. 5. **SPECIAL EDUCATION WORKING GROUP.**

143.2 Subdivision 1. Duties. (a) A working group on special education is created to review  
 143.3 special education delivery and costs in Minnesota and submit a written report to the  
 143.4 legislature recommending changes to contain costs. The report must:

143.5 (1) review how school districts, charter schools, intermediate school districts, special  
 143.6 education cooperatives, education districts, and service cooperatives deliver special education  
 143.7 services, and the costs and benefits associated with each model;

143.8 (2) compare relevant state and federal special education laws and regulations by reviewing  
 143.9 the 2013 evaluation report by the Office of the Legislative Auditor on special education  
 143.10 and other publicly available reports;



55.26 (3) trends in special education enrollment, the reasons for the increased proportion of  
 55.27 Minnesota students receiving special education, and the role that reading instruction  
 55.28 effectiveness plays;

55.29 (4) strategies or programs that would be effective in reducing the need for special  
 55.30 education services;

55.31 (5) funding for nonresident children in accordance with Minnesota Statutes, sections  
 55.32 125A.11 and 127A.47, and tuition billing reports for the most recent five-year period;

56.1 (6) the effect of the 2013 statutory changes to the state special education funding formulas,  
 56.2 including interactions and conformity with federal funding formulas;

56.3 (7) how school districts and charter schools use section 504 plans, including criteria  
 56.4 used to determine when a section 504 plan is appropriate and the prevalence of section 504  
 56.5 plans in school districts and charter schools; and

56.6 (8) the 2013 evaluation report by the Office of the Legislative Auditor on special  
 56.7 education and the status of implementing its recommendations.

56.8 (b) In making its recommendations, the special education legislative working group  
 56.9 must consider a ten-year strategic plan informed by the policy findings in paragraph (a) to  
 56.10 help reduce the costs contributing to the special education cross-subsidy and overall special  
 56.11 education funding.

56.12 Subd. 2. **Membership.** (a) The legislative working group on special education consists  
 56.13 of:

56.14 (1) six duly elected and currently serving members of the house of representatives, three  
 56.15 appointed by the speaker of the house and three appointed by the house minority leader,  
 56.16 one of whom must be the current chair of the house of representatives Education Innovation  
 56.17 Policy Committee; and

56.18 (2) six duly elected and currently serving senators, three appointed by the senate majority  
 56.19 leader and three appointed by the senate minority leader, one of whom must be the current  
 56.20 chair of the senate Education Policy Committee.

143.11 (3) analyze trends in special education enrollment and the reasons for the increased  
 143.12 proportion of Minnesota students receiving special education, including identifying disparities  
 143.13 in student identification;

143.14 (4) identify strategies or programs that would be effective in reducing the need for special  
 143.15 education services or could provide less-intensive special education services, when  
 143.16 appropriate;

143.17 (5) analyze funding for children receiving special education services in a nonresident  
 143.18 district or charter school in accordance with Minnesota Statutes, sections 124E.21, 125A.11,  
 143.19 and 127A.47;

143.20 (6) analyze the effect of the 2013 statutory changes to the state special education funding  
 143.21 formula, including interactions and conformity with federal funding formulas;

143.22 (7) describe how school districts and charter schools use section 504 plans, including  
 143.23 criteria used to determine when a section 504 plan is appropriate and the prevalence of  
 143.24 section 504 plans in school districts and charter schools; and

143.25 (8) review the 2013 evaluation report by the Office of the Legislative Auditor on special  
 143.26 education and whether any recommendations have been enacted or implemented.

143.27 (b) In making its recommendations, the special education working group must develop  
 143.28 a ten-year strategic plan informed by the findings in paragraph (a) to help reduce the costs  
 143.29 contributing to the special education cross-subsidy and overall special education funding.

143.30 Subd. 2. **Members.** (a) By June 1, 2018, the executive director of the following  
 143.31 organizations may appoint one representative of that organization to serve as a member of  
 143.32 the working group:

56.21 (b) Only duly elected and currently serving members of the house of representatives or  
 56.22 senate may be members of the special education legislative working group.

- 144.1 (1) the National Alliance on Mental Illness Minnesota;
- 144.2 (2) the Parent Advocacy Coalition for Educational Rights;
- 144.3 (3) the Minnesota School Boards Association;
- 144.4 (4) the Minnesota Administrators for Special Education;
- 144.5 (5) the Minnesota Association of Charter Schools;
- 144.6 (6) Education Minnesota;
- 144.7 (7) the Minnesota Rural Education Association;
- 144.8 (8) the Association of Metropolitan School Districts;
- 144.9 (9) The Arc Minnesota;
- 144.10 (10) the Autism Society of Minnesota;
- 144.11 (11) the Minnesota Disability Law Center;
- 144.12 (12) the Minnesota Alliance with Youth;
- 144.13 (13) the Minnesota Education Equity Partnership;
- 144.14 (14) Service Employees International Union Local 284;
- 144.15 (15) the Minnesota Association of School Administrators;
- 144.16 (16) the Minnesota Association of School Business Officials;
- 144.17 (17) the Minnesota Association of Alternative Programs;
- 144.18 (18) Schools for Equity in Education;

144.19 (19) Decoding Dyslexia Minnesota; and

144.20 (20) the Minnesota Elementary School Principals' Association.

144.21 (b) The commissioner of education must solicit applications for membership in the  
 144.22 working group, and based on the applications received, designate by June 25, 2018, the  
 144.23 following individuals to serve as members of the working group:

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

144.25 (2) a representative from a special education cooperative, education district, or service  
 144.26 cooperative;

144.27 (3) a representative from the Governor's Council on Developmental Disabilities;

145.1 (4) a representative from the Commission of Deaf, DeafBlind and Hard of Hearing  
 145.2 Minnesotans;

145.3 (5) a representative from a school district in a city of the first class;

145.4 (6) two students receiving special education services and a parent of a student receiving  
 145.5 special education services; and

145.6 (7) one representative of a nonprofit organization specializing in early childhood  
 145.7 education issues.

145.8 Subd. 3. **Meetings.** The commissioner of education, or the commissioner's designee,  
 145.9 must convene the first meeting of the working group no later than July 15, 2018. The working  
 145.10 group must select a chair or cochairs from among its members at the first meeting. The  
 145.11 working group must meet periodically. Meetings of the working group must be open to the  
 145.12 public.

56.23 Subd. 3. **Organization; process; administrative and technical support.** The special  
 56.24 education legislative working group appointments must be made by July 1, 2018. If a vacancy  
 56.25 occurs, the leader of the caucus in the house of representatives or senate to which the vacating  
 56.26 working group member belonged must fill the vacancy. The chair of the house of  
 56.27 representatives Education Innovation Policy Committee shall serve as a cochair of the  
 56.28 working group and shall convene the first meeting. The chair of the senate Education Policy  
 56.29 Committee shall serve as a cochair of the working group. The working group must meet  
 56.30 periodically. Meetings of the working group must be open to the public. The Legislative  
 56.31 Coordinating Commission shall provide administrative assistance upon request. The  
 56.32 Minnesota Department of Education must provide technical assistance upon request.

57.1 Subd. 4. **Consultation with stakeholders.** In developing its recommendations, the  
 57.2 special education legislative working group must consult with interested and affected  
 57.3 stakeholders.

57.4 Subd. 5. **Report.** The special education legislative working group must submit a report  
 57.5 providing its findings and policy recommendations to the legislature by January 15, 2019.

57.6 Subd. 6. **Expiration.** The special education legislative working group expires on January  
 57.7 16, 2019, unless extended by law.

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

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

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

145.17 Subd. 6. **Report.** (a) By January 15, 2019, the working group must submit a report  
 145.18 providing its findings and recommendations to the chairs and ranking minority members  
 145.19 of the legislative committees with jurisdiction over kindergarten through grade 12 education.

145.20 (b) The legislature convening in January 2019 is encouraged to convene a legislative  
 145.21 study group to review the recommendations and ten-year strategic plan to develop its own  
 145.22 recommendations for legislative changes, as necessary.

145.23 Subd. 7. **Expiration.** The working group expires on January 16, 2019, unless extended  
 145.24 by law.

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

145.26 Sec. 6. **COMMISSIONER OF EDUCATION; WORKING GROUP.**

145.27 The commissioner of education must convene a working group of interested stakeholders  
 145.28 including but not limited to, a designee each from the Perpich Center for Arts Education;  
 145.29 the Minnesota State Academies for the Deaf and Blind; The Children's Cabinet; and the  
 145.30 Minnesota State Interagency Committee to develop uniform definitions of the following  
 145.31 types of students:

146.1 (1) gifted student;

146.2 (2) talented student;

146.3 (3) twice-exceptional student;

146.4 (4) print disabled student;

146.5 (5) reading disabled student; and

146.6 (6) a section 504 student.

146.7 The purpose of the definitions is to enable school districts and the state to keep a record of  
 146.8 the programs offered for the students. The commissioner must report the findings of the

- 146.9 working group to the legislative committees having jurisdiction over early childhood through
- 146.10 grade 12 education by January 18, 2019.