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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 649

February 5, 2007

Authored by Morgan, Tillberry, Dittrich, Kranz, Garofalo and others The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to education finance; increasing funding for the special education
1.3 excess cost program; amending Minnesota Statutes 2006, sections 125A.76,
1.4 subdivision 3; 125A.79, subdivisions 5, 7; repealing Minnesota Statutes 2006,
1.5 section 125A.79, subdivision 6.

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

1.7 Section 1. Minnesota Statutes 2006, section 125A.76, subdivision 3, is amended to
1.8 read:

1.9 Subd. 3. Adjusted special education base revenue. For fiscal year 1997 and
1.10 later, A district's adjusted special education base revenue equals the district's special
1.11 education base revenue times the ratio of the district's number of students in average daily
1.12 membership with an individual education plan for the current school year to the district's
1.13 number of students in average daily membership with an individual education plan for
1.14 the base year.

1.15 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2008.

1.16 Sec. 2. Minnesota Statutes 2006, section 125A.79, subdivision 5, is amended to read:

1.17 Subd. 5. Initial excess cost aid. For fiscal years 2002 and later, a district's initial
1.18 excess cost aid equals the greatest of:

1.19 (1) 75 90 percent of the difference between (i) the district's unreimbursed special
1.20 education cost and (ii) 4.36 percent of the district's general revenue;

1.21 (2) 70 percent of the difference between (i) the increase in the district's unreimbursed
1.22 special education cost between the base year as defined in section 125A.76, subdivision 1,
1.23 and the current year and (ii) 1.6 percent of the district's general revenue; or

2.1 (3) zero.

2.2 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

2.3 Sec. 3. Minnesota Statutes 2006, section 125A.79, subdivision 7, is amended to read:

2.4 Subd. 7. **District special education excess cost aid.** A district's special education
2.5 excess cost aid for fiscal year ~~2002~~ 2008 and later equals the ~~state total special education~~
2.6 ~~excess cost aid times the ratio of the~~ district's initial excess cost aid ~~to the state total~~
2.7 ~~initial excess cost aid.~~

2.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

2.9 Sec. 4. **REPEALER.**

2.10 Minnesota Statutes 2006, section 125A.79, subdivision 6, is repealed effective
2.11 for revenue for fiscal year 2008.