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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **833**

February 12, 2007

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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; providing additional special education aid;  
1.3 increasing the program growth factors in regular and excess cost special  
1.4 education revenue; appropriating money; amending Minnesota Statutes 2006,  
1.5 sections 125A.76, subdivisions 1, 4; 125A.79, subdivisions 1, 6; Laws 2005,  
1.6 First Special Session chapter 5, article 3, section 18, subdivision 2, as amended.

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

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

1.10 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
1.11 subdivision apply.

1.12 (a) "Base year" for fiscal year 1998 and later fiscal years means the second fiscal  
1.13 year preceding the fiscal year for which aid will be paid.

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

1.17 (c) "Essential personnel" means teachers, cultural liaisons, related services, and  
1.18 support services staff providing direct services to students. Essential personnel may also  
1.19 include special education paraprofessionals or clericals providing support to teachers and  
1.20 students by preparing paperwork and making arrangements related to special education  
1.21 compliance requirements, including parent meetings and individual education plans.

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

1.23 (e) "Program growth factor" means 1.046 for fiscal year 2003, and 1.0 for fiscal  
1.24 year ~~2004~~ 2008 and later.

2.1 Sec. 2. Minnesota Statutes 2006, section 125A.76, subdivision 4, is amended to read:

2.2 Subd. 4. **State total special education aid.** The state total special education aid  
 2.3 for fiscal year ~~2004~~ 2007 equals ~~\$530,642,000.~~ ~~The state total special education aid for~~  
 2.4 ~~fiscal year 2005 equals \$529,164,000~~ \$665,660,000. The state total special education  
 2.5 aid for later fiscal years equals:

- 2.6 (1) the state total special education aid for the preceding fiscal year; times  
 2.7 (2) the program growth factor; times  
 2.8 (3) the greater of one, or the ratio of the state total average daily membership for the  
 2.9 current fiscal year to the state total average daily membership for the preceding fiscal year.

2.10 Sec. 3. Minnesota Statutes 2006, section 125A.79, subdivision 1, is amended to read:

2.11 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
 2.12 subdivision apply.

2.13 (a) "Unreimbursed special education cost" means the sum of the following:

2.14 (1) expenditures for teachers' salaries, contracted services, supplies, equipment, and  
 2.15 transportation services eligible for revenue under section 125A.76; plus

2.16 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and  
 2.17 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

2.18 (3) revenue for teachers' salaries, contracted services, supplies, and equipment under  
 2.19 section 125A.76; minus

2.20 (4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services  
 2.21 eligible for revenue under section 125A.76, subdivision 2.

2.22 (b) "General revenue" means the sum of the general education revenue according to  
 2.23 section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus  
 2.24 the total qualifying referendum revenue specified in paragraph (e) minus transportation  
 2.25 sparsity revenue minus total operating capital revenue.

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

2.27 (d) "Program growth factor" means 1.02 for fiscal year ~~2003,~~ ~~and 1.0 for fiscal~~  
 2.28 ~~year 2004~~ 2008 and later.

2.29 (e) "Total qualifying referendum revenue" means two-thirds of the district's total  
 2.30 referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs  
 2.31 (a) to (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal  
 2.32 year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

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

2.34 Sec. 4. Minnesota Statutes 2006, section 125A.79, subdivision 6, is amended to read:

3.1 Subd. 6. **State total special education excess cost aid.** The state total special  
 3.2 education excess cost aid for fiscal year ~~2005~~ 2007 equals ~~\$91,811,000~~ \$104,700,000. ~~The~~  
 3.3 ~~state total special education excess cost aid equals \$103,600,000 for fiscal year 2006 and~~  
 3.4 ~~\$104,700,000 for fiscal year 2007.~~ The state total special education excess cost aid for  
 3.5 fiscal year 2008 and later fiscal years equals:

- 3.6 (1) the state total special education excess cost aid for the preceding fiscal year; times
- 3.7 (2) the program growth factor; times
- 3.8 (3) the greater of one, or the ratio of the state total average daily membership for the
- 3.9 current fiscal year to the state total average daily membership for the preceding fiscal year.

3.10 Sec. 5. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision 2,  
 3.11 as amended by Laws 2006, chapter 282, article 7, section 12, subdivision 2, is amended to  
 3.12 read:

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

3.15	\$	559,485,000	.....	2006
3.16		<del>528,106,000</del>		
3.17	\$	<u>652,059,000</u>	.....	2007

3.18 The 2006 appropriation includes \$83,078,000 for 2005 and \$476,407,000 for 2006.

3.19 The 2007 appropriation includes ~~\$52,934,000~~ \$52,965,000 for 2006 and  
 3.20 ~~\$475,172,000~~ \$599,094,000 for 2007.

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