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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE NO. **977**

February 15, 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; requiring state payment of certain excessive special
1.3 education costs; increasing the program growth factor; amending Minnesota
1.4 Statutes 2006, sections 125A.75, by adding a subdivision; 125A.76, subdivision
1.5 1.

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

1.7 Section 1. Minnesota Statutes 2006, section 125A.75, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 9. State payment of excessive special education costs. The state shall pay to
1.10 a district providing special instruction and services to a child with a disability the actual
1.11 costs of providing that instruction and service to that child that exceeds \$35,000 per school
1.12 year. The district may bill the state for the actual cost incurred in providing the services
1.13 including transportation costs and a proportionate amount of capital expenditures and debt
1.14 service, minus \$35,000. The total amount received for a child for a school year may not
1.15 exceed the amount expended on that child for that year. This aid shall be in addition to any
1.16 other aid earned by the district in that year on behalf of that child provided that the total aid
1.17 received does not exceed the actual cost of providing instruction and service to the child.

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

1.19 Sec. 2. Minnesota Statutes 2006, section 125A.76, subdivision 1, is amended to read:

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

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

2.1 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

2.2 For the purposes of computing basic revenue pursuant to this section, each child with a
2.3 disability shall be counted as prescribed in section 126C.05, subdivision 1.

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

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

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

2.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008
2.13 and thereafter.