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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1318**

February 22, 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; increasing special education funding; eliminating
1.3 the two-year lag in base funding; amending Minnesota Statutes 2006, section
1.4 125A.76, subdivisions 1, 3, 4.

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

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

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

1.10 (a) "Base year" ~~for fiscal year 1998 and later fiscal years~~ means the second current
1.11 fiscal year preceding the fiscal year for which aid will be paid.

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

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

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

1.21 (e) "Program growth factor" means 1.046 for fiscal year 2003, and 1.0 for fiscal
1.22 year 2004 and later.

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

2.1 Sec. 2. Minnesota Statutes 2006, section 125A.76, subdivision 3, is amended to read:

2.2 Subd. 3. **Adjusted special education base revenue.** ~~For fiscal year 1997 and later,~~
2.3 A district's adjusted special education base revenue equals the district's special education
2.4 base revenue ~~times the ratio of the district's average daily membership for the current~~
2.5 ~~school year to the district's average daily membership for the base year.~~

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

2.7 Sec. 3. Minnesota Statutes 2006, section 125A.76, subdivision 4, is amended to read:

2.8 Subd. 4. **State total special education aid.** ~~The state total special education aid~~
2.9 ~~for fiscal year 2004 equals \$530,642,000.~~ The state total special education aid for fiscal
2.10 year ~~2005~~ 2008 equals ~~\$529,164,000~~ \$588,887,000. The state total special education
2.11 aid for later fiscal years equals:

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

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