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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE NO. **1564**

March 1, 2007

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The bill was read for the first time and referred to the Committee on Finance

April 25, 2007

Committee Recommendation and Adoption of Report:

To Pass and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education finance; creating a special education maintenance of effort
1.3 adjustment; amending Minnesota Statutes 2006, section 125A.76, by adding a
1.4 subdivision.

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

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

1.8 **Subd. 8. Special education forecast maintenance of effort.** (a) If, on the basis of
1.9 a forecast of general fund revenues and expenditures under section 16A.103; the state's
1.10 expenditures for special education and related services for children with disabilities
1.11 from nonfederal sources for a fiscal year, including special education aid under section
1.12 125A.76; special education excess cost aid under section 125A.76, subdivision 7; travel
1.13 for home-based services under section 125A.75, subdivision 1; aid for students with
1.14 disabilities under section 125A.75, subdivision 3; court-placed special education under
1.15 section 125A.79, subdivision 4; out-of-state tuition under section 125A.79, subdivision 8;
1.16 and direct expenditures by state agencies are projected to be less than the amount required
1.17 to meet federal special education maintenance of effort, the additional amount required
1.18 to meet federal special education maintenance of effort is added to the state total special
1.19 education aid in section 125A.76, subdivision 4.

1.20 (b) If, on the basis of a forecast of general fund revenues and expenditures under
1.21 section 16A.103, expenditures in the programs in paragraph (a) are projected to be greater
1.22 than previously forecast for an enacted budget, and an addition to state total special
1.23 education aid has been made under paragraph (a), the state total special education aid

2.1 must be reduced by the lesser of the amount of the expenditure increase or the amount
2.2 previously added to state total special education aid in section 125A.76, subdivision 4.

2.3 (c) For the purpose of this section, "previously forecast for an enacted budget" means
2.4 the allocation of funding for these programs in the most recent forecast of general fund
2.5 revenues and expenditures or the act appropriating money for these programs, whichever
2.6 occurred most recently. It does not include planning estimates for a future biennium.

2.7 **EFFECTIVE DATE.** This section is effective for fiscal year 2010.