

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **738**

February 12, 2009

Authored by Pelowski, by request

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight

1.1 A bill for an act
1.2 relating to education; amending general aid payments in districts with high
1.3 online learning enrollment; amending Minnesota Statutes 2008, section 127A.47,
1.4 subdivision 7.

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

1.6 Section 1. Minnesota Statutes 2008, section 127A.47, subdivision 7, is amended to
1.7 read:

1.8 Subd. 7. **Alternative attendance programs.** The general education aid and special
1.9 education aid for districts must be adjusted for each pupil attending a nonresident district
1.10 under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The adjustments
1.11 must be made according to this subdivision.

1.12 (a) General education aid paid to a resident district must be reduced by an amount
1.13 equal to the referendum equalization aid attributable to the pupil in the resident district.

1.14 (b) General education aid paid to a district serving a pupil in programs listed in this
1.15 subdivision must be increased by an amount equal to the greater of (1) the referendum
1.16 equalization aid attributable to the pupil in the nonresident district; or (2) the product of
1.17 the district's open enrollment concentration index, the maximum amount of referendum
1.18 revenue in the first tier, and the district's net open enrollment pupil units for that year. A
1.19 district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the
1.20 lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units
1.21 served to its resident pupil units for that year and 0.2. ~~This clause does not apply to a~~
1.22 ~~school district where more than 50 percent of the open enrollment students are enrolled~~
1.23 ~~solely in online learning courses.~~

2.1 (c) If the amount of the reduction to be made from the general education aid of the
2.2 resident district is greater than the amount of general education aid otherwise due the
2.3 district, the excess reduction must be made from other state aids due the district.

2.4 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an
2.5 area learning center, operated according to paragraph (f), providing special instruction and
2.6 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in
2.7 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must
2.8 be equal to (1) the actual cost of providing special instruction and services to the pupil,
2.9 including a proportionate amount for special transportation and unreimbursed building
2.10 lease and debt service costs for facilities used primarily for special education, minus (2)
2.11 if the pupil receives special instruction and services outside the regular classroom for
2.12 more than 60 percent of the school day, the amount of general education revenue and
2.13 referendum aid attributable to that pupil for the portion of time the pupil receives special
2.14 instruction and services outside of the regular classroom, excluding portions attributable to
2.15 district and school administration, district support services, operations and maintenance,
2.16 capital expenditures, and pupil transportation, minus (3) special education aid attributable
2.17 to that pupil, that is received by the district providing special instruction and services.
2.18 For purposes of this paragraph, general education revenue and referendum equalization
2.19 aid attributable to a pupil must be calculated using the serving district's average general
2.20 education revenue and referendum equalization aid per adjusted pupil unit.

2.21 (e) For fiscal year 2007 and later, special education aid paid to a resident district
2.22 must be reduced by an amount equal to (1) the actual cost of providing special instruction
2.23 and services, including special transportation and unreimbursed building lease and debt
2.24 service costs for facilities used primarily for special education, for a pupil with a disability,
2.25 as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled
2.26 in a program listed in this subdivision, minus (2) if the pupil receives special instruction
2.27 and services outside the regular classroom for more than 60 percent of the school day,
2.28 the amount of general education revenue and referendum equalization aid attributable
2.29 to that pupil for the portion of time the pupil receives special instruction and services
2.30 outside of the regular classroom, excluding portions attributable to district and school
2.31 administration, district support services, operations and maintenance, capital expenditures,
2.32 and pupil transportation, minus (3) special education aid attributable to that pupil, that is
2.33 received by the district providing special instruction and services. For purposes of this
2.34 paragraph, general education revenue and referendum equalization aid attributable to a
2.35 pupil must be calculated using the serving district's average general education revenue
2.36 and referendum equalization aid per adjusted pupil unit. Special education aid paid to the

3.1 district or cooperative providing special instruction and services for the pupil, or to the
3.2 fiscal agent district for a cooperative, must be increased by the amount of the reduction
3.3 in the aid paid to the resident district. If the resident district's special education aid is
3.4 insufficient to make the full adjustment, the remaining adjustment shall be made to other
3.5 state aids due to the district.

3.6 (f) An area learning center operated by a service cooperative, intermediate district,
3.7 education district, or a joint powers cooperative may elect through the action of the
3.8 constituent boards to charge the resident district tuition for pupils rather than to have the
3.9 general education revenue paid to a fiscal agent school district. Except as provided in
3.10 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent
3.11 of the district average general education revenue per pupil unit minus an amount equal to
3.12 the product of the formula allowance according to section 126C.10, subdivision 2, times
3.13 .0485, calculated without basic skills revenue and transportation sparsity revenue, times
3.14 the number of pupil units for pupils attending the area learning center, plus the amount of
3.15 compensatory revenue generated by pupils attending the area learning center.