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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1571

03/09/2015 Authored by Newton, Slocum, Lien and Hortman
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; enhancing PSEO payments to postsecondary
1.3 institutions to include textbook and equipment costs; creating a greater financial
1.4 incentive for school districts to encourage student participation in the PSEO
1.5 program; amending Minnesota Statutes 2014, sections 124D.09, subdivisions 13,
1.6 20; 126C.05, subdivision 13.

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

1.8 Section 1. Minnesota Statutes 2014, section 124D.09, subdivision 13, is amended to
1.9 read:

1.10 Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this
1.11 section, the department must make payments according to this subdivision for courses that
1.12 were taken for secondary credit.

1.13 The department must not make payments to a school district or postsecondary
1.14 institution for a course taken for postsecondary credit only. The department must not
1.15 make payments to a postsecondary institution for a course from which a student officially
1.16 withdraws during the first 14 days of the quarter or semester or who has been absent from
1.17 the postsecondary institution for the first 15 consecutive school days of the quarter or
1.18 semester and is not receiving instruction in the home or hospital.

1.19 A postsecondary institution shall receive the following:

1.20 (1) for an institution granting quarter credit, the reimbursement per credit hour shall
1.21 be an amount equal to ~~88 percent~~ of the product of the formula allowance minus \$425,
1.22 multiplied by 1.2, and divided by 45; or

1.23 (2) for an institution granting semester credit, the reimbursement per credit hour
1.24 shall be an amount equal to ~~88 percent~~ of the product of the general revenue formula
1.25 allowance minus \$425, multiplied by 1.2, and divided by 30.

2.1 The department must pay to each postsecondary institution 100 percent of the
 2.2 amount in clause (1) or (2) within 30 days of receiving initial enrollment information
 2.3 each quarter or semester. If changes in enrollment occur during a quarter or semester,
 2.4 the change shall be reported by the postsecondary institution at the time the enrollment
 2.5 information for the succeeding quarter or semester is submitted. At any time the
 2.6 department notifies a postsecondary institution that an overpayment has been made, the
 2.7 institution shall promptly remit the amount due.

2.8 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2016
 2.9 and later.

2.10 Sec. 2. Minnesota Statutes 2014, section 124D.09, subdivision 20, is amended to read:

2.11 Subd. 20. **Textbooks; materials.** All textbooks and equipment provided to a
 2.12 pupil, and paid for under subdivision 13, are the property of the pupil's postsecondary
 2.13 institution. The postsecondary institution may use up to 12 percent of the aid received
 2.14 under subdivision 13 for purposes of providing textbooks and equipment to a pupil. Each
 2.15 pupil is required to return all textbooks and equipment to the postsecondary institution
 2.16 after the course has ended.

2.17 **EFFECTIVE DATE.** This section is effective July 1, 2015.

2.18 Sec. 3. Minnesota Statutes 2014, section 126C.05, subdivision 13, is amended to read:

2.19 Subd. 13. **PSEO pupils.** The average daily membership for a pupil participating in
 2.20 the postsecondary enrollment options program equals the lesser of

2.21 (a) 1.00, or

2.22 (b) the greater of

2.23 (1) ~~1.2~~ .35, or

2.24 (2) the ratio of (i) the sum of the number of instructional hours the pupil is enrolled
 2.25 in the secondary school during quarters, trimesters, or semesters during which the pupil
 2.26 participates in PSEO, and hours enrolled in the secondary school during the remainder of
 2.27 the school year, to (ii) the actual number of instructional days in the school year times
 2.28 the length of day in the school.

2.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
 2.30 and later.