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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1705

03/01/2021 Authored by Gruenhagen, Theis, Boe and Robbins
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; creating the opportunity scholarship program;
1.3 appropriating money; amending Minnesota Statutes 2020, section 126C.05,
1.4 subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 126C.

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

1.6 Section 1. Minnesota Statutes 2020, section 126C.05, subdivision 8, is amended to read:

1.7 Subd. 8. Average daily membership. (a) Membership for pupils in grades kindergarten
1.8 through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils
1.9 on the current roll of the school, counted from the date of entry until withdrawal. For fiscal
1.10 year 2022 and later, membership includes pupils in kindergarten through grade 12
1.11 participating in the opportunity scholarship program under section 2. The date of withdrawal
1.12 shall mean the day the pupil permanently leaves the school or the date it is officially known
1.13 that the pupil has left or has been legally excused. However, a pupil, regardless of age, who
1.14 has been absent from school for 15 consecutive school days during the regular school year
1.15 or for five consecutive school days during summer school or intersession classes of flexible
1.16 school year programs without receiving instruction in the home or hospital shall be dropped
1.17 from the roll and classified as withdrawn. Nothing in this section shall be construed as
1.18 waiving the compulsory attendance provisions cited in section 120A.22. Average daily
1.19 membership equals the sum for all pupils of the number of days of the school year each
1.20 pupil is enrolled in the district's schools divided by the number of days the schools are in
1.21 session or are providing e-learning days due to inclement weather. Days of summer school
1.22 or intersession classes of flexible school year programs are only included in the computation
1.23 of membership for pupils with a disability not appropriately served primarily in the regular
1.24 classroom. A student must not be counted as more than 1.2 pupils in average daily

2.1 membership under this section and section 126C.10, subdivision 2a, paragraph (b). When  
2.2 the initial total average daily membership exceeds 1.2 for a pupil enrolled in more than one  
2.3 school district during the fiscal year, each district's average daily membership must be  
2.4 reduced proportionately.

2.5 (b) A student must not be counted as more than one pupil in average daily membership  
2.6 except for purposes of section 126C.10, subdivision 2a.

2.7 **Sec. 2. [126C.105] OPPORTUNITY SCHOLARSHIP PROGRAM.**

2.8 Subdivision 1. Program established. The Minnesota opportunity scholarship program  
2.9 is established.

2.10 Subd. 2. Purpose. The purpose of the program is to enhance academic success for all  
2.11 students.

2.12 Subd. 3. Qualifying student. (a) A student enrolled in kindergarten through grade 12  
2.13 who resides in Special School District No. 1, Minneapolis, or Independent School District  
2.14 No. 625, St. Paul, is eligible to participate in the opportunity scholarship program. The  
2.15 student must enroll in the resident school district and inform the school district that the  
2.16 student intends to participate in the opportunity scholarship program.

2.17 (b) A student receiving an opportunity scholarship may enroll in any qualifying  
2.18 opportunity scholarship school.

2.19 Subd. 4. Qualifying opportunity scholarship school. (a) For purposes of this section,  
2.20 "nonpublic school" means a school located in Minnesota, excluding a public school as  
2.21 defined in section 120A.22, subdivision 4, providing instruction in courses in compliance  
2.22 with sections 120A.22 and 120A.24.

2.23 (b) A qualifying nonpublic school must allow an opportunity scholarship student's parent  
2.24 to pay for tuition on a monthly basis.

2.25 (c) A qualifying nonpublic school must continue to enroll an opportunity scholarship  
2.26 student for the period of time for which tuition has been paid for that student.

2.27 Subd. 5. Eligible expenses. A qualifying student's eligible expenses under this section  
2.28 include tuition from a qualifying opportunity scholarship school and eligible expenses under  
2.29 section 290.0674, subdivision 1, except that the eligible expenses for personal computers  
2.30 are not capped at \$200 per family.

3.1 Subd. 6. School district program administration. (a) A school district must annually  
3.2 notify the families of the students enrolled in the school district of their option to participate  
3.3 in the opportunity scholarship program.

3.4 (b) The school district must continue to count a student participating in the opportunity  
3.5 scholarship program as an enrolled pupil under section 126C.05 and continue to receive  
3.6 revenue for that student.

3.7 (c) On July 1 of each year, the Department of Education must calculate the average  
3.8 general education revenue per pupil unit for that school year, post that amount on the  
3.9 department's website, and notify each school district of the amount. By July 15 of each year,  
3.10 each school district must notify the participating students' families of the per pupil revenue  
3.11 amount for that year.

3.12 (d) The amount calculated under paragraph (c) is the maximum amount that the school  
3.13 district must transfer to the student's family for that school year.

3.14 (e) The school district must establish a procedure to allow a student's family to submit  
3.15 tuition receipts from a qualifying opportunity scholarship school and receipts for other  
3.16 eligible expenditures for reimbursement. The receipts for tuition may be presented on a  
3.17 monthly basis. The school district must pay the student's family the documented amounts  
3.18 within 30 days of receiving the receipt for tuition expenses from the student's family.

3.19 (f) Notwithstanding any law to the contrary, a school district is not required to provide  
3.20 regular education services to any opportunity scholarship student for the period of time that  
3.21 the student is receiving an opportunity scholarship.

3.22 (g) At the conclusion of each school year, the school district must contribute the remaining  
3.23 general education funds attributable to that student, if any, to the student's 529 account  
3.24 according to the provisions of this subdivision.

3.25 (h) The school district may retain any other funds attributable to a student participating  
3.26 in the opportunity scholarship program.

3.27 Subd. 7. 529 contributions. (a) At the conclusion of each school year, at the request of  
3.28 the student's family, the school district must contribute the remaining general education  
3.29 funds attributable to that student, if any, to the student's family for deposit into a qualified  
3.30 tuition plan that meets the requirements of section 529 of the Internal Revenue Code and  
3.31 for which the student is a beneficiary.

3.32 (b) Within 60 days of receiving funds under this subdivision, the student's family must  
3.33 submit written documentation to the school district confirming the funds were contributed

4.1 to a qualified tuition plan. A family that does not submit documentation under this paragraph  
 4.2 must repay to the school district the amount received, plus the amount of interest accrued  
 4.3 at the rate established under section 270C.40, subdivision 5, within 90 days of receiving  
 4.4 the funds.

4.5 (c) For a student whose family does not request a funds transfer under paragraph (a)  
 4.6 within 90 days of the conclusion of the school year, the school district must:

4.7 (1) in consultation with the commissioner of higher education, establish a custodial  
 4.8 account for the student as part of the Minnesota college savings plan under chapter 136G;  
 4.9 and

4.10 (2) deposit any remaining general education funds attributable to the student into a  
 4.11 custodial account established for the student under clause (1).

4.12 Sec. 3. **APPROPRIATION; ADDITIONAL STATE AID.**

4.13 Subdivision 1. Department of Education. The sums indicated in this section are  
 4.14 appropriated from the general fund to the Department of Education in the fiscal years  
 4.15 designated.

4.16 Subd. 2. General education aid. (a) For additional general education aid and other  
 4.17 school aids:

4.18	\$	.....	.....	<u>2022</u>
4.19	\$	.....	.....	<u>2023</u>

4.20 (b) The appropriations in this section are added to the other appropriations for the  
 4.21 programs affected by section 1.