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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2113

03/25/2015 Authored by Carlson and Slocum
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; modifying special education payments for
1.3 certain charter schools; amending Minnesota Statutes 2014, section 124D.11,
1.4 subdivision 5, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2014, section 124D.11, subdivision 5, is amended to read:

1.7 Subd. 5. **Special education aid.** (a) Except as provided in ~~subdivision~~ subdivisions
1.8 2 and 5a, special education aid must be paid to a charter school according to section
1.9 125A.76, as though it were a school district.

1.10 (b) For fiscal year 2015 and later, the special education aid paid to the charter school
1.11 shall be adjusted as follows:

1.12 (1) if the charter school does not receive general education revenue on behalf of
1.13 the student according to subdivision 1, the aid shall be adjusted as provided in section
1.14 125A.11; or

1.15 (2) if the charter school receives general education revenue on behalf of the student
1.16 according to subdivision 1, the aid shall be adjusted as provided in section 127A.47,
1.17 subdivision 7, paragraphs (b) to (d).

1.18 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

1.19 Sec. 2. Minnesota Statutes 2014, section 124D.11, is amended by adding a subdivision
1.20 to read:

1.21 Subd. 5a. **Alternative special education aid.** (a) A charter school is eligible for
1.22 special education aid calculated under this subdivision instead of under subdivision 5 if:

2.1 (1) the percent of students eligible for special education services equals at least 90
 2.2 percent of the charter school's total enrollment; and

2.3 (2) the school submits to the commissioner an annual budget before June 15 and a
 2.4 revised budget before January 15.

2.5 (b) Notwithstanding section 127A.45, for a charter school qualifying under
 2.6 paragraph (a), the school's special education aid entitlement shall equal the school's
 2.7 budgeted costs for nonfederal special education expenditures as defined in section
 2.8 125A.76, subdivision 1. The school's special education aid equals 90 percent of the special
 2.9 education aid entitlement and must be paid to the charter school on the schedule under
 2.10 section 127A.45, subdivision 3, paragraph (a).

2.11 (c) Notwithstanding section 127A.45, if, under the revised budget, the charter
 2.12 school's payment under paragraph (b) would exceed 95 percent of the school's nonfederal
 2.13 special education expenditures for the year, the commissioner shall adjust the February
 2.14 15 through June 20 payments so that the cumulative current year payment for special
 2.15 education aid after the June 20 payment equals 95 percent of the nonfederal special
 2.16 education expenditures under the revised budget.

2.17 (d) Notwithstanding section 127A.45, the commissioner shall calculate a final
 2.18 adjustment payment for special education aid under section 127A.45, subdivision 9,
 2.19 using the difference between (1) the school's nonfederal special education expenditures
 2.20 as defined in section 125A.76, subdivision 1, for the prior fiscal year and (2) the prior
 2.21 year payments under paragraphs (b) and (c).

2.22 (e) Notwithstanding section 127A.45, in addition to the amounts paid under
 2.23 paragraphs (b) and (c), the commissioner shall pay to a charter school on the dates
 2.24 indicated an amount computed as follows:

2.25 Payment 1 July 15: 75 percent of the final adjustment for the prior fiscal year for
 2.26 special education aid entitlements

2.27 Payment 8 October 30: 25 percent of the final adjustment for the prior fiscal year
 2.28 for special education aid entitlements

2.29 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.