

1.1 **ARTICLE 37**1.2 **SPECIAL EDUCATION**

1.3 Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

1.4 Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding  
1.5 subdivision 1, a district must not deny free admission to a homeless pupil solely because  
1.6 the district cannot determine that the pupil is a resident of the district.

1.7 (b) The school district of residence for a homeless pupil shall be the school district in  
1.8 which the parent or legal guardian resides, unless: (1) parental rights have been terminated  
1.9 by court order; (2) the parent or guardian is not living within the state; or (3) the parent or  
1.10 guardian having legal custody of the child is an inmate of a Minnesota correctional facility  
1.11 or is a resident of a halfway house under the supervision of the commissioner of corrections.  
1.12 If any of clauses (1) to (3) apply, the school district of residence shall be the school district  
1.13 in which the pupil resided when the qualifying event occurred. If no other district of residence  
1.14 can be established, the school district of residence shall be the school district in which the  
1.15 pupil currently resides. If there is a dispute between school districts regarding residency,  
1.16 the district of residence is the district designated by the commissioner of education.

1.17 (c) Except as provided in paragraph (d), the serving district is responsible for transporting  
1.18 a homeless pupil to and from the pupil's district of residence. The district may transport  
1.19 from a permanent home in another district but only through the end of the academic school  
1.20 year. When a pupil is enrolled in a charter school, the district or school that provides  
1.21 transportation for other pupils enrolled in the charter school is responsible for providing  
1.22 transportation. When a homeless student with or without an individualized education program  
1.23 attends a public school other than an independent or special school district or charter school,  
1.24 the district of residence is responsible for transportation.

1.25 (d) For a homeless pupil with an individualized education program enrolled in a program  
1.26 authorized by an intermediate school district, special education cooperative, service  
1.27 cooperative, or education district, the serving district at the time of the pupil's enrollment  
1.28 in the program remains responsible for transporting that pupil for the remainder of the school  
1.29 year, unless the initial serving district and the current serving district mutually agree that  
1.30 the current serving district is responsible for transporting the homeless pupil.

1.31 **EFFECTIVE DATE.** This section is effective July 1, 2018.

2.1 Sec. 2. Laws 2017, First Special Session chapter 5, article 2, section 56, is amended to  
2.2 read:

2.3 **Sec. 56. INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH**  
2.4 **INNOVATION GRANT PROGRAM; APPROPRIATION.**

2.5 (a) \$2,450,000 in fiscal year 2018 and \$2,450,000 in fiscal year 2019 are appropriated  
2.6 from the general fund to the commissioner of human services for a grant program to fund  
2.7 innovative projects to improve mental health outcomes for youth attending a qualifying  
2.8 school unit.

2.9 (b) A "qualifying school unit" means an intermediate district organized under Minnesota  
2.10 Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes,  
2.11 section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students  
2.12 in a setting of federal instructional level 4 or higher. Grants under paragraph (a) must be  
2.13 awarded to eligible applicants such that the services are proportionately provided among  
2.14 qualifying school units. The commissioner shall calculate the share of the appropriation to  
2.15 be used in each qualifying school unit by dividing the qualifying school unit's average daily  
2.16 membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the  
2.17 total average daily membership in a setting of federal instructional level 4 or higher for the  
2.18 same year for all qualifying school units.

2.19 (c) An eligible applicant is an entity that has demonstrated capacity to serve the youth  
2.20 identified in paragraph (a) and that is:

2.21 (1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

2.22 (2) a community mental health center under Minnesota Statutes, section 256B.0625,  
2.23 subdivision 5;

2.24 (3) an Indian health service facility or facility owned and operated by a tribe or tribal  
2.25 organization operating under United States Code, title 25, section 5321; ~~or~~

2.26 (4) a provider of children's therapeutic services and supports as defined in Minnesota  
2.27 Statutes, section 256B.0943; or

2.28 (5) enrolled in medical assistance as a mental health or substance use disorder provider  
2.29 agency and must employ at least two full-time equivalent mental health professionals as  
2.30 defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses (1) to (6), or alcohol  
2.31 and drug counselors licensed or exempt from licensure under chapter 148F who are qualified  
2.32 to provide clinical services to children and families.

3.1 (d) An eligible applicant must employ or contract with at least two licensed mental health  
 3.2 professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses  
 3.3 (1) to (6), who have formal training in evidence-based practices.

3.4 (e) A qualifying school unit must submit an application to the commissioner in the form  
 3.5 and manner specified by the commissioner. The commissioner may approve an application  
 3.6 that describes models for innovative projects to serve the needs of the schools and students.  
 3.7 The commissioner may provide technical assistance to the qualifying school unit. The  
 3.8 commissioner shall then solicit grant project proposals and award grant funding to the  
 3.9 eligible applicants whose project proposals best meet the requirements of this section and  
 3.10 most closely adhere to the models created by the intermediate districts and service  
 3.11 cooperatives.

3.12 (f) To receive grant funding, an eligible applicant must obtain a letter of support for the  
 3.13 applicant's grant project proposal from each qualifying school unit the eligible applicant is  
 3.14 proposing to serve. An eligible applicant must also demonstrate the following:

3.15 (1) the ability to seek third-party reimbursement for services;

3.16 (2) the ability to report data and outcomes as required by the commissioner; and

3.17 (3) the existence of partnerships with counties, tribes, substance use disorder providers,  
 3.18 and mental health service providers, including providers of mobile crisis services.

3.19 (g) Grantees shall obtain all available third-party reimbursement sources as a condition  
 3.20 of receiving grant funds. For purposes of this grant program, a third-party reimbursement  
 3.21 source does not include a public school as defined in Minnesota Statutes, section 120A.20,  
 3.22 subdivision 1.

3.23 (h) The base budget for this program is \$0. This appropriation is available until June 30,  
 3.24 2020.

3.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.26 Sec. 3. Laws 2017, First Special Session chapter 5, article 4, section 11, is amended to  
 3.27 read:

3.28 Sec. 11. **SPECIAL EDUCATION ADJUSTMENT; MONTICELLO SCHOOL**  
 3.29 **DISTRICT.**

3.30 (a) Notwithstanding Minnesota Statutes, sections 125A.76 and 127A.45, special education  
 3.31 aid payments to Independent School District No. 882, Monticello, must be increased by  
 3.32 \$800,000 in fiscal year 2018 to mitigate cash flow problems created by an unforeseeable

4.1 reduction in the district's special education aid for fiscal year 2016 as a result of the combined  
4.2 effects of converting from a host district cooperative to a joint powers cooperative and  
4.3 implementation of a new special education aid formula in the same fiscal year.

4.4 (b) Special education aid payments to Independent School District No. 882, Monticello,  
4.5 must not be reduced by the same amount in fiscal year 2019 to offset the fiscal year 2018  
4.6 increase.

4.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.8 Sec. 4. Laws 2017, First Special Session chapter 5, article 4, section 12, subdivision 2, as  
4.9 amended by Laws 2017, First Special Session chapter 7, section 12, is amended to read:

4.10 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,  
4.11 section 125A.75:

|      |    |                          |       |      |
|------|----|--------------------------|-------|------|
| 4.12 |    | <del>1,341,161,000</del> |       |      |
| 4.13 | \$ | <u>1,366,903,000</u>     | ..... | 2018 |
| 4.14 |    | <del>1,426,827,000</del> |       |      |
| 4.15 | \$ | <u>1,468,721,000</u>     | ..... | 2019 |

4.16 The 2018 appropriation includes \$156,403,000 for 2017 and ~~\$1,184,758,000~~  
4.17 \$1,210,500,000 for 2018.

4.18 The 2019 appropriation includes ~~\$166,667,000~~ \$170,291,000 for 2018 and  
4.19 ~~\$1,260,160,000~~ \$1,298,430,000 for 2019.

4.20 Sec. 5. **SPECIAL EDUCATION LEGISLATIVE WORKING GROUP.**

4.21 Subdivision 1. Duties. A legislative working group on special education is created to  
4.22 review special education delivery and costs in Minnesota and submit a written report to the  
4.23 legislature. The working group must:

4.24 (1) review how school districts, charter schools, intermediate school districts, special  
4.25 education cooperatives, education districts, service cooperatives, and nonpublic schools  
4.26 deliver special education services, and the costs and benefits associated with each model;

4.27 (2) compare relevant state and federal special education laws and regulations by reviewing  
4.28 the 2013 evaluation report by the Office of the Legislative Auditor on special education  
4.29 and other publicly available reports;

4.30 (3) analyze trends in special education enrollment and the reasons for the increased  
4.31 proportion of Minnesota students receiving special education, including identifying disparities  
4.32 in student identification;

5.1 (4) identify strategies or programs that would be effective in reducing the need for special  
 5.2 education services or could provide less-intensive special education services, when  
 5.3 appropriate;

5.4 (5) analyze funding for children receiving special education services in a nonresident  
 5.5 district or charter school in accordance with Minnesota Statutes, sections 124E.21, 125A.11,  
 5.6 and 127A.47;

5.7 (6) analyze the effect of the 2013 statutory changes to the state special education funding  
 5.8 formula, including interactions and conformity with federal funding formulas;

5.9 (7) describe how school districts and charter schools use section 504 plans, including  
 5.10 criteria used to determine when a section 504 plan is appropriate and the prevalence of  
 5.11 section 504 plans in school districts and charter schools; and

5.12 (8) review the 2013 evaluation report by the Office of the Legislative Auditor on special  
 5.13 education and whether any recommendations have been enacted or implemented.

5.14 Subd. 2. **Membership.** (a) The legislative working group on special education consists  
 5.15 of:

5.16 (1) six duly elected and currently serving members of the house of representatives, three  
 5.17 appointed by the speaker of the house and three appointed by the house minority leader,  
 5.18 two of whom must be the current chairs of the house of representatives Education Innovation  
 5.19 Policy Committee and Education Finance Committee; and

5.20 (2) six duly elected and currently serving senators, three appointed by the senate majority  
 5.21 leader and three appointed by the senate minority leader, two of whom must be the current  
 5.22 chairs of the senate Education Policy Committee and Education Finance Committee.

5.23 (b) Only duly elected and currently serving members of the house of representatives or  
 5.24 senate may be members of the special education legislative working group. A chair of an  
 5.25 education committee appointed under paragraph (a) may designate another member of the  
 5.26 chair's chamber to attend a meeting of the legislative working group in place of the chair.

5.27 Subd. 3. **Organization; process; administrative and technical support.** The special  
 5.28 education legislative working group appointments must be made by July 1, 2018. If a vacancy  
 5.29 occurs, the leader of the caucus in the house of representatives or senate to which the vacating  
 5.30 working group member belonged must fill the vacancy. The chair of the house of  
 5.31 representatives Education Innovation Policy Committee shall serve as a cochair of the  
 5.32 working group. The chair of the senate Education Policy Committee shall serve as a cochair  
 5.33 of the working group and shall convene the first meeting. The working group must meet

6.1 periodically. Meetings of the working group must be open to the public. The Legislative  
6.2 Coordinating Commission must provide administrative assistance upon request. The  
6.3 Department of Education must provide technical assistance upon request.

6.4 Subd. 4. **Consultation with stakeholders.** In developing its recommendations, the  
6.5 special education legislative working group must consult with interested and affected  
6.6 stakeholders.

6.7 Subd. 5. **Report.** The special education legislative working group must submit a report  
6.8 providing its findings and policy recommendations to the legislature by January 15, 2019.

6.9 Subd. 6. **Expiration.** The special education legislative working group expires January  
6.10 16, 2019, unless extended by law.

6.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.