

1.1 moves to amend H.F. No. 3858, the delete everything amendment
1.2 (A16-1062), as follows:

1.3 Page 30, line 5, delete "grant a waiver" and insert "issue a one-year professional
1.4 license" and after "(a)" insert ", which the board may renew two times,"

1.5 Page 51, line 16, after the comma, insert "in addition to the amounts awarded under
1.6 this paragraph,"

1.7 Page 51, line 17, before the period, insert "under paragraph (c)"

1.8 Page 51, line 27, delete everything after the period

1.9 Page 51, line 28, delete "for a subsequent grant."

1.10 Page 62, line 16, after "scholarships" insert "or stipends"

1.11 Page 62, line 18, after "license" insert "or a license in a subject area for which
1.12 a shortage exists under section 127A.05, subdivision 6,"

1.13 Page 62, line 21, delete "assistance or" and after "scholarships" insert "or stipends"

1.14 Page 65, line 21, after "scholarships" insert "and stipends"

1.15 Page 65, line 22, after "scholarships" insert "and stipends"

1.16 Page 82, after line 25, insert:

1.17 "Sec. 9. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is
1.18 amended to read:

1.19 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
1.20 later, when a school district provides special instruction and services for a pupil with
1.21 a disability as defined in section 125A.02 outside the district of residence, excluding
1.22 a pupil for whom an adjustment to special education aid is calculated according to
1.23 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
1.24 resident district must be reduced by an amount equal to (1) the actual cost of providing
1.25 special instruction and services to the pupil, including a proportionate amount for special
1.26 transportation and ~~unreimbursed building lease and debt service costs for facilities~~
1.27 ~~used primarily for special education~~, plus (2) the amount of general education revenue₂

2.1 excluding local optional revenue, plus local optional aid and referendum equalization aid
2.2 attributable to that pupil, calculated using the resident district's average general education
2.3 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
2.4 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the
2.5 amount of special education aid for children with a disability under section 125A.76
2.6 received on behalf of that child, minus (4) if the pupil receives special instruction and
2.7 services outside the regular classroom for more than 60 percent of the school day, the
2.8 amount of general education revenue and referendum equalization aid, excluding portions
2.9 attributable to district and school administration, district support services, operations and
2.10 maintenance, capital expenditures, and pupil transportation, attributable to that pupil
2.11 for the portion of time the pupil receives special instruction and services outside of the
2.12 regular classroom, calculated using the resident district's average general education
2.13 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
2.14 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving
2.15 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
2.16 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a
2.17 cooperative unit without a fiscal agent school district, the general education revenue and
2.18 referendum equalization aid attributable to a pupil must be calculated using the resident
2.19 district's average general education revenue and referendum equalization aid excluding
2.20 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.
2.21 Special education aid paid to the district or cooperative providing special instruction and
2.22 services for the pupil must be increased by the amount of the reduction in the aid paid
2.23 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~
2.24 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~
2.25 ~~the resident school district's books of account under sections 123B.75 and 123B.76. If~~
2.26 the resident district's special education aid is insufficient to make the full adjustment, the
2.27 remaining adjustment shall be made to other state aid due to the district.

2.28 (b) Notwithstanding paragraph (a), when a charter school receiving special education
2.29 aid under section 124E.21, subdivision 3, provides special instruction and services for
2.30 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
2.31 adjustment to special education aid is calculated according to section 127A.46, subdivision
2.32 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
2.33 by an amount equal to that calculated under paragraph (a) as if the charter school received
2.34 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
2.35 aid paid to the charter school providing special instruction and services for the pupil must
2.36 not be increased by the amount of the reduction in the aid paid to the resident district.

3.1 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
3.2 (b) to (d):

3.3 (1) an intermediate district or a special education cooperative may recover
3.4 unreimbursed costs of serving pupils with a disability, including building lease, debt
3.5 service, and indirect costs necessary for the general operation of the organization, by
3.6 billing membership fees and nonmember access fees to the resident district;

3.7 (2) a charter school where more than 30 percent of enrolled students receive special
3.8 education and related services, a site approved under section 125A.515, an intermediate
3.9 district, or a special education cooperative, or a school district that served as the applicant
3.10 agency for a group of school districts for federal special education aids for fiscal year 2006
3.11 may apply to the commissioner for authority to charge the resident district an additional
3.12 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

3.13 (3) the billing under clause (1) or application under clause (2) must include a
3.14 description of the costs and the calculations used to determine the unreimbursed portion to
3.15 be charged to the resident district. Amounts approved by the commissioner under this
3.16 paragraph clause (2) must be included in the tuition billings or aid adjustments under
3.17 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

3.18 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph
3.19 (b), "general education revenue and referendum equalization aid" means the sum of the
3.20 general education revenue according to section 126C.10, subdivision 1, excluding the
3.21 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the
3.22 referendum equalization aid according to section 126C.17, subdivision 7.

3.23 Sec. 10. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is
3.24 amended to read:

3.25 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~
3.26 School districts must reserve third-party revenue and must spend the reimbursements
3.27 received only to:

3.28 (1) retain an amount sufficient to compensate the district for its administrative costs
3.29 of obtaining reimbursements;

3.30 (2) regularly obtain from education- and health-related entities training and other
3.31 appropriate technical assistance designed to improve the district's ability to access
3.32 third-party payments for individualized education program or individualized family
3.33 service plan health-related services; or

3.34 (3) reallocate reimbursements for the benefit of students with individualized
3.35 education programs or individualized family service plans in the district."

4.1 Page 83, after line 11, insert:

4.2 "Sec. 12. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c,
4.3 is amended to read:

4.4 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a
4.5 district's special education aid equals the sum of the district's special education aid under
4.6 subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the
4.7 district's excess cost aid under section 125A.79, subdivision 7.

4.8 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of
4.9 the district's special education initial aid under subdivision 2a and the district's excess cost
4.10 aid under section 125A.79, subdivision 5.

4.11 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
4.12 a school district must not exceed the sum of the special education aid the district would
4.13 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
4.14 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
4.15 127A.47, subdivision 7, and the product of the district's average daily membership served
4.16 and the special education aid increase limit.

4.17 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education
4.18 aid for a school district must not exceed the sum of: (i) the product of the district's average
4.19 daily membership served and the special education aid increase limit and (ii) the product
4.20 of the sum of the special education aid the district would have received for fiscal year 2016
4.21 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according
4.22 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of
4.23 the district's average daily membership served for the current fiscal year to the district's
4.24 average daily membership served for fiscal year 2016, and the program growth factor.

4.25 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special
4.26 education aid for a school district, not including a charter school or cooperative unit as
4.27 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
4.28 special education expenditures for that fiscal year or (2) the product of the sum of the
4.29 special education aid the district would have received for fiscal year 2016 under Minnesota
4.30 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes
4.31 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
4.32 daily membership for the current fiscal year to the district's average daily membership for
4.33 fiscal year 2016, and the program growth factor.

4.34 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first
4.35 year of operation shall generate special education aid based on current year data. A newly
4.36 formed cooperative unit as defined in section 123A.24 may apply to the commissioner

5.1 for approval to generate special education aid for its first year of operation based on
5.2 current year data, with an offsetting adjustment to the prior year data used to calculate aid
5.3 for programs at participating school districts or previous cooperatives that were replaced
5.4 by the new cooperative.

5.5 (g) The department shall establish procedures through the uniform financial
5.6 accounting and reporting system to identify and track all revenues generated from
5.7 third-party billings as special education revenue at the school district level; include revenue
5.8 generated from third-party billings as special education revenue in the annual cross-subsidy
5.9 report; and exclude third-party revenue from calculation of excess cost aid to the districts.

5.10 Sec. 13. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
5.11 amended to read:

5.12 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
5.13 subdivision apply.

5.14 (a) "Unreimbursed old formula special education expenditures" means:

5.15 (1) old formula special education expenditures for the prior fiscal year; minus

5.16 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
5.17 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
5.18 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
5.19 initial aid under section 125A.76, subdivision 2a; minus

5.20 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
5.21 local optional revenue, plus local optional aid and referendum equalization aid for the
5.22 prior fiscal year attributable to pupils receiving special instruction and services outside the
5.23 regular classroom for more than 60 percent of the school day for the portion of time the
5.24 pupils receive special instruction and services outside the regular classroom, excluding
5.25 portions attributable to district and school administration, district support services,
5.26 operations and maintenance, capital expenditures, and pupil transportation.

5.27 (b) "Unreimbursed nonfederal special education expenditures" means:

5.28 (1) nonfederal special education expenditures for the prior fiscal year; minus

5.29 (2) special education initial aid under section 125A.76, subdivision 2a; minus

5.30 (3) the amount of general education revenue, excluding local optional revenue, plus
5.31 local optional aid, and referendum equalization aid for the prior fiscal year attributable
5.32 to pupils receiving special instruction and services outside the regular classroom for
5.33 more than 60 percent of the school day for the portion of time the pupils receive special
5.34 instruction and services outside of the regular classroom, excluding portions attributable to

6.1 district and school administration, district support services, operations and maintenance,
6.2 capital expenditures, and pupil transportation.

6.3 (c) "General revenue" for a school district means the sum of the general education
6.4 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
6.5 revenue, local optional revenue, and total operating capital revenue. "General revenue"
6.6 for a charter school means the sum of the general education revenue according to section
6.7 124E.20, subdivision 1, and transportation revenue according to section 124E.23,
6.8 excluding referendum equalization aid, transportation sparsity revenue, and operating
6.9 capital revenue.

6.10 Sec. 14. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is
6.11 amended to read:

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

6.16 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
6.17 education and services" means the difference between: (1) the actual cost of providing
6.18 special instruction and services, including special transportation and unreimbursed
6.19 building lease and debt service costs for facilities used primarily for special education, for
6.20 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
6.21 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
6.22 receives special instruction and services outside the regular classroom for more than
6.23 60 percent of the school day, the amount of general education revenue, excluding local
6.24 optional revenue, plus local optional aid and referendum equalization aid as defined in
6.25 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of
6.26 time the pupil receives special instruction and services outside of the regular classroom,
6.27 excluding portions attributable to district and school administration, district support
6.28 services, operations and maintenance, capital expenditures, and pupil transportation,
6.29 minus (3) special education aid under section 125A.76 attributable to that pupil, that is
6.30 received by the district providing special instruction and services. For purposes of this
6.31 paragraph, general education revenue and referendum equalization aid attributable to a
6.32 pupil must be calculated using the serving district's average general education revenue
6.33 and referendum equalization aid per adjusted pupil unit.

7.1 (c) For fiscal year 2015 and later, special education aid paid to a resident district
7.2 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing
7.3 special education and services.

7.4 (d) Notwithstanding paragraph (c), special education aid paid to a resident district
7.5 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
7.6 education and services provided to students at an intermediate district, cooperative, or
7.7 charter school where the percent of students eligible for special education services is at
7.8 least 70 percent of the charter school's total enrollment.

7.9 (e) Notwithstanding paragraph (c), special education aid paid to a resident district
7.10 must be reduced under paragraph (d) for students at a charter school receiving special
7.11 education aid under section 124E.21, subdivision 3, calculated as if the charter school
7.12 received special education aid under section 124E.21, subdivision 1.

7.13 (f) Special education aid paid to the district or cooperative providing special
7.14 instruction and services for the pupil, or to the fiscal agent district for a cooperative, must
7.15 be increased by the amount of the reduction in the aid paid to the resident district under
7.16 paragraphs (c) and (d). If the resident district's special education aid is insufficient to make
7.17 the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be
7.18 made to other state aids due to the district.

7.19 (g) Notwithstanding paragraph (a), general education aid paid to the resident district
7.20 of a nonspecial education student for whom an eligible special education charter school
7.21 receives general education aid under section 124E.20, subdivision 1, paragraph (c), must
7.22 be reduced by an amount equal to the difference between the general education aid
7.23 attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the
7.24 general education aid that the student would have generated for the charter school under
7.25 section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial
7.26 education student" means a student who does not meet the definition of pupil with a
7.27 disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

7.28 (h) An area learning center operated by a service cooperative, intermediate district,
7.29 education district, or a joint powers cooperative may elect through the action of the
7.30 constituent boards to charge the resident district tuition for pupils rather than to have the
7.31 general education revenue paid to a fiscal agent school district. Except as provided in
7.32 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more
7.33 than 100 percent of the district average general education revenue per pupil unit minus
7.34 an amount equal to the product of the formula allowance according to section 126C.10,
7.35 subdivision 2, times .0466, calculated without compensatory revenue, local optional

8.1 revenue, and transportation sparsity revenue, times the number of pupil units for pupils
8.2 attending the area learning center."

8.3 Page 95, line 2, delete "and" and insert "council or its"

8.4 Page 95, line 3, delete "councils" and insert "council"

8.5 Page 102, line 25, delete "4,125,000" and insert "4,300,000"

8.6 Page 112, line 4, delete "20,099,000" and insert "20,089,000"

8.7 Page 112, after line 4, insert:

8.8 "(b) The fiscal year 2017 appropriation includes \$19,173,000 from the general fund
8.9 and \$916,000 is from the educator licensure account in the special revenue fund."

8.10 Page 112, line 18, strike "(b)" and delete the new language

8.11 Page 112, delete lines 19 to 20

8.12 Renumber the sections in sequence and correct internal references