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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2552

03/28/2017 Authored by Koegel, Pryor, Olson, Mariani and Davnie
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; health; increasing appropriations for school-linked mental
1.3 health services; providing for school staff and program development; requiring an
1.4 intermediate school district program evaluation; providing for additional supports
1.5 for students attending alternative learning centers in intermediate districts; amending
1.6 Minnesota Statutes 2016, sections 123A.05, by adding a subdivision; 127A.47,
1.7 subdivision 7; 245.4889, subdivision 1; Laws 2016, chapter 189, article 24, section
1.8 22; article 25, section 62, subdivision 2.

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

1.10 Section 1. Minnesota Statutes 2016, section 123A.05, is amended by adding a subdivision
1.11 to read:

1.12 Subd. 2a. **Additional revenue.** Additional revenue for a state-approved alternative
1.13 program operated by an intermediate school district, education district, service cooperative,
1.14 or other joint powers entity equals the number of pupil units attending the state-approved
1.15 alternative program times the sum of the average referendum revenue and local optional
1.16 revenue per pupil unit for the member districts of that cooperative unit.

1.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

1.18 Sec. 2. Minnesota Statutes 2016, section 127A.47, subdivision 7, is amended to read:

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

1.23 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
1.24 education and services" means the difference between: (1) the actual cost of providing

2.1 special instruction and services, including special transportation and unreimbursed building
2.2 lease and debt service costs for facilities used primarily for special education, for a pupil
2.3 with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51,
2.4 who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special
2.5 instruction and services outside the regular classroom for more than 60 percent of the school
2.6 day, the amount of general education revenue, excluding local optional revenue, plus local
2.7 optional aid and referendum equalization aid as defined in section 125A.11, subdivision 1,
2.8 paragraph (d), attributable to that pupil for the portion of time the pupil receives special
2.9 instruction and services outside of the regular classroom, excluding portions attributable to
2.10 district and school administration, district support services, operations and maintenance,
2.11 capital expenditures, and pupil transportation, minus (3) special education aid under section
2.12 125A.76 attributable to that pupil, that is received by the district providing special instruction
2.13 and services. For purposes of this paragraph, general education revenue and referendum
2.14 equalization aid attributable to a pupil must be calculated using the serving district's average
2.15 general education revenue and referendum equalization aid per adjusted pupil unit.

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

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

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

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

3.1 (g) Notwithstanding paragraph (a), general education aid paid to the resident district of
 3.2 a nonspecial education student for whom an eligible special education charter school receives
 3.3 general education aid under section 124E.20, subdivision 1, paragraph (c), must be reduced
 3.4 by an amount equal to the difference between the general education aid attributable to the
 3.5 student under section 124E.20, subdivision 1, paragraph (c), and the general education aid
 3.6 that the student would have generated for the charter school under section 124E.20,
 3.7 subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial education student"
 3.8 means a student who does not meet the definition of pupil with a disability as defined in
 3.9 section 125A.02 or the definition of a pupil in section 125A.51.

3.10 (h) An area learning center operated by a service cooperative, intermediate district,
 3.11 education district, or a joint powers cooperative may elect through the action of the
 3.12 constituent boards to charge the resident district tuition for pupils rather than to have the
 3.13 general education revenue paid to a fiscal agent school district. Except as provided in
 3.14 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more than
 3.15 100 percent of the district average general education revenue per pupil unit minus an amount
 3.16 equal to the product of the formula allowance according to section 126C.10, subdivision 2,
 3.17 times .0466, calculated without compensatory revenue, local optional revenue, and
 3.18 transportation sparsity revenue, times the number of pupil units for pupils attending the area
 3.19 learning center.

3.20 (i) Notwithstanding section 123A.26, additional revenue under section 123A.05,
 3.21 subdivision 2a, must be paid by the Department of Education directly to the intermediate
 3.22 school district, education district, service cooperative, or other joint powers entity that
 3.23 operates the state-approved alternative program under this subdivision.

3.24 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

3.25 Sec. 3. Minnesota Statutes 2016, section 245.4889, subdivision 1, is amended to read:

3.26 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized to
 3.27 make grants from available appropriations to assist:

3.28 (1) counties;

3.29 (2) Indian tribes;

3.30 (3) children's collaboratives under section 124D.23 or 245.493; ~~or~~

3.31 (4) mental health service providers; or

4.1 (5) intermediate school districts or other cooperative units providing instruction to
4.2 students in federal instructional settings of level 4 or higher.

4.3 (b) The following services are eligible for grants under this section:

4.4 (1) services to children with emotional disturbances as defined in section 245.4871,
4.5 subdivision 15, and their families;

4.6 (2) transition services under section 245.4875, subdivision 8, for young adults under
4.7 age 21 and their families;

4.8 (3) respite care services for children with severe emotional disturbances who are at risk
4.9 of out-of-home placement;

4.10 (4) children's mental health crisis services;

4.11 (5) mental health services for people from cultural and ethnic minorities;

4.12 (6) children's mental health screening and follow-up diagnostic assessment and treatment;

4.13 (7) services to promote and develop the capacity of providers to use evidence-based
4.14 practices in providing children's mental health services;

4.15 (8) school-linked mental health services;

4.16 (9) building evidence-based mental health intervention capacity for children birth to age
4.17 five;

4.18 (10) suicide prevention and counseling services that use text messaging statewide;

4.19 (11) mental health first aid training;

4.20 (12) training for parents, collaborative partners, and mental health providers on the
4.21 impact of adverse childhood experiences and trauma and development of an interactive
4.22 Web site to share information and strategies to promote resilience and prevent trauma;

4.23 (13) transition age services to develop or expand mental health treatment and supports
4.24 for adolescents and young adults 26 years of age or younger;

4.25 (14) early childhood mental health consultation;

4.26 (15) evidence-based interventions for youth at risk of developing or experiencing a first
4.27 episode of psychosis, and a public awareness campaign on the signs and symptoms of
4.28 psychosis; and

4.29 (16) psychiatric consultation for primary care practitioners.

5.1 (c) Services under paragraph (b) must be designed to help each child to function and
 5.2 remain with the child's family in the community and delivered consistent with the child's
 5.3 treatment plan. Transition services to eligible young adults under paragraph (b) must be
 5.4 designed to foster independent living in the community.

5.5 (d) Notwithstanding paragraph (b), an intermediate school district or other cooperative
 5.6 unit that receives a grant under this section must use grant funding only for services under
 5.7 paragraph (b), clause (8).

5.8 **EFFECTIVE DATE.** This section is effective July 1, 2017.

5.9 Sec. 4. Laws 2016, chapter 189, article 24, section 22, is amended to read:

5.10 Sec. 22. **STAFF DEVELOPMENT GRANTS AID FOR INTERMEDIATE SCHOOL**
 5.11 **DISTRICTS AND OTHER COOPERATIVE UNITS.**

5.12 (a) For fiscal ~~years~~ year 2017, ~~2018, and 2019 only~~ and later, an intermediate school
 5.13 district or other cooperative unit providing instruction to students in federal instructional
 5.14 settings of level 4 or higher qualifies for staff development ~~grants aid~~ aid equal to ~~\$1,000~~ \$.....
 5.15 times the full-time equivalent number of licensed instructional staff and nonlicensed
 5.16 classroom aides employed by or assigned to the intermediate school district or other
 5.17 cooperative unit during the previous fiscal year.

5.18 (b) Staff development ~~grants received~~ aid under this section must be used for activities
 5.19 related to enhancing services to students who may have challenging behaviors or mental
 5.20 health issues or be suffering from trauma. Specific qualifying staff development activities
 5.21 include but are not limited to:

5.22 (1) proactive behavior management;

5.23 (2) personal safety training;

5.24 (3) de-escalation techniques; ~~and~~

5.25 (4) adaptation of published curriculum and pedagogy for students with complex learning
 5.26 and behavioral needs; and

5.27 (5) training and consultation for member districts.

5.28 (c) ~~The grants received~~ Aid under this section must be reserved and spent only on the
 5.29 activities specified in this section. ~~If funding for purposes of this section is insufficient, the~~
 5.30 ~~commissioner must prorate the grants.~~

5.31 **EFFECTIVE DATE.** This section is effective July 1, 2017.

6.1 Sec. 5. Laws 2016, chapter 189, article 25, section 62, subdivision 2, is amended to read:

6.2 Subd. 2. **Staff development grants aid for cooperative units.** For payment of staff
6.3 development grants aid to intermediate school districts and other cooperative units providing
6.4 instruction to students in federal instructional settings of level 4 or higher:

6.5 \$ 4,500,000 2017

6.6 \$ 2018

6.7 \$ 2019

6.8 ~~This is a onetime appropriation.~~ This appropriation is available until June 30, 2019. To
6.9 the extent practicable, this appropriation should fund staff development grants aid for
6.10 intermediate school districts and other cooperative units for fiscal years 2017, 2018, and
6.11 2019.

6.12 **EFFECTIVE DATE.** This section is effective July 1, 2017.

6.13 Sec. 6. **APPROPRIATION; COMMISSIONER OF HEALTH AND HUMAN**
6.14 **SERVICES.**

6.15 \$..... in fiscal year 2018 and later is appropriated from the general fund to the
6.16 commissioner of health and human services for grants to intermediate school districts or
6.17 other cooperative units under Minnesota Statutes, section 245.4889. The maximum grant
6.18 amount for an intermediate school district or other cooperative unit equals \$..... times the
6.19 sum of the adjusted pupil units in the intermediate school district's or other cooperative
6.20 unit's member school districts. This appropriation is in addition to any other amounts
6.21 appropriated for the same purpose.

6.22 Sec. 7. **APPROPRIATIONS.**

6.23 Subdivision 1. **Department of Education.** The sums in this section are appropriated
6.24 from the general fund to the Department of Education for the fiscal years designated.

6.25 Subd. 2. **Intermediate school district program accountability study.** For a longitudinal
6.26 program accountability study of intermediate district and cooperative unit supports and
6.27 services for students with severe mental and behavioral health needs:

6.28 \$ 2019

6.29 This is a onetime appropriation and is available until

6.30 Subd. 3. **Additional revenue for state-approved alternative programs.** For additional
6.31 revenue for state-approved alternative programs under Minnesota Statutes, section 123A.05,
6.32 subdivision 2a:

7.1 § 2018

7.2 § 2019

7.3 **Sec. 8. REVISOR'S INSTRUCTION.**

7.4 In the next edition of Minnesota Statutes, the revisor of statutes shall codify Laws 2016,
7.5 chapter 189, article 24, section 22, as amended by this act.