

1.1 A bill for an act  
1.2 relating to education finance; qualifying charter schools for extended time revenue  
1.3 for additional hours of instruction; appropriating money; amending Minnesota  
1.4 Statutes 2016, sections 124E.20, subdivision 1; 126C.05, subdivision 15; 126C.10,  
1.5 subdivision 2a.

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

1.7 Section 1. Minnesota Statutes 2016, section 124E.20, subdivision 1, is amended to read:

1.8 Subdivision 1. **Revenue calculation.** (a) General education revenue must be paid to a  
1.9 charter school as though it were a district. The general education revenue for each adjusted  
1.10 pupil unit is:

1.11 (1) the state average general education revenue per pupil unit;<sub>2</sub> plus

1.12 (2) the referendum equalization aid allowance in the pupil's district of residence;<sub>2</sub> minus

1.13 (3) an amount equal to the sum of:

1.14 (i) the product of the formula allowance according to section 126C.10, subdivision 2,  
1.15 times .0466, ~~calculated without~~<sub>2</sub>

1.16 (ii) declining enrollment revenue;<sub>2</sub>

1.17 (iii) local optional revenue;<sub>2</sub>

1.18 (iv) basic skills revenue;<sub>2</sub>

1.19 (v) extended time revenue;<sub>2</sub>

1.20 (vi) pension adjustment revenue;<sub>2</sub>

1.21 (vii) transition revenue;<sub>2</sub> and

2.1 (viii) transportation sparsity revenue;<sup>2</sup> plus

2.2 (4)(i) declining enrollment revenue;<sup>2</sup>

2.3 (ii) basic skills revenue;<sup>2</sup>

2.4 (iii) pension adjustment revenue;<sup>2</sup> and

2.5 (iv) transition revenue as though the school were a school district.

2.6 (b) For a charter school operating an extended day, extended week, or summer program,  
2.7 the general education revenue in paragraph (a) is increased by an amount equal to ~~25 percent~~  
2.8 ~~of the statewide average~~ the charter school's extended time revenue per adjusted pupil unit.

2.9 (c) Notwithstanding paragraph (a), the general education revenue for an eligible special  
2.10 education charter school as defined in section 124E.21, subdivision 2, equals the sum of  
2.11 the amount determined under paragraph (a) and the school's unreimbursed cost as defined  
2.12 in section 124E.21, subdivision 2, for educating students not eligible for special education  
2.13 services.

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

2.15 Sec. 2. Minnesota Statutes 2016, section 126C.05, subdivision 15, is amended to read:

2.16 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year  
2.17 program under section 124D.128, an area learning center or an alternative learning program  
2.18 approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative  
2.19 program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more  
2.20 than 1,020 hours in a school year for a secondary student, more than 935 hours in a school  
2.21 year for an elementary student, more than 850 hours in a school year for a kindergarten  
2.22 student without a disability in an all-day kindergarten program, or more than 425 hours in  
2.23 a school year for a half-day kindergarten student without a disability, that pupil may be  
2.24 counted as more than one pupil in average daily membership for purposes of section 126C.10,  
2.25 subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the  
2.26 number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020  
2.27 hours or the number of hours required for a full-time secondary pupil in the district to 1,020  
2.28 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a  
2.29 full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through  
2.30 6; and (iii) the greater of 850 hours or the number of hours required for a full-time  
2.31 kindergarten student without a disability in the district to 850 for a kindergarten student  
2.32 without a disability. Hours that occur after the close of the instructional year in June shall  
2.33 be attributable to the following fiscal year. A student in kindergarten or grades 1 through

3.1 12 must not be counted as more than 1.2 pupils in average daily membership under this  
3.2 subdivision.

3.3 (b)(i) To receive general education revenue for a pupil in an area learning center or  
3.4 alternative learning program that has an independent study component, a district must meet  
3.5 the requirements in this paragraph. The district must develop, for the pupil, a continual  
3.6 learning plan consistent with section 124D.128, subdivision 3. Each school district that has  
3.7 an area learning center or alternative learning program must reserve revenue in an amount  
3.8 equal to at least 90 and not more than 100 percent of the district average general education  
3.9 revenue per pupil unit, minus an amount equal to the product of the formula allowance  
3.10 according to section 126C.10, subdivision 2, times .0466, calculated without basic skills  
3.11 revenue, local optional revenue, and transportation sparsity revenue, times the number of  
3.12 pupil units generated by students attending an area learning center or alternative learning  
3.13 program. The amount of reserved revenue available under this subdivision may only be  
3.14 spent for program costs associated with the area learning center or alternative learning  
3.15 program. Basic skills revenue generated according to section 126C.10, subdivision 4, by  
3.16 pupils attending the eligible program must be allocated to the program.

3.17 (ii) General education revenue for a pupil in a state-approved alternative program without  
3.18 an independent study component must be prorated for a pupil participating for less than a  
3.19 full year, or its equivalent. The district must develop a continual learning plan for the pupil,  
3.20 consistent with section 124D.128, subdivision 3. Each school district that has an area learning  
3.21 center or alternative learning program must reserve revenue in an amount equal to at least  
3.22 90 and not more than 100 percent of the district average general education revenue per pupil  
3.23 unit, minus an amount equal to the product of the formula allowance according to section  
3.24 126C.10, subdivision 2, times .0466, calculated without basic skills revenue, local optional  
3.25 revenue, and transportation sparsity revenue, times the number of pupil units generated by  
3.26 students attending an area learning center or alternative learning program. The amount of  
3.27 reserved revenue available under this subdivision may only be spent for program costs  
3.28 associated with the area learning center or alternative learning program. Basic skills revenue  
3.29 generated according to section 126C.10, subdivision 4, by pupils attending the eligible  
3.30 program must be allocated to the program.

3.31 (iii) General education revenue for a pupil in a state-approved alternative program that  
3.32 has an independent study component must be paid for each hour of teacher contact time  
3.33 and each hour of independent study time completed toward a credit or graduation standards  
3.34 necessary for graduation. Average daily membership for a pupil shall equal the number of  
3.35 hours of teacher contact time and independent study time divided by 1,020.

4.1 (iv) For a state-approved alternative program having an independent study component,  
 4.2 the commissioner shall require a description of the courses in the program, the kinds of  
 4.3 independent study involved, the expected learning outcomes of the courses, and the means  
 4.4 of measuring student performance against the expected outcomes.

4.5 (c) When a charter school pupil is enrolled in an extended day, extended week, or summer  
 4.6 program for more than 1,020 hours in a school year for a secondary student, more than 935  
 4.7 hours in a school year for an elementary student, more than 850 hours in a school year for  
 4.8 a kindergarten student without a disability in an all-day kindergarten program, or more than  
 4.9 425 hours in a school year for a half-day kindergarten student without a disability, that pupil  
 4.10 may be counted as more than one pupil in average daily membership for purposes of section  
 4.11 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio  
 4.12 of the number of hours of instruction provided to that pupil in excess of:

4.13 (1) the greater of 1,020 hours or the number of hours required for a full-time secondary  
 4.14 pupil at the charter school to 1,020 for a secondary pupil;

4.15 (2) the greater of 935 hours or the number of hours required for a full-time elementary  
 4.16 pupil at the charter school to 935 for an elementary pupil in grades 1 through 6; and

4.17 (3) the greater of 850 hours or the number of hours required for a full-time kindergarten  
 4.18 student without a disability at the charter school to 850 for a kindergarten student without  
 4.19 a disability.

4.20 Hours that occur after the close of the instructional year in June shall be attributable to the  
 4.21 following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted  
 4.22 as more than 1.2 pupils in average daily membership under this subdivision.

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

4.24 Sec. 3. Minnesota Statutes 2016, section 126C.10, subdivision 2a, is amended to read:

4.25 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue is equal  
 4.26 to the product of \$5,117 and the sum of the adjusted pupil units of the district for each pupil  
 4.27 in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05,  
 4.28 subdivision 8. A charter school's extended time revenue is equal to the product of \$5,117  
 4.29 and the sum of the adjusted pupil units of the charter school for each pupil in average daily  
 4.30 membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision  
 4.31 8, paragraph (a).

4.32 (b) A school district's extended time revenue may be used for extended day programs,  
 4.33 extended week programs, summer school, vacation break academies such as spring break

- 5.1 academies and summer term academies, and other programming authorized under the
- 5.2 learning year program.
- 5.3 **EFFECTIVE DATE.** This section is effective for fiscal year 2018 and later.