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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2083

02/01/2012 Authored by Garofalo, Myhra, Cornish, Gruenhagen, Downey and others
The bill was read for the first time and referred to the Committee on Education Finance
03/12/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Taxes
03/13/2012 Adoption of Report: Pass and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education; providing funding and modifying certain early, adult,
1.3 and kindergarten through grade 12 education provisions, including general
1.4 education, education excellence, special programs, facilities and technology,
1.5 nutrition and accounting, libraries, and prevention; providing education
1.6 forecast adjustments; appropriating money; amending Minnesota Statutes 2010,
1.7 sections 13.43, subdivision 2; 122A.40, subdivisions 10, 11, 13, 19; 122A.41,
1.8 subdivisions 14, 15; 123A.75, subdivision 1; 123B.41, by adding a subdivision;
1.9 123B.42; 123B.43; 124D.111, subdivision 3; 124D.518, subdivision 3, by
1.10 adding a subdivision; 124D.531, by adding a subdivision; 126C.10, subdivision
1.11 28; Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision
1.12 1; 122A.41, subdivision 6; 123B.41, subdivision 2; 124D.11, subdivision 9;
1.13 127A.33; 127A.45, subdivision 2; Laws 2011, First Special Session chapter
1.14 11, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 10; article 2, section 50,
1.15 subdivisions 2, 3, 4, 5, 6, 7, 9; article 3, section 11, subdivisions 2, 3, 4, 5, 6;
1.16 article 4, section 10, subdivisions 2, 3, 4, 6; article 5, section 12, subdivisions 2,
1.17 3, 4; article 6, section 2, subdivisions 2, 3, 5; article 7, section 2, subdivisions
1.18 2, 3, 4; article 8, section 2, subdivisions 2, 3; article 9, section 3, subdivision
1.19 2; repealing Minnesota Statutes 2010, sections 124D.135, subdivisions 8, 9;
1.20 124D.16, subdivisions 6, 7; 124D.20, subdivisions 11, 12.

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

1.22 **ARTICLE 1**

1.23 **GENERAL EDUCATION**

1.24 Section 1. Minnesota Statutes 2011 Supplement, section 123B.41, subdivision 2, is
1.25 amended to read:

1.26 Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including
1.27 electronic books as well as other printed materials delivered electronically, which a pupil
1.28 uses as a text or text substitute in a particular class or program in the school regularly
1.29 attended and a copy of which is expected to be available for the individual use of each
1.30 pupil in this class or program.

2.1 (b) For purposes of calculating the annual nonpublic pupil aid entitlement for
 2.2 textbooks, the term shall be limited to books, workbooks, or manuals, whether bound
 2.3 or in loose-leaf form, as well as electronic books and other printed materials delivered
 2.4 electronically, intended for use as a principal source of study material for a given class or a
 2.5 group of students.

2.6 (c) For purposes of sections 123B.40 to 123B.48, the term includes terms "textbook"
 2.7 and "software or other educational technology" include only such secular, neutral, and
 2.8 nonideological textbooks materials as are available, used by, or of benefit to Minnesota
 2.9 public school pupils.

2.10 **EFFECTIVE DATE.** This section is effective July 1, 2012.

2.11 Sec. 2. Minnesota Statutes 2010, section 123B.41, is amended by adding a subdivision
 2.12 to read:

2.13 Subd. 5a. **Software or other educational technology.** For purposes of sections
 2.14 123B.42 and 123B.43, "software or other educational technology" includes software,
 2.15 programs, applications, hardware, and any other electronic educational technology.

2.16 **EFFECTIVE DATE.** This section is effective July 1, 2012.

2.17 Sec. 3. Minnesota Statutes 2010, section 123B.42, is amended to read:

2.18 **123B.42 TEXTBOOKS; INDIVIDUAL INSTRUCTION OR COOPERATIVE**
 2.19 **LEARNING MATERIAL; STANDARD TESTS.**

2.20 Subdivision 1. **Providing education materials and tests.** The commissioner of
 2.21 education shall promulgate rules under the provisions of chapter 14 requiring that in
 2.22 each school year, based upon formal requests by or on behalf of nonpublic school pupils
 2.23 in a nonpublic school, the local districts or intermediary service areas must purchase or
 2.24 otherwise acquire textbooks, individualized instructional or cooperative learning materials,
 2.25 software or other educational technology, and standardized tests and loan or provide them
 2.26 for use by children enrolled in that nonpublic school. These textbooks, individualized
 2.27 instructional or cooperative learning materials, software or other educational technology,
 2.28 and standardized tests must be loaned or provided free to the children for the school year
 2.29 for which requested. The loan or provision of the textbooks, individualized instructional or
 2.30 cooperative learning materials, and standardized tests shall be subject to rules prescribed
 2.31 by the commissioner of education.

2.32 Subd. 1a. **Curriculum; electronic components.** A school district that provides
 2.33 curriculum to resident students that has both physical and electronic components must

3.1 make the electronic component accessible to a resident student in a home school in
3.2 compliance with sections 120A.22 and 120A.24 at the request of the student or the
3.3 student's parent or guardian, provided that the district does not incur more than an
3.4 incidental cost as a result of providing access electronically.

3.5 Subd. 2. **Title to education materials and tests.** The title to textbooks,
3.6 individualized instructional or cooperative learning materials, software or other
3.7 educational technology, and standardized testing materials must remain in the servicing
3.8 school district or intermediary service area, and possession or custody may be granted
3.9 or charged to administrators of the nonpublic school attended by the nonpublic school
3.10 pupil or pupils to whom the textbooks, individualized instructional or cooperative learning
3.11 materials, or standardized tests are loaned or provided.

3.12 Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized
3.13 instructional or cooperative learning materials, software or other educational technology,
3.14 and standardized tests provided for in this section for each school year must not exceed the
3.15 statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota
3.16 public elementary and secondary schools for textbooks, individualized instructional
3.17 materials and standardized tests as computed and established by the department by
3.18 February 1 of the preceding school year from the most recent public school year data
3.19 then available.

3.20 (b) The cost computed in clause (a) shall be increased by an inflation adjustment
3.21 equal to the percent of increase in the formula allowance, pursuant to section 126C.10,
3.22 subdivision 2, from the second preceding school year to the current school year.

3.23 (c) The commissioner shall allot to the districts or intermediary service areas the
3.24 total cost for each school year of providing or loaning the textbooks, individualized
3.25 instructional or cooperative learning materials, software or other educational technology,
3.26 and standardized tests for the pupils in each nonpublic school. The allotment shall not
3.27 exceed the product of the statewide average expenditure per pupil, according to clause
3.28 (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils
3.29 who make requests pursuant to this section and who are enrolled as of September 15 of
3.30 the current school year.

3.31 **EFFECTIVE DATE.** This section is effective July 1, 2012.

3.32 Sec. 4. Minnesota Statutes 2010, section 123B.43, is amended to read:

3.33 **123B.43 USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.**

4.1 (a) The commissioner shall assure that textbooks and individualized instructional
4.2 materials loaned to nonpublic school pupils are secular, neutral, nonideological and that
4.3 they are incapable of diversion for religious use.

4.4 (b) Textbooks ~~and~~, individualized instructional materials, software and other
4.5 technology must not be used in religious courses, devotional exercises, religious training
4.6 or any other religious activity.

4.7 (c) Textbooks and individualized instructional materials must be loaned only to
4.8 individual pupils upon the request of a parent or guardian or the pupil on a form designated
4.9 for this use by the commissioner. The request forms shall provide for verification by the
4.10 parent or guardian or pupil that the requested textbooks and individualized instructional
4.11 materials are for the use of the individual pupil in connection with a program of instruction
4.12 in the pupil's elementary or secondary school.

4.13 (d) The servicing school district or the intermediary service area must take adequate
4.14 measures to ensure an accurate and periodic inventory of all textbooks ~~and~~, individualized
4.15 instructional materials, software and other technology loaned to elementary and secondary
4.16 school pupils attending nonpublic schools. The commissioner of education shall
4.17 promulgate rules under the provisions of chapter 14 to terminate the eligibility of any
4.18 nonpublic school pupil if the commissioner determines, after notice and opportunity for
4.19 hearing, that the textbooks ~~or~~, individualized instructional materials, or software or other
4.20 technology have been used in a manner contrary to the provisions of section 123B.41,
4.21 subdivision 5, 123B.42, or this section or any rules promulgated by the commissioner
4.22 of education.

4.23 (e) Nothing contained in section 123B.41, subdivision 5, 123B.42, or this section
4.24 shall be construed to authorize the making of any payments to a nonpublic school or its
4.25 faculty, staff or administrators for religious worship or instruction or for any other purpose.

4.26 **EFFECTIVE DATE.** This section is effective July 1, 2012.

4.27 Sec. 5. Minnesota Statutes 2010, section 126C.10, subdivision 28, is amended to read:

4.28 Subd. 28. **Equity region.** For the purposes of computing equity revenue under
4.29 subdivision 24, a district ~~whose with its administrative offices on July 1, 1999, is office~~
4.30 located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County on
4.31 January 1, 2012, is part of the metro equity region. ~~Districts whose administrative offices~~
4.32 ~~on July 1, 1999, are not located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or~~
4.33 ~~Washington County~~ All other districts are part of the rural equity region.

5.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2013
5.2 and later.

5.3 Sec. 6. Minnesota Statutes 2011 Supplement, section 127A.33, is amended to read:

5.4 **127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.**

5.5 (a) The commissioner shall apportion the school endowment fund semiannually
5.6 on the first Monday in March and September in each year, to districts whose schools
5.7 have been in session at least nine months. The apportionment shall be in proportion to
5.8 each district's adjusted average daily membership during the preceding year. **Any annual**
5.9 apportionment in excess of \$28 per pupil in adjusted average daily membership must be
5.10 reserved and used only for the school technology purposes listed in paragraph (b). The
5.11 apportionment shall not be paid to a district for pupils for whom tuition is received by
5.12 the district.

5.13 (b) For purposes of this section, revenue reserved under paragraph (a) for school
5.14 technology purposes may only be used:

5.15 (1) to purchase or lease computers and related materials, copying machines,
5.16 telecommunications equipment, and other noninstructional equipment;

5.17 (2) to purchase or lease assistive technology or equipment for instructional programs;

5.18 (3) to purchase new and replacement library media resources or technology;

5.19 (4) to pay for ongoing or recurring telecommunications or Internet access costs
5.20 associated with Internet access, data lines, and video links; or

5.21 (5) to pay for service provider installation fees for installation of new
5.22 telecommunications lines or increased bandwidth.

5.23 **EFFECTIVE DATE.** This section is effective for apportionments occurring on or
5.24 after July 1, 2012.

5.25 Sec. 7. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
5.26 2, is amended to read:

5.27 Subd. 2. **General education aid.** For general education aid under Minnesota
5.28 Statutes, section 126C.13, subdivision 4:

5.29 ~~5,112,037,000~~
5.30 \$ 5,720,705,000 2012

5.31 ~~5,850,065,000~~
5.32 \$ 5,854,570,000 2013

5.33 The 2012 appropriation includes ~~\$1,678,539,000~~ \$1,660,922,000 for 2011 and
5.34 ~~\$3,433,498,000~~ \$4,059,783,000 for 2012.

6.1 The 2013 appropriation includes ~~\$2,297,765,000~~ \$1,696,931,000 for 2012 and
 6.2 ~~\$3,552,300,000~~ \$4,157,639,000 for 2013.

6.3 Sec. 8. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 6.4 3, is amended to read:

6.5 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
 6.6 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
 6.7 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

6.8 \$ ~~31,000~~ 42,000 2012
 6.9 \$ ~~32,000~~ 46,000 2013

6.10 Sec. 9. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 6.11 4, is amended to read:

6.12 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
 6.13 127A.49:

6.14 \$ ~~1,294,000~~
 6.15 \$ 1,503,000 2012
 6.16 \$ ~~1,627,000~~
 6.17 \$ 2,111,000 2013

6.18 The 2012 appropriation includes \$346,000 for 2011 and ~~\$948,000~~ \$1,157,000 for
 6.19 2012.

6.20 The 2013 appropriation includes ~~\$631,000~~ \$491,000 for 2012 and ~~\$996,000~~
 6.21 \$1,620,000 for 2013.

6.22 Sec. 10. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 6.23 5, is amended to read:

6.24 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
 6.25 Statutes, section 123A.485:

6.26 \$ 145,000 2012
 6.27 \$ ~~180,000~~ 211,000 2013

6.28 The 2012 appropriation includes \$145,000 for 2011 and \$0 for 2012.

6.29 The 2013 appropriation includes \$0 for 2012 and ~~\$180,000~~ \$211,000 for 2013.

6.30 Sec. 11. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 6.31 6, is amended to read:

6.32 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
 6.33 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

7.1 ~~14,598,000~~
 7.2 \$ 15,232,000 2012
 7.3 ~~16,198,000~~
 7.4 \$ 15,578,000 2013

7.5 The 2012 appropriation includes ~~\$5,078,000~~ \$4,161,000 for 2011 and ~~\$9,520,000~~
 7.6 \$11,071,000 for 2012.

7.7 The 2013 appropriation includes ~~\$6,346,000~~ \$4,699,000 for 2012 and ~~\$9,852,000~~
 7.8 \$10,879,000 for 2013.

7.9 Sec. 12. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 7.10 7, is amended to read:

7.11 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
 7.12 under Minnesota Statutes, section 123B.92, subdivision 9:

7.13 ~~17,178,000~~
 7.14 \$ 18,864,000 2012
 7.15 ~~19,056,000~~
 7.16 \$ 19,061,000 2013

7.17 The 2012 appropriation includes ~~\$5,895,000~~ \$5,700,000 for 2011 and ~~\$11,283,000~~
 7.18 \$13,164,000 for 2012.

7.19 The 2013 appropriation includes ~~\$7,521,000~~ \$5,587,000 for 2012 and ~~\$11,535,000~~
 7.20 \$13,474,000 for 2013.

7.21 Sec. 13. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 7.22 10, is amended to read:

7.23 Subd. 10. **Compensatory pilot project formula aid.** For grants for compensatory
 7.24 pilot project formula aid as calculated under this subdivision:

7.25 ~~9,776,000~~
 7.26 \$ 10,228,000 2013

7.27 For fiscal year 2013 only, a district which has a pupil unit count that is in the top 20
 7.28 largest pupil unit counts is eligible for the greater of zero or \$1,400 times the number of
 7.29 compensatory pupil units, minus the amount of compensatory education revenue received
 7.30 by the district under Minnesota Statutes, section 126C.10, subdivision 3.

7.31 The 2013 appropriation includes \$0 for 2012 and ~~\$9,776,000~~ \$10,228,000 for 2013.

7.32 This is a onetime appropriation.

7.33 Sec. 14. **EFFECTIVE DATE.**

7.34 Unless otherwise specified, this article is effective the day following final enactment.

8.1 **ARTICLE 2**8.2 **EDUCATION EXCELLENCE**

8.3 Section 1. Minnesota Statutes 2010, section 13.43, subdivision 2, is amended to read:

8.4 Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and
8.5 subject to the limitations described in subdivision 5a, the following personnel data on
8.6 current and former employees, volunteers, and independent contractors of a government
8.7 entity is public:

8.8 (1) name; employee identification number, which must not be the employee's Social
8.9 Security number; actual gross salary; salary range; terms and conditions of employment
8.10 relationship; contract fees; actual gross pension; the value and nature of employer paid
8.11 fringe benefits; and the basis for and the amount of any added remuneration, including
8.12 expense reimbursement, in addition to salary;

8.13 (2) job title and bargaining unit; job description; education and training background;
8.14 and previous work experience;

8.15 (3) date of first and last employment;

8.16 (4) the existence and status of any complaints or charges against the employee,
8.17 regardless of whether the complaint or charge resulted in a disciplinary action;

8.18 (5) the final disposition of any disciplinary action together with the specific reasons
8.19 for the action and data documenting the basis of the action, excluding data that would
8.20 identify confidential sources who are employees of the public body;

8.21 (6)(i) the complete terms of any agreement settling any dispute arising out of
8.22 or arrangement resulting from amending, terminating, or otherwise modifying an
8.23 employment relationship, including a buyout agreement as defined in section 123B.143,
8.24 subdivision 2, paragraph (a); except that the agreement, or (ii) an agreement involving
8.25 the payment of more than \$10,000 of public money or resulting from terminating an
8.26 employment relationship that includes a lump sum payment made in lieu of salary or other
8.27 compensation must include specific reasons for the agreement if it involves the payment
8.28 of more than \$10,000 of public money;

8.29 (7) work location; a work telephone number; badge number; work-related continuing
8.30 education; and honors and awards received; and

8.31 (8) payroll time sheets or other comparable data that are only used to account for
8.32 employee's work time for payroll purposes, except to the extent that release of time sheet
8.33 data would reveal the employee's reasons for the use of sick or other medical leave
8.34 or other not public data.

9.1 (b) For purposes of this subdivision, a final disposition occurs when the government
9.2 entity makes its final decision about the disciplinary action, regardless of the possibility of
9.3 any later proceedings or court proceedings. Final disposition includes a resignation by an
9.4 individual when the resignation occurs after the final decision of the government entity,
9.5 or arbitrator. In the case of arbitration proceedings arising under collective bargaining
9.6 agreements, a final disposition occurs at the conclusion of the arbitration proceedings,
9.7 or upon the failure of the employee to elect arbitration within the time provided by the
9.8 collective bargaining agreement. A disciplinary action does not become public data if an
9.9 arbitrator sustains a grievance and reverses all aspects of any disciplinary action.

9.10 (c) The government entity may display a photograph of a current or former employee
9.11 to a prospective witness as part of the government entity's investigation of any complaint
9.12 or charge against the employee.

9.13 (d) A complainant has access to a statement provided by the complainant to a
9.14 government entity in connection with a complaint or charge against an employee.

9.15 (e) Notwithstanding paragraph (a), clause (5), upon completion of an investigation
9.16 of a complaint or charge against a public official, or if a public official resigns or is
9.17 terminated from employment while the complaint or charge is pending, all data relating to
9.18 the complaint or charge are public, unless access to the data would jeopardize an active
9.19 investigation or reveal confidential sources. For purposes of this paragraph, "public
9.20 official" means:

- 9.21 (1) the head of a state agency and deputy and assistant state agency heads;
9.22 (2) members of boards or commissions required by law to be appointed by the
9.23 governor or other elective officers; and
9.24 (3) executive or administrative heads of departments, bureaus, divisions, or
9.25 institutions within state government.

9.26 **EFFECTIVE DATE.** This section is effective the day following final enactment
9.27 and applies to any agreement entered into or modified after that date.

9.28 Sec. 2. Minnesota Statutes 2011 Supplement, section 122A.245, subdivision 1, is
9.29 amended to read:

9.30 Subdivision 1. **Requirements.** (a) To improve academic excellence, improve ethnic
9.31 and cultural diversity in the classroom, and close the academic achievement gap, the
9.32 Board of Teaching must approve qualified teacher preparation programs under this section
9.33 that are a means to acquire a two-year limited-term license, which the board may renew
9.34 one time for an additional one-year term, and to prepare for acquiring a standard license.
9.35 The following entities are eligible to participate under this section:

10.1 (1) a school district or charter school that forms a partnership with a college or
 10.2 university that has a board-approved alternative teacher preparation program; or

10.3 (2) a school district or charter school, after consulting with a college or university
 10.4 with a board-approved teacher preparation program, forms a partnership with a nonprofit
 10.5 corporation organized under chapter 317A for an education-related purpose that has a
 10.6 board-approved teacher preparation program.

10.7 (b) Before participating in this program, a candidate must:

10.8 (1) have a bachelor's degree with a 3.0 or higher grade point average unless the
 10.9 board waives the grade point average requirement based on board-adopted criteria;

10.10 (2) pass the reading, writing, and mathematics skills examination under section
 10.11 122A.09, subdivision 4, paragraph (b); and

10.12 (3) obtain qualifying scores on applicable board-approved rigorous content area and
 10.13 pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

10.14 (c) The Board of Teaching must issue a two-year limited-term license to a person
 10.15 who enrolls in an alternative teacher preparation program. This limited-term license is not
 10.16 a provisional license under section 122A.40 or 122A.41.

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

10.18 Sec. 3. Minnesota Statutes 2010, section 122A.40, subdivision 10, is amended to read:

10.19 Subd. 10. **Negotiated unrequested leave of absence.** (a) The school board and the
 10.20 exclusive bargaining representative of the teachers ~~may~~ must negotiate a plan providing
 10.21 for unrequested leave of absence without pay or fringe benefits for as many teachers
 10.22 as may be necessary because of discontinuance of position, lack of pupils, financial
 10.23 limitations, or merger of classes caused by consolidation of districts. The plan must
 10.24 base unrequested leave of absence decisions on teachers' subject matter licensure fields
 10.25 and evaluation outcomes, from the least to most effective category under subdivision
 10.26 8 and from the least to greatest seniority within each effectiveness category, and must
 10.27 be consistent with subdivision 11, paragraph (n). Failing to successfully negotiate
 10.28 such a plan, the provisions of subdivision 11 shall apply. The negotiated plan must not
 10.29 include provisions which would result in the exercise of seniority by a teacher holding a
 10.30 provisional license, other than a vocational education license if required for the position,
 10.31 contrary to the provisions of subdivision 11, ~~clause~~ paragraph (c), or the reinstatement of a
 10.32 teacher holding a provisional license, other than a vocational education license required
 10.33 for the position, contrary to the provisions of subdivision 11, ~~clause (c)~~ paragraph (f). The
 10.34 provisions of section 179A.16 do not apply for the purposes of this subdivision.

11.1 (b) For purposes of placing a teacher on unrequested leave of absence or recalling a
11.2 teacher from unrequested leave of absence, nothing in this subdivision requires a school
11.3 board to reassign a teacher with more seniority to a different subject matter licensure
11.4 field in order to accommodate the seniority claims of a teacher who is similarly licensed
11.5 and effective but with less seniority. For purposes of this subdivision, a teacher holding
11.6 a provisional license is a teacher who has received a waiver or variance to teach from
11.7 the Minnesota Board of Teaching.

11.8 (c) Notwithstanding section 13.43, subdivision 2, paragraph (a), clause (5), or
11.9 other law to the contrary, a teacher's effectiveness category and the underlying data on
11.10 the individual teacher generated under the teacher evaluation process in subdivision 8,
11.11 paragraph (b), used to determine a teacher's effectiveness category for purposes of this
11.12 subdivision are private data on individuals.

11.13 (d) Nothing in this subdivision permits a school board to use a teacher's remuneration
11.14 as a basis for making unrequested leave of absence or discharge decisions.

11.15 **EFFECTIVE DATE.** This section is effective the day following final enactment
11.16 and applies to negotiated plans agreed to after that date.

11.17 Sec. 4. Minnesota Statutes 2010, section 122A.40, subdivision 11, is amended to read:

11.18 Subd. 11. **Unrequested leave of absence.** The board may place on unrequested
11.19 leave of absence, without pay or fringe benefits, as many teachers as may be necessary
11.20 because of discontinuance of position, lack of pupils, financial limitations, or merger
11.21 of classes caused by consolidation or reorganization of districts under chapter 123A.
11.22 The unrequested leave is effective at the close of the school year. In placing teachers on
11.23 unrequested leave, the board is governed by the following provisions:

11.24 (a) The board may place probationary teachers on unrequested leave first in the
11.25 inverse order of their employment. A teacher who has acquired continuing contract
11.26 rights must not be placed on unrequested leave of absence while probationary teachers
11.27 are retained in positions for which the teacher who has acquired continuing contract
11.28 rights is licensed;

11.29 (b) Teachers who have acquired continuing contract rights shall be placed on
11.30 unrequested leave of absence in fields in which they are licensed in the inverse order
11.31 in which they were employed by the school district. In the case of equal seniority, the
11.32 order in which teachers who have acquired continuing contract rights shall be placed on
11.33 unrequested leave of absence in fields in which they are licensed is negotiable;

11.34 (c) Notwithstanding the provisions of ~~clause~~ paragraph (b), a teacher is not entitled
11.35 to exercise any seniority when that exercise results in that teacher being retained by the

12.1 district in a field for which the teacher holds only a provisional license, as defined by the
 12.2 board of teaching, unless that exercise of seniority results in the placement on unrequested
 12.3 leave of absence of another teacher who also holds a provisional license in the same field.
 12.4 The provisions of this ~~clause~~ paragraph do not apply to vocational education licenses,
 12.5 required for available positions.

12.6 (d) Notwithstanding ~~clauses~~ paragraphs (a), (b) and (c), if the placing of a
 12.7 probationary teacher on unrequested leave before a teacher who has acquired continuing
 12.8 rights, the placing of a teacher who has acquired continuing contract rights on unrequested
 12.9 leave before another teacher who has acquired continuing contract rights but who has
 12.10 greater seniority, or the restriction imposed by the provisions of ~~clause~~ paragraph (c) would
 12.11 place the district in violation of its affirmative action program, the district may retain the
 12.12 probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;;

12.13 (e) For purposes of placing a teacher on unrequested leave of absence or recalling a
 12.14 teacher from unrequested leave of absence, nothing in this subdivision requires a school
 12.15 board to reassign a teacher with more seniority to a different subject matter licensure field
 12.16 in order to accommodate the seniority claims of a teacher who is similarly licensed and
 12.17 effective but with less seniority.

12.18 (f) Teachers placed on unrequested leave of absence must be reinstated to the
 12.19 positions from which they have been given leaves of absence or, if not available, to other
 12.20 available positions in the school district in fields in which they are licensed. Reinstatement
 12.21 must be in the inverse order of placement on leave of absence. A teacher must not be
 12.22 reinstated to a position in a field in which the teacher holds only a provisional license,
 12.23 other than a vocational education license if required for the position, while another teacher
 12.24 who holds a nonprovisional license in the same field remains on unrequested leave.
 12.25 The order of reinstatement of teachers who have equal seniority and who are placed on
 12.26 unrequested leave in the same school year is negotiable;;

12.27 ~~(f)~~ (g) Appointment of a new teacher must not be made while there is available, on
 12.28 unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the
 12.29 teacher fails to advise the school board within 30 days of the date of notification that a
 12.30 position is available to that teacher who may return to employment and assume the duties
 12.31 of the position to which appointed on a future date determined by the board;;

12.32 ~~(g)~~ (h) A teacher placed on unrequested leave of absence may engage in teaching
 12.33 or any other occupation during the period of this leave;;

12.34 ~~(h)~~ (i) The unrequested leave of absence must not impair the continuing contract
 12.35 rights of a teacher or result in a loss of credit for previous years of service;;

13.1 ~~(j)~~ (j) Consistent with paragraph (n) and subdivision 10, the unrequested leave of
13.2 absence of a teacher who is categorized as effective or better under subdivision 8, who
13.3 is placed on unrequested leave of absence, and who is not reinstated shall continue for a
13.4 period of five years, after which the right to reinstatement shall terminate terminates. The
13.5 teacher's right to reinstatement shall also terminate terminates if the teacher fails to file
13.6 with the board by April 1 of any each year a written statement requesting reinstatement.

13.7 (k) Consistent with paragraph (n) and subdivision 10, the unrequested leave of
13.8 absence of a teacher who is categorized as ineffective or less under subdivision 8, who
13.9 is placed on unrequested leave of absence, and who is not reinstated continues for the
13.10 following school year only, after which the teacher's right to reinstatement terminates. The
13.11 teacher's right to reinstatement also terminates if the teacher fails to file with the board by
13.12 April 1 in that following school year a written statement requesting reinstatement.

13.13 ~~(l)~~ (l) The same provisions applicable to terminations of probationary or continuing
13.14 contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of
13.15 absence.

13.16 ~~(m)~~ (m) Nothing in this subdivision shall be construed to impair the rights of teachers
13.17 placed on unrequested leave of absence to receive unemployment benefits if otherwise
13.18 eligible.

13.19 (n) Beginning in the 2016-2017 school year and later, and notwithstanding any law
13.20 to the contrary, a school board must place teachers on unrequested leave of absence based
13.21 on their subject matter licensure fields and most recent evaluation outcomes, from the
13.22 least to most effective category under subdivision 8 and from the least to greatest seniority
13.23 within each effectiveness category. A school board is not required to reassign a teacher
13.24 with more seniority to a different subject matter licensure field in order to accommodate
13.25 the seniority claims of a teacher who is similarly licensed and effective but with less
13.26 seniority. A school board may decide not to renew a probationary teacher's contract or
13.27 may place the probationary teacher on unrequested leave of absence as it sees fit. The
13.28 school board must publish in a readily accessible format the unrequested leave of absence
13.29 plan it develops and implements under this paragraph.

13.30 (o) For purposes of this subdivision, a teacher who holds only a provisional license
13.31 is a teacher who has received a waiver or variance to teach from the Minnesota Board of
13.32 Teaching.

13.33 (p) Notwithstanding section 13.43, subdivision 2, paragraph (a), clause (5), or
13.34 other law to the contrary, a teacher's effectiveness category and the underlying data on
13.35 the individual teacher generated under the teacher evaluation process in subdivision 8,

14.1 paragraph (b), used to determine a teacher's effectiveness category for purposes of this
14.2 subdivision are private data on individuals.

14.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
14.4 except that paragraph (n) is effective for the 2016-2017 school year and later.

14.5 Sec. 5. Minnesota Statutes 2010, section 122A.40, subdivision 13, is amended to read:

14.6 Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph
14.7 (b), a board may discharge a continuing-contract teacher, effective immediately, upon any
14.8 of the following grounds:

14.9 (1) immoral conduct, insubordination, or conviction of a felony;

14.10 (2) conduct unbecoming a teacher which requires the immediate removal of the
14.11 teacher from classroom or other duties;

14.12 (3) failure without justifiable cause to teach without first securing the written release
14.13 of the school board;

14.14 (4) gross inefficiency which the teacher has failed to correct after reasonable written
14.15 notice;

14.16 (5) willful neglect of duty; or

14.17 (6) continuing physical or mental disability subsequent to a 12 months leave of
14.18 absence and inability to qualify for reinstatement in accordance with subdivision 12.

14.19 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair
14.20 discriminatory practice described in section 363A.13.

14.21 Prior to discharging a teacher under this paragraph, the board must notify the
14.22 teacher in writing and state its ground for the proposed discharge in reasonable detail.
14.23 Within ten days after receipt of this notification the teacher may make a written request
14.24 for a hearing before the board and it shall be granted before final action is taken. The
14.25 board may, ~~however,~~ suspend a teacher with pay pending the conclusion of ~~such the~~
14.26 hearing and determination of the issues raised in the hearing after charges have been
14.27 filed which constitute ground for discharge. If a teacher has been charged with a felony
14.28 and the underlying conduct that is the subject of the felony charge is a ground for a
14.29 proposed immediate discharge, the suspension pending the conclusion of the hearing and
14.30 determination of the issues may be without pay. If a hearing under this paragraph is held,
14.31 the board must reimburse the teacher for any salary or compensation withheld if the
14.32 final decision of the board or the arbitrator does not result in a penalty to or suspension,
14.33 termination, or discharge of the teacher.

15.1 (b) A board must discharge a continuing-contract teacher, effective immediately,
15.2 upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the
15.3 teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

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

15.5 Sec. 6. Minnesota Statutes 2010, section 122A.40, subdivision 19, is amended to read:

15.6 Subd. 19. **Records relating to individual teacher; access; expungement.** All
15.7 evaluations and files generated within a school district relating to each individual teacher,
15.8 including teacher evaluation data under subdivisions 8, 10, and 11, among other teacher
15.9 evaluations and files, must be available to each individual teacher upon written request.
15.10 Effective January 1, 1976, all evaluations and files, wherever generated, relating to each
15.11 individual teacher must be available to each individual teacher upon written request. The
15.12 teacher shall have the right to reproduce any of the contents of the files at the teacher's
15.13 expense and to submit for inclusion in the file written information in response to any
15.14 material contained therein.

15.15 A district may destroy the files as provided by law and must expunge from
15.16 the teacher's file any material found to be false or inaccurate through the grievance
15.17 procedure required pursuant to section 179A.20, subdivision 4. The grievance procedure
15.18 promulgated by the director of the bureau of mediation services, pursuant to section
15.19 179A.04, subdivision 3, clause (h), applies to those principals and supervisory employees
15.20 not included in an appropriate unit as defined in section 179A.03. Expungement
15.21 proceedings must be commenced within the time period provided in the collective
15.22 bargaining agreement for the commencement of a grievance. If no time period is provided
15.23 in the bargaining agreement, the expungement proceedings must commence within 15
15.24 days after the teacher has knowledge of the inclusion in the teacher's file of the material
15.25 the teacher seeks to have expunged.

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

15.27 Sec. 7. Minnesota Statutes 2011 Supplement, section 122A.41, subdivision 6, is
15.28 amended to read:

15.29 Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided
15.30 in paragraph (b), causes for the discharge or demotion of a teacher either during or after
15.31 the probationary period must be:

15.32 (1) immoral character, conduct unbecoming a teacher, or insubordination;

16.1 (2) failure without justifiable cause to teach without first securing the written release
 16.2 of the school board having the care, management, or control of the school in which the
 16.3 teacher is employed;

16.4 (3) inefficiency in teaching or in the management of a school, consistent with
 16.5 subdivision 5, paragraph (b);

16.6 (4) affliction with active tuberculosis or other communicable disease must be
 16.7 considered as cause for removal or suspension while the teacher is suffering from such
 16.8 disability; or

16.9 (5) discontinuance of position or lack of pupils.

16.10 Beginning no later than the 2016-2017 school year, and notwithstanding any
 16.11 contradictory provisions in this subdivision, the school board must discharge or demote
 16.12 teachers under clause (5) based on their subject matter licensure fields and most recent
 16.13 evaluation outcomes, from the least to most effective category under subdivision 5 and
 16.14 from the least to greatest seniority within each effectiveness category. Notwithstanding
 16.15 section 13.43, subdivision 2, paragraph (a), clause (5), or other law to the contrary,
 16.16 a teacher's effectiveness category and the underlying data on the individual teacher
 16.17 generated under the teacher evaluation process in subdivision 5, paragraph (b), used
 16.18 to determine a teacher's effectiveness category for purposes of this subdivision are
 16.19 private data on individuals. The school board must publish in a readily accessible format
 16.20 any discharge and demotion plan it develops to implement clause (5). Nothing in this
 16.21 subdivision permits a school board to use a teacher's remuneration as a basis for making
 16.22 discharge or demotion decisions.

16.23 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair
 16.24 discriminatory practice described in section 363A.13.

16.25 (b) A probationary or continuing-contract teacher must be discharged immediately
 16.26 upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the
 16.27 teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

16.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
 16.29 and applies to negotiated plans agreed to after that date.

16.30 Sec. 8. Minnesota Statutes 2010, section 122A.41, subdivision 14, is amended to read:

16.31 Subd. 14. **Services terminated by discontinuance or lack of pupils; preference**
 16.32 **given.** (a) To the extent consistent with paragraph (c) and subdivision 6, paragraph (a),
 16.33 clause (5), a teacher whose services are terminated on account of discontinuance of
 16.34 position or lack of pupils must receive first consideration for other positions in the district
 16.35 for which that teacher is qualified. ~~In the event~~ If it becomes ~~is~~ necessary to discontinue

17.1 one or more positions, in making such discontinuance, teachers must be discontinued in
17.2 any department in the inverse order in which they were employed, unless a board and the
17.3 exclusive representative of teachers in the district negotiate a plan providing otherwise.

17.4 (b) Notwithstanding the provisions of ~~clause~~ paragraph (a), and to the extent
17.5 consistent with paragraph (c) and subdivision 6, paragraph (a), a teacher is not entitled
17.6 to exercise any seniority when that exercise results in that teacher being retained by the
17.7 district in a field for which the teacher holds only a provisional license, as defined by the
17.8 Board of Teaching, unless that exercise of seniority results in the termination of services,
17.9 on account of discontinuance of position or lack of pupils, of another teacher who also
17.10 holds a provisional license in the same field. The provisions of this clause do not apply
17.11 to vocational education licenses.

17.12 (c) For purposes of discharging, demoting, or recalling a teacher whose services are
17.13 terminated under this subdivision, nothing in this subdivision requires a school board
17.14 to reassign a teacher with more seniority to a different subject matter licensure field in
17.15 order to accommodate the seniority claims of a teacher who is similarly licensed and
17.16 effective but with less seniority.

17.17 (d) Notwithstanding the provisions of ~~clause~~ paragraph (a), and to the extent
17.18 consistent with paragraph (c) and subdivision 6, paragraph (a), a teacher must not be
17.19 reinstated to a position in a field in which the teacher holds only a provisional license,
17.20 other than a vocational education license if required for the position, while another teacher
17.21 who holds a nonprovisional license in the same field is available for reinstatement.

17.22 (e) For purposes of this subdivision, a teacher who holds a provisional license is
17.23 a teacher who has received a waiver or variance to teach from the Minnesota Board of
17.24 Teaching.

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

17.26 Sec. 9. Minnesota Statutes 2010, section 122A.41, subdivision 15, is amended to read:

17.27 Subd. 15. **Records relating to individual teacher; access; expungement.** All
17.28 evaluations and files generated within a district relating to each individual teacher,
17.29 including teacher evaluation data under subdivisions 5, 6, and 14, among other teacher
17.30 evaluations and files, must be available to each individual teacher upon the teacher's
17.31 written request. Effective January 1, 1976, all evaluations and files, wherever generated,
17.32 relating to each individual teacher must be available to each individual teacher upon the
17.33 teacher's written request. The teacher has the right to reproduce any of the contents of the
17.34 files at the teacher's expense and to submit for inclusion in the file written information in
17.35 response to any material contained therein.

18.1 A district may destroy the files as provided by law and must expunge from
18.2 the teacher's file any material found to be false or substantially inaccurate through
18.3 the grievance procedure required pursuant to section 179A.20, subdivision 4. The
18.4 grievance procedure promulgated by the director of the Bureau of Mediation Services,
18.5 pursuant to section 179A.04, subdivision 3, clause (h), applies to those principals and
18.6 supervisory employees not included in an appropriate unit as defined in section 179A.03.
18.7 Expungement proceedings must be commenced within the time period provided in the
18.8 collective bargaining agreement for the commencement of a grievance. If no time period
18.9 is provided in the bargaining agreement, the expungement proceedings must commence
18.10 within 15 days after the teacher has knowledge of the inclusion in the teacher's file of the
18.11 material the teacher seeks to have expunged.

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

18.13 Sec. 10. Minnesota Statutes 2010, section 123A.75, subdivision 1, is amended to read:

18.14 Subdivision 1. **Teacher assignment.** (a) As of the effective date of a consolidation
18.15 in which a district is divided or the dissolution of a district and its attachment to two or
18.16 more existing districts, each teacher employed by an affected district shall be assigned to
18.17 the newly created or enlarged district on the basis of a ratio of the pupils assigned to each
18.18 district according to the new district boundaries. The district receiving the greatest number
18.19 of pupils must be assigned the teacher with the greatest seniority, and the remaining
18.20 teachers must be alternately assigned to each district until the district receiving the fewest
18.21 pupils has received its ratio of teachers who will not be retiring before the effective date of
18.22 the consolidation or dissolution.

18.23 (b) Notwithstanding paragraph (a), the board and the exclusive representative of
18.24 teachers in each district involved in the consolidation or dissolution and attachment may
18.25 negotiate a plan for assigning teachers to each newly created or enlarged district.

18.26 **(c) Notwithstanding other law to the contrary, the provisions of this section apply**
18.27 **only to the extent they are consistent with section 122A.40, subdivisions 8, 10, and 11.**

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

18.29 Sec. 11. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
18.30 2, is amended to read:

18.31 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
18.32 Statutes, section 124D.11, subdivision 4:

19.1 ~~43,203,000~~
 19.2 \$ 45,573,000 2012
 19.3 ~~52,359,000~~
 19.4 \$ 49,168,000 2013

19.5 The 2012 appropriation includes ~~\$13,336,000~~ \$12,642,000 for 2011 and ~~\$29,867,000~~
 19.6 \$32,931,000 for 2012.

19.7 The 2013 appropriation includes ~~\$19,910,000~~ \$13,979,000 for 2012 and ~~\$32,449,000~~
 19.8 \$35,189,000 for 2013.

19.9 Sec. 12. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 19.10 3, is amended to read:

19.11 Subd. 3. **Charter school start-up aid.** For charter school start-up cost aid under
 19.12 Minnesota Statutes, section 124D.11, subdivision 8:

19.13 \$ ~~171,000~~ 164,000 2012
 19.14 \$ ~~34,000~~ 19,000 2013

19.15 The 2012 appropriation includes \$119,000 for 2011 and ~~\$52,000~~ \$45,000 for 2012.

19.16 The 2013 appropriation includes ~~\$34,000~~ \$19,000 for 2012 and \$0 for 2013.

19.17 Sec. 13. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 19.18 4, is amended to read:

19.19 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
 19.20 124D.86:

19.21 ~~59,599,000~~
 19.22 \$ 65,027,000 2012
 19.23 ~~67,432,000~~
 19.24 \$ 65,526,000 2013

19.25 The 2012 appropriation includes \$19,272,000 for 2011 and ~~\$40,327,000~~ \$45,755,000
 19.26 for 2012.

19.27 The 2013 appropriation includes ~~\$26,884,000~~ \$19,422,000 for 2012 and ~~\$40,548,000~~
 19.28 \$46,104,000 for 2013.

19.29 The base for the final payment in fiscal year 2014 for fiscal year 2013 is ~~\$34,828,000~~
 19.30 \$27,794,000.

19.31 Sec. 14. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 19.32 5, is amended to read:

19.33 Subd. 5. **Literacy incentive aid.** For literacy incentive aid under Minnesota
 19.34 Statutes, section 124D.98:

20.1 ~~29,151,000~~
 20.2 \$ 34,107,000 2013

20.3 The 2013 appropriation includes \$0 for 2012 and ~~\$29,151,000~~ \$34,107,000 for 2013.

20.4 Sec. 15. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 20.5 6, is amended to read:

20.6 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
 20.7 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 20.8 section 124D.87:

20.9 ~~14,917,000~~
 20.10 \$ 13,262,000 2012

20.11 ~~16,612,000~~
 20.12 \$ 13,966,000 2013

20.13 Sec. 16. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 20.14 7, is amended to read:

20.15 Subd. 7. **Success for the future.** For American Indian success for the future grants
 20.16 under Minnesota Statutes, section 124D.81:

20.17 ~~1,924,000~~
 20.18 \$ 2,139,000 2012

20.19 \$ 2,137,000 2013

20.20 The 2012 appropriation includes ~~\$641,000~~ \$638,000 for 2011 and ~~\$1,283,000~~
 20.21 \$1,501,000 for 2012.

20.22 The 2013 appropriation includes ~~\$854,000~~ \$636,000 for 2012 and ~~\$1,283,000~~
 20.23 \$1,501,000 for 2013.

20.24 Sec. 17. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 20.25 9, is amended to read:

20.26 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
 20.27 Statutes, section 124D.83:

20.28 ~~1,883,000~~
 20.29 \$ 1,900,000 2012

20.30 ~~2,206,000~~
 20.31 \$ 1,980,000 2013

20.32 The 2012 appropriation includes \$600,000 for 2011 and ~~\$1,283,000~~ \$1,300,000
 20.33 for 2012.

20.34 The 2013 appropriation includes ~~\$855,000~~ \$551,000 for 2012 and ~~\$1,351,000~~
 20.35 \$1,429,000 for 2013.

21.1 Sec. 18. **EFFECTIVE DATE.**

21.2 Unless otherwise specified, this article is effective the day following final enactment.

21.3 **ARTICLE 3**

21.4 **SPECIAL EDUCATION**

21.5 Section 1. Laws 2011, First Special Session chapter 11, article 3, section 11,
21.6 subdivision 2, is amended to read:

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

21.9		732,658,000		
21.10	\$	<u>816,648,000</u>	.....	2012
21.11		855,605,000		
21.12	\$	<u>859,067,000</u>	.....	2013

21.13 The 2012 appropriation includes \$235,975,000 for 2011 and ~~\$496,683,000~~
21.14 \$580,673,000 for 2012.

21.15 The 2013 appropriation includes ~~\$331,121,000~~ \$246,496,000 for 2012 and
21.16 ~~\$524,484,000~~ \$612,571,000 for 2013.

21.17 Sec. 2. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 3,
21.18 is amended to read:

21.19 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
21.20 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
21.21 within the district boundaries for whom no district of residence can be determined:

21.22		1,648,000		
21.23	\$	<u>1,508,000</u>	.....	2012
21.24		1,745,000		
21.25	\$	<u>1,593,000</u>	.....	2013

21.26 If the appropriation for either year is insufficient, the appropriation for the other
21.27 year is available.

21.28 Sec. 3. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 4,
21.29 is amended to read:

21.30 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
21.31 services under Minnesota Statutes, section 125A.75, subdivision 1:

21.32	\$	322,000 <u>333,000</u>	.....	2012
21.33	\$	358,000 <u>321,000</u>	.....	2013

21.34 The 2012 appropriation includes \$107,000 for 2011 and ~~\$215,000~~ \$226,000 for 2012.

22.1 The 2013 appropriation includes ~~\$142,000~~ \$95,000 for 2012 and ~~\$216,000~~ \$226,000
 22.2 for 2013.

22.3 Sec. 4. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 5,
 22.4 is amended to read:

22.5 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota
 22.6 Statutes, section 125A.79, subdivision 7:

22.7 ~~103,978,000~~
 22.8 \$ 112,522,000 2012
 22.9 ~~115,304,000~~
 22.10 \$ 115,411,000 2013

22.11 The 2012 appropriation includes \$53,449,000 for 2011 and ~~\$50,529,000~~ \$59,073,000
 22.12 for 2012.

22.13 The 2013 appropriation includes ~~\$63,273,000~~ \$54,642,000 for 2012 and ~~\$52,031,000~~
 22.14 \$60,769,000 for 2013.

22.15 Sec. 5. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 6,
 22.16 is amended to read:

22.17 Subd. 6. **Court-placed special education revenue.** For reimbursing serving
 22.18 school districts for unreimbursed eligible expenditures attributable to children placed in
 22.19 the serving school district by court action under Minnesota Statutes, section 125A.79,
 22.20 subdivision 4:

22.21 \$ ~~80,000~~ 52,000 2012
 22.22 \$ ~~82,000~~ 53,000 2013

22.23 Sec. 6. **EFFECTIVE DATE.**

22.24 Unless otherwise specified, this article is effective the day following final enactment.

22.25 **ARTICLE 4**

22.26 **FACILITIES AND TECHNOLOGY**

22.27 Section 1. Laws 2011, First Special Session chapter 11, article 4, section 10,
 22.28 subdivision 2, is amended to read:

22.29 Subd. 2. **Health and safety revenue.** For health and safety aid according to
 22.30 Minnesota Statutes, section 123B.57, subdivision 5:

22.31 \$ ~~111,000~~ 103,000 2012
 22.32 \$ ~~114,000~~ 164,000 2013

23.1 The 2012 appropriation includes \$39,000 for 2011 and ~~\$72,000~~ \$64,000 for 2012.

23.2 The 2013 appropriation includes ~~\$48,000~~ \$27,000 for 2012 and ~~\$66,000~~ \$137,000
 23.3 for 2013.

23.4 Sec. 2. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 23.5 3, is amended to read:

23.6 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
 23.7 Statutes, section 123B.53, subdivision 6:

23.8		11,022,000	
23.9	\$	<u>12,453,000</u>	..... 2012
23.10		19,484,000	
23.11	\$	<u>16,554,000</u>	..... 2013

23.12 The 2012 appropriation includes \$2,604,000 for 2011 and ~~\$8,418,000~~ \$9,849,000
 23.13 for 2012.

23.14 The 2013 appropriation includes ~~\$5,611,000~~ \$4,180,000 for 2012 and ~~\$13,873,000~~
 23.15 \$12,374,000 for 2013.

23.16 Sec. 3. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 23.17 4, is amended to read:

23.18 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
 23.19 according to Minnesota Statutes, section 123B.59, subdivision 1:

23.20		17,359,000	
23.21	\$	<u>19,325,000</u>	..... 2012
23.22	\$	19,287,000	..... 2013

23.23 The 2012 appropriation includes ~~\$5,786,000~~ \$5,785,000 for 2011 and ~~\$11,573,000~~
 23.24 \$13,540,000 for 2012.

23.25 The 2013 appropriation includes ~~\$7,714,000~~ \$5,747,000 for 2012 and ~~\$11,573,000~~
 23.26 \$13,540,000 for 2013.

23.27 Sec. 4. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 23.28 6, is amended to read:

23.29 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
 23.30 Minnesota Statutes, section 123B.591, subdivision 4:

23.31		2,234,000	
23.32	\$	<u>2,483,000</u>	..... 2012
23.33		2,972,000	
23.34	\$	<u>3,193,000</u>	..... 2013

24.1 The 2012 appropriation includes \$676,000 for 2011 and ~~\$1,558,000~~ \$1,807,000
 24.2 for 2012.

24.3 The 2013 appropriation includes ~~\$1,038,000~~ \$766,000 for 2012 and ~~\$1,934,000~~
 24.4 \$2,427,000 for 2013.

24.5 Sec. 5. **LEASE LEVY; ADMINISTRATIVE SPACE; FARIBAULT.**

24.6 Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent
 24.7 School District No. 656, Faribault, may lease administrative space under Minnesota
 24.8 Statutes, section 126C.40, subdivision 1, if the district can demonstrate to the satisfaction
 24.9 of the commissioner of education that the administrative space is less expensive than
 24.10 instructional space that the district would otherwise lease. The commissioner must
 24.11 deny this levy authority unless the district passes a resolution stating its intent to lease
 24.12 instructional space under Minnesota Statutes, section 126C.40, subdivision 1, if the
 24.13 commissioner does not grant authority under this section. The resolution must also certify
 24.14 that a lease of administrative space under this section is less expensive than the district's
 24.15 proposed instructional lease. Levy authority under this section shall not exceed the total
 24.16 levy authority under Minnesota Statutes, section 126C.40, subdivision 1, paragraph (e).

24.17 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

24.18 Sec. 6. **EFFECTIVE DATE.**

24.19 Unless otherwise specified, this article is effective the day following final enactment.

24.20 **ARTICLE 5**

24.21 **NUTRITION AND ACCOUNTING**

24.22 Section 1. Minnesota Statutes 2011 Supplement, section 124D.11, subdivision 9, is
 24.23 amended to read:

24.24 Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section
 24.25 127A.45, subdivision 3, if the current year aid payment percentage under section
 24.26 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current
 24.27 fiscal year to a charter school shall be of an equal amount on each of the 24 payment
 24.28 dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment
 24.29 percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid
 24.30 payments for the current fiscal year to a charter school shall be:

24.31 (1) of an equal amount on each of the 16 payment dates in July through February if
 24.32 the aid payment percentage is 60 or less;

25.1 (2) of an equal amount on each of the 19 payment dates in July through April if the
25.2 aid percentage is between 60 and 70; and

25.3 (3) of an equal amount on each of the 21 payment dates in July through May if
25.4 the aid percentage is between 70 and 90.

25.5 (b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing
25.6 operation on or prior to June 30 of a school year, for the payment periods occurring after
25.7 the school ceases serving students, the commissioner shall withhold the estimated state aid
25.8 owed the school. The charter school board of directors and authorizer must submit to the
25.9 commissioner a closure plan under chapter 308A or 317A, and financial information about
25.10 the school's liabilities and assets. After receiving the closure plan, financial information,
25.11 an audit of pupil counts, documentation of lease expenditures, and monitoring of special
25.12 education expenditures, the commissioner may release cash withheld and may continue
25.13 regular payments up to the current year payment percentages if further amounts are
25.14 owed. If, based on audits and monitoring, the school received state aid in excess of the
25.15 amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid
25.16 overpayment. For a charter school ceasing operations prior to, or at the end of, a school
25.17 year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may
25.18 be made after receiving the closure plan, audit of pupil counts, monitoring of special
25.19 education expenditures, documentation of lease expenditures, and school submission of
25.20 Uniform Financial Accounting and Reporting Standards (UFARS) financial data for the
25.21 final year of operation. Final payment may be made upon receipt of audited financial
25.22 statements under section 123B.77, subdivision 3.

25.23 (c) If a charter school fails to comply with the commissioner's directive to return,
25.24 for cause, federal or state funds administered by the department, the commissioner may
25.25 withhold an amount of state aid sufficient to satisfy the directive.

25.26 (d) If, within the timeline under section 471.425, a charter school fails to pay the state
25.27 of Minnesota, a school district, intermediate school district, or service cooperative after
25.28 receiving an undisputed invoice for goods and services, the commissioner may withhold
25.29 an amount of state aid sufficient to satisfy the claim and shall distribute the withheld
25.30 aid to the interested state agency, school district, intermediate school district, or service
25.31 cooperative. An interested state agency, school district, intermediate school district, or
25.32 education cooperative shall notify the commissioner when a charter school fails to pay an
25.33 undisputed invoice within 75 business days of when it received the original invoice.

25.34 (e) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent
25.35 of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day
25.36 of student attendance for that school year.

26.1 (f) In order to receive state aid payments under this subdivision, a charter school in
26.2 its first three years of operation must submit a school calendar in the form and manner
26.3 requested by the department and a quarterly report to the Department of Education. The
26.4 report must list each student by grade, show the student's start and end dates, if any,
26.5 with the charter school, and for any student participating in a learning year program,
26.6 the report must list the hours and times of learning year activities. The report must be
26.7 submitted not more than two weeks after the end of the calendar quarter to the department.
26.8 The department must develop a Web-based reporting form for charter schools to use
26.9 when submitting enrollment reports. A charter school in its fourth and subsequent year of
26.10 operation must submit a school calendar and enrollment information to the department in
26.11 the form and manner requested by the department.

26.12 (g) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter
26.13 school and satisfaction of creditors, cash and investment balances remaining shall be
26.14 returned to the state.

26.15 (h) A charter school must have a valid, signed contract under section 124D.10,
26.16 subdivision 6, on file at the Department of Education at least 15 days prior to the date of
26.17 first payment of state aid for the fiscal year.

26.18 (i) State aid entitlements shall be computed for a charter school only for the
26.19 portion of a school year for which it has a valid, signed contract under section 124D.10,
26.20 subdivision 6.

26.21 **EFFECTIVE DATE.** This section is effective for fiscal year 2013 and later.

26.22 Sec. 2. Minnesota Statutes 2010, section 124D.111, subdivision 3, is amended to read:

26.23 Subd. 3. **School food service fund.** (a) The expenses described in this subdivision
26.24 must be recorded as provided in this subdivision.

26.25 (b) In each district, the expenses for a school food service program for pupils must
26.26 be attributed to a school food service fund. Under a food service program, the school
26.27 food service may prepare or serve milk, meals, or snacks in connection with school or
26.28 community service activities.

26.29 (c) Revenues and expenditures for food service activities must be recorded in the
26.30 food service fund. The costs of processing applications, accounting for meals, preparing
26.31 and serving food, providing kitchen custodial services, and other expenses involving the
26.32 preparing of meals or the kitchen section of the lunchroom may be charged to the food
26.33 service fund or to the general fund of the district. The costs of lunchroom supervision,
26.34 lunchroom custodial services, lunchroom utilities, and other administrative costs of the
26.35 food service program must be charged to the general fund.

27.1 That portion of superintendent and fiscal manager costs that can be documented as
27.2 attributable to the food service program may be charged to the food service fund provided
27.3 that the school district does not employ or contract with a food service director or other
27.4 individual who manages the food service program, or food service management company.
27.5 If the cost of the superintendent or fiscal manager is charged to the food service fund,
27.6 the charge must be at a wage rate not to exceed the statewide average for food service
27.7 directors as determined by the department.

27.8 (d) Capital expenditures for the purchase of food service equipment must be made
27.9 from the general fund and not the food service fund, unless ~~two conditions apply:~~

27.10 ~~(1) the unreserved balance in the food service fund at the end of the last fiscal year is~~
27.11 ~~greater than the cost of the equipment to be purchased; and~~

27.12 ~~(2) the department has approved the purchase of the equipment.~~

27.13 (e) If the ~~two conditions~~ condition set out in paragraph (d) ~~apply~~ applies, the
27.14 equipment may be purchased from the food service fund.

27.15 (f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit
27.16 is not eliminated by revenues from food service operations in the next fiscal year, then the
27.17 deficit must be eliminated by a permanent fund transfer from the general fund at the end of
27.18 that second fiscal year. However, if a district contracts with a food service management
27.19 company during the period in which the deficit has accrued, the deficit must be eliminated
27.20 by a payment from the food service management company.

27.21 (g) Notwithstanding paragraph (f), a district may incur a deficit in the food service
27.22 fund for up to three years without making the permanent transfer if the district submits
27.23 to the commissioner by January 1 of the second fiscal year a plan for eliminating that
27.24 deficit at the end of the third fiscal year.

27.25 (h) If a surplus in the food service fund exists at the end of a fiscal year for three
27.26 successive years, a district may recode for that fiscal year the costs of lunchroom
27.27 supervision, lunchroom custodial services, lunchroom utilities, and other administrative
27.28 costs of the food service program charged to the general fund according to paragraph (c)
27.29 and charge those costs to the food service fund in a total amount not to exceed the amount
27.30 of surplus in the food service fund.

27.31 **EFFECTIVE DATE.** This section is effective for food service equipment purchases
27.32 made on or after July 1, 2012.

27.33 Sec. 3. Minnesota Statutes 2011 Supplement, section 127A.45, subdivision 2, is
27.34 amended to read:

28.1 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county
 28.2 treasurers pursuant to section 276.10, apportionments from the school endowment fund
 28.3 pursuant to section 127A.33, apportionments by the county auditor pursuant to section
 28.4 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue
 28.5 pursuant to chapter 298.

28.6 (b) "Cumulative amount guaranteed" means the product of
 28.7 (1) the cumulative disbursement percentage shown in subdivision 3; times
 28.8 (2) the sum of
 28.9 (i) the current year aid payment percentage of the estimated aid and credit
 28.10 entitlements paid according to subdivision 13; plus
 28.11 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus
 28.12 (iii) the other district receipts.

28.13 (c) "Payment date" means the date on which state payments to districts are made
 28.14 by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,
 28.15 or a weekday which is a legal holiday, the payment shall be made on the immediately
 28.16 preceding business day. The commissioner may make payments on dates other than
 28.17 those listed in subdivision 3, but only for portions of payments from any preceding
 28.18 payment dates which could not be processed by the electronic funds transfer method due
 28.19 to documented extenuating circumstances.

28.20 (d) The current year aid payment percentage equals 73 in fiscal year 2010 and 70 in
 28.21 fiscal year 2011, and ~~60~~ 70.2 in fiscal ~~years~~ year 2012 and later.

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

28.23 Sec. 4. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision
 28.24 2, is amended to read:

28.25 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
 28.26 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

28.27		12,626,000	
28.28	\$	<u>12,285,000</u>	..... 2012
28.29		12,878,000	
28.30	\$	<u>12,524,000</u>	..... 2013

28.31 Sec. 5. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision
 28.32 3, is amended to read:

28.33 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
 28.34 Statutes, section 124D.1158:

29.1 ~~4,759,000~~
 29.2 \$ 5,247,000 2012
 29.3 ~~4,875,000~~
 29.4 \$ 5,560,000 2013

29.5 Sec. 6. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision
 29.6 4, is amended to read:

29.7 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
 29.8 section 124D.118:

29.9 ~~1,084,000~~
 29.10 \$ 1,025,000 2012
 29.11 ~~1,105,000~~
 29.12 \$ 1,035,000 2013

29.13 Sec. 7. **BALANCES CANCELED TO GENERAL FUND.**

29.14 \$430,094,000 of the unobligated balance in the budget reserve account created in
 29.15 Minnesota Statutes, section 16A.152, subdivision 1a, is canceled to the general fund
 29.16 in fiscal year 2012.

29.17 Sec. 8. **EFFECTIVE DATE.**

29.18 Unless otherwise specified, this article is effective the day following final enactment.

29.19 **ARTICLE 6**
 29.20 **LIBRARIES**

29.21 Section 1. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision
 29.22 2, is amended to read:

29.23 Subd. 2. **Basic system support.** For basic system support grants under Minnesota
 29.24 Statutes, section 134.355:

29.25 ~~12,213,000~~
 29.26 \$ 13,598,000 2012
 29.27 \$ 13,570,000 2013

29.28 The 2012 appropriation includes \$4,071,000 for 2011 and ~~\$8,142,000~~ \$9,527,000
 29.29 for 2012.

29.30 The 2013 appropriation includes ~~\$5,428,000~~ \$4,043,000 for 2012 and ~~\$8,142,000~~
 29.31 \$9,527,000 for 2013.

30.1 Sec. 2. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision 3,
 30.2 is amended to read:

30.3 Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota
 30.4 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

30.5		1,170,000		
30.6	\$	<u>1,303,000</u>	.....	2012
30.7	\$	1,300,000	.....	2013

30.8 The 2012 appropriation includes \$390,000 for 2011 and ~~\$780,000~~ \$913,000 for 2012.

30.9 The 2013 appropriation includes ~~\$520,000~~ \$387,000 for 2012 and ~~\$780,000~~
 30.10 \$913,000 for 2013.

30.11 Sec. 3. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision 5,
 30.12 is amended to read:

30.13 Subd. 5. **Regional library telecommunications aid.** For regional library
 30.14 telecommunications aid under Minnesota Statutes, section 134.355:

30.15		2,070,000		
30.16	\$	<u>2,305,000</u>	.....	2012
30.17	\$	2,300,000	.....	2013

30.18 The 2012 appropriation includes \$690,000 for 2011 and ~~\$1,380,000~~ \$1,615,000
 30.19 for 2012.

30.20 The 2013 appropriation includes ~~\$920,000~~ \$685,000 for 2012 and ~~\$1,380,000~~
 30.21 \$1,615,000 for 2013.

30.22 Sec. 4. **EFFECTIVE DATE.**

30.23 Unless otherwise specified, this article is effective the day following final enactment.

30.24 **ARTICLE 7**

30.25 **EARLY CHILDHOOD EDUCATION**

30.26 Section 1. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision
 30.27 2, is amended to read:

30.28 Subd. 2. **School readiness.** For revenue for school readiness programs under
 30.29 Minnesota Statutes, sections 124D.15 and 124D.16:

30.30		9,085,000		
30.31	\$	<u>10,039,000</u>	.....	2012
30.32	\$	10,095,000	.....	2013

31.1 The 2012 appropriation includes ~~\$3,028,000~~ \$2,952,000 for 2011 and ~~\$6,057,000~~
 31.2 \$7,087,000 for 2012.

31.3 The 2013 appropriation includes ~~\$4,038,000~~ \$3,008,000 for 2012 and ~~\$6,057,000~~
 31.4 \$7,087,000 for 2013.

31.5 Sec. 2. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 3,
 31.6 is amended to read:

31.7 Subd. 3. **Early childhood family education aid.** For early childhood family
 31.8 education aid under Minnesota Statutes, section 124D.135:

31.9		20,191,000	
31.10	\$	<u>22,435,000</u>	..... 2012
31.11		22,977,000	
31.12	\$	<u>22,332,000</u>	..... 2013

31.13 The 2012 appropriation includes \$6,542,000 for 2011 and ~~\$13,649,000~~ \$15,893,000
 31.14 for 2012.

31.15 The 2013 appropriation includes ~~\$9,099,000~~ \$6,746,000 for 2012 and ~~\$13,878,000~~
 31.16 \$15,586,000 for 2013.

31.17 Sec. 3. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 4,
 31.18 is amended to read:

31.19 Subd. 4. **Health and developmental screening aid.** For health and developmental
 31.20 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

31.21		3,211,000	
31.22	\$	<u>3,570,000</u>	..... 2012
31.23		3,550,000	
31.24	\$	<u>3,541,000</u>	..... 2013

31.25 The 2012 appropriation includes \$1,066,000 for 2011 and ~~\$2,145,000~~ \$2,504,000
 31.26 for 2012.

31.27 The 2013 appropriation includes ~~\$1,429,000~~ \$1,062,000 for 2012 and ~~\$2,121,000~~
 31.28 \$2,479,000 for 2013.

31.29 Sec. 4. **REPEALER.**

31.30 Minnesota Statutes 2010, sections 124D.135, subdivisions 8 and 9; and 124D.16,
 31.31 subdivisions 6 and 7, are repealed.

31.32 Sec. 5. **EFFECTIVE DATE.**

31.33 Unless otherwise specified, this article is effective the day following final enactment.

ARTICLE 8**PREVENTION**

32.1
32.2
32.3 Section 1. Minnesota Statutes 2010, section 124D.518, is amended by adding a
32.4 subdivision to read:

32.5 Subd. 4a. **Service disruption.** "Service disruption" means the loss of student
32.6 contact time due to a natural disaster including but not limited to floods, tornadoes, and
32.7 fires, or the loss of student contact hours caused by a party other than the adult basic
32.8 education program or consortium including, but not limited to, building relocations and
32.9 transportation disruptions. A service disruption occurs only if:

32.10 (1) the loss of contact hours is sufficient to cause the consortium to lose revenue
32.11 equal to at least ten percent of the aid generated under section 124D.531, subdivision 3,
32.12 clause (2); or

32.13 (2) the loss of contact hours is sufficient to cause the program to lose revenue equal to
32.14 at least 15 percent of the aid generated under section 124D.531, subdivision 3, clause (2).

32.15 **EFFECTIVE DATE.** This section is effective for aid for fiscal year 2013 and later.

32.16 Sec. 2. Minnesota Statutes 2010, section 124D.518, subdivision 3, is amended to read:

32.17 Subd. 3. **Contact hours.** (a) "Contact hours" means the number of hours during
32.18 which a student was engaged in learning activities provided by an approved adult
32.19 education program. Contact hours excludes homework but includes interactive distance
32.20 learning. The commissioner may only reallocate contact hours among programs to adjust
32.21 for changes in program membership between the first prior program year and the current
32.22 program year based on the actual contact hours reported for the first prior program year.
32.23 The commissioner may adjust a program's or consortium's contact hours due to a service
32.24 disruption according to the process established in section 124D.531, subdivision 10.

32.25 (b) For revenue beginning in fiscal year 2002, contact hours for a provider of adult
32.26 basic education services funded in fiscal year 2000, but not eligible for basic population
32.27 aid in fiscal year 2001, is computed by multiplying the provider's contact hours by 1.03.

32.28 (c) For aid in fiscal year 2001, contact hours in fiscal year 2000 equals the number
32.29 of full-time equivalent learners times the contact hours. A level one full-time equivalent
32.30 learner is equal to 240 contact hours and a level two full-time learner is equal to 408
32.31 contact hours.

32.32 **EFFECTIVE DATE.** This section is effective for aid for fiscal year 2013 and later.

33.1 Sec. 3. Minnesota Statutes 2010, section 124D.531, is amended by adding a
 33.2 subdivision to read:

33.3 Subd. 10. **Contact hours in cases of disruption of services.** An adult basic
 33.4 education program or consortium that has been subject to a service disruption may apply
 33.5 to the commissioner in the form and manner established by the commissioner for an
 33.6 adjusted number of contact hours. The program or consortium must demonstrate to the
 33.7 commissioner's satisfaction that the loss in contact hours due to the service disruption was
 33.8 outside of the control of the adult basic education program or its consortium and that the
 33.9 program or consortium took reasonable actions to avoid the loss of contact hours. If the
 33.10 commissioner approves the program's or consortium's request, the commissioner may
 33.11 adjust the number of contact hours of the program and, if applicable, of the consortium,
 33.12 but in no case may the adjusted contact hours yield an aid amount for a consortium
 33.13 under subdivision 3, clause (2), greater than the most recent two-year average aid under
 33.14 that clause.

33.15 **EFFECTIVE DATE.** This section is effective for aid for fiscal year 2013 and later.

33.16 Sec. 4. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision 2,
 33.17 is amended to read:

33.18 Subd. 2. **Community education aid.** For community education aid under
 33.19 Minnesota Statutes, section 124D.20:

33.20 \$ ~~429,000~~ 470,000 2012
 33.21 \$ ~~665,000~~ 771,000 2013

33.22 The 2012 appropriation includes \$134,000 for 2011 and ~~\$295,000~~ \$336,000 for 2012.

33.23 The 2013 appropriation includes ~~\$196,000~~ \$142,000 for 2012 and ~~\$469,000~~
 33.24 \$629,000 for 2013.

33.25 Sec. 5. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision 3,
 33.26 is amended to read:

33.27 Subd. 3. **Adults with disabilities program aid.** For adults with disabilities
 33.28 programs under Minnesota Statutes, section 124D.56:

33.29 \$ ~~639,000~~ 696,000 2012
 33.30 \$ 710,000 2013

33.31 The 2012 appropriation includes ~~\$213,000~~ \$197,000 for 2011 and ~~\$426,000~~
 33.32 \$499,000 for 2012.

34.1 The 2013 appropriation includes ~~\$284,000~~ \$211,000 for 2012 and ~~\$426,000~~
 34.2 \$499,000 for 2013.

34.3 Sec. 6. Laws 2011, First Special Session chapter 11, article 9, section 3, subdivision 2,
 34.4 is amended to read:

34.5 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
 34.6 Statutes, section 124D.531:

34.7		40,545,000	
34.8	\$	<u>45,202,000</u>	..... 2012
34.9		45,842,000	
34.10	\$	<u>45,951,000</u>	..... 2013

34.11 The 2012 appropriation includes ~~\$13,365,000~~ \$13,364,000 for 2011 and ~~\$27,180,000~~
 34.12 \$31,838,000 for 2012.

34.13 The 2013 appropriation includes ~~\$18,119,000~~ \$13,514,000 for 2012 and ~~\$27,723,000~~
 34.14 \$32,437,000 for 2013.

34.15 Sec. 7. **REPEALER.**

34.16 Minnesota Statutes 2010, section 124D.20, subdivisions 11 and 12, are repealed.

34.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 34.18 and later.

34.19 Sec. 8. **EFFECTIVE DATE.**

34.20 Unless otherwise specified, this article is effective the day following final enactment.

APPENDIX
Article locations in H2083-1

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124D.135 EARLY CHILDHOOD FAMILY EDUCATION (ECFE) REVENUE.

Subd. 8. **Reserve account limit.** (a) Under this section, the average balance, during the most recent three-year period in a district's early childhood family education reserve account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the sum of the district's maximum early childhood family education annual revenue under subdivision 1, excluding adjustments under this subdivision, plus any fees, grants, or other revenue received by the district for early childhood family education programs for the prior year.

(b) If a district's adjusted average early childhood family education reserve over the three-year period is in excess of the limit under paragraph (a), the district's early childhood family education state aid and levy authority for the current school year must be reduced by the lesser of the current year revenue under subdivision 1 or the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue under subdivision 1 times the ratio of the district's aid for the current year under subdivision 4 to the district's revenue for the current year under subdivision 1. The levy reduction equals the excess reserve amount minus the aid reduction. For purposes of this paragraph, if a district does not levy the entire amount permitted under subdivision 3, the revenue under subdivision 1 must be reduced in proportion to the actual amount levied.

(c) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balance in a district's early childhood family education reserve account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balance in a district's early childhood family education reserve account on June 30, 2002, and June 30, 2003.

Subd. 9. **Waiver.** If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 8 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

124D.16 SCHOOL READINESS AID.

Subd. 6. **Reserve account limit.** (a) Under this section, the average balance, during the most recent three-year period, in a district's school readiness reserve account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the district's school readiness annual revenue for the prior year, excluding adjustments under this subdivision.

(b) If a district's adjusted average school readiness reserve over the three-year period is in excess of the limit under paragraph (a), the district's current year school readiness state aid must be reduced by the lesser of the excess reserve amount or the current year aid.

(c) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balance in a district's school readiness reserve account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balance in a district's school readiness reserve account on June 30, 2002, and June 30, 2003.

Subd. 7. **Waiver.** If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 6 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

124D.20 COMMUNITY EDUCATION REVENUE.

Subd. 11. **Reserve account limit.** (a) Under this section, the sum of the average balances during the most recent three-year period in a district's community education reserve account and unreserved/undesignated community service fund account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the sum of the district's maximum total community education revenue under subdivision 1, excluding adjustments under this subdivision, plus any fees, grants, or other revenue received by the district for community education programs for the prior year. For purposes of this paragraph, "community education programs" means programs according to subdivisions 8, paragraph (a), and 9, and section 124D.19, subdivision 12, excluding early childhood family education programs under section 124D.13, school readiness programs under section 124D.15, and adult basic education programs under section 124D.52.

(b) If the sum of the average balances during the most recent three-year period in a district's community education reserve account and unreserved/undesignated community service fund account on June 30 of each year, adjusted for any prior reductions under this subdivision, is

APPENDIX

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in excess of the limit under paragraph (a), the district's community education state aid and levy authority for the current school year must be reduced by the lesser of the current year revenue under subdivision 1 or the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue under subdivision 1 times the ratio of the district's aid for the current year under subdivision 7 to the district's revenue for the current year under subdivision 1. The levy reduction equals the excess reserve amount minus the aid reduction. For purposes of this paragraph, if a district does not levy the entire amount permitted under subdivision 5 or 6, the revenue under subdivision 1 must be reduced in proportion to the actual amount levied.

(c) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balances in a district's community education reserve account and unreserved/undesignated community service fund account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balances in a district's community education reserve account and unreserved/undesignated community service fund account on June 30, 2002, and June 30, 2003.

Subd. 12. **Waiver.** (a) If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 11 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

(b) Notwithstanding paragraph (a), for fiscal year 2003, a district may submit a waiver request within 30 days of May 30, 2003.