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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2727

03/07/2012 Authored by Mariani

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration

03/12/2012 By motion, recalled and re-referred to the Committee on Education Reform

A bill for an act

relating to education; providing for policy for prekindergarten through grade 12 education, including general education, education excellence, and special programs; amending Minnesota Statutes 2010, sections 120A.20, subdivision 2; 120A.22, subdivisions 4, 11; 122A.415, subdivision 3, by adding subdivisions; 122A.416; 123B.36, subdivision 1; 123B.92, subdivision 3; 124D.08, by adding a subdivision; 124D.09, subdivision 22; 125A.14; 125A.19; 125A.515, subdivision 1; 126C.13, subdivision 4; 127A.47, subdivision 1; Minnesota Statutes 2011 Supplement, sections 120A.24, subdivisions 1, 2; 120B.30, subdivision 1; 124D.10, subdivisions 1, 4, 6, 13, 14, 25; 126C.10, subdivision 1; Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision 16; repealing Minnesota Statutes 2010, sections 125A.16; 125A.80; 126C.10, subdivisions 34, 35, 36; 127A.47, subdivision 2.

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

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2010, section 120A.20, subdivision 2, is amended to read:

Subd. 2. **Education and, residence, and transportation of homeless.** (a)

Notwithstanding subdivision 1, a district must not deny free admission to a homeless ~~person of school age pupil~~ solely because the district cannot determine that the ~~person~~ pupil is a resident of the district.

(b) The school district of residence for a homeless ~~person of school age pupil~~ shall be the school district in which the ~~homeless shelter or other program, center, or facility assisting the homeless person is located. The educational services a school district provides to a homeless person must allow the person to work toward meeting the graduation standards under section 120B.02.~~ parent or legal guardian resides, unless: (1)

2.1 parental rights have been terminated by court order; (2) the parent or guardian is not
 2.2 living within the state; or (3) the parent or guardian having legal custody of the child is
 2.3 an inmate of a Minnesota correctional facility or is a resident of a halfway house under
 2.4 the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the
 2.5 school district of residence shall be the school district in which the pupil resided when the
 2.6 qualifying event occurred. If no other district of residence can be established, the school
 2.7 district of residence shall be the school district in which the pupil currently resides. If
 2.8 there is a dispute between school districts regarding residency, the district of residence is
 2.9 the district designated by the commissioner of education.

2.10 (c) The serving district is responsible for transporting a homeless pupil to and from
 2.11 the pupil's residence. The district may transport from a permanent home in another district
 2.12 but only through the end of the academic school year. When a pupil is enrolled in a charter
 2.13 school, the district or school that provides transportation for other pupils enrolled in the
 2.14 charter school is responsible for providing transportation. When a homeless student with
 2.15 or without an individualized education program attends a school other than an independent
 2.16 or special school district or charter school, the district of residence is responsible for
 2.17 transportation.

2.18 Sec. 2. Minnesota Statutes 2010, section 120A.22, subdivision 4, is amended to read:

2.19 Subd. 4. **School defined.** For the purpose of compulsory attendance, a "school"
 2.20 means a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or a
 2.21 nonpublic school, church or religious organization, or home school in which a child is
 2.22 provided instruction in compliance with this section and section 120A.24. For purposes
 2.23 of this section and section 120A.24, "home school" means a nonpublic school with five
 2.24 or less students receiving instruction where the parent or legal guardian of the students
 2.25 is the primary instructor.

2.26 Sec. 3. Minnesota Statutes 2010, section 120A.22, subdivision 11, is amended to read:

2.27 Subd. 11. **Assessment of performance.** (a) Each year the performance of every
 2.28 child ages seven through 16 who is not enrolled in a public school must be assessed using
 2.29 a nationally norm-referenced standardized achievement examination. The superintendent
 2.30 of the district in which the child receives instruction and the person in charge of the child's
 2.31 instruction must agree about the specific examination to be used and the administration
 2.32 and location of the examination.

2.33 (b) To the extent the examination in paragraph (a) does not provide assessment in
 2.34 all of the subject areas in subdivision 9, the parent must assess the child's performance

3.1 in the applicable subject area. This requirement applies only to a parent who provides
3.2 instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3).

3.3 (c) If the results of the assessments in paragraphs (a) and (b) indicate that the
3.4 child's performance on the total battery score is at or below the 30th percentile or one
3.5 grade level below the performance level for children of the same age, the parent must
3.6 obtain additional evaluation of the child's abilities and performance for the purpose of
3.7 determining whether the child has learning problems.

3.8 (d) A child receiving instruction from a nonpublic school, person, or institution that
3.9 is accredited by an accrediting agency, recognized according to section 123B.445, or
3.10 recognized by the commissioner, is exempt from the requirements of this subdivision.

3.11 Sec. 4. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 1, is
3.12 amended to read:

3.13 Subdivision 1. **Reports to superintendent.** (a) The person or nonpublic school in
3.14 charge of providing instruction to a child must submit to the superintendent of the district
3.15 in which the child resides the name, birth date, and address of the child; the annual tests
3.16 intended to be used under section 120A.22, subdivision 11, if required; the name of each
3.17 instructor; and evidence of compliance with one of the requirements specified in section
3.18 120A.22, subdivision 10:

3.19 (1) by October 1 of the first school year the child receives instruction after reaching
3.20 the age of seven;

3.21 (2) within 15 days of when a parent withdraws a child from public school after
3.22 age seven to homeschool;

3.23 (3) within 15 days of moving out of a district; and

3.24 (4) by October 1 after a new resident district is established.

3.25 (b) The person or nonpublic school in charge of providing instruction to a child
3.26 between the ages of seven and 16 must submit, by October 1 of each school year, a letter
3.27 of intent to continue to provide instruction under this section for all students under the
3.28 person's or school's supervision and any changes to the information required in paragraph
3.29 (a) for each student.

3.30 (c) The superintendent may collect the required information under this section
3.31 through an electronic or Web-based format, but must not require electronic submission
3.32 of information under this section from the person in charge of reporting under this
3.33 subdivision.

4.1 Sec. 5. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 2, is
4.2 amended to read:

4.3 Subd. 2. **Availability of documentation.** (a) The person or nonpublic school in
4.4 charge of providing instruction to a child must maintain documentation indicating that the
4.5 subjects required in section 120A.22, subdivision 9, are being taught and proof that the
4.6 tests under section 120A.22, subdivision 11, have been administered. This documentation
4.7 must include class schedules, copies of materials used for instruction, and descriptions of
4.8 methods used to assess student achievement.

4.9 (b) The parent of a child who enrolls full time in public school after having been
4.10 enrolled in a home school under section 120A.22, subdivision 6, must provide the
4.11 enrolling public school or school district with the child's scores on any tests administered
4.12 to the child under section 120A.22, subdivision 11, and other education-related documents
4.13 the enrolling school or district requires to determine where the child is placed in school
4.14 and what course requirements apply. This paragraph does not apply to a shared time
4.15 student who does not seek a public school diploma.

4.16 (c) The person or nonpublic school in charge of providing instruction to a child must
4.17 make the documentation in this subdivision available to the county attorney when a case
4.18 is commenced under section 120A.26, subdivision 5; chapter 260C; or when diverted
4.19 under chapter 260A.

4.20 Sec. 6. Minnesota Statutes 2010, section 122A.415, subdivision 3, is amended to read:

4.21 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites,
4.22 or charter schools with approved applications must receive alternative compensation
4.23 revenue for each school year that the district, intermediate school district, school site,
4.24 or charter school implements an alternative teacher professional pay system under this
4.25 subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district,
4.26 intermediate school district, school site, or charter school that received alternative teacher
4.27 compensation aid for the previous fiscal year must receive at least an amount of alternative
4.28 teacher compensation revenue equal to the lesser of the amount it received for the previous
4.29 fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if
4.30 the district, intermediate school district, school site, or charter school submits a timely
4.31 application and the commissioner determines that the district, intermediate school district,
4.32 school site, or charter school continues to implement an alternative teacher professional
4.33 pay system, consistent with its application under this section.

4.34 (b) The commissioner shall approve applications that comply with subdivision 1,
4.35 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter

5.1 school, in the order in which they are received, select applicants that qualify for this
 5.2 program, notify school districts, intermediate school districts, school sites, and charter
 5.3 schools about the program, develop and disseminate application materials, and carry out
 5.4 other activities needed to implement this section.

5.5 ~~(c) For applications approved under this section before August 1 of the fiscal year for~~
 5.6 ~~which the aid is paid, the portion of the state total basic alternative teacher compensation~~
 5.7 ~~aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006~~
 5.8 ~~and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state~~
 5.9 ~~total basic alternative teacher compensation aid entitlement allocated to charter schools~~
 5.10 ~~must not exceed the product of \$3,374,000 times the ratio of the state total charter school~~
 5.11 ~~enrollment for the previous fiscal year to the state total charter school enrollment for the~~
 5.12 ~~second previous fiscal year 2007. Additional basic alternative teacher compensation aid~~
 5.13 ~~may be approved for charter schools after August 1, not to exceed the charter school limit~~
 5.14 ~~for the following fiscal year, if the basic alternative teacher compensation aid entitlement~~
 5.15 ~~for school districts based on applications approved by August 1 does not expend the~~
 5.16 ~~remaining amount under the limit.~~

5.17 Sec. 7. Minnesota Statutes 2010, section 122A.415, is amended by adding a
 5.18 subdivision to read:

5.19 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative
 5.20 teacher compensation aid for a school district with a plan approved under section
 5.21 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation
 5.22 revenue under subdivision 1. The basic alternative teacher compensation aid for an
 5.23 intermediate school district or charter school with a plan approved under section
 5.24 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times
 5.25 the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on
 5.26 October 1 of the current fiscal year for a charter school in the first year of operation, times
 5.27 the ratio of the sum of the alternative teacher compensation aid and alternative teacher
 5.28 compensation levy for all participating school districts to the maximum alternative teacher
 5.29 compensation revenue for those districts under subdivision 1.

5.30 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
 5.31 teacher compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2014
 5.32 and later. The commissioner must limit the amount of alternative teacher compensation
 5.33 aid approved so as not to exceed these limits.

5.34 **EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

6.1 Sec. 8. Minnesota Statutes 2010, section 122A.415, is amended by adding a
6.2 subdivision to read:

6.3 Subd. 5. **Alternative teacher compensation levy.** For fiscal year 2014 and later,
6.4 the alternative teacher compensation levy for a district receiving basic alternative teacher
6.5 compensation aid equals the product of (1) the difference between the district's alternative
6.6 teacher compensation revenue and the district's basic alternative teacher compensation
6.7 aid times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per
6.8 adjusted pupil unit to \$5,913.

6.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
6.10 and later.

6.11 Sec. 9. Minnesota Statutes 2010, section 122A.415, is amended by adding a
6.12 subdivision to read:

6.13 Subd. 6. **Alternative teacher compensation aid.** (a) For fiscal year 2014 and later,
6.14 a district's alternative teacher compensation equalization aid equals the district's alternative
6.15 teacher compensation revenue minus the district's basic alternative teacher compensation
6.16 aid minus the district's alternative teacher compensation levy. If a district does not levy
6.17 the entire amount permitted, the alternative teacher compensation equalization aid must be
6.18 reduced in proportion to the actual amount levied.

6.19 (b) A district's alternative teacher compensation aid equals the sum of the
6.20 district's basic alternative teacher compensation aid and the district's alternative teacher
6.21 compensation equalization aid.

6.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
6.23 and later.

6.24 Sec. 10. Minnesota Statutes 2010, section 122A.416, is amended to read:

6.25 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE**
6.26 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**
6.27 **INTEGRATION COLLABORATIVES.**

6.28 Notwithstanding sections 122A.413, 122A.414, and 122A.415, and ~~126C.10,~~
6.29 multidistrict integration collaboratives and the Perpich Center for Arts Education are
6.30 eligible to receive alternative teacher compensation revenue as if they were intermediate
6.31 school districts. To qualify for alternative teacher compensation revenue, a multidistrict
6.32 integration collaborative or the Perpich Center for Arts Education must meet all of the
6.33 requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate

7.1 school districts, must report its enrollment as of October 1 of each year to the department,
7.2 and must annually report its expenditures for the alternative teacher professional pay
7.3 system consistent with the uniform financial accounting and reporting standards to the
7.4 department by November 30 of each year.

7.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
7.6 and later.

7.7 Sec. 11. Minnesota Statutes 2010, section 123B.36, subdivision 1, is amended to read:

7.8 Subdivision 1. **School boards may require fees.** (a) For purposes of this
7.9 subdivision, "home school" means a home school as defined in sections 120A.22 and
7.10 120A.24 with five or fewer students receiving instruction where the parent or legal
7.11 guardian of the students is the primary instructor.

7.12 (b) A school board is authorized to require payment of fees in the following areas:

7.13 (1) in any program where the resultant product, in excess of minimum requirements
7.14 and at the pupil's option, becomes the personal property of the pupil;

7.15 (2) admission fees or charges for extracurricular activities, where attendance
7.16 is optional and where the admission fees or charges a student must pay to attend or
7.17 participate in an extracurricular activity is the same for all students, regardless of whether
7.18 the student is enrolled in a public or a home school;

7.19 (3) a security deposit for the return of materials, supplies, or equipment;

7.20 (4) personal physical education and athletic equipment and apparel, although any
7.21 pupil may personally provide it if it meets reasonable requirements and standards relating
7.22 to health and safety established by the board;

7.23 (5) items of personal use or products that a student has an option to purchase such as
7.24 student publications, class rings, annuals, and graduation announcements;

7.25 (6) fees specifically permitted by any other statute, including but not limited to
7.26 section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual
7.27 cost to the school and school district of providing driver education, and (ii) the driver
7.28 education courses are open to enrollment to persons between the ages of 15 and 18 who
7.29 reside or attend school in the school district;

7.30 (7) field trips considered supplementary to a district educational program;

7.31 (8) any authorized voluntary student health and accident benefit plan;

7.32 (9) for the use of musical instruments owned or rented by the district, a reasonable
7.33 rental fee not to exceed either the rental cost to the district or the annual depreciation plus
7.34 the actual annual maintenance cost for each instrument;

8.1 (10) transportation of pupils to and from extracurricular activities conducted at
8.2 locations other than school, where attendance is optional;

8.3 (11) transportation to and from school of pupils living within two miles from school
8.4 and all other transportation services not required by law. If a district charges fees for
8.5 transportation of pupils, it must establish guidelines for that transportation to ensure that
8.6 no pupil is denied transportation solely because of inability to pay;

8.7 (12) motorcycle classroom education courses conducted outside of regular school
8.8 hours; provided the charge must not exceed the actual cost of these courses to the school
8.9 district;

8.10 (13) transportation to and from postsecondary institutions for pupils enrolled under
8.11 the postsecondary enrollment options program under section 123B.88, subdivision 22.
8.12 Fees collected for this service must be reasonable and must be used to reduce the cost
8.13 of operating the route. Families who qualify for mileage reimbursement under section
8.14 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no
8.15 fee is charged, districts must allocate costs based on the number of pupils riding the route.

8.16 Sec. 12. Minnesota Statutes 2010, section 123B.92, subdivision 3, is amended to read:

8.17 Subd. 3. **Alternative attendance programs.** (a) A district that enrolls nonresident
8.18 pupils in programs under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68,
8.19 must provide authorized transportation to the pupil within the attendance area for the
8.20 school that the pupil attends at the same level of service that is provided to resident pupils
8.21 within the attendance area. The resident district need not provide or pay for transportation
8.22 between the pupil's residence and the district's border.

8.23 (b) A district may provide transportation to allow a student who attends a high-need
8.24 English language learner program and who resides within the transportation attendance
8.25 area of the program to continue in the program until the student completes the highest
8.26 grade level offered by the program.

8.27 (c) A homeless nonresident pupil enrolled under section 124D.08, subdivision 2a,
8.28 must be provided transportation from the pupil's residence to and from the school of
8.29 enrollment.

8.30 Sec. 13. Minnesota Statutes 2010, section 124D.08, is amended by adding a
8.31 subdivision to read:

8.32 Subd. 2a. **Continued enrollment for homeless students.** Notwithstanding
8.33 subdivision 2, a pupil who has been enrolled in a district, who is identified as homeless,
8.34 and whose parent or legal guardian moves to another district, may continue to enroll in

9.1 the nonresident district without the approval of the board of the nonresident district. The
 9.2 approval of the board of the pupil's resident district is not required.

9.3 Sec. 14. Minnesota Statutes 2011 Supplement, section 126C.10, subdivision 1, is
 9.4 amended to read:

9.5 Subdivision 1. **General education revenue.** The general education revenue for
 9.6 each district equals the sum of the district's basic revenue, extended time revenue, gifted
 9.7 and talented revenue, small schools revenue, basic skills revenue, training and experience
 9.8 revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity
 9.9 revenue, total operating capital revenue, equity revenue, ~~alternative teacher compensation~~
 9.10 ~~revenue~~, and transition revenue.

9.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 9.12 and later.

9.13 Sec. 15. Minnesota Statutes 2010, section 126C.13, subdivision 4, is amended to read:

9.14 Subd. 4. **General education aid.** For fiscal years ~~2007~~ 2014 and later, a district's
 9.15 general education aid is the sum of the following amounts:

9.16 (1) general education revenue, excluding equity revenue, total operating capital
 9.17 revenue, ~~alternative teacher compensation revenue~~, and transition revenue;

9.18 (2) operating capital aid under section 126C.10, subdivision 13b;

9.19 (3) equity aid under section 126C.10, subdivision 30;

9.20 (4) ~~alternative teacher compensation aid under section 126C.10, subdivision 36;~~

9.21 ~~(5)~~ transition aid under section 126C.10, subdivision 33;

9.22 ~~(6)~~ (5) shared time aid under section 126C.01, subdivision 7;

9.23 ~~(7)~~ (6) referendum aid under section 126C.17, subdivisions 7 and 7a; and

9.24 ~~(8)~~ (7) online learning aid according to section 124D.096.

9.25 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 9.26 and later.

9.27 Sec. 16. Minnesota Statutes 2010, section 127A.47, subdivision 1, is amended to read:

9.28 Subdivision 1. **Aid to serving district.** (a) Unless otherwise specifically provided
 9.29 by law, general education aid must be paid according to this subdivision.

9.30 (b) Except as provided in paragraph (c), general education aid must be paid to the
 9.31 serving district.

10.1 (c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22,
 10.2 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05,
 10.3 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills
 10.4 revenue under section 126C.10, subdivision 4, must be paid to the resident district. For
 10.5 a student enrolled under section 124D.08, subdivision 2a, that is enrolled in other than
 10.6 an independent or special school district or charter school, the general education revenue
 10.7 shall be paid to the resident district.

10.8 Sec. 17. **REVISOR'S INSTRUCTION.**

10.9 In Minnesota Statutes and Rules, the revisor of statutes shall substitute the terms
 10.10 "English learner," "EL," or similar term for "limited English proficient," "English language
 10.11 learner," "LEP," "ELL," or similar term when referring to early childhood through grade 12
 10.12 education. The revisor shall also make grammatical changes related to the changes in term.

10.13 Sec. 18. **REPEALER.**

10.14 (a) Minnesota Statutes 2010, section 127A.47, subdivision 2, is repealed.

10.15 (b) Minnesota Statutes 2010, section 126C.10, subdivisions 34, 35, and 36, are
 10.16 repealed effective for fiscal year 2014 and later.

10.17 **ARTICLE 2**

10.18 **EDUCATION EXCELLENCE**

10.19 Section 1. Minnesota Statutes 2011 Supplement, section 120B.30, subdivision 1, is
 10.20 amended to read:

10.21 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
 10.22 with appropriate technical qualifications and experience and stakeholders, consistent with
 10.23 subdivision 1a, shall include in the comprehensive assessment system, for each grade
 10.24 level to be tested, state-constructed tests developed from and aligned with the state's
 10.25 required academic standards under section 120B.021, include multiple choice questions,
 10.26 and be administered annually to all students in grades 3 through 8. State-developed
 10.27 high school tests aligned with the state's required academic standards under section
 10.28 120B.021 and administered to all high school students in a subject other than writing
 10.29 must include multiple choice questions. The commissioner shall establish one or more
 10.30 months during which schools shall administer the tests to students each school year.
 10.31 Schools that the commissioner identifies for stand-alone field testing or other national
 10.32 sampling must participate as directed. Superintendents or charter school directors may
 10.33 appeal in writing to the commissioner for an exemption from a field test based on undue

11.1 hardship. The commissioner's decision regarding the appeal is final. For students enrolled
 11.2 in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading,
 11.3 mathematics, and writing shall fulfill students' basic skills testing requirements for a
 11.4 passing state notation. The passing scores of basic skills tests in reading and mathematics
 11.5 are the equivalent of 75 percent correct for students entering grade 9 based on the
 11.6 first uniform test administered in February 1998. Students who have not successfully
 11.7 passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass
 11.8 the graduation-required assessments for diploma under paragraph (c), except that for
 11.9 the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's
 11.10 graduation test requirement for math by complying with paragraph (d), clauses (1) and (3).

11.11 (b) The state assessment system must be aligned to the most recent revision of
 11.12 academic standards as described in section 120B.023 in the following manner:

11.13 (1) mathematics;

11.14 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

11.15 (ii) high school level beginning in the 2013-2014 school year;

11.16 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
 11.17 school year; and

11.18 (3) language arts and reading; grades 3 through 8 and high school level beginning in
 11.19 the 2012-2013 school year.

11.20 (c) For students enrolled in grade 8 in the 2005-2006 school year and later, only the
 11.21 following options shall fulfill students' state graduation test requirements:

11.22 (1) for reading and mathematics:

11.23 (i) obtaining an achievement level equivalent to or greater than proficient as
 11.24 determined through a standard setting process on the Minnesota comprehensive
 11.25 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
 11.26 score as determined through a standard setting process on the graduation-required
 11.27 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
 11.28 subsequent retests;

11.29 (ii) achieving a passing score as determined through a standard setting process on the
 11.30 state-identified language proficiency test in reading and the mathematics test for English
 11.31 language learners or the graduation-required assessment for diploma equivalent of those
 11.32 assessments for students designated as English language learners;

11.33 (iii) achieving an individual passing score on the graduation-required assessment for
 11.34 diploma as determined by appropriate state guidelines for students with an individualized
 11.35 education program or 504 plan;

12.1 (iv) obtaining achievement level equivalent to or greater than proficient as
 12.2 determined through a standard setting process on the state-identified alternate assessment
 12.3 or assessments in grade 10 for reading and grade 11 for mathematics for students with
 12.4 an individualized education program; or

12.5 (v) achieving an individual passing score on the state-identified alternate assessment
 12.6 or assessments as determined by appropriate state guidelines for students with an
 12.7 individualized education program; and

12.8 (2) for writing:

12.9 (i) achieving a passing score on the graduation-required assessment for diploma;

12.10 (ii) achieving a passing score as determined through a standard setting process on
 12.11 the state-identified language proficiency test in writing for students designated as English
 12.12 language learners;

12.13 (iii) achieving an individual passing score on the graduation-required assessment for
 12.14 diploma as determined by appropriate state guidelines for students with an individualized
 12.15 education program or 504 plan; or

12.16 (iv) achieving an individual passing score on the state-identified alternate assessment
 12.17 or assessments as determined by appropriate state guidelines for students with an
 12.18 individualized education program.

12.19 (d) Students enrolled in grade 8 in any school year from the 2005-2006 school
 12.20 year to the 2009-2010 school year who do not pass the mathematics graduation-required
 12.21 assessment for diploma under paragraph (c) are eligible to receive a high school diploma
 12.22 if they:

12.23 (1) complete with a passing score or grade all state and local coursework and credits
 12.24 required for graduation by the school board granting the students their diploma;

12.25 (2) participate in district-prescribed academic remediation in mathematics; and

12.26 (3) fully participate in at least two retests of the mathematics GRAD test or until
 12.27 they pass the mathematics GRAD test, whichever comes first. A school, district, or charter
 12.28 school must place on the high school transcript a student's current pass status for each
 12.29 subject that has a required graduation assessment.

12.30 In addition, the school board granting the students their diplomas may formally
 12.31 decide to include a notation of high achievement on the high school diplomas of those
 12.32 graduating seniors who, according to established school board criteria, demonstrate
 12.33 exemplary academic achievement during high school.

12.34 (e) The 3rd through 8th grade and high school test results shall be available to
 12.35 districts for diagnostic purposes affecting student learning and district instruction and

13.1 curriculum, and for establishing educational accountability. The commissioner must
13.2 disseminate to the public the high school test results upon receiving those results.

13.3 (f) The 3rd through 8th grade and high school tests must be aligned with state
13.4 academic standards. The commissioner shall determine the testing process and the order
13.5 of administration. The statewide results shall be aggregated at the site and district level,
13.6 consistent with subdivision 1a.

13.7 (g) In addition to the testing and reporting requirements under this section, the
13.8 commissioner shall include the following components in the statewide public reporting
13.9 system:

13.10 (1) uniform statewide testing of all students in grades 3 through 8 and at the high
13.11 school level that provides appropriate, technically sound accommodations or alternate
13.12 assessments;

13.13 (2) educational indicators that can be aggregated and compared across school
13.14 districts and across time on a statewide basis, including average daily attendance, high
13.15 school graduation rates, and high school drop-out rates by age and grade level;

13.16 (3) state results on the American College Test; and

13.17 (4) state results from participation in the National Assessment of Educational
13.18 Progress so that the state can benchmark its performance against the nation and other
13.19 states, and, where possible, against other countries, and contribute to the national effort
13.20 to monitor achievement.

13.21 Sec. 2. Minnesota Statutes 2010, section 124D.09, subdivision 22, is amended to read:

13.22 Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course
13.23 for secondary credit may apply to the pupil's district of residence for reimbursement for
13.24 transporting the pupil between the secondary school in which the pupil is enrolled or the
13.25 pupil's home and the postsecondary institution that the pupil attends. The state shall
13.26 provide state aid to a district in an amount sufficient to reimburse the parent or guardian
13.27 for the necessary transportation costs when the family's or guardian's income is at or
13.28 below the poverty level, as determined by the federal government. The reimbursement
13.29 shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever
13.30 is less. Reimbursement may not be paid for more than 250 miles per week. However,
13.31 if the nearest postsecondary institution is more than 25 miles from the pupil's resident
13.32 secondary school, the weekly reimbursement may not exceed the reimbursement rate per
13.33 mile times the actual distance between the secondary school or the pupil's home and the
13.34 nearest postsecondary institution times ten. The state must pay aid to the district according
13.35 to this subdivision.

14.1 (b) A parent or guardian of an alternative pupil enrolled in a course for secondary
 14.2 credit may apply to the pupil's postsecondary institution for reimbursement for
 14.3 transporting the pupil between the secondary school in which the pupil is enrolled or the
 14.4 pupil's home and the postsecondary institution in an amount sufficient to reimburse the
 14.5 parent or guardian for the necessary transportation costs when the family's or guardian's
 14.6 income is at or below the poverty level, as determined by the federal government. The
 14.7 amount of the reimbursement shall be determined as in paragraph (a). The state must pay
 14.8 aid to the postsecondary institution according to this subdivision.

14.9 Sec. 3. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 1, is
 14.10 amended to read:

14.11 Subdivision 1. **Purposes.** (a) The primary purpose of this section is to:
 14.12 ~~(1)~~ improve pupil learning and student achievement; Additional purposes are to:
 14.13 ~~(2)~~ (1) increase learning opportunities for pupils;
 14.14 ~~(3)~~ (2) encourage the use of different and innovative teaching methods;
 14.15 ~~(4)~~ (3) measure learning outcomes and create different and innovative forms of
 14.16 measuring outcomes;
 14.17 ~~(5)~~ (4) establish new forms of accountability for schools; and
 14.18 ~~(6)~~ (5) create new professional opportunities for teachers, including the opportunity
 14.19 to be responsible for the learning program at the school site.

14.20 (b) This section does not provide a means to keep open a school that a school board
 14.21 decides to close. However, a school board may endorse or authorize the establishing of
 14.22 a charter school to replace the school the board decided to close. Applicants seeking a
 14.23 charter under this circumstance must demonstrate to the authorizer that the charter sought
 14.24 is substantially different in purpose and program from the school the board closed and
 14.25 that the proposed charter satisfies the requirements of this subdivision. If the school
 14.26 board that closed the school authorizes the charter, it must document in its affidavit to the
 14.27 commissioner that the charter is substantially different in program and purpose from
 14.28 the school it closed.

14.29 An authorizer shall not approve an application submitted by a charter school
 14.30 developer under subdivision 4, paragraph (a), if the application does not comply with this
 14.31 subdivision. The commissioner shall not approve an affidavit submitted by an authorizer
 14.32 under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

14.33 Sec. 4. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 4, is
 14.34 amended to read:

15.1 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from
15.2 a school developer, may charter a licensed teacher under section 122A.18, subdivision
15.3 1, or a group of individuals that includes one or more licensed teachers under section
15.4 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the
15.5 authorizer's affidavit under paragraph (b). The school must be organized and operated as a
15.6 nonprofit corporation under chapter 317A and the provisions under the applicable chapter
15.7 shall apply to the school except as provided in this section.

15.8 Notwithstanding sections 465.717 and 465.719, a school district, subject to this
15.9 section and section 124D.11, may create a corporation for the purpose of establishing a
15.10 charter school.

15.11 (b) Before the operators may establish and operate a school, the authorizer must file
15.12 an affidavit with the commissioner stating its intent to charter a school. An authorizer
15.13 must file a separate affidavit for each school it intends to charter. The affidavit must
15.14 state the terms and conditions under which the authorizer would charter a school and
15.15 how the authorizer intends to oversee the fiscal and student performance of the charter
15.16 school and to comply with the terms of the written contract between the authorizer
15.17 and the charter school board of directors under subdivision 6. The commissioner must
15.18 approve or disapprove the authorizer's affidavit within 60 business days of receipt of the
15.19 affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify
15.20 the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business
15.21 days to address the deficiencies. If the authorizer does not address deficiencies to the
15.22 commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain
15.23 commissioner approval precludes an authorizer from chartering the school that is the
15.24 subject of this affidavit.

15.25 (c) The authorizer may prevent an approved charter school from opening for
15.26 operation if, among other grounds, the charter school violates this section or does not meet
15.27 the ready-to-open standards that are part of the authorizer's oversight and evaluation
15.28 process or are stipulated in the charter school contract.

15.29 (d) The operators authorized to organize and operate a school, before entering into a
15.30 contract or other agreement for professional or other services, goods, or facilities, must
15.31 incorporate as a nonprofit corporation under chapter 317A and must establish a board of
15.32 directors composed of at least five members who are not related parties until a timely
15.33 election for members of the ongoing charter school board of directors is held according to
15.34 the school's articles and bylaws under paragraph (f). A charter school board of directors
15.35 must be composed of at least five members who are not related parties. Staff members
15.36 employed at the school, including teachers providing instruction under a contract with a

16.1 cooperative, and all parents or legal guardians of children enrolled in the school are the
16.2 voters eligible to elect the members of the school's board of directors. A charter school
16.3 must notify eligible voters of the school board election dates at least 30 days before the
16.4 election. Board of director meetings must comply with chapter 13D.

16.5 ~~(e) Upon the request of an individual, the charter school must make available~~
16.6 ~~in a timely fashion~~ A charter school shall publish and maintain on the school's official
16.7 Web site: (1) the minutes of meetings of the board of directors, and of members and
16.8 committees having any board-delegated authority; for at least one calendar year from the
16.9 date of publication; (2) directory information for members of the board of directors and
16.10 committees having board-delegated authority; and (3) identifying and contact information
16.11 for the school's authorizer. Identifying and contact information for the school's authorizer
16.12 must be included in other school materials made available to the public. Upon request of
16.13 an individual, the charter school must also make available in a timely fashion financial
16.14 statements showing all operations and transactions affecting income, surplus, and deficit
16.15 during the school's last annual accounting period; and a balance sheet summarizing assets
16.16 and liabilities on the closing date of the accounting period. A charter school also must post
16.17 on its official Web site information identifying its authorizer and indicate how to contact
16.18 that authorizer and include that same information about its authorizer in other school
16.19 materials that it makes available to the public.

16.20 (f) Every charter school board member shall attend department-approved ongoing
16.21 training throughout the member's term on board governance, including training on
16.22 the board's role and responsibilities, employment policies and practices, and financial
16.23 management. A board member who does not begin the required initial training within six
16.24 months after being seated and complete that training within 12 months of being seated on
16.25 the board is ineligible to continue to serve as a board member.

16.26 (g) The ongoing board must be elected before the school completes its third year of
16.27 operation. Board elections must be held during the school year but may not be conducted
16.28 on days when the school is closed for holidays or vacations. The charter school board of
16.29 directors shall be composed of at least five nonrelated members and include: (i) at least one
16.30 licensed teacher employed at the school or a licensed teacher providing instruction under
16.31 contract between the charter school and a cooperative; (ii) the parent or legal guardian
16.32 of a student enrolled in the charter school who is not an employee of the charter school;
16.33 and (iii) an interested community member who is not employed by the charter school and
16.34 does not have a child enrolled in the school. The board may be a teacher majority board
16.35 composed of teachers described in this paragraph. The chief financial officer and the chief
16.36 administrator may only serve as ex-officio nonvoting board members and may not serve

17.1 as a voting member of the board. Charter school employees shall not serve on the board
17.2 unless item (i) applies. Contractors providing facilities, goods, or services to a charter
17.3 school shall not serve on the board of directors of the charter school. Board bylaws shall
17.4 outline the process and procedures for changing the board's governance model, consistent
17.5 with chapter 317A. A board may change its governance model only:

17.6 (1) by a majority vote of the board of directors and the licensed teachers employed
17.7 by the school, including licensed teachers providing instruction under a contract between
17.8 the school and a cooperative; and

17.9 (2) with the authorizer's approval.

17.10 Any change in board governance must conform with the board structure established
17.11 under this paragraph.

17.12 (h) The granting or renewal of a charter by an authorizer must not be conditioned
17.13 upon the bargaining unit status of the employees of the school.

17.14 (i) The granting or renewal of a charter school by an authorizer must not be
17.15 contingent on the charter school being required to contract, lease, or purchase services
17.16 from the authorizer. Any potential contract, lease, or purchase of service from an
17.17 authorizer must be disclosed to the commissioner, accepted through an open bidding
17.18 process, and be a separate contract from the charter contract. The school must document
17.19 the open bidding process. An authorizer must not enter into a contract to provide
17.20 management and financial services for a school that it authorizes, unless the school
17.21 documents that it received at least two competitive bids.

17.22 (j) An authorizer may permit the board of directors of a charter school to expand
17.23 the operation of the charter school to additional sites or to add additional grades at the
17.24 school beyond those described in the authorizer's original affidavit as approved by
17.25 the commissioner only after submitting a supplemental affidavit for approval to the
17.26 commissioner in a form and manner prescribed by the commissioner. The supplemental
17.27 affidavit must document that:

17.28 (1) the proposed expansion plan demonstrates need and projected enrollment;

17.29 (2) the expansion is warranted, at a minimum, by longitudinal data demonstrating
17.30 students' improved academic performance and growth on statewide assessments under
17.31 chapter 120B;

17.32 (3) the charter school is financially sound and the financing it needs to implement
17.33 the proposed expansion exists; and

17.34 (4) the charter school has the governance structure and management capacity to
17.35 carry out its expansion.

18.1 (k) The commissioner shall have 30 business days to review and comment on the
18.2 supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in
18.3 the supplemental affidavit and the authorizer then has 20 business days to address, to the
18.4 commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school
18.5 may not expand grades or add sites until the commissioner has approved the supplemental
18.6 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

18.7 Sec. 5. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 6, is
18.8 amended to read:

18.9 Subd. 6. **Charter contract.** The authorization for a charter school must be in the
18.10 form of a written contract signed by the authorizer and the board of directors of the charter
18.11 school. The contract must be completed within 45 business days of the commissioner's
18.12 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a
18.13 copy of the signed charter contract within ten business days of its execution. The contract
18.14 for a charter school must be in writing and contain at least the following:

18.15 (1) a declaration of the additional purposes in subdivision 1 that the school intends
18.16 to carry out and how the school will report its implementation of the primary purpose and
18.17 those additional purposes;

18.18 (2) a description of the school program and the specific academic and nonacademic
18.19 outcomes that pupils must achieve;

18.20 (3) a statement of admission policies and procedures;

18.21 (4) a governance, management, and administration plan for the school;

18.22 (5) signed agreements from charter school board members to comply with all
18.23 federal and state laws governing organizational, programmatic, and financial requirements
18.24 applicable to charter schools;

18.25 (6) the criteria, processes, and procedures that the authorizer will use for ongoing
18.26 oversight of operational, financial, and academic performance;

18.27 (7) the performance evaluation that is a prerequisite for reviewing a charter contract
18.28 under subdivision 15;

18.29 (8) types and amounts of insurance liability coverage to be obtained by the charter
18.30 school;

18.31 (9) consistent with subdivision 25, paragraph (d), a provision to indemnify and hold
18.32 harmless the authorizer and its officers, agents, and employees from any suit, claim,
18.33 or liability arising from any operation of the charter school, and the commissioner and
18.34 department officers, agents, and employees notwithstanding section 3.736;

19.1 (10) the term of the initial contract, which may be up to three years plus an additional
 19.2 preoperational planning year, and up to five years for a renewed contract or a contract with
 19.3 a new authorizer after a transfer of authorizers, if warranted by the school's academic,
 19.4 financial, and operational performance;

19.5 (11) how the board of directors or the operators of the charter school will provide
 19.6 special instruction and services for children with a disability under sections 125A.03
 19.7 to 125A.24, and 125A.65, a description of the financial parameters within which the
 19.8 charter school will operate to provide the special instruction and services to children
 19.9 with a disability;

19.10 (12) the process and criteria the authorizer intends to use to monitor and evaluate the
 19.11 fiscal and student performance of the charter school, consistent with subdivision 15;

19.12 (13) the specific conditions for contract renewal which identifies performance
 19.13 under the primary purpose of subdivision 1 as the most important factor in determining
 19.14 contract renewal; and

19.15 ~~(13)~~ (14) the plan for an orderly closing of the school under chapter 317A, if the
 19.16 closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract,
 19.17 and that includes establishing the responsibilities of the school board of directors and the
 19.18 authorizer and notifying the commissioner, authorizer, school district in which the charter
 19.19 school is located, and parents of enrolled students about the closure, the transfer of student
 19.20 records to students' resident districts, and procedures for closing financial operations.

19.21 Sec. 6. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 13, is
 19.22 amended to read:

19.23 Subd. 13. **Length of school year.** A charter school must provide instruction each
 19.24 year for at least the number of ~~days~~ hours required by section 120A.41. It may provide
 19.25 instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

19.26 Sec. 7. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 14, is
 19.27 amended to read:

19.28 Subd. 14. **Annual public reports.** A charter school must publish an annual report
 19.29 approved by the board of directors. The annual report must at least include information
 19.30 on school enrollment, student attrition, governance and management, staffing, finances,
 19.31 academic performance, operational performance, innovative practices and implementation,
 19.32 and future plans. A charter school must distribute the annual report by publication, mail,
 19.33 or electronic means to the ~~commissioner,~~ authorizer, school employees, and parents and

20.1 legal guardians of students enrolled in the charter school and must also post the report on
 20.2 the charter school's official Web site. The reports are public data under chapter 13.

20.3 Sec. 8. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 25, is
 20.4 amended to read:

20.5 Subd. 25. **Extent of specific legal authority.** (a) The board of directors of a charter
 20.6 school may sue and be sued.

20.7 (b) The board may not levy taxes or issue bonds.

20.8 (c) The commissioner, an authorizer, members of the board of an authorizer in
 20.9 their official capacity, and employees of an authorizer are immune from civil or criminal
 20.10 liability with respect to all activities related to a charter school they approve or authorize.
 20.11 The board of directors shall obtain at least the amount of and types of insurance up to the
 20.12 applicable tort liability limits under chapter 466. The charter school board must submit
 20.13 a copy of the insurance policy to its authorizer ~~and the commissioner~~ before starting
 20.14 operations. The charter school board must submit changes in its insurance carrier or policy
 20.15 to its authorizer and the commissioner within 20 business days of the change.

20.16 (d) Notwithstanding section 3.736, the charter school shall assume full liability for
 20.17 its activities and indemnify and hold harmless the authorizer and its officers, agents, and
 20.18 employees from any suit, claim, or liability arising from any operation of the charter school
 20.19 and the commissioner and department officers, agents, and employees. A charter school
 20.20 is not required to indemnify or hold harmless a state employee if the state would not be
 20.21 required to indemnify and hold the employee harmless under section 3.736, subdivision 9.

20.22 Sec. 9. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 20.23 16, is amended to read:

20.24 Subd. 16. **Student organizations.** For student organizations:

20.25 \$ 725,000 2012

20.26 \$ 725,000 2013

20.27 \$49,000 each year is for student organizations serving health occupations (~~HUSA~~)
 20.28 (HOSA).

20.29 \$46,000 each year is for student organizations serving service occupations (HERO).

20.30 \$106,000 each year is for student organizations serving trade and industry
 20.31 occupations (SkillsUSA, secondary and postsecondary).

20.32 \$101,000 each year is for student organizations serving business occupations
 20.33 (~~DECA~~, BPA, secondary and postsecondary).

21.1 \$158,000 each year is for student organizations serving agriculture occupations
21.2 (FFA, PAS).

21.3 \$150,000 each year is for student organizations serving family and consumer science
21.4 occupations (FCCLA).

21.5 \$115,000 each year is for student organizations serving marketing occupations
21.6 ~~(DEX)~~ (DECA, DECA Collegiate).

21.7 Any balance in the first year does not cancel but is available in the second year.

21.8 ARTICLE 3

21.9 SPECIAL PROGRAMS

21.10 Section 1. Minnesota Statutes 2010, section 125A.14, is amended to read:

21.11 125A.14 EXTENDED SCHOOL YEAR.

21.12 A district may provide extended school year services for children with a disability
21.13 living within the district and nonresident children temporarily placed in the district
21.14 pursuant to section 125A.15 ~~or 125A.16~~. Prior to March 31 or 30 days after the child
21.15 with a disability is placed in the district, whichever is later, the providing district shall
21.16 give notice to the district of residence of any nonresident children temporarily placed in
21.17 the district pursuant to section 125A.15 ~~or 125A.16~~, of its intention to provide these
21.18 programs. Notwithstanding any contrary provisions in ~~sections~~ section 125A.15 ~~and~~
21.19 ~~125A.16~~, the district providing the special instruction and services must apply for special
21.20 education aid for the extended school year services. The unreimbursed actual cost of
21.21 providing the program for nonresident children with a disability, including the cost of
21.22 board and lodging, may be billed to the district of the child's residence and must be paid
21.23 by the resident district. Transportation costs must be paid by the district responsible
21.24 for providing transportation pursuant to section 125A.15 ~~or 125A.16~~ and transportation
21.25 aid must be paid to that district.

21.26 Sec. 2. Minnesota Statutes 2010, section 125A.19, is amended to read:

21.27 125A.19 NONRESIDENT EDUCATION; BILLING.

21.28 All tuition billing for the education of nonresident children pursuant to sections
21.29 125A.03 to 125A.24, 125A.51, 125A.515, and 125A.65 must be done on uniform forms
21.30 prescribed by the commissioner. The billing shall contain an itemized statement of costs
21.31 that are being charged to the district of residence. ~~One copy of each billing must be filed~~
21.32 ~~with the commissioner.~~

22.1 Sec. 3. Minnesota Statutes 2010, section 125A.515, subdivision 1, is amended to read:

22.2 Subdivision 1. **Approval of education programs.** The commissioner shall approve
22.3 on-site education programs for placement of children and youth in residential facilities
22.4 including detention centers, before being licensed by the Department of Human Services
22.5 or the Department of Corrections. Education programs in these facilities shall conform to
22.6 state and federal education laws including the Individuals with Disabilities Education Act
22.7 (IDEA). This section applies only to placements in facilities licensed by the Department of
22.8 Human Services or the Department of Corrections. For purposes of this section, "on-site
22.9 education program" means the educational services provided directly on the grounds of
22.10 the care and treatment facility to children and youth placed for care and treatment.

22.11 Sec. 4. **REPEALER.**

22.12 Minnesota Statutes 2010, sections 125A.16; and 125A.80, are repealed.