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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1206

02/14/2019 Authored by Marquart, Kresha and Murphy
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education finance; increasing career and technical revenue; making the
1.3 certificate incentive revenue program permanent; appropriating money; amending
1.4 Minnesota Statutes 2018, section 124D.4531.

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

1.6 Section 1. Minnesota Statutes 2018, section 124D.4531, is amended to read:

1.7 124D.4531 CAREER AND TECHNICAL REVENUE.

1.8 Subdivision 1. Career and technical revenue. (a) A district with a career and technical
1.9 program approved under this section for the fiscal year in which the levy is certified is
1.10 eligible for career and technical revenue equal to 35 60 percent of approved expenditures
1.11 in the fiscal year in which the levy is certified for the following:

1.12 (1) salaries paid to essential, licensed personnel providing direct instructional services
1.13 to students in that fiscal year, including extended contracts, for services rendered in the
1.14 district's approved career and technical education programs, excluding salaries reimbursed
1.15 by another school district under clause (2);

1.16 (2) amounts paid to another Minnesota school district for salaries of essential, licensed
1.17 personnel providing direct instructional services to students in that fiscal year for services
1.18 rendered in the district's approved career and technical education programs;

1.19 (3) contracted services provided by a public or private agency other than a Minnesota
1.20 school district or cooperative center under chapter 123A or 136D;

2.1 (4) necessary travel between instructional sites by licensed career and technical education  
 2.2 personnel, and student travel, as directed by the school district, between an instructional  
 2.3 site and a job placement site in a state approved work-based learning program;

2.4 (5) necessary travel by licensed career and technical education personnel for ~~vocational~~  
 2.5 career and technical student organization activities held within the state for instructional  
 2.6 purposes;

2.7 (6) curriculum development activities that are part of a five-year plan for improvement  
 2.8 based on program assessment;

2.9 (7) necessary travel by licensed career and technical education personnel for noncollegiate  
 2.10 credit-bearing professional development; and

2.11 (8) specialized ~~vocational~~ career and technical instructional supplies.

2.12 (b) The district must recognize the full amount of this levy as revenue for the fiscal year  
 2.13 in which it is certified.

2.14 ~~(c) The amount of the revenue calculated under this subdivision may not exceed~~  
 2.15 ~~\$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and~~  
 2.16 ~~\$20,657,000 for taxes payable in 2014.~~

2.17 ~~(d) If the estimated revenue exceeds the amount in paragraph (c), the commissioner must~~  
 2.18 ~~reduce the percentage in paragraph (a) until the estimated revenue no longer exceeds the~~  
 2.19 ~~limit in paragraph (c).~~

2.20 Subd. 1a. **Career and technical levy.** ~~(a) For fiscal year 2014 only, a district may levy~~  
 2.21 ~~an amount not more than the product of its career and technical revenue times the lesser of~~  
 2.22 ~~one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in~~  
 2.23 ~~which the levy is certified to the career and technical revenue equalizing factor. The career~~  
 2.24 ~~and technical revenue equalizing factor for fiscal year 2014 equals \$7,612.~~

2.25 ~~(b) For fiscal year 2015 and later, A district may levy an amount not more than the~~  
 2.26 ~~product of its career and technical revenue times the lesser of one or the ratio of its adjusted~~  
 2.27 ~~net tax capacity per adjusted pupil unit in the fiscal year in which the levy is certified to the~~  
 2.28 ~~career and technical revenue equalizing factor. The career and technical revenue equalizing~~  
 2.29 ~~factor for fiscal year 2015 and later equals \$7,612.~~

2.30 Subd. 1b. **Career and technical aid.** ~~For fiscal year 2014 and later, A district's career~~  
 2.31 ~~and technical aid equals its career and technical revenue less its career and technical levy.~~  
 2.32 ~~If the district levy is less than the permitted levy, the district's career and technical aid shall~~  
 2.33 ~~be reduced proportionately.~~

3.1 Subd. 2. **Allocation from cooperative centers and intermediate districts.** For purposes  
3.2 of this section, a cooperative center or an intermediate district must allocate its approved  
3.3 expenditures for career and technical education programs among participating districts.

3.4 Subd. 3. **Revenue guarantee.** Notwithstanding subdivision 1, paragraph (a), the career  
3.5 and technical education revenue for a district is not less than the lesser of:

3.6 (1) the district's career and technical education revenue for the previous fiscal year; or

3.7 (2) 100 percent of the approved expenditures for career and technical programs included  
3.8 in subdivision 1, paragraph (a), for the fiscal year in which the levy is certified.

3.9 ~~Subd. 3a. **Revenue adjustments.** Notwithstanding subdivisions 1, 1a, and 3, for taxes~~  
3.10 ~~payable in 2012 to 2014 only, the department must calculate the career and technical revenue~~  
3.11 ~~for each district according to Minnesota Statutes 2010, section 124D.4531, and adjust the~~  
3.12 ~~revenue for each district proportionately to meet the statewide revenue target under~~  
3.13 ~~subdivision 1, paragraph (e). For purposes of calculating the revenue guarantee under~~  
3.14 ~~subdivision 3, the career and technical education revenue for the previous fiscal year is the~~  
3.15 ~~revenue according to Minnesota Statutes 2010, section 124D.4531, before adjustments to~~  
3.16 ~~meet the statewide revenue target.~~

3.17 Subd. 4. **District reports.** Each district or cooperative center must report data to the  
3.18 department for all career and technical education programs as required by the department  
3.19 to implement the career and technical revenue formula.

3.20 Subd. 5. **Allocation from districts participating in agreements for secondary**  
3.21 **education or interdistrict cooperation.** For purposes of this section, a district with a career  
3.22 and technical program approved under this section that participates in an agreement under  
3.23 section 123A.30 or 123A.32 must allocate its revenue authority under this section among  
3.24 participating districts.

3.25 Subd. 6. **Certificate incentive revenue.** (a) By January 15 of each year, the commissioner  
3.26 of education, in consultation with the governor's Workforce Development Board established  
3.27 under section 116L.665, and the P-20 education partnership operating under section 127A.70,  
3.28 must establish the list of qualifying career and technical certificates for the following fiscal  
3.29 year and post the names of those certificates on the Department of Education website. The  
3.30 certificates must be in fields where occupational opportunities exist. For fiscal year 2020  
3.31 only, the commissioner of education may use the list of qualifying certificates developed  
3.32 under Laws 2016, chapter 189, article 25, section 61.

4.1 (b) A school board may adopt a policy authorizing students in grades 9 through 12,  
 4.2 including students enrolled in postsecondary enrollment options courses under section  
 4.3 124D.09, the opportunity to complete a qualifying certificate. The certificate may be  
 4.4 completed as part of a regularly scheduled course.

4.5 (c) A school district may register a student for any assessment necessary to complete a  
 4.6 qualifying certificate and pay any associated registration fees for students.

4.7 (d) A school district's career and technical certification aid equals \$500 times the district's  
 4.8 number of students enrolled during the current fiscal year who have obtained one or more  
 4.9 qualifying certificates during the current fiscal year.

4.10 (e) The statewide total certificate revenue in any year must not exceed \$5,000,000. The  
 4.11 commissioner must proportionately reduce the initial aid provided under this subdivision  
 4.12 so that the statewide cap is not exceeded in any fiscal year.

4.13 (f) By February 1 of each year, the commissioner of education must report to the  
 4.14 committees of the legislature with jurisdiction over kindergarten through grade 12 education  
 4.15 and higher education about the number and types of certificates earned by students during  
 4.16 the previous school year.

4.17 **EFFECTIVE DATE.** Subdivision 6 is effective for revenue for fiscal year 2020. All  
 4.18 other provisions of this section are effective for revenue for fiscal year 2021.

4.19 **Sec. 2. APPROPRIATION; CAREER AND TECHNICAL EDUCATION.**

4.20 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 4.21 appropriated from the general fund to the Department of Education in the fiscal years  
 4.22 designated.

4.23 Subd. 2. **Career and technical aid.** For career and technical aid under Minnesota  
 4.24 Statutes, section 124D.4531, subdivision 1a:

4.25 \$            .....        .....    2020

4.26 \$            .....        .....    2021

4.27 Subd. 3. **Certificate incentive revenue.** For certificate incentive revenue under Minnesota  
 4.28 Statutes, section 124D.4531, subdivision 6:

4.29 \$            5,000,000        .....    2020

4.30 \$            5,000,000        .....    2021