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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

03/20/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education; providing for policy for prekindergarten through grade
1.3 12 education, including general education, education excellence, and special
1.4 programs; amending Minnesota Statutes 2010, sections 120A.20, subdivision
1.5 2; 120A.22, subdivision 11; 122A.415, subdivision 3, by adding subdivisions;
1.6 122A.416; 123B.92, subdivision 3; 124D.08, by adding a subdivision; 124D.09,
1.7 subdivision 22; 125A.14; 125A.19; 125A.515, subdivision 1; 126C.13,
1.8 subdivision 4; 127A.47, subdivision 1; Minnesota Statutes 2011 Supplement,
1.9 sections 120A.24, subdivisions 1, 2; 120B.30, subdivision 1; 121A.15,
1.10 subdivisions 8, 9; 124D.10, subdivisions 1, 4, 6, 13, 14, 17a, 25; 126C.10,
1.11 subdivision 1; Laws 2011, First Special Session chapter 11, article 2, section 50,
1.12 subdivision 16; repealing Minnesota Statutes 2010, sections 125A.16; 125A.80;
1.13 126C.10, subdivisions 34, 35, 36; 127A.47, subdivision 2.

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

1.15 **ARTICLE 1**

1.16 **GENERAL EDUCATION**

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

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

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

1.23 (b) The school district of residence for a homeless ~~person of school age pupil~~
1.24 shall be the school district in which the ~~homeless shelter or other program, center, or~~
1.25 ~~facility assisting the homeless person is located. The educational services a school~~
1.26 ~~district provides to a homeless person must allow the person to work toward meeting the~~
1.27 ~~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 district of residence. The district may transport from a permanent home in
2.12 another district but only through the end of the academic school year. When a pupil is
2.13 enrolled in a charter school, the district or school that provides transportation for other
2.14 pupils enrolled in the charter school is responsible for providing transportation. When a
2.15 homeless student with or without an individualized education program attends a public
2.16 school other than an independent or special school district or charter school, the district of
2.17 residence is responsible for transportation.

2.18 Sec. 2. Minnesota Statutes 2010, section 120A.22, subdivision 11, is amended to read:

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

2.25 (b) To the extent the examination in paragraph (a) does not provide assessment in
2.26 all of the subject areas in subdivision 9, the parent must assess the child's performance
2.27 in the applicable subject area. This requirement applies only to a parent who provides
2.28 instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3).

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

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

3.4 Sec. 3. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 1, is
3.5 amended to read:

3.6 Subdivision 1. **Reports to superintendent.** (a) The person or nonpublic school in
3.7 charge of providing instruction to a child must submit to the superintendent of the district
3.8 in which the child resides the name, birth date, and address of the child; the annual tests
3.9 intended to be used under section 120A.22, subdivision 11, if required; the name of each
3.10 instructor; and evidence of compliance with one of the requirements specified in section
3.11 120A.22, subdivision 10:

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

3.14 (2) within 15 days of when a parent withdraws a child from public school after age
3.15 seven to ~~homeschool~~ provide instruction in a nonpublic school that is not accredited
3.16 by a state-recognized accrediting agency;

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

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

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

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

3.28 Sec. 4. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 2, is
3.29 amended to read:

3.30 Subd. 2. **Availability of documentation.** (a) The person or nonpublic school in
3.31 charge of providing instruction to a child must maintain documentation indicating that the
3.32 subjects required in section 120A.22, subdivision 9, are being taught and proof that the
3.33 tests under section 120A.22, subdivision 11, have been administered. This documentation

4.1 must include class schedules, copies of materials used for instruction, and descriptions of
4.2 methods used to assess student achievement.

4.3 (b) The parent of a child who enrolls full time in public school after having been
4.4 enrolled in a ~~home school under section 120A.22, subdivision 6~~ nonpublic school that
4.5 is not accredited by a state-recognized accrediting agency, must provide the enrolling
4.6 public school or school district with the child's scores on any tests administered to the
4.7 child under section 120A.22, subdivision 11, and other education-related documents the
4.8 enrolling school or district requires to determine where the child is placed in school and
4.9 what course requirements apply. This paragraph does not apply to a shared time student
4.10 who does not seek a public school diploma.

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

4.15 Sec. 5. Minnesota Statutes 2011 Supplement, section 121A.15, subdivision 8, is
4.16 amended to read:

4.17 Subd. 8. **Report.** The administrator or other person having general control and
4.18 supervision of the elementary or secondary school shall file a report with the commissioner
4.19 on all persons enrolled in the school. The superintendent of each district shall file a
4.20 report with the commissioner for all persons within the district receiving instruction in a
4.21 ~~home nonpublic school~~ that is not accredited by a state-recognized accrediting agency
4.22 in compliance with sections 120A.22 and 120A.24. The parent of persons receiving
4.23 instruction in a ~~home nonpublic~~ school shall submit the statements as required by
4.24 subdivisions 1, 2, 3, 4, and 12 to the superintendent of the district in which the person
4.25 resides by October 1 of the first year of their ~~homeschooling~~ attending a nonpublic
4.26 school that is not accredited by a state-recognized accrediting agency in Minnesota and
4.27 the grade 7 year. The school report must be prepared on forms developed jointly by the
4.28 commissioner of health and the commissioner of education and be distributed to the local
4.29 districts by the commissioner of health. The school report must state the number of persons
4.30 attending the school, the number of persons who have not been immunized according
4.31 to subdivision 1 or 2, and the number of persons who received an exemption under
4.32 subdivision 3, clause (c) or (d). The school report must be filed with the commissioner of
4.33 education within 60 days of the commencement of each new school term. Upon request, a
4.34 district must be given a 60-day extension for filing the school report. The commissioner
4.35 of education shall forward the report, or a copy thereof, to the commissioner of health

5.1 who shall provide summary reports to boards of health as defined in section 145A.02,
5.2 subdivision 2. The administrator or other person having general control and supervision of
5.3 the child care facility shall file a report with the commissioner of human services on all
5.4 persons enrolled in the child care facility. The child care facility report must be prepared
5.5 on forms developed jointly by the commissioner of health and the commissioner of human
5.6 services and be distributed to child care facilities by the commissioner of health. The child
5.7 care facility report must state the number of persons enrolled in the facility, the number
5.8 of persons with no immunizations, the number of persons who received an exemption
5.9 under subdivision 3, clause (c) or (d), and the number of persons with partial or full
5.10 immunization histories. The child care facility report must be filed with the commissioner
5.11 of human services by November 1 of each year. The commissioner of human services
5.12 shall forward the report, or a copy thereof, to the commissioner of health who shall
5.13 provide summary reports to boards of health as defined in section 145A.02, subdivision
5.14 2. The report required by this subdivision is not required of a family child care or group
5.15 family child care facility, for prekindergarten children enrolled in any elementary or
5.16 secondary school provided services according to sections 125A.03 and 125A.06, nor for
5.17 child care facilities in which at least 75 percent of children in the facility participate on a
5.18 onetime only or occasional basis to a maximum of 45 hours per child, per month.

5.19 Sec. 6. Minnesota Statutes 2011 Supplement, section 121A.15, subdivision 9, is
5.20 amended to read:

5.21 Subd. 9. **Definitions.** As used in this section the following terms have the meanings
5.22 given them.

5.23 (a) "Elementary or secondary school" includes any public school as defined in
5.24 section 120A.05, subdivisions 9, 11, 13, and 17, or nonpublic school, church, or religious
5.25 organization, or ~~home nonpublic school~~ that is not accredited by a state-recognized
5.26 accrediting agency in which a child is provided instruction in compliance with sections
5.27 120A.22 and 120A.24.

5.28 (b) "Person enrolled in any elementary or secondary school" means a person born
5.29 after 1956 and enrolled in grades kindergarten through 12, and a child with a disability
5.30 receiving special instruction and services as required in sections 125A.03 to 125A.24 and
5.31 125A.65, excluding a child being provided services at the home or bedside of the child or
5.32 in other states.

5.33 (c) "Child care facility" includes those child care programs subject to licensure under
5.34 chapter 245A, and Minnesota Rules, chapters 9502 and 9503.

6.1 (d) "Family child care" means child care for no more than ten children at one time
6.2 of which no more than six are under school age. The licensed capacity must include all
6.3 children of any caregiver when the children are present in the residence.

6.4 (e) "Group family child care" means child care for no more than 14 children at
6.5 any one time. The total number of children includes all children of any caregiver when
6.6 the children are present in the residence.

6.7 Sec. 7. Minnesota Statutes 2010, section 122A.415, subdivision 3, is amended to read:

6.8 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites,
6.9 or charter schools with approved applications must receive alternative compensation
6.10 revenue for each school year that the district, intermediate school district, school site,
6.11 or charter school implements an alternative teacher professional pay system under this
6.12 subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district,
6.13 intermediate school district, school site, or charter school that received alternative teacher
6.14 compensation aid for the previous fiscal year must receive at least an amount of alternative
6.15 teacher compensation revenue equal to the lesser of the amount it received for the previous
6.16 fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if
6.17 the district, intermediate school district, school site, or charter school submits a timely
6.18 application and the commissioner determines that the district, intermediate school district,
6.19 school site, or charter school continues to implement an alternative teacher professional
6.20 pay system, consistent with its application under this section.

6.21 (b) The commissioner shall approve applications that comply with subdivision 1,
6.22 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter
6.23 school, in the order in which they are received, select applicants that qualify for this
6.24 program, notify school districts, intermediate school districts, school sites, and charter
6.25 schools about the program, develop and disseminate application materials, and carry out
6.26 other activities needed to implement this section.

6.27 (c) ~~For applications approved under this section before August 1 of the fiscal year for~~
6.28 ~~which the aid is paid, the portion of the state total basic alternative teacher compensation~~
6.29 ~~aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006~~
6.30 ~~and \$3,374,000 for fiscal year 2007.~~ For fiscal year 2008 and later, the portion of the state
6.31 total basic alternative teacher compensation aid entitlement allocated to charter schools
6.32 must not exceed the product of \$3,374,000 times the ratio of the state total charter school
6.33 enrollment for the previous fiscal year to the state total charter school enrollment for ~~the~~
6.34 ~~second previous~~ fiscal year 2007. Additional basic alternative teacher compensation aid
6.35 may be approved for charter schools after August 1, not to exceed the charter school limit

7.1 for the following fiscal year, if the basic alternative teacher compensation aid entitlement
7.2 for school districts based on applications approved by August 1 does not expend the
7.3 remaining amount under the limit.

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

7.6 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative
7.7 teacher compensation aid for a school district with a plan approved under section
7.8 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation
7.9 revenue under subdivision 1. The basic alternative teacher compensation aid for an
7.10 intermediate school district or charter school with a plan approved under section
7.11 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times
7.12 the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on
7.13 October 1 of the current fiscal year for a charter school in the first year of operation, times
7.14 the ratio of the sum of the alternative teacher compensation aid and alternative teacher
7.15 compensation levy for all participating school districts to the maximum alternative teacher
7.16 compensation revenue for those districts under subdivision 1.

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

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

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

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

7.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
7.31 and later.

8.1 Sec. 10. Minnesota Statutes 2010, section 122A.415, is amended by adding a
8.2 subdivision to read:

8.3 Subd. 6. **Alternative teacher compensation aid.** (a) For fiscal year 2014 and later,
8.4 a district's alternative teacher compensation equalization aid equals the district's alternative
8.5 teacher compensation revenue minus the district's basic alternative teacher compensation
8.6 aid minus the district's alternative teacher compensation levy. If a district does not levy
8.7 the entire amount permitted, the alternative teacher compensation equalization aid must be
8.8 reduced in proportion to the actual amount levied.

8.9 (b) A district's alternative teacher compensation aid equals the sum of the
8.10 district's basic alternative teacher compensation aid and the district's alternative teacher
8.11 compensation equalization aid.

8.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
8.13 and later.

8.14 Sec. 11. Minnesota Statutes 2010, section 122A.416, is amended to read:

8.15 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE**
8.16 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**
8.17 **INTEGRATION COLLABORATIVES.**

8.18 Notwithstanding sections 122A.413, 122A.414, and 122A.415, and ~~126C.10,~~
8.19 multidistrict integration collaboratives and the Perpich Center for Arts Education are
8.20 eligible to receive alternative teacher compensation revenue as if they were intermediate
8.21 school districts. To qualify for alternative teacher compensation revenue, a multidistrict
8.22 integration collaborative or the Perpich Center for Arts Education must meet all of the
8.23 requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate
8.24 school districts, must report its enrollment as of October 1 of each year to the department,
8.25 and must annually report its expenditures for the alternative teacher professional pay
8.26 system consistent with the uniform financial accounting and reporting standards to the
8.27 department by November 30 of each year.

8.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
8.29 and later.

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

8.31 **Subd. 3. **Alternative attendance programs.** (a) A district that enrolls nonresident**
8.32 **pupils in programs under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68,**
8.33 **must provide authorized transportation to the pupil within the attendance area for the**

9.1 school that the pupil attends at the same level of service that is provided to resident pupils
 9.2 within the attendance area. The resident district need not provide or pay for transportation
 9.3 between the pupil's residence and the district's border.

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

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

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

9.13 Subd. 2a. **Continued enrollment for homeless students.** Notwithstanding
 9.14 subdivision 2, a pupil who has been enrolled in a district, who is identified as homeless,
 9.15 and whose parent or legal guardian moves to another district, may continue to enroll in
 9.16 the nonresident district without the approval of the board of the nonresident district. The
 9.17 approval of the board of the pupil's resident district is not required.

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

9.20 Subdivision 1. **General education revenue.** The general education revenue for
 9.21 each district equals the sum of the district's basic revenue, extended time revenue, gifted
 9.22 and talented revenue, small schools revenue, basic skills revenue, training and experience
 9.23 revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity
 9.24 revenue, total operating capital revenue, equity revenue, ~~alternative teacher compensation~~
 9.25 ~~revenue~~, and transition revenue.

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

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

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

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

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

- 10.1 (3) equity aid under section 126C.10, subdivision 30;
 10.2 ~~(4) alternative teacher compensation aid under section 126C.10, subdivision 36;~~
 10.3 ~~(5) transition aid under section 126C.10, subdivision 33;~~
 10.4 ~~(6) (5) shared time aid under section 126C.01, subdivision 7;~~
 10.5 ~~(7) (6) referendum aid under section 126C.17, subdivisions 7 and 7a; and~~
 10.6 ~~(8) (7) online learning aid according to section 124D.096.~~

10.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 10.8 and later.

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

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

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

10.14 (c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22,
 10.15 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05,
 10.16 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills
 10.17 revenue under section 126C.10, subdivision 4, must be paid to the resident district. For
 10.18 a student enrolled under section 124D.08, subdivision 2a, that is enrolled in other than
 10.19 an independent or special school district or charter school, the general education revenue
 10.20 shall be paid to the resident district.

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

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

10.26 Sec. 18. **REPEALER.**

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

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

11.1 **ARTICLE 2**11.2 **EDUCATION EXCELLENCE**

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

11.5 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
11.6 with appropriate technical qualifications and experience and stakeholders, consistent with
11.7 subdivision 1a, shall include in the comprehensive assessment system, for each grade
11.8 level to be tested, state-constructed tests developed from and aligned with the state's
11.9 required academic standards under section 120B.021, include multiple choice questions,
11.10 and be administered annually to all students in grades 3 through 8. State-developed
11.11 high school tests aligned with the state's required academic standards under section
11.12 120B.021 and administered to all high school students in a subject other than writing
11.13 must include multiple choice questions. The commissioner shall establish one or more
11.14 months during which schools shall administer the tests to students each school year.
11.15 Schools that the commissioner identifies for stand-alone field testing or other national
11.16 sampling must participate as directed. Superintendents or charter school directors may
11.17 appeal in writing to the commissioner for an exemption from a field test based on undue
11.18 hardship. The commissioner's decision regarding the appeal is final. For students enrolled
11.19 in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading,
11.20 mathematics, and writing shall fulfill students' basic skills testing requirements for a
11.21 passing state notation. The passing scores of basic skills tests in reading and mathematics
11.22 are the equivalent of 75 percent correct for students entering grade 9 based on the
11.23 first uniform test administered in February 1998. Students who have not successfully
11.24 passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass
11.25 the graduation-required assessments for diploma under paragraph (c), except that for
11.26 the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's
11.27 graduation test requirement for math by complying with paragraph (d), clauses (1) and (3).

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

11.30 (1) mathematics;

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

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

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

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

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

12.5 (1) for reading and mathematics:

12.6 (i) obtaining an achievement level equivalent to or greater than proficient as
12.7 determined through a standard setting process on the Minnesota comprehensive
12.8 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
12.9 score as determined through a standard setting process on the graduation-required
12.10 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
12.11 subsequent retests;

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

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

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

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

12.26 (2) for writing:

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

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

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

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

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

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

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

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

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

13.16 (e) The 3rd through 8th grade and high school test results shall be available to
13.17 districts for diagnostic purposes affecting student learning and district instruction and
13.18 curriculum, and for establishing educational accountability. The commissioner must
13.19 disseminate to the public the high school test results upon receiving those results.

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

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

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

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

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

13.34 (4) state results from participation in the National Assessment of Educational
13.35 Progress so that the state can benchmark its performance against the nation and other

14.1 states, and, where possible, against other countries, and contribute to the national effort
 14.2 to monitor achievement.

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

14.4 Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course
 14.5 for secondary credit may apply to the pupil's district of residence for reimbursement for
 14.6 transporting the pupil between the secondary school in which the pupil is enrolled or the
 14.7 pupil's home and the postsecondary institution that the pupil attends. The state shall
 14.8 provide state aid to a district in an amount sufficient to reimburse the parent or guardian
 14.9 for the necessary transportation costs when the family's or guardian's income is at or
 14.10 below the poverty level, as determined by the federal government. The reimbursement
 14.11 shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever
 14.12 is less. Reimbursement may not be paid for more than 250 miles per week. However,
 14.13 if the nearest postsecondary institution is more than 25 miles from the pupil's resident
 14.14 secondary school, the weekly reimbursement may not exceed the reimbursement rate per
 14.15 mile times the actual distance between the secondary school or the pupil's home and the
 14.16 nearest postsecondary institution times ten. The state must pay aid to the district according
 14.17 to this subdivision.

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

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

14.28 Subdivision 1. **Purposes.** (a) The primary purpose of this section is to:
 14.29 ~~(1)~~ improve pupil learning and student achievement; Additional purposes are to:
 14.30 ~~(2)~~ (1) increase learning opportunities for pupils;
 14.31 ~~(3)~~ (2) encourage the use of different and innovative teaching methods;
 14.32 ~~(4)~~ (3) measure learning outcomes and create different and innovative forms of
 14.33 measuring outcomes;
 14.34 ~~(5)~~ (4) establish new forms of accountability for schools; and

15.1 ~~(6)~~ (5) create new professional opportunities for teachers, including the opportunity
15.2 to be responsible for the learning program at the school site.

15.3 (b) This section does not provide a means to keep open a school that a school board
15.4 decides to close. However, a school board may endorse or authorize the establishing of
15.5 a charter school to replace the school the board decided to close. Applicants seeking a
15.6 charter under this circumstance must demonstrate to the authorizer that the charter sought
15.7 is substantially different in purpose and program from the school the board closed and
15.8 that the proposed charter satisfies the requirements of this subdivision. If the school
15.9 board that closed the school authorizes the charter, it must document in its affidavit to the
15.10 commissioner that the charter is substantially different in program and purpose from
15.11 the school it closed.

15.12 An authorizer shall not approve an application submitted by a charter school
15.13 developer under subdivision 4, paragraph (a), if the application does not comply with this
15.14 subdivision. The commissioner shall not approve an affidavit submitted by an authorizer
15.15 under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

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

15.18 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from
15.19 a school developer, may charter a licensed teacher under section 122A.18, subdivision
15.20 1, or a group of individuals that includes one or more licensed teachers under section
15.21 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the
15.22 authorizer's affidavit under paragraph (b). The school must be organized and operated as a
15.23 nonprofit corporation under chapter 317A and the provisions under the applicable chapter
15.24 shall apply to the school except as provided in this section.

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

15.28 (b) Before the operators may establish and operate a school, the authorizer must file
15.29 an affidavit with the commissioner stating its intent to charter a school. An authorizer
15.30 must file a separate affidavit for each school it intends to charter. The affidavit must
15.31 state the terms and conditions under which the authorizer would charter a school and
15.32 how the authorizer intends to oversee the fiscal and student performance of the charter
15.33 school and to comply with the terms of the written contract between the authorizer
15.34 and the charter school board of directors under subdivision 6. The commissioner must
15.35 approve or disapprove the authorizer's affidavit within 60 business days of receipt of the

16.1 affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify
16.2 the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business
16.3 days to address the deficiencies. If the authorizer does not address deficiencies to the
16.4 commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain
16.5 commissioner approval precludes an authorizer from chartering the school that is the
16.6 subject of this affidavit.

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

16.11 (d) The operators authorized to organize and operate a school, before entering into a
16.12 contract or other agreement for professional or other services, goods, or facilities, must
16.13 incorporate as a nonprofit corporation under chapter 317A and must establish a board of
16.14 directors composed of at least five members who are not related parties until a timely
16.15 election for members of the ongoing charter school board of directors is held according to
16.16 the school's articles and bylaws under paragraph (f). A charter school board of directors
16.17 must be composed of at least five members who are not related parties. Staff members
16.18 employed at the school, including teachers providing instruction under a contract with a
16.19 cooperative, and all parents or legal guardians of children enrolled in the school are the
16.20 voters eligible to elect the members of the school's board of directors. A charter school
16.21 must notify eligible voters of the school board election dates at least 30 days before the
16.22 election. Board of director meetings must comply with chapter 13D.

16.23 (e) ~~Upon the request of an individual, the charter school must make available~~
16.24 ~~in a timely fashion~~ A charter school shall publish and maintain on the school's official
16.25 Web site: (1) the minutes of meetings of the board of directors, and of members and
16.26 committees having any board-delegated authority; for at least one calendar year from the
16.27 date of publication; (2) directory information for members of the board of directors and
16.28 committees having board-delegated authority; and (3) identifying and contact information
16.29 for the school's authorizer. Identifying and contact information for the school's authorizer
16.30 must be included in other school materials made available to the public. Upon request of
16.31 an individual, the charter school must also make available in a timely fashion financial
16.32 statements showing all operations and transactions affecting income, surplus, and deficit
16.33 during the school's last annual accounting period; and a balance sheet summarizing assets
16.34 and liabilities on the closing date of the accounting period. A charter school also must post
16.35 on its official Web site information identifying its authorizer and indicate how to contact

17.1 that authorizer and include that same information about its authorizer in other school
17.2 materials that it makes available to the public.

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

17.9 (g) The ongoing board must be elected before the school completes its third year of
17.10 operation. Board elections must be held during the school year but may not be conducted
17.11 on days when the school is closed for holidays or vacations. The charter school board of
17.12 directors shall be composed of at least five nonrelated members and include: (i) at least one
17.13 licensed teacher employed at the school or a licensed teacher providing instruction under
17.14 contract between the charter school and a cooperative; (ii) the parent or legal guardian
17.15 of a student enrolled in the charter school who is not an employee of the charter school;
17.16 and (iii) an interested community member who is not employed by the charter school and
17.17 does not have a child enrolled in the school. The board may be a teacher majority board
17.18 composed of teachers described in this paragraph. The chief financial officer and the chief
17.19 administrator may only serve as ex-officio nonvoting board members and may not serve
17.20 as a voting member of the board. Charter school employees shall not serve on the board
17.21 unless item (i) applies. Contractors providing facilities, goods, or services to a charter
17.22 school shall not serve on the board of directors of the charter school. Board bylaws shall
17.23 outline the process and procedures for changing the board's governance model, consistent
17.24 with chapter 317A. A board may change its governance model only:

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

17.28 (2) with the authorizer's approval.

17.29 Any change in board governance must conform with the board structure established
17.30 under this paragraph.

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

17.33 (i) The granting or renewal of a charter school by an authorizer must not be
17.34 contingent on the charter school being required to contract, lease, or purchase services
17.35 from the authorizer. Any potential contract, lease, or purchase of service from an
17.36 authorizer must be disclosed to the commissioner, accepted through an open bidding

18.1 process, and be a separate contract from the charter contract. The school must document
18.2 the open bidding process. An authorizer must not enter into a contract to provide
18.3 management and financial services for a school that it authorizes, unless the school
18.4 documents that it received at least two competitive bids.

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

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

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

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

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

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

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

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

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

- 19.1 (2) a description of the school program and the specific academic and nonacademic
19.2 outcomes that pupils must achieve;
- 19.3 (3) a statement of admission policies and procedures;
- 19.4 (4) a governance, management, and administration plan for the school;
- 19.5 (5) signed agreements from charter school board members to comply with all
19.6 federal and state laws governing organizational, programmatic, and financial requirements
19.7 applicable to charter schools;
- 19.8 (6) the criteria, processes, and procedures that the authorizer will use for ongoing
19.9 oversight of operational, financial, and academic performance;
- 19.10 (7) the performance evaluation that is a prerequisite for reviewing a charter contract
19.11 under subdivision 15;
- 19.12 (8) types and amounts of insurance liability coverage to be obtained by the charter
19.13 school;
- 19.14 (9) consistent with subdivision 25, paragraph (d), a provision to indemnify and hold
19.15 harmless the authorizer and its officers, agents, and employees from any suit, claim,
19.16 or liability arising from any operation of the charter school, and the commissioner and
19.17 department officers, agents, and employees notwithstanding section 3.736;
- 19.18 (10) the term of the initial contract, which may be up to three years plus an additional
19.19 preoperational planning year, and up to five years for a renewed contract or a contract with
19.20 a new authorizer after a transfer of authorizers, if warranted by the school's academic,
19.21 financial, and operational performance;
- 19.22 (11) how the board of directors or the operators of the charter school will provide
19.23 special instruction and services for children with a disability under sections 125A.03
19.24 to 125A.24, and 125A.65, a description of the financial parameters within which the
19.25 charter school will operate to provide the special instruction and services to children
19.26 with a disability;
- 19.27 (12) the process and criteria the authorizer intends to use to monitor and evaluate the
19.28 fiscal and student performance of the charter school, consistent with subdivision 15;
- 19.29 (13) the specific conditions for contract renewal which identifies performance
19.30 under the primary purpose of subdivision 1 as the most important factor in determining
19.31 contract renewal; and
- 19.32 ~~(13)~~ (14) the plan for an orderly closing of the school under chapter 317A, if the
19.33 closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract,
19.34 and that includes establishing the responsibilities of the school board of directors and the
19.35 authorizer and notifying the commissioner, authorizer, school district in which the charter

20.1 school is located, and parents of enrolled students about the closure, the transfer of student
20.2 records to students' resident districts, and procedures for closing financial operations.

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

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

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

20.10 Subd. 14. **Annual public reports.** A charter school must publish an annual report
20.11 approved by the board of directors. The annual report must at least include information
20.12 on school enrollment, student attrition, governance and management, staffing, finances,
20.13 academic performance, operational performance, innovative practices and implementation,
20.14 and future plans. A charter school must distribute the annual report by publication, mail,
20.15 or electronic means to the ~~commissioner~~, authorizer, school employees, and parents and
20.16 legal guardians of students enrolled in the charter school and must also post the report on
20.17 the charter school's official Web site. The reports are public data under chapter 13.

20.18 Sec. 8. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 17a,
20.19 is amended to read:

20.20 Subd. 17a. **Affiliated nonprofit building corporation.** (a) Before a charter school
20.21 may organize an affiliated nonprofit building corporation (i) to renovate or purchase an
20.22 existing facility to serve as a school or (ii) to construct a new school facility, an authorizer
20.23 must submit an affidavit to the commissioner for approval in the form and manner the
20.24 commissioner prescribes, and consistent with paragraphs (b) and (c) or (d).

20.25 (b) An affiliated nonprofit building corporation under this subdivision must:

20.26 (1) be incorporated under section 317A and comply with applicable Internal
20.27 Revenue Service regulations;

20.28 (2) submit to the commissioner each fiscal year a list of current board members
20.29 and a copy of its annual audit; and

20.30 (3) comply with government data practices law under chapter 13.

20.31 An affiliated nonprofit building corporation must not serve as the leasing agent for
20.32 property or facilities it does not own. A charter school that leases a facility from an
20.33 affiliated nonprofit building corporation that does not own the leased facility is ineligible

21.1 to receive charter school lease aid. The state is immune from liability resulting from a
 21.2 contract between a charter school and an affiliated nonprofit building corporation.

21.3 (c) A charter school may organize an affiliated nonprofit building corporation to
 21.4 renovate or purchase an existing facility to serve as a school if the charter school:

21.5 (1) has been operating for at least five consecutive school years;

21.6 (2) has had a net positive unreserved general fund balance as of June 30 in the
 21.7 preceding five fiscal years;

21.8 (3) has a long-range strategic and financial plan;

21.9 (4) completes a feasibility study of available buildings; ~~and~~

21.10 (5) documents enrollment projections and the need to use an affiliated building
 21.11 corporation to renovate or purchase an existing facility to serve as a school; and

21.12 (6) has a plan for the renovation or purchase, which describes the parameters and
 21.13 budget for the project.

21.14 (d) A charter school may organize an affiliated nonprofit building corporation to
 21.15 expand an existing school facility or construct a new school facility if the charter school:

21.16 (1) demonstrates the lack of facilities available to serve as a school;

21.17 (2) has been operating for at least eight consecutive school years;

21.18 (3) has had a net positive unreserved general fund balance as of June 30 in the
 21.19 preceding eight fiscal years;

21.20 (4) completes a feasibility study of facility options;

21.21 (5) has a long-range strategic and financial plan that includes enrollment projections
 21.22 and demonstrates the need for constructing a new school facility; and

21.23 (6) has a plan for the expansion or new school facility, which describes the
 21.24 parameters and budget for the project.

21.25 (e) A charter school or an affiliated nonprofit building corporation organized by a
 21.26 charter school must not initiate an installment contract for purchase, or a lease agreement,
 21.27 or solicit bids for new construction, expansion, or remodeling of an educational facility
 21.28 that requires an expenditure in excess of \$1,400,000, unless it meets the criteria in
 21.29 paragraph (b) and paragraph (c) or (d), as applicable, and receives a positive review and
 21.30 comment from the commissioner under section 123B.71.

21.31 Sec. 9. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 25, is
 21.32 amended to read:

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

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

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

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

22.15 Sec. 10. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 22.16 16, is amended to read:

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

22.18 \$ 725,000 2012

22.19 \$ 725,000 2013

22.20 \$49,000 each year is for student organizations serving health occupations ~~(HUSA)~~
 22.21 (HOSA).

22.22 \$46,000 each year is for student organizations serving service occupations (HERO).

22.23 \$106,000 each year is for student organizations serving trade and industry
 22.24 occupations (SkillsUSA, secondary and postsecondary).

22.25 \$101,000 each year is for student organizations serving business occupations
 22.26 ~~(DECA, BPA,~~ secondary and postsecondary).

22.27 \$158,000 each year is for student organizations serving agriculture occupations
 22.28 (FFA, PAS).

22.29 \$150,000 each year is for student organizations serving family and consumer science
 22.30 occupations (FCCLA).

22.31 \$115,000 each year is for student organizations serving marketing occupations
 22.32 ~~(DEX)~~ (DECA, DECA Collegiate).

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

23.1 **ARTICLE 3**

23.2 **SPECIAL PROGRAMS**

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

23.4 **125A.14 EXTENDED SCHOOL YEAR.**

23.5 A district may provide extended school year services for children with a disability
 23.6 living within the district and nonresident children temporarily placed in the district
 23.7 pursuant to section 125A.15 ~~or 125A.16~~. Prior to March 31 or 30 days after the child
 23.8 with a disability is placed in the district, whichever is later, the providing district shall
 23.9 give notice to the district of residence of any nonresident children temporarily placed in
 23.10 the district pursuant to section 125A.15 ~~or 125A.16~~, of its intention to provide these
 23.11 programs. Notwithstanding any contrary provisions in ~~sections~~ section 125A.15 ~~and~~
 23.12 ~~125A.16~~, the district providing the special instruction and services must apply for special
 23.13 education aid for the extended school year services. The unreimbursed actual cost of
 23.14 providing the program for nonresident children with a disability, including the cost of
 23.15 board and lodging, may be billed to the district of the child's residence and must be paid
 23.16 by the resident district. Transportation costs must be paid by the district responsible
 23.17 for providing transportation pursuant to section 125A.15 ~~or 125A.16~~ and transportation
 23.18 aid must be paid to that district.

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

23.20 **125A.19 NONRESIDENT EDUCATION; BILLING.**

23.21 All tuition billing for the education of nonresident children pursuant to sections
 23.22 125A.03 to 125A.24, 125A.51, 125A.515, and 125A.65 must be done on uniform forms
 23.23 prescribed by the commissioner. The billing shall contain an itemized statement of costs
 23.24 that are being charged to the district of residence. ~~One copy of each billing must be filed~~
 23.25 ~~with the commissioner.~~

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

23.27 Subdivision 1. **Approval of education programs.** The commissioner shall approve
 23.28 on-site education programs for placement of children and youth in residential facilities
 23.29 including detention centers, before being licensed by the Department of Human Services
 23.30 or the Department of Corrections. Education programs in these facilities shall conform to
 23.31 state and federal education laws including the Individuals with Disabilities Education Act
 23.32 (IDEA). This section applies only to placements in facilities licensed by the Department of
 23.33 Human Services or the Department of Corrections. For purposes of this section, "on-site

24.1 education program" means the educational services provided directly on the grounds of
24.2 the care and treatment facility to children and youth placed for care and treatment.

24.3 Sec. 4. **REPEALER.**

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

APPENDIX
Article locations in H2727-1

ARTICLE 1	GENERAL EDUCATION	Page.Ln 1.15
ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 11.1
ARTICLE 3	SPECIAL PROGRAMS	Page.Ln 23.1

125A.16 PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.

(a) Responsibility for special instruction and services for a child with a disability placed in a state institution on a temporary basis must be determined in the following manner:

(1) the legal residence of the child is the district in which the child's parent resides, if living, or the child's guardian; and

(2) when the educational needs of the child can be met through the institutional program, the costs for the instruction must be paid by the department to which the institution is assigned with exception of children placed in fee-for-service facilities operated by the commissioner of corrections whose cost for such instruction shall be paid as outlined in section 125A.15.

(b) When it is determined that the child can benefit from public school enrollment, provision for the instruction shall be made in the following manner:

(1) determination of eligibility for special instruction and services must be made by the commissioner and the commissioner of the department responsible for the institution;

(2) the district where the institution is located is responsible for providing transportation and an appropriate educational program for the child and must make a tuition charge to the child's district of residence for the actual cost of providing the program; and

(3) the district of the child's residence shall pay the tuition and other program costs excluding transportation costs and may claim general education aid for the child. Transportation costs must be paid by the district where the institution is located and the state must pay transportation aid to that district.

125A.80 UNIFORM BILLING SYSTEM FOR THE EDUCATION COSTS OF OUT-OF-HOME PLACED STUDENTS.

The commissioner, in cooperation with the commissioners of human services and corrections and with input from appropriate billing system users, shall develop and implement a uniform billing system for school districts and other agencies, including private providers, who provide the educational services for students who are placed out of the home. The uniform billing system must:

(1) allow for the proper and timely billing to districts by service providers with a minimum amount of district administration;

(2) allow districts to bill the state for certain types of special education and regular education services as provided by law;

(3) provide flexibility for the types of services that are provided for children placed out of the home, including day treatment services;

(4) allow the commissioner to track the type, cost, and quality of services provided for children placed out of the home;

(5) conform existing special education and proposed regular education billing procedures;

(6) provide a uniform reporting standard of per diem rates;

(7) determine allowable expenses and maximum reimbursement rates for the state reimbursement of care and treatment services; and

(8) provide a process for the district to appeal to the commissioner tuition bills submitted to districts and to the state.

126C.10 GENERAL EDUCATION REVENUE.

Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal years 2007, 2008, and 2009, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals 73.1 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(b) For fiscal years 2010 and later, the basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a

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plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(c) Notwithstanding paragraphs (a) and (b) and section 122A.415, subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2007 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under section 122A.415 so as not to exceed these limits.

Subd. 35. **Alternative teacher compensation levy.** For fiscal year 2007 and later, the alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic alternative teacher compensation aid times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to \$5,913.

Subd. 36. **Alternative teacher compensation aid.** (a) For fiscal year 2007 and later, a district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a district does not levy the entire amount permitted, the alternative teacher compensation equalization aid must be reduced in proportion to the actual amount levied.

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

127A.47 PAYMENTS TO RESIDENT AND NONRESIDENT DISTRICTS.

Subd. 2. **Reporting; revenue for homeless.** For all school purposes, unless otherwise specifically provided by law, a homeless pupil is a resident of the school district that enrolls the pupil.