

A bill for an act
relating to education; modifying integration revenue provisions; amending
Minnesota Statutes 2008, sections 124D.86; 124D.896.

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

Section 1. Minnesota Statutes 2008, section 124D.86, is amended to read:

124D.86 INTEGRATION REVENUE.

Subdivision 1. **Use of revenue.** Integration revenue under this section must be used for programs established under a desegregation plan filed with the Department of Education according to Minnesota Rules, parts 3535.0100 to 3535.0180, or under court order. The revenue must be used to create or enhance learning opportunities which are designed to close the achievement gap and provide opportunities for students to have sustained increased interracial contacts through classroom experiences, staff initiatives, and other educationally related programs.

Subd. 1a. **Budget approval process.** Each year before a district receives any revenue under subdivision 3, ~~clause (4), (5), or (6),~~ the district must submit to the Department of Education, for its review and approval a budget detailing the costs of the desegregation/integration plan filed under Minnesota Rules, parts 3535.0100 to 3535.0180. Notwithstanding chapter 14, the department may develop criteria for budget approval. The department shall consult with the Desegregation Advisory Board in developing these criteria. The criteria developed by the department should address, at a minimum, the following:

(1) budget items cannot be approved unless they are part of any overall desegregation plan approved by the district ~~for isolated sites or by the Multidistrict Collaboration Council and participation individual members;~~

(2) the budget must indicate how revenue expenditures will be used specifically to support increased opportunities for interracial contact and close the achievement gap;

(3) components of the budget to be considered by the department, including staffing, curriculum, transportation, facilities, materials, and equipment and reasonable planning costs, as determined by the department; and

(4) if plans are proposed to enhance existing programs, the total budget being appropriated to the program must be included, indicating what part is to be funded using integration revenue and what part is to be funded using other revenues.

Subd. 1b. **Plan components.** Plans submitted by each district under Minnesota Rules, parts 3535.0160 and 3535.0170, must be approved by the district's board each year using the criteria established under section 124D.896, paragraph (b), clause (6), before integration revenue will be awarded. ~~If a district is applying for revenue for a plan that is part of a multidistrict council, the individual district shall not receive revenue unless it ratifies the plan adopted by its multidistrict council or approves a modified plan with a written explanation of any modifications.~~ Each plan shall contain:

(1) an identification of the integration issues at the sites or districts covered by Minnesota Rules, parts 3535.0100 to 3535.0180;

(2) a description of the community outreach that preceded the integration plan, such that the commissioner can determine whether the membership of the planning councils complied with the requirements of Minnesota Rules, parts 3535.0100 to 3535.0180; and

(3) the specific goals of the integration plan.

By June 30 of the subsequent fiscal year, each district shall report to the commissioner in writing about the extent to which the integration goals identified in the plan were met.

Subd. 2. **Separate account.** Integration revenue shall be maintained in a separate account to identify expenditures for salaries and programs related to this revenue.

Subd. 3. **Integration revenue.** (a) Integration revenue for a district where the enrollment of protected students exceeds 15 percent equals the following amounts lesser of:

~~(1) for Independent School District No. 709, Duluth, \$206 times the adjusted pupil units for the school year;~~

~~(2) for Independent School District No. 625, St. Paul, \$445 times the adjusted pupil units for the school year;~~

~~(3) for Special School District No. 1, Minneapolis, the sum of \$445 times the adjusted pupil units for the school year and an additional \$35 times the adjusted pupil units for the school year that is provided entirely through a local levy;~~

~~(4) for a district not listed in clause (1), (2), or (3), that must implement a plan under Minnesota Rules, parts 3535.0100 to 3535.0180, where the district's enrollment of protected students, as defined under Minnesota Rules, part 3535.0110, exceeds 15 percent, the lesser of (i) the actual cost of implementing the plan during the fiscal year minus the aid received under subdivision 6, or (ii) \$129 times the adjusted pupil units for the school year;~~

~~(5) for a district not listed in clause (1), (2), (3), or (4), that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0100 to 3535.0180, the lesser of~~

~~(i) (1) the actual cost of implementing the plan during the fiscal year minus the aid received under subdivision 6, or;~~

~~(ii) \$92 (2) \$445 times the adjusted pupil units for the school year; or~~

~~(3) \$654 times the protected student enrollment of the district as defined under Minnesota Rules, part 3535.0110.~~

~~Any money received by districts in clauses (1) to (3) which exceeds the amount received in fiscal year 2000 shall be subject to the budget requirements in subdivision 1a; and~~

~~(6) for a member district of a multidistrict integration collaborative that files a plan with the commissioner, but is not contiguous to a racially isolated district, integration revenue equals the amount defined in clause (5).~~

(b) For Special School District No. 1, Minneapolis, integration revenue equals the amount under paragraph (a) plus an additional \$35 times the adjusted pupil units for the school year that is provided entirely through local levy.

(c) For any district that has not made sufficient progress in closing the achievement gap under subdivision 7, failed to meet other evaluation requirements developed by the department under section 124D.896, paragraph (b), clause (6), or failed to report to the commissioner the integration outcomes required under subdivision 1b, the district's integration revenue under this subdivision is reduced by 50 percent.

Subd. 4. **Integration levy.** A district may levy an amount equal to ~~37 percent for fiscal year 2003, 23 percent for fiscal year 2004, and 30 percent for fiscal year 2005 and thereafter~~ of the district's integration revenue as defined in subdivision 3.

Subd. 5. **Integration aid.** A district's integration aid equals the difference between the district's integration revenue and its integration levy.

~~Subd. 6. **Alternative attendance programs.** (a) The integration aid under subdivision 5 must be adjusted for each pupil residing in a district eligible for integration revenue under subdivision 3, clause (1), (2), or (3), and attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, and 124D.08, that is not eligible for~~

~~integration revenue under subdivision 3, clause (1), (2), or (3), and has implemented a plan under Minnesota Rules, parts 3535.0100 to 3535.0180, if the enrollment of the pupil in the nonresident district contributes to desegregation or integration purposes. The adjustments must be made according to this subdivision.~~

~~(b) Aid paid to a district serving nonresidents must be increased by an amount equal to the revenue per pupil unit of the resident district under subdivision 3, clause (1), (2), or (3), minus the revenue attributable to the pupil in the nonresident district under subdivision 3, clause (4), (5), or (6), for the time the pupil is enrolled in the nonresident district.~~

Subd. 7. **Department evaluation.** (a) Once every three years, the Department of Education shall evaluate a school district's integration program. Upon notification of evaluation by the commissioner, the school district must report to the department:

(1) the achievement gap for the district as a whole and each school site in the district for the 2008-2009 school year, and the last school year in which an evaluation under this section was conducted; and

(2) the achievement gap for the district as a whole and each school site in the district for the most recent school year for which data is available.

(b) The department shall determine whether the school district integration plans have reduced the achievement gap, sustainably increased the interracial contacts of students, and met the goals established by the district.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 2. Minnesota Statutes 2008, section 124D.896, is amended to read:

124D.896 DESEGREGATION/INTEGRATION AND INCLUSIVE EDUCATION RULES.

(a) By January 10, 1999, the commissioner shall propose rules relating to desegregation/integration and inclusive education.

(b) By July 6, 2010, the commissioner shall propose rules:

(1) requiring only those school districts with a protected student enrollment of greater than 15 percent to establish desegregation plans;

(2) providing guidance and oversight to school districts that have had one or more racially identifiable schools for three or more consecutive years;

(3) addressing multidistrict collaborative councils;

(4) collecting and disseminating best practices among districts with desegregation plans;

(5) determining whether a school district has engaged in intentional segregation;

5.1 (6) establishing plan evaluation criteria;

5.2 (7) establishing budget expenditure criteria; and

5.3 (8) defining the achievement gap.

5.4 (c) In adopting a rule related to school desegregation/integration, the commissioner
5.5 shall address the need for equal educational opportunities for all students and racial
5.6 balance as defined by the commissioner.

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