

A bill for an act

relating to education; providing for policy for prekindergarten through grade 12 education, including general education, education excellence, special programs, facilities and technology, early childhood education, and student transportation; amending Minnesota Statutes 2010, sections 11A.16, subdivision 5; 13.32, subdivision 6; 119A.50, subdivision 3; 120A.22, subdivision 11; 120A.24; 120A.40; 120B.023, subdivision 2; 120B.11; 120B.12; 120B.30, subdivisions 1, 3, 4; 120B.31, subdivision 4; 120B.36, subdivisions 1, 2; 121A.15, subdivision 8; 121A.17, subdivision 3; 122A.09, subdivision 4; 122A.14, subdivision 3; 122A.16, as amended; 122A.18, subdivision 2; 122A.23, subdivision 2; 122A.40, subdivisions 5, 11, by adding a subdivision; 122A.41, subdivisions 1, 2, 5a, 10, 14; 123B.143, subdivision 1; 123B.147, subdivision 3; 123B.41, subdivisions 2, 5; 123B.57; 123B.63, subdivision 3; 123B.71, subdivision 5; 123B.72, subdivision 3; 123B.75, subdivision 5; 123B.88, by adding a subdivision; 123B.92, subdivisions 1, 5; 124D.091, subdivision 2; 124D.36; 124D.37; 124D.38, subdivision 3; 124D.385, subdivision 3; 124D.39; 124D.40; 124D.42, subdivisions 6, 8; 124D.44; 124D.45, subdivision 2; 124D.52, subdivision 7; 124D.871; 125A.02, subdivision 1; 125A.15; 125A.51; 125A.79, subdivision 1; 126C.10, subdivision 8a; 126C.15, subdivision 2; 126C.41, subdivision 2; 127A.30, subdivision 1; 127A.42, subdivision 2; 127A.43; 127A.45, by adding a subdivision; 171.05, subdivision 2; 171.17, subdivision 1; 171.22, subdivision 1; 181A.05, subdivision 1; Laws 2011, chapter 5, section 1; proposing coding for new law in Minnesota Statutes, chapter 120B; repealing Minnesota Statutes 2010, sections 120A.26, subdivisions 1, 2; 124D.38, subdivisions 4, 5, 6; 125A.54; 126C.457.

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

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2010, section 11A.16, subdivision 5, is amended to read:

Subd. 5. **Calculation of income.** As of the end of each fiscal year, the state board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities

~~and~~, dividends on equity securities, and interest earned on certified monthly earnings before transfer to the Department of Education. Gains and losses arising from the sale of securities shall be apportioned as follows:

(a) If the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b) it shall be added to the principal of the fund.

(b) If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered first from the gains in paragraph (a) apportioned to that fiscal year. If these gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

Sec. 2. Minnesota Statutes 2010, section 123B.41, subdivision 2, is amended to read:

Subd. 2. **Textbook.** "Textbook" means any book or book substitute, including electronic books as well as other printed materials delivered electronically, which a pupil uses as a text or text substitute in a particular class or program in the school regularly attended and a copy of which is expected to be available for the individual use of each pupil in this class or program. The term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf form, as well as electronic books and other printed materials delivered electronically, intended for use as a principal source of study material for a given class or a group of students. The term includes only such secular, neutral and nonideological textbooks as are available, used by, or of benefit to Minnesota public school pupils.

Sec. 3. Minnesota Statutes 2010, section 123B.41, subdivision 5, is amended to read:

Subd. 5. **Individualized instructional or cooperative learning materials.** "Individualized instructional or cooperative learning materials" means educational materials which:

(a) are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends;

(b) are secular, neutral, nonideological and not capable of diversion for religious use; and

(c) are available, used by, or of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a), (b), and (c), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in subdivision 2: published materials;

periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-Rom.

"Individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware, or ordinary daily consumable classroom supplies.

Sec. 4. Minnesota Statutes 2010, section 123B.63, subdivision 3, is amended to read:

Subd. 3. **Capital project levy referendum.** A district may levy the local tax rate approved by a majority of the electors voting on the question to provide funds for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum must be held on a date set by the board. A district must meet the requirements of section 123B.71 for projects funded under this section. If a review and comment is required under section 123B.71, subdivision 8, a referendum for a project not receiving a positive review and comment by the commissioner ~~under section 123B.71~~ must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, before an election for the issuance of obligations for the project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the capital project levy and the issuance of obligations for the project under chapter 475. Any obligations authorized for a project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state whether the project has received a positive or negative review and comment from the commissioner, state the maximum amount of the capital project levy as a percentage of net tax capacity, state the amount that will be raised by that local tax rate in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the capital project levy proposed by the board of School District No. be approved?"

If approved, the amount provided by the approved local tax rate applied to the net tax capacity for the year preceding the year the levy is certified may be certified for the number of years, not to exceed ten, approved.

In the event a conjunctive question proposes to authorize both the capital project levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations must also be included in the question.

The district must notify the commissioner of the results of the referendum.

Sec. 5. Minnesota Statutes 2010, section 123B.75, subdivision 5, is amended to read:

Subd. 5. **Levy recognition.** (a) For fiscal years 2009 and 2010, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus

(iii) zero percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

(b) For fiscal year 2011 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; ~~126C.457~~; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

Sec. 6. Minnesota Statutes 2010, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

(3) revenue for teachers' salaries, contracted services, supplies, equipment, and transportation services under section 125A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" for a school district means ~~the sum of the~~ general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, ~~plus the total qualifying referendum revenue specified in paragraph (c) minus~~ transportation sparsity revenue ~~minus and~~ total operating capital revenue.

"General revenue" for a charter school means the sum of the general education revenue according to section 124D.11, subdivision 1, excluding alternative teacher compensation revenue, referendum equalization aid, transportation sparsity revenue, and operating capital revenue, and transportation revenue according to section 124D.11, subdivision 2.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.02 for fiscal year 2012 and later.

~~(e) "Total qualifying referendum revenue" means two-thirds of the district's total referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.~~

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

Sec. 7. Minnesota Statutes 2010, section 126C.10, subdivision 8a, is amended to read:

Subd. 8a. **Sparsity revenue for school districts that close facilities.** A school district that closes a school facility is eligible for elementary and secondary sparsity revenue equal to the greater of the amounts calculated under subdivisions 6, 7, and 8 or the total amount of sparsity revenue for the previous fiscal year if the school board of the district has adopted a written resolution stating that the district intends to close the school facility, but cannot proceed with the closure without the adjustment to sparsity revenue authorized by this subdivision. The written resolution must be approved by the school board and filed with the commissioner of education ~~at least 60 days~~ prior to the start of the fiscal year for which aid under this subdivision is first requested.

EFFECTIVE DATE. This section is effective for board resolutions approved by the school board in fiscal year 2011 and later for sparsity revenue calculations in fiscal year 2012 and later.

Sec. 8. Minnesota Statutes 2010, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) A district or cooperative must allocate its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) Notwithstanding paragraph (a), a district or cooperative may allocate up to five percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

Sec. 9. Minnesota Statutes 2010, section 126C.41, subdivision 2, is amended to read:

Subd. 2. Retired employee health benefits. (a) A district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992, and to pay for health insurance or unreimbursed medical expenses for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable before July 1, 1998, only if a sunset clause is in effect for the current collective bargaining agreement. The total amount of the levy each year may not exceed \$600,000.

(b) In addition to the levy authority granted under paragraph (a), a school district may levy for other postemployment benefits expenses actually paid during the previous fiscal year. For purposes of this subdivision, "postemployment benefits" means benefits giving rise to a liability under Statement No. 45 of the Government Accounting Standards Board. A district seeking levy authority under this subdivision must:

(1) create or have created an actuarial liability to pay postemployment benefits to employees or officers after their termination of service;

(2) have a sunset clause in effect for the current collective bargaining agreement as required by paragraph (a); and

(3) apply for the authority in the form and manner required by the commissioner of education.

If the total levy authority requested under this paragraph exceeds the amount established in paragraph (c), the commissioner must proportionately reduce each district's maximum levy authority under this subdivision. The commissioner may subsequently adjust each

district's levy authority under this subdivision so long as the total levy authority does not exceed the maximum levy authority for that year.

(c) The maximum levy authority under paragraph (b) must not exceed the following amounts:

(1) \$9,242,000 for taxes payable in 2010;

(2) \$29,863,000 for taxes payable in 2011; and

(3) for taxes payable in 2012 and later, the maximum levy authority must not exceed the sum of the previous year's authority and \$14,000,000.

Sec. 10. Minnesota Statutes 2010, section 127A.30, subdivision 1, is amended to read:

Subdivision 1. **Membership and terms.** (a) A state Permanent School Fund Advisory Committee is established to advise the Department of Natural Resources on the management of permanent school fund land, which is held in trust for the school districts of the state.

(b) The advisory committee must consist of the following persons or their designees: the chairs of the education committees of the legislature, the chairs of the legislative committees with jurisdiction over the K-12 education budget, the chairs of the legislative committees with jurisdiction over the environment and natural resources policy and budget, the chair of the senate Committee on Finance and the chair of the house of representatives Committee on Ways and Means, one member of the house of representatives of the minority party appointed by the minority leader, one senator of the minority party appointed pursuant to the rules of the senate, the commissioner of education, one superintendent from a nonmetropolitan district, one superintendent from a metropolitan area district, one person with expertise on school finance matters, one person with an expertise in forestry, one person with an expertise in minerals and mining, one person with an expertise in real estate development, one person with an expertise in renewable energy, one person with an expertise in finance and land management, and one person with an expertise in natural resource conservation. The school district superintendents and the member with expertise on school finance matters shall be appointed by the commissioner of education. The committee members with areas of expertise in forestry, minerals and mining, real estate development, renewable energy, finance and land management, and natural resource conservation shall be appointed by the commissioner of natural resources. Members of the legislature shall be given the opportunity to recommend candidates for vacancies on the committee to the commissioners of education and natural resources. The advisory committee must also include a nonvoting member appointed by the commissioner of natural resources.

(c) The commissioner of natural resources shall provide administrative support to the committee.

(d) The members of the committee shall serve without compensation. The members of the Permanent School Fund Advisory Committee shall elect their chair and are bound by the provisions of sections 43A.38 and 116P.09, subdivision 6.

(e) The terms of members appointed by the commissioners of education and natural resources are staggered four-year terms according to section 15.059, subdivision 2. Members may be reappointed at the pleasure of the appointing authority. Members are subject to removal according to section 15.059, subdivision 4.

(f) The other members of the Permanent School Fund Advisory Committee serve at the pleasure of their respective appointing authorities and their terms expire upon the appointment of their successors.

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

Sec. 11. **REPEALER.**

Minnesota Statutes 2010, section 126C.457, is repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2010, section 13.32, subdivision 6, is amended to read:

Subd. 6. **Admissions forms; remedial instruction.** (a) Minnesota postsecondary education institutions, for purposes of reporting and research, may collect on the 1986-1987 admissions form, and disseminate to any public educational agency or institution the following data on individuals: student sex, ethnic background, age, and disabilities. The data shall not be required of any individual and shall not be used for purposes of determining the person's admission to an institution.

(b) A school district that receives information under subdivision 3, paragraph (h) from a postsecondary institution about an identifiable student shall maintain the data as educational data and use that data to conduct studies to improve instruction. Public postsecondary systems annually shall provide summary data to the Department of Education indicating the extent and content of the remedial instruction received in each system during the prior academic year by, and the results of assessment testing and the academic performance of, students who graduated from a Minnesota school district within two years before receiving the remedial instruction, and include as separate categories of summary data the number and percentage of recent high school graduates who prepared

for postsecondary academic and career opportunities under section 120B.35, subdivision 3, paragraph (c), and the number of recent high school graduates who graduated as students with disabilities. The department shall evaluate the data and annually report its findings to the education committees of the legislature.

(c) This section supersedes any inconsistent provision of law.

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

Subd. 11. **Assessment of performance.** (a) Each year the performance of every child who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. ~~The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination~~ or a nationally recognized college entrance exam.

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

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

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

Sec. 3. Minnesota Statutes 2010, section 120A.24, is amended to read:

120A.24 REPORTING.

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

(1) by October 1 of ~~each the first school year, the name, birth date, and address of each child receiving instruction~~ the child receives instruction after reaching the age of seven;

~~(2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10;~~

~~(3) an annual instructional calendar; and~~

~~(4) for each child instructed by a parent who meets only the requirement of section 120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120A.22, subdivision 9.~~

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

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

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

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

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

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

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

(c) The person in charge of providing instruction to a child must make the documentation in this subdivision available to the county attorney when a case is

commenced under section 120A.26, subdivision 5; chapter 260C; or when diverted under chapter 260A.

Subd. 3. **Exemptions.** A nonpublic school, person, or other institution that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner, is exempt from the requirements in ~~subdivisions 1 and subdivision 2, except for the requirement in subdivision 1, clause (1).~~

Subd. 4. **Reports to the state.** A superintendent must make an annual report to the commissioner of education by December 1 of the total number of nonpublic schoolchildren reported as residing in the district. ~~The report must include the following information:~~

~~(1) the number of children residing in the district attending nonpublic schools or receiving instruction from persons or institutions other than a public school;~~

~~(2) the number of children in clause (1) who are in compliance with section 120A.22 and this section; and~~

~~(3) the number of children in clause (1) who the superintendent has determined are not in compliance with section 120A.22 and this section.~~

Subd. 5. **Obligations.** Nothing in this section alleviates the obligations under section 120A.22.

Sec. 4. Minnesota Statutes 2010, section 120A.40, is amended to read:

120A.40 SCHOOL CALENDAR.

(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, a district must not commence an elementary or secondary school year before Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

(b) A district may begin the school year on any day before Labor Day:

(1) to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility;

(2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35 with a district that qualifies under clause (1); ~~or~~

(3) if the district agrees to the same schedule with a school district in an adjoining state; or

(4) if the district canceled at least two instructional school days in the previous school year because of a flood, tornado, or fire.

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

13.2 Sec. 5. Minnesota Statutes 2010, section 120B.023, subdivision 2, is amended to read:

13.3 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must
13.4 revise and appropriately embed technology and information literacy standards consistent
13.5 with recommendations from school media specialists into the state's academic standards
13.6 and graduation requirements and implement a review cycle for state academic standards
13.7 and related benchmarks, consistent with this subdivision. During each review cycle, the
13.8 commissioner also must examine the alignment of each required academic standard and
13.9 related benchmark with the knowledge and skills students need for college readiness and
13.10 advanced work in the particular subject area.

13.11 (b) The commissioner in the 2006-2007 school year must revise and align the state's
13.12 academic standards and high school graduation requirements in mathematics to require
13.13 that students satisfactorily complete the revised mathematics standards, beginning in the
13.14 2010-2011 school year. Under the revised standards:

13.15 (1) students must satisfactorily complete an algebra I credit by the end of eighth
13.16 grade; and

13.17 (2) students scheduled to graduate in the 2014-2015 school year or later must
13.18 satisfactorily complete an algebra II credit or its equivalent.

13.19 The commissioner also must ensure that the statewide mathematics assessments
13.20 administered to students in grades 3 through 8 and 11 are aligned with the state academic
13.21 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph
13.22 (b). The commissioner must implement a review of the academic standards and related
13.23 benchmarks in mathematics beginning in the 2015-2016 school year.

13.24 (c) The commissioner in the 2007-2008 school year must revise and align the state's
13.25 academic standards and high school graduation requirements in the arts to require that
13.26 students satisfactorily complete the revised arts standards beginning in the 2010-2011
13.27 school year. The commissioner must implement a review of the academic standards and
13.28 related benchmarks in arts beginning in the 2016-2017 school year.

13.29 (d) The commissioner in the 2008-2009 school year must revise and align the state's
13.30 academic standards and high school graduation requirements in science to require that
13.31 students satisfactorily complete the revised science standards, beginning in the 2011-2012
13.32 school year. Under the revised standards, students scheduled to graduate in the 2014-2015
13.33 school year or later must satisfactorily complete a chemistry ~~or~~ physics, or career and
13.34 technical education credit. The commissioner must implement a review of the academic
13.35 standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

(h) The commissioner is prohibited from adopting common core state standards in any subject and school year listed in any revision cycle under this section that were developed with the participation of the National Governors Association and the Council of Chief State School Officers.

Sec. 6. Minnesota Statutes 2010, section 120B.11, is amended to read:

120B.11 SCHOOL DISTRICT PROCESS FOR REVIEWING CURRICULUM, INSTRUCTION, AND STUDENT ACHIEVEMENT.

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and college and career readiness.

Subd. 2. **Adopting policies.** A school board shall ~~have in place an adopted written~~ adopt a policy to support and improve teaching and learning that includes the following:

(1) district goals for instruction including the use of best teaching practices, district and school curriculum, and achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);

(2) a process for evaluating each student's progress toward meeting state and local academic standards and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress academic achievement and growth;

(3) a performance-based system for periodically reviewing and evaluating the effectiveness of all instruction and curriculum that includes, among other measures to improve teaching and learning, a performance-based system for annually evaluating school principals under section 123B.147, subdivision 3;

(4) a plan for improving instruction, curriculum, and student academic achievement and growth; and

(5) an education effectiveness plan aligned with ~~section~~ sections 120B.023, subdivision 2, and 122A.625 that integrates high quality instruction, rigorous curriculum, and technology, and a collaborative professional culture that develops teacher quality, performance, and effectiveness.

Subd. 3. **District advisory committee.** Each school board shall establish an advisory committee to ensure active community participation in all phases of planning and improving the instruction and curriculum affecting state and district academic standards, consistent with subdivision 2. A district advisory committee, to the extent possible, shall reflect the diversity of the district and its ~~learning school~~ sites, and shall include teachers, parents, support staff, students, and other community residents. The district may establish building site teams as subcommittees of the district advisory committee under subdivision 4. The district advisory committee shall recommend to the school board rigorous academic standards, student achievement goals and measures consistent with section 120B.35, district assessments, and program evaluations. ~~Learning School~~ sites may expand upon district evaluations of instruction, curriculum, assessments, or programs. Whenever possible, parents and other community residents shall comprise at least two-thirds of advisory committee members.

Subd. 4. **Building Site team.** A school may establish a building site team to develop and implement an education effectiveness plan to improve instruction, curriculum, and student achievement at the school site, consistent with subdivision 2. The team shall advise the board and the advisory committee about developing an instruction and curriculum improvement plan that aligns curriculum, assessment of student progress in meeting state and district academic standards, and instruction.

Subd. 5. **Local report.** ~~(a) By October 1 of each year, the school board shall use standard statewide reporting procedures the commissioner develops and adopt a report that includes the following:~~

~~(1) student achievement goals for meeting state academic standards;~~
~~(2) results of local assessment data, and any additional test data;~~
~~(3) the annual school district improvement plans including staff development goals under section 122A.60;~~
~~(4) information about district and learning site progress in realizing previously adopted improvement plans; and~~
~~(5) the amount and type of revenue attributed to each education site as defined in section 123B.04.~~

~~(b) Consistent with requirements for school performance report cards under section 120B.36, subdivision 1, the school board shall publish a summary of the report about student achievement goals, local assessment outcomes, plans for improving curriculum and instruction, and success in realizing previously adopted improvement plans in the local newspaper with the largest circulation in the district, by mail, or by electronic means such as the district Web site. If electronic means are used, school districts must publish notice of the report in a periodical of general circulation in the district. School districts must make copies of the report available to the public on request.~~

~~(c) The title of the report shall contain the name and number of the school district and read "Annual Report on Curriculum, Instruction, and Student Achievement." The report must include at least the following information about advisory committee membership:~~

~~(1) the name of each committee member and the date when that member's term expires;~~
~~(2) the method and criteria the school board uses to select committee members; and~~
~~(3) the date by which a community resident must apply to next serve on the committee.~~

Subd. 6. **Student evaluation.** The school board annually shall provide high school graduates or GED recipients who ~~receive~~ received a diploma or its equivalent from the school district within the two previous school years with an opportunity to report to the board by electronic means on the following:

(1) the quality of district instruction, curriculum, and services; and
(2) the quality of district delivery of instruction, curriculum, and services;
~~(3) the utility of district facilities; and~~
~~(4) the effectiveness of district administration.~~

For purposes of improving instruction and curriculum and consistent with section 13.32, subdivision 6, paragraph (b), the board must forward a summary of its evaluation findings to the commissioner upon request.

Subd. 7. **Periodic report.** Each school district shall periodically ask affected constituencies about their level of satisfaction with school. The district shall include the results of this evaluation in the report required under subdivision 5.

Subd. 8. **Biennial evaluation; assessment program.** At least once every two years, the district report under subdivision 5 shall include an evaluation of the effectiveness of district testing programs, ~~according to the following:~~

- ~~(1) written objectives of the assessment program;~~
- ~~(2) names of tests and grade levels tested;~~
- ~~(3) use of test results; and~~
- ~~(4) student achievement results compared to previous years.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to reports on the 2011-2012 school year and later.

Sec. 7. **[120B.115] HELPING STUDENTS ACQUIRE GRADE-LEVEL READING PROFICIENCY BY THE END OF GRADE 3.**

Subdivision 1. **Local literacy plan for students to achieve grade-level reading proficiency.** (a) The provisions in this section are designed to ensure every child succeeds in reading at or above grade level by the end of grade 3, to identify and remediate students' reading deficiencies in a timely manner, and to intervene effectively when students experience reading difficulties so that they acquire the skills they need to make academic progress throughout elementary and secondary school. Consistent with this section and section 120B.12, school districts and charter schools must develop a local literacy plan to monitor the reading proficiency of students in kindergarten through grade 3, inform parents of their students' reading proficiency and growth, and set intervention strategies to bring students to grade-level proficiency. Any student who is identified as not being grade-level proficient in reading based on state or local reading assessments is a student with a reading deficiency for purposes of this section.

(b) Consistent with its local literacy plan, school sites within the district and charter schools annually must assess a student's reading proficiency and provide intensive reading instruction to any student who in any grade, kindergarten through 3, is identified as having a reading deficiency. Each September and May, and periodically throughout the school year, school sites within a district and charter schools must transmit to each parent of an enrolled student updated and timely information about that student's reading needs, proficiency, and growth toward becoming a successful grade-level reader, and, where applicable, information about interventions under subdivision 2, paragraph (c). Reading assessments must identify the nature of a student's deficiency, the student's areas of

academic need, and strategies for providing the student with appropriate interventions, support, and instruction. A student must continue to receive intensive, comprehensive, scientifically based reading instruction in the five reading areas: phonemic awareness, phonics, fluency, vocabulary, and comprehension; as defined in section 122A.06, until the student achieves grade-level reading proficiency.

(c) Beginning in the 2014-2015 school year and later, school sites within a district or a charter school must not promote to grade 4 a student who is unable to demonstrate grade-level proficiency as measured by the statewide reading assessment in grade 3 or locally determined reading assessments but may establish a good cause exception under paragraph (f) to ensure a student is not unnecessarily retained in grade 3. At the start of grade 3, a school site within a district or a charter school, consistent with its literacy plan under paragraph (a), must give written notice to the parent of a student who demonstrates a reading deficiency of the following:

(1) the student has been identified as having a reading deficiency;

(2) reading-related services currently being provided to the student;

(3) proposed supplemental instructional services and supports to be provided to the student to remediate the student's identified reading deficiencies;

(4) that a student whose reading deficiencies are not remediated by the end of grade 3 must be retained in grade 3 unless a good cause exception applies;

(5) strategies for parents to use in helping their student succeed in becoming grade-level proficient in reading;

(6) the educational risks of promoting a grade 3 student to grade 4 who is not grade-level proficient in reading; and

(7) that the annual statewide reading assessment score is not the sole factor in determining whether a student is promoted and that multiple assessments of a student's reading proficiency, including additional evaluations, portfolio reviews, and local assessments are available to help parents and the school site within the district or the charter school jointly decide whether a student is reading at or above grade level and ready to be promoted to grade 4.

The parent of a student who is not reading at grade level at the end of grade 3 and does not qualify for a good cause exception may ask to meet with a school administrator, the student's classroom teacher, and other qualified school professionals such as the school's reading teacher or school counselor to consider whether to promote the student to grade 4 or retain the student in grade 3. A school site or charter school must comply with the parent's meeting request in a timely manner and before the end of the current school year. If, after the meeting, the parent objects to retaining the student, the parent must sign

19.1 a school form stating that the parent opposes retaining the student and understands the
19.2 educational risks of promoting a grade 3 student to grade 4 who is not grade-level reading
19.3 proficient and the school site or charter school must promote the otherwise qualified
19.4 student to grade 4.

19.5 (d) No district or charter school may assign a student to grade 4 based solely on the
19.6 student's age or any other factor that relates to keeping the student with the student's social
19.7 peers despite the student's reading deficiencies and constitutes social promotion. A student
19.8 must be promoted to grade 4 only after demonstrating mastery of the reading skills needed
19.9 to achieve academic success in grade 4 unless a good cause exception applies.

19.10 (e) Districts and charter schools must include in their literacy plan under paragraph
19.11 (a) specific criteria and policies for promoting midyear to grade 4 a student retained in
19.12 grade 3 who subsequently demonstrates grade-level reading proficiency.

19.13 (f) Under a good cause exception established by the district or charter school in its
19.14 literacy plan under paragraph (a), a student who does not demonstrate grade-level reading
19.15 proficiency on the statewide reading assessment by the end of grade 3 may be promoted to
19.16 grade 4 if the student is:

19.17 (1) a limited English proficient student who has not received instruction in an
19.18 English language learner program during two school years;

19.19 (2) an eligible child with disabilities whose individualized education program
19.20 indicates that participating in the statewide reading assessment program is not appropriate;

19.21 (3) a student who demonstrates grade-level reading proficiency on an alternative
19.22 locally approved standardized reading assessment or, using a student portfolio compiled
19.23 by the teacher for this purpose, demonstrates grade-level reading proficiency;

19.24 (4) an eligible child with disabilities who participates in statewide assessments
19.25 under an individualized education program or Section 504 plan that indicates that the
19.26 child has received intensive reading remediation for more than two school years, remains
19.27 substantially deficient in reading, and was previously retained in one or more grades in an
19.28 appropriate alternative placement, consistent with the student's individualized education
19.29 program; or

19.30 (5) a student who received intensive reading instruction for two or more school years,
19.31 continues to be substantially deficient in reading, and was previously retained for a total of
19.32 two school years in an appropriate alternative placement as part of the local literacy plan.

19.33 A student who is promoted to grade 4 under clause (5) must continue to be provided
19.34 specialized diagnostic information and specific research-based reading strategies during
19.35 the school day that are designed to improve the student's reading proficiency under
19.36 subdivision 2.

(g) To request that a student be promoted to grade 4 under paragraph (f), a teacher must submit to the school principal or other person having administrative control of the school either the student's progress monitoring plan, individualized education program, report card, or student portfolio that demonstrates, based on the student's record, that it is appropriate to promote the student. The principal or other chief school administrator must review the evidence and, after consulting with the student's teacher and parent, determine whether or not to promote the student. A principal employed by a school district must notify the school superintendent of a decision to promote a student under this paragraph.

Subd. 2. Supporting success in reading proficiency for retained students.

(a) Using valid and reliable diagnostic assessments, school sites within a district or a charter school must provide a student who is not meeting grade-level reading standards under this section with intensive, comprehensive, scientifically based reading instruction and interventions, consistent with section 122A.06, subdivision 4, until the student demonstrates grade-level reading proficiency. The student must receive expanded instructional time and interventions that accommodate the student's learning style and provide intensive skill development in phonemic awareness, phonics, fluency, vocabulary, and comprehension, consistent with sections 120B.12 and 122A.06.

(b) Beginning in the 2014-2015 school year, school sites within a district or a charter school, in consultation with a student's parent, must review the student progress monitoring plan for each student entering grade 3 who is unable to demonstrate grade-level proficiency on the statewide reading assessment and who does not meet the criteria for a good cause exception. The review must identify additional supports and services needed to remediate students' reading deficiency and enable the students to attain grade-level reading proficiency.

(c) School sites within districts and charter schools, consistent with their literacy plan under subdivision 1, paragraph (a), must provide a student who is not a grade-level reader or not promoted to grade 4 with intensive interventions to enhance the student's ability to become a successful, grade-level reader. These interventions may include but are not limited to:

(1) small group instruction;

(2) more frequent progress monitoring;

(3) tutoring or mentoring by an individual trained in scientifically based reading instruction;

(4) extended school day, week, or year programs; and

(5) summer reading camps.

21.1 (d) A school site within a district or a charter school, consistent with its literacy plan
21.2 under subdivision 1, paragraph (a), must notify a parent in writing when a student is not
21.3 ready to be promoted because the student has a substantial reading deficiency and is
21.4 ineligible for a good cause exception under subdivision 1, paragraph (f). The notice must
21.5 indicate the interventions and supports that the school site or charter school will provide
21.6 to the student to remediate the student's reading deficiencies. The notice also must offer
21.7 parents at least one of the following instructional options for their student:

21.8 (1) supplemental tutoring in comprehensive, scientifically based reading instruction,
21.9 including tutoring before or after school;

21.10 (2) a read-at-home plan with parent-guided home reading; or

21.11 (3) a mentor or tutor with specialized reading training.

21.12 (e) The commissioner annually must analyze and publicly report data under this
21.13 subdivision and section 120B.36, subdivision 1, paragraph (f), on the number of students
21.14 retained on a school-by-school basis to indicate the extent of state and local progress in
21.15 enabling students to attain grade-level reading proficiency by the end of grade 3.

21.16 **EFFECTIVE DATE.** This section is effective the day following final enactment
21.17 and applies to students entering grade 3 in the 2014-2015 school year and later.

21.18 Sec. 8. Minnesota Statutes 2010, section 120B.12, is amended to read:

21.19 **120B.12 READING INTERVENTION.**

21.20 Subdivision 1. **Literacy goal.** The legislature seeks to have Minnesota's children
21.21 able to read no later than the end of ~~second~~ third grade.

21.22 Subd. 2. **Identification; report.** ~~For the 2002-2003 school year and later,~~ Each
21.23 school district and charter school shall identify before the end of ~~first~~ second grade
21.24 students who are at risk of not ~~learning to read~~ reading at or above grade level before the
21.25 end of ~~second~~ third grade. The district and charter school must use a locally adopted
21.26 assessment method, consistent with section 120B.115, subdivision 1, to assess a student's
21.27 reading proficiency and to intervene effectively when a student demonstrates reading
21.28 deficiencies. The district and charter school must annually report the assessment results
21.29 ~~of the assessment~~ to the commissioner by June 1, consistent with section 120B.36,
21.30 subdivision 1, paragraph (f).

21.31 Subd. 3. **Intervention.** For each student identified under subdivision 2, the district
21.32 and charter school shall provide a reading intervention method or program to assist the
21.33 student in reaching the goal of ~~learning to read~~ reading at or above grade level no later
21.34 than the end of ~~second~~ third grade. District intervention methods shall encourage parental

involvement and, where possible, collaboration with appropriate school and community programs. Intervention methods may include, but are not limited to, requiring attendance in summer school and intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day.

Subd. 4. **Staff development.** Each district and charter school shall identify the staff development needs to ensure that:

(1) elementary teachers are able to implement comprehensive, scientifically based, and balanced reading instruction programs that have resulted in improved student performance;

(2) elementary teachers who are instructing students identified under subdivision 2 are prepared to teach using the intervention methods or programs selected by the district or charter school for the identified students; and

(3) all licensed teachers employed by the district or charter school have regular opportunities to improve reading instruction.

Subd. 5. **Commissioner.** The commissioner shall recommend to districts and charter schools multiple assessment tools that will assist districts, charter schools, and teachers with identifying students under subdivision 2. The commissioner shall also make available to districts and charter schools examples of nationally recognized and research-based instructional methods or programs that districts and charter schools may use to provide reading intervention according to this section and section 120B.115.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school districts on that date. For charter schools, this section is effective for the 2014-2015 school year and later.

Sec. 9. Minnesota Statutes 2010, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and be administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. Schools that the commissioner identifies for stand-alone field testing or other national

23.1 sampling must participate as directed. Superintendents or charter school directors may
23.2 appeal in writing to the commissioner for an exemption from a field test based on undue
23.3 hardship. The commissioner's decision regarding the appeal is final. For students enrolled
23.4 in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading,
23.5 mathematics, and writing shall fulfill students' basic skills testing requirements for a
23.6 passing state notation. The passing scores of basic skills tests in reading and mathematics
23.7 are the equivalent of 75 percent correct for students entering grade 9 based on the first
23.8 uniform test administered in February 1998. Students who have not successfully passed
23.9 a Minnesota basic skills test by the end of the 2011-2012 school year must pass the
23.10 graduation-required assessments for diploma under paragraph (c).

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

23.13 (1) mathematics;

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

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

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

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

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

23.22 (1) for reading and mathematics:

23.23 (i) obtaining an achievement level equivalent to or greater than proficient as
23.24 determined through a standard setting process on the Minnesota comprehensive
23.25 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
23.26 score as determined through a standard setting process on the graduation-required
23.27 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
23.28 subsequent retests;

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

23.33 (iii) achieving an individual passing score on the graduation-required assessment
23.34 for diploma as determined by appropriate state guidelines for students with an individual
23.35 education plan or 504 plan;

24.1 (iv) obtaining achievement level equivalent to or greater than proficient as
24.2 determined through a standard setting process on the state-identified alternate assessment
24.3 or assessments in grade 10 for reading and grade 11 for mathematics for students with
24.4 an individual education plan; or

24.5 (v) achieving an individual passing score on the state-identified alternate assessment
24.6 or assessments as determined by appropriate state guidelines for students with an
24.7 individual education plan; and

24.8 (2) for writing:

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

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

24.13 (iii) achieving an individual passing score on the graduation-required assessment
24.14 for diploma as determined by appropriate state guidelines for students with an individual
24.15 education plan or 504 plan; or

24.16 (iv) achieving an individual passing score on the state-identified alternate assessment
24.17 or assessments as determined by appropriate state guidelines for students with an
24.18 individual education plan.

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

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

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

24.26 (3) fully participate in at least two retests of the mathematics GRAD test or until
24.27 they pass the mathematics GRAD test, whichever comes first. A school, district, or
24.28 charter school must place on the high school transcript a student's highest current pass
24.29 status for each subject that has a required graduation assessment ~~score for each of the~~
24.30 ~~following assessments on the student's high school transcript: the mathematics Minnesota~~
24.31 ~~Comprehensive Assessment, reading Minnesota Comprehensive Assessment, and writing~~
24.32 ~~Graduation-Required Assessment for Diploma, and when applicable, the mathematics~~
24.33 ~~Graduation-Required Assessment for Diploma and reading Graduation-Required~~
24.34 ~~Assessment for Diploma.~~

24.35 In addition, the school board granting the students their diplomas may formally
24.36 decide to include a notation of high achievement on the high school diplomas of those

graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 2010, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** The commissioner shall report test ~~data~~ results publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3.

The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum.

Sec. 11. Minnesota Statutes 2010, section 120B.30, subdivision 4, is amended to read:

Subd. 4. **Access to tests.** Consistent with section 13.34, the commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment which would not compromise the objectivity or fairness of the testing or examination process. Upon receiving a written request, the commissioner must make available to parents or guardians a copy of their student's actual responses to the test questions for their review.

Sec. 12. Minnesota Statutes 2010, section 120B.31, subdivision 4, is amended to read:

Subd. 4. ~~Statistical adjustments;~~ **Student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, and statewide level. When collecting and reporting the performance data, the commissioner shall: ~~(1) acknowledge the impact of significant demographic factors such as residential instability, the number of single parent families, parents' level of education, and parents' income level on school outcomes; and (2)~~ organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

Sec. 13. Minnesota Statutes 2010, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance report cards.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; district mobility; students' reading proficiency; and extracurricular activities. The report also must indicate a school's adequate yearly progress status, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

27.1 (b) The commissioner shall develop, annually update, and post on the department
27.2 Web site school performance report cards.

27.3 (c) The commissioner must make available performance report cards by the
27.4 beginning of each school year.

27.5 (d) A school or district may appeal its adequate yearly progress status in writing to
27.6 the commissioner within 30 days of receiving the notice of its status. The commissioner's
27.7 decision to uphold or deny an appeal is final.

27.8 (e) School performance report card data are nonpublic data under section 13.02,
27.9 subdivision 9, until ~~not later than ten days after the appeal procedure described in~~
27.10 ~~paragraph (d) concludes~~ the commissioner publicly releases the data. The department
27.11 commissioner shall annually post school performance report cards to ~~its~~ the department's
27.12 public Web site no later than September 1, except that in the years when the report card
27.13 reflects new performance standards, the commissioner may post the school performance
27.14 report cards no later than October 1 if specifically authorized by the legislature to do so.

27.15 (f) Consistent with this subdivision and sections 120B.115 and 120B.12, each school
27.16 site within a district and charter school must report to parents and the department on:

27.17 (1) on a grade-by-grade basis, the progress that students are making toward
27.18 achieving local and state expectations for attaining reading proficiency and growth;

27.19 (2) the effect of academic policies and procedures, including parent notification
27.20 among other policies and procedures, on promoting and retaining students based on
27.21 a student's reading proficiency;

27.22 (3) the number and percentage of students in each grade, 3 through 10, who do or do
27.23 not demonstrate proficiency on statewide reading assessments;

27.24 (4) the number and percentage of students promoted to grade 4 under section
27.25 120B.115, subdivision 1, paragraph (f); and

27.26 (5) changes in local literacy policies to increase the number of students in each
27.27 grade, 3 through 10, who demonstrate reading proficiency and growth.

27.28 Upon request, the department may provide school sites within a district and charter
27.29 schools with technical assistance to improve students' grade-level reading proficiency,
27.30 consistent with the data under this subdivision and sections 120B.115 and 120B.12.

27.31 (g) In developing policies and assessment processes to hold schools and districts
27.32 accountable for high levels of academic standards and achievement, the commissioner
27.33 shall acknowledge the impact of significant demographic factors such as residential
27.34 instability, the number of single parent families, parents' level of education, and parents'
27.35 income level on school outcomes under this subdivision so that state and local policy

28.1 makers can understand the educational implications of changes in districts' demographic
28.2 profiles over time.

28.3 **EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and
28.4 later and applies to reports prepared using data from the 2014-2015 school year and later.

28.5 Sec. 14. Minnesota Statutes 2010, section 120B.36, subdivision 2, is amended to read:

28.6 Subd. 2. **Adequate yearly progress and other data.** All data the department
28.7 receives, collects, or creates to determine adequate yearly progress status under Public
28.8 Law 107-110, section 1116, set state growth targets, and determine student growth are
28.9 nonpublic data under section 13.02, subdivision 9, until ~~not later than ten days after the~~
28.10 ~~appeal procedure described in subdivision 1, paragraph (d), concludes the commissioner~~
28.11 publicly releases the data. Districts must provide parents sufficiently detailed summary
28.12 data to permit parents to appeal under Public Law 107-110, section 1116(b)(2). The
28.13 ~~department commissioner~~ shall annually post federal adequate yearly progress data and
28.14 state student growth data to ~~its~~ the department's public Web site no later than September
28.15 1, except that in years when adequate yearly progress reflects new performance standards,
28.16 the commissioner may post federal adequate yearly progress data and state student growth
28.17 data no later than October 1 if specifically authorized by the legislature to do so.

28.18 Sec. 15. Minnesota Statutes 2010, section 121A.15, subdivision 8, is amended to read:

28.19 Subd. 8. **Report.** The administrator or other person having general control and
28.20 supervision of the elementary or secondary school shall file a report with the commissioner
28.21 on all persons enrolled in the school. The superintendent of each district shall file a report
28.22 with the commissioner for all persons within the district receiving instruction in a home
28.23 school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving
28.24 instruction in a home school shall submit the statements as required by subdivisions 1, 2,
28.25 3, ~~and 4, and 12~~ to the superintendent of the district in which the person resides by October
28.26 1 of each school year the first year of their homeschooling in Minnesota and the grade 7
28.27 year. The school report must be prepared on forms developed jointly by the commissioner
28.28 of health and the commissioner of education and be distributed to the local districts by the
28.29 commissioner of health. The school report must state the number of persons attending the
28.30 school, the number of persons who have not been immunized according to subdivision 1 or
28.31 2, and the number of persons who received an exemption under subdivision 3, clause (c)
28.32 or (d). The school report must be filed with the commissioner of education within 60 days
28.33 of the commencement of each new school term. Upon request, a district must be given a
28.34 60-day extension for filing the school report. The commissioner of education shall forward

29.1 the report, or a copy thereof, to the commissioner of health who shall provide summary
29.2 reports to boards of health as defined in section 145A.02, subdivision 2. The administrator
29.3 or other person having general control and supervision of the child care facility shall file a
29.4 report with the commissioner of human services on all persons enrolled in the child care
29.5 facility. The child care facility report must be prepared on forms developed jointly by
29.6 the commissioner of health and the commissioner of human services and be distributed
29.7 to child care facilities by the commissioner of health. The child care facility report
29.8 must state the number of persons enrolled in the facility, the number of persons with no
29.9 immunizations, the number of persons who received an exemption under subdivision 3,
29.10 clause (c) or (d), and the number of persons with partial or full immunization histories.
29.11 The child care facility report must be filed with the commissioner of human services by
29.12 November 1 of each year. The commissioner of human services shall forward the report,
29.13 or a copy thereof, to the commissioner of health who shall provide summary reports to
29.14 boards of health as defined in section 145A.02, subdivision 2. The report required by this
29.15 subdivision is not required of a family child care or group family child care facility, for
29.16 prekindergarten children enrolled in any elementary or secondary school provided services
29.17 according to sections 125A.05 and 125A.06, nor for child care facilities in which at least
29.18 75 percent of children in the facility participate on a onetime only or occasional basis to a
29.19 maximum of 45 hours per child, per month.

29.20 Sec. 16. Minnesota Statutes 2010, section 122A.09, subdivision 4, is amended to read:

29.21 Subd. 4. **License and rules.** (a) The board must adopt rules to license public school
29.22 teachers and interns subject to chapter 14.

29.23 (b) The board must adopt rules requiring a person to ~~successfully complete~~ pass a
29.24 skills examination in reading, writing, and mathematics as a requirement for initial teacher
29.25 licensure. Such rules must require college and universities offering a board-approved
29.26 teacher preparation program to ~~provide~~ offer remedial assistance to persons who did not
29.27 achieve a qualifying score on the skills examination, including those for whom English is
29.28 a second language.

29.29 (c) The board must adopt rules to approve teacher preparation programs. The board,
29.30 upon the request of a postsecondary student preparing for teacher licensure or a licensed
29.31 graduate of a teacher preparation program, shall assist in resolving a dispute between the
29.32 person and a postsecondary institution providing a teacher preparation program when the
29.33 dispute involves an institution's recommendation for licensure affecting the person or the
29.34 person's credentials. At the board's discretion, assistance may include the application
29.35 of chapter 14.

(d) The board must provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board must adopt rules requiring candidates for initial licenses to ~~successfully complete~~ pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to ~~successfully complete~~ pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture dedicated to meeting students' diverse learning needs in the 21st century and formalizes mentoring and induction for newly licensed teachers that is provided through a teacher support framework to interns and to candidates for initial licenses.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in understanding the key warning signs of early-onset mental illness in children and adolescents.

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

Sec. 17. Minnesota Statutes 2010, section 122A.14, subdivision 3, is amended to read:

Subd. 3. **Rules for continuing education requirements.** The board shall adopt rules establishing continuing education requirements that promote continuous improvement and acquisition of new and relevant skills by school administrators. A retired school principal who serves as a substitute principal or assistant principal for the same person on a day-to-day basis for no more than 15 consecutive school days is not subject to continuing education requirements as a condition of serving as a substitute principal or assistant principal.

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

Sec. 18. Minnesota Statutes 2010, section 122A.16, as amended by Laws 2011, chapter 5, section 2, is amended to read:

122A.16 HIGHLY QUALIFIED TEACHER DEFINED.

(a) A qualified teacher is one holding a valid license, under this chapter, to perform the particular service for which the teacher is employed in a public school.

(b) For the purposes of the federal No Child Left Behind Act, a highly qualified teacher is one who holds a valid license under this chapter, including under section 122A.245, among other sections, ~~to perform the particular service for which the teacher is employed in a public school or who meets the requirements of a highly objective uniform state standard of evaluation (HOUSSE) and is determined by local administrators as~~ having highly qualified status according to the approved Minnesota highly qualified plan. Teachers delivering core content instruction must be deemed highly qualified at the local level and reported to the state via the staff automated reporting system.

~~All Minnesota teachers teaching in a core academic subject area, as defined by the federal No Child Left Behind Act, in which they are not fully licensed may complete the following HOUSSE process in the core subject area for which the teacher is requesting highly qualified status by completing an application, in the form and manner described by the commissioner, that includes:~~

~~(1) documentation of student achievement as evidenced by norm-referenced test results that are objective and psychometrically valid and reliable;~~

~~(2) evidence of local, state, or national activities, recognition, or awards for professional contribution to achievement;~~

~~(3) description of teaching experience in the teachers' core subject area in a public school under a waiver, variance, limited license or other exception; nonpublic school; and postsecondary institution;~~

~~(4) test results from the Praxis II content test;~~

~~(5) evidence of advanced certification from the National Board for Professional Teaching Standards;~~

~~(6) evidence of the successful completion of course work or pedagogy courses; and~~

~~(7) evidence of the successful completion of high quality professional development activities.~~

~~Districts must assign a school administrator to serve as a HOUSSE reviewer to meet with teachers under this paragraph and, where appropriate, certify the teachers' applications. Teachers satisfy the definition of highly qualified when the teachers receive at least 100 of the total number of points used to measure the teachers' content expertise under clauses (1) to (7). Teachers may acquire up to 50 points only in any one clause (1) to (7). Teachers may use the HOUSSE process to satisfy the definition of highly qualified for more than one subject area.~~

~~(c) Achievement of the Housse criteria is not equivalent to a license. A teacher must obtain permission from the Board of Teaching in order to teach in a public school.~~

EFFECTIVE DATE. This section is effective for the 2011-2012 school year and later.

Sec. 19. Minnesota Statutes 2010, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board must require a person to ~~successfully complete~~ pass an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board approved teacher preparation program to ~~provide~~ offer remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must ~~provide~~ offer assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. The board must issue a one-year license to teach in Minnesota to an otherwise qualified person who completed his or her teacher preparation program outside the state of Minnesota, during which time that person must take and pass the state skills examination in reading, writing, and math. School districts must ~~provide similar~~ offer, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher ~~education~~ preparation program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

~~(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills~~

~~examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:~~

~~(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and~~

~~(2) attempting to successfully complete the skills examination during the period of each one-year license.~~

~~(d)~~ (c) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes ~~successfully completing~~ passing the skills examination in reading, writing, and mathematics.

~~(e)~~ (d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

Sec. 20. Minnesota Statutes 2010, section 122A.23, subdivision 2, is amended to read:

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, ~~subdivision~~ subdivisions 2, paragraph (b), and 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs (b) to (e) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held a similar out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes field-specific teaching methods and student teaching or essentially equivalent experience.

(b) The Board of Teaching must issue a teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels if the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license.

(c) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

(d) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach the same content field and grade levels, where the scope of the out-of-state license is no more than one grade level less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

(e) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

(f) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

(g) The Board of Teaching must not issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field.

Sec. 21. Minnesota Statutes 2010, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and ~~after completion thereof,~~ the probationary period in each district in which the teacher is thereafter employed also shall be one year three

consecutive years of teaching experience, except that for purposes of this provision, the probationary period for principals and assistant principals shall be two consecutive years. The school board must adopt a plan for written evaluation of teachers during the probationary period. Evaluation must occur at least three times each school year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days during that school year. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before ~~July~~ June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

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

(c) A probationary teacher whose first three years of consecutive employment in a district are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher must complete ~~at least 60~~ 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

EFFECTIVE DATE. This section is effective June 30, 2011, and applies to all probationary teacher employment contracts ratified or modified after that date.

Sec. 22. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision to read:

Subd. 8a. **Probationary period for principals hired internally.** A two school year probationary period is required for a licensed teacher employed by the board who is subsequently employed by the board as a licensed school principal or assistant principal, and an additional probationary period of two years is required for a licensed assistant principal employed by the board who is subsequently employed by the board as a licensed principal. A licensed teacher subsequently employed by the board as a licensed school principal or assistant principal retains the teacher's continuing contract status as a licensed teacher during the probationary period under this subdivision and has the right to return to his or her previous position or an equivalent position, if available, if the teacher is not promoted.

EFFECTIVE DATE. This section is effective June 30, 2011, and applies to all contracts for internally hired licensed school principals and assistant principals ratified or modified after that date.

Sec. 23. Minnesota Statutes 2010, section 122A.40, subdivision 11, is amended to read:

Subd. 11. **Unrequested leave of absence.** (a) The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board may exempt from the effects of paragraphs (b) to (g) those teachers who teach in a Montessori or language immersion program, provide instruction in an advanced placement course, or hold a kindergarten through grade 12 instrumental vocal classroom music license and currently serve as a choir, band, or orchestra director and who, in the superintendent's judgment, meet a unique need in delivering curriculum. However, within the Montessori or language immersion program, a teacher must be placed on unrequested leave of absence consistent with paragraph (c). The board is governed by the following provisions: of paragraphs (b) to (g), consistent with this paragraph.

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

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

~~(c)~~ (d) Notwithstanding the provisions of ~~clause (b)~~ paragraph (c), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

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

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

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

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

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

~~(i)~~ (j) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement.

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

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

EFFECTIVE DATE. This section is effective June 30, 2011, and applies to all collective bargaining agreements ratified or modified after that date.

Sec. 24. Minnesota Statutes 2010, section 122A.41, subdivision 1, is amended to read:

Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of the following subdivisions in this section shall be defined as follows:

(a) **Teachers.** The term "teacher" includes every person regularly employed, as a principal, or to give instruction in a classroom, or to superintend or supervise classroom instruction, or as placement teacher and visiting teacher. Persons regularly employed as counselors and school librarians shall be covered by these sections as teachers if licensed as teachers or as school librarians.

(b) **School board.** The term "school board" includes a majority in membership of any and all boards or official bodies having the care, management, or control over public schools.

(c) **Demote.** The word "demote" means to reduce ~~in rank or to transfer to a lower branch of the service or to a position carrying a lower salary or~~ the compensation a person actually receives in the new position.

(d) **Nonprovisional license.** For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.

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

Sec. 25. Minnesota Statutes 2010, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivision 3. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times each school year ~~for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days.~~ Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher must complete ~~at least 60~~ 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

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

Sec. 26. Minnesota Statutes 2010, section 122A.41, subdivision 5a, is amended to read:

Subd. 5a. **Probationary period for principals hired internally.** ~~A board and the exclusive representative of the school principals in the district may negotiate a plan for a~~ A two school year probationary period of up to two school years is required for

licensed teachers employed by the board who are subsequently employed by the board as a licensed school principal or assistant principal and an additional probationary period of ~~up to two years~~ is required for licensed assistant principals employed by the board who are subsequently employed by the board as a licensed school principal. A licensed teacher subsequently employed by the board as a licensed school principal or assistant principal retains his or her continuing contract status as a licensed teacher during the probationary period under this subdivision and has the right to return to his or her previous position or an equivalent position, if available, if the teacher is not promoted.

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

Sec. 27. Minnesota Statutes 2010, section 122A.41, subdivision 10, is amended to read:

Subd. 10. **Decision, when rendered.** The hearing must be concluded and a decision in writing, stating the grounds on which it is based, rendered within 25 days after giving of such notice. Where the hearing is before a school board the teacher may be discharged or demoted upon the affirmative vote of a majority of the members of the board. If the charges, or any of such, are found to be true, the board conducting the hearing must discharge, demote, or suspend the teacher, as seems to be for the best interest of the school. ~~A teacher must not be discharged for either of the causes specified in subdivision 6, clause (3), except during the school year, and then only upon charges filed at least four months before the close of the school sessions of such school year.~~

EFFECTIVE DATE. This section is effective July 1, 2011, and applies to discharge actions commenced on or after that date.

Sec. 28. Minnesota Statutes 2010, section 122A.41, subdivision 14, is amended to read:

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.** (a) ~~A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified.~~ In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must receive first consideration for other positions in the district for which that teacher is qualified and must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) The board may exempt from the effects of paragraph (a) those teachers who teach in a Montessori or language immersion program or provide instruction in an

advanced placement course and who, in the superintendent's judgment, meet a unique need in delivering curriculum. However, within the Montessori or language immersion program, a teacher shall be discontinued based on the inverse order in which the teacher was employed.

(c) Notwithstanding the provisions of clause (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

~~(c)~~ (d) Notwithstanding the provisions of clause (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

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

Sec. 29. Minnesota Statutes 2010, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract

rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) annually evaluate each school principal assigned responsibility for supervising a school building within the district, consistent with section 123B.147, subdivision 3, paragraph (b);

(4) superintend school grading practices and examinations for promotions;

~~(4)~~ (5) make reports required by the commissioner; and

~~(5)~~ (6) perform other duties prescribed by the board.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 30. Minnesota Statutes 2010, section 123B.147, subdivision 3, is amended to read:

Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and ~~in accordance with~~ according to the policies, rules, and regulations of the school board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

(b) To enhance a principal's leadership skills and support and improve teaching practices, school performance, and student achievement, a district must develop and implement a performance-based system for annually evaluating school principals assigned to supervise a school building within the district. The evaluation must be designed to improve teaching and learning by supporting the principal in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development;

(2) include formative and summative evaluations;

(3) be consistent with a principal's job description, a district's long-term plans and goals, and the principal's own professional multiyear growth plans and goals, all of which must support the principal's leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction;

(4) include on-the-job observations and previous evaluations;

(5) allow surveys to help identify a principal's effectiveness, leadership skills and processes, and strengths and weaknesses in exercising leadership in pursuit of school success;

(6) use longitudinal data on student academic growth as an evaluation component and incorporate district achievement goals and targets; and

(7) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture.

The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 31. Minnesota Statutes 2010, section 123B.88, is amended by adding a subdivision to read:

Subd. 1a. Full-service school zones. The board may establish a full-service school zone by adopting a written resolution and may provide transportation for students attending a school in that full-service school zone. A full-service school zone may be established for a school that is located in an area with higher than average crime or other social and economic challenges and that provides education, health or human services, or other parental support in collaboration with a city, county, state, or nonprofit agency. The pupil transportation must be intended to stabilize enrollment and reduce mobility at the school located in a full-service school zone.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 32. Minnesota Statutes 2010, section 124D.091, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** A district that offers a concurrent enrollment course according to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011, districts only are eligible for aid if the college or university concurrent enrollment courses offered by the district are accredited by the National Alliance of Concurrent Enrollment Partnership, in the process of being accredited, or are shown by clear evidence to be of comparable standard to accredited courses, or are technical courses within a recognized career and technical education program of study approved by the commissioner of education and the chancellor of the Minnesota State Colleges and Universities.

Sec. 33. Minnesota Statutes 2010, section 124D.36, is amended to read:

124D.36 CITATION; ~~MINNESOTA YOUTHWORKS~~ SERVE MINNESOTA INNOVATION ACT.

Sections 124D.37 to 124D.45 shall be cited as the "~~Minnesota Youthworks~~ ServeMinnesota Innovation Act."

Sec. 34. Minnesota Statutes 2010, section 124D.37, is amended to read:

124D.37 PURPOSE OF ~~MINNESOTA YOUTHWORKS~~ SERVE MINNESOTA INNOVATION ACT.

The purposes of sections 124D.37 to 124D.45 are to:

- (1) renew the ethic of civic responsibility in Minnesota;
- (2) empower youth to improve their life opportunities through literacy, job placement, and other essential skills;
- (3) empower government to meet its responsibility to prepare young people to be contributing members of society;
- (4) help meet human, educational, environmental, and public safety needs, particularly those needs relating to poverty;
- (5) prepare a citizenry that is academically competent, ready for work, and socially responsible;
- (6) demonstrate the connection between youth and community service, community service and education, and education and meaningful opportunities in the business community;
- (7) demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth;

(8) create linkages for a comprehensive youth service and learning program in Minnesota including school age programs, higher education programs, youth work programs, and service corps programs; and

(9) coordinate federal and state activities that advance the purposes in this section.

Sec. 35. Minnesota Statutes 2010, section 124D.38, subdivision 3, is amended to read:

Subd. 3. **Federal law.** "Federal law" means Public Law ~~101-610~~ 111-13, as amended, or any other federal law or program assisting youth community service, work-based learning, or youth transition from school to work.

Sec. 36. Minnesota Statutes 2010, section 124D.385, subdivision 3, is amended to read:

Subd. 3. **Duties.** (a) The commission shall:

(1) develop, with the assistance of the governor, the commissioner of education, and affected state agencies, a comprehensive state plan to provide services under sections 124D.37 to 124D.45 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

(3) administer the ~~Youthworks~~ ServeMinnesota Innovation grant program under sections 124D.39 to 124D.44, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;

(4) establish an evaluation plan for programs developed and services provided under sections 124D.37 to 124D.45;

(5) report to the governor, commissioner of education, and legislature; and

(6) administer the federal AmeriCorps Program.

(b) Nothing in sections 124D.37 to 124D.45 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 37. Minnesota Statutes 2010, section 124D.39, is amended to read:

124D.39 ~~YOUTHWORKS~~ SERVEMINNESOTA INNOVATION PROGRAM.

The ~~Youthworks~~ ServeMinnesota Innovation program is established to provide funding for the commission to leverage federal and private funding to fulfill the purposes of section 124D.37. The ~~Youthworks~~ ServeMinnesota Innovation program must supplement existing programs and services. The program must not displace existing programs and services, existing funding of programs or services, or existing employment and employment opportunities. No eligible organization may terminate, layoff, or reduce

47.1 the hours of work of an employee to place or hire a program participant. No eligible
47.2 organization may place or hire an individual for a project if an employee is on layoff from
47.3 the same or a substantially equivalent position.

47.4 Sec. 38. Minnesota Statutes 2010, section 124D.40, is amended to read:

47.5 **124D.40 ~~YOUTHWORKS~~ SERVE MINNESOTA INNOVATION GRANTS.**

47.6 Subdivision 1. **Application.** An eligible organization interested in receiving a
47.7 grant under sections 124D.39 to 124D.44 may prepare and submit an application to the
47.8 commission. As part of the grant application process, the commission must establish
47.9 and publish grant application guidelines that: (1) are consistent with this subdivision,
47.10 section 124D.37, and Public Law 111-13; (2) include criteria for reviewing an applicant's
47.11 cost-benefit analysis; and (3) require grantees to use research-based measures of program
47.12 outcomes to generate valid and reliable data that are available to the commission for
47.13 evaluation and public reporting purposes.

47.14 Subd. 2. **Grant authority.** The commission must use any state appropriation and
47.15 any available federal funds, including any grant received under federal law, to award
47.16 grants to establish programs for ~~Youthworks~~ ServeMinnesota Innovation. At least one
47.17 grant each must be available for a metropolitan proposal, a rural proposal, and a statewide
47.18 proposal. If a portion of the suburban metropolitan area is not included in the metropolitan
47.19 grant proposal, the statewide grant proposal must incorporate at least one suburban
47.20 metropolitan area. In awarding grants, the commission may select at least one residential
47.21 proposal and one nonresidential proposal.

47.22 Sec. 39. Minnesota Statutes 2010, section 124D.42, subdivision 6, is amended to read:

47.23 Subd. 6. **Program training.** The commission must, within available resources:

47.24 (1) orient each grantee organization in the nature, philosophy, and purpose of the
47.25 program; ~~and~~

47.26 (2) build an ethic of community service through general community service
47.27 training; and

47.28 (3) provide guidance on integrating performance-based measurement into program
47.29 models.

47.30 Sec. 40. Minnesota Statutes 2010, section 124D.42, subdivision 8, is amended to read:

47.31 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps
47.32 program is established to provide ~~Americorps~~ ServeMinnesota Innovation members with a
47.33 data-based problem-solving model of literacy instruction to use in helping to train local

48.1 Head Start program providers, other prekindergarten program providers, and staff in
48.2 schools with students in kindergarten through grade 3 to evaluate and teach early literacy
48.3 skills to children age 3 to grade 3.

48.4 (b) Literacy programs under this subdivision must comply with the provisions
48.5 governing literacy program goals and data use under section 119A.50, subdivision 3,
48.6 paragraph (b).

48.7 (c) The commission must submit a biennial report to the legislature that records
48.8 and evaluates literacy program data to determine the efficacy of the programs under this
48.9 subdivision.

48.10 Sec. 41. Minnesota Statutes 2010, section 124D.44, is amended to read:

48.11 **124D.44 MATCH REQUIREMENTS.**

48.12 ~~Youthworks~~ ServeMinnesota Innovation grant funds must be used for the living
48.13 allowance, cost of employer taxes under sections 3111 and 3301 of the Internal Revenue
48.14 Code of 1986, workers' compensation coverage, health benefits, training and evaluation
48.15 for each program participant, and administrative expenses, which must not exceed
48.16 five seven percent of total program costs. ~~Youthworks grant funds may also be used to~~
48.17 ~~supplement applicant resources to fund postservice benefits for program participants.~~
48.18 Applicant resources, from sources and in a form determined by the commission, must
48.19 be used to provide for all other program costs, ~~including the portion of the applicant's~~
48.20 ~~obligation for postservice benefits that is not covered by state or federal grant funds and~~
48.21 ~~such costs as supplies, materials, transportation, and salaries and benefits of those staff~~
48.22 ~~directly involved in the operation, internal monitoring, and evaluation of the program.~~

48.23 Sec. 42. Minnesota Statutes 2010, section 124D.45, subdivision 2, is amended to read:

48.24 Subd. 2. **Interim report.** The commission must report ~~semiannually~~ annually to the
48.25 legislature with interim recommendations to change the program.

48.26 Sec. 43. Minnesota Statutes 2010, section 124D.52, subdivision 7, is amended to read:

48.27 Subd. 7. **Performance tracking system.** (a) By July 1, 2000, each approved adult
48.28 basic education program must develop and implement a performance tracking system to
48.29 provide information necessary to comply with federal law and serve as one means of
48.30 assessing the effectiveness of adult basic education programs. For required reporting,
48.31 longitudinal studies, and program improvement, the tracking system must be designed to
48.32 collect data on the following core outcomes for learners who have completed ~~participation~~
48.33 participating in the adult basic education program:

(1) demonstrated improvements in literacy skill levels in reading, writing, speaking the English language, numeracy, problem solving, English language acquisition, and other literacy skills;

(2) placement in, retention in, or completion of postsecondary education, training, unsubsidized employment, or career advancement; ~~and~~

(3) receipt of a secondary school diploma or its recognized equivalent; and

(4) reduction in participation in the diversionary work program, Minnesota family investment program, and food support education and training program.

(b) A district, group of districts, state agency, or private nonprofit organization providing an adult basic education program may meet this requirement by developing a tracking system based on either or both of the following methodologies:

(1) conducting a reliable follow-up survey; or

(2) submitting student information, including Social Security numbers for data matching.

Data related to obtaining employment must be collected in the first quarter following program completion or can be collected while the student is enrolled, if known. Data related to employment retention must be collected in the third quarter following program exit. Data related to any other specified outcome may be collected at any time during a program year.

(c) When a student in a program is requested to provide the student's Social Security number, the student must be notified in a written form easily understandable to the student that:

(1) providing the Social Security number is optional and no adverse action may be taken against the student if the student chooses not to provide the Social Security number;

(2) the request is made under section 124D.52, subdivision 7;

(3) if the student provides the Social Security number, it will be used to assess the effectiveness of the program by tracking the student's subsequent career; and

(4) the Social Security number will be shared with the Department of Education; Minnesota State Colleges and Universities; Office of Higher Education; Department of Human Services; and the Department of Employment and Economic Development in order to accomplish the purposes ~~of this section~~ described in paragraph (a) and will not be used for any other purpose or reported to any other governmental entities.

(d) Annually a district, group of districts, state agency, or private nonprofit organization providing programs under this section must forward the tracking data collected to the Department of Education. For the purposes of longitudinal studies on the employment status of former students under this section, the Department of Education

must forward the Social Security numbers to the Department of Employment and Economic Development to electronically match the Social Security numbers of former students with wage detail reports filed under section 268.044. The results of data matches must, for purposes of this section and consistent with the requirements of the United States Code, title 29, section 2871, of the Workforce Investment Act of 1998, be compiled in a longitudinal form by the Department of Employment and Economic Development and released to the Department of Education in the form of summary data that does not identify the individual students. The Department of Education may release this summary data. State funding for adult basic education programs must not be based on the number or percentage of students who decline to provide their Social Security numbers or on whether the program is evaluated by means of a follow-up survey instead of data matching.

EFFECTIVE DATE. This section is effective the day following final enactment and applies through the 2020-2021 school year.

Sec. 44. Minnesota Statutes 2010, section 124D.871, is amended to read:

124D.871 MAGNET SCHOOL AND PROGRAM GRANTS.

(a) The commissioner of education, in consultation with the desegregation/integration office under section 124D.892, shall award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

(b) Grant recipients must use the grant money under paragraph (a) to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

(1) teachers who provide instruction or services to students in a magnet school or magnet program;

(2) educational paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;

(3) clerical support needed to operate a magnet school or magnet program;

(4) equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;

(5) minor remodeling needed to operate a magnet school or magnet program;

(6) transportation for field trips that are part of a magnet school or magnet program curriculum;

(7) program planning and staff and curriculum development for a magnet school or magnet program; and

(8) disseminating information on magnet schools and magnet programs; ~~and.~~

51.1 ~~(9) indirect costs calculated according to the state's statutory formula governing~~
51.2 ~~indirect costs.~~

51.3 Sec. 45. Minnesota Statutes 2010, section 171.05, subdivision 2, is amended to read:

51.4 Subd. 2. **Person less than 18 years of age.** (a) Notwithstanding any provision
51.5 in subdivision 1 to the contrary, the department may issue an instruction permit to an
51.6 applicant who is 15, 16, or 17 years of age and who:

51.7 (1) has completed a course of driver education in another state, has a previously
51.8 issued valid license from another state, or is enrolled in either:

51.9 (i) a public, private, or commercial driver education program that is approved by
51.10 the commissioner of public safety and that includes classroom and behind-the-wheel
51.11 training; or

51.12 (ii) an approved behind-the-wheel driver education program when the student is
51.13 receiving full-time instruction in a home school within the meaning of sections 120A.22
51.14 and 120A.24, the student is working toward a homeschool diploma, ~~the student's status~~
51.15 ~~as a homeschool student has been certified by the superintendent of the school district in~~
51.16 ~~which the student resides, and the student is taking home-classroom driver training with~~
51.17 ~~classroom materials approved by the commissioner of public safety, and the student's~~
51.18 parent has certified the student's homeschool and home-classroom driver training status on
51.19 the form approved by the commissioner;

51.20 (2) has completed the classroom phase of instruction in the driver education program;

51.21 (3) has passed a test of the applicant's eyesight;

51.22 (4) has passed a department-administered test of the applicant's knowledge of traffic
51.23 laws;

51.24 (5) has completed the required application, which must be approved by (i) either
51.25 parent when both reside in the same household as the minor applicant or, if otherwise,
51.26 then (ii) the parent or spouse of the parent having custody or, in the event there is no
51.27 court order for custody, then (iii) the parent or spouse of the parent with whom the minor
51.28 is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the
51.29 minor, (v) the foster parent or the director of the transitional living program in which the
51.30 child resides or, in the event a person under the age of 18 has no living father, mother,
51.31 or guardian, or is married or otherwise legally emancipated, then (vi) the applicant's
51.32 adult spouse, adult close family member, or adult employer; provided, that the approval
51.33 required by this clause contains a verification of the age of the applicant and the identity of
51.34 the parent, guardian, adult spouse, adult close family member, or adult employer; and

51.35 (6) has paid the fee required in section 171.06, subdivision 2.

(b) For the purposes of determining compliance with the certification in paragraph (a), clause (1), item (ii), the commissioner may request verification of a student's homeschool status from the superintendent of the school district in which the student resides, and the superintendent shall provide that verification.

(c) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2.

Sec. 46. Minnesota Statutes 2010, section 171.17, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The department shall immediately revoke the license of a driver upon receiving a record of the driver's conviction of:

(1) manslaughter resulting from the operation of a motor vehicle or criminal vehicular homicide or injury under section 609.21;

(2) a violation of section 169A.20 or 609.487;

(3) a felony in the commission of which a motor vehicle was used;

(4) failure to stop and disclose identity and render aid, as required under section 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury of another;

(5) perjury or the making of a false affidavit or statement to the department under any law relating to the application, ownership, or operation of a motor vehicle, including on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), to issue an instruction permit to a homeschool student;

(6) except as this section otherwise provides, three charges of violating within a period of 12 months any of the provisions of chapter 169 or of the rules or municipal ordinances enacted in conformance with chapter 169, for which the accused may be punished upon conviction by imprisonment;

(7) two or more violations, within five years, of the misdemeanor offense described in section 169.444, subdivision 2, paragraph (a);

(8) the gross misdemeanor offense described in section 169.444, subdivision 2, paragraph (b);

(9) an offense in another state that, if committed in this state, would be grounds for revoking the driver's license; or

(10) a violation of an applicable speed limit by a person driving in excess of 100 miles per hour. The person's license must be revoked for six months for a violation of this clause, or for a longer minimum period of time applicable under section 169A.53, 169A.54, or 171.174.

53.1 (b) The department shall immediately revoke the school bus endorsement of a driver
53.2 upon receiving a record of the driver's conviction of the misdemeanor offense described in
53.3 section 169.443, subdivision 7.

53.4 Sec. 47. Minnesota Statutes 2010, section 171.22, subdivision 1, is amended to read:

53.5 Subdivision 1. **Violations.** With regard to any driver's license, including a
53.6 commercial driver's license, it shall be unlawful for any person:

53.7 (1) to display, cause or permit to be displayed, or have in possession, any fictitious
53.8 or fraudulently altered driver's license or Minnesota identification card;

53.9 (2) to lend the person's driver's license or Minnesota identification card to any other
53.10 person or knowingly permit the use thereof by another;

53.11 (3) to display or represent as one's own any driver's license or Minnesota
53.12 identification card not issued to that person;

53.13 (4) to use a fictitious name or date of birth to any police officer or in any application
53.14 for a driver's license or Minnesota identification card, or to knowingly make a false
53.15 statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any
53.16 such application;

53.17 (5) to alter any driver's license or Minnesota identification card;

53.18 (6) to take any part of the driver's license examination for another or to permit
53.19 another to take the examination for that person;

53.20 (7) to make a counterfeit driver's license or Minnesota identification card;

53.21 (8) to use the name and date of birth of another person to any police officer for the
53.22 purpose of falsely identifying oneself to the police officer; ~~or~~

53.23 (9) to display as a valid driver's license any canceled, revoked, or suspended driver's
53.24 license. A person whose driving privileges have been withdrawn may display a driver's
53.25 license only for identification purposes; or

53.26 (10) to submit a false affidavit or statement to the department on the certification
53.27 required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), to issue
53.28 an instruction permit to a homeschool student.

53.29 Sec. 48. Minnesota Statutes 2010, section 181A.05, subdivision 1, is amended to read:

53.30 Subdivision 1. **When issued.** Any minor 14 or 15 years of age who wishes to work
53.31 on school days during school hours shall first secure an employment certificate. The
53.32 certificate shall be issued only by the school district superintendent, the superintendent's
53.33 agent, ~~or~~ some other person designated by the Board of Education, or by the person
53.34 in charge of providing instruction for students enrolled in nonpublic schools under

section 120A.22, subdivision 4. The employment certificate shall be issued only for a specific position with a designated employer and shall be issued only in the following circumstances:

(1) if a minor is to be employed in an occupation not prohibited by rules promulgated under section 181A.09 and as evidence thereof presents a signed statement from the prospective employer; and

(2) if the parent or guardian of the minor consents to the employment; and

(3) if the issuing officer believes the minor is physically capable of handling the job in question and further believes the best interests of the minor will be served by permitting the minor to work.

Sec. 49. Laws 2011, chapter 5, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and applies to individuals who complete a teacher preparation program ~~by the end of~~ beginning no later than the 2013-2014 school year ~~or later.~~ The Board of Teaching shall submit to the kindergarten through grade 12 education finance and reform committees of the legislature by April 1, 2012, a progress report on its implementation of teacher performance assessment under paragraph (d).

Sec. 50. **RECOMMENDATIONS ON COUNSELOR-TO-STUDENT RATIOS.**

The commissioner must submit to the legislature by January 1, 2012, recommendations for providing all public school students with access to licensed counselors so that the counselor-to-student ratio in Minnesota public schools approximately equals the average counselor-to-student ratio in public schools throughout the United States, as determined by the American School Counselors Association. The commissioner also must recommend appropriate professional-to-student ratios for licensed school psychologists and licensed alcohol and chemical dependency counselors as determined by the national association representing that particular group of professionals.

Sec. 51. **TIERED LICENSURE ADVISORY TASK FORCE.**

(a) The Board of Teaching and the commissioner of education must jointly convene and facilitate an advisory task force to develop recommendations for a statewide tiered teacher licensure system, consistent with Minnesota Statutes, section 122A.09, subdivision 4, paragraph (g), that is premised on:

(1) appropriate research-based professional competencies that include content skills, adaptive expertise, college-readiness preparation, multicultural skills, use of student

performance data, and skills for fostering citizenship, among other competencies that improve all students' learning outcomes;

(2) ongoing teacher professional growth to enable teachers to develop multiple professional competencies;

(3) an assessment system for evaluating teachers' performance that is aligned with student expectations and value-added measures of student outcomes and includes an emphasis on developing students' reading and literacy skills, among other measures and outcomes, and recognizes and rewards successful teachers;

(4) an expectation that teachers progress through various stages of teaching practice throughout their teaching careers and receive opportunities for leadership roles commensurate with their practice and competency; and

(5) a periodic evaluation of the licensing structure to determine its effectiveness in meeting students' learning needs.

When developing its recommendations, the task force is encouraged to consider, among other resources, the draft "Model Core Teaching Standards" developed by the Interstate Teacher Assessment and Support Consortium.

(b) Each of the following entities shall appoint a member to the advisory task force: Education Minnesota, the Minnesota Association of School Administrators, the Minnesota Association for Colleges of Teacher Education, the Minnesota Association of School Personnel Administrators, the Minnesota Elementary School Principals Association, the Minnesota Secondary School Principals Association, the Parents United Network, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, the Minnesota School Boards Association, and the Minnesota Association of Career and Technical Educators. The executive director of the Board of Teaching or the commissioner may appoint additional advisory task force members. Task force members may seek advice from the Educator Development and Resource Center at the University of Minnesota on developing a research-based framework for a differentiated licensure system in Minnesota.

(c) Upon request, the commissioner must provide the task force with technical, fiscal, and other support services.

(d) Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The commissioner may reimburse task force members from the Department of Education's current operating budget but may not compensate task force members for task force activities.

(e) The executive director of the Board of Teaching and the commissioner must submit by February 15, 2012, a joint report to the education policy and finance committees of the legislature recommending a differentiated statewide teacher licensing structure.

56.1 (f) The advisory task force expires on February 16, 2012.

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

56.3 Sec. 52. **90-DAY GOOD FAITH EFFORT EXCEPTION.**

56.4 Notwithstanding Minnesota Statutes, section 128C.07, subdivision 3, or other law
56.5 to the contrary, the Minnesota State High School League must work with Albany Senior
56.6 High in Independent School District No. 745, Albany, Melrose Secondary School in
56.7 Independent School District No. 740, Melrose, and New London-Spicer Senior High in
56.8 Independent School District No. 345, New London-Spicer, to help each school arrange an
56.9 interscholastic conference membership after a 90-day good faith attempt by the school to
56.10 join a conference.

56.11 **EFFECTIVE DATE.** This section is effective the day following final enactment
56.12 and applies through December 31, 2011.

56.13 Sec. 53. **IMPLEMENTING A PERFORMANCE-BASED EVALUATION**
56.14 **SYSTEM FOR PRINCIPALS.**

56.15 (a) To implement the requirements of Minnesota Statutes, sections 123B.143,
56.16 subdivision 1, clause (3), and 123B.147, subdivision 3, paragraph (b), the commissioner of
56.17 education, the Minnesota Association of Secondary School Principals, and the Minnesota
56.18 Association of Elementary School Principals must convene a group of recognized and
56.19 qualified experts and interested stakeholders, including principals, superintendents,
56.20 teachers, school board members, and parents, among other stakeholders, to develop a
56.21 performance-based system model for annually evaluating school principals. In developing
56.22 the system model, the group must at least consider how principals develop and maintain:

56.23 (1) high standards for student performance;

56.24 (2) rigorous curriculum;

56.25 (3) quality instruction;

56.26 (4) a culture of learning and professional behavior;

56.27 (5) connections to external communities;

56.28 (6) systemic performance accountability; and

56.29 (7) leadership behaviors that create effective schools and improve school
56.30 performance, including how to plan for, implement, support, advocate for, communicate
56.31 about, and monitor continuous and improved learning.

The group also may consider whether to establish a multitiered evaluation system that supports newly licensed principals in becoming highly skilled school leaders and provides opportunities for advanced learning for more experienced school leaders.

(b) The commissioner, the Minnesota Association of Secondary School Principals, and the Minnesota Association of Elementary School Principals must submit a written report and all the group's working papers to the education committees of the legislature by February 1, 2012, discussing the group's responses to paragraph (a) and its recommendations for a performance-based system model for annually evaluating school principals. The group convened under this section expires June 1, 2012.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to principal evaluations beginning in the 2013-2014 school year and later.

Sec. 54. **REPEALER.**

Minnesota Statutes 2010, sections 120A.26, subdivisions 1 and 2; and 124D.38, subdivisions 4, 5, and 6, are repealed.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2010, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** "Child with a disability" means a child identified under federal and state special education law as ~~having a hearing impairment, blindness, visual disability, deaf or hard-of-hearing, blind or visually impaired, deafblind, or having a speech or language impairment, a physical disability impairment, other health impairment disability, mental developmental cognitive disability, emotional/behavioral an~~ emotional or behavioral disorder, specific learning disability, autism spectrum disorder, traumatic brain injury, or severe multiple disabilities impairments, or deafblind disability and who needs special education and related services, as determined by the rules of the commissioner, ~~is a child with a disability~~. A licensed physician, an advanced practice nurse, or a licensed psychologist is qualified to make a diagnosis and determination of attention deficit disorder or attention deficit hyperactivity disorder for purposes of identifying a child with a disability.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 2. Minnesota Statutes 2010, section 125A.15, is amended to read:

125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.

The responsibility for special instruction and services for a child with a disability temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The district of residence of a child shall be the district in which the child's parent resides, if living, or the child's guardian, ~~or the district designated by the commissioner if neither parent nor guardian is living within the state.~~ If there is a dispute between school districts regarding residency, the commissioner shall designate the district of residence.

(b) If a district other than the resident district places a pupil for care and treatment, the district placing the pupil must notify and give the resident district an opportunity to participate in the placement decision. When an immediate emergency placement of a pupil is necessary and time constraints foreclose a resident district from participating in the emergency placement decision, the district in which the pupil is temporarily placed must notify the resident district of the emergency placement within 15 days. The resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(c) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation to and from the care and treatment program and an appropriate educational program for the child. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

(d) When a child is temporarily placed in a residential program for care and treatment, the nonresident district in which the child is placed is responsible for providing an appropriate educational program for the child and necessary transportation while the child is attending the educational program; and must bill the district of the child's residence for the actual cost of providing the program, as outlined in section 125A.11, except as provided in paragraph (e). However, the board, lodging, and treatment costs incurred in

59.1 behalf of a child with a disability placed outside of the school district of residence by the
59.2 commissioner of human services or the commissioner of corrections or their agents, for
59.3 reasons other than providing for the child's special educational needs must not become the
59.4 responsibility of either the district providing the instruction or the district of the child's
59.5 residence. For the purposes of this section, the state correctional facilities operated on a
59.6 fee-for-service basis are considered to be residential programs for care and treatment.

59.7 (e) A privately owned and operated residential facility may enter into a contract
59.8 to obtain appropriate educational programs for special education children and services
59.9 with a joint powers entity. The entity with which the private facility contracts for special
59.10 education services shall be the district responsible for providing students placed in that
59.11 facility an appropriate educational program in place of the district in which the facility is
59.12 located. If a privately owned and operated residential facility does not enter into a contract
59.13 under this paragraph, then paragraph (d) applies.

59.14 (f) The district of residence shall pay tuition and other program costs, not including
59.15 transportation costs, to the district providing the instruction and services. The district of
59.16 residence may claim general education aid for the child as provided by law. Transportation
59.17 costs must be paid by the district responsible for providing the transportation and the state
59.18 must pay transportation aid to that district.

59.19 Sec. 3. Minnesota Statutes 2010, section 125A.51, is amended to read:

59.20 **125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES;**
59.21 **EDUCATION AND TRANSPORTATION.**

59.22 The responsibility for providing instruction and transportation for a pupil without a
59.23 disability who has a short-term or temporary physical or emotional illness or disability, as
59.24 determined by the standards of the commissioner, and who is temporarily placed for care
59.25 and treatment for that illness or disability, must be determined as provided in this section.

59.26 (a) The school district of residence of the pupil is the district in which the pupil's
59.27 parent or guardian resides. If there is a dispute between school districts regarding
59.28 residency, the commissioner shall designate the district of residence.

59.29 (b) When parental rights have been terminated by court order, the legal residence
59.30 of a child placed in a residential or foster facility for care and treatment is the district in
59.31 which the child resides.

59.32 (c) Before the placement of a pupil for care and treatment, the district of residence
59.33 must be notified and provided an opportunity to participate in the placement decision.
59.34 When an immediate emergency placement is necessary and time does not permit
59.35 resident district participation in the placement decision, the district in which the pupil is

temporarily placed, if different from the district of residence, must notify the district of residence of the emergency placement within 15 days of the placement. When a nonresident district makes an emergency placement without first consulting with the resident district, the resident district has up to five business days after receiving notice of the emergency placement to request an opportunity to participate in the placement decision, which the placing district must then provide.

(d) When a pupil without a disability is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence must provide instruction and necessary transportation to and from the care and treatment program for the pupil. The resident district may establish reasonable restrictions on transportation, except if a Minnesota court or agency orders the child placed at a day care and treatment program and the resident district receives a copy of the order, then the resident district must provide transportation to and from the program unless the court or agency orders otherwise. Transportation shall only be provided by the resident district during regular operating hours of the resident district. The resident district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. The district of placement may contract with a facility to provide instruction by teachers licensed by the state Board of Teaching.

(e) When a pupil without a disability is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed must provide instruction for the pupil and necessary transportation while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district must bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs.

(f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or private homeless shelter, then the district that enrolls the pupil under section 127A.47, subdivision 2, shall provide the transportation, unless the district that enrolls the pupil and the district in which the pupil is temporarily placed agree that the district in which the pupil is temporarily placed shall provide transportation. When a pupil without a disability is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil must send timely written notice of the placement to the district of residence. The district of placement may contract with a residential facility to provide instruction by teachers licensed by the state Board of

Teaching. For purposes of this section, the state correctional facilities operated on a fee-for-service basis are considered to be residential programs for care and treatment.

(g) The district of residence must include the pupil in its residence count of pupil units and pay tuition as provided in section 123A.488 to the district providing the instruction. Transportation costs must be paid by the district providing the transportation and the state must pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision must be included in the disabled transportation category if the pupils cannot be transported on a regular school bus route without special accommodations.

Sec. 4. **REPEALER.**

Minnesota Statutes 2010, section 125A.54, is repealed.

ARTICLE 4

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2010, section 123B.57, is amended to read:

123B.57 CAPITAL EXPENDITURE; HEALTH AND SAFETY.

Subdivision 1. **Health and safety ~~program~~ revenue application.** (a) To receive health and safety revenue for any fiscal year a district must submit to the commissioner ~~an a capital expenditure health and safety revenue application for aid and levy~~ by the date determined by the commissioner. ~~The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management, including indoor air quality management.~~ The application must include a health and safety ~~program~~ budget adopted and confirmed by the school district board as being consistent with the district's health and safety policy under subdivision 2. The ~~program~~ budget must include the estimated cost, ~~per building,~~ of the program per Uniform Financial Accounting and Reporting Standards (UFARS) finance code, by fiscal year. Upon approval through the adoption of a resolution by each of an intermediate district's member school district boards and the approval of the Department of Education, a school district may include its proportionate share of the costs of health and safety projects for an intermediate district in its application.

(b) Health and safety projects with an estimated cost of \$500,000 or more per site are not eligible for health and safety revenue. Health and safety projects with an estimated cost of \$500,000 or more per site that meet all other requirements for health and

safety funding, are eligible for alternative facilities bonding and levy revenue according to section 123B.59. A school board shall not separate portions of a single project into components to qualify for health and safety revenue, and shall not combine unrelated projects into a single project to qualify for alternative facilities bonding and levy revenue.

(c) The commissioner of education shall not make eligibility for health and safety revenue contingent on a district's compliance status, level of program development, or training. The commissioner shall not mandate additional performance criteria such as training, certifications, or compliance evaluations as a prerequisite for levy approval.

Subd. 2. ~~Contents of program~~ **Health and safety policy.** To qualify for health and safety revenue, a district school board must adopt a health and safety program policy. The program policy must include plans, where applicable, for hazardous substance removal, fire and life safety code repairs, regulated facility and equipment violations, and provisions for implementing a health and safety program that complies with health, safety, and environmental management, regulations and best practices including indoor air quality management.

~~(a) A hazardous substance plan must contain provisions for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296A.01. If a district has already developed a plan for the removal or encapsulation of asbestos as required by the federal Asbestos Hazard Emergency Response Act of 1986, the district may use a summary of that plan, which includes a description and schedule of response actions, for purposes of this section. The plan must also contain provisions to make modifications to existing facilities and equipment necessary to limit personal exposure to hazardous substances, as regulated by the federal Occupational Safety and Health Administration under Code of Federal Regulations, title 29, part 1910, subpart Z; or is determined by the commissioner to present a significant risk to district staff or student health and safety as a result of foreseeable use, handling, accidental spill, exposure, or contamination.~~

~~(b) A fire and life safety plan must contain a description of the current fire and life safety code violations, a plan for the removal or repair of the fire and life safety hazard, and a description of safety preparation and awareness procedures to be followed until the hazard is fully corrected.~~

~~(c) A facilities and equipment violation plan must contain provisions to correct health and safety hazards as provided in Department of Labor and Industry standards pursuant to section 182.655.~~

~~(d) A health, safety, and environmental management plan must contain a description of training, record keeping, hazard assessment, and program management as defined in section 123B.56.~~

~~(e) A plan to test for and mitigate radon produced hazards.~~

~~(f) A plan to monitor and improve indoor air quality.~~

Subd. 3. **Health and safety revenue.** A district's health and safety revenue for a fiscal year equals the district's alternative facilities levy under section 123B.59, subdivision 5, paragraph (b), plus the greater of zero or:

(1) the sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 through the fiscal year to which the levy is attributable, excluding expenditures funded with bonds issued under section 123B.59 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or 6; and other federal, state, or local revenues, minus

(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the district's health and safety revenue under this subdivision, for years before the fiscal year to which the levy is attributable.

Subd. 4. **Health and safety levy.** To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the adjusted marginal cost pupil units in the district for the school year to which the levy is attributable, to \$2,935.

Subd. 5. **Health and safety aid.** A district's health and safety aid is the difference between its health and safety revenue and its health and safety levy. If a district does not levy the entire amount permitted, health and safety aid must be reduced in proportion to the actual amount levied. Health and safety aid may not be reduced as a result of reducing a district's health and safety levy according to section 123B.79.

Subd. 6. **Uses of health and safety revenue.** ~~(a)~~ Health and safety revenue may be used only for approved expenditures necessary ~~to correct~~ for the correction of fire and life safety hazards, ~~or for the~~ design, purchase, installation, maintenance, and inspection of

64.1 fire protection and alarm equipment; purchase or construction of appropriate facilities for
64.2 the storage of combustible and flammable materials; inventories and facility modifications
64.3 not related to a remodeling project to comply with lab safety requirements under section
64.4 121A.31; inspection, testing, repair, removal or encapsulation, and disposal of asbestos
64.5 ~~from school buildings or property owned or being acquired by the district, asbestos-related~~
64.6 ~~repairs, asbestos-containing building materials; cleanup and disposal of polychlorinated~~
64.7 ~~biphenyls found in school buildings or property owned or being acquired by the district,~~
64.8 ~~or the; cleanup and disposal of hazardous and infectious wastes; cleanup, removal,~~
64.9 ~~disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol,~~
64.10 ~~gasoline, fuel oil, and special fuel, as defined in section 296A.01, Minnesota; correction of~~
64.11 ~~occupational safety and health administration regulated facility and equipment hazards;~~
64.12 ~~indoor air quality inspections, investigations, and testing; mold abatement;~~
64.13 ~~upgrades or replacement of mechanical ventilation systems to meet American Society of Heating,~~
64.14 ~~Refrigerating and Air Conditioning Engineers standards and State Mechanical Code;~~
64.15 ~~design, materials, and installation of local exhaust ventilation systems, including required~~
64.16 ~~make-up air for controlling regulated hazardous substances; correction of Department of~~
64.17 ~~Health Food Code and violations; correction of swimming pool hazards excluding depth~~
64.18 ~~correction;~~ playground safety inspections, the correction of unsafe outdoor playground
64.19 equipment, and the installation of impact surfacing materials; bleacher repair or rebuilding
64.20 to comply with the order of a building code inspector under section 326B.112; testing and
64.21 mitigation of elevated radon hazards; lead testing; copper in water testing; cleanup after
64.22 major weather-related disasters or flooding; reduction of excessive organic and inorganic
64.23 levels in wells and capping of abandoned wells; installation and testing of boiler backflow
64.24 valves to prevent contamination of potable water; vaccinations, titers, and preventative
64.25 supplies for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson
64.26 Parents' Right to Know Act; automated external defibrillators and other emergency plan
64.27 equipment and supplies specific to the district's emergency action plan; and health, safety,
64.28 and environmental management costs associated with implementing the district's health
64.29 and safety program including costs to establish and operate safety committees, in school
64.30 buildings or property owned or being acquired by the district. Testing and calibration
64.31 activities are permitted for existing mechanical ventilation systems at intervals no less than
64.32 every five years. Health and safety revenue must not be used to finance a lease purchase
64.33 ~~agreement, installment purchase agreement, or other deferred payments agreement. Health~~
64.34 ~~and safety revenue must not be used for the construction of new facilities or the purchase~~
64.35 ~~of portable classrooms, for interest or other financing expenses, or for energy efficiency~~
64.36 ~~projects under section 123B.65. The revenue may not be used for a building or property or~~

~~part of a building or property used for postsecondary instruction or administration or for a purpose unrelated to elementary and secondary education.~~

Subd. 6a. **Restrictions on health and safety revenue.** ~~(b)~~ Notwithstanding paragraph ~~(a)~~ subdivision 6, health and safety revenue must not be used:

(1) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;

(2) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;

(3) for interest or other financing expenses;

(4) for energy-efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration or for a purpose unrelated to elementary and secondary education;

(5) for replacement of building materials or facilities including roof, walls, windows, internal fixtures and flooring, nonhealth and safety costs associated with demolition of facilities, structural repair or replacement of facilities due to unsafe conditions, violence prevention and facility security, ergonomics, or public announcement systems and emergency communication devices; or

(6) for building and heating, ventilating and air conditioning supplies, maintenance, and cleaning activities. All assessments, investigations, inventories, and support equipment not leading to the engineering or construction of a project shall be included in the health, safety, and environmental management costs in subdivision 8, paragraph (a).

Subd. 6b. **Health and safety projects.** (a) Health and safety revenue applications defined in subdivision 1 must be accompanied by a description of each project for which funding is being requested. Project descriptions must provide enough detail for an auditor to determine if the work qualifies for revenue. For projects other than fire and life safety projects, playground projects, and health, safety, and environmental management activities, a project description does not need to include itemized details such as material types, room locations, square feet, names, or license numbers. The commissioner may request supporting information and shall approve only projects that comply with subdivisions 6 and 8, as defined by the Department of Education.

(b) Districts may request funding for allowable projects based on self-assessments, safety committee recommendations, insurance inspections, management assistance reports, fire marshal orders, or other mandates. Notwithstanding subdivision 1, paragraph (b), and subdivision 8, paragraph (b), for projects under \$500,000, individual project size for projects authorized by this subdivision is not limited and may include related

work in multiple facilities. Health and safety management costs from subdivision 8 may be reported as a single project.

(c) All costs directly related to a project shall be reported in the appropriate Uniform Financial Accounting and Reporting Standards (UFARS) finance code.

(d) For fire and life safety egress and all other projects exceeding \$20,000, cited under Minnesota Fire Code, a fire marshal plan review is required.

(e) Districts shall update project estimates with actual expenditures for each fiscal year. If a project's final cost is significantly higher than originally approved, the commissioner may request additional supporting information.

Subd. 6c. **Appeals process.** In the event a district is denied funding approval for a project the district believes complies with subdivisions 6 and 8, and is not otherwise excluded, a district may appeal the decision. All such requests must be in writing. The commissioner shall respond in writing. A written request must contain the following: project number; description and amount; reason for denial; unresolved questions for consideration; reasons for reconsideration; and a specific statement of what action the district is requesting.

Subd. 7. **Proration.** In the event that the health and safety aid available for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

Subd. 8. **Health, safety, and environmental management cost.** (a) "Health, safety, and environmental management" is defined in section 123B.56.

(b) A district's cost for health, safety, and environmental management is limited to the lesser of:

(1) actual cost to implement their plan; or

(2) an amount determined by the commissioner, based on enrollment, building age, and size.

~~(b)~~ (c) The department may contract with regional service organizations, private contractors, Minnesota Safety Council, or state agencies to provide management assistance to school districts for health and safety capital projects. Management assistance is the development of written programs for the identification, recognition and control of hazards, and prioritization and scheduling of district health and safety capital projects. The ~~department~~ commissioner shall not mandate management assistance or exclude private contractors from the opportunity to provide any health and safety services to school districts.

~~(c) Notwithstanding paragraph (b), the department may approve revenue, up to the limit defined in paragraph (a) for districts having an approved health, safety, and~~

67.1 ~~environmental management plan that uses district staff to accomplish coordination and~~
67.2 ~~provided services.~~

67.3 **EFFECTIVE DATE.** This section is effective July 1, 2011.

67.4 Sec. 2. Minnesota Statutes 2010, section 123B.71, subdivision 5, is amended to read:

67.5 Subd. 5. **Final plans.** If a construction contract has not been awarded within two
67.6 years of approval, the approval shall not be valid. After approval, final plans and the
67.7 approval shall be ~~filed with~~ made available, if requested, to the commissioner of education.
67.8 If substantial changes are made to the initial approved plans, documents reflecting
67.9 the changes shall be submitted to the commissioner for approval. Upon completing a
67.10 project, the school board shall certify to the commissioner that the project was completed
67.11 according to the approved plans.

67.12 Sec. 3. Minnesota Statutes 2010, section 123B.72, subdivision 3, is amended to read:

67.13 Subd. 3. **Certification.** Prior to occupying or reoccupying a school facility affected
67.14 by this section, a school board or its designee shall submit a document prepared by a
67.15 system inspector to the building official or to the commissioner, verifying that the facility's
67.16 heating, ventilation, and air conditioning system has been installed and operates according
67.17 to design specifications and code, according to section 123B.71, subdivision 9, clause
67.18 ~~((11))~~ (12). A systems inspector shall also verify that the facility's design will provide
67.19 the ability for monitoring of outdoor airflow and total airflow of ventilation systems in
67.20 new school facilities and that any heating, ventilation, or air conditioning system that is
67.21 installed or modified for a project subject to this section must provide a filtration system
67.22 with a current ASHRAE standard.

67.23 Sec. 4. **HEALTH AND SAFETY POLICY.**

67.24 Notwithstanding Minnesota Statutes, section 123B.57, subdivision 2, a school board
67.25 that has not yet adopted a health and safety policy by September 30, 2011, may submit an
67.26 application for health and safety revenue for taxes payable in 2012 in the form and manner
67.27 specified by the commissioner of education.

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

ARTICLE 5

ACCOUNTING

Section 1. Minnesota Statutes 2010, section 127A.42, subdivision 2, is amended to read:

Subd. 2. **Violations of law.** The commissioner may reduce or withhold the district's state aid for any school year whenever the board of the district authorizes or permits violations of law within the district by:

(1) employing a teacher in a public school, including a charter school, who does not hold a valid teaching license or ~~permit in a public school~~ have appropriate permission to teach from the Board of Teaching;

(2) noncompliance with a mandatory rule of general application promulgated by the commissioner in accordance with statute, unless special circumstances make enforcement inequitable, impose an extraordinary hardship on the district, or the rule is contrary to the district's best interests;

(3) the district's continued performance of a contract made for the rental of rooms or buildings for school purposes or for the rental of any facility owned or operated by or under the direction of any private organization, if the contract has been disapproved, the time for review of the determination of disapproval has expired, and no proceeding for review is pending;

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota;

(5) failure to reasonably provide for a resident pupil's school attendance under Minnesota Statutes;

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance or disability, as defined in sections 363A.08 to 363A.19 and 363A.28, subdivision 10; or

(7) using funds contrary to the statutory purpose of the funds.

The reduction or withholding must be made in the amount and upon the procedure provided in this section or, in the case of a violation under clause (1), using the procedure provided in section 127A.43.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 2. Minnesota Statutes 2010, section 127A.43, is amended to read:

**127A.43 DISTRICT EMPLOYMENT OF UNLICENSED TEACHERS; AID
REDUCTION.**

When a district or charter school employs one or more teachers who do not hold a valid teaching license, state aid ~~shall~~ may be ~~withheld~~ reduced in the proportion that the number of such teachers is to the total number of teachers employed by the district, multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision 2, of the district for the year in which the employment occurred.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 3. Minnesota Statutes 2010, section 127A.45, is amended by adding a subdivision to read:

Subd. 17. **Payment to creditors.** Except where otherwise specifically authorized, state education aid payments shall be made only to the school district, charter school, or other education organization earning state aid revenues as a result of providing education services.

ARTICLE 6

EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2010, section 119A.50, subdivision 3, is amended to read:

Subd. 3. **Early childhood literacy programs.** (a) A research-based early childhood literacy program premised on actively involved parents, ongoing professional staff development, and high quality early literacy program standards is established to increase the literacy skills of children participating in Head Start to prepare them to be successful readers and to increase families' participation in providing early literacy experiences to their children. Program providers must:

(1) work to prepare children to be successful learners;

(2) work to close the achievement gap for at-risk children;

(3) use an integrated approach to early literacy that daily offers a literacy-rich classroom learning environment composed of books, writing materials, writing centers, labels, rhyming, and other related literacy materials and opportunities;

(4) support children's home language while helping the children master English and use multiple literacy strategies to provide a cultural bridge between home and school;

(5) use literacy mentors, ongoing literacy groups, and other teachers and staff to provide appropriate, extensive professional development opportunities in early literacy and classroom strategies for preschool teachers and other preschool staff;

(6) use ongoing data-based assessments that enable preschool teachers to understand, plan, and implement literacy strategies, activities, and curriculum that meet children's literacy needs and continuously improve children's literacy; and

(7) foster participation by parents, community stakeholders, literacy advisors, and evaluation specialists.

Program providers are encouraged to collaborate with qualified, community-based early childhood providers in implementing this program and to seek nonstate funds to supplement the program.

(b) Program providers under paragraph (a) interested in extending literacy programs to children in kindergarten through grade 3 may elect to form a partnership with an eligible organization under section 124D.38, subdivision 2, or 124D.42, subdivision 6, clause (3), schools enrolling children in kindergarten through grade 3, and other interested and qualified community-based entities to provide ongoing literacy programs that offer seamless literacy instruction focused on closing the literacy achievement gap. To close the literacy achievement gap by the end of third grade, partnership members must agree to use best efforts and practices and to work collaboratively to implement a seamless literacy model from age three to grade 3, consistent with paragraph (a) and sections 120B.115, 120B.12, and 122A.06. Literacy programs under this paragraph must collect and use literacy data to:

(1) evaluate children's literacy skills; and

(2) formulate specific intervention strategies to provide reading instruction to children premised on the outcomes of formative and summative assessments and research-based indicators of literacy development.

The literacy programs under this paragraph also must train teachers and other providers working with children to use the assessment outcomes under clause (2) to develop and use effective, long-term literacy coaching models that are specific to the program providers.

~~(c) The commissioner must collect and evaluate literacy data on children from age three to grade 3 who participate in literacy programs under this section to determine the efficacy of early literacy programs on children's success in developing the literacy skills that they need for long-term academic success and the programs' success in closing the literacy achievement gap. Annually by February 1, the commissioner must report to~~

71.1 ~~the education policy and finance committees of the legislature on the ongoing impact~~
71.2 ~~of these programs.~~

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

71.4 Sec. 2. Minnesota Statutes 2010, section 121A.17, subdivision 3, is amended to read:

71.5 Subd. 3. **Screening program.** (a) A screening program must include at least the
71.6 following components: developmental assessments, hearing and vision screening or
71.7 referral, immunization review and referral, the child's height and weight, identification
71.8 of risk factors that may influence learning, an interview with the parent about the child,
71.9 and referral for assessment, diagnosis, and treatment when potential needs are identified.
71.10 The district and the person performing or supervising the screening must provide a
71.11 parent or guardian with clear written notice that the parent or guardian may decline to
71.12 answer questions or provide information about family circumstances that might affect
71.13 development and identification of risk factors that may influence learning. The notice
71.14 must state "Early childhood developmental screening helps a school district identify
71.15 children who may benefit from district and community resources available to help in their
71.16 development. Early childhood developmental screening includes a vision screening that
71.17 helps detect potential eye problems but is not a substitute for a comprehensive eye exam
71.18 by an ophthalmologist or optometrist." The notice must clearly state that declining to
71.19 answer questions or provide information does not prevent the child from being enrolled
71.20 in kindergarten or first grade if all other screening components are met. If a parent or
71.21 guardian is not able to read and comprehend the written notice, the district and the person
71.22 performing or supervising the screening must convey the information in another manner.
71.23 The notice must also inform the parent or guardian that a child need not submit to the
71.24 district screening program if the child's health records indicate to the school that the child
71.25 has received comparable developmental screening performed within the preceding 365
71.26 days by a public or private health care organization or individual health care provider.
71.27 The notice must be given to a parent or guardian at the time the district initially provides
71.28 information to the parent or guardian about screening and must be given again at the
71.29 screening location.

71.30 (b) All screening components shall be consistent with the standards of the state
71.31 commissioner of health for early developmental screening programs. A developmental
71.32 screening program must not provide laboratory tests or a physical examination to any
71.33 child. The district must request from the public or private health care organization or the
71.34 individual health care provider the results of any laboratory test or physical examination
71.35 within the 12 months preceding a child's scheduled screening.

(c) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

(d) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

ARTICLE 7

STUDENT TRANSPORTATION

Section 1. Minnesota Statutes 2010, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public

or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; and

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal

74.1 attendance areas under a plan for desegregation mandated by the commissioner or under
74.2 court order.

74.3 (4) "Transportation services for pupils with disabilities" is:

74.4 (i) transportation of pupils with disabilities who cannot be transported on a regular
74.5 school bus between home or a respite care facility and school;

74.6 (ii) necessary transportation of pupils with disabilities from home or from school to
74.7 other buildings, including centers such as developmental achievement centers, hospitals,
74.8 and treatment centers where special instruction or services required by sections 125A.03
74.9 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district
74.10 where services are provided;

74.11 (iii) necessary transportation for resident pupils with disabilities required by sections
74.12 125A.12, and 125A.26 to 125A.48;

74.13 (iv) board and lodging for pupils with disabilities in a district maintaining special
74.14 classes;

74.15 (v) transportation from one educational facility to another within the district for
74.16 resident pupils enrolled on a shared-time basis in educational programs, and necessary
74.17 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils
74.18 with disabilities who are provided special instruction and services on a shared-time basis
74.19 or if resident pupils are not transported, the costs of necessary travel between public
74.20 and private schools or neutral instructional sites by essential personnel employed by the
74.21 district's program for children with a disability;

74.22 (vi) transportation for resident pupils with disabilities to and from board and lodging
74.23 facilities when the pupil is boarded and lodged for educational purposes; and

74.24 (vii) services described in clauses (i) to (vi), when provided for pupils with
74.25 disabilities in conjunction with a summer instructional program that relates to the pupil's
74.26 individual education plan or in conjunction with a learning year program established
74.27 under section 124D.128.

74.28 For purposes of computing special education initial aid under section 125A.76,
74.29 subdivision 2, the cost of providing transportation for children with disabilities includes
74.30 (A) the additional cost of transporting a homeless student from a temporary nonshelter
74.31 home in another district to the school of origin, or a formerly homeless student from a
74.32 permanent home in another district to the school of origin but only through the end of the
74.33 academic year; and (B) depreciation on district-owned school buses purchased after July 1,
74.34 2005, and used primarily for transportation of pupils with disabilities, calculated according
74.35 to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled

transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a).

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 2. Minnesota Statutes 2010, section 123B.92, subdivision 5, is amended to read:

Subd. 5. **District reports.** (a) Each district must report data to the department as required by the department to account for transportation expenditures.

(b) Salaries and fringe benefits of district employees whose primary duties are other than transportation, including central office administrators and staff, building administrators and staff, teachers, social workers, school nurses, and instructional aides, must not be included in a district's transportation expenditures, except that a district may include salaries and benefits according to paragraph (c) for (1) an employee designated as the district transportation director, (2) an employee providing direct support to the transportation director, or (3) an employee providing direct transportation services such as a bus driver or bus aide.

(c) Salaries and fringe benefits of the district employees listed in paragraph (b), clauses (1), (2), and (3), who work part time in transportation and part time in other areas must not be included in a district's transportation expenditures unless the district maintains documentation of the employee's time spent on pupil transportation matters in the form and manner prescribed by the department.

(d) Pupil transportation expenditures, excluding expenditures for capital outlay, leased buses, student board and lodging, crossing guards, and aides on buses, must be allocated among transportation categories based on cost-per-mile, or cost-per-student;

~~cost-per-hour, or cost-per-route~~, regardless of whether the transportation services are provided on district-owned or contractor-owned school buses. Expenditures for school bus driver salaries and fringe benefits may either be directly charged to the appropriate transportation category or may be allocated among transportation categories based on ~~cost-per-mile, or cost-per-student, cost-per-hour, or cost-per-route~~. Expenditures by private contractors or individuals who provide transportation exclusively in one transportation category must be charged directly to the appropriate transportation category. Transportation services provided by contractor-owned school bus companies incorporated under different names but owned by the same individual or group of individuals must be treated as the same company for cost allocation purposes.

(e) Notwithstanding paragraph (d), districts contracting for transportation services are exempt from the standard cost allocation method for authorized and nonauthorized transportation categories if the district: (1) bids its contracts separately for authorized and nonauthorized transportation categories and for special transportation separately from regular and excess transportation; (2) receives bids or quotes from more than one vendor for these transportation categories; and (3) the district's cost-per-mile does not vary more than ten percent among categories, excluding the salaries and fringe benefits of bus aides. If the costs reported by the district for contractor-owned operations vary by more than ten percent among categories, the department shall require the district to reallocate its transportation costs, excluding the salaries and fringe benefits of bus aides, among all categories.

APPENDIX
Article locations in H1381-2

ARTICLE 1	GENERAL EDUCATION	Page.Ln 1.27
ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 9.16
ARTICLE 3	SPECIAL PROGRAMS	Page.Ln 57.15
ARTICLE 4	FACILITIES AND TECHNOLOGY	Page.Ln 61.12
ARTICLE 5	ACCOUNTING	Page.Ln 68.1
ARTICLE 6	EARLY CHILDHOOD EDUCATION	Page.Ln 69.16
ARTICLE 7	STUDENT TRANSPORTATION	Page.Ln 72.10