

A bill for an act
relating to education; creating a school grading system; creating a school
recognition program; modifying school report cards; authorizing rulemaking;
requiring a report; amending Minnesota Statutes 2010, section 126C.10,
subdivision 1; proposing coding for new law in Minnesota Statutes, chapter
120B.

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

Section 1. **[120B.361] SCHOOL AND DISTRICT GRADING SYSTEM AND
SCHOOL RECOGNITION PROGRAM.**

Subdivision 1. School and district grades. (a) Consistent with the state growth
targets established under sections 120B.299 and 120B.35, subdivision 3, paragraphs (a)
and (b), and the school performance report cards under section 120B.36, subdivision
1, an "A to F" school and district grading system is established to help identify those
schools and districts where students are achieving low, medium, or high growth and
achieving or not achieving proficiency on statewide assessments under section 120B.30.
For purposes of this section, and using the state growth target, the commissioner annually
must grade each public school and district "A" to "F" and then report that grade under
section 120B.36, subdivision 1, based on the following calculations:

(1) 50 percent of a school's grade must be determined based on the numbers and
percentages of students in each applicable student category for which assessment data
is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and
paragraph (c), who achieved proficiency on the statewide reading and mathematics
assessments under section 120B.30 in the previous school year;

(2) 25 percent of a school's grade must be determined based on the numbers and
percentages of students in each applicable student category for which assessment data

is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved low growth, medium growth, or high growth on the statewide reading and mathematics assessments under section 120B.30 in the previous school year;

(3) 15 percent of a school's grade must be determined based on the numbers and percentages of students in each applicable student category for which assessment data is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved low growth and did not achieve proficiency on the statewide reading assessments under section 120B.30 in the previous school year;

(4) ten percent of a school's grade must be determined based on the numbers and percentages of students in each applicable student category for which assessment data is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved low growth and did not achieve proficiency on the statewide mathematics assessments under section 120B.30 in the previous school year; and

(5) using the calculations in clauses (1) to (4), a school district's grade must be determined based on the combined average scores of all district schools.

(b) The grade a school or district receives under this subdivision must accurately reflect the differences in schools' performances based on students' proficiency and growth and the calculations required under this subdivision. A school or district may appeal its grade in writing to the commissioner within 30 days of receiving notice of its grade. The commissioner's decision regarding the grade is final. Grades given under this section are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal under this paragraph is complete.

Subd. 2. **School recognition.** (a) A school that received a letter grade of "A" in the previous school year, improved at least one letter grade in the previous school year, or improved two or more letter grades in the two previous school years is eligible to receive a school recognition award.

(b) A school recognition award under this subdivision equals \$100 per enrollee for each eligible school. The commissioner must distribute the award to each eligible school.

(c) An eligible school that receives a school recognition award may use the award to:

(1) pay onetime bonuses for licensed staff employed at the school;

(2) pay onetime expenditures for educational equipment or materials to help maintain or improve student academic achievement; or

(3) temporarily employ licensed or otherwise qualified staff to help maintain or improve student academic achievement.

Notwithstanding other law to the contrary, any award a school receives under this subdivision is not subject to a collective bargaining agreement.

(d) To distribute the award at the school, and consistent with paragraph (c), an eligible school may select a site team that includes at least the school principal or other person having administrative control of the school, teachers employed at the school, the parent of a student enrolled in the school, and a community representative to decide how best to use the award. Alternatively, if by November 1 in the year in which the award is made the site team cannot reach agreement or if no site team is selected, the school principal or other person having administrative control of the school must distribute the award.

EFFECTIVE DATE. This section is effective the day following final enactment and requires the education commissioner to use student performance data beginning in the 2011-2012 school year, determine and report a letter grade for each school and district, and distribute school recognition awards beginning in the 2012-2013 school year and later.

Sec. 2. Minnesota Statutes 2010, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~
The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, school recognition award, and transition revenue.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2013 and later.

Sec. 3. **REPORT; PLAN FOR IMPLEMENTING SCHOOL AND DISTRICT GRADING SYSTEM.**

The commissioner of education must convene a stakeholder group that includes assessment and evaluation directors, educators, and researchers to advise the commissioner on developing a plan to implement the school and district grading system under Minnesota Statutes, section 120B.361. The commissioner must present the plan in writing to the education policy and finance committees of the legislature by February 15, 2012, and include any recommendations for further clarifying Minnesota Statutes, section 120B.361.

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

Sec. 4. **REPORT; RECOMMENDATIONS FOR INCREASING SCHOOLS' FINANCIAL FLEXIBILITY.**

H.F. No. 638, 1st Engrossment - 87th Legislative Session (2011-2012) [H0638-1]

4.1 The commissioner of education must submit to the education policy and finance
4.2 committees of the legislature by February 1, 2013, written recommendations that identify
4.3 fiscal mandates the legislature might waive to give greater financial flexibility to schools
4.4 that received a letter grade of "A," improved at least one letter grade in the preceding
4.5 school year, or improved two or more letter grades in the two preceding school years
4.6 under Minnesota Statutes, section 120B.361, subdivision 1.

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