

A bill for an act

relating to education; providing for policy and funding for family, adult, and prekindergarten through grade 12 education including general education, academic excellence, special education, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; requiring reports; requiring studies; appropriating money; amending Minnesota Statutes 2010, sections 11A.16, subdivision 5; 13D.02, by adding a subdivision; 16A.152, subdivision 2; 120A.22, subdivision 11; 120A.24; 120A.41; 120B.023, subdivision 2; 120B.07; 120B.35, subdivision 1; 120B.36, subdivision 1; 121A.15, subdivision 8; 122A.40, subdivisions 5, 7, 9, 11, 13, 15, 16, by adding subdivisions; 122A.41, subdivisions 2, 4, 6, 14, by adding a subdivision; 122A.414, subdivisions 1a, 2, 2a, 2b; 122A.60, subdivision 1a; 123A.55; 123B.02, subdivision 15; 123B.09, subdivision 8; 123B.143, subdivision 1; 123B.54; 123B.57; 123B.63, subdivision 3; 123B.75, subdivision 5; 123B.88, by adding a subdivision; 123B.92, subdivision 1; 124D.09, subdivisions 5, 7, 8; 124D.10, subdivision 11; 124D.11, subdivision 4; 124D.19, subdivision 3; 124D.36; 124D.37; 124D.38, subdivision 3; 124D.385, subdivision 3; 124D.39; 124D.40; 124D.42; 124D.44; 124D.45, subdivision 2; 124D.4531, subdivision 1; 124D.531, subdivisions 1, 4; 124D.59, subdivision 2; 125A.07; 125A.21, subdivisions 2, 3, 5, 7; 125A.515, by adding a subdivision; 125A.69, subdivision 1; 125A.76, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivisions 2, 3, 7, 8, 8a, 14, 18; 126C.126; 126C.20; 126C.40, subdivision 1; 126C.44; 127A.33; 127A.441; 127A.45, subdivisions 2, 3, 6a, by adding a subdivision; 134.195, subdivision 8; 171.05, subdivision 2; 171.17, subdivision 1; 171.22, subdivision 1; 179A.16, subdivision 1; 179A.18, subdivisions 1, 3; 181A.05, subdivision 1; 298.28, subdivisions 2, 4; Laws 1999, chapter 241, article 4, section 25, by adding a subdivision; Laws 2009, chapter 79, article 5, section 60, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, as amended, 3, 4, as amended, 5, as amended, 6, as amended, 7, as amended; article 2, section 67, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, 9, as amended; article 3, section 21, subdivisions 3, 4, as amended; article 4, section 12, subdivision 6, as amended; article 5, section 13, subdivisions 2, 3, 4, as amended; article 6, section 11, subdivisions 3, as amended, 4, as amended, 8, as amended, 12, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 179A; repealing Minnesota Statutes 2010, sections 120A.26, subdivisions 1, 2; 122A.40, subdivision 10; 122A.60, subdivisions 1, 2, 3, 4; 122A.61; 123B.05; 124D.11, subdivision 8; 124D.38, subdivisions 4, 5, 6; 124D.86; 124D.871; 124D.88; 124D.892, subdivisions 1, 2; 124D.896; 126C.10,

subdivision 5; 127A.46; 179A.18, subdivision 2; Laws 2009, chapter 88, article 12, section 23; Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; 3535.0180.

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 prior to the 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.

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

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 children 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.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; ~~DAYS~~ HOURS OF INSTRUCTION.

A school board's annual school calendar must include at least ~~the number of days of student instruction the board formally adopted as its school calendar at the beginning of the 1996-1997 school year~~ 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school.

Sec. 5. Minnesota Statutes 2010, section 120B.07, is amended to read:

120B.07 EARLY GRADUATION.

(a) Notwithstanding any law to the contrary, any secondary school student who has completed all required courses or standards may, with the approval of the student, the student's parent or guardian, and local school officials, graduate before the completion of the school year.

(b) General education revenue attributable to the student must be paid as though the student was in attendance for the entire year unless the student participates in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.081.

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

Sec. 6. **[120B.08] EARLY GRADUATION ACHIEVEMENT SCHOLARSHIP PROGRAM.**

Subdivision 1. **Participation.** A student who qualifies for early graduation under section 120B.07 is eligible to participate in the early graduation achievement scholarship program.

Subd. 2. **Scholarship amounts.** A student who participates in the early graduation achievement scholarship program is eligible for a scholarship of \$2,500 if the student qualifies for graduation one semester or two trimesters early, \$5,000 if the student qualifies for graduation two semesters or three or four trimesters early, or \$7,500 if the student qualifies for graduation three or more semesters or five or more trimesters early.

Subd. 3. **Scholarship uses.** An early graduation achievement scholarship may be used at any accredited institution of higher education.

Subd. 4. **Application.** A qualifying student may apply to the commissioner of education for an early graduation achievement scholarship. The application must be in the form and manner specified by the commissioner. Upon verification of the qualifying

student's course completion necessary for graduation, the department must issue the student a certificate showing the student's scholarship amount.

Subd. 5. **Enrollment verification.** A student who qualifies under this section and enrolls in an accredited higher education institution must submit a form to the commissioner verifying the student's enrollment in the higher education institution and the tuition charges for that semester. Within 15 days of receipt of a student's enrollment and tuition verification form, the commissioner must issue a scholarship check to the student in the lesser of the tuition amount for that semester or the maximum amount of the student's early graduation achievement scholarship. A student may continue to submit enrollment verification forms to the commissioner until the student has used the full amount of the student's graduation achievement scholarship.

Subd. 6. **General education money transferred.** The commissioner must transfer the amounts necessary to fund the early graduation achievement scholarships from the general education aid appropriation for that year.

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

Sec. 7. [120B.081] EARLY GRADUATION MILITARY SERVICE AWARD PROGRAM.

Subdivision 1. **Eligibility.** For purposes of this section, "eligible person" means a secondary student enrolled in any Minnesota public school who qualifies for early graduation under section 120B.07 and who, before the end of the calendar year of the student's graduation, enters into active service in either the active or reserve component of the United States armed forces and deploys for 60 days or longer to a military base or installation outside Minnesota for the purpose of attending basic military training or military school and, if required by the military, performing other military duty. The active service may be in accordance with United States Code, title 10 or title 32.

Subd. 2. **Application.** An eligible person may apply to the commissioner of education for an early graduation military service bonus. The application must be in the form and manner specified by the commissioner.

Subd. 3. **Verification and award.** Upon verification of the qualifying student's course completion necessary for graduation and eligibility for the military service bonus, the commissioner must issue payment to that person. Payment amounts must be determined according to section 120B.08, subdivision 2.

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

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

7.2 Subd. 8. **Report.** The administrator or other person having general control and
7.3 supervision of the elementary or secondary school shall file a report with the commissioner
7.4 on all persons enrolled in the school. The superintendent of each district shall file a report
7.5 with the commissioner for all persons within the district receiving instruction in a home
7.6 school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving
7.7 instruction in a home school shall submit the statements as required by subdivisions 1, 2,
7.8 3, ~~and 4, and 12~~ to the superintendent of the district in which the person resides by October
7.9 1 of ~~each school year~~ the first year of their homeschooling in Minnesota and the grade 7
7.10 year. The school report must be prepared on forms developed jointly by the commissioner
7.11 of health and the commissioner of education and be distributed to the local districts by the
7.12 commissioner of health. The school report must state the number of persons attending the
7.13 school, the number of persons who have not been immunized according to subdivision 1 or
7.14 2, and the number of persons who received an exemption under subdivision 3, clause (c)
7.15 or (d). The school report must be filed with the commissioner of education within 60 days
7.16 of the commencement of each new school term. Upon request, a district must be given a
7.17 60-day extension for filing the school report. The commissioner of education shall forward
7.18 the report, or a copy thereof, to the commissioner of health who shall provide summary
7.19 reports to boards of health as defined in section 145A.02, subdivision 2. The administrator
7.20 or other person having general control and supervision of the child care facility shall file a
7.21 report with the commissioner of human services on all persons enrolled in the child care
7.22 facility. The child care facility report must be prepared on forms developed jointly by
7.23 the commissioner of health and the commissioner of human services and be distributed
7.24 to child care facilities by the commissioner of health. The child care facility report
7.25 must state the number of persons enrolled in the facility, the number of persons with no
7.26 immunizations, the number of persons who received an exemption under subdivision 3,
7.27 clause (c) or (d), and the number of persons with partial or full immunization histories.
7.28 The child care facility report must be filed with the commissioner of human services by
7.29 November 1 of each year. The commissioner of human services shall forward the report,
7.30 or a copy thereof, to the commissioner of health who shall provide summary reports to
7.31 boards of health as defined in section 145A.02, subdivision 2. The report required by this
7.32 subdivision is not required of a family child care or group family child care facility, for
7.33 prekindergarten children enrolled in any elementary or secondary school provided services
7.34 according to sections 125A.05 and 125A.06, nor for child care facilities in which at least
7.35 75 percent of children in the facility participate on a onetime only or occasional basis to a
7.36 maximum of 45 hours per child, per month.

Sec. 9. Minnesota Statutes 2010, section 123A.55, is amended to read:

123A.55 CLASSES, NUMBER.

Districts shall be classified as common, independent, ~~or special~~, or charter districts. Each ~~of which~~ common, independent, and special district is a public corporation. Each district shall be known by its classification and assigned a number by the commissioner so that its title will be School District No.

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

Sec. 10. Minnesota Statutes 2010, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **Pupil of limited English proficiency.** (a) "Pupil of limited English proficiency" means a pupil in kindergarten through grade 12 who meets the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in classes taught in English.

(b) Notwithstanding paragraph (a), a pupil in grades 4 through 12 who was enrolled in a Minnesota public school on the dates during the previous school year when a commissioner provided assessment that measures the pupil's emerging academic English was administered, shall not be counted as a pupil of limited English proficiency in calculating limited English proficiency pupil units under section 126C.05, subdivision 17, and shall not generate state limited English proficiency aid under section 124D.65, subdivision 5, unless the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on an assessment measuring emerging academic English provided by the commissioner during the previous school year.

(c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade 12 shall not be counted as a pupil of limited English proficiency in calculating limited English proficiency pupil units under section 126C.05, subdivision 17, and shall not generate state limited English proficiency aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for pupils of limited English proficiency in accordance with sections 124D.58 to 124D.64; or

(2) the pupil has generated five or more years of average daily membership in Minnesota public schools since July 1, 1996.

Sec. 11. Minnesota Statutes 2010, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. The formula allowance for fiscal year ~~2007 is \$4,974~~ 2011 is \$5,124. The formula allowance for fiscal year ~~2008 is \$5,074 and~~ 2012 is \$5,144. The formula allowance for fiscal year ~~2009~~ 2013 and subsequent years is \$5,124 \$5,165.

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

Sec. 12. Minnesota Statutes 2010, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) The compensatory education revenue for each building in the district equals ~~the formula allowance minus \$415~~ \$4,709 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(c) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year.

Sec. 13. Minnesota Statutes 2010, section 126C.10, subdivision 7, is amended to read:

Subd. 7. **Secondary sparsity revenue.** (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) ~~the formula allowance for the school year \$5,124~~, multiplied by
- (2) the secondary average daily membership of pupils served in the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

10.1 (4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus
10.2 23 by ten.

10.3 (b) A newly formed district that is the result of districts combining under the
10.4 cooperation and combination program or consolidating under section 123A.48 must
10.5 receive secondary sparsity revenue equal to the greater of: (1) the amount calculated
10.6 under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary
10.7 sparsity revenue the former districts had in the year prior to consolidation, increased for
10.8 any subsequent changes in the secondary sparsity formula.

10.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
10.10 and later.

10.11 Sec. 14. Minnesota Statutes 2010, section 126C.10, subdivision 8, is amended to read:

10.12 Subd. 8. **Elementary sparsity revenue.** A district's elementary sparsity revenue
10.13 equals the sum of the following amounts for each qualifying elementary school in the
10.14 district:

10.15 (1) ~~the formula allowance for the year \$5,124,~~ multiplied by

10.16 (2) the elementary average daily membership of pupils served in the school,
10.17 multiplied by

10.18 (3) the quotient obtained by dividing 140 minus the elementary average daily
10.19 membership by 140 plus the average daily membership.

10.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
10.21 and later.

10.22 Sec. 15. Minnesota Statutes 2010, section 126C.10, subdivision 8a, is amended to read:

10.23 Subd. 8a. **Sparsity revenue for school districts that close facilities.** A school
10.24 district that closes a school facility or whose sparsity revenue is reduced by a school
10.25 closure in another district is eligible for elementary and secondary sparsity revenue equal
10.26 to the greater of the amounts calculated under subdivisions 6, 7, and 8 or the total amount
10.27 of sparsity revenue for the previous fiscal year if the school board of the district has
10.28 adopted a written resolution stating that the district intends to close the school facility, but
10.29 cannot proceed with the closure without the adjustment to sparsity revenue authorized by
10.30 this subdivision. The written resolution must be filed with the commissioner of education
10.31 at least 60 days prior to the start of the fiscal year for which aid under this subdivision is
10.32 first requested. A school district whose sparsity revenue is affected by a closure in another
10.33 district is not required to adopt a written resolution under this section.

11.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
11.2 and later.

11.3 Sec. 16. Minnesota Statutes 2010, section 126C.10, subdivision 14, is amended to read:

11.4 Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue
11.5 may be used only for the following purposes:

11.6 (1) to acquire land for school purposes;

11.7 (2) to acquire or construct buildings for school purposes;

11.8 (3) to rent or lease buildings, including the costs of building repair or improvement
11.9 that are part of a lease agreement;

11.10 (4) to improve and repair school sites and buildings, and equip or reequip school
11.11 buildings with permanent attached fixtures, including library media centers;

11.12 (5) for a surplus school building that is used substantially for a public nonschool
11.13 purpose;

11.14 (6) to eliminate barriers or increase access to school buildings by individuals with a
11.15 disability;

11.16 (7) to bring school buildings into compliance with the State Fire Code adopted
11.17 according to chapter 299F;

11.18 (8) to remove asbestos from school buildings, encapsulate asbestos, or make
11.19 asbestos-related repairs;

11.20 (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

11.21 (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel
11.22 or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined
11.23 in section 296A.01;

11.24 (11) for energy audits for school buildings and to modify buildings if the audit
11.25 indicates the cost of the modification can be recovered within ten years;

11.26 (12) to improve buildings that are leased according to section 123B.51, subdivision 4;

11.27 (13) to pay special assessments levied against school property but not to pay
11.28 assessments for service charges;

11.29 (14) to pay principal and interest on state loans for energy conservation according to
11.30 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust
11.31 Fund Act according to sections 298.292 to 298.298;

11.32 (15) to purchase or lease interactive telecommunications equipment;

11.33 (16) by board resolution, to transfer money into the debt redemption fund to: (i)
11.34 pay the amounts needed to meet, when due, principal and interest payments on certain

12.1 obligations issued according to chapter 475; or (ii) pay principal and interest on debt
12.2 service loans or capital loans according to section 126C.70;

12.3 (17) to pay operating capital-related assessments of any entity formed under a
12.4 cooperative agreement between two or more districts;

12.5 (18) to purchase or lease computers and related materials, copying machines,
12.6 telecommunications equipment, and other noninstructional equipment;

12.7 (19) to purchase or lease assistive technology or equipment for instructional
12.8 programs;

12.9 (20) to purchase textbooks;

12.10 (21) to purchase new and replacement library media resources or technology;

12.11 (22) to lease or purchase vehicles;

12.12 (23) to purchase or lease telecommunications equipment, computers, and related
12.13 equipment for integrated information management systems for:

12.14 (i) managing and reporting learner outcome information for all students under a
12.15 results-oriented graduation rule;

12.16 (ii) managing student assessment, services, and achievement information required
12.17 for students with individual education plans; and

12.18 (iii) other classroom information management needs; ~~and~~

12.19 (24) to pay personnel costs directly related to the acquisition, operation, and
12.20 maintenance of telecommunications systems, computers, related equipment, and network
12.21 and applications software; and

12.22 (25) to pay the costs directly associated with closing a school facility, including
12.23 moving and storage costs.

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

12.25 Sec. 17. Minnesota Statutes 2010, section 126C.10, subdivision 18, is amended to read:

12.26 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's
12.27 transportation sparsity allowance equals the greater of zero or the result of the following
12.28 computation:

12.29 ~~(i)~~ (1) multiply ~~the formula allowance according to subdivision 2, \$5,124~~ by .1469;

12.30 ~~(ii)~~ (2) multiply the result in clause ~~(i)~~ (1) by the district's sparsity index raised to
12.31 the 26/100 power;

12.32 ~~(iii)~~ (3) multiply the result in clause ~~(ii)~~ (2) by the district's density index raised to
12.33 the 13/100 power;

12.34 ~~(iv)~~ (4) multiply ~~the formula allowance according to subdivision 2, \$5,124~~ by
12.35 .0485; and

13.1 ~~(v)~~ (5) subtract the result in clause ~~(iv)~~ (4) from the result in clause ~~(iii)~~ (3).

13.2 (b) Transportation sparsity revenue is equal to the transportation sparsity allowance
13.3 times the adjusted marginal cost pupil units.

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

13.5 Sec. 18. Minnesota Statutes 2010, section 126C.126, is amended to read:

13.6 **126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR**
13.7 **ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.**

13.8 (a) In order to provide additional revenue for an optional all-day kindergarten
13.9 program, a district may reallocate general education revenue attributable to 12th grade
13.10 students who have graduated early under section 120B.07 and who do not participate in
13.11 the early graduation achievement scholarship program under section 120B.08 or the early
13.12 graduation military service award program under section 120B.081.

13.13 (b) A school district may spend general education revenue on extended time
13.14 kindergarten and prekindergarten programs.

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

13.16 Sec. 19. Minnesota Statutes 2010, section 126C.20, is amended to read:

13.17 **126C.20 ANNUAL GENERAL EDUCATION AID APPROPRIATION.**

13.18 There is annually appropriated from the general fund to the department the
13.19 amount necessary for general education aid under section 126C.13, the early graduation
13.20 achievement scholarship program under section 120B.08, and the early graduation
13.21 military service award program under section 120B.081. This amount must be reduced
13.22 by the amount of any money specifically appropriated for the same purpose in any year
13.23 from any state fund.

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

13.25 Sec. 20. Minnesota Statutes 2010, section 126C.44, is amended to read:

13.26 **126C.44 SAFE SCHOOLS LEVY.**

13.27 (a) Each district may make a levy on all taxable property located within the district
13.28 for the purposes specified in this section. The maximum amount which may be levied
13.29 for all costs under this section shall be equal to \$30 multiplied by the district's adjusted
13.30 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and
13.31 used for directly funding the following purposes or for reimbursing the cities and counties

who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$10 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

~~(c) A school district must set aside at least \$3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph (a), clause (6). The district must annually certify either that: (1) its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section; or (2) that the district's full-time equivalent number of employees listed in paragraph (a), clause (6), is not less than the number for the previous year.~~

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

Sec. 21. Minnesota Statutes 2010, section 127A.33, is amended to read:

127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.

15.1 The commissioner shall apportion the school endowment fund semiannually on the
15.2 first Monday in March and September in each year, to districts whose schools have been
15.3 in session at least nine months. The apportionment shall be in proportion to ~~the number~~
15.4 ~~of pupils in each district's adjusted~~ average daily membership during the preceding year.
15.5 The apportionment shall not be paid to a district for pupils for whom tuition is received
15.6 by the district.

15.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
15.8 and later.

15.9 Sec. 22. Minnesota Statutes 2010, section 127A.45, subdivision 6a, is amended to read:

15.10 Subd. 6a. **Cash flow adjustment.** The board of directors of any charter school
15.11 serving fewer than 150 students where the percent of students eligible for special
15.12 education services equals ~~100~~ at least 90 percent of the charter school's total enrollment
15.13 may request that the commissioner of education accelerate the school's cash flow under
15.14 this section. The commissioner must approve a properly submitted request within 30 days
15.15 of its receipt. The commissioner must accelerate the school's ~~cash flow aid payments~~
15.16 ~~for all state aid~~ regular special education aid payments according to the schedule in the
15.17 school's request and modify the payments to the school under subdivision 3 accordingly.
15.18 A school must not receive current payments of regular special education aid exceeding 90
15.19 percent of its estimated aid entitlement for the fiscal year. The commissioner must delay
15.20 the special education aid payments to all other school districts and charter schools in
15.21 proportion to each district or charter school's total share of regular special education aid
15.22 such that the overall aid payment savings from the aid payment shift remains unchanged
15.23 for any fiscal year.

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

15.25 Sec. 23. Minnesota Statutes 2010, section 171.05, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

(b) For the purposes of determining compliance with the certification of 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. 24. 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.

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

Sec. 25. Minnesota Statutes 2010, section 171.22, subdivision 1, is amended to read:

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

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

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

- 18.1 (3) to display or represent as one's own any driver's license or Minnesota
18.2 identification card not issued to that person;
- 18.3 (4) to use a fictitious name or date of birth to any police officer or in any application
18.4 for a driver's license or Minnesota identification card, or to knowingly make a false
18.5 statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any
18.6 such application;
- 18.7 (5) to alter any driver's license or Minnesota identification card;
- 18.8 (6) to take any part of the driver's license examination for another or to permit
18.9 another to take the examination for that person;
- 18.10 (7) to make a counterfeit driver's license or Minnesota identification card;
- 18.11 (8) to use the name and date of birth of another person to any police officer for the
18.12 purpose of falsely identifying oneself to the police officer; ~~or~~
- 18.13 (9) to display as a valid driver's license any canceled, revoked, or suspended driver's
18.14 license. A person whose driving privileges have been withdrawn may display a driver's
18.15 license only for identification purposes; or
- 18.16 (10) to submit a false affidavit or statement to the department on the certification
18.17 required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), to issue
18.18 an instruction permit to a homeschool student.

18.19 Sec. 26. Minnesota Statutes 2010, section 181A.05, subdivision 1, is amended to read:

18.20 Subdivision 1. **When issued.** Any minor 14 or 15 years of age who wishes to work
18.21 on school days during school hours shall first secure an employment certificate. The
18.22 certificate shall be issued only by the school district superintendent, the superintendent's
18.23 agent, ~~or~~ some other person designated by the Board of Education, or by the person in
18.24 charge of providing instruction for students enrolled in nonpublic schools as defined in
18.25 section 120A.22, subdivision 4. The employment certificate shall be issued only for
18.26 a specific position with a designated employer and shall be issued only in the following
18.27 circumstances:

- 18.28 (1) if a minor is to be employed in an occupation not prohibited by rules promulgated
18.29 under section 181A.09 and as evidence thereof presents a signed statement from the
18.30 prospective employer; and
- 18.31 (2) if the parent or guardian of the minor consents to the employment; and
- 18.32 (3) if the issuing officer believes the minor is physically capable of handling the job
18.33 in question and further believes the best interests of the minor will be served by permitting
18.34 the minor to work.

Sec. 27. Minnesota Statutes 2010, section 298.28, subdivision 2, is amended to read:

Subd. 2. **City or town where quarried or produced.** (a) 4.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," ~~plus the amount provided in paragraph (c),~~ must be allocated to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 50 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. The commissioner's order making such apportionment shall be subject to review by the Tax Court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(b) Four cents per taxable ton shall be allocated to cities and organized townships affected by mining because their boundaries are within three miles of a taconite mine pit that has been actively mined in at least one of the prior three years. If a city or town is located near more than one mine meeting these criteria, the city or town is eligible to receive aid calculated from only the mine producing the largest taxable tonnage. When more than one municipality qualifies for aid based on one company's production, the aid must be apportioned among the municipalities in proportion to their populations. Of the amounts distributed under this paragraph to each municipality, one-half must be used for infrastructure improvement projects, and one-half must be used for projects in which two or more municipalities cooperate. Each municipality that receives a distribution under this paragraph must report annually to the Iron Range Resources and Rehabilitation Board and the commissioner of Iron Range resources and rehabilitation on the projects involving cooperation with other municipalities.

~~(c) The amount that would have been computed for the current year under Minnesota Statutes 2008, section 126C.21, subdivision 4, for a school district within which the taconite was mined or quarried or within which the concentrate is produced is added to the amount to be distributed to the cities and towns located within that school district as provided in paragraph (a).~~

EFFECTIVE DATE. This section is effective for distributions in 2012 and thereafter.

Sec. 28. Minnesota Statutes 2010, section 298.28, subdivision 4, is amended to read:

Subd. 4. **School districts.** (a) 23.15 cents per taxable ton, plus the increase provided in paragraph (d), ~~less the amount that would have been computed under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that district,~~ must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b), (c), and (f).

(b)(i) 3.43 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(ii) Four cents per taxable ton from each taconite facility must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:

(1) proceeds from Keewatin Taconite or its successor are distributed to Independent School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor districts;

(2) proceeds from the Hibbing Taconite Company or its successor are distributed to Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor districts;

(3) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia, 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

(4) proceeds from the Northshore Mining Company or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior, or their successor districts; and

(5) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their successor districts.

Revenues that are required to be distributed to more than one district shall be apportioned according to the number of pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year.

(c)(i) 15.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion to school district indexes as follows: for each school district, its pupil units determined

21.1 under section 126C.05 for the prior school year shall be multiplied by the ratio of the
21.2 average adjusted net tax capacity per pupil unit for school districts receiving aid under
21.3 this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year
21.4 ending prior to distribution to the adjusted net tax capacity per pupil unit of the district.
21.5 Each district shall receive that portion of the distribution which its index bears to the sum
21.6 of the indices for all school districts that receive the distributions.

21.7 (ii) Notwithstanding clause (i), each school district that receives a distribution
21.8 under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this
21.9 clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on
21.10 severed mineral values after reduction for any portion distributed to cities and towns
21.11 under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its
21.12 levy reduction under section 126C.48, subdivision 8, for the second year prior to the
21.13 year of the distribution shall receive a distribution equal to the difference; the amount
21.14 necessary to make this payment shall be derived from proportionate reductions in the
21.15 initial distribution to other school districts under clause (i). If there are insufficient tax
21.16 proceeds to make the distribution provided under this paragraph in any year, money must
21.17 be transferred from the taconite property tax relief account in subdivision 6, to the extent
21.18 of the shortfall in the distribution.

21.19 (d) Any school district described in paragraph (c) where a levy increase pursuant to
21.20 section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001,
21.21 shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175 times the
21.22 pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous
21.23 year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent
21.24 times the district's taxable net tax capacity in the second previous year.

21.25 If the total amount provided by paragraph (d) is insufficient to make the payments
21.26 herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly
21.27 so as not to exceed the funds available. Any amounts received by a qualifying school
21.28 district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general
21.29 education aid which the district receives pursuant to section 126C.13 or the permissible
21.30 levies of the district. Any amount remaining after the payments provided in this paragraph
21.31 shall be paid to the commissioner of Iron Range resources and rehabilitation who shall
21.32 deposit the same in the taconite environmental protection fund and the Douglas J. Johnson
21.33 economic protection trust fund as provided in subdivision 11.

21.34 Each district receiving money according to this paragraph shall reserve the lesser of
21.35 the amount received under this paragraph or \$25 times the number of pupil units served
21.36 in the district. It may use the money for early childhood programs or for outcome-based

learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(f) Four cents per taxable ton must be distributed to qualifying school districts according to the distribution specified in paragraph (b), clause (ii), and two cents per taxable ton must be distributed according to the distribution specified in paragraph (c). These amounts are not subject to sections 126C.21, subdivision 4, and 126C.48, subdivision 8.

EFFECTIVE DATE. This section is effective for distributions in 2012 and thereafter.

Sec. 29. **ALTERNATIVE COMPENSATION FORECAST REVENUE RECAPTURE.**

Notwithstanding Minnesota Statutes, section 126C.10, subdivision 34, paragraph (c), for fiscal year 2012 only, the aid entitlement for basic alternative compensation is reduced by \$10,190,000 compared to the February 2011 forecast.

Sec. 30. **KITTSOON CENTRAL SCHOOL CLOSING.**

Independent School District No. 356, Lancaster, is eligible for sparsity revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal year 2012 and later, if the board has adopted a written resolution at any time prior to the start of the 2011-2012 school year to notify the commissioner and request aid under Minnesota Statutes, section 126C.10, subdivision 8a. For the purposes of this section, the school district shall be eligible for aid under Minnesota Statutes, section 126C.10, subdivision 8a, as a result of the closure of the Kennedy Elementary School in Independent School District No. 2171, Kittson Central.

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

Sec. 31. **NORTHLAND COMMUNITY SCHOOL CLOSING.**

(a) Independent School District No. 118, Northland Community Schools, is eligible for sparsity revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal year 2012 and later, if the board has adopted the required written resolution at least 60 days prior to the start of fiscal year 2012.

(b) If the school district adopts a written resolution under paragraph (a), in fiscal year 2012, the commissioner must provide sparsity aid to the district in an amount equal to the amount that the district would have received under Minnesota Statutes, section 126C.10, subdivision 8a, in fiscal year 2011, if the provisions of paragraph (a) had been in effect. The school district must recognize the sparsity aid provided under this paragraph as revenue in fiscal year 2011.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2011.

Sec. 32. **SCHOOL DISTRICT LEVY ADJUSTMENTS.**

Subdivision 1. Tax rate adjustment. The commissioner of education must adjust each school district tax rate established under Minnesota Statutes, chapters 120B to 127A, by multiplying the rate by the ratio of the statewide total tax capacity for assessment year 2010 as it existed prior to the passage of House File 42, or a similarly styled bill, to the statewide total tax capacity for assessment year 2010.

Subd. 2. Equalizing factors. The commissioner of education must adjust each school district equalizing factor established under Minnesota Statutes, chapters 120B to 127A, by dividing the equalizing factor by the ratio of the statewide total tax capacity for assessment year 2010 as it existed prior to the passage of House File 42, or a similarly styled bill, to the statewide total tax capacity for assessment year 2010.

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

Sec. 33. **APPROPRIATIONS.**

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

Subd. 2. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>5,656,581,000</u>	.....	<u>2012</u>
\$	<u>5,785,231,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$1,678,539,000 for 2011 and \$3,978,042,000 for 2012.

The 2013 appropriation includes \$1,704,523,000 for 2012 and \$4,080,708,000 for 2013.

24.1 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
24.2 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
24.3 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

24.4 \$ 31,000 2012

24.5 \$ 32,000 2013

24.6 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
24.7 127A.49:

24.8 \$ 1,452,000 2012

24.9 \$ 1,635,000 2013

24.10 The 2012 appropriation includes \$346,000 for 2011 and \$1,106,000 for 2012.

24.11 The 2013 appropriation includes \$473,000 for 2012 and \$1,162,000 for 2013.

24.12 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
24.13 Statutes, section 123A.485:

24.14 \$ 145,000 2012

24.15 \$ 210,000 2013

24.16 The 2012 appropriation includes \$145,000 for 2011 and \$0 for 2012.

24.17 The 2013 appropriation includes \$0 for 2012 and \$210,000 for 2013.

24.18 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
24.19 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

24.20 \$ 16,118,000 2012

24.21 \$ 16,043,000 2013

24.22 The 2012 appropriation includes \$5,078,000 for 2011 and \$11,040,000 for 2012.

24.23 The 2013 appropriation includes \$4,730,000 for 2012 and \$11,313,000 for 2013.

24.24 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
24.25 under Minnesota Statutes, section 123B.92, subdivision 9:

24.26 \$ 18,979,000 2012

24.27 \$ 18,905,000 2013

24.28 The 2012 appropriation includes \$5,895,000 for 2011 and \$13,084,000 for 2012.

24.29 The 2013 appropriation includes \$5,607,000 for 2012 and \$13,298,000 for 2013.

24.30 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.
24.31 690, Warroad, to operate the Angle Inlet School:

24.32 \$ 65,000 2012

24.33 \$ 65,000 2013

Subd. 9. **Compensatory revenue pilot project.** For grants for participation in the compensatory revenue pilot program under Laws 2005, First Special Session chapter 5, article 1, section 50:

\$ 2,175,000 2012

\$ 2,175,000 2013

Of this amount, \$1,500,000 in each year is for a grant to Independent School District No. 11, Anoka-Hennepin; \$75,000 in each year is for a grant to Independent School District No. 286, Brooklyn Center; \$210,000 in each year is for a grant to Independent School District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School District No. 281, Robbinsdale; \$165,000 in each year is for a grant to Independent School District No. 535, Rochester; and \$65,000 in each year is for a grant to Independent School District No. 833, South Washington.

If a grant to a specific school district is not awarded, the commissioner may increase the aid amounts to any of the remaining participating school districts.

This appropriation is part of the base budget for subsequent fiscal years.

Sec. 34. **REPEALER AND REENACTMENT.**

(a) Laws 2009, chapter 88, article 12, section 23, paragraph (c), is repealed and Minnesota Statutes 2008, section 126C.21, subdivision 4, is reenacted for revenue for fiscal year 2012 and thereafter.

(b) Minnesota Statutes 2010, sections 120A.26, subdivisions 1 and 2; and 126C.10, subdivision 5, are repealed.

ARTICLE 2

ACADEMIC EXCELLENCE

Section 1. Minnesota Statutes 2010, section 13D.02, is amended by adding a subdivision to read:

Subd. 5. School boards; interactive technology with an audio and visual link.
A school board conducting a meeting under this section may use interactive technology with an audio and visual link to conduct the meeting if the school board complies with all other requirements under this section.

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

Subd. 2. Revisions and reviews required. (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent

with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. The commissioner must revise and align the state's academic standards and graduation requirements, consistent with the review cycle established in this subdivision and the requirements of chapter 14, but must not proceed to finally adopt revised and realigned academic standards and graduation requirements in rule without first receiving specific legislative authority to do so. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

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

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

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

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

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

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry ~~or~~ physics, or career and technical education credit. The commissioner must implement a review of the academic 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~~ review the state's academic standards and high school graduation requirements in social studies ~~to require~~ that students must satisfactorily complete ~~the revised social studies standards~~ beginning in the ~~2013-2014~~ 2014-2015 school year. The commissioner must again implement a review of the academic standards and related benchmarks in social studies beginning in the ~~2019-2020~~ 2020-2021 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.

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

Sec. 3. Minnesota Statutes 2010, section 120B.35, subdivision 1, is amended to read:

Subdivision 1. **School and student indicators of growth and achievement.**

The commissioner must develop and implement a system for measuring and reporting academic achievement and individual student growth, consistent with the statewide educational accountability and reporting system. The system components must measure and separately report the adequate yearly progress of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational growth over time under subdivision 3. The commissioner annually must report a student's growth and progress toward grade-level proficiency under section 120B.299 as it relates to applicable state academic standards and the statewide assessments aligned with those standards. The system also must include statewide measures of student academic growth that identify schools with high levels of growth, and also schools with low levels of growth that need improvement. When determining a school's effect, the data

28.1 must include both statewide measures of student achievement and, to the extent annual
28.2 tests are administered, indicators of achievement growth that take into account a student's
28.3 prior achievement. Indicators of achievement and prior achievement must be based on
28.4 highly reliable statewide or districtwide assessments. Indicators that take into account a
28.5 student's prior achievement must not be used to disregard a school's low achievement or to
28.6 exclude a school from a program to improve low achievement levels.

28.7 **EFFECTIVE DATE.** This section is effective July 1, 2012, and applies to growth
28.8 data beginning in the 2012-2013 school year.

28.9 Sec. 4. Minnesota Statutes 2010, section 120B.36, subdivision 1, is amended to read:

28.10 Subdivision 1. **School performance report cards.** (a) The commissioner
28.11 shall report student academic performance under section 120B.35, subdivision 2; the
28.12 percentages of students showing low, medium, and high growth under section 120B.35,
28.13 subdivision 3, paragraph (b); school safety and student engagement and connection
28.14 under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section
28.15 120B.35, subdivision 3, paragraph (c); two separate student-to-teacher ratios that clearly
28.16 indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for
28.17 purposes of determining these ratios; staff characteristics excluding salaries; the number
28.18 of teachers in each performance effectiveness rating category under section 122A.411,
28.19 subdivision 3, by school site; student enrollment demographics; district mobility; and
28.20 extracurricular activities. The report also must indicate a school's adequate yearly progress
28.21 status, and must not set any designations applicable to high- and low-performing schools
28.22 due solely to adequate yearly progress status.

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

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

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

28.30 (e) School performance report card data are nonpublic data under section 13.02,
28.31 subdivision 9, until not later than ten days after the appeal procedure described in
28.32 paragraph (d) concludes. The department shall annually post school performance report
28.33 cards to its public Web site no later than September 1.

28.34 **EFFECTIVE DATE.** This section is effective July 1, 2014.

Sec. 5. [120B.361] DISTRICT AND CHARTER SCHOOL AND SCHOOL DISTRICT GRADING SYSTEM AND SCHOOL RECOGNITION PROGRAM.

Subdivision 1. District and charter school and school 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" grading system for district and charter schools and school districts 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 assign each district and charter school and school district an "A to F" grade 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. **District and charter 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 any other law to the contrary, an 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. 6. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision to read:

Subd. 3a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary, if a school board offers teachers a biennial contract that includes a percentage increase

31.1 in total compensation at least equal to the district's biennial percentage increase in
31.2 basic revenue under section 126C.10, subdivision 2, as measured by the ratio of (1) the
31.3 most recent estimate of district basic revenue for the biennium that corresponds to the
31.4 prospective contract term to (2) district basic revenue for the previous biennium; teachers
31.5 may not strike for any issue relating to total compensation for the years covered by that
31.6 contract or submit any total compensation issue to interest arbitration under section
31.7 179A.16. District fund balances or other revenue sources or allocations are not to be
31.8 included in any calculation of compensation under this subdivision.

31.9 (b) If a school board and teachers do not agree on the allocation of the total
31.10 compensation offered by the board under paragraph (a) by September 1 of an
31.11 even-numbered calendar year, the allocation of total compensation among teachers shall
31.12 be as follows:

31.13 (1) existing employee benefits must continue at the same percentage of the total
31.14 compensation and in the same manner as provided in the teachers' immediately preceding
31.15 employment contract; and

31.16 (2) based on the percentage increase in the general education formula allowance
31.17 for the biennium for which the contract is in effect, any remaining percentage of the total
31.18 compensation for the contract period being negotiated, after subtracting the value of
31.19 clause (1), is for increases in teacher salary based on first, alternative teacher pay plans
31.20 under section 122A.414; second, the number of years of service; and third, promotion
31.21 and advanced education.

31.22 (c) For purposes of this subdivision, the following terms have the meanings given
31.23 them.

31.24 "Teachers" means classroom teachers licensed under section 122A.18. At a school
31.25 board's election, teachers also means school administrators licensed under section
31.26 122A.14, subdivision 1. A school board that elects to offer school administrators an
31.27 employment contract under this subdivision must make the offer consistent with section
31.28 179A.20 and the provisions of this subdivision. A school board, at its discretion, also
31.29 may elect to offer any of its nonlicensed employees an employment contract under the
31.30 terms of this subdivision.

31.31 "Total compensation" means the sum of the following cost components: (i) a school
31.32 district's total salary schedule costs excluding alternative teacher compensation under
31.33 sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative
31.34 teacher professional pay system under sections 122A.413 to 122A.415; (iii) total
31.35 health insurance costs paid by the school district for its teachers, excluding any district
31.36 contributions to health reimbursement arrangements (HRA) or health savings accounts

32.1 (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers;
32.2 (v) total long-term disability costs paid by the school district for its teachers; (vi) total
32.3 dental insurance costs paid by the school district for its teachers; (vii) total extracurricular
32.4 costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers'
32.5 salary schedule; (ix) total Teachers Retirement Association costs paid by the school district
32.6 for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by
32.7 the school district for its teachers; and (xi) other miscellaneous costs identified by the
32.8 school district as payment for teachers' services or benefits such as special school events,
32.9 extra service duty, summer school instruction, drivers' education outside the regular school
32.10 day and school year, and other direct salary payments to teachers or fringe benefit costs
32.11 paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

32.12 **EFFECTIVE DATE.** This section is effective for contracts ratified beginning
32.13 July 1, 2011.

32.14 Sec. 7. Minnesota Statutes 2010, section 122A.40, subdivision 5, is amended to read:

32.15 Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's
32.16 first teaching experience in Minnesota in a single district is deemed to be a probationary
32.17 period of employment, and after completion thereof, the probationary period in each
32.18 district in which the teacher is thereafter employed shall be one year. The school board
32.19 must adopt a plan for written evaluation of teachers during the probationary period that
32.20 complies with section 122A.411. Evaluation must occur at least three times each year for a
32.21 teacher performing services on 120 or more school days, at least two times each year for a
32.22 teacher performing services on 60 to 119 school days, and at least one time each year for a
32.23 teacher performing services on fewer than 60 school days. Days devoted to parent-teacher
32.24 conferences, teachers' workshops, and other staff development opportunities and days on
32.25 which a teacher is absent from school must not be included in determining the number
32.26 of school days on which a teacher performs services. Except as otherwise provided in
32.27 paragraph (b), during the probationary period any annual contract with any teacher may or
32.28 may not be renewed as the school board shall see fit. However, the board must give any
32.29 ~~such~~ probationary teacher whose contract it declines to renew for the following school
32.30 year written notice to that effect before July 1. If the teacher requests reasons for any
32.31 nonrenewal of a teaching contract, the board must give the teacher its reason in writing,
32.32 including a statement that appropriate supervision was furnished describing the nature and
32.33 the extent of such supervision furnished the teacher during the employment by the board,
32.34 within ten days after receiving such request. The school board may, after a hearing held

33.1 upon due notice, discharge a teacher during the probationary period for cause, effective
33.2 immediately, under section 122A.44.

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

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

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

33.15 (e) A district must decide whether to issue a renewable five-year contract to a
33.16 classroom teacher at the end of the teacher's probationary period based on:

33.17 (1) the teacher's appraisal results and performance effectiveness rating under section
33.18 122A.411; and

33.19 (2) other locally selected criteria aligned to instructional practices in teaching and
33.20 learning.

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

33.23 Sec. 8. Minnesota Statutes 2010, section 122A.40, subdivision 7, is amended to read:

33.24 Subd. 7. **Termination of contract after probationary period.** (a) A teacher who
33.25 has completed a probationary period in any district, and who has not been discharged or
33.26 advised of a refusal to renew the teacher's contract under subdivision 5, shall ~~elect to~~ have
33.27 a continuing renewable five-year contract with ~~such~~ the district where contract terms
33.28 and conditions, including salary and salary increases, are established based either on the
33.29 length of the school calendar or an extended school calendar under section 120A.415.
33.30 ~~Thereafter,~~ The teacher's contract must remain in full force and effect, except as modified
33.31 by mutual consent of the board and the teacher, until terminated by a majority roll call
33.32 vote of the full membership of the board prior to April 1 ~~upon one of the grounds specified~~
33.33 ~~in subdivision 9 or~~ July 1 upon one of the grounds specified in subdivision 9, 10 or 11, or
33.34 until the teacher is discharged pursuant to subdivision 13, or by the written resignation
33.35 of the teacher submitted prior to April 1. If an agreement as to the terms and conditions

of employment for the succeeding school year has not been adopted ~~pursuant to the provisions of~~ under sections 179A.01 to 179A.25 prior to March 1, the teacher's right of resignation is extended to the 30th calendar day following the adoption of ~~said~~ the contract ~~in compliance with~~ under section 179A.20, subdivision 5. ~~Such~~ Written resignation by the teacher is effective ~~as of~~ on June 30 if submitted ~~prior to~~ before that date and the ~~teachers'~~ teacher's right of resignation for the next school year ~~then beginning~~ shall cease on July 15.

(b) Before a teacher's contract is terminated by the board, the board must notify the teacher in writing and state its ~~ground~~ grounds for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 calendar days after receipt of ~~such~~ the notification, and it shall be granted within ten calendar days with notice to the teacher of the date set for the hearing, before final action is taken.

If the grounds are those specified in subdivision ~~9 or~~ 13, the notice must also state a teacher may request arbitration under subdivision 15. Within 14 calendar days after receipt of ~~this~~ the notification, the teacher may make a written request for a hearing before the board or an arbitrator and it shall be granted ~~upon reasonable~~ within 14 calendar days with notice to the teacher of the date set for hearing or arbitration, before final action is taken. If no hearing or arbitration is requested within ~~such~~ the required time period, it shall be deemed acquiescence by the teacher to the board's action. ~~Such~~ The teacher's termination under subdivision 9 shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid, and termination discharge under subdivision 13 shall take effect immediately. A board may, however, suspend a teacher with pay pending the conclusion of a hearing or arbitration and determination of the issues raised in the hearing or arbitration after charges have been filed that constitute grounds for discharge. Such A teacher's renewable five-year contract may be terminated at any time by mutual consent of the board and the teacher and this section does not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

~~(b)~~ (c) A teacher ~~electing to have~~ who has a continuing renewable five-year contract based on the extended school calendar under section 120A.415 must participate in staff development training under subdivision 7a and shall receive an increased base salary.

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

Sec. 9. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision to read:

Subd. 7b. **Teacher employment.** (a) A school district must use a teacher appraisal framework to make informed decisions about teacher development and performance. Teachers must participate in ongoing professional development to improve teaching and learning throughout a term of employment.

(b) After completing the initial three-year probationary period without discharge, a teacher who is reemployed by a school board continues in service and holds that position during good behavior and efficient and competent service for a renewable five-year term. The terms and conditions of a teacher's employment contract, including salary and salary increases, must be based either on the length of the school year or an extended school calendar under section 120A.415.

(c) At the end of every five-year term, the school board either must continue or terminate a teacher's employment based on:

(1) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(2) other locally selected criteria aligned to instructional practices in teaching and learning.

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

Sec. 10. Minnesota Statutes 2010, section 122A.40, subdivision 9, is amended to read:

Subd. 9. **Grounds for termination.** (a) A ~~continuing~~ renewable five-year contract may be terminated, effective at the close of the school year, upon any of the following grounds:

~~(a)~~ (1) inefficiency;

~~(b)~~ (2) neglect of duty, or persistent violation of school laws, rules, regulations, or directives;

~~(c)~~ (3) conduct unbecoming a teacher which materially impairs the teacher's educational effectiveness;

~~(d)~~ (4) other good and sufficient grounds rendering the teacher unfit to perform the teacher's duties; or

(5) the teacher is ineffective under section 122A.411 and not recommended by the district for continued employment under this section.

(b) A contract must not be terminated upon one of the grounds specified in clause under paragraph (a), ~~(b), (c), or (d)~~, clause (1), (2), (3), or (4), unless the teacher fails to correct the deficiency after being given written notice of the specific items of complaint

~~and reasonable time~~, a written plan to assist the teacher in remedying the specific items of complaint, and for a period not to exceed six months within which to remedy them.

For purposes of paragraph (a), clause (5), a teacher must correct the deficiency within 180 days after receiving the notice to remedy the deficiency.

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

Sec. 11. 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 superintendent may exempt from the effects of paragraphs (b) to (e) those teachers who, based on the teachers' effectiveness ratings under section 122A.411, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction. The board is governed by the following provisions: paragraphs (b) to (j).

~~(a) 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) Teachers ~~who have acquired continuing contract rights~~ shall be placed on unrequested leave of absence in fields in which they are licensed in the following order:

(1) teachers with an "ineffective" rating under section 122A.411 in the inverse order in which they were employed by the school district;

(2) teachers with a "needs improvement" rating under section 122A.411 in the inverse order in which they were employed by the school district;

(3) teachers with an "average" rating under section 122A.411 with four or more years of teaching experience in the inverse order in which they were employed by the school district;

(4) teachers with an "effective" rating under section 122A.411 with fewer than four years of teaching experience in the inverse order in which they were employed by the school district; and

(5) teachers with a "highly effective" rating under section 122A.411 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) Notwithstanding the provisions of clause (b), 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) (c) Notwithstanding clauses (a), paragraph (b) and (c), 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 restrictions imposed by the provisions of clause (c) paragraph (b) 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, with a lower effectiveness rating or less seniority.~~

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

~~(h)~~ (g) 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)~~ (h) 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~~ until that teacher's contract expires under subdivision 7b, 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)~~ (i) The same provisions applicable to terminations of probationary or ~~continuing renewable five-year~~ contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence.

~~(k)~~ (j) 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 for the 2013-2014 school year and later.

Sec. 12. Minnesota Statutes 2010, section 122A.40, subdivision 13, is amended to read:

Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a board may discharge a ~~continuing-contract teacher~~ teacher's renewable five-year contract, effective immediately, upon any of the following grounds:

(1) immoral conduct, insubordination, or conviction of a felony;

(2) conduct unbecoming a teacher which requires the immediate removal of the teacher from the classroom or other duties;

(3) failure without justifiable cause to teach without first securing the written release of the school board;

(4) gross inefficiency which the teacher has failed to correct after reasonable written notice;

(5) willful neglect of duty; ~~or~~

(6) continuing physical or mental disability subsequent to a ~~12-months~~ 12-month leave of absence and inability to qualify for reinstatement in accordance with subdivision 12; or

(7) the inability of the board to terminate at the close of the previous school year under subdivision 9.

For purposes of this ~~paragraph~~ subdivision, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ~~ten~~ five days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may, however, suspend a teacher with pay ~~pending only~~ only for the first 60 days of the suspension from regular duty. If the conclusion of such hearing and determination of the issues raised in the hearing after charges have been filed ~~which constitute~~ constitutes ground for discharge, the board may, in its discretion, determine the teacher's salary or compensation at the time of filing charges against the teacher, but must subtract the amount of any payment made to the teacher during the first 60 days of suspension. If the determination of the issues is favorable to the teacher, the board must not abate the teacher's salary or compensation. The hearing must be held within 30 days of the board action proposing discharge, unless otherwise agreed to by both parties.

(b) A board must discharge a ~~continuing-contract~~ teacher with a renewable five-year contract, 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.

EFFECTIVE DATE. This section is effective September 1, 2011, and applies to all discharge actions initiated by the board after that date.

Sec. 13. Minnesota Statutes 2010, section 122A.40, subdivision 15, is amended to read:

Subd. 15. **Hearing and determination by arbitrator.** (a) A teacher whose ~~termination~~ discharge is proposed under subdivision 7 on grounds specified in ~~subdivision 9, or whose discharge is proposed under~~ subdivision 13; may elect ~~a hearing before an arbitrator~~ arbitration instead of a hearing before the school board. ~~The hearing arbitration~~ is governed by this subdivision.

~~(a)~~ (b) The teacher must make a written request for a hearing before an arbitrator within 14 calendar days after receiving notification of proposed termination on grounds specified in subdivision ~~9 or within ten days of receiving notification of proposed discharge under subdivision~~ 13. The hearing must be held within 30 days of the board action proposing discharge, unless otherwise agreed to by both parties. ~~If a request for a hearing does not specify that the hearing be before an arbitrator, it is considered to be a request for a hearing before the school board.~~

~~(b)~~ (c) If the teacher and the school board are unable to mutually agree on an arbitrator, the board must request from the bureau of mediation services a list of five randomly selected persons to serve as an arbitrator. ~~If the matter to be heard is a proposed~~

~~termination on grounds specified in subdivision 9, arbitrators on the list must be available to hear the matter and make a decision within a time frame that will allow the board to comply with all statutory timelines relating to termination.~~ If the teacher and the board are unable to mutually agree on an arbitrator from the list provided, the parties shall alternately strike names from the list until the name of one arbitrator remains. The person remaining after the striking procedure must be the arbitrator. If the parties are unable to agree on who shall strike the first name, the question must be decided by a flip of a coin. The teacher and the school board must share equally the costs and fees of the arbitrator.

~~(e)~~ (d) The arbitrator shall determine, by a preponderance of the evidence, whether the grounds for ~~termination or~~ discharge specified in subdivision ~~9 or~~ 13 exist to support the proposed ~~termination or~~ discharge. A lesser penalty than ~~termination or~~ discharge may be imposed by the arbitrator only to the extent that ~~either party proposes such~~ both parties agree to a lesser penalty in the proceeding. In making the determination, the arbitration proceeding is governed by sections 572B.15 to 572B.28 and by the collective bargaining agreement applicable to the teacher.

~~(d)~~ (e) An arbitration hearing conducted under this subdivision is a meeting for preliminary consideration of allegations or charges within the meaning of section 13D.05, subdivision 3, paragraph (a), and must be closed, unless the teacher requests it to be open.

~~(e)~~ (f) The arbitrator's award is final and binding on the parties, subject to sections 572B.18 to 572B.28.

Sec. 14. Minnesota Statutes 2010, section 122A.40, subdivision 16, is amended to read:

Subd. 16. **Decision.** After the hearing or arbitration, the board must issue a written decision and order. ~~If the board orders termination of a continuing contract or discharge of a teacher, and its decision must include findings of fact based upon competent evidence in the record and must be served on the teacher, accompanied by an order of termination or discharge, prior to April 1 in the case of a contract termination for grounds specified in subdivision 9, prior to July 1 for grounds specified in subdivision 10 or 11, or within ten calendar days after conclusion of the hearing in the case of a discharge or receipt of an arbitrator's decision.~~ If the decision of the board or of a reviewing court is favorable to the teacher, the proceedings must be dismissed and the decision entered in the board minutes, and all references to ~~such~~ the proceedings must be excluded from the teacher's record file.

Sec. 15. 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~~ that is consistent with section 122A.411. Evaluation ~~by the peer review committee charged with evaluating of~~ probationary teachers under subdivision 3 shall occur at least three times each 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 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.

(d) A district must decide whether to issue a renewable five-year contract to a classroom teacher at the end of the teacher's probationary period based on:

(1) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(2) other locally selected criteria aligned to instructional practices in teaching and learning.

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

Sec. 16. Minnesota Statutes 2010, section 122A.41, is amended by adding a subdivision to read:

Subd. 2a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary, if a school board offers teachers a biennial contract that includes a percentage increase in total compensation at least equal to the district's biennial percentage increase in basic revenue under section 126C.10, subdivision 2, as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium; teachers may not strike for any issue relating to total compensation for the years covered by that contract or submit any total compensation issue to interest arbitration under section 179A.16. District fund balances or other revenue sources or allocations are not to be included in any calculation of compensation under this subdivision.

(b) If a school board and teachers do not agree on the allocation of the total compensation offered by the board under paragraph (a) by September 1 of an even-numbered calendar year, the allocation of total compensation among teachers shall be as follows:

(1) existing employee benefits must continue at the same percentage of the total compensation and in the same manner as provided in the teachers' immediately preceding employment contract; and

(2) based on the percentage increase in the general education formula allowance for the biennium for which the contract is in effect, any remaining percentage of the total compensation for the contract period being negotiated, after subtracting the value of clause (1), is for increases in teacher salary based on first, alternative teacher pay plans under section 122A.414; second, the number of years of service; and third, promotion and advanced education.

(c) For the purposes of this subdivision, the following terms have the meanings given them.

"Teachers" means classroom teachers licensed under section 122A.18. At a school board's election, teachers also means school administrators licensed under section 122A.14, subdivision 1. A school board that elects to offer school administrators an employment contract under this subdivision must make the offer consistent with section 179A.20 and the provisions of this subdivision. A school board, at its discretion, also may elect to offer any of its nonlicensed employees an employment contract under the terms of this subdivision.

"Total compensation" means the sum of the following cost components: (i) a school district's total salary schedule costs excluding alternative teacher compensation under

sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative teacher professional pay system under sections 122A.413 to 122A.415; (iii) total health insurance costs paid by the school district for its teachers, excluding any district contributions to health reimbursement arrangements (HRA) or health savings accounts (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers; (v) total long-term disability costs paid by the school district for its teachers; (vi) total dental insurance costs paid by the school district for its teachers; (vii) total extracurricular costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers' salary schedule; (ix) total Teachers Retirement Association costs paid by the school district for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by the school district for its teachers; and (xi) other miscellaneous costs identified by the school district as payment for teachers' services or benefits such as special school events, extra service duty, summer school instruction, drivers' education outside the regular school day and school year, and other direct salary payments to teachers or fringe benefit costs paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

EFFECTIVE DATE. This section is effective for contracts ratified beginning July 1, 2011.

Sec. 17. Minnesota Statutes 2010, section 122A.41, subdivision 4, is amended to read:

Subd. 4. ~~Period of service after probationary period; discharge or demotion~~
Teacher employment. (a) A school district must use a teacher appraisal framework to make informed decisions about teacher development and performance. Teachers must participate in ongoing professional development to improve teaching and learning throughout a term of employment.

~~(b) After the completion of such~~ completing the initial three-year probationary period; without discharge, ~~such teachers as are thereupon~~ a teacher who is reemployed shall continue in service and hold ~~their respective~~ that position during good behavior and efficient and competent service for a renewable five-year term and must not be discharged or demoted except for cause after a hearing. The terms and conditions of a teacher's employment contract, including salary and salary increases, must be based either on the length of the school year or an extended school calendar under section 120A.415.

~~(b)~~ (c) A probationary teacher is deemed to have been reemployed for the ensuing school year, unless the school board in charge of such school gave such teacher notice in writing before July 1 of the termination of such employment.

~~(e)~~ (d) A teacher ~~electing to have~~ who has an employment contract based on the extended school calendar under section 120A.415 must participate in staff development training under subdivision 4a and shall receive an increased base salary.

(e) At the end of every five-year term, the school board must either continue or terminate a teacher's employment based on:

(1) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(2) other locally selected criteria aligned to instructional practices in teaching and learning.

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

Sec. 18. Minnesota Statutes 2010, section 122A.41, subdivision 6, is amended to read:

Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided in paragraph (b), causes for the discharge or demotion of a teacher either during or after the probationary period must be:

(1) immoral character, conduct unbecoming a teacher, or insubordination;

(2) failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;

(3) inefficiency in teaching or in the management of a school;

(4) affliction with active tuberculosis or other communicable disease must be considered as cause for removal or suspension while the teacher is suffering from such disability; ~~or~~

(5) discontinuance of position or lack of pupils; or

(6) the teacher is ineffective under section 122A.411 and not recommended by the district for employment under this section.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13. A contract must not be discharged on the grounds specified in clause (6) unless the teacher fails to correct the deficiency after being given written notice of the specific items of complaint and 180 days within which to remedy them.

(b) A probationary ~~or continuing-contract~~ teacher or a teacher who has a renewable five-year contract must be discharged 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.

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

Sec. 19. 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 be discontinued in any department in the following order:

~~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) 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) 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.~~

(1) teachers with an "ineffective" rating under section 122A.411 in the inverse order in which they were employed by the school district;

(2) teachers with a "needs improvement" rating under section 122A.411 in the inverse order in which they were employed by the school district;

(3) teachers with an "average" rating under section 122A.411 with four or more years of teaching experience in the inverse order in which they were employed by the school district;

(4) teachers with an "effective" rating under section 122A.411 with fewer than four years of teaching experience in the inverse order in which they were employed by the school district; and

(5) teachers with a "highly effective" rating under section 122A.411 in the inverse order in which they were employed by the school district.

The superintendent may exempt from the effects of this subdivision those teachers who, based on the teachers' effectiveness rating under section 122A.411, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction.

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

Sec. 20. **[122A.411] TEACHER EVALUATIONS.**

Subdivision 1. **Evaluation structure.** A teacher evaluation structure is established to provide information about teacher effectiveness for teachers under section 122A.06, subdivision 2, districts, and charter schools to use in developing and improving teacher performance and student learning. The two-part structure contains:

(1) a teacher appraisal framework that identifies performance measures for determining teacher effectiveness; and

(2) a mechanism for translating the performance data into a five-part teacher effectiveness rating scale.

Subd. 2. **Teacher appraisal framework.** (a) Each school district and charter school must create and implement a teacher appraisal framework. The framework must translate performance measures and scores under this subdivision into five performance effectiveness rating scores where "5" is the highest rating and "1" is the lowest rating. The framework must be designed to give an effectiveness rating score that has 50 percent based on assessment results under paragraph (b), (c), or (d), and 50 percent based on district criteria under paragraph (e). The department, in collaboration with the Board of Teaching, must make available to districts and charter schools appraisal frameworks and other materials from evidence-based sources to assist districts and charter schools in implementing an appraisal framework, consistent with this section.

(b) If statewide assessment results are available under section 120B.35, these results are the basis for 50 percent of a teacher's total appraisal.

(c) If statewide assessment results are unavailable, 50 percent of a teacher's total appraisal must consist of results from districtwide assessments of state and local standards.

(d) If no districtwide assessment results are available, 50 percent of a teacher's total appraisal must consist of teacher-developed and administrator-approved assessments of state and local standards. A school administrator shall meet with teachers at least annually under this paragraph to review, modify if needed, and approve local course and grade-level expectations for student achievement and growth.

(e) A charter school or a school board, in consultation with its teachers, must identify the performance measures used as a basis for the other 50 percent of a teacher's total appraisal under this subdivision. The appraisal must include data from parent surveys and at least one annual evaluation performed by a trained school administrator or an administrator's trained designee. Other performance measures may include student surveys, peer observations and review, teacher performance portfolios, video classroom observations with teacher reflection after viewing videos, measures approved as part of an educational improvement plan under section 122A.413, and other highly reliable research-based measures.

Subd. 3. **Teacher performance effectiveness ratings.** (a) Beginning in the 2012-2013 school year and consistent with subdivision 2, a school district or charter school annually must use the following scale to determine a teacher performance effectiveness rating for each teacher who teaches a subject for which statewide assessment results are available under section 120B.35:

(1) a teacher is "highly effective" if the teacher's appraisal shows that the teacher's students, on average, achieved one and one-half or more years of growth on statewide assessments and the teacher received a "5" performance rating under the district or charter school appraisal framework;

(2) a teacher is "effective" if the teacher's appraisal shows that the teacher's students, on average, achieved at least one year of growth on statewide assessments and the teacher received a "4" performance rating under the district or charter school appraisal framework;

(3) a teacher is "average" if the teacher's appraisal shows that the teacher's students, on average, achieved at least 0.9 years of growth on statewide student assessments and the teacher received a "3" performance rating under the district or charter school appraisal framework;

(4) a teacher "needs improvement" if the teacher's appraisal shows that the teacher's students, on average, achieved between 0.5 and 0.9 years of growth on statewide assessments or the teacher received a "2" or lower performance rating under the district or charter school appraisal framework; and

(5) a teacher is "ineffective" if the teacher's appraisal shows that the teacher's students, on average, achieved less than one-half year of growth on statewide assessments and the teacher received a "1" performance rating under the district or charter school appraisal framework.

A teacher who does not meet both the growth and performance rating requirements in any of clauses (1) to (4) receives the next lower effectiveness rating that immediately

follows the clause where the teacher met either the growth or the performance rating requirement.

(b) Beginning in the 2012-2013 school year and consistent with subdivision 2, a school district or charter school annually must use a teacher performance effectiveness rating scale developed under this paragraph for each teacher who teaches a subject for which no statewide assessment data exist. The district or charter school, in consultation with its teachers, must define low, medium, and high academic growth and progress toward grade-level proficiency for purposes of establishing teacher performance effectiveness ratings so that a teacher is rated:

(1) "highly effective" if the teacher receives a "5" performance rating under the district or charter school appraisal framework;

(2) "effective" if the teacher receives a "4" performance rating under the district or charter school appraisal framework;

(3) "average" if the teacher receives a "3" performance rating under the district or charter school appraisal framework;

(4) "needs improvement" if the teacher receives a "2" performance rating under the district or charter school appraisal framework; and

(5) "ineffective" if the teacher receives a "1" performance rating under the district or charter school appraisal framework.

(c) A teacher, other than a probationary teacher, who receives a highly effective or effective performance rating under this subdivision is not subject to an appraisal under subdivision 2, paragraph (e), in the next year after the teacher receives that rating.

Subd. 4. Data gathering and analysis. (a) Beginning in the 2012-2013 school year, the department, in consultation with the Board of Teaching, shall assist a school district or charter school in collecting and aggregating student data needed to implement subdivisions 2 and 3. If the school district or charter school and the department agree that an ongoing need exists for department assistance, the district or charter school and the department shall enter into a data-sharing agreement. Any data on individual students or teachers received, collected, or created that are used to generate summary data under this section are nonpublic data under chapter 13.

(b) Beginning in 2014, the department annually by June 30 shall submit summary data on teachers' effectiveness under paragraph (a) to the Minnesota teacher preparation program or institution that prepared the teachers covered in that year's district and charter school reports to the department.

Subd. 5. **Reports.** (a) Beginning in the 2012-2013 school year, each school district and charter school annually shall report to the department by July 15 the following information about the school year just completed:

(1) each teacher's performance effectiveness rating determined under both subdivision 2, paragraph (b), (c), or (d), and subdivision 3, paragraph (a) or (b);

(2) each teacher's professional preparation program;

(3) its appraisal framework; and

(4) its graduation rate.

(b) Beginning in 2014, the department annually by February 15 shall submit a report to the committees of the legislature with primary jurisdiction over kindergarten through grade 12 education policy and finance that analyzes and evaluates summary data generated under paragraph (a) to determine the effectiveness of teacher appraisal systems in improving teaching and learning.

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

Sec. 21. **[122A.411] ADVISORY TASK FORCE ON IMPLEMENTING A TEACHER EVALUATION STRUCTURE.**

(a) Consistent with section 122A.411 and related sections, the commissioner shall, by July 15, 2011, convene a 19-member advisory task force to recommend how to fully and effectively implement the state's teacher appraisal framework and teacher evaluation process. Task force members shall include:

(1) one representative appointed by the Minnesota Chamber of Commerce;

(2) one representative appointed by the Minnesota Business Partnership;

(3) one representative appointed by the Minnesota Assessment Group;

(4) one representative appointed by the Minnesota Association of School Administrators;

(5) one representative appointed by the Minnesota School Boards Association;

(6) one representative representing the Minnesota Elementary and Secondary School Principals Associations, appointed jointly by those two organizations;

(7) two representatives from Education Minnesota, one of whom must be a currently licensed classroom teacher teaching in a first class city school district, appointed by Education Minnesota;

(8) two parents of students currently enrolled in Minnesota public schools, one of whom must be a parent of color, appointed by the Minnesota Parent Teacher Organization; and

(9) three appointments each by the speaker of the house, the senate Subcommittee on Committees of the Committee on Rules and Administration, and the commissioner of qualified and recognized experts in teacher evaluation and assessment who alone shall serve six-year terms.

(b) The commissioner or the commissioner's designee shall serve as a nonvoting member of the task force and shall provide technical assistance to the task force upon request. The terms, compensation, and removal of advisory task force members shall be as provided in section 15.059, except that the task force shall continue until it is specifically terminated by the legislature and operate as otherwise specified under this section. The commissioner may reimburse task force members from the department's current operating budget but may not compensate task force members for task force activities. The task force annually must:

(1) recommend changes needed to more effectively implement the teacher appraisal framework and teacher evaluation process under section 122A.411, including statutory changes needed to accomplish its recommendations; and

(2) report its recommendations to the education policy and finance committees of the legislature by February 15.

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

Sec. 22. Minnesota Statutes 2010, section 122A.414, subdivision 1a, is amended to read:

Subd. 1a. **Transitional planning year.** ~~(a)~~ To be eligible to participate in an alternative teacher professional pay system, a school district, intermediate school district, ~~or site, or charter school must,~~ at least one school year before it expects to fully implement an alternative pay system, ~~must:~~

~~(1) submit to the department a letter of intent executed by the school district or intermediate school district and the exclusive representative of the teachers to complete a plan preparing for full implementation, begin to develop an alternative teacher pay plan,~~ consistent with subdivision 2, that may include, among other activities, training to evaluate teacher performance, a restructured school day to develop integrated ongoing site-based professional development activities, release time to develop an alternative pay system agreement, and teacher and staff training on using multiple data sources; ~~and,~~

~~(2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system agreement under this section.~~

~~(b) To be eligible to participate in an alternative teacher professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:~~

~~(1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;~~

~~(2) submit the record of a formal vote by the teachers employed at the charter school indicating at least 70 percent of all teachers agree to implement the alternative pay system; and~~

~~(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system.~~

~~(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, site or charter school is ready to fully implement an alternative pay system.~~

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

Sec. 23. Minnesota Statutes 2010, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, and base at least 60 percent of any compensation increase on teacher performance using:

~~(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;~~

~~(ii) measures of student achievement; and~~

~~(iii) an objective evaluation program that includes:~~
~~(A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and~~
~~(B) objective evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning the evaluation structure in section 122A.411;~~

(4) provide integrated ongoing site-based professional development activities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

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

Sec. 24. Minnesota Statutes 2010, section 122A.414, subdivision 2a, is amended to read:

Subd. 2a. **Charter school applications.** For charter school applications, the board of directors of a charter school that satisfies the conditions under subdivisions 2 and 2b must submit to the commissioner an application that contains:

(1) an agreement to implement an alternative teacher professional pay system under this section; and

(2) a resolution by the charter school board of directors adopting the agreement; and

~~(3) the record of a formal vote by the teachers employed at the charter school indicating that at least 70 percent of all teachers agree to implement the alternative teacher professional pay system, unless the charter school submits an alternative teacher professional pay system agreement under this section before the first year of operation.~~

Alternative compensation revenue for a qualifying charter school must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

EFFECTIVE DATE. This section is effective June 1, 2013, and applies to any new plan that the commissioner approves or any approved plan that is modified after that date.

Sec. 25. Minnesota Statutes 2010, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, school sites, and charter schools a standard form for applying to participate in the alternative teacher professional pay system. The commissioner annually must establish at least three dates as deadlines by which interested applicants must submit an application to the commissioner under this section. An interested school district, intermediate school district, school site, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district, intermediate school district, or school site, or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must review a completed application within 30 business days of the most recent application deadline and recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

(b) If the commissioner disapproves an application, the commissioner must give the applicant timely notice of the specific reasons in detail for disapproving the application. The applicant may revise and resubmit its application and related documents to the commissioner within 30 business days of receiving notice of the commissioner's disapproval and the commissioner must approve or disapprove the revised application, consistent with this subdivision. Applications that are revised and then approved are considered submitted on the date the applicant initially submitted the application.

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

Sec. 26. Minnesota Statutes 2010, section 122A.60, subdivision 1a, is amended to read:

Subd. 1a. **Effective staff development activities.** ~~(a) A school district must have~~ staff development activities ~~must~~ that are aligned with district and school site staff development plans, based on student achievement and growth data, and focused on student learning goals.

~~(1) focus on the school classroom and research-based strategies that improve student learning;~~

~~(2) provide opportunities for teachers to practice and improve their instructional skills over time;~~

~~(3) provide opportunities for teachers to use student data as part of their daily work to increase student achievement;~~

~~(4) enhance teacher content knowledge and instructional skills;~~

~~(5) align with state and local academic standards;~~

~~(6) provide opportunities to build professional relationships, foster collaboration among principals and staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring; and~~

~~(7) align with the plan of the district or site for an alternative teacher professional pay system.~~

~~Staff development activities may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.~~

~~(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.~~

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

Sec. 27. **[122A.73] SCHOOL ADMINISTRATOR DEVELOPMENT.**

A school board and the school administrators in a district must collaboratively establish a professional development model for school administrators that uses the district's professional development resources and plans, including those under sections 122A.414, if applicable, and 122A.60. The model must be designed to improve teaching and learning by supporting administrators in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The model must, at a minimum:

(1) support and improve administrators' instructional leadership and organizational, management, and professional development; and strengthen their capacity in instruction and supervision and in teacher evaluation and development under section 122A.411;

(2) provide professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture;

(3) make appropriate recommendations for administrators to participate in development opportunities, including the Principals' Leadership Institute under section 122A.74 and other statewide development programs that support administrators' leadership behaviors and practices, rigorous curriculum, school performance, and high quality instruction; and

(4) use formative and summative assessments, on-the-job evaluations, surveys, and longitudinal data on student academic growth as evaluation components; and provide professional development opportunities targeted at identifying systemic strengths and weaknesses and administrators' strengths and weaknesses in exercising leadership in pursuit of school success.

The provisions of this section are intended to provide districts with sufficient flexibility to accommodate district needs and goals, consistent with section 122A.411.

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

Sec. 28. Minnesota Statutes 2010, section 123B.02, subdivision 15, is amended to read:

Subd. 15. **Annuity contract; payroll allocation.** (a) At the request of an employee and as part of the employee's compensation arrangement, the board may purchase an individual annuity contract for an employee for retirement or other purposes and may make payroll allocations in accordance with such arrangement for the purpose of paying the entire premium due and to become due under such contract. The allocation must be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and the employee's rights under the contract shall be nonforfeitable except for failure to pay premiums. Section 122A.40 shall not be applicable hereto and the board shall have no liability thereunder because of its purchase of any individual annuity contracts. This statute shall be applied in a nondiscriminatory manner to employees of the school district. The school board of a school district shall determine the identity and number of the available vendors under federal Internal Revenue Code, section 403(b) is a term and condition of employment under section 179A.03.

(b) When considering vendors under paragraph (a), the school district ~~and the exclusive representative of the employees~~ shall consider all of the following:

(1) the vendor's ability to comply with all employer requirements imposed by section 403(b) of the Internal Revenue Code of 1986 and its subsequent amendments, other provisions of the Internal Revenue Code of 1986 that apply to section 403(b) of the Internal Revenue Code, and any regulation adopted in relation to these laws;

(2) the vendor's experience in providing 403(b) plans;

(3) the vendor's potential effectiveness in providing client services attendant to its plan and in relation to cost;

(4) the nature and extent of rights and benefits offered under the vendor's plan;

(5) the suitability of the rights and benefits offered under the vendor's plan;

(6) the vendor's ability to provide the rights and benefits offered under its plan; and

(7) the vendor's financial stability.

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

Sec. 29. Minnesota Statutes 2010, section 123B.09, subdivision 8, is amended to read:

Subd. 8. **Duties.** The board must superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a postsecondary institution for secondary or postsecondary nonsectarian courses to be taught at a secondary school, nonsectarian postsecondary institution, or another location.

Consistent with section 122A.40, subdivision 10, or 122A.41, subdivision 14, as applicable, the board must not enter into an agreement that limits a district superintendent's ability to assign and reassign teachers to the schools in which the teachers will teach to best meet student and school needs as determined by the superintendent.

Sec. 30. 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 122A.73;

(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. 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

58.1 other parental support in collaboration with a city, county, state, or nonprofit agency. The
58.2 pupil transportation must be intended to stabilize enrollment and reduce mobility at the
58.3 school located in a full-service school zone.

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

58.5 Sec. 32. Minnesota Statutes 2010, section 123B.92, subdivision 1, is amended to read:

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

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

58.10 (1) the sum of:

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

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

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

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

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

58.25 (1) Regular transportation is:

58.26 (i) transportation to and from school during the regular school year for resident
58.27 elementary pupils residing one mile or more from the public or nonpublic school they
58.28 attend, and resident secondary pupils residing two miles or more from the public
58.29 or nonpublic school they attend, excluding desegregation transportation and noon
58.30 kindergarten transportation; but with respect to transportation of pupils to and from
58.31 nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

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

58.33 (iii) transportation of a pupil who is a custodial parent and that pupil's child between
58.34 the pupil's home and the child care provider and between the provider and the school, if
58.35 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 attendance areas under a plan for desegregation mandated by the commissioner or under court order.

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

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

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03

to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

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

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

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

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

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

For purposes of computing special education initial aid under section 125A.76, subdivision 2, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a homeless student from a temporary nonshelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according 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. 33. **[124D.031] ENROLLMENT OPTIONS FOR STUDENTS AT LOW-PERFORMING PUBLIC SCHOOLS.**

Subdivision 1. Student enrollment options. (a) A student who attends a persistently low-performing school located in a city of the first class for at least one school year and whose family income is equal to or less than 175 percent of the federal poverty level is eligible to enroll in a nonpublic school under this section or in a nonresident district school or program under section 124D.03.

(b) For the purposes of this section, "persistently low-performing school" means a public school located in a city of the first class that has student performance levels for at least three consecutive school years immediately preceding the school year in which a student enrolls in a nonpublic school under this section or in a nonresident district school or program under section 124D.03, as follows:

(1) the combined total percentage of students scoring at the "does not meet standards" level for either the reading or mathematics Minnesota Comprehensive Assessment exceeds 40 percent for all grades tested;

(2) the combined percentage of students demonstrating "proficient, low growth," "not proficient, low growth," and "not proficient, medium growth" for either the reading or mathematics Minnesota Comprehensive Assessment exceeds 50 percent; or

(3) 50 percent or more students in secondary school do not receive a passing score when first tested on the graduation required assessment for diploma in reading, mathematics, or writing.

(c) For purposes of this section, a city of the first class must have met the definition of a city of the first class under section 410.01 on December 28, 2010.

Subd. 2. Eligible nonpublic schools. The nonpublic school must administer the applicable Minnesota Comprehensive Assessments in writing, reading, and mathematics under section 120B.30 to its students enrolled under this section.

Subd. 3. Tuition funding for students transferring to nonpublic schools. If a student transfers to a nonpublic school under this section, and upon receiving proof that

62.1 the student is enrolled in the nonpublic school, the commissioner shall make payments
62.2 to the student's parent or guardian in an amount equal to the lesser of the state average
62.3 general education revenue per pupil unit, calculated without transportation sparsity
62.4 revenue or the nonpublic school's operating and debt service cost per pupil that is related
62.5 to educational programming, as determined by the commissioner. The commissioner
62.6 shall send the check to the nonpublic school and the parent or guardian shall restrictively
62.7 endorse the check for the nonpublic school's use.

62.8 The scholarship payments must be made by the commissioner to the recipients in
62.9 three equal payments on September 15, January 15, and July 1.

62.10 Subd. 4. **Student transportation.** A resident school district must provide for
62.11 transportation within the district's borders for a student who enrolls in a nonpublic school
62.12 under this section and shall receive transportation funding equal to the actual costs in
62.13 the current school year for those transportation services according to the schedule of
62.14 payments in subdivision 3.

62.15 Subd. 5. **Funding for student testing.** The state shall pay the nonpublic school the
62.16 costs of administering applicable tests under section 120B.30.

62.17 Subd. 6. **List of nonpublic schools.** The commissioner shall publish a list of
62.18 participating nonpublic schools.

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

62.21 Sec. 34. Minnesota Statutes 2010, section 124D.09, subdivision 5, is amended to read:

62.22 Subd. 5. **Authorization; notification.** Notwithstanding any other law to the
62.23 contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled
62.24 tribal contract or grant school eligible for aid under section 124D.83, except a foreign
62.25 exchange pupil enrolled in a district under a cultural exchange program, may apply to an
62.26 eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by
62.27 that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th
62.28 grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant
62.29 school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in
62.30 a district under a cultural exchange program, may apply to enroll in nonsectarian courses
62.31 offered under subdivision 10, if after all 11th and 12th grade students have applied for a
62.32 course, additional students are necessary to offer the course. If an institution accepts a
62.33 secondary pupil for enrollment under this section, the institution shall send written notice
62.34 to the pupil, the pupil's school or school district, and the commissioner within ten days of
62.35 acceptance. The notice must indicate the course and hours of enrollment of that pupil. If

63.1 the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil
63.2 about payment in the customary manner used by the institution.

63.3 Sec. 35. Minnesota Statutes 2010, section 124D.09, subdivision 7, is amended to read:

63.4 Subd. 7. **Dissemination of information; notification of intent to enroll.** By March
63.5 1 of each year, a district must provide general information about the program to all pupils
63.6 in grades 8, 9, 10, and 11. To assist the district in planning, a pupil shall inform the district
63.7 by March 30 of each year of the pupil's intent to enroll in postsecondary courses during
63.8 the following school year. A pupil is not bound by notifying or not notifying the district
63.9 by March 30.

63.10 Sec. 36. Minnesota Statutes 2010, section 124D.09, subdivision 8, is amended to read:

63.11 Subd. 8. **Limit on participation.** A pupil who first enrolls in grade 9 may not
63.12 enroll in postsecondary courses under this section for secondary credit for more than
63.13 the equivalent of four academic years. A pupil who first enrolls in grade 10 may not
63.14 enroll in postsecondary courses under this section for secondary credit for more than
63.15 the equivalent of three academic years. A pupil who first enrolls in grade 11 may not
63.16 enroll in postsecondary courses under this section for secondary credit for more than the
63.17 equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in
63.18 postsecondary courses under this section for secondary credit for more than the equivalent
63.19 of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary
63.20 course for secondary credit during the school year, the time of participation shall be
63.21 reduced proportionately. If a pupil is in a learning year or other year-round program and
63.22 begins each grade in the summer session, summer sessions shall not be counted against the
63.23 time of participation. A pupil who has graduated from high school cannot participate in a
63.24 program under this section. A pupil who has completed course requirements for graduation
63.25 but who has not received a diploma may participate in the program under this section.

63.26 Sec. 37. Minnesota Statutes 2010, section 124D.10, subdivision 11, is amended to read:

63.27 Subd. 11. **Employment and other operating matters.** (a) A charter school must
63.28 employ or contract with necessary teachers, as defined by section 122A.15, subdivision
63.29 1, who hold valid licenses to perform the particular service for which they are employed
63.30 in the school. The charter school's state aid may be reduced under section 127A.43
63.31 if the school employs a teacher who is not appropriately licensed or approved by the
63.32 board of teaching. The school may employ necessary employees who are not required to
63.33 hold teaching licenses to perform duties other than teaching and may contract for other

services. The school may discharge teachers and nonlicensed employees. The school must create and implement a teacher evaluation structure under section 122A.411 to use in developing and improving teacher performance and student learning. Teacher evaluations undertaken under this paragraph do not create additional due process rights for teachers employed or otherwise working at the school. The charter school board is subject to section 181.932. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

(b) A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for persons that hold administrative, supervisory, or instructional leadership roles. The qualifications shall include at least the following areas: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles. The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. Documentation of the implementation of the professional development plan of these persons shall be included in the school's annual report.

(c) The board of directors also shall decide matters related to the operation of the school, including budgeting, curriculum and operating procedures.

Sec. 38. Minnesota Statutes 2010, section 124D.11, subdivision 4, is amended to read:

Subd. 4. **Building lease aid.** When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose. The commissioner must review and either approve or deny a lease aid application using the following criteria:

- (1) the reasonableness of the price based on current market values;
- (2) the extent to which the lease conforms to applicable state laws and rules; and
- (3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school.

A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs. The amount of building lease aid per pupil unit served for a charter school for any year shall not exceed the lesser of (a) 90 percent of the approved cost or (b) the product of the pupil units served for the current school year times ~~the greater of the charter school's building lease aid per pupil unit served for fiscal year 2003, excluding the adjustment under Laws 2002, chapter 392, article 6, section 4,~~ or \$1,200.

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

Sec. 39. 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. 40. 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. 41. 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. 42. 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 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. 43. 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

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

67.4 Sec. 44. Minnesota Statutes 2010, section 124D.40, is amended to read:

67.5 **124D.40 ~~YOUTHWORKS~~ SERVE MINNESOTA INNOVATION GRANTS.**

67.6 Subdivision 1. **Application.** An eligible organization interested in receiving a
67.7 grant under sections 124D.39 to 124D.44 may prepare and submit an application to the
67.8 commission. As part of the grant application process, the commission must establish and
67.9 publish grant application guidelines that are consistent with this subdivision, section
67.10 124D.37, and Public Law 111-13; include criteria for reviewing an applicant's cost-benefit
67.11 analysis; and require grantees to use research-based measures of program outcomes to
67.12 generate valid and reliable data that are available to the commission for evaluation and
67.13 public reporting purposes.

67.14 Subd. 2. **Grant authority.** The commission must use any state appropriation and
67.15 any available federal funds, including any grant received under federal law, to award
67.16 grants to establish programs for ~~Youthworks~~ ServeMinnesota Innovation. At least one
67.17 grant each must be available for a metropolitan proposal, a rural proposal, and a statewide
67.18 proposal. If a portion of the suburban metropolitan area is not included in the metropolitan
67.19 grant proposal, the statewide grant proposal must incorporate at least one suburban
67.20 metropolitan area. In awarding grants, the commission may select at least one residential
67.21 proposal and one nonresidential proposal.

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

67.23 **124D.42 ~~YOUTHWORKS PROGRAM TRAINING;~~ READING CORPS.**

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

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

67.27 (2) build an ethic of community service through general community service training;
67.28 and

67.29 (3) provide guidance on integrating programmatic-based measurement into program
67.30 models.

67.31 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps
67.32 program is established to provide ~~Americorps~~ ServeMinnesota Innovation members with a
67.33 data-based problem-solving model of literacy instruction to use in helping to train local
67.34 Head Start program providers, other prekindergarten program providers, and staff in

68.1 schools with students in kindergarten through grade 3 to evaluate and teach early literacy
68.2 skills, including comprehensive, scientifically based reading instruction under section
68.3 122A.06, subdivision 4, to children age 3 to grade 3.

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

68.7 (c) The commission must submit a biennial report to the committees of the
68.8 legislature with jurisdiction over kindergarten through grade 12 education that records and
68.9 evaluates program data to determine the efficacy of the programs under this subdivision.

68.10 Sec. 46. Minnesota Statutes 2010, section 124D.44, is amended to read:

68.11 **124D.44 MATCH REQUIREMENTS.**

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

68.23 Sec. 47. Minnesota Statutes 2010, section 124D.45, subdivision 2, is amended to read:

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

68.26 Sec. 48. Minnesota Statutes 2010, section 124D.4531, subdivision 1, is amended to
68.27 read:

68.28 Subdivision 1. **Career and technical levy.** (a) A district with a career and technical
68.29 program approved under this section for the fiscal year in which the levy is certified may
68.30 levy an amount equal to the ~~lesser~~ greater of:

68.31 (1) \$80 times the district's average daily membership in grades ~~10~~ 9 through 12 for
68.32 the fiscal year in which the levy is certified; or

(2) ~~25~~ 35 percent of approved expenditures in the fiscal year in which the levy is certified for the following:

(i) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year, including extended contracts, for services rendered in the district's approved career and technical education programs;

(ii) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 7;

(iii) necessary travel between instructional sites by licensed career and technical education personnel;

(iv) necessary travel by licensed career and technical education personnel for vocational student organization activities held within the state for instructional purposes;

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

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

(vii) specialized vocational instructional supplies.

(b) Up to ten percent of a district's career and technical levy may be spent on equipment purchases. Districts using the career and technical levy for equipment purchases must report to the department on the improved learning opportunities for students that result from the investment in equipment.

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

(d) The amount of the levy certified under this subdivision may not exceed \$17,600,000 for taxes payable in 2012 and 2013 and \$20,100,000 for taxes payable in 2014 and later.

(e) If the estimated levy exceeds the amount in paragraph (d), the commissioner must reduce the percentage in paragraph (a), clause (2), until the estimated levy no longer exceeds the limit in paragraph (d).

EFFECTIVE DATE. This section is effective for taxes payable in 2012 and later.

Sec. 49. [124D.855] SCHOOL SEGREGATION PROHIBITED.

The state, consistent with section 123B.30 and chapter 363A, does not condone separating school children of different socioeconomic, demographic, ethnic, or racial backgrounds into distinct public schools. Instead, the state's interest lies in offering children a diverse and nondiscriminatory educational experience.

Sec. 50. **[124D.975] INNOVATION ACHIEVEMENT TRANSITION REVENUE.**

Subdivision 1. **Purpose.** Innovation achievement transition revenue received under this section must be spent on research-based activities designed to increase student achievement.

Subd. 2. **Innovation achievement transition revenue.** A school district's innovation achievement transition revenue equals the sum of its innovation achievement transition levy and its innovation achievement transition aid.

Subd. 3. **Innovation achievement transition levy allowance.** A district's innovation achievement transition levy allowance equals its levy authority under section 124D.86, for taxes payable in 2011, divided by its adjusted average daily membership for fiscal year 2012.

Subd. 4. **Innovation achievement transition levy.** A district's innovation achievement transition levy equals its innovation achievement transition levy allowance times its adjusted average daily membership for the current year.

Subd. 5. **Innovation achievement transition aid.** For fiscal year 2012, a district's innovation achievement transition aid equals the amount of aid the district would have received for fiscal year 2012 under Minnesota Statutes 2010, section 124D.86, for that year. For fiscal year 2013 and later, innovation achievement transition aid equals the district's adjusted average daily membership for that year, times \$180 for Special School District No. 1, Minneapolis, \$180 for Independent School District No. 625, St. Paul, and \$50 for Independent School District No. 709, Duluth.

Subd. 6. **Aid reduction.** Innovation achievement transition aid for fiscal year 2012 is reduced by \$2,514,000 for Special School District No. 1, Minneapolis, \$2,247,000 for Independent School District No. 625, St. Paul, and \$61,000 for Independent School District No. 709, Duluth.

Sec. 51. **[124D.98] LITERACY INCENTIVE AID.**

Subdivision 1. **Literacy incentive aid.** In fiscal year 2013 and later, a district's literacy incentive aid equals the sum of the proficiency aid under subdivision 2, and the growth aid under subdivision 3.

Subd. 2. **Proficiency aid.** In fiscal year 2013 and later, the proficiency aid for each school is equal to the product of the school's proficiency allowance times the number of pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$100.

71.1 Subd. 3. **Growth aid.** In fiscal year 2013 and later, the growth aid for each school is
71.2 equal to the product of the school's growth allowance times the number of pupils enrolled
71.3 at the school on October 1 of the previous fiscal year. A school's growth allowance is
71.4 equal to the percentage of students at that school making medium or high growth, under
71.5 section 120B.299, on the fourth grade reading Minnesota Comprehensive Assessment,
71.6 averaged across the previous three test administrations, times \$100.

71.7 Sec. 52. Minnesota Statutes 2010, section 179A.16, subdivision 1, is amended to read:

71.8 Subdivision 1. **Nonessential employees.** An exclusive representative or an
71.9 employer of a unit of employees other than essential employees or teachers may request
71.10 interest arbitration by providing written notice of the request to the other party and the
71.11 commissioner. The written request for arbitration must specify the items to be submitted to
71.12 arbitration and whether conventional, final-offer total-package, or final-offer item-by-item
71.13 arbitration is contemplated by the request.

71.14 The items to be submitted to arbitration and the form of arbitration to be used are
71.15 subject to mutual agreement. If an agreement to arbitrate is reached, it must be reduced to
71.16 writing and a copy of the agreement filed with the commissioner. A failure to respond, or
71.17 to reach agreement on the items or form of arbitration, within 15 days of receipt of the
71.18 request to arbitrate constitutes a rejection of the request.

71.19 **EFFECTIVE DATE.** This section is effective beginning July 1, 2013, and applies
71.20 to all teacher collective bargaining agreements entered into or modified after that date.

71.21 Sec. 53. **[179A.175] TEACHER CONTRACTS.**

71.22 Notwithstanding section 179A.16 and any other law to the contrary, a school board
71.23 and the exclusive representative of the teachers may meet and negotiate and enter into
71.24 an employment contract between March 15 and October 15 in an odd-numbered year.
71.25 If the school board and the exclusive representative fail to reach a certified written
71.26 agreement by October 15 in the odd-numbered year, the negotiations must be suspended
71.27 until the next even-numbered calendar year and resume during the three-month period
71.28 preceding September 1 when school is not in session. During the time the negotiations
71.29 are suspended, employee compensation must be according to the terms of the collective
71.30 bargaining agreement in effect in the preceding collective bargaining cycle. If agreement
71.31 is not reached during the three-month period in the even-numbered year, the school board
71.32 must submit the matter to an arbitrator selected by the Bureau of Mediation Services
71.33 who must determine the matter based on a final offer total package from each party. The
71.34 arbitrator's award must not cause a structural imbalance in a district's budget during the

72.1 contract term that is subject to the arbitrator's award under this section. An award will
72.2 not cause a structural imbalance only if district expenditures do not exceed available
72.3 revenue, taking into account current state aid formulas and reasonable and comprehensive
72.4 calculations and projections of the district's ongoing revenues and expenditures during the
72.5 contract term. Onetime revenue must not be considered when calculating or projecting
72.6 available revenue for ongoing expenditures in a contract term.

72.7 **EFFECTIVE DATE.** This section is effective beginning July 1, 2013, and applies
72.8 to all teacher collective bargaining agreements entered into or modified after that date.

72.9 Sec. 54. Minnesota Statutes 2010, section 179A.18, subdivision 1, is amended to read:

72.10 Subdivision 1. **When authorized.** Essential employees and teachers may not strike.
72.11 Except as otherwise provided by subdivision 2 and section 179A.17, subdivision 2, other
72.12 public employees may strike only under the following circumstances:

72.13 (1)(i) the collective bargaining agreement between their exclusive representative and
72.14 their employer has expired or, if there is no agreement, impasse under section 179A.17,
72.15 subdivision 2, has occurred; and

72.16 (ii) the exclusive representative and the employer have participated in mediation
72.17 over a period of at least 45 days, provided that the mediation period established by section
72.18 179A.17, subdivision 2, governs negotiations under that section, and provided that for the
72.19 purposes of this subclause the mediation period commences on the day following receipt
72.20 by the commissioner of a request for mediation; or

72.21 (2) the employer violates section 179A.13, subdivision 2, clause (9); or

72.22 (3) in the case of state employees, (i) the Legislative Coordinating Commission has
72.23 rejected a negotiated agreement or arbitration decision during a legislative interim; or (ii)
72.24 the entire legislature rejects or fails to ratify a negotiated agreement or arbitration decision,
72.25 which has been approved during a legislative interim by the Legislative Coordinating
72.26 Commission, at a special legislative session called to consider it, or at its next regular
72.27 legislative session, whichever occurs first.

72.28 **EFFECTIVE DATE.** This section is effective beginning July 1, 2013, and applies
72.29 to all teacher collective bargaining agreements entered into or modified after that date.

72.30 Sec. 55. Minnesota Statutes 2010, section 179A.18, subdivision 3, is amended to read:

72.31 Subd. 3. **Notice.** In addition to the other requirements of this section, no employee
72.32 may strike unless written notification of intent to strike is served on the employer and the
72.33 commissioner by the exclusive representative at least ten days prior to the commencement

of the strike. For all employees ~~other than teachers~~, if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification. ~~For teachers, no strike may commence more than 25 days after service of notification of intent to strike unless, before the end of the 25-day period, the exclusive representative and the employer agree that the period during which a strike may commence shall be extended for an additional period not to exceed five days. Teachers are limited to one notice of intent to strike for each contract negotiation period, provided, however, that a strike notice may be renewed for an additional ten days, the first five of which shall be a notice period during which no strike may occur, if the following conditions have been satisfied:~~

- ~~(1) an original notice was provided pursuant to this section; and~~
- ~~(2) a tentative agreement to resolve the dispute was reached during the original strike notice period; and~~
- ~~(3) such tentative agreement was rejected by either party during or after the original strike notice period.~~

The first day of the renewed strike notice period shall commence on the day following the expiration of the previous strike notice period or the day following the rejection of the tentative agreement, whichever is later. Notification of intent to strike under subdivisions 1, clause (1); and 2, clause (1), may not be served until the collective bargaining agreement has expired, or if there is no agreement, on or after the date impasse under section 179A.17 has occurred.

EFFECTIVE DATE. This section is effective beginning July 1, 2013, and applies to all teacher collective bargaining agreements entered into or modified after that date.

Sec. 56. IMPLEMENTING A PERFORMANCE-BASED EVALUATION SYSTEM FOR PRINCIPALS.

(a) To implement the requirements of Minnesota Statutes, sections 123B.143, subdivision 1, clause (3), and 122A.73, the commissioner of education, the Minnesota Association of Secondary School Principals, and the Minnesota Association of Elementary School Principals must convene a group of recognized and qualified experts and interested stakeholders, including principals, superintendents, teachers, school board members, and parents, among other stakeholders, to develop a performance-based system model for annually evaluating school principals. In developing the system model, the group must at least consider how principals develop and maintain:

- (1) high standards for student performance;

74.1 (2) rigorous curriculum;
74.2 (3) quality instruction;
74.3 (4) a culture of learning and professional behavior;
74.4 (5) connections to external communities;
74.5 (6) systemic performance accountability; and
74.6 (7) leadership behaviors that create effective schools and improve school
74.7 performance, including how to plan for, implement, support, advocate for, communicate
74.8 about, and monitor continuous and improved learning.

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

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

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

74.20 Sec. 57. **REPORT; PLAN FOR IMPLEMENTING SCHOOL AND DISTRICT**
74.21 **GRADING SYSTEM.**

74.22 The commissioner of education must convene a stakeholder group that includes
74.23 assessment and evaluation directors, educators, researchers, and parents to advise the
74.24 commissioner on developing a plan to implement the school and district grading system
74.25 under Minnesota Statutes, section 120B.361. The commissioner must present the plan
74.26 in writing to the education policy and finance committees of the legislature by February
74.27 15, 2012, and include any recommendations for further clarifying Minnesota Statutes,
74.28 section 120B.361.

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

74.30 Sec. 58. **REPORT; RECOMMENDATIONS FOR INCREASING SCHOOLS'**
74.31 **FINANCIAL FLEXIBILITY.**

74.32 The commissioner of education must submit to the education policy and finance
74.33 committees of the legislature by February 1, 2013, written recommendations that identify

75.1 fiscal mandates the legislature might waive to give greater financial flexibility to schools
75.2 that received a letter grade of "A," improved at least one letter grade in the preceding
75.3 school year, or improved two or more letter grades in the two preceding school years
75.4 under Minnesota Statutes, section 120B.361, subdivision 1.

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

75.6 Sec. 59. **ENROLLMENT OPTIONS FOR STUDENTS OF LOW-PERFORMING**
75.7 **SCHOOLS; REPORT.**

75.8 The commissioner of education must submit to the education policy and finance
75.9 committees of the legislature by February 1, 2014, a report on the enrollment options for
75.10 students at low-performing public schools under section 14. The report, at a minimum,
75.11 must:

75.12 (1) examine the demographics of the students participating in the program; and
75.13 (2) detail the academic performance of students participating in the program,
75.14 including their performance on reading and mathematics tests under Minnesota Statutes
75.15 2010, section 120B.30, and compare the academic performance of students of similar
75.16 demographics in public schools with these students.

75.17 Sec. 60. **CHARTER SCHOOL START-UP AID.**

75.18 Notwithstanding any law to the contrary, a charter school in its first year of operation
75.19 during fiscal year 2012 is not eligible for charter school start-up aid under Minnesota
75.20 Statutes, section 124D.11, subdivision 8.

75.21 Sec. 61. **LITERACY INCENTIVE AID LIMIT.**

75.22 Notwithstanding Minnesota Statutes, section 124D.98, subdivision 1, for fiscal year
75.23 2013 only, the commissioner must adjust the entitlement for literacy incentive aid under
75.24 Minnesota Statutes, section 124D.98, subdivision 1, to ensure that the total entitlement
75.25 does not exceed \$48,585,000. If the literacy incentive aid exceeds the limit established in
75.26 this section, the aid must be reduced proportionately to match the limit.

75.27 Sec. 62. **APPRAISAL IMPLEMENTATION TIMELINE.**

75.28 Consistent with Minnesota Statutes, section 122A.411, districts and charter schools
75.29 shall implement the teacher appraisal framework according to the following timeline:

75.30 (1) in the 2011-2012 school year, develop an appraisal framework and a system
75.31 to collect data;

(2) in the 2012-2013 school year, implement the teacher appraisal framework and data collection system as a pilot program; and

(3) beginning in the 2013-2014 school year, fully implement the teacher appraisal framework and data collection system.

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

Sec. 63. **APPROPRIATIONS.**

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

Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

\$ 47,466,000 2012

\$ 52,484,000 2013

The 2012 appropriation includes \$13,336,000 for 2011 and \$34,130,000 for 2012.

The 2013 appropriation includes \$14,627,000 for 2012 and \$37,857,000 for 2013.

Subd. 3. **Charter school start-up aid.** For charter school start-up cost aid under Minnesota Statutes, section 124D.11, subdivision 8:

\$ 180,000 2012

\$ 25,000 2013

The 2012 appropriation includes \$119,000 for 2011 and \$61,000 for 2012.

The 2013 appropriation includes \$25,000 for 2012 and \$0 for 2013.

Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86:

\$ 19,272,000 2012

\$ 7,797,000 2013

The 2012 appropriation includes \$19,272,000 for 2011.

The 2013 appropriation includes \$7,797,000 for 2011.

Subd. 5. **Innovation achievement transition aid.** For innovation achievement transition aid under Minnesota Statutes, section 124D.975:

\$ 43,672,000 2012

\$ 29,039,000 2013

The 2012 appropriation includes \$0 for 2011 and \$43,672,000 for 2012.

77.1 The 2013 appropriation includes \$18,716,000 for 2012 and \$10,323,000 for 2013.

77.2 Subd. 6. **Literacy incentive aid.** For literacy incentive aid under Minnesota
77.3 Statutes, section 124D.98:

77.4 \$ 34,009,000 2013

77.5 The 2013 appropriation includes \$0 for 2012 and \$34,009,000 for 2013.

77.6 Subd. 7. **Interdistrict desegregation or integration transportation grants.** For
77.7 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
77.8 section 124D.87:

77.9 \$ 14,917,000 2012

77.10 \$ 16,612,000 2013

77.11 Subd. 8. **Success for the future.** For American Indian success for the future grants
77.12 under Minnesota Statutes, section 124D.81:

77.13 \$ 2,137,000 2012

77.14 \$ 2,137,000 2013

77.15 The 2012 appropriation includes \$641,000 for 2011 and \$1,496,000 for 2012.

77.16 The 2013 appropriation includes \$641,000 for 2012 and \$1,496,000 for 2013.

77.17 Subd. 9. **American Indian teacher preparation grants.** For joint grants to assist
77.18 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

77.19 \$ 190,000 2012

77.20 \$ 190,000 2013

77.21 Subd. 10. **Tribal contract schools.** For tribal contract school aid under Minnesota
77.22 Statutes, section 124D.83:

77.23 \$ 2,088,000 2012

77.24 \$ 2,195,000 2013

77.25 The 2012 appropriation includes \$600,000 for 2011 and \$1,488,000 for 2012.

77.26 The 2013 appropriation includes \$637,000 for 2012 and \$1,558,000 for 2013.

77.27 Subd. 11. **Early childhood programs at tribal schools.** For early childhood
77.28 family education programs at tribal contract schools under Minnesota Statutes, section
77.29 124D.83, subdivision 4:

77.30 \$ 68,000 2012

77.31 \$ 68,000 2013

Subd. 12. **Statewide testing and reporting system.** For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

\$ 15,150,000 2012

\$ 15,150,000 2013

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

Subd. 13. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$ 4,500,000 2012

\$ 4,500,000 2013

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

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

Subd. 14. **Concurrent enrollment programs.** For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

\$ 2,000,000 2012

\$ 2,000,000 2013

79.1 If the appropriation is insufficient, the commissioner must proportionately reduce
79.2 the aid payment to each district.

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

79.4 Subd. 15. **Collaborative urban educator.** For the collaborative urban educator
79.5 program:

79.6 \$ 528,000 2012

79.7 \$ 528,000 2013

79.8 \$200,000 each year is for the Southeast Asian teacher program at Concordia
79.9 University, St. Paul; \$164,000 each year is for the collaborative educator program at
79.10 the University of St. Thomas; and \$164,000 each year is for the Center for Excellence
79.11 in Urban Teaching at Hamline University.

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

79.13 Each institution shall prepare for the legislature, by January 15 of each year, a
79.14 detailed report regarding the funds used. The report must include the number of teachers
79.15 prepared as well as the diversity of each cohort of teachers produced.

79.16 Subd. 16. **ServeMinnesota program.** For funding ServeMinnesota programs under
79.17 Minnesota Statutes, sections 124D.37 to 124D.45:

79.18 \$ 900,000 2012

79.19 \$ 900,000 2013

79.20 A grantee organization may provide health and child care coverage to the dependents
79.21 of each participant enrolled in a full-time ServeMinnesota program to the extent such
79.22 coverage is not otherwise available.

79.23 Subd. 17. **Student organizations.** For student organizations:

79.24 \$ 725,000 2012

79.25 \$ 725,000 2013

79.26 \$49,000 each year is for student organizations serving health occupations (HUSA).

79.27 \$46,000 each year is for student organizations serving service occupations (HERO).

79.28 \$106,000 each year is for student organizations serving trade and industry
79.29 occupations (SkillsUSA, secondary and postsecondary).

79.30 \$101,000 each year is for student organizations serving business occupations
79.31 (DECA, BPA, secondary and postsecondary).

79.32 \$158,000 each year is for student organizations serving agriculture occupations
79.33 (FFA, PAS).

80.1 \$150,000 each year is for student organizations serving family and consumer science
80.2 occupations (FCCLA).

80.3 \$115,000 each year is for student organizations serving marketing occupations
80.4 (DEX).

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

80.6 Subd. 18. **Early childhood literacy programs.** For early childhood literacy
80.7 programs under Minnesota Statutes, section 119A.50, subdivision 3:

80.8 \$ 4,125,000 2012

80.9 \$ 4,125,000 2013

80.10 \$4,125,000 each year is for leveraging federal and private funding to support
80.11 AmeriCorps members serving in the Minnesota Reading Corps program established by
80.12 ServeMinnesota, including costs associated with the training and teaching of early literacy
80.13 skills to children age three to grade 3 and the evaluation of the impact of the program
80.14 under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

80.16 Subd. 19. **Educational planning and assessment system (EPAS) program.**

80.17 For the educational planning and assessment system program under Minnesota Statutes,
80.18 section 120B.128:

80.19 \$ 829,000 2012

80.20 \$ 829,000 2013

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

80.22 Subd. 20. **School recognition awards.** For payments to school districts for the
80.23 school recognition award program under Minnesota Statutes, section 120B.361:

80.24 \$ 0 2012

80.25 \$ 3,455,000 2013

80.26 The 2013 appropriation includes \$0 for 2012 and \$3,455,000 for 2013.

80.27 Subd. 21. **Enrollment options for students at low-performing schools.** For the
80.28 enrollment options for students at low-performing schools under Minnesota Statutes,
80.29 section 124D.031:

80.30 \$ 4,992,000 2012

80.31 \$ 12,504,000 2013

80.32 Of this appropriation, \$264,000 in 2012 and \$664,000 in 2013 are for payments to
80.33 school districts for reimbursement for transportation expenses under Minnesota Statutes,
80.34 section 124D.031, subdivision 4.

Sec. 64. **REPEALER.**

(a) Minnesota Statutes 2010, section 179A.18, subdivision 2, is repealed effective July 1, 2013.

(b) Minnesota Statutes 2010, sections 122A.61; 124D.11, subdivision 8; 124D.86; 124D.871; and 124D.88, are repealed effective for fiscal year 2012 and later.

(c) Minnesota Statutes 2010, section 124D.38, subdivisions 4, 5, and 6, are repealed.

(d) Minnesota Statutes 2010, sections 123B.05; 124D.892, subdivisions 1 and 2; and 124D.896, are repealed effective July 1, 2011.

(e) Minnesota Statutes 2010, sections 122A.40, subdivision 10; and 122A.60, subdivisions 1, 2, 3, and 4, are repealed effective for the 2013-2014 school year and later.

(f) Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; and 3535.0180, are repealed effective July 1, 2011.

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2010, section 125A.07, is amended to read:

125A.07 RULEMAKING.

(a) Consistent with this section, the commissioner shall adopt new rules and amend existing rules related to children with disabilities only ~~under~~ after receiving specific legislative authority to do so, consistent with section 127A.05, subdivision 4, and consistent with the requirements of chapter 14 and paragraph (c). Technical changes and corrections are exempted from this paragraph.

(b) As provided in this paragraph, the state's regulatory scheme should support schools by assuring that all state special education rules adopted by the commissioner result in one or more of the following outcomes:

(1) increased time available to teachers and, where appropriate, to support staff including school nurses for educating students through direct and indirect instruction;

(2) consistent and uniform access to effective education programs for students with disabilities throughout the state;

(3) reduced inequalities and conflict, appropriate due process hearing procedures and reduced court actions related to the delivery of special education instruction and services for students with disabilities;

(4) clear expectations for service providers and for students with disabilities;

82.1 (5) increased accountability for all individuals and agencies that provide instruction
82.2 and other services to students with disabilities;

82.3 (6) greater focus for the state and local resources dedicated to educating students
82.4 with disabilities; and

82.5 (7) clearer standards for evaluating the effectiveness of education and support
82.6 services for students with disabilities.

82.7 (c) Subject to chapter 14, the commissioner may adopt, amend, or rescind a rule
82.8 related to children with disabilities if such action is specifically required by federal law.

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

82.10 Sec. 2. Minnesota Statutes 2010, section 125A.21, subdivision 2, is amended to read:

82.11 Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts
82.12 shall seek reimbursement from insurers and similar third parties for the cost of services
82.13 provided by the district whenever the services provided by the district are otherwise
82.14 covered by the child's health coverage. Districts shall request, but may not require, the
82.15 child's family to provide information about the child's health coverage when a child with a
82.16 disability begins to receive services from the district of a type that may be reimbursable,
82.17 and shall request, but may not require, updated information after that as needed.

82.18 (b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare
82.19 under chapter 256L who have no other health coverage, a district shall provide an initial
82.20 and annual written notice to the enrolled child's parent or legal representative of its intent
82.21 to seek reimbursement from medical assistance or MinnesotaCare for the ~~individual~~
82.22 individualized education ~~plan~~ program health-related services provided by the district.
82.23 The initial notice must give the child's parent or legal representative the right to:

82.24 (1) request a copy of the child's education records on the health-related services that
82.25 the district provided to the child and disclosed to a third-party payer;

82.26 (2) withdraw consent for the district to disclose information in a child's education
82.27 record at any time without affecting a parent's eligibility for MinnesotaCare or medical
82.28 assistance under section 256B.08, subdivision 1, including consent that the parent or
82.29 legal representative gave as part of the application process for MinnesotaCare or medical
82.30 assistance; and

82.31 (3) receive a statement, consistent with clause (2), indicating that a decision to
82.32 withdraw consent for the district to disclose information in a child's education record does
82.33 not affect a parent's eligibility for MinnesotaCare or medical assistance.

82.34 (c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for individual education plan health-related services provided by the district;

(2) the right of the parent or legal representative to request a copy of all records concerning individual education plan health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence, including consent that the parent or legal representative gave as part of the application process for any public assistance program that may result in a parent's eligibility for MinnesotaCare or medical assistance under section 256B.08, subdivision 1.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504. The district must ensure that the parent of a child with a disability is given notice, in understandable language, of federal and state procedural safeguards available to the parent under this paragraph and paragraph (b).

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:

(1) obtain annual written informed consent from the parent or legal representative, in compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state Medicaid agency to access their private health care coverage does not relieve the district of its responsibility to provide all services necessary to provide free and appropriate public education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered individual education plan health-related services from the requirement that private health care coverage refuse payment before medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students with a combination of private health care coverage and health care coverage through medical assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any state agency establishes lifetime limits, limits for any health care services, cost-sharing provisions, or otherwise provides that individual education plan health-related services impact benefits for persons enrolled in medical assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are repealed on the effective date of any federal or state law or regulation that imposes the limits. In that event, districts must obtain informed consent consistent with this subdivision as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement for children enrolled in

84.1 medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have
84.2 no other health care coverage.

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

84.4 Sec. 3. Minnesota Statutes 2010, section 125A.21, subdivision 3, is amended to read:

84.5 Subd. 3. **Use of reimbursements.** Of the reimbursements received, districts may:

84.6 (1) retain an amount sufficient to compensate the district for its administrative costs
84.7 of obtaining reimbursements;

84.8 (2) regularly obtain from education- and health-related entities training and other
84.9 appropriate technical assistance designed to improve the district's ability to ~~determine~~
84.10 ~~which services are reimbursable and to seek timely reimbursement in a cost-effective~~
84.11 ~~manner~~ access third-party payments for individualized education program health-related
84.12 services; or

84.13 (3) reallocate reimbursements for the benefit of students with ~~special needs~~
84.14 individualized education programs or individual family service plans in the district.

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

84.16 Sec. 4. Minnesota Statutes 2010, section 125A.21, subdivision 5, is amended to read:

84.17 Subd. 5. **Informed consent.** When obtaining informed consent, consistent with
84.18 sections 13.05, subdivision 4a, ~~and~~ 256B.77, subdivision 2, paragraph (p), and Code of
84.19 Federal Regulations, title 34, parts 99 and 300, to bill health plans for covered services, the
84.20 school district must notify the legal representative (1) that the cost of the person's private
84.21 health insurance premium may increase due to providing the covered service in the school
84.22 setting, (2) that the school district may pay certain enrollee health plan costs, including
84.23 but not limited to, co-payments, coinsurance, deductibles, premium increases or other
84.24 enrollee cost-sharing amounts for health and related services required by an individual
84.25 service plan, or individual family service plan, and (3) that the school's billing for each
84.26 type of covered service may affect service limits and prior authorization thresholds. The
84.27 informed consent may be revoked in writing at any time by the person authorizing the
84.28 billing of the health plan.

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

84.30 Sec. 5. Minnesota Statutes 2010, section 125A.21, subdivision 7, is amended to read:

84.31 Subd. 7. **District disclosure of information.** A school district may disclose
84.32 information contained in a student's ~~individual~~ individualized education plan program,

consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, parts 99 and 300; including records of the student's diagnosis and treatment, to a health plan company only with the signed and dated consent of the student's parent, or other legally authorized individual, including consent that the parent or legal representative gave as part of the application process for MinnesotaCare or medical assistance under section 256B.08, subdivision 1. The school district shall disclose only that information necessary for the health plan company to decide matters of coverage and payment. A health plan company may use the information only for making decisions regarding coverage and payment, and for any other use permitted by law.

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

Sec. 6. Minnesota Statutes 2010, section 125A.515, is amended by adding a subdivision to read:

Subd. 3a. Students without a disability from other states. A school district is not required to provide education services under this section to a student who:

(1) is not a resident of Minnesota;

(2) does not have an individualized education program; and

(3) does not have a tuition arrangement or agreement to pay the cost of education from the placing authority.

EFFECTIVE DATE. This section is effective July 1, 2011, for fiscal year 2012 and later.

Sec. 7. Minnesota Statutes 2010, section 125A.69, subdivision 1, is amended to read:

Subdivision 1. ~~Two kinds~~ **Admissions.** ~~There are two kinds of Admission to the Minnesota State Academies is described in this section.~~

(a) A pupil who is deaf, hard of hearing, or ~~blind-deaf~~ deafblind, may be admitted to the Academy for the Deaf. A pupil who is blind or visually impaired, ~~blind-deaf~~ deafblind, or multiply disabled may be admitted to the Academy for the Blind. For a pupil to be admitted, two decisions must be made under sections 125A.03 to 125A.24 and 125A.65.

(1) It must be decided by the individual education planning team that education in regular or special education classes in the pupil's district of residence cannot be achieved satisfactorily because of the nature and severity of the deafness or blindness or visual impairment respectively.

(2) It must be decided by the individual education planning team that the academy provides the most appropriate placement within the least restrictive alternative for the pupil.

(b) A deaf or hard-of-hearing child or a visually impaired pupil may be admitted to get socialization skills or on a short-term basis for skills development.

(c) A parent of a child who resides in Minnesota and who meets the disability criteria for being deaf or hard of hearing, blind or visually impaired, or multiply disabled may apply to place the child in the Minnesota State Academies. Academy staff must review the application to determine whether the Minnesota State Academies is an appropriate placement for the child. If academy staff determine that the Minnesota State Academies is an appropriate placement, the staff must invite the individualized education program team at the child's resident school district to participate in a meeting to arrange a trial placement of between 60 and 90 calendar days at the Minnesota State Academies. If the child's parent consents to the trial placement, the Minnesota State Academies is the responsible serving school district and incurs all due process obligations under law, and the child's resident school district is responsible for any transportation included in the child's individualized education program during the trial placement. Before the trial placement ends, academy staff must convene an individualized education program team meeting to determine whether to continue the child's placement at the Minnesota State Academies or that another placement is appropriate. If the academy members of the individualized education program team and the parent are unable to agree on the child's placement, the child's placement reverts to the placement in the child's individualized education program that immediately preceded the trial placement. If the parent and individualized education program team agree to continue the placement beyond the trial period, the transportation and due process responsibilities are the same as those described for the trial placement under this paragraph.

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

Sec. 8. Minnesota Statutes 2010, section 125A.76, subdivision 1, is amended to read:

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

(a) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(b) "Essential personnel" means teachers, cultural liaisons, related services, and support services staff providing services to students. Essential personnel may also include

87.1 special education paraprofessionals or clericals providing support to teachers and students
87.2 by preparing paperwork and making arrangements related to special education compliance
87.3 requirements, including parent meetings and individual education plans. Essential
87.4 personnel does not include administrators and supervisors.

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

87.6 (d) "Program growth factor" means ~~1.046~~ 1.02 for fiscal ~~year~~ years 2012 and 2013,
87.7 and 1.046 in fiscal year 2014 and later.

87.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
87.9 and later.

87.10 Sec. 9. Minnesota Statutes 2010, section 125A.79, subdivision 1, is amended to read:

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

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

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

87.16 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and
87.17 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

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

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

87.22 (b) "General revenue" means the sum of the general education revenue according to
87.23 section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus
87.24 the total qualifying referendum revenue specified in paragraph (e) minus transportation
87.25 sparsity revenue minus total operating capital revenue.

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

87.27 (d) "Program growth factor" means ~~1.02~~ 1.03 for fiscal ~~year~~ years 2012 and 2013,
87.28 and 1.02 in fiscal year 2014 and later.

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

87.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2012
87.34 and later.

Sec. 10. Laws 2009, chapter 79, article 5, section 60, as amended by Laws 2009, chapter 173, article 1, section 37, is amended to read:

Sec. 60. Minnesota Statutes 2008, section 256L.05, is amended by adding a subdivision to read:

Subd. 1c. **Open enrollment and streamlined application and enrollment process.** (a) The commissioner and local agencies working in partnership must develop a streamlined and efficient application and enrollment process for medical assistance and MinnesotaCare enrollees that meets the criteria specified in this subdivision.

(b) The commissioners of human services and education shall provide recommendations to the legislature by January 15, 2010, on the creation of an open enrollment process for medical assistance and MinnesotaCare that is coordinated with the public education system. The recommendations must:

(1) be developed in consultation with medical assistance and MinnesotaCare enrollees and representatives from organizations that advocate on behalf of children and families, low-income persons and minority populations, counties, school administrators and nurses, health plans, and health care providers;

(2) be based on enrollment and renewal procedures best practices;

(3) simplify the enrollment and renewal processes wherever possible; and

(4) establish a process:

(i) to disseminate information on medical assistance and MinnesotaCare to all children in the public education system, including prekindergarten programs; and

(ii) for the commissioner of human services to enroll children and other household members who are eligible.

The commissioner of human services in coordination with the commissioner of education shall implement an open enrollment process by August 1, 2010, to be effective beginning with the 2010-2011 school year.

(c) The commissioner and local agencies shall develop an online application process for medical assistance and MinnesotaCare.

(d) The commissioner shall develop an application for children that is easily understandable and does not exceed four pages in length.

(e) The commissioner of human services shall present to the legislature, by January 15, 2010, an implementation plan for the open enrollment period and online application process.

(f) The commissioner of human services, after consulting with the commissioner of education, shall include on new and revised Minnesota health care program application forms, including electronic application forms, an authorization for consent that, if signed

by the parent or legal representative of a child receiving health-related services through an individualized education program or an individual family services plan, would allow the school district or other provider of covered services to release information from the child's education record to the commissioner to permit the provider to be reimbursed by MinnesotaCare or medical assistance. The authorization for consent under this paragraph must conform to federal data practices law governing access to nonpublic data in a child's education record and indicate that the parent or legal representative of the child may withdraw his or her consent at any time without any consequence to the parent or child. The commissioner must include this authorization for consent on an application form at the time the commissioner reviews, revises, or replaces the form.

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

Sec. 11. **THIRD-PARTY BILLING.**

(a) To allow cost-effective billing of medical assistance for covered services that are not reimbursed by legally liable third party private payers, the commissioner of human services must:

(1) summarize and document school district efforts to secure reimbursement from legally liable third parties; and

(2) request initial and continuing waivers of the requirement to seek payment from a child's private health plan, consistent with Code of Federal Regulations, title 42, section 433.139, chapter IV, part 433, based on the determination by the Centers for Medicare and Medicaid Services that this requirement is not cost-effective. The waiver request must seek permission for the commissioner to allow school districts to bill Medicaid alone, without first billing private payers, when a child has both public and private coverage.

(b) If the Centers for Medicare and Medicaid Services does not grant ongoing permission to implement paragraph (a), clause (2), the commissioner of human services shall seek permission to implement clause (2) on a time-limited basis, with the opportunity to renew this time-limited permission as needed.

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

Sec. 12. **APPROPRIATIONS.**

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

90.1 Subd. 2. **Special education; regular.** For special education aid under Minnesota
90.2 Statutes, section 125A.75:

90.3 \$ 801,034,000 2012

90.4 \$ 824,025,000 2013

90.5 The 2012 appropriation includes \$235,975,000 for 2011 and \$565,059,000 for 2012.

90.6 The 2013 appropriation includes \$242,168,000 for 2012 and \$581,857,000 for 2013.

90.7 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
90.8 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
90.9 within the district boundaries for whom no district of residence can be determined:

90.10 \$ 1,648,000 2012

90.11 \$ 1,745,000 2013

90.12 If the appropriation for either year is insufficient, the appropriation for the other
90.13 year is available.

90.14 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
90.15 services under Minnesota Statutes, section 125A.75, subdivision 1:

90.16 \$ 357,000 2012

90.17 \$ 359,000 2013

90.18 The 2012 appropriation includes \$107,000 for 2011 and \$250,000 for 2012.

90.19 The 2013 appropriation includes \$107,000 for 2012 and \$252,000 for 2013.

90.20 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota
90.21 Statutes, section 125A.79, subdivision 7:

90.22 \$ 112,977,000 2012

90.23 \$ 117,289,000 2013

90.24 The 2012 appropriation includes \$53,449,000 for 2011 and \$59,528,000 for 2012.

90.25 The 2013 appropriation includes \$53,980,000 for 2012 and \$61,899,000 for 2013.

90.26 Subd. 6. **Court-placed special education revenue.** For reimbursing serving
90.27 school districts for unreimbursed eligible expenditures attributable to children placed in
90.28 the serving school district by court action under Minnesota Statutes, section 125A.79,
90.29 subdivision 4:

90.30 \$ 80,000 2012

90.31 \$ 82,000 2013

90.32 Subd. 7. **Special education out-of-state tuition.** For special education out-of-state
90.33 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

91.1	\$	<u>250,000</u>	<u>.....</u>	<u>2012</u>
91.2	\$	<u>250,000</u>	<u>.....</u>	<u>2013</u>

91.3 Sec. 13. **REVISOR'S INSTRUCTION.**

91.4 The revisor of statutes shall substitute the term "individualized education program"
91.5 or similar terms for "individual education plan" or similar terms wherever they appear
91.6 in Minnesota Statutes and Minnesota Rules referring to the requirements relating to
91.7 the federal Individuals with Disabilities Education Act. The revisor shall also make
91.8 grammatical changes related to the changes in terms.

91.9 ARTICLE 4

91.10 FACILITIES AND TECHNOLOGIES

91.11 Section 1. Minnesota Statutes 2010, section 123B.54, is amended to read:

91.12 **123B.54 DEBT SERVICE APPROPRIATION.**

91.13 (a) ~~\$17,161,000~~ \$12,425,000 in fiscal year 2012 ~~and \$19,175,000,~~ \$20,458,000 in
91.14 fiscal year 2013, \$23,759,000 in fiscal year 2014, and \$24,072,000 in fiscal year 2015 and
91.15 later are appropriated from the general fund to the commissioner of education for payment
91.16 of debt service equalization aid under section 123B.53.

91.17 (b) The appropriations in paragraph (a) must be reduced by the amount of any
91.18 money specifically appropriated for the same purpose in any year from any state fund.

91.19 Sec. 2. Minnesota Statutes 2010, section 123B.57, is amended to read:

91.20 **123B.57 CAPITAL EXPENDITURE; HEALTH AND SAFETY.**

91.21 Subdivision 1. **Health and safety program revenue application.** (a) To receive
91.22 health and safety revenue for any fiscal year a district must submit to the commissioner
91.23 ~~an a capital expenditure health and safety revenue application for aid and levy~~ by the
91.24 date determined by the commissioner. ~~The application may be for hazardous substance~~
91.25 ~~removal, fire and life safety code repairs, labor and industry regulated facility and~~
91.26 ~~equipment violations, and health, safety, and environmental management, including~~
91.27 ~~indoor air quality management.~~ The application must include a health and safety program
91.28 budget adopted and confirmed by the school district board as being consistent with the
91.29 district's health and safety policy under subdivision 2. The ~~program~~ budget must include
91.30 the estimated cost, ~~per building,~~ of the program per Uniform Financial Accounting and
91.31 Reporting Standards (UFARS) finance code, by fiscal year. Upon approval through the
91.32 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.~~

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

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

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

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

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

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

93.16 (1) the sum of (a) the total approved cost of the district's hazardous substance
93.17 plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's
93.18 health and safety program for fiscal year 1990 through the fiscal year to which the levy
93.19 is attributable, excluding expenditures funded with bonds issued under section 123B.59
93.20 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section
93.21 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or
93.22 6; and other federal, state, or local revenues, minus

93.23 (2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years
93.24 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the
93.25 district's health and safety revenue under this subdivision, for years before the fiscal year
93.26 to which the levy is attributable.

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

93.33 Subd. 5. **Health and safety aid.** A district's health and safety aid is the difference
93.34 between its health and safety revenue and its health and safety levy. If a district does not
93.35 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 fire protection and alarm equipment; purchase or construction of appropriate facilities for the storage of combustible and flammable materials; inventories and facility modifications not related to a remodeling project to comply with lab safety requirements under section 121A.31; inspection, testing, repair, removal or encapsulation, and disposal of asbestos from school buildings or property owned or being acquired by the district, asbestos-related repairs, asbestos-containing building materials; cleanup and disposal of polychlorinated biphenyls found in school buildings or property owned or being acquired by the district, or the; cleanup and disposal of hazardous and infectious wastes; 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, Minnesota; correction of occupational safety and health administration regulated facility and equipment hazards; indoor air quality inspections, investigations, and testing; mold abatement; upgrades or replacement of mechanical ventilation systems to meet American Society of Heating, Refrigerating and Air Conditioning Engineers standards and State Mechanical Code; design, materials, and installation of local exhaust ventilation systems, including required make-up air for controlling regulated hazardous substances; correction of Department of Health Food Code and violations; correction of swimming pool hazards excluding depth correction; playground safety inspections, repair of unsafe outdoor playground equipment, and the installation of impact surfacing materials; bleacher repair or rebuilding to comply with the order of a building code inspector under section 326B.112; testing and mitigation of elevated radon hazards; lead testing; copper in water testing; cleanup after major weather-related disasters or flooding; reduction of excessive organic and inorganic levels in wells and capping of abandoned wells; installation and testing of boiler backflow valves to prevent contamination of potable water; vaccinations, titers, and preventative supplies for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents' Right to Know Act; automated external defibrillators and other emergency plan equipment and supplies specific to the district's emergency action plan; and health, safety, and environmental management costs associated with implementing the district's health and safety program including costs to establish and operate safety committees, in school buildings or property owned or being acquired by the district. Testing and calibration activities are permitted for existing mechanical ventilation systems at intervals no less than

every five years. ~~Health and safety revenue must not be used to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms, for interest or other financing expenses, or for energy efficiency 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.

97.1 The ~~department~~ commissioner shall not mandate management assistance or exclude
97.2 private contractors from the opportunity to provide any health and safety services to
97.3 school districts.

97.4 ~~(c) Notwithstanding paragraph (b), the department may approve revenue, up to~~
97.5 ~~the limit defined in paragraph (a) for districts having an approved health, safety, and~~
97.6 ~~environmental management plan that uses district staff to accomplish coordination and~~
97.7 ~~provided services.~~

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

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

97.10 Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax
97.11 rate approved by a majority of the electors voting on the question to provide funds for
97.12 an approved project. The election must take place no more than five years before the
97.13 estimated date of commencement of the project. The referendum must be held on a date
97.14 set by the board. A referendum for a project not receiving a positive review and comment
97.15 by the commissioner under section 123B.71 must be approved by at least 60 percent of
97.16 the voters at the election.

97.17 (b) The referendum may be called by the school board and may be held:

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

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

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

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

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

97.34 "Shall the capital project levy proposed by the board of School District
97.35 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.

(d) If the district proposes a new capital project to begin at the time the existing capital project expires and at the same maximum tax rate, the general description on the ballot may state that the capital project levy is being renewed and that the tax rate is not being increased from the previous year's rate. An election to renew authority under this paragraph may be called at any time that is otherwise authorized by this subdivision. The ballot notice required under section 275.60 may be modified to read:

"BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING TO RENEW AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS SCHEDULED TO EXPIRE."

(e) 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.

(f) The district must notify the commissioner of the results of the referendum.

EFFECTIVE DATE. This section is effective the day following final enactment for referenda conducted on or after the 53rd day following final enactment.

Sec. 4. Minnesota Statutes 2010, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes.

99.1 The proceeds of this levy must not be used for custodial or other maintenance services.
99.2 A district may not levy under this subdivision for the purpose of leasing or renting a
99.3 district-owned building or site to itself.

99.4 (c) For agreements finalized after July 1, 1997, a district may not levy under this
99.5 subdivision for the purpose of leasing: (1) a newly constructed building used primarily
99.6 for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed
99.7 building addition or additions used primarily for regular kindergarten, elementary, or
99.8 secondary instruction that contains more than 20 percent of the square footage of the
99.9 previously existing building.

99.10 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
99.11 purpose of leasing or renting a district-owned building or site to itself only if the amount
99.12 is needed by the district to make payments required by a lease purchase agreement,
99.13 installment purchase agreement, or other deferred payments agreement authorized by law,
99.14 and the levy meets the requirements of paragraph (c). A levy authorized for a district by
99.15 the commissioner under this paragraph may be in the amount needed by the district to
99.16 make payments required by a lease purchase agreement, installment purchase agreement,
99.17 or other deferred payments agreement authorized by law, provided that any agreement
99.18 include a provision giving the school districts the right to terminate the agreement
99.19 annually without penalty.

99.20 (e) The total levy under this subdivision for a district for any year must not exceed
99.21 \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

99.22 (f) For agreements for which a review and comment have been submitted to the
99.23 Department of Education after April 1, 1998, the term "instructional purpose" as used in
99.24 this subdivision excludes expenditures on stadiums.

99.25 (g) The commissioner of education may authorize a school district to exceed the
99.26 limit in paragraph (e) if the school district petitions the commissioner for approval. The
99.27 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)
99.28 for not more than five years if the district meets the following criteria:

99.29 (1) the school district has been experiencing pupil enrollment growth in the
99.30 preceding five years;

99.31 (2) the purpose of the increased levy is in the long-term public interest;

99.32 (3) the purpose of the increased levy promotes colocation of government services;
99.33 and

99.34 (4) the purpose of the increased levy is in the long-term interest of the district by
99.35 avoiding over construction of school facilities.

100.1 (h) A school district that is a member of an intermediate school district may include
100.2 in its authority under this section the costs associated with leases of administrative and
100.3 classroom space for intermediate school district programs. This authority must not exceed
100.4 \$43 times the adjusted marginal cost pupil units of the member districts. This authority is
100.5 in addition to any other authority authorized under this section.

100.6 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in
100.7 2012 to 2022, a district that is a member of the "Technology and Information Education
100.8 Systems" data processing joint board, that finds it economically advantageous to enter
100.9 into a lease ~~purchase~~ agreement for to finance improvements to a building for a group of
100.10 school districts or special school districts for staff development purposes, may levy for
100.11 its portion of lease costs attributed to the district within the total levy limit in paragraph
100.12 (e). The total levy authority under this paragraph shall not exceed \$632,000 each year.

100.13 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and later.

100.14 Sec. 5. Laws 1999, chapter 241, article 4, section 25, is amended by adding a
100.15 subdivision to read:

100.16 Subd. 3. **Independent School District No. 284, Wayzata.** Independent School
100.17 District No. 284, Wayzata, is eligible for the alternative facilities revenue program under
100.18 Minnesota Statutes, section 123B.59, for the purposes of financing school facilities
100.19 in the district.

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

100.22 Sec. 6. **EARLY REPAYMENT.**

100.23 A school district that received a maximum effort capital loan prior to January 1,
100.24 1997, may repay the full outstanding original principal on its capital loan prior to July 1,
100.25 2012, and the liability of the district on the loan is satisfied and discharged and interest
100.26 on the loan ceases.

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

100.28 Sec. 7. **HEALTH AND SAFETY POLICY.**

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

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

101.2 Sec. 8. **APPROPRIATIONS.**

101.3 Subdivision 1. **Department of Education.** The sums indicated in this section are
101.4 appropriated from the general fund to the Department of Education for the fiscal years
101.5 designated.

101.6 Subd. 2. **Health and safety revenue.** For health and safety aid according to
101.7 Minnesota Statutes, section 123B.57, subdivision 5:

101.8	<u>\$</u>	<u>123,000</u>	<u>.....</u>	<u>2012</u>
101.9	<u>\$</u>	<u>113,000</u>	<u>.....</u>	<u>2013</u>

101.10 The 2012 appropriation includes \$39,000 for 2011 and \$84,000 for 2012.
101.11 The 2013 appropriation includes \$36,000 for 2012 and \$77,000 for 2013.

101.12 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
101.13 Statutes, section 123B.53, subdivision 6:

101.14	<u>\$</u>	<u>12,425,000</u>	<u>.....</u>	<u>2012</u>
101.15	<u>\$</u>	<u>20,458,000</u>	<u>.....</u>	<u>2013</u>

101.16 The 2012 appropriation includes \$2,604,000 for 2011 and \$9,821,000 for 2012.
101.17 The 2013 appropriation includes \$4,208,000 for 2012 and \$16,250,000 for 2013.

101.18 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
101.19 according to Minnesota Statutes, section 123B.59, subdivision 1:

101.20	<u>\$</u>	<u>19,287,000</u>	<u>.....</u>	<u>2012</u>
101.21	<u>\$</u>	<u>19,287,000</u>	<u>.....</u>	<u>2013</u>

101.22 The 2012 appropriation includes \$5,786,000 for 2011 and \$13,501,000 for 2012.
101.23 The 2013 appropriation includes \$5,786,000 for 2012 and \$13,501,000 for 2013.

101.24 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications
101.25 access:

101.26	<u>\$</u>	<u>3,750,000</u>	<u>.....</u>	<u>2012</u>
101.27	<u>\$</u>	<u>3,750,000</u>	<u>.....</u>	<u>2013</u>

101.28 If the appropriation amount is insufficient, the commissioner shall reduce the
101.29 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
101.30 revenue for fiscal years 2012 and 2013 shall be prorated.

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

102.1 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to

102.2 Minnesota Statutes, section 123B.591, subdivision 4:

102.3 \$ 2,494,000 2012

102.4 \$ 3,035,000 2013

102.5 The 2012 appropriation includes \$676,000 for 2011 and \$1,818,000 for 2012.

102.6 The 2013 appropriation includes \$778,000 for 2012 and \$2,257,000 for 2013.

ARTICLE 5

NUTRITION AND ACCOUNTING

102.9 Section 1. Minnesota Statutes 2010, section 16A.152, subdivision 2, is amended to

102.10 read:

102.11 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general
102.12 fund revenues and expenditures, the commissioner of management and budget determines
102.13 that there will be a positive unrestricted budgetary general fund balance at the close of
102.14 the biennium, the commissioner of management and budget must allocate money to the
102.15 following accounts and purposes in priority order:

102.16 (1) the cash flow account established in subdivision 1 until that account reaches
102.17 \$350,000,000;

102.18 (2) the budget reserve account established in subdivision 1a until that account
102.19 reaches \$653,000,000;

102.20 (3) the amount necessary to increase the aid payment schedule for school district
102.21 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the
102.22 nearest tenth of a percent without exceeding the amount available and with any remaining
102.23 funds deposited in the budget reserve;

102.24 (4) the amount necessary to restore all or a portion of the net aid reductions under
102.25 section 127A.441 and to reduce the property tax revenue recognition shift under section
102.26 123B.75, subdivision 5, ~~paragraph (a), and Laws 2003, First Special Session chapter 9,~~
102.27 ~~article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section~~
102.28 ~~20,~~ by the same amount;

102.29 (5) to the state airports fund, the amount necessary to restore the amount transferred
102.30 from the state airports fund under Laws 2008, chapter 363, article 11, section 3,
102.31 subdivision 5; and

102.32 (6) to the fire safety account in the special revenue fund, the amount necessary to
102.33 restore transfers from the account to the general fund made in Laws 2010.

103.1 (b) The amounts necessary to meet the requirements of this section are appropriated
103.2 from the general fund within two weeks after the forecast is released or, in the case of
103.3 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
103.4 schedules otherwise established in statute.

103.5 (c) The commissioner of management and budget shall certify the total dollar
103.6 amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of
103.7 education. The commissioner of education shall increase the aid payment percentage and
103.8 reduce the property tax shift percentage by these amounts and apply those reductions to
103.9 the current fiscal year and thereafter.

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

103.11 Sec. 2. Minnesota Statutes 2010, section 123B.75, subdivision 5, is amended to read:

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

103.15 (1) the sum of May, June, and July school district tax settlement revenue received in
103.16 that calendar year, plus general education aid according to section 126C.13, subdivision
103.17 4, received in July and August of that calendar year; or

103.18 (2) the sum of:

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

103.21 (ii) the entire amount of the levy certified in the prior calendar year according to
103.22 section 124D.86, subdivision 4, for school districts receiving revenue under sections
103.23 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
103.24 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
103.25 subdivision 6; plus

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

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

103.33 (1) the sum of May, June, and July school district tax settlement revenue received in
103.34 that calendar year, plus general education aid according to section 126C.13, subdivision
103.35 4, received in July and August of that calendar year; or

104.1 (2) the sum of:

104.2 (i) the greater of 48.6 percent of the referendum levy certified according to section
104.3 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified
104.4 according to section 126C.17 in calendar year 2000; plus

104.5 (ii) the entire amount of the levy certified in the prior calendar year according to
104.6 section 124D.86, subdivision 4, for school districts receiving revenue under sections
104.7 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
104.8 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
104.9 subdivision 6; plus

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

104.15 **EFFECTIVE DATE.** This section is effective for fiscal year 2011 and later.

104.16 Sec. 3. Minnesota Statutes 2010, section 127A.441, is amended to read:

104.17 **127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.**

104.18 (a) Each year, the state aids payable to any school district for that fiscal year that are
104.19 recognized as revenue in the school district's general and community service funds shall
104.20 be adjusted by an amount equal to (1) the amount the district recognized as revenue for the
104.21 prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2)
104.22 the amount the district recognized as revenue for the current fiscal year pursuant to section
104.23 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments
104.24 under this section, the amount the district recognizes as revenue for either the prior fiscal
104.25 year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b),
104.26 shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school
104.27 districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3);
104.28 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2;
104.29 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall
104.30 not be adjusted pursuant to this section.

104.31 (b) The commissioner shall schedule the timing of the adjustments under paragraph

104.32 (a) as close to the end of the fiscal year as possible.

104.33 The school district shall be notified of the amount of the adjustment made to each
104.34 payment pursuant to this section.

EFFECTIVE DATE. This section is effective for fiscal year 2011 and later.

Sec. 4. Minnesota Statutes 2010, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of
(1) the cumulative disbursement percentage shown in subdivision 3; times
(2) the sum of
(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus
(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus
(iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals 73 in fiscal year 2010; and 70 in fiscal year 2011, ~~and 90 in fiscal years 2012~~ and later.

Sec. 5. Minnesota Statutes 2010, section 127A.45, subdivision 3, is amended to read:

Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (1) the district's other district receipts through the current payment, and (2) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0

106.1	Payment 5	September 15:	22.5
106.2	Payment 6	September 30:	25.0
106.3	Payment 7	October 15:	27.0
106.4	Payment 8	October 30:	30.0
106.5	Payment 9	November 15:	32.5
106.6	Payment 10	November 30:	36.5
106.7	Payment 11	December 15:	42.0
106.8	Payment 12	December 30:	45.0
106.9	Payment 13	January 15:	50.0
106.10	Payment 14	January 30:	54.0
106.11	Payment 15	February 15:	58.0
106.12	Payment 16	February 28:	63.0
106.13	Payment 17	March 15:	68.0
106.14	Payment 18	March 30:	74.0
106.15	Payment 19	April 15:	78.0
106.16	Payment 20	April 30:	85.0
106.17	Payment 21	May 15:	90.0
106.18	Payment 22	May 30:	95.0
106.19	Payment 23	June 20:	100.0

106.20 (b) In addition to the amounts paid under paragraph (a), the commissioner shall pay
 106.21 to a school district on the dates indicated an amount computed as follows:

106.22	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
106.23		property tax credits established in section 273.1392
106.24	Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for
106.25		all aid entitlements except state paid property tax credits
106.26	Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year
106.27		for all aid entitlements except state paid property tax credits
106.28	Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year
106.29		for all aid entitlements except state paid property tax credits

106.30 (c) In addition to the amounts paid under paragraph (a), the commissioner shall pay
 106.31 to a charter school on the dates indicated an amount computed as follows:

106.32	<u>Payment 1</u>	<u>July 15: 90 percent of the final adjustment for the prior fiscal year for</u>
106.33		<u>all aid entitlements</u>
106.34	<u>Payment 8</u>	<u>October 30: 10 percent of the final adjustment for the prior fiscal year</u>
106.35		<u>for all aid entitlements</u>

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

106.37 Sec. 6. Minnesota Statutes 2010, section 127A.45, is amended by adding a subdivision
 106.38 to read:

106.39 Subd. 3a. **Charter school payment dates.** The board of directors of a charter
 106.40 school annually may request that the commissioner of education advance the aid

payment schedule under subdivision 3, paragraph (a), if the board can demonstrate to the commissioner's satisfaction that expedited aid payment percentages under the schedule would save the charter school significant interest expenses on cash flow borrowing. The commissioner may determine revised payment percentages and shall notify each qualifying charter school of the new aid payment percentages.

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

Sec. 7. **LEVY AID RECOGNITION TIMING.**

Notwithstanding Minnesota Statutes, section 127A.441, paragraph (b), the commissioner of education shall schedule the portion of the aid adjustment for fiscal year 2011 attributable to the exclusion of levy portions assumed by the state from the levy recognition calculation under Minnesota Statutes, section 123B.75, subdivision 5, to occur with the final payment for fiscal year 2011 made on October 30, 2011.

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

Sec. 8. **FUND TRANSFER; FISCAL YEARS 2012 AND 2013 ONLY.**

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2012 and 2013 only, the commissioner must approve a request for a fund transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund or the food service fund.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

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

Sec. 9. **APPROPRIATIONS.**

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

Subd. 2. School lunch. For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	<u>12,626,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>12,878,000</u>	<u>.....</u>	<u>2013</u>

108.1 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
108.2 Statutes, section 124D.1158:

108.3 \$ 4,759,000 2012

108.4 \$ 4,875,000 2013

108.5 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
108.6 section 124D.118:

108.7 \$ 1,084,000 2012

108.8 \$ 1,105,000 2013

108.9 Subd. 5. **Summer food service replacement aid.** For summer food service
108.10 replacement aid under Minnesota Statutes, section 124D.119:

108.11 \$ 150,000 2012

108.12 \$ 150,000 2013

108.13 **Sec. 10. REPEALER.**

108.14 Minnesota Statutes 2010, section 127A.46, is repealed.

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

108.16 ARTICLE 6

108.17 LIBRARIES

108.18 Section 1. Minnesota Statutes 2010, section 134.195, subdivision 8, is amended to read:

108.19 Subd. 8. **Funding.** The ordinance or resolution establishing the library shall
108.20 provide for joint financing of the library by the school district and the city. The city shall
108.21 provide at least the minimum dollar amount established in section 134.34, subdivision
108.22 1. The school district shall provide money for staff and materials for the library at least
108.23 in proportion to the use related to curriculum, as determined by the circulation statistics
108.24 of the library. ~~Neither the city nor the school district shall reduce the financial support~~
108.25 ~~provided for operation of library or media services below the level of support provided in~~
108.26 ~~the preceding year.~~

108.27 **EFFECTIVE DATE.** This section is effective for revenue retroactive to fiscal
108.28 year 2011 and later.

108.29 **Sec. 2. APPROPRIATIONS.**

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

Subd. 2. **Basic system support.** For basic system support grants under Minnesota Statutes, section 134.355:

\$	<u>13,570,000</u>	.....	<u>2012</u>
\$	<u>13,570,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$4,071,000 for 2011 and \$9,499,000 for 2012.
The 2013 appropriation includes \$4,071,000 for 2012 and \$9,499,000 for 2013.

Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>1,300,000</u>	.....	<u>2012</u>
\$	<u>1,300,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$390,000 for 2011 and \$910,000 for 2012.
The 2013 appropriation includes \$390,000 for 2012 and \$910,000 for 2013.

Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$	<u>900,000</u>	.....	<u>2012</u>
\$	<u>900,000</u>	.....	<u>2013</u>

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

Subd. 5. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$	<u>2,300,000</u>	.....	<u>2012</u>
\$	<u>2,300,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$690,000 for 2011 and \$1,610,000 for 2012.
The 2013 appropriation includes \$690,000 for 2012 and \$1,610,000 for 2013.

ARTICLE 7

EARLY CHILDHOOD EDUCATION

Section 1. **APPROPRIATIONS.**

110.1 Subdivision 1. **Department of Education.** The sums indicated in this section are
110.2 appropriated from the general fund to the Department of Education for the fiscal years
110.3 designated.

110.4 Subd. 2. **School readiness.** For revenue for school readiness programs under
110.5 Minnesota Statutes, sections 124D.15 and 124D.16:

110.6 \$ 10,095,000 2012

110.7 \$ 10,095,000 2013

110.8 The 2012 appropriation includes \$3,028,000 for 2011 and \$7,067,000 for 2012.

110.9 The 2013 appropriation includes \$3,028,000 for 2012 and \$7,067,000 for 2013.

110.10 Subd. 3. **Early childhood family education aid.** For early childhood family
110.11 education aid under Minnesota Statutes, section 124D.135:

110.12 \$ 22,466,000 2012

110.13 \$ 23,015,000 2013

110.14 The 2012 appropriation includes \$6,542,000 for 2011 and \$15,924,000 for 2012.

110.15 The 2013 appropriation includes \$6,824,000 for 2012 and \$16,191,000 for 2013.

110.16 Subd. 4. **Health and developmental screening aid.** For health and developmental
110.17 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

110.18 \$ 3,568,000 2012

110.19 \$ 3,547,000 2013

110.20 The 2012 appropriation includes \$1,066,000 for 2011 and \$2,502,000 for 2012.

110.21 The 2013 appropriation includes \$1,072,000 for 2012 and \$2,475,000 for 2013.

110.22 Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes,
110.23 section 119A.52:

110.24 \$ 20,100,000 2012

110.25 \$ 20,100,000 2013

110.26 Subd. 6. **Educate parents partnership.** For the educate parents partnership under
110.27 Minnesota Statutes, section 124D.129:

110.28 \$ 49,000 2012

110.29 \$ 49,000 2013

110.30 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
110.31 **program.** For the kindergarten entrance assessment initiative and intervention program
110.32 under Minnesota Statutes, section 124D.162:

111.1	\$	<u>281,000</u>	<u>.....</u>	<u>2012</u>
111.2	\$	<u>281,000</u>	<u>.....</u>	<u>2013</u>

111.3

111.4

ARTICLE 8
PREVENTION

111.5 Section 1. Minnesota Statutes 2010, section 124D.19, subdivision 3, is amended to
111.6 read:

111.7 Subd. 3. **Community education director.** (a) Except as provided under paragraphs
111.8 (b) and (c), each board shall employ a licensed community education director. The board
111.9 shall submit the name of the person who is serving as director of community education
111.10 under this section on the district's annual community education report to the commissioner.

111.11 (b) A board may apply to the Minnesota Board of School Administrators under
111.12 Minnesota Rules, part 3512.3500, subpart 9, for authority to use an individual who is not
111.13 licensed as a community education director.

111.14 (c) A board of a district with a total population of ~~2,000~~ 7,500 or less may identify
111.15 an employee who holds a valid Minnesota principal or superintendent license under
111.16 Minnesota Rules, chapter 3512, to serve as director of community education. To be
111.17 eligible for an exception under this paragraph, the board shall certify in writing to the
111.18 commissioner that the district has not placed a licensed director of community education
111.19 on unrequested leave.

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

111.21 Sec. 2. **APPROPRIATION.**

111.22 Subdivision 1. **Department of Education.** The sums indicated in this section are
111.23 appropriated from the general fund to the Department of Education for the fiscal years
111.24 designated.

111.25 Subd. 2. **Community education aid.** For community education aid under
111.26 Minnesota Statutes, section 124D.20:

111.27	\$	<u>478,000</u>	<u>.....</u>	<u>2012</u>
111.28	\$	<u>694,000</u>	<u>.....</u>	<u>2013</u>

111.29 The 2012 appropriation includes \$134,000 for 2011 and \$344,000 for 2012.
111.30 The 2013 appropriation includes \$147,000 for 2012 and \$547,000 for 2013.

Subd. 3. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>710,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>710,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$213,000 for 2011 and \$497,000 for 2012.
The 2013 appropriation includes \$213,000 for 2012 and \$497,000 for 2013.

Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>70,000</u>	<u>.....</u>	<u>2013</u>

Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>1,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$0 for 2011 and \$1,000 for 2012.
The 2013 appropriation includes \$0 for 2012 and \$1,000 for 2013.

ARTICLE 9

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2010, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) ~~The state total adult basic education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2008~~ 2011 equals ~~\$40,650,000~~ \$44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the lesser of:

(i) ~~1.03~~ 1.01; or

(ii) the average growth in state total contact hours over the prior ten program years.

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

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

Sec. 2. Minnesota Statutes 2010, section 124D.531, subdivision 4, is amended to read:

Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding subdivisions 2 and 3, the total adult basic education aid for a program per prior year contact hour must not exceed \$22 per prior year contact hour computed under subdivision 3, clause (2).

~~(b) For fiscal year 2006 and fiscal year 2007, the aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, must not exceed the aid for that program under subdivision 3, clause (2), for the first preceding fiscal year by more than the greater of eight percent or \$10,000.~~

~~(c) For fiscal year 2008, the aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, shall not be limited.~~

~~(d) For fiscal year 2009 and later,~~ The aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, must not exceed the aid for that program under subdivision 3, clause (2), for the first preceding fiscal year by more than the greater of 11 percent or \$10,000.

~~(e)~~ (c) Adult basic education aid is payable to a program for unreimbursed costs occurring in the program year as defined in section 124D.52, subdivision 3.

~~(f)~~ (d) Any adult basic education aid that is not paid to a program because of the program aid limitation under paragraph (a) must be added to the state total adult basic education aid for the next fiscal year under subdivision 1. Any adult basic education aid that is not paid to a program because of the program aid limitations under paragraph

114.1 (b), ~~(c), or (d)~~, must be reallocated among programs by adjusting the rate per contact hour
114.2 under subdivision 3, clause (2).

114.3 Sec. 3. **APPROPRIATIONS.**

114.4 Subdivision 1. **Department of Education.** The sums indicated in this section are
114.5 appropriated from the general fund to the Department of Education for the fiscal years
114.6 designated.

114.7 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
114.8 Statutes, section 124D.531:

114.9 \$ 44,763,000 2012

114.10 \$ 45,168,000 2013

114.11 The 2012 appropriation includes \$13,365,000 for 2011 and \$31,398,000 for 2012.

114.12 The 2013 appropriation includes \$13,458,000 for 2012 and \$31,712,000 for 2013.

114.13 Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under
114.14 Minnesota Statutes, section 124D.55:

114.15 \$ 125,000 2012

114.16 \$ 125,000 2013

114.17 **ARTICLE 10**

114.18 **STATE AGENCIES**

114.19 Section 1. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

114.20 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
114.21 indicated in this section are appropriated from the general fund to the Department of
114.22 Education for the fiscal years designated.

114.23 Subd. 2. **Department.** (a) For the Department of Education:

114.24 \$ 18,820,000 2012

114.25 \$ 18,820,000 2013

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

114.27 (b) \$260,000 each year is for the Minnesota Children's Museum.

114.28 (c) \$41,000 each year is for the Minnesota Academy of Science.

114.29 (d) \$50,000 each year is for the Duluth Children's Museum.

114.30 (e) \$618,000 each year is for the Board of Teaching. Any balance in the first year
114.31 does not cancel but is available in the second year.

(f) \$167,000 each year is for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(g) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(h) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

Subd. 3. **Board of Teaching; licensure by portfolio.** For the Board of Teaching for licensure by portfolio:

\$	<u>30,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>30,000</u>	<u>.....</u>	<u>2013</u>

This appropriation is from the educator licensure portfolio account of the special revenue fund.

Sec. 2. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and Blind for the fiscal years designated:

\$	<u>11,603,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>11,603,000</u>	<u>.....</u>	<u>2013</u>

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

Sec. 3. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>6,733,000</u>	<u>.....</u>	<u>2012</u>
\$	<u>6,733,000</u>	<u>.....</u>	<u>2013</u>

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

ARTICLE 11

FORECAST ADJUSTMENT

A. GENERAL EDUCATION

Section 1. Laws 2009, chapter 96, article 1, section 24, subdivision 2, as amended by Laws 2010, First Special Session chapter 1, article 3, section 10, is amended to read:

116.1 Subd. 2. **General education aid.** For general education aid under Minnesota
116.2 Statutes, section 126C.13, subdivision 4:

116.3 \$ 4,291,422,000 2010

116.4 ~~4,776,884,000~~

116.5 \$ 4,832,264,000 2011

116.6 The 2010 appropriation includes \$553,591,000 for 2009 and \$3,737,831,000 for
116.7 2010.

116.8 The 2011 appropriation includes \$1,363,306,000 for 2010 and ~~\$3,413,578,000~~
116.9 \$3,468,958,000 for 2011.

116.10 Sec. 2. Laws 2009, chapter 96, article 1, section 24, subdivision 3, is amended to read:

116.11 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending
116.12 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
116.13 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

116.14 \$ 48,000 2010

116.15 ~~52,000~~

116.16 \$ 29,000 2011

116.17 Sec. 3. Laws 2009, chapter 96, article 1, section 24, subdivision 4, as amended by
116.18 Laws 2010, First Special Session chapter 1, article 4, section 2, is amended to read:

116.19 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
116.20 127A.49:

116.21 \$ 1,000,000 2010

116.22 ~~1,132,000~~

116.23 \$ 1,127,000 2011

116.24 The 2010 appropriation includes \$140,000 for 2009 and \$860,000 for 2010.

116.25 The 2011 appropriation includes \$317,000 for 2010 and ~~\$815,000~~ \$810,000 for 2011.

116.26 Sec. 4. Laws 2009, chapter 96, article 1, section 24, subdivision 5, as amended by
116.27 Laws 2010, First Special Session chapter 1, article 4, section 3, is amended to read:

116.28 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
116.29 Statutes, section 123A.485:

116.30 \$ 684,000 2010

116.31 ~~576,000~~

116.32 \$ 593,000 2011

116.33 The 2010 appropriation includes \$0 for 2009 and \$684,000 for 2010.

116.34 The 2011 appropriation includes \$252,000 for 2010 and ~~\$324,000~~ \$341,000 for 2011.

117.1 Sec. 5. Laws 2009, chapter 96, article 1, section 24, subdivision 6, as amended by
117.2 Laws 2010, First Special Session chapter 1, article 4, section 4, is amended to read:

117.3 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
117.4 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

117.5 \$ 12,861,000 2010

117.6 ~~16,157,000~~

117.7 \$ 16,213,000 2011

117.8 The 2010 appropriation includes \$1,067,000 for 2009 and \$11,794,000 for 2010.

117.9 The 2011 appropriation includes \$4,362,000 for 2010 and ~~\$11,795,000~~ \$11,851,000
117.10 for 2011.

117.11 Sec. 6. Laws 2009, chapter 96, article 1, section 24, subdivision 7, as amended by
117.12 Laws 2010, First Special Session chapter 1, article 4, section 5, is amended to read:

117.13 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
117.14 under Minnesota Statutes, section 123B.92, subdivision 9:

117.15 \$ 17,297,000 2010

117.16 ~~19,729,000~~

117.17 \$ 19,387,000 2011

117.18 The 2010 appropriation includes \$2,077,000 for 2009 and \$15,220,000 for 2010.

117.19 The 2011 appropriation includes \$5,629,000 for 2010 and ~~\$14,100,000~~ \$13,758,000
117.20 for 2011.

117.21 **B. EDUCATION EXCELLENCE**

117.22 Sec. 7. Laws 2009, chapter 96, article 2, section 67, subdivision 2, as amended by
117.23 Laws 2010, First Special Session chapter 1, article 4, section 6, is amended to read:

117.24 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
117.25 Statutes, section 124D.11, subdivision 4:

117.26 \$ 34,833,000 2010

117.27 ~~44,938,000~~

117.28 \$ 42,633,000 2011

117.29 The 2010 appropriation includes \$3,704,000 for 2009 and \$31,129,000 for 2010.

117.30 The 2011 appropriation includes \$11,513,000 for 2010 and ~~\$33,425,000~~ \$31,120,000
117.31 for 2011.

117.32 Sec. 8. Laws 2009, chapter 96, article 2, section 67, subdivision 3, as amended by
117.33 Laws 2010, First Special Session chapter 1, article 4, section 7, is amended to read:

118.1 Subd. 3. **Charter school startup aid.** For charter school startup cost aid under
118.2 Minnesota Statutes, section 124D.11:

118.3 \$ 1,218,000 2010

118.4 ~~743,000~~

118.5 \$ 654,000 2011

118.6 The 2010 appropriation includes \$202,000 for 2009 and \$1,016,000 for 2010.

118.7 The 2011 appropriation includes \$375,000 for 2010 and ~~\$368,000~~ \$279,000 for 2011.

118.8 Sec. 9. Laws 2009, chapter 96, article 2, section 67, subdivision 4, as amended by
118.9 Laws 2010, First Special Session chapter 1, article 4, section 8, is amended to read:

118.10 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
118.11 124D.86, subdivision 5:

118.12 \$ 50,812,000 2010

118.13 ~~61,782,000~~

118.14 \$ 61,604,000 2011

118.15 The 2010 appropriation includes \$5,832,000 for 2009 and \$44,980,000 for 2010.

118.16 The 2011 appropriation includes \$16,636,000 for 2010 and ~~\$45,146,000~~ \$44,968,000
118.17 for 2011.

118.18 Sec. 10. Laws 2009, chapter 96, article 2, section 67, subdivision 6, is amended to read:

118.19 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
118.20 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
118.21 section 124D.87:

118.22 \$ 14,468,000 2010

118.23 ~~17,582,000~~

118.24 \$ 13,393,000 2011

118.25 Sec. 11. Laws 2009, chapter 96, article 2, section 67, subdivision 9, as amended by
118.26 Laws 2010, First Special Session chapter 1, article 4, section 10, is amended to read:

118.27 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
118.28 Statutes, section 124D.83:

118.29 \$ 1,702,000 2010

118.30 ~~2,119,000~~

118.31 \$ 1,958,000 2011

118.32 The 2010 appropriation includes \$191,000 for 2009 and \$1,511,000 for 2010.

118.33 The 2011 appropriation includes \$558,000 for 2010 and ~~\$1,561,000~~ \$1,400,000
118.34 for 2011.

119.1 C. SPECIAL EDUCATION

119.2 Sec. 12. Laws 2009, chapter 96, article 3, section 21, subdivision 3, is amended to read:

119.3 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
119.4 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
119.5 within the district boundaries for whom no district of residence can be determined:

119.6	\$	1,717,000	.....	2010
119.7		1,895,000		
119.8	\$	<u>1,554,000</u>	.....	2011

119.9 If the appropriation for either year is insufficient, the appropriation for the other
119.10 year is available.

119.11 Sec. 13. Laws 2009, chapter 96, article 3, section 21, subdivision 4, as amended by
119.12 Laws 2010, First Special Session chapter 1, article 4, section 12, is amended to read:

119.13 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
119.14 services under Minnesota Statutes, section 125A.75, subdivision 1:

119.15	\$	224,000	.....	2010
119.16		282,000		
119.17	\$	<u>324,000</u>	.....	2011

119.18 The 2010 appropriation includes \$24,000 for 2009 and \$200,000 for 2010.

119.19 The 2011 appropriation includes \$73,000 for 2010 and ~~\$209,000~~ \$251,000 for 2011.

119.20 D. FACILITIES AND TECHNOLOGY

119.21 Sec. 14. Laws 2009, chapter 96, article 4, section 12, subdivision 6, as amended by
119.22 Laws 2010, First Special Session chapter 1, article 4, section 17, is amended to read:

119.23 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
119.24 Minnesota Statutes, section 123B.591, subdivision 4:

119.25	\$	1,918,000	.....	2010
119.26		2,146,000		
119.27	\$	<u>2,191,000</u>	.....	2011

119.28 The 2010 appropriation includes \$260,000 for 2009 and \$1,658,000 for 2010.

119.29 The 2011 appropriation includes \$613,000 for 2010 and ~~\$1,533,000~~ \$1,578,000
119.30 for 2011.

119.31 E. NUTRITION

119.32 Sec. 15. Laws 2009, chapter 96, article 5, section 13, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	12,688,000	.....	2010
	13,069,000		
\$	<u>12,378,000</u>	.....	2011

Sec. 16. Laws 2009, chapter 96, article 5, section 13, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	4,978,000	.....	2010
	5,147,000		
\$	<u>4,646,000</u>	.....	2011

Sec. 17. Laws 2009, chapter 96, article 5, section 13, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 18, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	1,104,000	.....	2010
	1,126,000		
\$	<u>1,063,000</u>	.....	2011

F. EARLY CHILDHOOD EDUCATION, PREVENTION, AND
SELF-SUFFICIENCY AND LIFELONG LEARNING

Sec. 18. Laws 2009, chapter 96, article 6, section 11, subdivision 3, as amended by Laws 2010, First Special Session chapter 1, article 4, section 23, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	19,005,000	.....	2010
	21,460,000		
\$	<u>21,177,000</u>	.....	2011

The 2010 appropriation includes \$3,020,000 for 2009 and \$15,985,000 for 2010.

The 2011 appropriation includes \$5,911,000 for 2010 and ~~\$15,549,000~~ \$15,266,000 for 2011.

Sec. 19. Laws 2009, chapter 96, article 6, section 11, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 24, is amended to read:

121.1 Subd. 4. **Health and developmental screening aid.** For health and developmental
121.2 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

121.3 \$ 2,922,000 2010

121.4 ~~3,425,000~~

121.5 \$ 3,434,000 2011

121.6 The 2010 appropriation includes \$367,000 for 2009 and \$2,555,000 for 2010.

121.7 The 2011 appropriation includes \$945,000 for 2010 and ~~\$2,480,000~~ \$2,489,000

121.8 for 2011.

121.9 Sec. 20. Laws 2009, chapter 96, article 6, section 11, subdivision 8, as amended by
121.10 Laws 2010, First Special Session chapter 1, article 4, section 25, is amended to read:

121.11 Subd. 8. **Community education aid.** For community education aid under
121.12 Minnesota Statutes, section 124D.20:

121.13 \$ 476,000 2010

121.14 ~~473,000~~

121.15 \$ 463,000 2011

121.16 The 2010 appropriation includes \$73,000 for 2009 and \$403,000 for 2010.

121.17 The 2011 appropriation included \$148,000 for 2010 and ~~\$325,000~~ \$315,000 for

121.18 2011.

121.19 Sec. 21. Laws 2009, chapter 96, article 6, section 11, subdivision 12, as amended by
121.20 Laws 2010, First Special Session chapter 1, article 4, section 27, is amended to read:

121.21 Subd. 12. **Adult basic education aid.** For adult basic education aid under
121.22 Minnesota Statutes, section 124D.531:

121.23 \$ 35,671,000 2010

121.24 ~~42,732,000~~

121.25 \$ 42,829,000 2011

121.26 The 2010 appropriation includes \$4,187,000 for 2009 and \$31,484,000 for 2010.

121.27 The 2011 appropriation includes \$11,644,000 for 2010 and ~~\$31,088,000~~ \$31,185,000

121.28 for 2011.

APPENDIX
Article locations in H0934-4

ARTICLE 1	GENERAL EDUCATION	Page.Ln 2.5
ARTICLE 2	ACADEMIC EXCELLENCE	Page.Ln 25.22
ARTICLE 3	SPECIAL EDUCATION	Page.Ln 81.14
ARTICLE 4	FACILITIES AND TECHNOLOGIES	Page.Ln 91.9
ARTICLE 5	NUTRITION AND ACCOUNTING	Page.Ln 102.7
ARTICLE 6	LIBRARIES	Page.Ln 108.16
ARTICLE 7	EARLY CHILDHOOD EDUCATION	Page.Ln 109.29
ARTICLE 8	PREVENTION	Page.Ln 111.3
ARTICLE 9	SELF-SUFFICIENCY AND LIFELONG LEARNING	Page.Ln 112.17
ARTICLE 10	STATE AGENCIES	Page.Ln 114.17
ARTICLE 11	FORECAST ADJUSTMENT	Page.Ln 115.26