

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3551

(SENATE AUTHORS: KUNESH and Cwodzinski)

DATE	D-PG	OFFICIAL STATUS
02/17/2026	6309	Introduction and first reading Referred to Education Finance
04/20/2026	8194a	Comm report: To pass as amended and re-refer to Finance
04/28/2026	9200	Author added Cwodzinski

1.1 A bill for an act

1.2 relating to education; providing supplemental funding for prekindergarten through

1.3 grade 12 education; modifying provisions for prekindergarten through grade 12

1.4 education including general education, education excellence, teachers, school

1.5 facilities and student safety; making forecast adjustments; requiring reports;

1.6 transferring money; appropriating money; amending Minnesota Statutes 2024,

1.7 sections 122A.20, subdivisions 1, 2; 123B.63, subdivision 3; 124D.094, subdivision

1.8 2; 124D.65, by adding a subdivision; 126C.10, subdivision 14; 126C.15, subdivision

1.9 1; 126C.17, subdivision 9; 260E.15; 260E.28, subdivision 1; 275.60; 471.6161,

1.10 by adding a subdivision; 609.352, subdivisions 1, 4, by adding subdivisions;

1.11 Minnesota Statutes 2025 Supplement, sections 126C.10, subdivision 3; 126C.15,

1.12 subdivision 2; 260E.065, by adding a subdivision; 260E.20, subdivision 1; Laws

1.13 2023, chapter 55, article 8, section 19, subdivision 5, as amended; Laws 2024,

1.14 chapter 115, article 1, section 22, subdivision 2; article 10, section 5, subdivision

1.15 2; Laws 2025, First Special Session chapter 10, article 1, section 28, subdivisions

1.16 2, 3, 5, 8, 10, 11, 12; article 2, section 24, subdivisions 2, 4, 14, 15, 24; article 3,

1.17 section 15, subdivisions 3, 6, 13; article 5, section 19, subdivision 2; article 6,

1.18 section 6, subdivisions 2, 7; article 7, section 11, subdivisions 2, 4, 7, 8, 9; article

1.19 8, section 18, subdivisions 3, 5, 6; article 9, section 11, subdivisions 2, 3, 4, 6, 10;

1.20 article 10, section 10, subdivisions 3, 4, 6; article 11, section 2, subdivisions 2, 4;

1.21 proposing coding for new law in Minnesota Statutes, chapter 121A; repealing

1.22 Minnesota Statutes 2024, section 120B.30, subdivision 15; Minnesota Statutes

1.23 2025 Supplement, section 124F.01.

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

1.25 **ARTICLE 1**

1.26 **GENERAL EDUCATION**

1.27 Section 1. Minnesota Statutes 2024, section 123B.63, subdivision 3, is amended to read:

1.28 Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax rate

1.29 approved by a majority of the electors voting on the question to provide funds for an approved

1.30 project. The election must take place no more than five years before the estimated date of

2.1 commencement of the project. The referendum must be held on a date authorized by section
2.2 205A.05, subdivision 1a. A district must meet the requirements of section 123B.71 for
2.3 projects funded under this section. If a review and comment is required under section
2.4 123B.71, subdivision 8, a referendum for a project not receiving a positive review and
2.5 comment by the commissioner must be approved by at least 60 percent of the voters at the
2.6 election.

2.7 (b) The referendum may be called by the school board and may be held:

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

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

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

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

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

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

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

2.28 (d) If the district proposes a new capital project to begin at the time the existing capital
2.29 project expires and at the same maximum tax rate, the general description on the ballot may
2.30 state that the capital project levy is being renewed and that the tax rate is not being increased
2.31 from the previous year's rate. An election to renew authority under this paragraph may be
2.32 called at any time that is otherwise authorized by this subdivision. ~~The ballot notice required~~
2.33 ~~under section 275.60 may be modified to read:~~

3.1 ~~"BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING TO RENEW~~
3.2 ~~AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS SCHEDULED TO~~
3.3 ~~EXPIRE."~~

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

3.7 (f) The district must notify the commissioner of the results of the referendum.

3.8 **EFFECTIVE DATE.** This section is effective the day following final enactment and
3.9 applies to elections held on or after September 1, 2026.

3.10 Sec. 2. Minnesota Statutes 2024, section 124D.65, is amended by adding a subdivision to
3.11 read:

3.12 Subd. 12. **Reserve account.** English learner revenue under subdivisions 5 and 5a must
3.13 be maintained in a reserve account within the general fund.

3.14 Sec. 3. Minnesota Statutes 2025 Supplement, section 126C.10, subdivision 3, is amended
3.15 to read:

3.16 Subd. 3. **Compensatory education revenue.** (a) A district's compensatory revenue
3.17 equals the sum of its compensatory revenue for each building in the district and the amounts
3.18 designated under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
3.19 8, for fiscal year 2017. Revenue shall be paid to the district and must be allocated according
3.20 to section 126C.15, subdivision 2.

3.21 (b) For fiscal years 2024, 2025, and 2026, the compensatory education revenue for each
3.22 building in the district equals the formula allowance minus \$839 times the compensation
3.23 revenue pupil units computed according to section 126C.05, subdivision 3.

3.24 (c) For fiscal year 2027 and later, the compensatory education revenue for each building
3.25 in the district equals its compensatory pupils multiplied by the building compensatory
3.26 allowance.

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

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

4.4 (f) Notwithstanding paragraph ~~(e)~~ (b), for fiscal year 2026, if the sum of the amounts
 4.5 calculated under paragraph ~~(e)~~ (b) is less than \$838,947,000, the commissioner must
 4.6 proportionately increase the revenue to each building until the total statewide revenue
 4.7 calculated for each building equals \$838,947,000.

4.8 (g) Notwithstanding paragraph (c), for fiscal year 2027 and later, if the sum of the
 4.9 amounts calculated under paragraph (c) is less than \$857,152,000, the commissioner must
 4.10 proportionately increase the revenue to each building until the total statewide revenue
 4.11 calculated for each building equals \$857,152,000.

4.12 (h) Notwithstanding paragraph (c), for fiscal year 2027 only, the compensatory education
 4.13 revenue for each building equals the greater of:

4.14 (1) the amount calculated for the building under paragraphs (c) and (g); or

4.15 (2) the building minimum amount calculated under paragraph (i).

4.16 (i) For purposes of paragraph (h), the building minimum amount equals the product of:

4.17 (1) the compensatory education revenue for the building for fiscal year 2026;

4.18 (2) the lesser of one or the ratio of the number of pupils enrolled in the building on
 4.19 October 1, 2025, to the number of pupils enrolled in the building on October 1, 2024; and

4.20 (3) 0.823.

4.21 Sec. 4. Minnesota Statutes 2024, section 126C.10, subdivision 14, is amended to read:

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

4.24 (1) to acquire land for school purposes;

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

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

4.28 (4) to improve and repair school sites and buildings, and equip or reequip school buildings
 4.29 with permanent attached fixtures, including library media centers and gender-neutral
 4.30 single-user restrooms, locker room privacy stalls, or other spaces with privacy features,
 4.31 including single-user shower stalls, changing stalls, or other single-user facilities;

- 5.1 (5) for a surplus school building that is used substantially for a public nonschool purpose;
- 5.2 (6) to eliminate barriers or increase access to school buildings by individuals with a
5.3 disability;
- 5.4 (7) to bring school buildings into compliance with the State Fire Code adopted according
5.5 to chapter 299F;
- 5.6 (8) to remove asbestos from school buildings, encapsulate asbestos, or make
5.7 asbestos-related repairs;
- 5.8 (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- 5.9 (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or
5.10 transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section
5.11 296A.01;
- 5.12 (11) for energy audits for school buildings and to modify buildings if the audit indicates
5.13 the cost of the modification can be recovered within ten years;
- 5.14 (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- 5.15 (13) to pay special assessments levied against school property but not to pay assessments
5.16 for service charges;
- 5.17 (14) to pay principal and interest on state loans for energy conservation according to
5.18 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust
5.19 Fund Act according to sections 298.292 to 298.297;
- 5.20 (15) to purchase or lease interactive telecommunications equipment;
- 5.21 (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the
5.22 amounts needed to meet, when due, principal and interest payments on certain obligations
5.23 issued according to chapter 475; or (ii) pay principal and interest on debt service loans or
5.24 capital loans according to section 126C.70;
- 5.25 (17) to pay operating capital-related assessments of any entity formed under a cooperative
5.26 agreement between two or more districts;
- 5.27 (18) to purchase or lease computers and related hardware, software, and annual licensing
5.28 fees, copying machines, telecommunications equipment, and other noninstructional
5.29 equipment;
- 5.30 (19) to purchase or lease assistive technology or equipment for instructional programs;
- 5.31 (20) to purchase textbooks as defined in section 123B.41, subdivision 2;

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

6.2 (22) to lease or purchase vehicles;

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

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

6.7 (ii) managing student assessment, services, and achievement information required for
6.8 students with individualized education programs; and

6.9 (iii) other classroom information management needs;

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

6.13 (25) to pay the costs directly associated with closing a school facility, including moving
6.14 and storage costs;

6.15 (26) to pay the costs of supplies and equipment necessary to provide access to menstrual
6.16 products at no charge to students in restrooms and as otherwise needed in school facilities;
6.17 ~~and~~

6.18 (27) to pay the costs of the opiate antagonists required under section 121A.224; and

6.19 (28) to pay utility service costs.

6.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2027 and later.

6.21 Sec. 5. Minnesota Statutes 2024, section 126C.15, subdivision 1, is amended to read:

6.22 Subdivision 1. **Use of revenue.** (a) The ~~basic skills~~ compensatory revenue under section
6.23 126C.10, ~~subdivision 4~~ subdivision 3, must be reserved and used to meet the educational
6.24 needs of pupils who enroll under-prepared to learn and whose progress toward meeting
6.25 state or local content or performance standards is below the level that is appropriate for
6.26 learners of their age. ~~Basic skills~~ Compensatory revenue may also be used for programs
6.27 designed to prepare children and their families for entry into school whether the student
6.28 first enrolls in kindergarten or first grade.

6.29 ~~(b) For fiscal years prior to fiscal year 2024, any of the following may be provided to~~
6.30 ~~meet these learners' needs:~~

7.1 ~~(1) direct instructional services under the assurance of mastery program according to~~
7.2 ~~section 124D.66;~~

7.3 ~~(2) remedial instruction in reading, language arts, mathematics, other content areas, or~~
7.4 ~~study skills to improve the achievement level of these learners;~~

7.5 ~~(3) additional teachers and teacher aides to provide more individualized instruction to~~
7.6 ~~these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;~~

7.7 ~~(4) a longer school day or week during the regular school year or through a summer~~
7.8 ~~program that may be offered directly by the site or under a performance-based contract with~~
7.9 ~~a community-based organization;~~

7.10 ~~(5) comprehensive and ongoing staff development consistent with district and site plans~~
7.11 ~~according to section 122A.60 and to implement plans under section 120B.12, subdivision~~
7.12 ~~4a, for teachers, teacher aides, principals, and other personnel to improve their ability to~~
7.13 ~~identify the needs of these learners and provide appropriate remediation, intervention,~~
7.14 ~~accommodations, or modifications;~~

7.15 ~~(6) instructional materials, digital learning, and technology appropriate for meeting the~~
7.16 ~~individual needs of these learners;~~

7.17 ~~(7) programs to reduce truancy, encourage completion of high school, enhance~~
7.18 ~~self-concept, provide health services, provide nutrition services, provide a safe and secure~~
7.19 ~~learning environment, provide coordination for pupils receiving services from other~~
7.20 ~~governmental agencies, provide psychological services to determine the level of social,~~
7.21 ~~emotional, cognitive, and intellectual development, and provide counseling services, guidance~~
7.22 ~~services, and social work services;~~

7.23 ~~(8) bilingual programs, bicultural programs, and programs for English learners;~~

7.24 ~~(9) all-day kindergarten;~~

7.25 ~~(10) early education programs, parent training programs, school readiness programs,~~
7.26 ~~kindergarten programs for four-year-olds, voluntary home visits under section 142D.10,~~
7.27 ~~subdivision 4, and other outreach efforts designed to prepare children for kindergarten;~~

7.28 ~~(11) extended school day and extended school year programs; and~~

7.29 ~~(12) substantial parent involvement in developing and implementing remedial education~~
7.30 ~~or intervention plans for a learner, including learning contracts between the school, the~~
7.31 ~~learner, and the parent that establish achievement goals and responsibilities of the learner~~
7.32 ~~and the learner's parent or guardian.~~

8.1 ~~(e) For fiscal year 2024 and later,~~ (b) A district's basic skills compensatory revenue must
8.2 be used for:

8.3 (1) remedial instruction and necessary materials in reading, language arts, mathematics,
8.4 other content areas, or study skills to improve the achievement level of these learners;

8.5 (2) additional teachers and teacher aides to provide more individualized instruction to
8.6 these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

8.7 (3) a longer school day or week during the regular school year or through a summer
8.8 program that may be offered directly by the site or under a performance-based contract with
8.9 a community-based organization;

8.10 (4) programs to reduce truancy; provide counseling services, guidance services, and
8.11 social work services; and provide coordination for pupils receiving services from other
8.12 governmental agencies;

8.13 (5) bilingual programs, bicultural programs, and programs for English learners;

8.14 (6) early education programs, parent-training programs, early childhood special education,
8.15 school readiness programs, kindergarten programs for four-year-olds, voluntary home visits
8.16 under section 142D.10, subdivision 4, and other outreach efforts designed to prepare children
8.17 for kindergarten;

8.18 (7) transition programs operated by school districts for special education students until
8.19 the age of 22;

8.20 (8) substantial parent involvement in developing and implementing remedial education
8.21 or intervention plans for a learner, including learning contracts between the school, the
8.22 learner, and the parent that establish achievement goals and responsibilities of the learner
8.23 and the learner's parent or guardian; and

8.24 (9) professional development for teachers on meeting the needs of English learners,
8.25 using assessment tools and data to monitor student progress, and reducing the use of
8.26 exclusionary discipline, and training for tutors and staff in extended day programs to enhance
8.27 staff's knowledge in content areas.

8.28 Sec. 6. Minnesota Statutes 2025 Supplement, section 126C.15, subdivision 2, is amended
8.29 to read:

8.30 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 80
8.31 percent of its compensatory revenue to each school building in the district or cooperative
8.32 where the children who have generated the revenue are served unless the school district or

9.1 cooperative has received permission under Laws 2005, First Special Session chapter 5,
9.2 article 1, section 50, to allocate compensatory revenue according to student performance
9.3 measures developed by the school board.

9.4 (b) A district or cooperative may allocate no more than 20 percent of the amount of
9.5 compensatory revenue that the district receives to school sites according to a plan adopted
9.6 by the school board. The money reallocated under this paragraph must be spent for the
9.7 purposes listed in subdivision 1, but may be spent on students in any grade, including
9.8 students attending school readiness or other prekindergarten programs.

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

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

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

9.20 (f) For fiscal years 2026 ~~and~~, 2027, and 2028 only, notwithstanding the percentages
9.21 specified in paragraphs (a) and (b), a district may allocate up to 40 percent of the amount
9.22 of compensatory revenue that the district receives to school sites according to a plan adopted
9.23 by the school board, consistent with the purposes listed in subdivision 1.

9.24 Sec. 7. Minnesota Statutes 2024, section 126C.17, subdivision 9, is amended to read:

9.25 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
9.26 subdivision 1, may be increased in the amount approved by the voters of the district at a
9.27 referendum called for the purpose. The referendum may be called by the board. The
9.28 referendum must be conducted one or two calendar years before the increased levy authority,
9.29 if approved, first becomes payable. Only one election to approve an increase may be held
9.30 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,
9.31 paragraph (a), the referendum must be held on the first Tuesday after the first Monday in
9.32 November. The ballot must state the maximum amount of the increased revenue per adjusted
9.33 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue

10.1 per adjusted pupil unit that differs from year to year over the number of years for which the
 10.2 increased revenue is authorized or may state that the amount shall increase annually by the
 10.3 rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase
 10.4 calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum
 10.5 levy authority is expiring. In this case, the ballot may also compare the proposed levy
 10.6 authority to the existing expiring levy authority, and express the proposed increase as the
 10.7 amount, if any, over the expiring referendum levy authority. The ballot must designate the
 10.8 specific number of years, not to exceed ten, for which the referendum authorization applies.
 10.9 The ballot, including a ballot on the question to revoke or reduce the increased revenue
 10.10 amount under paragraph (c), must abbreviate the term "per adjusted pupil unit" as "per
 10.11 pupil." ~~The notice required under section 275.60 may be modified to read, in cases of~~
 10.12 ~~renewing existing levies at the same amount per pupil as in the previous year:~~

10.13 ~~"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO~~
 10.14 ~~EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED~~
 10.15 ~~TO EXPIRE."~~

10.16 The ballot may contain a textual portion with the information required in this subdivision
 10.17 and a question stating substantially the following:

10.18 "Shall the increase in the revenue proposed by (petition to) the board of, School
 10.19 District No. ..., be approved?"

10.20 If approved, an amount equal to the approved revenue per adjusted pupil unit times the
 10.21 adjusted pupil units for the school year beginning in the year after the levy is certified shall
 10.22 be authorized for certification for the number of years approved, if applicable, or until
 10.23 revoked or reduced by the voters of the district at a subsequent referendum.

10.24 (b) The board must deliver by mail at least 15 days but no more than 45 days before the
 10.25 day of the referendum to each taxpayer a notice of the referendum and the proposed revenue
 10.26 increase. The board need not mail more than one notice to any taxpayer. For the purpose
 10.27 of giving mailed notice under this subdivision, owners must be those shown to be owners
 10.28 on the records of the county auditor or, in any county where tax statements are mailed by
 10.29 the county treasurer, on the records of the county treasurer. Every property owner whose
 10.30 name does not appear on the records of the county auditor or the county treasurer is deemed
 10.31 to have waived this mailed notice unless the owner has requested in writing that the county
 10.32 auditor or county treasurer, as the case may be, include the name on the records for this
 10.33 purpose. The notice must project the anticipated amount of tax increase in annual dollars

11.1 for typical residential homesteads, agricultural homesteads, apartments, and
 11.2 commercial-industrial property within the school district.

11.3 The notice for a referendum may state that an existing referendum levy is expiring and
 11.4 project the anticipated amount of increase over the existing referendum levy in the first
 11.5 year, if any, in annual dollars for typical residential homesteads, agricultural homesteads,
 11.6 apartments, and commercial-industrial property within the district.

11.7 ~~The notice must include the following statement: "Passage of this referendum will result~~
 11.8 ~~in an increase in your property taxes." However, in cases of renewing existing levies, the~~
 11.9 ~~notice may include the following statement: "Passage of this referendum extends an existing~~
 11.10 ~~operating referendum at the same amount per pupil as in the previous year."~~

11.11 (c) A referendum on the question of revoking or reducing the increased revenue amount
 11.12 authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke
 11.13 or reduce the revenue amount must state the amount per adjusted pupil unit by which the
 11.14 authority is to be reduced. Revenue authority approved by the voters of the district pursuant
 11.15 to paragraph (a) must be available to the school district at least once before it is subject to
 11.16 a referendum on its revocation or reduction for subsequent years. Only one revocation or
 11.17 reduction referendum may be held to revoke or reduce referendum revenue for any specific
 11.18 year and for years thereafter.

11.19 (d) The approval of 50 percent plus one of those voting on the question is required to
 11.20 pass a referendum authorized by this subdivision.

11.21 (e) At least 15 days before the day of the referendum, the district must submit a copy of
 11.22 the notice required under paragraph (b) to the commissioner and to the county auditor of
 11.23 each county in which the district is located. Within 15 days after the results of the referendum
 11.24 have been certified by the board, or in the case of a recount, the certification of the results
 11.25 of the recount by the canvassing board, the district must notify the commissioner of the
 11.26 results of the referendum.

11.27 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 11.28 applies to elections held on or after September 1, 2026.

11.29 Sec. 8. Minnesota Statutes 2024, section 275.60, is amended to read:

11.30 **275.60 LEVY OR BOND REFERENDUM; BALLOT NOTICE.**

11.31 (a) Notwithstanding any general or special law or any charter provisions, ~~but subject to~~
 11.32 ~~section 126C.17, subdivision 9,~~ any question submitted to the voters by any local
 11.33 governmental subdivision at a general or special election ~~after June 8, 1995,~~ authorizing a

12.1 property tax levy or tax rate increase, including the issuance of debt obligations payable in
 12.2 whole or in part from property taxes, must include on the ballot the following notice in
 12.3 boldface type:

12.4 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A
 12.5 PROPERTY TAX INCREASE."

12.6 (b) For purposes of this section and section 275.61, "local governmental subdivision"
 12.7 includes counties, home rule and statutory cities, towns, ~~school districts~~, and all special
 12.8 taxing districts. This statement is in addition to any general or special laws or any charter
 12.9 provisions that govern the contents of a ballot question and, in the case of a question on the
 12.10 issuance of debt obligations, may be supplemented by a description of revenues pledged to
 12.11 payment of the obligations that are intended as the primary source of payment.

12.12 ~~(c) This section does not apply to a school district bond election if the debt service~~
 12.13 ~~payments are to be made entirely from transfers of revenue from the capital fund to the debt~~
 12.14 ~~service fund.~~

12.15 **EFFECTIVE DATE.** This section is effective the day following final enactment and
 12.16 applies to elections held on or after September 1, 2026.

12.17 Sec. 9. Laws 2024, chapter 115, article 1, section 22, subdivision 2, is amended to read:

12.18 Subd. 2. **Attendance pilot program.** (a) For attendance pilot program aid:

12.19 \$ 4,687,000 2025

12.20 (b) Of the amount in paragraph (a), the department must provide aid to the participating
 12.21 districts in the following amounts:

12.22 (1) \$1,022,000 for Special School District No. 1, Minneapolis;

12.23 (2) \$253,000 for Independent School District No. 13, Columbia Heights;

12.24 (3) \$196,000 for Independent School District No. 38, Red Lake;

12.25 (4) \$281,000 for Independent School District No. 47, Sauk Rapids-Rice;

12.26 (5) \$398,000 for Independent School District No. 77, Mankato;

12.27 (6) \$374,000 for Independent School District No. 152, Moorhead;

12.28 (7) \$164,000 for Independent School District No. 166, Cook County;

12.29 (8) \$185,000 for Independent School District No. 177, Windom;

12.30 (9) \$378,000 for Independent School District No. 191, Burnsville;

13.1 (10) \$670,000 for Independent School District No. 535, Rochester;

13.2 (11) \$266,000 for Independent School District No. 659, Northfield; and

13.3 (12) \$170,000 for Independent School District No. 695, Chisholm.

13.4 (c) Up to \$330,000 is available for the department to administer the pilot program and
13.5 to support attendance data analysis and use.

13.6 (d) Aid payments to school districts must be paid 100 percent in fiscal year 2025. Districts
13.7 may use the aid in the 2024-2025, 2025-2026, and 2026-2027 school years. If a school
13.8 district withdraws from the student attendance pilot program prior to the completion of the
13.9 pilot project, the commissioner must proportionately reduce the district's aid amount and
13.10 reduce the school district's other aid amounts by that same amount.

13.11 (e) This is a onetime appropriation and is available until June 30, ~~2026~~ 2027.

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

13.13 Sec. 10. **SCHOOL DISTRICT FUND TRANSFERS.**

13.14 **Subdivision 1. Ivanhoe Public Schools.** Notwithstanding Minnesota Statutes, section
13.15 123B.79, 123B.80, or 142D.11, subdivision 9, on June 30, 2026, Independent School District
13.16 No. 403, Ivanhoe, may permanently transfer up to \$68,000 from its early childhood family
13.17 education reserve balance in the community service fund to its undesignated balance in the
13.18 general fund, provided that the school board approves the transfer.

13.19 **Subd. 2. Maple Lake Public Schools.** Notwithstanding Minnesota Statutes, section
13.20 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School District
13.21 No. 881, Maple Lake Public Schools, may permanently transfer up to \$1,800,000 from its
13.22 building construction fund to the reserved account for operating capital in the general fund
13.23 without making a levy reduction, provided that the school board approves the transfer.

13.24 **Subd. 3. Moorhead Area Public Schools.** (a) Notwithstanding Minnesota Statutes,
13.25 section 123B.79, 123B.80, or 124D.20, subdivision 10, on June 30, 2026, Independent
13.26 School District No. 152, Moorhead Area Public Schools, may permanently transfer up to
13.27 \$80,114 from its restricted fund balance in the community service fund to its undesignated
13.28 balance in the general fund, provided that the school board approves the transfer.

13.29 (b) Notwithstanding Minnesota Statutes, section 123B.595, subdivisions 10, 11, and 12;
13.30 123B.79; or 123B.80, on June 30, 2026, Independent School District No. 152, Moorhead
13.31 Area Public Schools, may permanently transfer up to \$150,388 from its long-term facilities

14.1 maintenance reserve account in the general fund to its undesignated balance in the general
 14.2 fund, provided that the school board approves the transfer.

14.3 Subd. 4. **West St. Paul-Mendota Heights-Eagan.** Notwithstanding Minnesota Statutes,
 14.4 section 123B.79, 123B.80, or 475.61, subdivision 4, on June 30, 2026, Independent School
 14.5 District No. 197, West St. Paul-Mendota Heights-Eagan, may permanently transfer up to
 14.6 \$4,500,000 from its building construction fund to the reserve account for operating capital
 14.7 in the general fund without making a levy reduction, provided that the school board approves
 14.8 the transfer.

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

14.10 Sec. 11. **APPROPRIATION.**

14.11 \$34,879,000 in fiscal year 2027 is appropriated from the general fund to the commissioner
 14.12 of education for additional general education aid.

14.13 **ARTICLE 2**

14.14 **EDUCATION EXCELLENCE**

14.15 Section 1. Minnesota Statutes 2024, section 124D.094, subdivision 2, is amended to read:

14.16 Subd. 2. **Digital instruction.** (a) An enrolling district may provide digital instruction,
 14.17 including blended instruction and online instruction, to the district's own enrolled students.
 14.18 Enrolling districts may establish agreements to provide digital instruction, including blended
 14.19 instruction and online instruction, to students enrolled in the cooperating schools.

14.20 (b) When online instruction is provided, an online teacher as defined under subdivision
 14.21 1, paragraph (h), shall perform all duties of teacher of record under Minnesota Rules, part
 14.22 8710.0310. Unless the commissioner grants a waiver, a teacher providing online instruction
 14.23 shall not instruct more than 40 students in any one online learning course or section.

14.24 (c) Students receiving online instruction full time shall be reported as enrolled in an
 14.25 online instructional site under subdivision 1, paragraph (g).

14.26 (d) Curriculum used for digital instruction shall be aligned with Minnesota's current
 14.27 academic standards and benchmarks.

14.28 (e) Digital instruction shall be accessible to students under sections 504 and 508 of the
 14.29 federal Rehabilitation Act and Title II of the federal Americans with Disabilities Act.

14.30 (f) An enrolling district providing digital instruction and a supplemental online course
 14.31 provider shall assist an enrolled student whose family qualifies for the education tax credit

15.1 under section 290.0674 to acquire computer hardware and educational software so they
 15.2 may participate in digital instruction. Funds provided to a family to support digital instruction
 15.3 or supplemental online courses may only be used for qualifying expenses as determined by
 15.4 the provider. Nonconsumable materials purchased with public education funds remain the
 15.5 property of the provider. Records for any funds provided must be available for review by
 15.6 the public or the department.

15.7 (g) An enrolling district providing digital instruction shall establish and document
 15.8 procedures for determining attendance for membership and keep accurate records of daily
 15.9 attendance under section 120A.21.

15.10 (h) A joint powers cooperative or an intermediate district may provide online instruction
 15.11 to students from its member districts as authorized under the joint powers cooperative or
 15.12 intermediate district's board policy. The joint powers cooperative or intermediate district
 15.13 must notify the resident member district when a student applies or indicates their intent to
 15.14 enroll in online instruction provided by the joint powers cooperative or intermediate district.
 15.15 Each student shall be reported as enrolled in the joint powers cooperative or intermediate
 15.16 district providing instruction.

15.17 Sec. 2. Laws 2025, First Special Session chapter 10, article 2, section 24, subdivision 4,
 15.18 is amended to read:

15.19 Subd. 4. **College entrance examination reimbursement.** (a) To reimburse districts for
 15.20 the costs of college entrance examination fees for students who are eligible for free or
 15.21 reduced-price meals who take the ACT or SAT test under Minnesota Statutes, section
 15.22 120B.30, subdivision 16:

15.23 \$ 1,011,000 2026

15.24 \$ 1,011,000 2027

15.25 (b) Up to \$800,000 of funds remaining from this appropriation may be used by the
 15.26 commissioner of education for college entrance exam reimbursement system updates and
 15.27 maintenance, provided that districts have been fully reimbursed for college entrance exam
 15.28 fees. The authority provided to the commissioner under this paragraph is onetime.

15.29 ~~(b)~~ (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027. Any
 15.30 balance remaining in fiscal year 2027 is available in fiscal year 2028.

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

16.1 Sec. 3. **REPEALER.**

16.2 (a) Minnesota Statutes 2024, section 120B.30, subdivision 15, is repealed.

16.3 (b) Minnesota Statutes 2025 Supplement, section 124F.01, is repealed.

16.4 **ARTICLE 3**

16.5 **TEACHERS**

16.6 Section 1. Minnesota Statutes 2024, section 471.6161, is amended by adding a subdivision
16.7 to read:

16.8 Subd. 9. **School districts and charter schools; reports.** (a) For purposes of this
16.9 subdivision, an entity offering or providing group health insurance includes both health
16.10 plan companies and third-party administrators of health plans.

16.11 (b) By July 15, 2026, and July 1 each year thereafter, the Legislative Budget Office must
16.12 send an annual survey regarding health insurance costs to all school districts and charter
16.13 schools in this state.

16.14 (c) The annual survey must be completed by the school district or charter school using
16.15 data from its most recent plan year, be returned to the Legislative Budget Office by September
16.16 1 of each year, and provide the following information about school employees who meet
16.17 the definition of public employee under section 179A.03, subdivision 14:

16.18 (1) the total number of salaried employees;

16.19 (2) the total number of nonsalaried or hourly employees;

16.20 (3) for those participating in the group health insurance offered by the school district or
16.21 charter school, the total number of people, as of May 1, in each of the following categories:

16.22 (i) salaried employees;

16.23 (ii) nonsalaried or hourly employees; and

16.24 (iii) retirees and any other persons who continue to receive coverage through the school
16.25 district's or charter school's health plan after separation from employment;

16.26 (4) the total number of employees not participating in the health plan;

16.27 (5) the total number of insured persons covered by the health plan;

16.28 (6) the total dollar amount the school district or charter school paid in health insurance
16.29 premiums on behalf of all employees, not including employee contributions transmitted to

- 17.1 an entity providing group health insurance coverage or payments made on behalf of former
17.2 employees;
- 17.3 (7) if a school district or charter school funds an individual coverage health reimbursement
17.4 arrangement, the total amount contributed by the school district or charter school;
- 17.5 (8) the total amount employees paid in health insurance premiums;
- 17.6 (9) an accounting of all forms of compensation, either direct or indirect, including but
17.7 not limited to fees, commissions, incentives, or rewards of any kind paid to a broker or
17.8 agent, regardless of whether it was billed as a flat fee, or percentage of premium and whether
17.9 paid directly by the school district or charter school or through the entity offering group
17.10 health insurance;
- 17.11 (10) the name of any entity providing group health insurance the school district or charter
17.12 school has contracted with and the expiration date of the contract;
- 17.13 (11) the date range of the most recent plan year;
- 17.14 (12) for each type of health plan offered to employees of a school district or charter
17.15 school:
- 17.16 (i) the name of the plan and its actuarial value, using the minimum value calculator
17.17 information required in bid proposals under section 471.6161, subdivision 8, paragraph (d),
17.18 clause (2), and described in the Code of Federal Regulations, title 45, section 156.145. The
17.19 plan data must also delineate amounts for single, family, and two-party plans, if offered;
- 17.20 (ii) the monthly contribution by the school district or charter school for each employee
17.21 group per plan, including contributions to individual coverage health reimbursement
17.22 arrangements;
- 17.23 (iii) the amount per month an employee must pay in health insurance premiums for the
17.24 plan; and
- 17.25 (iv) the plan design for each type of plan including:
- 17.26 (A) in-network deductibles;
- 17.27 (B) in-network out-of-pocket limits;
- 17.28 (C) out-of-network limits;
- 17.29 (D) co-payment;
- 17.30 (E) the employee's share of coinsurance; and
- 17.31 (F) the prescription annual out of pocket maximum, if separate from subitem (B);

18.1 (13) the dollar or percentage cost for all prescription levels, commonly generic or tier
 18.2 1, formulary or tier 2, and nonformulary or tier 3;

18.3 (14) the total amount of annual contributions, per employee, paid by the school district
 18.4 or charter school to an individual coverage health reimbursement arrangement or health
 18.5 savings account, excluding amounts contributed solely to a health care retirement account;

18.6 (15) the total amount assessed by the entity providing group health insurance as an
 18.7 administrative fee and the rate of the fee assessed;

18.8 (16) if a school district is self-insured, the total amount that is in a district set aside health
 18.9 insurance reserve account; and

18.10 (17) any additional items as determined by the Legislative Budget Office.

18.11 (d) The Legislative Budget Office must compile information from the surveys described
 18.12 above and provide a report by December 1 of each year to the chairs and ranking minority
 18.13 members of the legislative committees with jurisdiction over education and health insurance.
 18.14 The Legislative Budget Office must post the report, including the executive summary and
 18.15 all underlying data received from school districts and charter schools, on its public website.
 18.16 Data posted on the Legislative Budget Office's website must be in a standardized format.

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

18.18 Sec. 2. Laws 2024, chapter 115, article 10, section 5, subdivision 2, is amended to read:

18.19 Subd. 2. **Information technology costs.** (a) For information technology costs of the
 18.20 Professional Educator Licensing and Standards Board:

18.21 \$ 2,767,000 2025

18.22 (b) This is a onetime appropriation and is available until June 30, ~~2027~~ 2029.

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

18.24 Sec. 3. Laws 2025, First Special Session chapter 10, article 3, section 15, subdivision 6,
 18.25 is amended to read:

18.26 Subd. 6. **Educator tuition assistance program.** (a) For the educator tuition assistance
 18.27 program under Minnesota Statutes, section 122A.635:

18.28 \$ 4,440,000 2026

18.29 \$ 4,440,000 2027

19.1 (b) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to \$100,000
19.2 of the appropriation in each year is available for grant administration.

19.3 (c) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

19.4 (d) These appropriations are available until June 30, 2031.

19.5 (e) Grant awards must be made by fiscal year 2027.

19.6 Sec. 4. **FUNDING TRANSFER FROM GROW YOUR OWN TO SPECIAL**
19.7 **EDUCATION PATHWAY GRANT.**

19.8 In fiscal year 2027 only, up to \$20,000,000 may be transferred from the Grow Your
19.9 Own new teacher program account under Minnesota Statutes, section 122A.73, in the special
19.10 revenue fund to the special education teacher pathway program account under Minnesota
19.11 Statutes, section 122A.77, in the special revenue fund.

19.12 Sec. 5. **ONETIME FUND TRANSFER; PROFESSIONAL EDUCATOR LICENSING**
19.13 **AND STANDARDS BOARD.**

19.14 (a) Notwithstanding any law to the contrary, on June 30, 2026, the Professional Educator
19.15 Licensing and Standards Board may permanently transfer any unexpended amount remaining
19.16 in the background studies account in the special revenue fund, estimated to be \$150,000,
19.17 to the board's operating appropriation in the general fund. This is a onetime transfer.

19.18 (b) The amount transferred under paragraph (a) is appropriated in fiscal year 2026 to
19.19 the Professional Educator Licensing and Standards Board for the board's online educator
19.20 licensing system.

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

19.22 Sec. 6. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

19.23 \$18,000 in fiscal year 2026 and \$74,000 in fiscal year 2027 are appropriated from the
19.24 general fund to the Legislative Coordinating Commission for the Legislative Budget Office
19.25 to complete the annual report required by Minnesota Statutes, section 471.6161, subdivision
19.26 9. The base for this appropriation is \$36,000 in fiscal year 2028 and later.

19.27 Sec. 7. **APPROPRIATION; DEPARTMENT OF EDUCATION.**

19.28 Subdivision 1. Department of Education. The sum indicated in this section is
19.29 appropriated from the general fund to the Department of Education for the fiscal year
19.30 designated.

21.1 (5) require and certify the training of a school-based team in each school to receive
21.2 notice of any report submitted through the anonymous threat reporting system concerning
21.3 the school, school personnel, or an enrolled student;

21.4 (6) promote public awareness and education about the anonymous threat reporting system
21.5 and reporting methods before launching the system;

21.6 (7) implement an evidence-based student violence prevention training that teaches
21.7 students how to identify observable warning signs and signals of an individual who may be
21.8 at risk of self-harm, the importance of taking threats seriously and seeking help, and how
21.9 to use the anonymous threat reporting system to report a person who is at risk of self-harm;
21.10 and

21.11 (8) comply with data practices under chapter 13 and the Family Educational Rights and
21.12 Privacy Act of 1974, United States Code, title 20, section 1232g.

21.13 (b) A school that implements its own system may enter into a contract to develop and
21.14 implement an anonymous threat reporting system that meets the requirements of this
21.15 subdivision.

21.16 (c) In addition to the system requirements under paragraph (a), a third party providing
21.17 a local anonymous threat reporting system to a school must establish:

21.18 (1) a website to educate students on the availability of the anonymous threat reporting
21.19 system and provide guidance on how and when to use the system; and

21.20 (2) a toll-free hotline that can be used to provide anonymous tips regarding dangerous,
21.21 violent, threatening, harmful, or potentially harmful activity that occurs or is threatened on
21.22 school property or relates to an enrolled student or school personnel.

21.23 (d) A district or charter school that establishes a local anonymous threat reporting system
21.24 must form a school-based team at each school site comprised of at least three school
21.25 employees.

21.26 (e) A nonpublic school may implement a local anonymous threat reporting system but
21.27 is not subject to the requirements of this subdivision.

21.28 (f) A district or charter school must report the following information to the Department
21.29 of Education, in the form and manner determined by the commissioner:

21.30 (1) whether the district or charter school has implemented a local anonymous threat
21.31 reporting system, and if so:

21.32 (i) the third party that provided the system;

- 22.1 (ii) contact information for each school-based team; and
- 22.2 (iii) the number of reports received through the local anonymous threat reporting system,
- 22.3 how the reports were received, and the number of false reports received; and
- 22.4 (2) whether the district or charter school has notified students, families, employees, and
- 22.5 community members with information about the statewide anonymous threat reporting
- 22.6 system under subdivision 3.
- 22.7 (g) A school district or charter school that issues an identification card to students must
- 22.8 provide the contact information for the anonymous threat reporting system on the student
- 22.9 identification cards.
- 22.10 Subd. 3. **Statewide anonymous threat reporting system; school requirements.** (a) A
- 22.11 district or charter school that does not implement its own local anonymous threat reporting
- 22.12 system under subdivision 2 is encouraged to provide to students, families, employees, and
- 22.13 community members information about the Department of Public Safety's statewide
- 22.14 anonymous threat reporting system and how to use the system by:
- 22.15 (1) posting on the district's or charter school's website information about the Department
- 22.16 of Public Safety's statewide anonymous threat reporting system;
- 22.17 (2) including information in the student handbook about the Department of Public Safety's
- 22.18 statewide anonymous threat reporting system; and
- 22.19 (3) notifying parents annually of the availability of the Department of Public Safety's
- 22.20 statewide anonymous threat reporting system.
- 22.21 (b) A school district or charter school that does not implement its own local anonymous
- 22.22 threat reporting system and issues an identification card to its students must provide the
- 22.23 contact information for the statewide anonymous threat reporting system on the student
- 22.24 identification cards.
- 22.25 Subd. 4. **Department of Education.** (a) By September 1, 2027, the Department of
- 22.26 Education must, in collaboration with the Department of Public Safety, provide a list of
- 22.27 third parties that provide anonymous threat reporting systems that meet the requirements
- 22.28 under this section to all schools where a Minnesota resident may fulfill the compulsory
- 22.29 instruction requirements under section 120A.22. The list must include third parties that offer
- 22.30 free or low-cost anonymous threat reporting systems.
- 22.31 (b) By January 15, 2029, and each year thereafter, the commissioner of education must
- 22.32 submit a report to the chairs and the ranking minority members of the legislative committees

23.1 with jurisdiction over kindergarten through grade 12 education and public safety that includes
 23.2 the following information:

23.3 (1) the total number of schools using a local anonymous threat reporting system or the
 23.4 Department of Public Safety's anonymous threat reporting system;

23.5 (2) the total number of reports received through a local anonymous threat reporting
 23.6 system for the preceding school year; and

23.7 (3) for all reports received through a local anonymous threat reporting system since July
 23.8 1, 2026, the following information disaggregated by school site:

23.9 (i) the type of reports received;

23.10 (ii) the method by which the report was received; and

23.11 (iii) the number of false reports received.

23.12 Subd. 5. **Funding sources.** (a) A district or charter school may accept funding for an
 23.13 anonymous threat reporting system from public and private sources, including state or
 23.14 federal funding, that is available to increase school safety. Acceptance of funding from a
 23.15 public or private source does not abrogate or modify the anonymous threat reporting system
 23.16 requirements established under this section.

23.17 (b) The Department of Education must use existing resources to meet the requirements
 23.18 under this section.

23.19 Sec. 2. Minnesota Statutes 2024, section 122A.20, subdivision 1, is amended to read:

23.20 Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Professional
 23.21 Educator Licensing and Standards Board or Board of School Administrators, whichever
 23.22 has jurisdiction over a teacher's licensure, may, on the written complaint of the school board
 23.23 employing a teacher, a teacher organization, or any other interested person, refuse to issue,
 23.24 refuse to renew, suspend, or revoke a teacher's license to teach for any of the following
 23.25 causes:

23.26 (1) immoral character or conduct;

23.27 (2) failure, without justifiable cause, to teach for the term of the teacher's contract;

23.28 (3) gross inefficiency or willful neglect of duty;

23.29 (4) failure to meet licensure requirements; or

23.30 (5) fraud or misrepresentation in obtaining a license.

24.1 The written complaint must specify the nature and character of the charges.

24.2 (b) The Professional Educator Licensing and Standards Board or Board of School
24.3 Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue,
24.4 refuse to renew, or automatically revoke a teacher's license to teach without the right to a
24.5 hearing upon receiving a certified copy of a conviction showing that the teacher has been
24.6 convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree
24.7 under section 609.322, subdivision 1, sex trafficking in the second degree under section
24.8 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in
24.9 prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342,
24.10 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation
24.11 of children to engage in sexual conduct or communication of sexually explicit materials to
24.12 children, or grooming under section 609.352, interference with privacy under section 609.746
24.13 or harassment or stalking under section 609.749 and the victim was a minor, using minors
24.14 in a sexual performance under section 617.246, possessing pornographic works involving
24.15 a minor under section 617.247, or any other offense not listed in this paragraph that requires
24.16 the person to register as a predatory offender under section 243.166, or a crime under a
24.17 similar law of another state or the United States. The board shall send notice of this licensing
24.18 action to the district in which the teacher is currently employed.

24.19 (c) A person whose license to teach has been revoked, not issued, or not renewed under
24.20 paragraph (b), may petition the board to reconsider the licensing action if the person's
24.21 conviction for child abuse or sexual abuse is reversed by a final decision of the court of
24.22 appeals or the supreme court or if the person has received a pardon for the offense. The
24.23 petitioner shall attach a certified copy of the appellate court's final decision or the pardon
24.24 to the petition. Upon receiving the petition and its attachment, the board shall schedule and
24.25 hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the
24.26 petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal
24.27 of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified
24.28 from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing
24.29 action. If the board finds that the petitioner is not disqualified from teaching under paragraph
24.30 (a), clause (1), it shall reverse its previous licensing action.

24.31 (d) For purposes of this subdivision, the Professional Educator Licensing and Standards
24.32 Board is delegated the authority to suspend or revoke coaching licenses.

25.1 Sec. 3. Minnesota Statutes 2024, section 122A.20, subdivision 2, is amended to read:

25.2 Subd. 2. **Mandatory reporting.** (a) A school board, superintendent, charter school
25.3 board, charter school executive director, or charter school authorizer must report to the
25.4 Professional Educator Licensing and Standards Board, the Board of School Administrators,
25.5 or the Board of Trustees of the Minnesota State Colleges and Universities, whichever has
25.6 jurisdiction over the teacher's or administrator's license, when its teacher or administrator
25.7 is discharged or resigns from employment after a charge is filed with the school board under
25.8 section 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or after
25.9 charges are filed that are grounds for discharge under section 122A.40, subdivision 13,
25.10 paragraph (a), clauses (1) to (5), or when a teacher or administrator is suspended or resigns
25.11 while an investigation is pending under section 122A.40, subdivision 13, paragraph (a),
25.12 clauses (1) to (5), or chapter 260E; or 122A.41, subdivisions 6, clauses (1), (2), and (3),
25.13 and 7; or when a teacher or administrator is suspended without an investigation under section
25.14 122A.41, subdivisions 6, paragraph (a), clauses (1), (2), and (3), and 7, or chapter 260E.
25.15 The report must be made to the appropriate licensing board within ten days after the
25.16 discharge, suspension, or resignation has occurred. The licensing board to which the report
25.17 is made must investigate the report for violation of subdivision 1 and the reporting board,
25.18 administrator, or authorizer must cooperate in the investigation. Notwithstanding any
25.19 provision in chapter 13 or any law to the contrary, upon written request from the licensing
25.20 board having jurisdiction over the license, a board, charter school, authorizer, charter school
25.21 executive director, or school superintendent shall provide the licensing board with information
25.22 about the teacher or administrator from the district's files, any termination or disciplinary
25.23 proceeding, any settlement or compromise, or any investigative file. Upon written request
25.24 from the appropriate licensing board, a board or school superintendent may, at the discretion
25.25 of the board or school superintendent, solicit the written consent of a student and the student's
25.26 parent to provide the licensing board with information that may aid the licensing board in
25.27 its investigation and license proceedings. The licensing board's request need not identify a
25.28 student or parent by name. The consent of the student and the student's parent must meet
25.29 the requirements of chapter 13 and Code of Federal Regulations, title 34, section 99.30.
25.30 The licensing board may provide a consent form to the district. Any data transmitted to any
25.31 board under this section is private data under section 13.02, subdivision 12, notwithstanding
25.32 any other classification of the data when it was in the possession of any other agency.

25.33 (b) The licensing board to which a report is made must transmit to the Attorney General's
25.34 Office any record or data it receives under this subdivision for the sole purpose of having
25.35 the Attorney General's Office assist that board in its investigation. When the Attorney

26.1 General's Office has informed an employee of the appropriate licensing board in writing
 26.2 that grounds exist to suspend or revoke a teacher's license to teach, that licensing board
 26.3 must consider suspending or revoking or decline to suspend or revoke the teacher's or
 26.4 administrator's license within 45 days of receiving a stipulation executed by the teacher or
 26.5 administrator under investigation or a recommendation from an administrative law judge
 26.6 that disciplinary action be taken.

26.7 (c) The Professional Educator Licensing and Standards Board and Board of School
 26.8 Administrators must report to the appropriate law enforcement authorities a revocation,
 26.9 suspension, or agreement involving a loss of license, relating to a teacher or administrator's
 26.10 inappropriate sexual conduct with a minor. For purposes of this section, "law enforcement
 26.11 authority" means a police department, county sheriff, or Tribal police department. A report
 26.12 by the Professional Educator Licensing and Standards Board to appropriate law enforcement
 26.13 authorities does not diminish, modify, or otherwise affect the responsibilities of a school
 26.14 board or any person mandated to report abuse under chapter 260E.

26.15 (d) A police department or county sheriff must notify the appropriate licensing board
 26.16 when a teacher is criminally charged with an offense listed in subdivision 1, paragraph (b),
 26.17 or is charged with any other offense not listed in this section that requires the person to
 26.18 register as a predatory offender under section 243.166.

26.19 Sec. 4. Minnesota Statutes 2025 Supplement, section 260E.065, is amended by adding a
 26.20 subdivision to read:

26.21 Subd. 4. **Commissioner of children, youth, and families; education-related mandated**
 26.22 **reporter training module on grooming.** (a) By August 1, 2027, the commissioner of
 26.23 children, youth, and families must update the existing mandated reporter training that is
 26.24 specifically applicable to professionals or professionals' delegates engaged in education, to
 26.25 include but not be limited to:

26.26 (1) the requirement to report allegations of maltreatment involving students ages 18
 26.27 through 21, including students receiving special education services, up to and including
 26.28 graduation and the issuance of a secondary or high school diploma; and

26.29 (2) addressing grooming and threatened sexual abuse, including the duty to report
 26.30 grooming as maltreatment under section 260E.06, and how to identify the signs of grooming.

26.31 (b) The commissioner must consult with the Department of Education while updating
 26.32 the training.

27.1 Sec. 5. Minnesota Statutes 2024, section 260E.15, is amended to read:

27.2 **260E.15 SCREENING GUIDELINES.**

27.3 (a) Child protection staff, supervisors, and others involved in child protection screening
27.4 shall follow the guidance provided in the maltreatment screening guidelines issued by the
27.5 commissioner and, when notified by the commissioner, shall immediately implement updated
27.6 procedures and protocols.

27.7 (b) Any modification to the screening guidelines must be preapproved by the
27.8 commissioner and must not be less protective of children than is mandated by statute. The
27.9 county agency must consult with the county attorney before proposing modifications to the
27.10 commissioner. The guidelines may provide additional protection for children but must not
27.11 limit reports that are screened in or provide additional limits on consideration of reports
27.12 that were screened out in making a screening determination.

27.13 (c) The screening guidelines issued by the commissioner must not limit an agency's
27.14 ability to screen in and investigate a report of alleged maltreatment that occurred more than
27.15 three years prior to the date of the report.

27.16 Sec. 6. Minnesota Statutes 2025 Supplement, section 260E.20, subdivision 1, is amended
27.17 to read:

27.18 Subdivision 1. **General duties.** (a) The local welfare agency shall offer services to
27.19 prevent future maltreatment, safeguarding and enhancing the welfare of the maltreated child,
27.20 and supporting and preserving family life whenever possible.

27.21 (b) If the report alleges a violation of a criminal statute involving maltreatment or child
27.22 endangerment under section 609.378, the local law enforcement agency and local welfare
27.23 agency shall coordinate the planning and execution of their respective investigation and
27.24 assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews.
27.25 Each agency shall prepare a separate report of the results of the agency's investigation or
27.26 assessment.

27.27 (c) In cases of alleged child maltreatment resulting in death, the local agency may rely
27.28 on the fact-finding efforts of a law enforcement investigation to make a determination of
27.29 whether or not maltreatment occurred.

27.30 (d) When necessary, the local welfare agency shall seek authority to remove the child
27.31 from the custody of a parent, guardian, or adult with whom the child is living.

28.1 (e) In performing any of these duties, the local welfare agency shall maintain an
28.2 appropriate record.

28.3 (f) In conducting a family assessment, noncaregiver human trafficking assessment, or
28.4 investigation, the local welfare agency shall gather information on the existence of substance
28.5 abuse and domestic violence.

28.6 (g) If the family assessment, noncaregiver human trafficking assessment, or investigation
28.7 indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or
28.8 person responsible for the child's care, the local welfare agency must coordinate a
28.9 comprehensive assessment pursuant to section 245G.05.

28.10 (h) The agency may use either a family assessment or investigation to determine whether
28.11 the child is safe when responding to a report resulting from birth match data under section
28.12 260E.03, subdivision 23, paragraph (c). If the child subject of birth match data is determined
28.13 to be safe, the agency shall consult with the county attorney to determine the appropriateness
28.14 of filing a petition alleging the child is in need of protection or services under section
28.15 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is
28.16 determined not to be safe, the agency and the county attorney shall take appropriate action
28.17 as required under section 260C.503, subdivision 2.

28.18 (i) When conducting any family assessment, noncaregiver human trafficking assessment,
28.19 or investigation, the agency shall ask the child, if age appropriate; parents; extended family;
28.20 and reporter about the child's heritage, including the child's Tribal lineage pursuant to section
28.21 260.761 and the child's race, culture, and ethnicity pursuant to section 260.63, subdivision
28.22 10.

28.23 (j) Nothing in this chapter shall prevent a local welfare agency or local law enforcement
28.24 agency from investigating alleged maltreatment that occurred more than three years prior
28.25 to the date of the maltreatment report.

28.26 Sec. 7. Minnesota Statutes 2024, section 260E.28, subdivision 1, is amended to read:

28.27 Subdivision 1. **Immediate investigation for alleged maltreatment in a facility.** (a)
28.28 The commissioner of human services; children, youth, and families; health; or education,
28.29 whichever is responsible for investigating the report, shall immediately investigate if the
28.30 report alleges that:

28.31 (1) a child who is in the care of a facility as defined in section 260E.03 is the victim of
28.32 maltreatment in a facility by an individual in that facility or has been the victim of

29.1 maltreatment in a facility by an individual in that facility within the three years preceding
29.2 the report; or

29.3 (2) a child is the victim of maltreatment in a facility by an individual in a facility defined
29.4 in section 260E.03, subdivision 6, while in the care of that facility within the three years
29.5 preceding the report.

29.6 (b) The commissioner of the agency responsible for investigating the report shall arrange
29.7 for the transmittal to the commissioner of reports received by local agencies and may delegate
29.8 to a local welfare agency the duty to investigate reports. The commissioner of the agency
29.9 responsible for investigating the report or local welfare agency may interview any children
29.10 who are or have been in the care of a facility under investigation and the children's parents,
29.11 guardians, or legal custodians.

29.12 (c) In conducting an investigation under this section, the commissioner has the powers
29.13 and duties specified for a local welfare agency under this chapter.

29.14 (d) Nothing in this chapter shall prevent the agency responsible for screening and
29.15 investigating allegations of maltreatment from investigating alleged maltreatment that
29.16 occurred more than three years prior to the date of the maltreatment report.

29.17 Sec. 8. Minnesota Statutes 2024, section 609.352, subdivision 1, is amended to read:

29.18 Subdivision 1. **Definitions.** As used in this section:

29.19 (a) "child" means a person 15 years of age or younger;

29.20 (b) "pattern" means two or more instances of conduct;

29.21 ~~(b)~~ (c) "sexual conduct" means sexual contact of the individual's primary genital area,
29.22 sexual penetration as defined in section 609.341, or sexual performance as defined in section
29.23 617.246; and

29.24 ~~(c)~~ (d) "solicit" means commanding, entreating, or attempting to persuade a specific
29.25 person in person, by telephone, by letter, or by computerized or other electronic means.

29.26 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
29.27 committed on or after that date.

29.28 Sec. 9. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision to
29.29 read:

29.30 Subd. 2c. **Grooming.** (a) A person 18 years of age or older commits the felony offense
29.31 of grooming, and may be sentenced as provided in subdivision 4, if the person:

30.1 (1) expresses the desire or intent to engage in sexual conduct with a child; and

30.2 (2) engages in a deliberate pattern of conduct to methodically develop a false trusting
 30.3 relationship with the child that is intended to strategically manipulate the child to engage
 30.4 in sexual conduct with the person at a future time, regardless of whether any sexual conduct
 30.5 occurs.

30.6 (b) For purposes of this subdivision, a deliberate pattern of conduct may include but is
 30.7 not limited to:

30.8 (1) communications or conversations sharing desires about sexual intimacy or sexual
 30.9 contact between the person and the child;

30.10 (2) normalizing sexualized physical conduct or attempts to initiate such conduct;

30.11 (3) watching the child undress or appearing undressed in front of the child; or

30.12 (4) use of threats or control in an attempt to ensure secrecy or compliance from the child.

30.13 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
 30.14 committed on or after that date.

30.15 Sec. 10. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision
 30.16 to read:

30.17 Subd. 2d. **Violations by persons in positions of authority.** A person who commits any
 30.18 of the acts described in subdivisions 2 through 2c is guilty of a felony if:

30.19 (1) the person is in a current or recent position of authority, as defined in section 609.341,
 30.20 subdivision 10, over the victim;

30.21 (2) the person is more than 36 months older than the victim; and

30.22 (3) the victim is under the age of 18 years.

30.23 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
 30.24 committed on or after that date.

30.25 Sec. 11. Minnesota Statutes 2024, section 609.352, is amended by adding a subdivision
 30.26 to read:

30.27 Subd. 2e. **School violations.** A person who commits any of the acts described in
 30.28 subdivisions 2 through 2c is guilty of a felony if:

30.29 (1) the person is a licensed educator employed or contracted to provide service for an
 30.30 elementary, middle, or secondary school; and

31.1 (2) the victim, regardless of age, is enrolled as a student at the school.

31.2 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
 31.3 committed on or after that date.

31.4 Sec. 12. Minnesota Statutes 2024, section 609.352, subdivision 4, is amended to read:

31.5 Subd. 4. **Penalty.** A person convicted under subdivision 2 ~~or~~, 2a, 2c, 2d, or 2e is guilty
 31.6 of a felony and may be sentenced to imprisonment for not more than five years, or to payment
 31.7 of a fine of not more than \$10,000, or both.

31.8 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
 31.9 committed on or after that date.

31.10 Sec. 13. Laws 2023, chapter 55, article 8, section 19, subdivision 5, as amended by Laws
 31.11 2024, chapter 115, article 8, section 4, is amended to read:

31.12 Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school
 31.13 districts for remodeling, constructing, or repurposing space for gender-neutral single-user
 31.14 restrooms:

31.15 \$ 1,000,000 2024

31.16 \$ 1,000,000 2025

31.17 (b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24,
 31.18 subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision
 31.19 in the form and manner specified by the commissioner. The commissioner must award at
 31.20 least one grant under this subdivision to Independent School District No. 709, Duluth, for
 31.21 a demonstration grant for a project awaiting construction.

31.22 (c) The commissioner must ensure that grants are awarded to schools to reflect the
 31.23 geographic diversity of the state.

31.24 (d) Up to \$75,000 each year is available for grant administration and monitoring.

31.25 (e) By February 1 of each year, the commissioner must annually report to the committees
 31.26 of the legislature with jurisdiction over education on the number of grants that were awarded
 31.27 each year and the number of grant applications that were unfunded during that year.

31.28 (f) Any balance in the first year does not cancel but is available in the second year.

31.29 (g) These appropriations are available until June 30, 2029.

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

32.1 Sec. 14. Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 5,
32.2 is amended to read:

32.3 Subd. 5. **Grants for gender-neutral single-user restrooms.** (a) For grants to school
32.4 districts for remodeling, constructing, or repurposing space for gender-neutral single-user
32.5 restrooms:

32.6 \$ 1,000,000 2026

32.7 \$ 1,000,000 2027

32.8 (b) A school district or a cooperative unit under Minnesota Statutes, section 123A.24,
32.9 subdivision 2, may apply for a grant of not more than \$75,000 per site under this subdivision
32.10 in the form and manner specified by the commissioner.

32.11 (c) The commissioner must ensure that grants are awarded to schools to reflect the
32.12 geographic diversity of the state.

32.13 (d) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, up to \$75,000
32.14 of the appropriation in each year is available for grant administration.

32.15 (e) By February 1 of each even-numbered year, the commissioner must ~~annually~~ report
32.16 to the legislative committees with jurisdiction over kindergarten through grade 12 education
32.17 on the number of grants that were awarded each year and the number of grant applications
32.18 that were unfunded each year.

32.19 (f) Any balance remaining in fiscal year 2026 is available in fiscal year 2027.

32.20 (g) These appropriations are available until June 30, 2031.

32.21 Sec. 15. **APPROPRIATION; SCHOOL SAFETY AID AND GRANT PROGRAM.**

32.22 Subdivision 1. **School safety aid.** For fiscal year 2027 only, the school safety aid for a
32.23 school district, charter school, intermediate district or other cooperative unit, or American
32.24 Indian Tribal contract school eligible for aid under Minnesota Statutes, section 124D.83,
32.25 equals \$44 times the number of pupils enrolled in the school on October 1, 2025.

32.26 Subd. 2. **Nonpublic schools; grants.** (a) A nonpublic school may apply for a school
32.27 safety grant in the form and manner determined by the commissioner of education. For
32.28 purposes of this section, "nonpublic school" has the meaning given in Minnesota Statutes,
32.29 section 123B.41, subdivision 9, excluding a home school.

32.30 (b) The commissioner must prioritize grant awards to nonpublic schools with lower
32.31 fiscal capacity, according to criteria developed by the commissioner.

33.1 (c) The commissioner must make grant awards no later than June 30, 2027.

33.2 Subd. 3. **Eligible uses.** Aid or grant funds awarded under this section may be used for
 33.3 any purpose authorized for the use of safe schools revenue under Minnesota Statutes, section
 33.4 126C.44, subdivision 4.

33.5 Subd. 4. **Administration.** (a) One hundred percent of the school safety aid must be paid
 33.6 in fiscal year 2027 on a schedule determined by the commissioner.

33.7 (b) For a charter school in the first year of operation, the commissioner of education
 33.8 must calculate aid under subdivision 1 using the school's enrollment for the current fiscal
 33.9 year.

33.10 Subd. 5. **Report.** (a) By January 15, 2028, the commissioner must make a preliminary
 33.11 report to the legislative committees with jurisdiction over kindergarten through grade 12
 33.12 education on the grants awarded to nonpublic schools under this section. The report must
 33.13 detail the recipient, amount, and intended use of each grant.

33.14 (b) By January 15, 2030, the commissioner must make a final report to the legislative
 33.15 committees with jurisdiction over kindergarten through grade 12 education on the grants
 33.16 awarded to nonpublic schools under this section. The report must detail the recipient, amount,
 33.17 and reported use of each grant.

33.18 (c) The reports must be filed according to Minnesota Statutes, section 3.195.

33.19 Subd. 6. **Appropriation.** (a) \$38,312,000 in fiscal year 2027 is appropriated from the
 33.20 general fund to the commissioner of education for school safety aid under subdivision 1.
 33.21 This is a onetime appropriation.

33.22 (b) \$1,688,000 in fiscal year 2027 is appropriated from the general fund to the
 33.23 commissioner of education for school safety grants to nonpublic schools under subdivision
 33.24 2. This is a onetime appropriation and is available until June 30, 2029. Notwithstanding
 33.25 Minnesota Statutes, section 16B.98, subdivision 14, up to five percent of the appropriation
 33.26 is available for grant administration.

33.27 **ARTICLE 5**

33.28 **FORECAST ADJUSTMENTS**

33.29 **Section 1.** Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision
 33.30 2, is amended to read:

33.31 **Subd. 2. **General education aid.**** (a) For general education aid under Minnesota Statutes,
 33.32 section 126C.13, subdivision 4:

34.1 ~~8,509,608,000~~
 34.2 \$ 8,550,641,000 2026
 34.3 ~~8,765,730,000~~
 34.4 \$ 8,774,520,000 2027

34.5 (b) The 2026 appropriation includes \$783,251,000 for 2025 and ~~\$7,726,357,000~~
 34.6 \$7,767,390,000 for 2026.

34.7 (c) The 2027 appropriation includes ~~\$807,134,000~~ \$802,177,000 for 2026 and
 34.8 ~~\$7,958,596,000~~ \$7,972,343,000 for 2027.

34.9 Sec. 2. Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 3,
 34.10 is amended to read:

34.11 Subd. 3. **Abatement aid.** (a) For abatement aid under Minnesota Statutes, section
 34.12 127A.49:

34.13 ~~1,929,000~~
 34.14 \$ 1,262,000 2026
 34.15 ~~2,340,000~~
 34.16 \$ 1,231,000 2027

34.17 (b) The 2026 appropriation includes \$140,000 for 2025 and ~~\$1,789,000~~ \$1,122,000 for
 34.18 2026.

34.19 (c) The 2027 appropriation includes ~~\$198,000~~ \$124,000 for 2026 and ~~\$2,142,000~~
 34.20 \$1,107,000 for 2027.

34.21 Sec. 3. Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 5,
 34.22 is amended to read:

34.23 Subd. 5. **Career and technical aid.** (a) For career and technical aid under Minnesota
 34.24 Statutes, section 124D.4531, subdivision 1b:

34.25 ~~451,000~~
 34.26 \$ 505,000 2026
 34.27 ~~350,000~~
 34.28 \$ 432,000 2027

34.29 (b) The 2026 appropriation includes \$85,000 for 2025 and ~~\$366,000~~ \$420,000 for 2026.

34.30 (c) The 2027 appropriation includes ~~\$40,000~~ \$46,000 for 2026 and ~~\$310,000~~ \$386,000
 34.31 for 2027.

35.1 Sec. 4. Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 8,
35.2 is amended to read:

35.3 Subd. 8. **Consolidation transition aid.** (a) For consolidation transition aid under
35.4 Minnesota Statutes, section 123A.485:

35.5		572,000		
35.6	\$	<u>-0-</u>	.....	2026
35.7		350,000		
35.8	\$	<u>693,000</u>	.....	2027

35.9 (b) The 2026 appropriation includes \$0 for 2025 and ~~\$572,000~~ \$0 for 2026.

35.10 (c) The 2027 appropriation includes ~~\$64,000~~ \$0 for 2026 and ~~\$286,000~~ \$693,000 for
35.11 2027.

35.12 Sec. 5. Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 10,
35.13 is amended to read:

35.14 Subd. 10. **Enrollment options transportation.** For transportation of pupils attending
35.15 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
35.16 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

35.17		25,000		
35.18	\$	<u>23,000</u>	.....	2026
35.19		27,000		
35.20	\$	<u>24,000</u>	.....	2027

35.21 Sec. 6. Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 11,
35.22 is amended to read:

35.23 Subd. 11. **Nonpublic pupil education aid.** (a) For nonpublic pupil education aid under
35.24 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

35.25		25,349,000		
35.26	\$	<u>24,188,000</u>	.....	2026
35.27		27,160,000		
35.28	\$	<u>24,879,000</u>	.....	2027

35.29 (b) The 2026 appropriation includes \$2,355,000 for 2025 and ~~\$22,994,000~~ \$21,833,000
35.30 for 2026.

35.31 (c) The 2027 appropriation includes ~~\$2,554,000~~ \$2,425,000 for 2026 and ~~\$24,606,000~~
35.32 \$22,454,000 for 2027.

36.1 Sec. 7. Laws 2025, First Special Session chapter 10, article 1, section 28, subdivision 12,
36.2 is amended to read:

36.3 Subd. 12. **Nonpublic pupil transportation aid.** (a) For nonpublic pupil transportation
36.4 aid under Minnesota Statutes, section 123B.92, subdivision 9:

36.5		28,123,000		
36.6	\$	<u>28,985,000</u>	.....	2026
36.7		29,359,000		
36.8	\$	<u>32,270,000</u>	.....	2027

36.9 (b) The 2026 appropriation includes \$2,609,000 for 2025 and ~~\$25,514,000~~ \$26,376,000
36.10 for 2026.

36.11 (c) The 2027 appropriation includes ~~\$2,834,000~~ \$2,930,000 for 2026 and ~~\$26,525,000~~
36.12 \$29,340,000 for 2027.

36.13 Sec. 8. Laws 2025, First Special Session chapter 10, article 2, section 24, subdivision 2,
36.14 is amended to read:

36.15 Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid
36.16 under Minnesota Statutes, section 124D.862:

36.17		85,619,000		
36.18	\$	<u>85,232,000</u>	.....	2026
36.19		85,222,000		
36.20	\$	<u>87,576,000</u>	.....	2027

36.21 (b) The 2026 appropriation includes \$8,446,000 for 2025 and ~~\$77,173,000~~ \$76,786,000
36.22 for 2026.

36.23 (c) The 2027 appropriation includes ~~\$8,575,000~~ \$8,690,000 for 2026 and ~~\$76,647,000~~
36.24 \$78,886,000 for 2027.

36.25 Sec. 9. Laws 2025, First Special Session chapter 10, article 2, section 24, subdivision 14,
36.26 is amended to read:

36.27 Subd. 14. **Interdistrict desegregation or integration transportation grants.** For
36.28 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
36.29 section 124D.87:

36.30		16,396,000		
36.31	\$	<u>15,918,000</u>	.....	2026
36.32		18,157,000		
36.33	\$	<u>17,628,000</u>	.....	2027

37.1 Sec. 10. Laws 2025, First Special Session chapter 10, article 2, section 24, subdivision
37.2 15, is amended to read:

37.3 Subd. 15. **Literacy aid.** (a) For literacy aid under Minnesota Statutes, section 124D.98:

37.4		40,686,000		
37.5	\$	<u>40,106,000</u>	.....	2026
37.6		40,897,000		
37.7	\$	<u>40,799,000</u>	.....	2027

37.8 (b) The 2026 appropriation includes \$4,057,000 for 2025 and ~~\$36,629,000~~ \$36,049,000
37.9 for 2026.

37.10 (c) The 2027 appropriation includes ~~\$4,069,000~~ \$4,005,000 for 2026 and ~~\$36,828,000~~
37.11 \$36,794,000 for 2027.

37.12 Sec. 11. Laws 2025, First Special Session chapter 10, article 2, section 24, subdivision
37.13 24, is amended to read:

37.14 Subd. 24. **Paraprofessional training.** (a) For compensation associated with paid
37.15 orientation and professional development for paraprofessionals under Minnesota Statutes,
37.16 section 121A.642:

37.17		4,721,000		
37.18	\$	<u>4,141,000</u>	.....	2026
37.19		5,000,000		
37.20	\$	<u>4,935,000</u>	.....	2027

37.21 (b) The 2026 appropriation includes \$221,000 for 2025 and ~~\$4,500,000~~ \$3,920,000 for
37.22 2026.

37.23 (c) The 2027 appropriation includes ~~\$500,000~~ \$435,000 for 2026 and \$4,500,000 for
37.24 2027.

37.25 Sec. 12. Laws 2025, First Special Session chapter 10, article 3, section 15, subdivision 3,
37.26 is amended to read:

37.27 Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation
37.28 aid under Minnesota Statutes, section 122A.415, subdivision 4:

37.29		88,717,000		
37.30	\$	<u>88,756,000</u>	.....	2026
37.31		87,942,000		
37.32	\$	<u>88,744,000</u>	.....	2027

38.1 (b) The 2026 appropriation includes \$8,814,000 for fiscal year 2025 and ~~\$79,903,000~~
 38.2 \$79,942,000 for fiscal year 2026.

38.3 (c) The 2027 appropriation includes ~~\$8,878,000~~ \$8,882,000 for fiscal year 2026 and
 38.4 ~~\$79,064,000~~ \$79,862,000 for fiscal year 2027.

38.5 Sec. 13. Laws 2025, First Special Session chapter 10, article 3, section 15, subdivision
 38.6 13, is amended to read:

38.7 Subd. 13. **Student support personnel aid.** (a) For student support personnel aid under
 38.8 Minnesota Statutes, section 124D.901:

38.9		44,950,000		
38.10	\$	<u>44,869,000</u>	.....	2026
38.11		45,772,000		
38.12	\$	<u>45,806,000</u>	.....	2027

38.13 (b) The 2026 appropriation includes \$3,655,000 for fiscal year 2025 and ~~\$41,295,000~~
 38.14 \$41,214,000 for fiscal year 2026.

38.15 (c) The 2027 appropriation includes ~~\$4,588,000~~ \$4,579,000 for fiscal year 2026 and
 38.16 ~~\$41,184,000~~ \$41,227,000 for fiscal year 2027.

38.17 Sec. 14. Laws 2025, First Special Session chapter 10, article 5, section 19, subdivision 2,
 38.18 is amended to read:

38.19 Subd. 2. **Charter school building lease aid.** (a) For building lease aid under Minnesota
 38.20 Statutes, section 124E.22:

38.21		96,453,000		
38.22	\$	<u>97,089,000</u>	.....	2026
38.23		99,135,000		
38.24	\$	<u>99,721,000</u>	.....	2027

38.25 (b) The 2026 appropriation includes \$9,391,000 for 2025 and ~~\$87,062,000~~ \$87,698,000
 38.26 for 2026.

38.27 (c) The 2027 appropriation includes ~~\$9,673,000~~ \$9,744,000 for 2026 and ~~\$89,462,000~~
 38.28 \$89,977,000 for 2027.

38.29 Sec. 15. Laws 2025, First Special Session chapter 10, article 6, section 6, subdivision 2,
 38.30 is amended to read:

38.31 Subd. 2. **American Indian education aid.** (a) For American Indian education aid under
 38.32 Minnesota Statutes, section 124D.81, subdivision 2a:

39.1 ~~20,646,000~~
 39.2 \$ 20,739,000 2026
 39.3 ~~21,548,000~~
 39.4 \$ 21,593,000 2027

39.5 (b) The 2026 appropriation includes \$1,973,000 for 2025 and ~~\$18,673,000~~ \$18,766,000
 39.6 for 2026.

39.7 (c) The 2027 appropriation includes ~~\$2,074,000~~ \$2,085,000 for 2026 and ~~\$19,474,000~~
 39.8 \$19,508,000 for 2027.

39.9 Sec. 16. Laws 2025, First Special Session chapter 10, article 6, section 6, subdivision 7,
 39.10 is amended to read:

39.11 Subd. 7. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota
 39.12 Statutes, section 124D.83:

39.13 ~~2,313,000~~
 39.14 \$ 1,415,000 2026
 39.15 ~~2,554,000~~
 39.16 \$ 1,895,000 2027

39.17 (b) The 2026 appropriation includes \$221,000 for 2025 and ~~\$2,092,000~~ \$1,194,000 for
 39.18 2026.

39.19 (c) The 2027 appropriation includes ~~\$232,000~~ \$132,000 for 2026 and ~~\$2,322,000~~
 39.20 \$1,763,000 for 2027.

39.21 Sec. 17. Laws 2025, First Special Session chapter 10, article 7, section 11, subdivision 2,
 39.22 is amended to read:

39.23 Subd. 2. **Aid for children with disabilities.** (a) For aid under Minnesota Statutes, section
 39.24 125A.75, subdivision 3, for children with disabilities placed in residential facilities within
 39.25 district boundaries for whom no district of residence can be determined:

39.26 ~~2,240,000~~
 39.27 \$ 1,944,000 2026
 39.28 ~~2,570,000~~
 39.29 \$ 2,310,000 2027

39.30 (b) If the appropriation for either year is insufficient, the appropriation for the other year
 39.31 is available.

40.1 Sec. 18. Laws 2025, First Special Session chapter 10, article 7, section 11, subdivision 4,
40.2 is amended to read:

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

40.6		41,000		
40.7	\$	<u>-0-</u>	.....	2026
40.8	\$	42,000	.....	2027

40.9 Sec. 19. Laws 2025, First Special Session chapter 10, article 7, section 11, subdivision 7,
40.10 is amended to read:

40.11 Subd. 7. **Special education; regular.** (a) For special education aid under Minnesota
40.12 Statutes, section 125A.76:

40.13		2,775,484,000		
40.14	\$	<u>2,845,456,000</u>	.....	2026
40.15		3,017,316,000		
40.16	\$	<u>3,169,149,000</u>	.....	2027

40.17 (b) The 2026 appropriation includes \$322,670,000 for 2025 and ~~\$2,452,814,000~~
40.18 \$2,522,786,000 for 2026.

40.19 (c) The 2027 appropriation includes ~~\$345,285,000~~ \$355,135,000 for 2026 and
40.20 ~~\$2,672,031,000~~ \$2,814,014,000 for 2027.

40.21 Sec. 20. Laws 2025, First Special Session chapter 10, article 7, section 11, subdivision 8,
40.22 is amended to read:

40.23 Subd. 8. **Special education separate sites and programs.** (a) For aid for special
40.24 education separate sites and programs under Minnesota Statutes, section 125A.81, subdivision
40.25 4:

40.26		4,470,000		
40.27	\$	<u>4,542,000</u>	.....	2026
40.28		4,695,000		
40.29	\$	<u>4,778,000</u>	.....	2027

40.30 (b) The 2026 appropriation includes \$427,000 for 2025 and ~~\$4,043,000~~ \$4,115,000 for
40.31 2026.

40.32 (c) The 2027 appropriation includes ~~\$449,000~~ \$457,000 for 2026 and ~~\$4,246,000~~
40.33 \$4,321,000 for 2027.

41.1 Sec. 21. Laws 2025, First Special Session chapter 10, article 7, section 11, subdivision 9,
41.2 is amended to read:

41.3 Subd. 9. **Travel for home-based services.** (a) For aid for teacher travel for home-based
41.4 services under Minnesota Statutes, section 125A.75, subdivision 1:

41.5		488,000		
41.6	\$	<u>439,000</u>	.....	2026
41.7		538,000		
41.8	\$	<u>477,000</u>	.....	2027

41.9 (b) The 2026 appropriation includes \$44,000 for 2025 and ~~\$444,000~~ \$395,000 for 2026.

41.10 (c) The 2027 appropriation includes ~~\$49,000~~ \$43,000 for 2026 and ~~\$489,000~~ \$434,000
41.11 for 2027.

41.12 Sec. 22. Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 3,
41.13 is amended to read:

41.14 Subd. 3. **Debt service equalization aid.** (a) For debt service equalization aid under
41.15 Minnesota Statutes, section 123B.53, subdivision 6:

41.16	\$	16,218,000	.....	2026
41.17		14,327,000		
41.18	\$	<u>16,034,000</u>	.....	2027

41.19 (b) The 2026 appropriation includes \$1,986,000 for 2025 and \$14,232,000 for 2026.

41.20 (c) The 2027 appropriation includes \$1,581,000 for 2026 and ~~\$12,746,000~~ \$14,453,000
41.21 for 2027.

41.22 Sec. 23. Laws 2025, First Special Session chapter 10, article 8, section 18, subdivision 6,
41.23 is amended to read:

41.24 Subd. 6. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities
41.25 maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

41.26		97,104,000		
41.27	\$	<u>97,124,000</u>	.....	2026
41.28		97,910,000		
41.29	\$	<u>97,373,000</u>	.....	2027

41.30 (b) The 2026 appropriation includes \$10,719,000 for 2025 and ~~\$86,385,000~~ \$86,405,000
41.31 for 2026.

41.32 (c) The 2027 appropriation includes ~~\$9,597,000~~ \$9,600,000 for 2026 and ~~\$88,313,000~~
41.33 \$87,773,000 for 2027.

42.1 Sec. 24. Laws 2025, First Special Session chapter 10, article 9, section 11, subdivision 2,
42.2 is amended to read:

42.3 Subd. 2. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
42.4 section 124D.118:

42.5		387,000		
42.6	\$	<u>335,000</u>	.....	2026
42.7		387,000		
42.8	\$	<u>335,000</u>	.....	2027

42.9 Sec. 25. Laws 2025, First Special Session chapter 10, article 9, section 11, subdivision 3,
42.10 is amended to read:

42.11 Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section
42.12 124D.1158:

42.13		57,642,000		
42.14	\$	<u>55,535,000</u>	.....	2026
42.15		60,413,000		
42.16	\$	<u>58,520,000</u>	.....	2027

42.17 Sec. 26. Laws 2025, First Special Session chapter 10, article 9, section 11, subdivision 4,
42.18 is amended to read:

42.19 Subd. 4. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
42.20 including the amounts for the free school meals program:

42.21		264,162,000		
42.22	\$	<u>254,884,000</u>	.....	2026
42.23		276,392,000		
42.24	\$	<u>268,160,000</u>	.....	2027

42.25 Sec. 27. Laws 2025, First Special Session chapter 10, article 9, section 11, subdivision 6,
42.26 is amended to read:

42.27 Subd. 6. **Basic system support.** (a) For basic system support aid under Minnesota
42.28 Statutes, section 134.355:

42.29		17,995,000		
42.30	\$	<u>17,954,000</u>	.....	2026
42.31		18,372,000		
42.32	\$	<u>18,438,000</u>	.....	2027

42.33 (b) The 2026 appropriation includes \$1,752,000 for 2025 and ~~\$16,243,000~~ \$16,202,000
42.34 for 2026.

43.1 (c) The 2027 appropriation includes ~~\$1,804,000~~ \$1,800,000 for 2026 and ~~\$16,568,000~~
 43.2 \$16,638,000 for 2027.

43.3 Sec. 28. Laws 2025, First Special Session chapter 10, article 9, section 11, subdivision
 43.4 10, is amended to read:

43.5 Subd. 10. **School library aid.** (a) For school library aid under Minnesota Statutes, section
 43.6 124D.992:

43.7		14,394,000		
43.8	\$	<u>14,413,000</u>	.....	2026
43.9		13,321,000		
43.10	\$	<u>13,307,000</u>	.....	2027

43.11 (b) The 2026 appropriation includes \$2,376,000 for 2025 and ~~\$12,018,000~~ \$12,037,000
 43.12 for 2026.

43.13 (c) The 2027 appropriation includes ~~\$1,336,000~~ \$1,337,000 for 2026 and ~~\$11,985,000~~
 43.14 \$11,970,000 for 2027.

43.15 Sec. 29. Laws 2025, First Special Session chapter 10, article 10, section 10, subdivision
 43.16 3, is amended to read:

43.17 Subd. 3. **Developmental screening aid.** (a) For transfer to the Department of Education
 43.18 for developmental screening aid under Minnesota Statutes, sections 142D.091 and 142D.093:

43.19		4,127,000		
43.20	\$	<u>4,103,000</u>	.....	2026
43.21		4,083,000		
43.22	\$	<u>4,056,000</u>	.....	2027

43.23 (b) The 2026 appropriation includes \$414,000 for 2025 and ~~\$3,713,000~~ \$3,689,000 for
 43.24 2026.

43.25 (c) The 2027 appropriation includes ~~\$412,000~~ \$410,000 for 2026 and ~~\$3,671,000~~
 43.26 \$3,646,000 for 2027.

43.27 Sec. 30. Laws 2025, First Special Session chapter 10, article 10, section 10, subdivision
 43.28 4, is amended to read:

43.29 Subd. 4. **Early childhood family education aid.** (a) For transfer to the Department of
 43.30 Education for early childhood family education aid under Minnesota Statutes, section
 43.31 142D.11:

44.1 ~~39,365,000~~
 44.2 \$ 39,139,000 2026
 44.3 ~~41,300,000~~
 44.4 \$ 39,710,000 2027

44.5 (b) The 2026 appropriation includes \$3,792,000 for 2025 and ~~\$35,573,000~~ \$35,347,000
 44.6 for 2026.

44.7 (c) The 2027 appropriation includes ~~\$3,952,000~~ \$3,926,000 for 2026 and ~~\$37,348,000~~
 44.8 \$35,784,000 for 2027.

44.9 Sec. 31. Laws 2025, First Special Session chapter 10, article 10, section 10, subdivision
 44.10 6, is amended to read:

44.11 Subd. 6. **Home visiting aid.** (a) For transfer to the Department of Education for home
 44.12 visiting aid under Minnesota Statutes, section 142D.11:

44.13 ~~245,000~~
 44.14 \$ 234,000 2026
 44.15 ~~222,000~~
 44.16 \$ 224,000 2027

44.17 (b) The 2026 appropriation includes \$28,000 for 2025 and ~~\$217,000~~ \$206,000 for 2026.

44.18 (c) The 2027 appropriation includes ~~\$24,000~~ \$23,000 for 2026 and ~~\$198,000~~ \$201,000
 44.19 for 2027.

44.20 Sec. 32. Laws 2025, First Special Session chapter 10, article 11, section 2, subdivision 2,
 44.21 is amended to read:

44.22 Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota
 44.23 Statutes, section 124D.531:

44.24 ~~55,281,000~~
 44.25 \$ 55,380,000 2026
 44.26 ~~56,919,000~~
 44.27 \$ 56,794,000 2027

44.28 (b) The 2026 appropriation includes \$5,401,000 for 2025 and ~~\$49,880,000~~ \$49,979,000
 44.29 for 2026.

44.30 (c) The 2027 appropriation includes ~~\$5,542,000~~ \$5,553,000 for 2026 and ~~\$51,377,000~~
 44.31 \$51,241,000 for 2027.

45.1 Sec. 33. Laws 2025, First Special Session chapter 10, article 11, section 2, subdivision 4,
 45.2 is amended to read:

45.3 Subd. 4. **Community education aid.** (a) For community education aid under Minnesota
 45.4 Statutes, section 124D.20:

45.5		10,080,000		
45.6	\$	<u>9,926,000</u>	.....	2026
45.7		11,815,000		
45.8	\$	<u>11,673,000</u>	.....	2027

45.9 (b) The 2026 appropriation includes \$871,000 for 2025 and ~~\$9,209,000~~ \$9,055,000 for
 45.10 2026.

45.11 (c) The 2027 appropriation includes ~~\$1,023,000~~ \$1,006,000 for 2026 and ~~\$10,792,000~~
 45.12 \$10,667,000 for 2027.

45.13 Sec. 34. **EFFECTIVE DATE.**

45.14 Sections 1 to 33 are effective the day following final enactment.

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Article locations for S3551-1

ARTICLE 1 GENERAL EDUCATION..... Page.Ln 1.25
ARTICLE 2 EDUCATION EXCELLENCE..... Page.Ln 14.13
ARTICLE 3 TEACHERS..... Page.Ln 16.4
ARTICLE 4 SCHOOL FACILITIES AND STUDENT SAFETY..... Page.Ln 20.6
ARTICLE 5 FORECAST ADJUSTMENTS..... Page.Ln 33.27

120B.30 GENERAL REQUIREMENTS; STATEWIDE ASSESSMENTS.

Subd. 15. **Disruptions.** The commissioner shall establish a reporting system for teachers, administrators, and students to report service disruptions and technical interruptions. The information reported through this system shall be maintained in a database accessible through the department's website.

124F.01 INNOVATION RESEARCH ZONES PILOT PROGRAM.

Subdivision 1. **Establishment; requirements for participation; research zone plans.** (a) The innovation research zone pilot program is established to improve student and school outcomes consistent with the comprehensive achievement and civic readiness requirements under section 120B.11. Innovation zone partnerships allow school districts and charter schools to research and implement innovative education programming models designed to better prepare students for the world of the 21st century.

(b) One or more school districts or charter schools may join together to form an innovation zone partnership. The partnership may include other nonschool partners, including postsecondary institutions, other units of local government, nonprofit organizations, and for-profit organizations. An innovation zone plan must be collaboratively developed in concert with the school's instructional staff.

(c) An innovation research zone partnership must research and implement innovative education programs and models that are based on proposed hypotheses. An innovation zone plan may include an emerging practice not yet supported by peer-reviewed research. Examples of innovation zone research may include, but are not limited to:

(1) personalized learning, allowing students to excel at their own pace and according to their interests, aspirations, and unique needs;

(2) the use of competency outcomes rather than seat time and course completion to fulfill standards, credits, and other graduation requirements;

(3) multidisciplinary, real-world, inquiry-based, and student-directed models designed to make learning more engaging and relevant, including documenting and validating learning that takes place beyond the school day and school walls;

(4) models of instruction designed to close the achievement gap, including new models for age three to grade 3 models, English as a second language models, early identification and prevention of mental health issues, and others;

(5) new partnerships between secondary schools and postsecondary institutions, employers, or career training institutions enabling students to complete industry certifications, postsecondary education credits, and other credentials;

(6) new methods of collaborative leadership including the expansion of schools where teachers have larger professional roles;

(7) new ways to enhance parental and community involvement in learning;

(8) new models of professional development for educators, including embedded professional development; or

(9) new models in other areas such as whole child instruction, social-emotional skill development, technology-based or blended learning, parent and community involvement, professional development and mentoring, and models that increase the return on investment.

(d) An innovation zone plan submitted to the commissioner must describe:

(1) how the plan will improve student and school outcomes consistent with the comprehensive achievement and civic readiness requirements under section 120B.11;

(2) the role of each partner in the zone;

(3) the research methodology used for each proposed action in the plan;

(4) the exemptions from statutes and rules in subdivision 2 that the research zone partnership will use;

(5) a description of how teachers and other educational staff from the affected school sites will be included in the planning and implementation process;

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- (6) a detailed description of expected outcomes and graduation standards;
- (7) a timeline for implementing the plan and assessing the outcomes; and
- (8) how results of the plan will be disseminated.

The governing board for each partner must approve the innovation zone plan.

(e) Upon unanimous approval of the initial innovation zone partners and approval of the commissioner of education, the innovation zone partnership may extend membership to other partners. A new partner's membership is effective 30 days after the innovation zone partnership notifies the commissioner of the proposed change in membership unless the commissioner disapproves the new partner's membership.

(f) Notwithstanding any other law to the contrary, a school district or charter school participating in an innovation zone partnership under this section continues to receive all revenue and maintains its taxation authority in the same manner as before its participation in the innovation zone partnership. The innovation zone school district and charter school partners remain organized and governed by their respective school boards with general powers under chapter 123B or 124E and remain subject to any employment agreements under chapters 122A and 179A. School district and charter school employees participating in an innovation zone partnership remain employees of their respective school district or charter school.

(g) An innovation zone partnership may submit its plan at any time to the commissioner in the form and manner specified by the commissioner. The commissioner must approve or reject the plan after reviewing the recommendation of the Innovation Research Zone Advisory Panel. An initial innovation zone plan that has been rejected by the commissioner may be resubmitted to the commissioner after the innovation zone partnership has modified the plan to meet each individually identified objection.

Subd. 2. Exemptions from laws and rules. (a) Notwithstanding any other law to the contrary, an innovation zone partner with an approved plan is exempt from each of the following state education laws and rules specifically identified in its plan:

(1) any law or rule from which a district-created, site-governed school under section 123B.045 is exempt;

(2) any statute or rule from which the commissioner has exempted another district or charter school, as identified in the list published on the Department of Education's website under subdivision 4, paragraph (b);

(3) online learning program approval under section 124D.095, subdivision 7, if the school district or charter school offers a course or program online combined with direct access to a teacher for a portion of that course or program;

(4) restrictions on extended time revenue under section 126C.10, subdivision 2a, for a student who meets the criteria of section 124D.68, subdivision 2; and

(5) any required hours of instruction in any class or subject area for a student who is meeting all competencies consistent with the graduation standards described in the innovation zone plan.

(b) The exemptions under this subdivision must not be construed as exempting an innovation zone partner from the Minnesota Comprehensive Assessments.

Subd. 3. Innovation Research Zone Advisory Panel. (a) The commissioner must establish and convene an Innovation Research Zone Advisory Panel to review all innovation zone plans submitted for approval.

(b) The panel must be composed of nine members. One member must be appointed by each of the following organizations: Educators for Excellence, Education Minnesota, Minnesota Association of Secondary School Principals, Minnesota Elementary School Principals' Association, Minnesota Association of School Administrators, Minnesota School Boards Association, Minnesota Association of Charter Schools, and the Office of Higher Education. The commissioner must appoint one member with expertise in evaluation and research.

Subd. 4. Commissioner approval. (a) Upon recommendation of the Innovation Research Zone Advisory Panel, the commissioner may approve up to three innovation zone plans in the seven-county metropolitan area and up to three in greater Minnesota. If an innovation zone partnership fails to implement its innovation zone plan as described in its application and according to the stated timeline, upon recommendation of the Innovation Research Zone Advisory Panel, the commissioner

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must alert the partnership members and provide the opportunity to remediate. If implementation continues to fail, the commissioner must suspend or terminate the innovation zone plan.

(b) The commissioner must publish a list of the exemptions the commissioner has granted to a district or charter school on the Department of Education's website by July 1, 2017. The list must be updated annually.

Subd. 5. **Project evaluation, dissemination, and report to legislature.** Each research zone partnership must submit project data to the commissioner in the form and manner provided for in the approved application. At least once every two years, the commissioner must analyze each innovation zone's progress in realizing the objectives of the innovation zone partnership's plan. The commissioner must summarize and categorize innovation zone plans and submit a report to the legislative committees having jurisdiction over education by February 1 of each odd-numbered year in accordance with section 3.195.