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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION
H. F. No. 1901

03/01/2017 Authored by Bly; Poppe; Murphy, M.; Marquart; Slocum and others
The bill was read for the first time and referred to the Committee on Education Finance

1.1 A bill for an act
1.2 relating to education finance; increasing funding for career and technical programs;
1.3 expanding incentives for students in programs leading to certificates; authorizing
1.4 the commissioner to determine qualifying certificates; appropriating money;
1.5 amending Minnesota Statutes 2016, section 124D.4531, subdivisions 1, 1a, 1b;
1.6 Laws 2016, chapter 189, article 25, section 61; repealing Minnesota Statutes 2016,
1.7 section 124D.4531, subdivision 3a.

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

1.9 Section 1. Minnesota Statutes 2016, section 124D.4531, subdivision 1, is amended to
1.10 read:

1.11 Subdivision 1. **Career and technical revenue.** (a) A district with a career and technical
1.12 program approved under this section for the fiscal year in which the levy is certified is
1.13 eligible for career and technical revenue equal to ~~35~~ 60 percent of approved expenditures
1.14 in the fiscal year in which the levy is certified for the following:

1.15 (1) salaries paid to essential, licensed personnel providing direct instructional services
1.16 to students in that fiscal year, including extended contracts, for services rendered in the
1.17 district's approved career and technical education programs, excluding salaries reimbursed
1.18 by another school district under clause (2);

1.19 (2) amounts paid to another Minnesota school district for salaries of essential, licensed
1.20 personnel providing direct instructional services to students in that fiscal year for services
1.21 rendered in the district's approved career and technical education programs;

1.22 (3) contracted services provided by a public or private agency other than a Minnesota
1.23 school district or cooperative center under chapter 123A or 136D;

2.1 (4) necessary travel between instructional sites by licensed career and technical education
2.2 personnel;

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

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

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

2.9 (8) specialized vocational instructional supplies.

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

2.12 ~~(c) The amount of the revenue calculated under this subdivision may not exceed~~
2.13 ~~\$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and~~
2.14 ~~\$20,657,000 for taxes payable in 2014.~~

2.15 ~~(d) If the estimated revenue exceeds the amount in paragraph (c), the commissioner must~~
2.16 ~~reduce the percentage in paragraph (a) until the estimated revenue no longer exceeds the~~
2.17 ~~limit in paragraph (c). A district's equalized career and technical revenue equals 35 percent~~
2.18 ~~of the district's approved expenditures under paragraph (a).~~

2.19 Sec. 2. Minnesota Statutes 2016, section 124D.4531, subdivision 1a, is amended to read:

2.20 Subd. 1a. **Career and technical levy.** ~~(a) For fiscal year 2014 only, a district may levy~~
2.21 ~~an amount not more than the product of its career and technical revenue times the lesser of~~
2.22 ~~one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in~~
2.23 ~~which the levy is certified to the career and technical revenue equalizing factor. The career~~
2.24 ~~and technical revenue equalizing factor for fiscal year 2014 equals \$7,612.~~

2.25 ~~(b) For fiscal year 2015 and later, A district may levy an amount not more than the~~
2.26 ~~product of its equalized career and technical revenue times the lesser of one or the ratio of~~
2.27 ~~its adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is~~
2.28 ~~certified to the career and technical revenue equalizing factor. The career and technical~~
2.29 ~~revenue equalizing factor for fiscal year 2015 and later equals \$7,612.~~

3.1 Sec. 3. Minnesota Statutes 2016, section 124D.4531, subdivision 1b, is amended to read:

3.2 Subd. 1b. **Career and technical aid.** ~~For fiscal year 2014 and later,~~ (a) A district's career
 3.3 and technical aid equals the sum of:

3.4 (1) 25 percent of the district's approved expenditures under subdivision 1, paragraph
 3.5 (a);

3.6 (2) its equalized career and technical revenue less its career and technical levy; and

3.7 (3) its certificate revenue under section 124D.4532.

3.8 (b) If the district levy is less than the permitted levy, the district's career and technical
 3.9 aid attributable to the equalized career and technical revenue shall be reduced proportionately.

3.10 (c) A charter school with an approved career and technical program qualifies for aid
 3.11 under this section equal to its revenue under paragraph (a).

3.12 Sec. 4. Laws 2016, chapter 189, article 25, section 61, is amended to read:

3.13 Sec. 61. **CERTIFICATION INCENTIVE REVENUE.**

3.14 Subdivision 1. **Qualifying certificates.** ~~As soon as practicable~~ By July 1 of each
 3.15 even-numbered year, the commissioner of education, in consultation with the Governor's
 3.16 Workforce Development Council established under Minnesota Statutes, section 116L.665,
 3.17 and the P-20 education partnership operating under Minnesota Statutes, section 127A.70,
 3.18 must establish the list of qualifying career and technical certificates and post the names of
 3.19 those certificates on the Department of Education's Web site. The certificates must be in
 3.20 fields where occupational opportunities exist.

3.21 Subd. 2. **School district participation.** (a) A school board may adopt a policy authorizing
 3.22 its students in grades 9 through 12, including its students enrolled in postsecondary enrollment
 3.23 options courses under Minnesota Statutes, section 124D.09, the opportunity to complete a
 3.24 qualifying certificate. The certificate may be completed as part of a regularly scheduled
 3.25 course.

3.26 (b) A school district may register a student for any assessment necessary to complete a
 3.27 qualifying certificate and pay any associated registration fees for its students.

3.28 Subd. 3. **Incentive funding.** (a) A school district's career and technical certification aid
 3.29 equals \$500 times the district's number of students enrolled during the current fiscal year
 3.30 who have obtained one or more qualifying certificates during the current fiscal year.

4.1 (b) The statewide total certificate revenue must not exceed ~~\$1,000,000~~ \$5,000,000. The
 4.2 commissioner must proportionately reduce the initial aid provided under this subdivision
 4.3 so that the statewide aid cap is not exceeded.

4.4 Subd. 4. **Reports to the legislature.** (a) The commissioner of education must report to
 4.5 the committees of the legislature with jurisdiction over kindergarten through grade 12
 4.6 education and higher education by February 1, ~~2017~~, of each odd-numbered year on the
 4.7 number and types of certificates authorized for the ~~2016-2017~~ previous two school year
 4.8 years. ~~The commissioner must also recommend whether the pilot program should be~~
 4.9 ~~continued.~~

4.10 (b) By February 1, ~~2018~~ of each even-numbered year, the commissioner of education
 4.11 must report to the committees of the legislature with jurisdiction over kindergarten through
 4.12 grade 12 education and higher education about the number and types of certificates earned
 4.13 by Minnesota's students during the ~~2016-2017~~ previous two school year years.

4.14 Sec. 5. **APPROPRIATION; CAREER AND TECHNICAL AID.**

4.15 Subdivision 1. **Commissioner of education.** The sums indicated in this section are
 4.16 appropriated from the general fund to the commissioner of education for the fiscal years
 4.17 designated.

4.18 Subd. 2. **Career and technical aid.** For career and technical aid under Minnesota
 4.19 Statutes, sections 124D.4531 and 124D.4532:

4.20	\$	<u>2018</u>
4.21	\$	<u>2019</u>

4.22 The 2018 appropriation includes \$478,000 for 2017 and \$..... for 2018.

4.23 The 2019 appropriation includes \$..... for 2018 and \$..... for 2019.

4.24 Sec. 6. **REVISOR'S INSTRUCTION.**

4.25 In the next edition of Minnesota Statutes, the revisor must codify Laws 2016, chapter
 4.26 189, article 25, section 61, as amended, as Minnesota Statutes section 124D.4532.

4.27 Sec. 7. **REPEALER.**

4.28 Minnesota Statutes 2016, section 124D.4531, subdivision 3a, is repealed.

APPENDIX
Repealed Minnesota Statutes: 17-3515

124D.4531 CAREER AND TECHNICAL REVENUE.

Subd. 3a. **Revenue adjustments.** Notwithstanding subdivisions 1, 1a, and 3, for taxes payable in 2012 to 2014 only, the department must calculate the career and technical revenue for each district according to Minnesota Statutes 2010, section 124D.4531, and adjust the revenue for each district proportionately to meet the statewide revenue target under subdivision 1, paragraph (c). For purposes of calculating the revenue guarantee under subdivision 3, the career and technical education revenue for the previous fiscal year is the revenue according to Minnesota Statutes 2010, section 124D.4531, before adjustments to meet the statewide revenue target.