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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2378

02/27/2014 Authored by Davnie  
The bill was read for the first time and referred to the Committee on Education Finance

A bill for an act

relating to education finance; increasing funding for developmental screening aid; increasing funding for early education programs; extending services for English language learners; increasing funding for adult basic education; authorizing a charter school to access lease aid for facilities leased from a school district; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2012, sections 121A.19; 124D.135, subdivision 1; 124D.16, subdivision 2; 124D.20, subdivision 3; 124D.59, subdivision 2; Minnesota Statutes 2013 Supplement, sections 124D.10, subdivision 23a; 124D.531, subdivision 1; Laws 2013, chapter 116, article 4, section 9, subdivision 2; article 8, section 5, subdivisions 2, 3, 4, 14; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

Section 1. Minnesota Statutes 2012, section 121A.19, is amended to read:

**121A.19 DEVELOPMENTAL SCREENING AID.**

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$150 for a child screened at age three; (2) ~~\$50~~ \$100 for a child screened at age four; (3) ~~\$40~~ \$80 for a child screened at age five or six prior to kindergarten; and (4) ~~\$30~~ \$60 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this

2.1 case, if the student has not been screened, the district to which the student transfers may  
 2.2 receive developmental screening aid for screening that student when the screening is  
 2.3 performed within 30 days of the transfer date.

2.4 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015  
 2.5 and later.

2.6 Sec. 2. **[123B.645] HEATING, VENTILATION, AND AIR CONDITIONING**  
 2.7 **GRANT PROGRAM.**

2.8 Subdivision 1. **Eligible projects.** School construction projects to repair, replace,  
 2.9 or improve heating, ventilation, and air conditioning systems, including any necessary  
 2.10 facility modifications, are eligible for a grant under this section.

2.11 Subd. 2. **Application process.** A school district may apply to the commissioner for  
 2.12 a heating, ventilation, and air conditioning system grant. The district must:

2.13 (1) list each project by building;

2.14 (2) apply in the form and manner designated by the commissioner; and

2.15 (3) demonstrate to the commissioner's satisfaction that each project is cost-efficient.

2.16 Subd. 3. **Grant amounts.** The commissioner shall evaluate all grant applications  
 2.17 and award grants to each project not to exceed the lesser of \$1,000,000 per project or  
 2.18 one-half of the total project cost.

2.19 Subd. 4. **Local match.** A school district may issue bonds under section 123B.62  
 2.20 to provide the local match for the project.

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

2.22 Sec. 3. **[123B.665] FULL-DAY KINDERGARTEN FACILITIES GRANT**  
 2.23 **PROGRAM.**

2.24 Subdivision 1. **Application process.** A school district seeking a full-day  
 2.25 kindergarten facilities grant must demonstrate to the commissioner's satisfaction that the  
 2.26 district has a shortage of facility space for kindergarten students and that the shortage of  
 2.27 classroom space is expected to exist for at least the next ten years. The district must apply  
 2.28 for a kindergarten facilities grant in the form and manner designated by the commissioner.

2.29 Subd. 2. **Grant amounts.** The commissioner shall evaluate all grant applications  
 2.30 and award grants to each district not to exceed the lesser of \$1,000,000 per district or  
 2.31 one-half of the total project cost.

2.32 Subd. 3. **Local match.** A school district may issue bonds under section 123B.62 to  
 2.33 provide the local match for the kindergarten facilities project.

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

3.2 Sec. 4. Minnesota Statutes 2013 Supplement, section 124D.10, subdivision 23a,  
3.3 is amended to read:

3.4 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from  
3.5 entering a lease of real property with a related party unless the lessor is a school district,  
3.6 nonprofit corporation under chapter 317A<sub>2</sub>, or a cooperative under chapter 308A, and the  
3.7 lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

3.8 (b) For purposes of this section and section 124D.11:

3.9 (1) "related party" means an affiliate or immediate relative of the other party in  
3.10 question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

3.11 (2) "affiliate" means a person that directly or indirectly, through one or more  
3.12 intermediaries, controls, is controlled by, or is under common control with another person;

3.13 (3) "immediate family" means an individual whose relationship by blood, marriage,  
3.14 adoption, or partnering is no more remote than first cousin;

3.15 (4) "person" means an individual or entity of any kind; and

3.16 (5) "control" means the ability to affect the management, operations, or policy  
3.17 actions or decisions of a person, whether through ownership of voting securities, by  
3.18 contract, or otherwise.

3.19 (c) A lease of real property to be used for a charter school, not excluded in paragraph  
3.20 (a), must contain the following statement: "This lease is subject to Minnesota Statutes,  
3.21 section 124D.10, subdivision 23a."

3.22 (d) If a charter school enters into as lessee a lease with a related party and the  
3.23 charter school subsequently closes, the commissioner has the right to recover from the  
3.24 lessor any lease payments in excess of those that are reasonable under section 124D.11,  
3.25 subdivision 4, clause (1).

3.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
3.27 and later.

3.28 Sec. 5. Minnesota Statutes 2012, section 124D.135, subdivision 1, is amended to read:

3.29 Subdivision 1. **Revenue.** The revenue for early childhood family education  
3.30 programs for a school district equals ~~\$112 for fiscal year 2007 and \$120 for fiscal year~~  
3.31 ~~2008 and later, \$160~~ times the greater of:

3.32 (1) 150; or

3.33 (2) the number of people under five years of age residing in the district on October 1  
3.34 of the previous school year.

4.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 4.2 and later.

4.3 Sec. 6. Minnesota Statutes 2012, section 124D.16, subdivision 2, is amended to read:

4.4 Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid  
 4.5 for eligible prekindergarten pupils enrolled in a school readiness program under section  
 4.6 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been  
 4.7 approved by the commissioner.

4.8 (b) For fiscal year 2002 and thereafter, a district must receive school readiness aid  
 4.9 equal to:

4.10 (1) the number of four-year-old children in the district on October 1 for the previous  
 4.11 school year times the ratio of 50 percent of the total school readiness aid for that year to  
 4.12 the total number of four-year-old children reported to the commissioner for the previous  
 4.13 school year; plus

4.14 (2) the number of pupils enrolled in the school district from families eligible for the  
 4.15 free or reduced school lunch program for the previous school year times the ratio of  
 4.16 50 percent of the total school readiness aid for that year to the total number of pupils  
 4.17 in the state from families eligible for the free or reduced school lunch program for the  
 4.18 previous school year.

4.19 (c) For fiscal year 2015 and later, total school readiness aid equals \$13,000,000.

4.20 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015  
 4.21 and later.

4.22 Sec. 7. Minnesota Statutes 2012, section 124D.20, subdivision 3, is amended to read:

4.23 Subd. 3. **General community education revenue.** The general community  
 4.24 education revenue for a district equals ~~\$5.23 for fiscal years 2005 and 2006 and \$5.42 for~~  
 4.25 ~~fiscal year 2007 and later,~~ \$7 times the greater of 1,335 or the population of the district.  
 4.26 The population of the district is determined according to section 275.14.

4.27 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

4.28 Sec. 8. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is  
 4.29 amended to read:

4.30 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
 4.31 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid  
 4.32 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph

5.1 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later  
5.2 fiscal years equals:

5.3 (1) the state total adult basic education aid for the preceding fiscal year plus any  
5.4 amount that is not paid for during the previous fiscal year, as a result of adjustments under  
5.5 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

5.6 (2) the lesser of:

5.7 (i) ~~1.025~~ 1.03; or

5.8 (ii) the average growth in state total contact hours over the prior ten program years.

5.9 Beginning in fiscal year 2002, two percent of the state total adult basic education  
5.10 aid must be set aside for adult basic education supplemental service grants under section  
5.11 124D.522.

5.12 (b) The state total adult basic education aid, excluding basic population aid, equals  
5.13 the difference between the amount computed in paragraph (a), and the state total basic  
5.14 population aid under subdivision 2.

5.15 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015  
5.16 and later.

5.17 Sec. 9. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

5.18 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten  
5.19 through grade 12 who meets the following requirements:

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

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

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

6.1 (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade  
 6.2 12 shall not be counted as an English learner in calculating English learner pupil units  
 6.3 under section 126C.05, subdivision 17, and shall not generate state English learner aid  
 6.4 under section 124D.65, subdivision 5, if:

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

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

6.9 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015  
 6.10 and later.

6.11 Sec. 10. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

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

6.14	\$	54,484,000	.....	2014
6.15		<del>59,533,000</del>		
6.16	\$	<u>.....</u>	.....	2015

6.17 The 2014 appropriation includes \$6,819,000 for 2013 and \$47,665,000 for 2014.

6.18 The 2015 appropriation includes \$7,502,000 for 2014 and ~~\$52,031,000~~ ..... for 2015.

6.19 Sec. 11. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:

6.20 Subd. 2. **School readiness.** For revenue for school readiness programs under  
 6.21 Minnesota Statutes, sections 124D.15 and 124D.16:

6.22	\$	10,095,000	.....	2014
6.23		<del>10,159,000</del>		
6.24	\$	<u>13,072,000</u>	.....	2015

6.25 The 2014 appropriation includes \$1,372,000 for 2013 and \$8,723,000 for 2014.

6.26 The 2015 appropriation includes \$1,372,000 for 2014 and ~~\$8,787,000~~ \$11,700,000  
 6.27 for 2015.

6.28 Sec. 12. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:

6.29 Subd. 3. **Early childhood family education aid.** For early childhood family  
 6.30 education aid under Minnesota Statutes, section 124D.135:

6.31	\$	22,078,000	.....	2014
6.32		<del>22,425,000</del>		
6.33	\$	<u>.....</u>	.....	2015

7.1 The 2014 appropriation includes \$3,008,000 for 2013 and \$19,070,000 for 2014.

7.2 The 2015 appropriation includes \$3,001,000 for 2014 and ~~\$19,424,000~~ ..... for 2015.

7.3 Sec. 13. Laws 2013, chapter 116, article 8, section 5, subdivision 4, is amended to read:

7.4 Subd. 4. **Health and developmental screening aid.** For health and developmental  
7.5 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

7.6 \$ 3,421,000 ..... 2014

7.7 ~~3,344,000~~

7.8 \$ ..... ..... 2015

7.9 The 2014 appropriation includes \$474,000 for 2013 and \$2,947,000 for 2014.

7.10 The 2015 appropriation includes \$463,000 for 2014 and ~~\$2,881,000~~ \$..... for 2015.

7.11 Sec. 14. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

7.12 Subd. 14. **Adult basic education aid.** For adult basic education aid under  
7.13 Minnesota Statutes, section 124D.531:

7.14 ~~47,005,000~~

7.15 \$ 48,791,000 ..... 2014

7.16 ~~48,145,000~~

7.17 \$ 48,414,000 ..... 2015

7.18 The 2014 appropriation includes \$6,284,000 for 2013 and ~~\$40,721,000~~ \$42,502,000  
7.19 for 2014.

7.20 The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~  
7.21 \$43,692,000 for 2015.

7.22 Sec. 15. **STATE BOND AUTHORIZATION.**

7.23 Subdivision 1. **Appropriation; heating, ventilation, and air conditioning.** \$.....  
7.24 is appropriated from the bond proceeds fund to the commissioner of education for heating,  
7.25 ventilation, and air conditioning grants under Minnesota Statutes, section 123B.645.

7.26 Subd. 2. **Appropriation; full-day kindergarten.** \$..... is appropriated from the  
7.27 bond proceeds fund to the commissioner of education for full-day kindergarten grants  
7.28 under Minnesota Statutes, sections 123A.441 to 123A.446.

7.29 Subd. 3. **Bond proceeds fund.** To provide the money appropriated in subdivisions 1  
7.30 and 2 from the bond proceeds fund, the commissioner of management and budget shall  
7.31 sell and issue bonds of the state in an amount up to \$..... in the manner, upon the terms,  
7.32 and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and  
7.33 by the Minnesota Constitution, article XI, sections 4 to 7.

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