1. A bill for an act
2. relating to education finance; providing for early childhood through grade
3. 12 education, including general education, student accountability, education
4. excellence, charter schools, special programs, facilities and technology,
5. nutrition, libraries and accounting, early childhood education, self-sufficiency
6. and lifelong learning, state agencies, and forecast adjustments; appropriating
7. money; requiring reports; amending Minnesota Statutes 2012, sections 13.319,
8. by adding a subdivision; 120A.20, subdivision 1; 120A.22, subdivisions 5,
9. 8, 11, 12; 120A.24, subdivision 1; 120A.41; 120B.02; 120B.125; 120B.128;
10. 120B.30, subdivisions 1, 1a; 120B.36, subdivision 1; 122A.415, by adding
11. subdivisions; 123A.73, subdivisions 3, 4, 5; 123B.41, subdivision 7; 123B.42,
12. subdivision 3; 123B.53, subdivision 5; 123B.54; 123B.57, subdivision 4;
13. 123B.591, subdivisions 2, 3; 123B.75, subdivision 5; 123B.92, subdivision
14. 9; 124D.02, subdivision 1; 124D.03, subdivision 12; 124D.10, subdivisions
15. 14, 23a; 124D.11, subdivisions 1, 2, 4, 5; 124D.111, subdivision 1, by adding
16. a subdivision; 124D.119; 124D.128, subdivision 2; 124D.42; 124D.4531;
17. 124D.531, subdivision 1; 124D.65, subdivision 5; 125A.11, subdivision 1;
18. 125A.76, subdivision 4; 125A.79, subdivisions 1, 8; 125B.26, subdivision 4;
19. 126C.05, subdivisions 1, 5, 6, 15; 126C.10, subdivisions 1, 2, 2a, 2c, 3, 7, 8, 13,
20. 13a, 13b, 17, 18, 24, 27, 29, 31, 32, 34, 35, 36, by adding subdivisions; 126C.12,
21. subdivisions 1, 5; 126C.126; 126C.13, subdivisions 4, 5, by adding subdivisions;
22. 126C.15, subdivisions 1, 2; 126C.17; 126C.20; 126C.40, subdivisions 1, 6;
23. 126C.44; 127A.45, subdivision 2; 127A.47, subdivisions 7, 8; 127A.51; 128D.11,
24. subdivision 3; 260C.007, subdivision 19; Laws 2007, chapter 146, article 4,
25. section 12; Laws 2011, First Special Session chapter 11, article 1, section 36,
26. subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as
27. amended, 7, as amended, 10, as amended; article 2, sections 13; 14; 18; 19; 50,
28. subdivisions 2, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as
29. amended, 9, as amended; article 3, section 11, subdivisions 2, as amended, 3, as
30. amended, 4, as amended, 5, as amended; article 4, section 10, subdivisions 2, as
31. amended, 3, as amended, 4, as amended, 6, as amended; article 5, section 12,
32. subdivisions 2, as amended, 3, as amended, 4, as amended; article 6, section 2,
33. subdivisions 2, as amended, 3, as amended, 5, as amended; article 7, section 2,
34. subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 2,
35. subdivisions 2, as amended, 3, as amended; article 9, section 3, subdivision 2, as
36. amended; proposing coding for new law in Minnesota Statutes, chapters 124D;
37. 126C; repealing Minnesota Statutes 2012, sections 120B.08; 120B.09; 124D.454,
38. subdivisions 10, 11; 125A.76, subdivision 7; 126C.10, subdivisions 13a, 13b, 25,
39. 26, 28, 31a, 31b, 31c, 34, 35, 36; 126C.17, subdivision 13; 127A.50, subdivisions
2.1 1, 5; Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2,
2.2 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16; 3501.0040; 3501.0050; 3501.0060;
2.3 3501.0090; 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140;
2.4 3501.0150; 3501.0160; 3501.0170; 3501.0180; 3501.0200; 3501.0210;
2.5 3501.0220; 3501.0230; 3501.0240; 3501.0250; 3501.0270; 3501.0280, subparts
2.6 1, 2; 3501.0290; 3501.1000; 3501.1020; 3501.1030; 3501.1040; 3501.1050;
2.7 3501.1110; 3501.1120; 3501.1130; 3501.1140; 3501.1150; 3501.1160;
2.8 3501.1170; 3501.1180; 3501.1190.
2.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
2.10 ARTICLE 1
2.11 GENERAL EDUCATION
2.12 Section 1. Minnesota Statutes 2012, section 120A.20, subdivision 1, is amended to read:
2.13 Subdivision 1. Age limitations; pupils. (a) All schools supported in whole or
2.14 in part by state funds are public schools. Admission to a public school is free to any
2.15 person who: (1) resides within the district that operates the school; (2) is under 21 years of
2.16 age or who meets the requirements of paragraph (c); and (3) satisfies the minimum age
2.17 requirements imposed by this section. Notwithstanding the provisions of any law to the
2.18 contrary, the conduct of all students under 21 years of age attending a public secondary
2.19 school is governed by a single set of reasonable rules and regulations promulgated by the
2.20 school board.
2.21 (b) A person shall not be admitted to a public school (1) as a kindergarten pupil,
2.22 unless the pupil is at least five years of age on September 1 of the calendar year in which
2.23 the school year for which the pupil seeks admission commences; or (2) as a 1st grade
2.24 student, unless the pupil is at least six years of age on September 1 of the calendar year in
2.25 which the school year for which the pupil seeks admission commences or has completed
2.26 kindergarten; except that any school board may establish a policy for admission of
2.27 selected pupils at an earlier age under section 124D.02.
2.28 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public
2.29 school enrollment until at least one of the following occurs: (1) the first September 1 after
2.30 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)
2.31 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)
2.32 the end of the school year.
2.33 Sec. 2. Minnesota Statutes 2012, section 120A.41, is amended to read:
2.34 120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.
2.35 A school board's annual school calendar must include at least 425 hours of
2.36 instruction for a kindergarten student without a disability, 935 hours of instruction for a
student in grades 1 though 6, and 1,020 hours of instruction for a student in grades 7
though 12, not including summer school. The school calendar for all-day kindergarten
must include at least 850 hours of instruction for the school year. Nothing in this section
permits a school district to adopt a four-day week schedule unless approved by the
commissioner under section 124D.126.

Sec. 3. Minnesota Statutes 2012, section 123A.73, subdivision 3, is amended to read:

Subd. 3. Voluntary dissolution; referendum revenue. As of the effective date of
the voluntary dissolution of a district and its attachment to one or more existing districts
pursuant to section 123A.46, the authorization for all referendum revenues previously
approved by the voters of all affected districts for those districts pursuant to section
126C.17, subdivision 9, or its predecessor provision, is canceled. However, if all of the
territory of any independent district is included in the enlarged district, and if the adjusted
net tax capacity of taxable property in that territory comprises 90 percent or more of
the adjusted net tax capacity of all taxable property in an enlarged district, the enlarged
district's referendum revenue shall be determined as follows:

The referendum revenue shall be the revenue per resident marginal cost adjusted
pupil unit times the number of resident marginal cost adjusted pupil units in the enlarged
district. Any new referendum revenue shall be authorized only after approval is granted
by the voters of the entire enlarged district in an election pursuant to section 126C.17,
subdivision 9.

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

Sec. 4. Minnesota Statutes 2012, section 123A.73, subdivision 4, is amended to read:

Subd. 4. Consolidation; maximum authorized referendum revenues. (a) As
of the effective date of a consolidation pursuant to section 123A.48, if the plan for
consolidation so provides, or if the plan for consolidation makes no provision concerning
referendum revenues, the authorization for all referendum revenues previously approved
by the voters of all affected districts for those districts pursuant to section 126C.17,
subdivision 9, or its predecessor provision shall be recalculated as provided in this
subdivision. The referendum revenue authorization for the newly created district shall
be the revenue per resident marginal cost adjusted pupil unit that would raise an amount
equal to the combined dollar amount of the referendum revenues authorized by each of
the component districts for the year preceding the consolidation, unless the referendum
revenue authorization of the newly created district is subsequently modified pursuant to section 126C.17, subdivision 9.

(b) The referendum allowance for a consolidated district in the years following consolidation equals the average of the consolidating districts' existing authorities for those years, weighted by the districts' resident marginal cost adjusted pupil units in the year preceding consolidation. For purposes of this calculation, the referendum authorities used for individual districts shall not decrease from year to year until such time as all existing authorities for all the consolidating districts have fully expired, but shall increase if they were originally approved with consumer price index-based or other annual increases.

(c) The referendum revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district.

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

Sec. 5. Minnesota Statutes 2012, section 123A.73, subdivision 5, is amended to read:

Subd. 5. Alternative method. (a) As of the effective date of a consolidation pursuant to section 123A.48, if the plan for consolidation so provides, the authorization for all referendum revenues previously approved by the voters of all affected districts for those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision shall be combined as provided in this subdivision. The referendum revenue authorization for the newly created district may be any allowance per resident marginal cost adjusted pupil unit provided in the plan for consolidation, but may not exceed the allowance per resident marginal cost adjusted pupil unit that would raise an amount equal to the combined dollar amount of the referendum revenues authorized by each of the component districts for the year preceding the consolidation.

(b) The referendum allowance for a consolidated district in the years following consolidation equals the average of the consolidating districts' existing authorities for those years, weighted by the districts' resident marginal cost adjusted pupil units in the year preceding consolidation. For purposes of this calculation, the referendum authorities used for individual districts shall not decrease from year to year until such time as all existing authorities for all the consolidating districts have fully expired, but shall increase if they were originally approved with consumer price index-based or other annual increases.

(c) The referendum revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. The referendum revenue authorization for the newly created district may be modified pursuant to section 126C.17, subdivision 9.
5.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015

5.2 and later.

5.3 Sec. 6. Minnesota Statutes 2012, section 123B.41, subdivision 7, is amended to read:

5.4 Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42, and 123B.44 to 123B.48.

5.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

5.6 Sec. 7. Minnesota Statutes 2012, section 123B.42, subdivision 3, is amended to read:

5.7 Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests provided for in this section for each school year must not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

5.8 (b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the formula allowance, pursuant to section 126C.10, subdivision 2, from the second preceding school year to the current school year.

5.9 Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year minus $411 in determining the inflation adjustment for fiscal years 2015 and 2016.

5.10 (c) The commissioner shall allot to the districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, according to clause (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

5.11 Sec. 8. Minnesota Statutes 2012, section 123B.92, subdivision 9, is amended to read:
6.1 Subd. 9. **Nonpublic pupil transportation aid.** (a) A district's nonpublic pupil transportation aid for the 1996-1997 and later school years for transportation services for nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

(b) For regular and excess transportation according to subdivision 1, paragraph (b), clauses (1) and (2), an amount equal to the product of:

1. the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times
2. the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times
3. the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(c) For nonpublic nonregular transportation according to subdivision 1, paragraph (b), clause (5), an amount equal to the product of:

1. the district's actual expenditure for nonpublic nonregular transportation during the second preceding school year; times
2. the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(d) Notwithstanding the amount of the formula allowance for fiscal year 2004 years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year minus $415 $411 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 2015 and 2016.

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

6.29 Sec. 9. Minnesota Statutes 2012, section 124D.02, subdivision 1, is amended to read:

Subdivision 1. **Kindergarten instruction.** The board may establish and maintain one or more kindergartens for the instruction of children and after July 1, 1974, shall provide kindergarten instruction for all eligible children, either in the district or in another district. All children to be eligible for kindergarten must be at least five years of age on September 1 of the calendar year in which the school year commences. In addition all children selected under an early admissions policy established by the school
board may be admitted. If established, a board-adopted early admissions policy must
describe the process and procedures for comprehensive evaluation in cognitive, social,
and emotional developmental domains to help determine the child's ability to meet
kindergarten grade expectations and progress to first grade in the subsequent year. The
comprehensive evaluation must use valid and reliable instrumentation, be aligned with
state kindergarten expectations, and include a parent report and teacher observations of
the child's knowledge, skills, and abilities. The early admissions policy must be made
available to parents in an accessible format and is subject to review by the commissioner
of education. The evaluation is subject to section 127A.41. Nothing in this section
shall prohibit a school district from establishing Head Start, prekindergarten, or nursery
school classes for children below kindergarten age. Any school board with evidence that
providing kindergarten will cause an extraordinary hardship on the school district may
apply to the commissioner of education for an exception.

Sec. 10. Minnesota Statutes 2012, section 126C.05, subdivision 1, is amended to read:
Subdivision 1. Pupil unit. Pupil units for each Minnesota resident pupil under the
age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),
in average daily membership enrolled in the district of residence, in another district under
sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
section 124D.10; or for whom the resident district pays tuition under section 123A.18,
123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved
by the commissioner and has an individualized education program is counted as the ratio
of the number of hours of assessment and education service to 825 times \(1 \frac{2}{25}\) pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is
counted as the ratio of the number of hours of assessment service to 825 times \(1 \frac{2}{25}\) pupil units.

(c) A kindergarten pupil with a disability who is enrolled in a program approved
by the commissioner is counted as the ratio of the number of hours of assessment and
education services required in the fiscal year by the pupil's individualized education
program to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as \(0.612\) pupil
units. A kindergarten pupil who is not included in paragraph (c) is counted as \(1.0\) pupil
units if the pupil is enrolled in a free all-day, every day kindergarten program available to
all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
section 120A.41, or is counted as .55 pupil units, if the pupil is not enrolled in a free all-day,
every day kindergarten program available to all kindergarten pupils at the pupil's school.

(e) A pupil who is in any of grades 1 to 5 is counted as $\frac{5}{6}$ pupil units for
fiscal year 2000 and thereafter.

(f) A pupil who is in any of grades 4 to 6 is counted as 1.06 pupil units for fiscal
year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as $\frac{7}{12}$ pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted
as $\frac{7}{12}$ pupil units.

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

Sec. 11. Minnesota Statutes 2012, section 126C.05, subdivision 5, is amended to read:

Subd. 5. Adjusted pupil units. (a) Adjusted pupil units for a district or charter
school means the sum of:

(1) the number of pupil units served, according to subdivision 7, plus

(2) pupil units according to subdivision 1 for whom the district or charter school pays
tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,
subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, minus

(3) pupil units according to subdivision 1 for whom the district or charter school
receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,
123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

(b) Adjusted marginal cost pupil units means the greater of:

(1) the sum of .77 times the pupil units defined in paragraph (a) for the current school
year and .23 times the pupil units defined in paragraph (a) for the previous school year; or

(2) the number of adjusted pupil units defined in paragraph (a) for the current school
year.

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

Sec. 12. Minnesota Statutes 2012, section 126C.05, subdivision 6, is amended to read:

Subd. 6. Resident pupil units. (a) Resident pupil units for a district means the
number of pupil units according to subdivision 1 residing in the district.

(b) Resident marginal cost pupil units means the greater of:
(1) the sum of .77 times the pupil units defined in paragraph (a) for the current year and .23 times the pupil units defined in paragraph (a) for the previous school year; or

(2) the number of resident pupil units defined in paragraph (a) for the current school year.

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

Sec. 13. Minnesota Statutes 2012, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 3a, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student without a disability in a full-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student without a disability, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of 425 hours or the number of hours required for a full-time kindergarten student without a disability in the district to 425 for a kindergarten student without a disability; and (iv) the greater of 425 hours or the number of hours required for a half-time kindergarten student without a disability in the district to 425 for a half-day kindergarten student without a disability. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A kindergarten student must not be counted as more than 1.2 pupils in average daily membership under this subdivision. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve
revenue in an amount equal to at least 90 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times \(0.0485\times 0.0465\), calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times \(0.0485\times 0.0465\), calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(iii) General education revenue for a pupil in a state-approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For a state-approved alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.
extended time revenue, gifted and talented revenue, small schools revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, and transition revenue.

(b) For fiscal year 2015 and later, the general education revenue for each district equals the sum of the district’s basic revenue, extended time revenue, gifted and talented revenue, declining enrollment revenue, small schools revenue, basic supplemental revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, pension adjustment revenue, safe schools revenue, and transition revenue.

Sec. 15. Minnesota Statutes 2012, section 126C.10, subdivision 2, is amended to read:

Subd. 2. Basic revenue. For fiscal year 2014, the basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. The formula allowance for fiscal year 2011 is $5,124. The formula allowance for fiscal year 2012 is $5,174. For fiscal year 2015 and later, the basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. The formula allowance for fiscal year 2013 and subsequent years is $5,224. The formula allowance for fiscal year 2014 is $5,276. The formula allowance for fiscal year 2015 and later is $5,687.

Sec. 16. Minnesota Statutes 2012, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. Extended time revenue. (a) A school district’s extended time revenue is equal to the product of $4,604 $4,945 and the sum of the adjusted marginal cost pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

(b) A school district’s extended time revenue may be used for extended day programs, extended week programs, summer school, and other programming authorized under the learning year program.

Sec. 17. Minnesota Statutes 2012, section 126C.10, subdivision 2c, is amended to read:

Subd. 2c. Small schools revenue. A school district, not including a charter school, is eligible for small schools revenue equal to the product of:

1. $5,224 $540;
2. the district’s adjusted marginal cost pupil units for that year; and
3. the greater of zero or the ratio of (i) 1,000 960 less the district’s adjusted marginal cost pupil units for that year, to (ii) 1,000; and 960.
(4) 0.10.

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

Sec. 18. Minnesota Statutes 2012, section 126C.10, is amended by adding a subdivision to read:

**Subd. 2d. Declining enrollment revenue.** A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

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

Sec. 19. Minnesota Statutes 2012, section 126C.10, is amended by adding a subdivision to read:

**Subd. 2e. Basic supplemental revenue.** The basic supplemental revenue for each district equals the supplemental allowance times the adjusted pupil units for the school year. The supplemental allowance for fiscal year 2015 and later years is $56.

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

Sec. 20. Minnesota Statutes 2012, section 126C.10, is amended by adding a subdivision to read:

**Subd. 2f. Safe schools revenue.** The safe schools revenue for each district, including charter schools, equals the safe schools allowance times the district's adjusted pupil units for the school year. The safe schools allowance for fiscal year 2015 and later years is $34.

Sec. 21. Minnesota Statutes 2012, section 126C.10, is amended by adding a subdivision to read:

**Subd. 2g. Uses of safe schools revenue.** (a) Safe schools revenue, under subdivision 2f, must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools:
(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay the costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems; or

(7) to pay the costs for collocating and collaborating with mental health professionals who are not district employees or contractors.

For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district may reserve up to $2 per adjusted pupil unit of safe schools revenue for laminated glass for security in the district's schools.

Sec. 22. Minnesota Statutes 2012, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) For fiscal year 2014, the compensatory education revenue for each building in the district equals the formula allowance minus $415 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. For fiscal year 2015 and later, the compensatory education revenue for each building in the district equals the formula allowance minus $826 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

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

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

Sec. 23. Minnesota Statutes 2012, section 126C.10, subdivision 7, is amended to read:

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

(1) the formula allowance for the school year minus $411, multiplied by
(2) the secondary average daily membership of pupils served in the high school,
multiplied by
(3) the quotient obtained by dividing 400 minus the secondary average daily
membership by 400 plus the secondary daily membership, multiplied by
(4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus
23 by ten.

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

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

Sec. 24. Minnesota Statutes 2012, section 126C.10, subdivision 8, is amended to read:

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

(1) the formula allowance for the year minus $411, multiplied by
(2) the elementary average daily membership of pupils served in the school,
multiplied by
(3) the quotient obtained by dividing 140 minus the elementary average daily
membership by 140 plus the average daily membership.
EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015 and later.

Sec. 25. Minnesota Statutes 2012, section 126C.10, subdivision 13, is amended to read:

Subd. 13. Total operating capital revenue. (a) Total operating capital revenue for a district equals the amount determined under paragraph (b) or (c), plus \( \frac{23}{79} \) times the adjusted marginal cost pupil units for the school year. The revenue must be placed in a reserved account in the general fund and may only be used according to subdivision 14.

(b) Capital revenue for a district equals \( \frac{100}{108} \) times the district's maintenance cost index times its adjusted marginal cost pupil units for the school year.

(c) The revenue for a district that operates a program under section 124D.128, is increased by an amount equal to \( \frac{30}{10} \) times the number of marginal cost adjusted pupil units served at the site where the program is implemented.

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

Sec. 26. Minnesota Statutes 2012, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. Operating capital levy. To obtain operating capital revenue for fiscal year 2007 or later 2013 and later 2014 only, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals $10,194.

Sec. 27. Minnesota Statutes 2012, section 126C.10, subdivision 13b, is amended to read:

Subd. 13b. Operating capital aid. For fiscal years 2013 and 2014 only, a district's operating capital aid equals its operating capital revenue minus its operating capital levy times the ratio of the actual amount levied to the permitted levy.

Sec. 28. Minnesota Statutes 2012, section 126C.10, subdivision 17, is amended to read:

Subd. 17. Transportation sparsity definitions. The definitions in this subdivision apply to subdivisions 18 and 19.

(a) "Sparsity index" for a district means the greater of .2 or the ratio of the square mile area of the district to the resident adjusted pupil units of the district.

(b) "Density index" for a district means the ratio of the square mile area of the district to the resident adjusted pupil units of the district. However, the density index for a district cannot be greater than .2 or less than .005.
EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 29. Minnesota Statutes 2012, section 126C.10, subdivision 18, is amended to read:

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

(i) Multiply the formula allowance according to subdivision 2, by .469 .141.

(ii) Multiply the result in clause (i) by the district's sparsity index raised to the 26/100 power.

(iii) Multiply the result in clause (ii) by the district's density index raised to the 13/100 power.

(iv) Multiply the formula allowance according to subdivision 2, by .0485 .0465.

(v) Subtract the result in clause (iv) from the result in clause (iii).

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

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

Sec. 30. Minnesota Statutes 2012, section 126C.10, subdivision 24, is amended to read:

Subd. 24. Equity revenue. (a) A school district qualifies for equity revenue if:

(1) the school district's adjusted marginal cost pupil unit amount of basic revenue, transition revenue, and referendum revenue is less than the value of the school district at or immediately above the 95th percentile of school districts in its equity region for those revenue categories; and

(2) the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) A school district's equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal cost pupil units for that year, times (2) the sum of (i) $13, plus (ii) $75 $100, times the school district's equity index computed under subdivision 27.

(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal cost pupil units for that year times $13.

(d) A school district's equity revenue is increased by the greater of zero or an amount equal to the district's resident marginal cost pupil units times the difference between ten percent of the statewide average amount of referendum revenue per resident marginal cost
pupil unit for that year and the district's referendum revenue per resident marginal cost pupil unit. A school district's revenue under this paragraph must not exceed $100,000 for that year.

(e) A school district's equity revenue for a school district located in the metro equity region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

(f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school district that has per pupil referendum revenue below the 95th percentile qualifies for additional equity revenue equal to $46 times its adjusted marginal cost pupil units.

(g) A district that does not qualify for revenue under paragraph (f) qualifies for equity revenue equal to $46 times its adjusted marginal cost pupil units.

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

Sec. 31. Minnesota Statutes 2012, section 126C.10, subdivision 27, is amended to read:

Subd. 27. **District equity index.** (a) A district's equity index equals the greater of zero or the ratio of the sum of the district equity gap amount to the regional equity gap amount $2,000 minus the district's referendum revenue under section 126C.17, subdivision 4, per adjusted pupil unit to $2,000.

(b) A charter school's equity index equals the greater of zero or the ratio of $2,000 minus the school's general education revenue attributable to referendum equalization aid under section 124D.11, subdivision 1, per adjusted pupil unit to $2,000.

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

Sec. 32. Minnesota Statutes 2012, section 126C.10, subdivision 29, is amended to read:

Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year 2005 2015 and later, a district may levy an amount not more than the product of its equity revenue for the fiscal year times the lesser of one or the ratio of its referendum market value per resident marginal cost pupil unit to $476,000 $538,200.

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

Sec. 33. Minnesota Statutes 2012, section 126C.10, subdivision 31, is amended to read:

Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the sum of the transition revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.10, subdivisions 14, 15, and 17, clause (c), plus 1.25 times the lesser of the district's 2012, 2015 referendum levy per pupil under section 126C.17, subdivision 4, or the district's per pupil regional marginal cost pupil unit revenue from the bond referendum for fiscal year 2015 under section 126C.20, subdivision 16.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.
Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater of zero or the product of the ratio of the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district’s adjusted marginal cost pupil units for fiscal year 2004, times the difference between:

1. the lesser sum of:

   (i) the district’s general education revenue per adjusted marginal cost pupil unit for fiscal year 2003 or the amount of general education revenue the district would have received per adjusted marginal cost pupil unit for fiscal year 2004 or 2015 according to Minnesota Statutes 2002, 2012, section 126C.10;

   (ii) the safe school levy the district certified for fiscal year 2014 under Minnesota Statutes 2012, section 126C.44;

   (iii) 70 percent of the integration revenue the district received for fiscal year 2013 under Minnesota Statutes 2012, section 124D.86;

   (iv) the pension adjustment the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 127A.50;

   (v) the special education aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 125A.65; and

   (vi) the special education excess cost aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 125A.79; and

2. the sum of the district’s:

   (i) general education revenue for fiscal year 2004 or 2015 excluding transition revenue under section 126C.10;

   (ii) integration revenue for fiscal year 2015 under section 124D.862; and

   (iii) special education aid for fiscal year 2015 under section 125A.76; and

divided by the number of adjusted marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002 or 2015.

(b) A district’s transition revenue for fiscal years 2006 through 2009 equals the sum of the product of the district’s transition allowance times the district’s adjusted marginal cost pupil units plus the district’s transition for prekindergarten revenue under subdivision 31a.

(e) A district’s transition revenue for fiscal year 2015 and later equals the sum of the product of the district’s transition allowance times the district’s adjusted marginal cost pupil units plus the district’s transition for prekindergarten revenue under subdivision 31a plus the district’s transition for tuition reciprocity revenue under subdivision 31e.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.
Sec. 34. Minnesota Statutes 2012, section 126C.10, subdivision 32, is amended to read:

Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year **2005 2015** and later, a district may levy an amount not more than the product of its transition revenue for the fiscal year times the lesser of one or the ratio of its referendum market value per resident marginal cost pupil unit to $476,000 $538,200.

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

Sec. 35. Minnesota Statutes 2012, section 126C.10, subdivision 34, is amended to read:

Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal years 2007, 2008, and 2009, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals 73.1 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1.

The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals $260 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(b) For fiscal years 2010 and later 2013 and 2014 only, the basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals $260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(c) (b) Notwithstanding paragraphs paragraph (a) and (b) and section 122A.415, subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed $75,636,000 for fiscal year 2007 and later. The commissioner must limit the
amount of alternative teacher compensation aid approved under section 122A.415 so as not to exceed these limits.

Sec. 36. Minnesota Statutes 2012, section 126C.10, subdivision 35, is amended to read:

Subd. 35. Alternative teacher compensation levy. For fiscal year 2007 years 2013 and later 2014 only, the alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic alternative teacher compensation aid times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to $5,634.

Sec. 37. Minnesota Statutes 2012, section 126C.10, subdivision 36, is amended to read:

Subd. 36. Alternative teacher compensation aid. (a) For fiscal year 2007 years 2013 and later 2014 only, a district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a district does not levy the entire amount permitted, the alternative teacher compensation equalization aid must be reduced in proportion to the actual amount levied.

(b) A district's alternative teacher compensation aid equals the sum of the district's basic alternative teacher compensation aid and the district's alternative teacher compensation equalization aid.

Sec. 38. Minnesota Statutes 2012, section 126C.10, is amended by adding a subdivision to read:

Subd. 38. Pension adjustment revenue. A school district's pension adjustment revenue equals the greater of zero or the product of:

(1) the difference between the district's adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state average adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit; and

(2) the district's adjusted pupil units for the fiscal year.

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

Sec. 39. Minnesota Statutes 2012, section 126C.12, subdivision 1, is amended to read:
Subdivision 1. Revenue. Of a district's general education revenue for fiscal year 2015 and thereafter each school district shall reserve an amount equal to the formula allowance multiplied by the following calculation:

1. the sum of adjusted marginal cost pupils in kindergarten times 0.057 \$299; plus
2. the sum of adjusted marginal cost pupils in average daily membership, according to section 126C.05, subdivision 5, in kindergarten times 0.057 \$299; plus
3. the sum of adjusted marginal cost pupils in average daily membership, according to section 126C.05, subdivision 5, in grades 1 to 3 times 0.15; plus \$459.

EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 40. Minnesota Statutes 2012, section 126C.12, subdivision 5, is amended to read:

Subd. 5. Additional revenue use. If the board of a district determines that the district has achieved and is maintaining the class sizes specified in subdivision 4, the board may use the revenue to reduce class size in grades 4, 5, and 6, provide all-day, everyday kindergarten, prepare and use individualized learning plans, improve program offerings, purchase instructional material, services, or technology, or provide staff development needed for reduced class sizes.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015.

Sec. 41. Minnesota Statutes 2012, section 126C.126, is amended to read:

126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.

A school district may spend general education revenue on extended time kindergarten and prekindergarten programs. At the school board's discretion, the district may use revenue generated by the full-day kindergarten pupil count under section 126C.05, subdivision 1, paragraph (d), to meet the needs of three- and four-year-olds in the district. A school district may not use these funds on programs for three- and four-year-old children while maintaining a fee-based full-day kindergarten program.

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

Sec. 42. Minnesota Statutes 2012, section 126C.13, is amended by adding a subdivision to read:
22.1 Subd. 3a. **General education rate.** The commissioner must establish the general education rate by July 1 of each year for levies payable in the following year. The general education rate must be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education rate must be the rate that raises $19,520,000 for fiscal year 2015; $26,219,000 for fiscal year 2016; and $30,004,000 for fiscal year 2017 and later years. The general education rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the rate has been established.

22.9 Sec. 43. Minnesota Statutes 2012, section 126C.13, is amended by adding a subdivision to read:

22.10 Subd. 3b. **General education levy.** To obtain general education revenue, a district may levy an amount not to exceed the general education rate times the adjusted net tax capacity of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, the general education levy must be determined according to subdivision 3c.

22.16 Sec. 44. Minnesota Statutes 2012, section 126C.13, is amended by adding a subdivision to read:

22.18 Subd. 3c. **General education levy; districts off the formula.** (a) If the sum of the amount of the general education levy and equity levy for a district exceeds the district's general education revenue, the amount of the general education levy must be limited to the following:

22.22 (1) the district's general education revenue minus its equity levy; minus
22.23 (2) payments made for the same school year according to section 126C.21,
22.24 subdivision 3.
22.25 (b) A levy made according to this subdivision shall also be construed to be the levy made according to subdivision 3b.

22.27 Sec. 45. Minnesota Statutes 2012, section 126C.13, subdivision 4, is amended to read:

22.28 Subd. 4. **General education aid.** (a) For fiscal years 2007–2013 and later 2014 only, a district's general education aid is the sum of the following amounts:

22.30 (1) general education revenue, excluding equity revenue, total operating capital revenue, alternative teacher compensation revenue, and transition revenue;
22.32 (2) operating capital aid under section 126C.10, subdivision 13b;
22.33 (3) equity aid under section 126C.10, subdivision 30;
Sec. 46. Minnesota Statutes 2012, section 126C.13, subdivision 5, is amended to read:

Subd. 5. Uses of revenue. Except as provided in sections 126C.10, subdivision subdivisions 2g and 14; 126C.12; and 126C.15, general education revenue may be used during the regular school year and the summer for general and special school purposes.

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

Sec. 47. Minnesota Statutes 2012, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. Use of revenue. The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for kindergarten, provided such programming is cost-effective, research-based, and includes an evaluation component to measure, record, and publicly report its level of effectiveness. Any of the following may be provided to meet these learners' needs:

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

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;
(3) additional teachers and teacher aides to provide more individualized instruction
to these learners through individual tutoring, lower instructor-to-learner ratios, or team
teaching;
(4) a longer school day or week during the regular school year or through a summer
program that may be offered directly by the site or under a performance-based contract
with a community-based organization;
(5) comprehensive and ongoing staff development consistent with district and site
plans according to section 122A.60, for teachers, teacher aides, principals, and other
personnel to improve their ability to identify the needs of these learners and provide
appropriate remediation, intervention, accommodations, or modifications;
(6) instructional materials, digital learning, and technology appropriate for meeting
the individual needs of these learners;
(7) programs to reduce truancy, encourage completion of high school, enhance
self-concept, provide health services, provide nutrition services, provide a safe and secure
learning environment, provide coordination for pupils receiving services from other
governmental agencies, provide psychological services to determine the level of social,
emotional, cognitive, and intellectual development, and provide counseling services,
guidance services, and social work services;
(8) bilingual programs, bicultural programs, and programs for English learners;
(9) all day kindergarten;
(10) early education programs, parent-training programs, school readiness programs,
kindergarten programs for four-year-olds, and other outreach efforts designed to prepare
children for kindergarten;
(11) extended school day and extended school year programs; and
(12) substantial parent involvement in developing and implementing remedial
education or intervention plans for a learner, including learning contracts between the
school, the learner, and the parent that establish achievement goals and responsibilities of
the learner and the learner's parent or guardian.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
and later.

Sec. 48. Minnesota Statutes 2012, section 126C.15, subdivision 2, is amended to read:

Subd. 2. Building allocation. (a) A district or cooperative must allocate its
compensatory revenue to each school building in the district or cooperative where
the children who have generated the revenue are served unless the school district or
cooperative has received permission under Laws 2005, First Special Session chapter 5,
article 1, section 50, to allocate compensatory revenue according to student performance
measures developed by the school board.

(b) Notwithstanding paragraph (a), a district or cooperative may allocate up to
five\(^\text{15}\) percent of the amount of compensatory revenue that the district receives to
school sites according to a plan adopted by the school board. The money reallocated
under this paragraph must be spent for the purposes listed in subdivision 1, but may be
spent on students in any grade, including students attending school readiness or other
prekindergarten programs.

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

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

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

Sec. 49. Minnesota Statutes 2012, section 126C.17, is amended to read:

126C.17 REFERENDUM REVENUE.

Subdivision 1. Referendum allowance. (a) For fiscal year 2003 and later, a district’s
initial referendum revenue allowance equals the sum of the allowance under section
126C.16, subdivision 2, plus any additional allowance per resident marginal cost pupil
unit authorized under subdivision 9 before May 1, 2001, for fiscal year 2002 and later,
plus the referendum conversion allowance approved under subdivision 13, minus $415.
For districts with more than one referendum authority, the reduction must be computed
separately for each authority. The reduction must be applied first to the referendum
conversion allowance and next to the authority with the earliest expiration date. A
district’s initial referendum revenue allowance may not be less than zero.

(b) For fiscal year 2003, a district’s referendum revenue allowance equals the initial
referendum allowance plus any additional allowance per resident marginal cost pupil unit
authorized under subdivision 9 between April 30, 2001, and December 30, 2001, for
fiscal year 2003 and later.
(e) For fiscal year 2004 and later, a district's referendum revenue allowance equals the sum of:

(1) the product of (i) the ratio of the resident marginal cost pupil units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002, section 126C.05, to the district's resident marginal cost pupil units for fiscal year 2004, times (ii) the initial referendum allowance plus any additional allowance per resident marginal cost pupil unit authorized under subdivision 9 between April 30, 2001, and May 30, 2003, for fiscal year 2003 and later, plus

(2) any additional allowance per resident marginal cost pupil unit authorized under subdivision 9 after May 30, 2003, for fiscal year 2005 and later.

(a) A district's initial referendum allowance for fiscal year 2015 equals the result of the following calculations:

(1) multiply the referendum allowance the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections held before July 1, 2013, by the resident marginal cost pupil units the district would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

(2) add to the result of clause (1) the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013;

(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d), calculated as though a kindergarten pupil not included in section 126C.05, subdivision 1, paragraph (c), is counted as 0.55 pupil units; and

(4) if the result of clause (3) is less than zero, set the allowance to zero.

(b) A district's referendum allowance equals the sum of the district's initial referendum allowance for fiscal year 2015, plus any additional referendum allowance per adjusted pupil unit authorized after June 30, 2013, minus any allowances expiring in fiscal year 2016 or later. For a district with more than one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under paragraph (a) must be divided into components such that the same percentage of the district's allowance expires at the same time as the old allowances would have expired under Minnesota Statutes 2012, section 126C.17.

Subd. 2. Referendum allowance limit. (a) Notwithstanding subdivision 1, for fiscal year 2007-2015 and later, a district's referendum allowance must not exceed the greater of:
(1) the sum of: (i) a district's referendum allowance for fiscal year 1994 times 1.177 times the annual inflationary increase as calculated under paragraph (b) plus (ii) its referendum conversion allowance for fiscal year 2003, minus (iii) $215;

(2) the greater of (i) 26 percent of the formula allowance or (ii) $1,294 times the annual inflationary increase as calculated under paragraph (b); or times the greatest of:

   (1) $1,845;

   (2) the sum of the referendum revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held before July 1, 2013, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d), calculated as though a kindergarten pupil not included in section 126C.05, subdivision 1, paragraph (c), is counted as 0.55 pupil units; or

   (3) the product of the referendum allowance limit the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the resident marginal cost pupil units the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d), calculated as though a kindergarten pupil not included in section 126C.05, subdivision 1, paragraph (c), is counted as 0.55 pupil units; or

(4) for a newly reorganized district created after July 1, 2006, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its resident marginal cost adjusted pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, for fiscal year 2005 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor Standards, for the current fiscal year to fiscal year 2004-2015. For fiscal years 2000 and later, for purposes of paragraph (a), clause (4), the inflationary increase equals the inflationary increase for fiscal year 2008 plus one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2008-2015.

Subd. 3. Sparsity exception. A district that qualifies for sparsity revenue under section 126C.10 is not subject to a referendum allowance limit.
Subd. 4. Total referendum revenue. The total referendum revenue for each district equals the district's referendum allowance times the resident marginal cost adjusted pupil units for the school year.

Subd. 5. Referendum equalization revenue. (a) For fiscal year 2003 and later, a district's referendum equalization revenue equals the sum of the first tier referendum equalization revenue and the second tier referendum equalization revenue.

(b) A district's first tier referendum equalization revenue equals the district's first tier referendum equalization allowance times the district's resident marginal cost adjusted pupil units for that year.

(c) For fiscal year 2006, a district's first tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or $500. For fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or $600.

For fiscal year 2008 and later, A district's first tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or $700.

(d) A district's second tier referendum equalization revenue equals the district's second tier referendum equalization allowance times the district's resident marginal cost adjusted pupil units for that year.

(e) For fiscal year 2006, a district's second tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or 18.6 percent of the formula allowance, minus the district's first tier referendum equalization allowance.

For fiscal year 2007 and later, A district's second tier referendum equalization allowance equals the lesser of the district's referendum allowance under subdivision 1 or 20% percent of the formula allowance, minus the district's first tier referendum equalization allowance.

(f) Notwithstanding paragraph (e), the second tier referendum allowance for a district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's referendum allowance under subdivision 1 minus the district's first tier referendum equalization allowance.

Subd. 6. Referendum equalization levy. (a) For fiscal year 2003 and later, a district's referendum equalization levy equals the sum of the first tier referendum equalization levy and the second tier referendum equalization levy.

(b) A district's first tier referendum equalization levy equals the district's first tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to $476,000.
(c) A district's second tier referendum equalization levy equals the district's second tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident marginal cost pupil unit to $270,000 $259,415.

Subd. 7. Referendum equalization aid. (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy.

(b) If a district's actual levy for first or second tier referendum equalization revenue is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

(c) Notwithstanding paragraph (a), the referendum equalization aid for a district, where the referendum equalization aid under paragraph (a) exceeds 90 percent of the referendum revenue, must not exceed 26 25 percent of the formula allowance times the district's resident marginal cost adjusted pupil units. A district's referendum levy is increased by the amount of any reduction in referendum aid under this paragraph.

Subd. 7a. Referendum tax base replacement aid. For each school district that had a referendum allowance for fiscal year 2002 exceeding $415, for each separately authorized referendum levy, the commissioner of revenue, in consultation with the commissioner of education, shall certify the amount of the referendum levy in taxes payable year 2001 attributable to the portion of the referendum allowance exceeding $415 levied against property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting of the house, garage, and surrounding one acre of land. The resulting amount must be used to reduce the district's referendum levy amount otherwise determined, and must be paid to the district each year that the referendum authority remains in effect, is renewed, or new referendum authority is approved. The aid payable under this subdivision must be subtracted from the district's referendum equalization aid under subdivision 7. The referendum equalization aid after the subtraction must not be less than zero.

Subd. 7b. Referendum aid guarantee. (a) Notwithstanding subdivision 7, a district's referendum equalization aid for fiscal year 2015 must not be less than the sum of the referendum equalization aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c).

(b) Notwithstanding subdivision 7, referendum equalization aid for fiscal year 2016 and later, for a district qualifying for additional aid under paragraph (a) for fiscal year 2015, must not be less than the product of (1) the district's referendum equalization aid for fiscal year 2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that school year to the district's referendum revenue for fiscal year 2015, times
(3) the lesser of one or the ratio of the district's referendum market value used for fiscal
year 2015 referendum equalization calculations to the district's referendum market value
used for that year's referendum equalization calculations.

Subd. 8. Unequalized referendum levy. Each year, a district may levy an amount
equal to the difference between its total referendum revenue according to subdivision 4
and its referendum equalization revenue according to subdivision 5.

Subd. 9. Referendum revenue. (a) The revenue authorized by section 126C.10,
subdivision 1, may be increased in the amount approved by the voters of the district
at a referendum called for the purpose. The referendum may be called by the board.
The referendum must be conducted one or two calendar years before the increased levy
authority, if approved, first becomes payable. Only one election to approve an increase
may be held in a calendar year. Unless the referendum is conducted by mail under
subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the
first Monday in November. The ballot must state the maximum amount of the increased
revenue per resident marginal cost adjusted pupil unit. The ballot may state a schedule,
determined by the board, of increased revenue per resident marginal cost adjusted pupil
unit that differs from year to year over the number of years for which the increased revenue
is authorized or may state that the amount shall increase annually by the rate of inflation.
For this purpose, the rate of inflation shall be the annual inflationary increase calculated
under subdivision 2, paragraph (b). The ballot may state that existing referendum levy
authority is expiring. In this case, the ballot may also compare the proposed levy authority
to the existing expiring levy authority, and express the proposed increase as the amount, if
any, over the expiring referendum levy authority. The ballot must designate the specific
number of years, not to exceed ten, for which the referendum authorization applies. The
ballot, including a ballot on the question to revoke or reduce the increased revenue amount
under paragraph (c), must abbreviate the term "per resident marginal cost adjusted pupil
unit" as "per pupil." The notice required under section 275.60 may be modified to read, in
cases of renewing existing levies at the same amount per pupil as in the previous year:

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

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

"Shall the increase in the revenue proposed by (petition to) the board of ..., School District No. ..., be approved?"
If approved, an amount equal to the approved revenue per resident marginal cost adjusted pupil unit times the resident marginal cost adjusted pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

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

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

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

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.
(e) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

Subd. 10. School referendum levy; market value. A school referendum levy must be levied against the referendum market value of all taxable property as defined in section 126C.01, subdivision 3. Any referendum levy amount subject to the requirements of this subdivision must be certified separately to the county auditor under section 275.07.

Subd. 11. Referendum date. (a) Except for a referendum held under paragraph (b), any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b), must be prepared and delivered by first-class mail at least 20 days before the referendum.

(b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner may grant authority to a district to hold a referendum on a different day if the district is in statutory operating debt and has an approved plan or has received an extension from the department to file a plan to eliminate the statutory operating debt.

(c) The commissioner must approve, deny, or modify each district's request for a referendum levy on a different day within 60 days of receiving the request from a district.

Subd. 13. Referendum conversion allowance. A school district that received supplemental or transition revenue in fiscal year 2002 may convert its supplemental revenue conversion allowance and transition revenue conversion allowance to additional referendum allowance under subdivision 1 for fiscal year 2003 and thereafter. A majority of the school board must approve the conversion at a public meeting before November 1, 2001. For a district with other referendum authority, the referendum conversion allowance approved by the board continues until the portion of the district's other referendum authority with the earliest expiration date after June 30, 2006, expires. For a district with no other referendum authority, the referendum conversion allowance approved by the board continues until June 30, 2012.

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

Sec. 50. [126C.195] COMPENSATORY SUPPLEMENTAL FORMULA AID.
A district that has an adjusted pupil unit count that is in the top 20 largest adjusted pupil unit counts in the prior school year is eligible for the greater of zero or $1,400 times the sum of the district's pupils eligible for free lunch and one-half of the district's pupils who are eligible for reduced lunch in the prior school year, minus the amount of compensatory education revenue received by the district under section 126C.10, subdivision 3, times .35.

Sec. 51. Minnesota Statutes 2012, section 126C.20, is amended to read:

126C.20 ANNUAL GENERAL EDUCATION AID APPROPRIATION.

There is annually appropriated from the general fund to the department the amount necessary for general education aid under section 126C.13; the early graduation achievement scholarship program under section 120B.08, and the early graduation military service award program under section 120B.09. This amount must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2014 and later.

Sec. 52. Minnesota Statutes 2012, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. To lease building or land. (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services.
A district may not levy under this subdivision for the purpose of leasing or renting a
district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this
subdivision for the purpose of leasing: (1) a newly constructed building used primarily
for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed
building addition or additions used primarily for regular kindergarten, elementary, or
secondary instruction that contains more than 20 percent of the square footage of the
previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
purpose of leasing or renting a district-owned building or site to itself only if the amount
is needed by the district to make payments required by a lease purchase agreement,
installment purchase agreement, or other deferred payments agreement authorized by law,
and the levy meets the requirements of paragraph (c). A levy authorized for a district by
the commissioner under this paragraph may be in the amount needed by the district to
make payments required by a lease purchase agreement, installment purchase agreement,
or other deferred payments agreement authorized by law, provided that any agreement
include a provision giving the school districts the right to terminate the agreement
annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed
$150 $162 times the resident adjusted pupil units for the fiscal year to which the levy
is attributable.

(f) For agreements for which a review and comment have been submitted to the
Department of Education after April 1, 1998, the term "instructional purpose" as used in
this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the
limit in paragraph (e) if the school district petitions the commissioner for approval. The
commissioner shall grant approval to a school district to exceed the limit in paragraph (e)
for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the
preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by
avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include
in its authority under this section the costs associated with leases of administrative and
35.1 classroom space for intermediate school district programs. This authority must not
35.2 exceed $43 $46 times the adjusted marginal cost pupil units of the member districts. This
35.3 authority is in addition to any other authority authorized under this section.
35.4 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in
35.5 2012 to 2023, a district that is a member of the "Technology and Information Education
35.6 Systems" data processing joint board, that finds it economically advantageous to enter into
35.7 a lease agreement to finance improvements to a building and land for a group of school
35.8 districts or special school districts for staff development purposes, may levy for its portion
35.9 of lease costs attributed to the district within the total levy limit in paragraph (e). The total
35.10 levy authority under this paragraph shall not exceed $632,000.
35.11 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the
35.12 purpose of leasing administrative space if the district can demonstrate to the satisfaction of
35.13 the commissioner that the lease cost for the administrative space is no greater than the
35.14 lease cost for instructional space that the district would otherwise lease. The commissioner
35.15 must deny this levy authority unless the district passes a resolution stating its intent to
35.16 lease instructional space under this section if the commissioner does not grant authority
35.17 under this paragraph. The resolution must also certify that the lease cost for administrative
35.18 space under this paragraph is no greater than the lease cost for the district's proposed
35.19 instructional lease.

35.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
35.21 and later.

35.22 Sec. 53. Minnesota Statutes 2012, section 126C.40, subdivision 6, is amended to read:
35.23 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval
35.24 by, the commissioner in accordance with the procedures and limits in subdivision 1,
35.25 paragraphs (a) and (b), a district, as defined in this subdivision, may:
35.26 (1) purchase real or personal property under an installment contract or may lease
35.27 real or personal property with an option to purchase under a lease purchase agreement, by
35.28 which installment contract or lease purchase agreement title is kept by the seller or vendor
35.29 or assigned to a third party as security for the purchase price, including interest, if any; and
35.30 (2) annually levy the amounts necessary to pay the district's obligations under the
35.31 installment contract or lease purchase agreement.
35.32 (b) The obligation created by the installment contract or the lease purchase
35.33 agreement must not be included in the calculation of net debt for purposes of section
35.34 475.53, and does not constitute debt under other law. An election is not required in
35.35 connection with the execution of the installment contract or the lease purchase agreement.
(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) For the purposes of this subdivision, "district" means:

(1) a school district which is eligible for revenue under section 124D.86, subdivision 2, clause (1), (2), or (3), and whose Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, or Independent School District No. 535, Rochester, if the district's desegregation plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and school desegregation and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4) or (5), where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) other districts eligible for revenue under section 124D.862 if the facility acquired under this subdivision is to be primarily used for the a joint program for interdistrict desegregation and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) For the purposes of this subdivision, any references in subdivision 1 to building or land shall include personal property.

Sec. 54. Minnesota Statutes 2012, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS SUPPLEMENTAL LEVY; INTERMEDIATE SCHOOL DISTRICTS.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to $30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's
schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(b) A school district that is a member of an intermediate school district may include in its authority under this section make a levy on all taxable property located within the district for the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs section 126C.10, subdivision 2g, at an intermediate school district. This authority must not exceed $40 $11 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph section must be transferred to the intermediate school district.

Sec. 55. Minnesota Statutes 2012, section 127A.47, subdivision 7, is amended to read:

Subd. 7. Alternative attendance programs. (a) The general education aid and special education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

(a) General education aid paid to a resident district must be reduced by an amount equal to the referendum equalization aid attributable to the pupil in the resident district.

(b) General education aid paid to a district serving a pupil in programs listed in this subdivision must be increased by an amount equal to the greater of (1) the referendum equalization aid attributable to the pupil in the nonresident district; or (2) the product of the district's open enrollment concentration index, the maximum amount of referendum revenue in the first tier, and the district's net open enrollment pupil units for that year. A district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units served to its resident pupil units for that year and 0.2. This clause does not apply to a
school district where more than 50 percent of the open enrollment students are enrolled solely in online learning courses.

(e) If the amount of the reduction to be made from the general education aid of the resident district is greater than the amount of general education aid otherwise due the district, the excess reduction must be made from other state aids due the district.

(d) For fiscal year 2006, the district of residence must pay tuition to a district or an area learning center, operated according to paragraph (f), providing special instruction and services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must be equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid attributable to that pupil, that is received by the district providing special instruction and services.

For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

(e) For fiscal year 2007 and later, special education aid paid to a resident district must be reduced by an amount equal to (b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76 attributable to that pupil, that is received by
the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

(c) For fiscal year 2015 and later, special education aid paid to a resident district must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing special education and services.

(d) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced by an amount equal to 100 percent of the unreimbursed cost of special education and services provided to students at an intermediate district, cooperative, or charter school where the percent of students eligible for special education services is at least 70 percent of the charter school's total enrollment.

(c) Special education aid paid to the district or cooperative providing special instruction and services for the pupil, or to the fiscal agent district for a cooperative, must be reduced by the amount of the reduction in the aid paid to the resident district under paragraphs (c) and (d). If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aids due to the district.

(f) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485 .0465, calculated without compensatory revenue and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

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

Sec. 56. Minnesota Statutes 2012, section 127A.47, subdivision 8, is amended to read:

Subd. 8. **Charter schools.** (a) The general education aid for districts must be adjusted for each pupil attending a charter school under section 124D.10. The adjustments must be made according to this subdivision.
(b) General education aid paid to a district in which a charter school not providing transportation according to section 124D.10, subdivision 16, is located must be increased by an amount equal to the sum of:

(1) the product of: (i) the sum of an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485, plus the transportation sparsity allowance for the district; times (ii) the adjusted marginal cost pupil units attributable to the pupil; plus

(2) the product of $223 and the extended time marginal cost pupil units attributable to the pupil.

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

Sec. 57. Minnesota Statutes 2012, section 127A.51, is amended to read:

**127A.51 STATEWIDE AVERAGE REVENUE.**

By October 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted marginal cost pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the 95th percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

If the disparity in adjusted general revenue as measured by the ratio of the 95th percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by January 15.

For purposes of this section and section 126C.10, adjusted general revenue means:

1. for fiscal year 2002, the sum of basic revenue under section 126C.10, subdivision 2; supplemental revenue under section 126C.10, subdivisions 9 and 12; transition revenue under section 126C.10, subdivision 20; referendum revenue under section 126C.17; and equity revenue under section 126C.10, subdivisions 24a and 24b; and

2. for fiscal year 2003 and later, the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under section 126C.17; and equity revenue under section 126C.10, subdivisions 24a and 24b, subdivision 24.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.
Sec. 58. Minnesota Statutes 2012, section 128D.11, subdivision 3, is amended to read:

Subd. 3. No election. Subject to the provisions of subdivisions 7 to 10, the school district may also by a two-thirds majority vote of all the members of its board of education and without any election by the voters of the district, issue and sell in each calendar year general obligation bonds of the district in an amount not to exceed 5-1/10 per cent of the net tax capacity of the taxable property in the district (plus, for calendar years 1990 to 2003, an amount not to exceed $7,500,000, and for calendar years 2004 to 2016 2026, an amount not to exceed $15,000,000; with an additional provision that any amount of bonds so authorized for sale in a specific year and not sold can be carried forward and sold in the year immediately following).

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 59. Laws 2007, chapter 146, article 4, section 12, is amended to read:

Sec. 12. BONDING AUTHORIZATION.

To provide funds for the acquisition or betterment of school facilities, Independent School District No. 625, St. Paul, may by two-thirds majority vote of all the members of the board of directors issue general obligation bonds in one or more series for calendar years 2008 through 2016 to 2026, as provided in this section. The aggregate principal amount of any bonds issued under this section for each calendar year must not exceed $15,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 123B, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding limit of Minnesota Statutes, chapter 123B, or any other law other than Minnesota Statutes, section 475.53, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 60. SCHOOL DISTRICT LEVY ADJUSTMENTS.

Subdivision 1. Tax rate adjustment. The commissioner of education must adjust each school district tax rate established under Minnesota Statutes, chapters 120B to 127A, by multiplying the rate by the ratio of the statewide total tax capacity for assessment year 2012 as it existed prior to the passage of Regular Session 2013 House File No. 677, or a similarly styled bill passed in a special session, to the statewide total tax capacity for assessment year 2012.
Subd. 2. Equalizing factors. The commissioner of education must adjust each school district equalizing factor established under Minnesota Statutes, chapters 120B to 127A, by dividing the equalizing factor by the ratio of the statewide total tax capacity for assessment year 2012 as it existed prior to the passage of Regular Session 2013 House File No. 677, or a similarly styled bill passed in a special session, to the statewide total tax capacity for assessment year 2012.

Sec. 61. APPROPRIATIONS.

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

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

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<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$6,045,457,000</td>
</tr>
<tr>
<td>2015</td>
<td>$6,351,602,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $781,842,000 for 2013 and $5,263,615,000 for 2014.

The 2015 appropriation includes $857,828,000 for 2014 and $5,493,774,000 for 2015.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$44,000</td>
</tr>
<tr>
<td>2015</td>
<td>$48,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2,722,000</td>
</tr>
<tr>
<td>2015</td>
<td>$3,133,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $301,000 for 2013 and $2,421,000 for 2014.

The 2015 appropriation includes $410,000 for 2014 and $2,723,000 for 2015.

Subd. 5. Consolidation transition. For districts consolidating under Minnesota Statutes, section 123A.485:
Subd. 6. Nonpublic pupil education aid. For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

- $15,376,000 ..... 2014
- $15,879,000 ..... 2015

The 2014 appropriation includes $2,099,000 for 2013 and $13,277,000 for 2014.

The 2015 appropriation includes $2,251,000 for 2014 and $13,628,000 for 2015.

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

- $18,322,000 ..... 2014
- $18,607,000 ..... 2015

The 2014 appropriation includes $2,668,000 for 2013 and $15,654,000 for 2014.

The 2015 appropriation includes $2,654,000 for 2014 and $15,953,000 for 2015.

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

- $65,000 ..... 2014
- $65,000 ..... 2015

Subd. 9. Compensatory supplemental formula aid. For grants for compensatory pilot project formula aid as calculated under Minnesota Statutes, section 126C.195:

- $6,278,000 ..... 2014
- $4,924,000 ..... 2015

The 2014 appropriation includes $2,109,000 for 2013 and $4,169,000 for 2014.

The 2015 appropriation includes $706,000 for 2014 and $4,218,000 for 2015.

Subd. 10. Compensatory revenue pilot project. For grants for participation in the compensatory revenue pilot program under Laws 2005, First Special Session chapter 5, article 1, section 50, as amended by Laws 2007, chapter 146, article 1, section 21:

- $2,325,000 2014
- $2,325,000 2015

Of this amount, $1,500,000 in each year is for a grant to Independent School District No. 11, Anoka-Hennepin; $75,000 in each year is for a grant to Independent School District
No. 286, Brooklyn Center; $210,000 in each year is for a grant to Independent School District No. 279, Osseo; $160,000 in each year is for a grant to Independent School District No. 281, Robbinsdale; $165,000 in each year is for a grant to Independent School District No. 535, Rochester; $65,000 in each year is for a grant to Independent School District No. 833, South Washington; and $150,000 in each year is for a grant to Independent School District No. 241, Albert Lea. If a grant to a specific school district is not awarded, the commissioner may increase the aid amounts to any of the remaining participating school districts. This appropriation is part of the base budget for subsequent fiscal years.

Sec. 62. REPEALER.

(a) Minnesota Statutes 2012, sections 120B.08; and 120B.09, are repealed for fiscal year 2014 and later.

(b) Minnesota Statutes 2012, sections 126C.10, subdivisions 13a, 13b, 25, 26, 28, 31a, 31b, 31c, 34, 35, and 36; 126C.17, subdivision 13; and 127A.50, subdivisions 1 and 5, are repealed for fiscal year 2015 and later.

ARTICLE 2
STUDENT ACCOUNTABILITY

Section 1. Minnesota Statutes 2012, section 120B.02, is amended to read:

120B.02 EDUCATIONAL EXPECTATIONS AND GRADUATION REQUIREMENTS FOR MINNESOTA'S STUDENTS.

Subdivision 1. Educational expectations. (a) The legislature is committed to establishing rigorous academic standards for Minnesota's public school students. To that end, the commissioner shall adopt in rule statewide academic standards. The commissioner shall not prescribe in rule or otherwise the delivery system, classroom assessments, or form of instruction that school sites must use. For purposes of this chapter, a school site is a separate facility, or a separate program within a facility that a local school board recognizes as a school site for funding purposes.

(b) All commissioner actions regarding the rule must be premised on the following:

(1) the rule is intended to raise academic expectations for students, teachers, and schools;

(2) any state action regarding the rule must evidence consideration of school district autonomy; and

(3) the Department of Education, with the assistance of school districts, must make available information about all state initiatives related to the rule to students and parents,
teachers, and the general public in a timely format that is appropriate, comprehensive, and
readily understandable.

(e) When fully implemented, the requirements for high school graduation in
Minnesota must require students to satisfactorily complete, as determined by the school
district, the course credit requirements under section 120B.024, all state academic
standards or local academic standards where state standards do not apply, and successfully
pass graduation examinations as required under section 120B.30.

(d) (c) The commissioner shall periodically review and report on the state's
assessment process.

(e) (d) School districts are not required to adopt specific provisions of the federal
School-to-Work programs.

Subd. 2. Graduation requirements. To graduate from high school, students must
demonstrate to their enrolling school district or school their satisfactory completion of the
credit requirements under section 120B.024 and their understanding of academic standards
or a nationally normed college entrance exam. A school district must adopt graduation
requirements that meet or exceed state graduation requirements established in law or rule.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to
students entering grade 8 in the 2012-2013 school year and later.

Sec. 2. Minnesota Statutes 2012, section 120B.125, is amended to read:

120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION
TO POSTSECONDARY EDUCATION AND EMPLOYMENT; IN VOLUN TARY
CAREER TRACKING PROHIBITED.

(a) Consistent with sections 120B.128, 120B.13, 120B.131, 120B.132, 120B.14,
120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections,
school districts are strongly encouraged to, beginning in the 2013-2014 school year, must
assist all students by no later than grade 9 to explore their college and career interests and
aspirations and develop a plan for a smooth and successful transition to postsecondary
education or employment. All students' plans must be designed to:

(1) provide a comprehensive academic plan for completing a college and
career-ready curriculum premised on meeting state and local academic standards and
developing 21st century skills such as team work, collaboration, and good work habits;

(2) emphasize academic rigor and high expectations;

(3) help students identify personal learning styles that may affect their postsecondary
education and employment choices;
(4) help students succeed at gaining access to postsecondary education and career options;

(5) integrate strong academic content into career-focused courses and integrate relevant career-focused courses into strong academic content;

(6) help students and families identify and gain access to appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and scholarship;

(7) help students and families identify collaborative partnerships of kindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and employers that support students' transition to postsecondary education and employment and provide students with experiential learning opportunities; and

(8) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student "on track" making adequate progress to meet state and local high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.

(b) A school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select a career, career interest, employment goals, or related job training.

(c) School districts are encouraged to seek and use revenue and in-kind contributions from nonstate sources and to seek administrative cost savings through innovative local funding arrangements, such as the Collaboration Among Rochester Educators (CARE) model for funding postsecondary enrollment options, among other sources, for purposes of implementing this section.

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

Sec. 3. Minnesota Statutes 2012, section 120B.128, is amended to read:

120B.128 EDUCATIONAL PLANNING AND ASSESSMENT SYSTEM

(EPAS) PROGRAM.

(a) School districts and charter schools may elect to participate in the Educational Planning and Assessment System (EPAS) program offered by ACT, Inc. to provide a longitudinal, systematic approach to student educational and career planning, assessment, instructional support, and evaluation. The EPAS achievement tests include English,
reading, mathematics, science, and components on planning for high school and
postsecondary education, interest inventory, needs assessments, and student education
plans. These tests are linked to the ACT assessment for college admission and allow
students, parents, teachers, and schools to determine the student's college readiness before
grades 11 and 12.

(b) The commissioner of education shall provide ACT Explore tests for students
in grade 8 and the ACT Plan test for students in grade 10 to assess individual student
academic strengths and weaknesses, academic achievement and progress, higher order
thinking skills, and college readiness.

(c) Students enrolled in grade 8 through the 2011-2012 school year who have
not yet demonstrated proficiency on the Minnesota comprehensive assessments, the
graduation-required assessments for diploma, or the basic skills testing requirements
prior to high school graduation may satisfy state high school graduation requirements for
assessments in reading, mathematics, and writing by taking the WorkKeys job skills
assessment, the Compass college placement test, or the ACT assessment for college
admission.

(d) The state shall pay the test costs for school districts and charter schools that
choose to participate in the EPAS program. Public school students to participate in the
assessments under this section. The commissioner shall establish an application procedure
and a process for state payment of costs.

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

Sec. 4. Minnesota Statutes 2012, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. Statewide testing. (a) The commissioner, with advice from experts
with appropriate technical qualifications and experience and stakeholders, consistent
with subdivision 1a, shall include in the comprehensive assessment system, for each
grade level to be tested, state-constructed tests developed from and as computer-adaptive
reading and mathematics assessments for students that are aligned with the state's required
academic standards under section 120B.021, include multiple choice questions, and be are
administered annually to all students in grades 3 through # 7. Reading and mathematics
assessments for all students in grade 8 must be aligned with the state's required reading and
mathematics standards, be administered annually, and include multiple choice questions.
State-developed high school tests aligned with the state's required academic standards
under section 120B.021 and administered to all high school students in a subject other
than writing must include multiple choice questions. The commissioner shall establish
one or more months during which schools shall administer the tests to students each
school year. For students enrolled in grade 8 before the 2005-2006 school year, Minnesota
basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills
testing requirements for a passing state notation. The passing scores of basic skills tests in
reading and mathematics are the equivalent of 75 percent correct for students entering
grade 9 based on the first uniform test administered in February 1998. Students who
have not successfully passed a Minnesota basic skills test by the end of the 2011-2012
school year must pass the graduation-required assessments for diploma under paragraph
(e), except that for the 2012-2013 and 2013-2014 school years only, these students may
satisfy the state's graduation test requirement for math by complying with paragraph
(d), clauses (1) and (2) (1) Students enrolled in grade 8 through the 2009-2010 school
year are eligible to be assessed under (i) the graduation-required assessment for diploma
in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30,
subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills
assessment, (iii) a computer-adaptive college placement test, or (iv) the ACT assessment
for college admission. (2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012
school year are eligible to be assessed under (i) the graduation-required assessment for
diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section
120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills
assessment, (iii) a computer-adaptive college placement test, or (iv) the ACT assessment
for college admission.

(b) The state assessment system must be aligned to the most recent revision of
academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in
the 2012-2013 school year.

(c) For students enrolled in grade 8 in the 2005-2006 2012-2013 school year and
later, only the following options shall fulfill students' state graduation test requirements,
based on a longitudinal, systematic approach to student education and career planning,
assessment, instructional support, and evaluation, include the following:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as
determined through a standard setting process on the Minnesota comprehensive
assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
score as determined through a standard setting process on the graduation required
assessment for diploma in grade 10 for reading and grade 11 for mathematics or
subsequent retests;
(ii) achieving a passing score as determined through a standard setting process
on the state-identified language proficiency test in reading and the mathematics test for
English learners or the graduation required assessment for diploma equivalent of those
assessments for students designated as English learners;
(iii) achieving an individual passing score on the graduation required assessment for
diploma as determined by appropriate state guidelines for students with an individualized
education program or 504 plan;
(iv) obtaining achievement level equivalent to or greater than proficient as
determined through a standard setting process on the state-identified alternate assessment
or assessments in grade 10 for reading and grade 11 for mathematics for students with
an individualized education program; or
(v) achieving an individual passing score on the state-identified alternate assessment
or assessments as determined by appropriate state guidelines for students with an
individualized education program; and
(2) for writing:
(i) achieving a passing score on the graduation required assessment for diploma;
(ii) achieving a passing score as determined through a standard setting process on
the state-identified language proficiency test in writing for students designated as English
learners;
(iii) achieving an individual passing score on the graduation required assessment for
diploma as determined by appropriate state guidelines for students with an individualized
education program or 504 plan; or
(iv) achieving an individual passing score on the state-identified alternate assessment
or assessments as determined by appropriate state guidelines for students with an
individualized education program:
(1) understanding of required academic standards as demonstrated on a nationally
normed college entrance exam;
(2) achievement and career and college readiness tests in mathematics, reading, and
writing, consistent with paragraph (e) and to the extent available, to monitor students'
continuous development of and growth in requisite knowledge and skills; analyze
students' progress and performance levels, identifying students' academic strengths and
diagnosing areas where students require curriculum or instructional adjustments, targeted
interventions, or remediation; and, based on analysis of students' progress and performance
data, determine students' learning and instructional needs and the instructional tools and
best practices that support academic rigor for the student; and

(3) consistent with this paragraph and section 120B.125, age-appropriate exploration
and planning activities and career assessments to encourage students to identify personally
relevant career interests and aptitudes and help students and their families develop a
regularly reexamined transition plan for postsecondary education or employment without
need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program
may satisfy state graduation requirements by achieving an individual score on the
state-identified alternative assessments.

Expectations of schools, districts, and the state for career or college readiness under
this subdivision must be comparable in rigor, clarity of purpose, and rates of student
completion. A student under clause (2) must receive targeted, relevant, academically
rigorous, and resourced instruction, which may include a targeted instruction and
intervention plan focused on improving the student's knowledge and skills in core subjects
so that the student has a reasonable chance to succeed in a career or college without need
for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091,
124D.49, and related sections, an enrolling school or district must actively encourage a
student in grade 11 or 12 who is identified as academically ready for a career or college
to participate in courses and programs awarding college credit to high school students.

Students are not required to achieve a specified score or level of proficiency on an
assessment under this subdivision to graduate from high school.

(d) Students enrolled in grade 8 in any school year from the 2005-2006 school
year to the 2009-2010 school year who do not pass the mathematics graduation required
assessment for diploma under paragraph (c) are eligible to receive a high school diploma
if they:

(1) complete with a passing score or grade all state and local coursework and credits
required for graduation by the school board granting the students their diploma;

(2) participate in district prescribed academic remediation in mathematics; and

(3) fully participate in at least two retests of the mathematics GRAD test or until
they pass the mathematics GRAD test, whichever comes first.

To improve the secondary and postsecondary outcomes of all students, the alignment between secondary and
postsecondary education programs and Minnesota's workforce needs, and the efficiency
and cost-effectiveness of secondary and postsecondary programs, the commissioner, after
consulting with the chancellor of the Minnesota State Colleges and Universities and using
a request for proposal process, shall contract for a series of assessments that are consistent
with this subdivision, aligned with state academic standards, and include career and
college readiness benchmarks. Mathematics, reading, and writing assessments for students
in grades 8 and 10 must be predictive of and aligned with a nationally normed assessment
for career and college readiness. This nationally recognized assessment must be a college
entrance exam and given to students in grade 11 or 12. This series of assessments must
include a college placement diagnostic exam and contain career exploration elements. The
commissioner and the chancellor of the Minnesota State Colleges and Universities must
collaborate in aligning instruction and assessments for adult basic education students to
provide the students with diagnostic information about any targeted interventions they
need so that they may seek postsecondary education or employment without need for
postsecondary remediation.

(1) Districts and schools, on an annual basis, must use the career exploration
elements in these assessments to help students, beginning no later than grade 9, and their
families explore and plan for postsecondary education or careers based on the students'
interests, aptitudes, and aspirations. Districts and schools must use timely regional labor
market information and partnerships, among other resources, to help students and their
families successfully develop, pursue, review, and revise an individualized plan for
postsecondary education or a career. This process must help increase students' engagement
in and connection to school, improve students' knowledge and skills, and deepen students'
understanding of career pathways as a sequence of academic and career courses that lead
to an industry-recognized credential, an associate's degree, or a bachelor's degree and are
available to all students, whatever their interests and career goals.

(2) Students who, based on their growth in academic achievement between grades 8
and 10, show adequate progress toward meeting state career and college readiness must be
given the college entrance exam part of these assessments in grade 11. A student under
this clause who demonstrates attainment of required state academic standards, which
include career and college readiness benchmarks, on these assessments is academically
ready for a career or college and is encouraged to participate in courses and programs
awarding college credit to high school students. Such courses and programs may include
sequential courses of study within broad career areas and technical skill assessments
that extend beyond course grades.

(3) All students in grade 11 not subject to clause (2) must be given the college
placement diagnostic exam so that the students, their families, the school, and the district
can use the results to diagnose areas for targeted instruction, intervention, or remediation
and improve students' knowledge and skills in core subjects sufficient for the student
to graduate and have a reasonable chance to succeed in a career or college without remediation. These students must be given the college entrance exam part of these assessments in grade 12.

(4) A student in clause (3) who demonstrates: (i) attainment of required state academic standards, which include career and college readiness benchmarks, on these assessments; (ii) attainment of career and college readiness benchmarks on the college placement diagnostic part of these assessments; and, where applicable, (iii) successfully completes targeted instruction, intervention, or remediation approved by the commissioner and the chancellor of the Minnesota State Colleges and Universities after consulting with local school officials and educators, is academically ready for a career or college and is encouraged to participate in courses and programs awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(5) A study to determine the alignment between these assessments and state academic standards under this chapter must be conducted. Where alignment exists, the commissioner must seek federal approval to, and immediately upon receiving approval, replace the federally required assessments referenced under subdivision 1a and section 120B.35, subdivision 2, with assessments under this paragraph.

(e) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(f) A school, district, or charter school must place record on the high school transcript a student's current pass status for each subject that has a required graduation assessment progress toward career and college readiness.

In addition, (g) The school board granting the students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.
(e) (h) The 3rd through 8th 7th grade computer-adaptive assessment results and high school test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must establish empirically derived benchmarks on adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and college readiness. The commissioner must disseminate to the public the computer-adaptive assessments, grade 8, and high school test results upon receiving those results.

(f) (j) The 3rd through 8th grade grades 3 through 7 computer-adaptive assessments, grade 8, and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(g) In addition to the testing and reporting requirements under this section, (j) The commissioner shall include the following components in the statewide public reporting system:

1. uniform statewide testing computer-adaptive assessments of all students in grades 3 through 8 7 and testing at the grade 8 and high school level levels that provides appropriate, technically sound accommodations or alternate assessments;

2. educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

3. state results on the American College Test; and

4. state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to the 2013-2014 school year and later, except that paragraph (a) applies the day following final enactment and the requirements for using computer-adaptive mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016 school year and later. The series of assessments contracted for under paragraph (d) apply in the 2014-2015 school year and later.

Sec. 5. Minnesota Statutes 2012, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. Statewide and local assessments; results. (a) For purposes of this section, the following definitions have the meanings given them.
(1) "Computer-adaptive assessments" means fully adaptive assessments.

(2) "Fully adaptive assessments" include test items that are on-grade level and items that may be above or below a student's grade level.

(3) "On-grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.

(4) "Above-grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding the student's grade level, administering above-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(5) "Below-grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year and later.

(c) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 8, state-developed grade 8 and high school reading and mathematics tests aligned with state academic standards, and science assessments under clause (2) that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual computer-adaptive reading and mathematics assessments in grades 3 through 8, and grade 8 and high school reading and mathematics tests; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

(d) The commissioner must ensure that for annual computer-adaptive assessments:
(1) individual student performance data and achievement reports are available within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards.

(b) (e) The commissioner must ensure that all statewide state tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(e) (f) Reporting of state assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include a value-added growth indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine whether students have met the state's basic skills requirements; and

(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine whether students have met the state's academic standards.

(d) (g) Consistent with applicable federal law and subdivision 1., paragraph (d), clause (i), the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for English learners.

(g) (h) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student proficiency progress toward career and college readiness in the context of the state's grade level academic standards. If a state assessment is not available, a school, school district, and charter school must determine locally if a student has met the required academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or
retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

**EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and later except the requirements for using computer-adaptive mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016 school year and later. Results related to career and college readiness benchmarks apply in the 2014-2015 school year and later.

Sec. 6. Minnesota Statutes 2012, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance report cards reports.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status under applicable federal law, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

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

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

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

(e) School performance report card data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance report cards reports to the department's public Web site no later than September 1, except that in years when the report card reflects reports
reflect new performance standards, the commissioner shall post the school performance report cards no later than October 1.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 7. CAREER PATHWAYS ADVISORY TASK FORCE.

Subdivision 1. Recommendations. (a) A career pathways advisory task force is established to recommend to the Minnesota legislature, consistent with Minnesota Statutes, sections 120B.30, subdivision 1, and 120B.35, subdivision 3, how to structurally redesign secondary and postsecondary education to:

(1) improve secondary and postsecondary outcomes for students and adult learners;

(2) align secondary and postsecondary education programs serving students and adult learners;

(3) align secondary and postsecondary education programs and Minnesota's workforce needs; and

(4) measure and evaluate the combined efficacy of Minnesota's public kindergarten through grade 12 and postsecondary education programs.

(b) Advisory task force members, in preparing these recommendations, must seek the advice of education providers, employers, policy makers, and other interested stakeholders and must at least consider how to:

(1) better inform students about career options, occupational trends, and educational paths leading to viable and rewarding careers and reduce the gap between the demand for and preparation of a skilled Minnesota workforce;

(2) in consultation with a student's family, develop and periodically adapt, as needed, an education and work plan for each student aligned with the student's personal and professional interests, abilities, skills, and aspirations;

(3) improve monitoring of high school students' progress with targeted interventions and support and remove the need for remedial instruction;

(4) increase and accelerate opportunities for secondary school students to earn postsecondary credits leading to a certificate, industry license, or degree;

(5) better align high school courses and expectations and postsecondary credit-bearing courses;

(6) better align high school standards and assessments, postsecondary readiness measures and entrance requirements, and the expectations of Minnesota employers;

(7) increase the rates at which students complete a postsecondary certificate, industry license, or degree; and
Subd. 2. **Membership.** The Career Pathways Advisory Task Force shall have 15 members appointed by July 15, 2013, as follows:

1. one member appointed by the Minnesota Association of Career and Technical Administrators;

2. one member appointed by the Minnesota Association for Career and Technical Education;

3. one member appointed by the University of Minnesota who is a faculty member working to develop career and technical educators in Minnesota;

4. one member appointed by the Minnesota State Colleges and Universities who is a faculty member working to develop career and technical educators in Minnesota;

5. one member appointed by the National Research Center for Career and Technical Education;

6. one member appointed by the Minnesota Department of Education;

7. one member appointed by the Minnesota Board of Teaching;

8. one member appointed by the Minnesota Association of Colleges for Teacher Education;

9. one member appointed by the Minnesota State Colleges and Universities from faculty for foundational skills and general education; and

10. six members appointed by the commissioner of education who have expertise in any of the areas with which the task force has been charged in subdivision 1.

Subd. 3. **Terms.** Each member shall serve until the task force sunsets, unless replaced by their appointing authority.

Subd. 4. **First meeting; acting chair; chair.** The commissioner of education shall convene the first meeting by August 15, 2013, and shall act as chair until the task force elects a chair from among its members at the first meeting.

Subd. 5. **Compensation.** The task force members shall not be compensated and their expenses shall not be reimbursed.

Subd. 6. **Staff; technical assistance.** The commissioner of education, on request by the task force, will provide technical assistance and provide staff assistance sufficient for the task force to carry out its duties.

Subd. 7. **Report.** By February 15, 2014, the task force shall submit a written report describing its recommendations to the chairs and ranking minority members of the
legislative committees and divisions with primary jurisdiction over kindergarten through

grade 12 education.

Subd. 8. **Sunset.** The task force expires the day after the task force reports to the

legislature, or February 15, 2014, whichever is earlier.

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

Sec. 8. **APPROPRIATIONS.**

Subdivision 1. **Minnesota Department of Education.** The sums indicated in this

section are appropriated from the general fund to the Department of Education for the

fiscal years designated.

Subd. 2. **Statewide testing and reporting system.** For the statewide testing and

reporting system under Minnesota Statutes, section 120B.30:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$16,518,000</td>
</tr>
<tr>
<td>2015</td>
<td>$19,198,000</td>
</tr>
</tbody>
</table>

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

Sec. 9. **REPEALER.**

Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5,
6, 7, 9, 10, 11, 12, 13, 14, 15, and 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090;
3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160;
3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240;
3501.0250; 3501.0270; 3501.0280, subparts 1 and 2; 3501.0290; 3501.1000; 3501.1020;
3501.1030; 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140;
3501.1150; 3501.1160; 3501.1170; 3501.1180; and 3501.1190, are repealed effective the

day following final enactment.

**ARTICLE 3**

**EDUCATION EXCELLENCE**

Section 1. Minnesota Statutes 2012, section 120A.22, subdivision 5, is amended to read:
Subd. 5. **Ages and terms.** (a) Every child between seven and 17 years of age must
receive instruction unless the child has graduated. Every child under the age of seven who
is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days,
or other kindergarten programs shall receive instruction. Except as provided in subdivision
6, a parent may withdraw a child under the age of seven from enrollment at any time.
(b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

(c) A pupil 16 years of age or older who meets the criteria of section 124D.68, subdivision 2, may be assigned to an area learning center. Such assignment may be made only after consultation with the principal, area learning center director, and parent or guardian.

**EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and later.

Sec. 2. Minnesota Statutes 2012, section 120A.22, subdivision 8, is amended to read:

Subd. 8. **Withdrawal from school.** Any student between 16 and 18 who is 17 years old who seeks to withdraw from school, and the student's parent or guardian must:

(1) attend a meeting with school personnel to discuss the educational opportunities available to the student, including alternative educational opportunities; and

(2) sign a written election to withdraw from school.

Sec. 3. Minnesota Statutes 2012, section 120A.22, subdivision 11, is amended to read:

Subd. 11. **Assessment of performance.** (a) Each year the performance of every child ages seven through 16 and every child ages 16 through 17 for which an initial report was filed pursuant to section 120A.24, subdivision 1, after the child is 16 and who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination.

(b) To the extent the examination in paragraph (a) does not provide assessment in all of the subject areas in subdivision 9, the parent must assess the child's performance in the applicable subject area. This requirement applies only to a parent who provides instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3).

(c) If the results of the assessments in paragraphs (a) and (b) indicate that the child's performance on the total battery score is at or below the 30th percentile or one grade level below the performance level for children of the same age, the parent must obtain additional evaluation of the child's abilities and performance for the purpose of determining whether the child has learning problems.
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61.1 (d) A child receiving instruction from a nonpublic school, person, or institution that
61.2 is accredited by an accrediting agency, recognized according to section 123B.445, or
61.3 recognized by the commissioner, is exempt from the requirements of this subdivision.
61.4

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and
61.5 later.

61.6 Sec. 4. Minnesota Statutes 2012, section 120A.22, subdivision 12, is amended to read:
61.7 Subd. 12. Legitimate exemptions. (a) A parent, guardian, or other person
61.8 having control of a child may apply to a school district to have the child excused from
61.9 attendance for the whole or any part of the time school is in session during any school
61.10 year. Application may be made to any member of the board, a truant officer, a principal,
61.11 or the superintendent. The school district may state in its school attendance policy that
61.12 it may ask the student's parent or legal guardian to verify in writing the reason for
61.13 the child's absence from school. A note from a physician or a licensed mental health
61.14 professional stating that the child cannot attend school is a valid excuse. The board of the
61.15 district in which the child resides may approve the application upon the following being
61.16 demonstrated to the satisfaction of that board:
61.17 (1) that the child's physical or mental health is such as to prevent attendance at
61.18 school or application to study for the period required, which includes:
61.19 (i) child illness, medical, dental, orthodontic, or counseling appointments;
61.20 (ii) family emergencies;
61.21 (iii) the death or serious illness or funeral of an immediate family member;
61.22 (iv) active duty in any military branch of the United States;
61.23 (v) the child has a condition that requires ongoing treatment for a mental health
61.24 diagnosis; or
61.25 (vi) other exemptions included in the district's school attendance policy;
61.26 (2) that the child has already completed state and district standards required for
61.27 graduation from high school; or
61.28 (3) that it is the wish of the parent, guardian, or other person having control of the
61.29 child, that the child attend for a period or periods not exceeding in the aggregate three
61.30 hours in any week, a school for religious instruction conducted and maintained by some
61.31 church, or association of churches, or any Sunday school association incorporated under
61.32 the laws of this state, or any auxiliary thereof. This school for religious instruction must
61.33 be conducted and maintained in a place other than a public school building, and it must
61.34 not, in whole or in part, be conducted and maintained at public expense. However, a child

Article 3 Sec. 4.  61
may be absent from school on such days as the child attends upon instruction according to
the ordinances of some church.

(b) A parent may withdraw their child from an all-day, every-day kindergarten
program and put their child in a half-day program, if offered, or an alternate-day program
without being truant. The school district must have a policy to accommodate a parent that
wants another option when the district only offers all-day, every-day kindergarten.

Sec. 5. Minnesota Statutes 2012, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. Reports to superintendent. (a) The person or nonpublic school in
charge of providing instruction to a child must submit to the superintendent of the district
in which the child resides the name, birth date, and address of the child; the annual tests
intended to be used under section 120A.22, subdivision 11, if required; the name of each
instructor; and evidence of compliance with one of the requirements specified in section
120A.22, subdivision 10:

(1) by October 1 of the first school year the child receives instruction after reaching
the age of seven;

(2) within 15 days of when a parent withdraws a child from public school after
age seven to provide instruction in a nonpublic school that is not accredited by a
state-recognized accredited agency;

(3) within 15 days of moving out of a district; and

(4) by October 1 after a new resident district is established.

(b) The person or nonpublic school in charge of providing instruction to a child
between the ages of seven and 16 and every child ages 16 through 17 for which an
initial report was filed pursuant to this subdivision after the child is 16 must submit, by
October 1 of each school year, a letter of intent to continue to provide instruction under
this section for all students under the person's or school's supervision and any changes to
the information required in paragraph (a) for each student.

c) The superintendent may collect the required information under this section
through an electronic or Web-based format, but must not require electronic submission of
information under this section from the person in charge of reporting under this subdivision.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and
later.

Sec. 6. Minnesota Statutes 2012, section 122A.415, is amended by adding a
subdivision to read:
Subd. 4. Basic alternative teacher compensation aid. (a) For fiscal year 2015 and later, the basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals $260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed $75,636,000 for fiscal year 2015 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2015 and later.

Sec. 7. Minnesota Statutes 2012, section 122A.415, is amended by adding a subdivision to read:

Subd. 5. Alternative teacher compensation levy. For fiscal year 2015 and later, the alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic alternative teacher compensation aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to $6,742.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2015 and later.

Sec. 8. Minnesota Statutes 2012, section 122A.415, is amended by adding a subdivision to read:

Subd. 6. Alternative teacher compensation equalization aid. (a) For fiscal year 2015 and later, a district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a
64.1 district does not levy the entire amount permitted, the alternative teacher compensation
64.2 equalization aid must be reduced in proportion to the actual amount levied.
64.3 (b) A district's alternative teacher compensation aid equals the sum of the
64.4 district's basic alternative teacher compensation aid and the district's alternative teacher
64.5 compensation equalization aid.

64.6 EFFECTIVE DATE. This section is effective for revenue in fiscal year 2015 and
64.7 later.

64.8 Sec. 9. Minnesota Statutes 2012, section 124D.03, subdivision 12, is amended to read:
64.9 Subd. 12. Termination of enrollment. A district may terminate the enrollment
64.10 of a nonresident student enrolled under this section or section 124D.08 at the end of a
64.11 school year if the student meets the definition of a habitual truant under section 260C.007,
64.12 subdivision 19, the student has been provided appropriate services under chapter 260A,
64.13 and the student's case has been referred to juvenile court. A district may also terminate the
64.14 enrollment of a nonresident student over the age of 17 enrolled under this section if the
64.15 student is absent without lawful excuse for one or more periods on 15 school days and has
64.16 not lawfully withdrawn from school under section 120A.22, subdivision 8.

64.17 EFFECTIVE DATE. This section is effective for the 2014-2015 school year and
64.18 later.

64.19 Sec. 10. Minnesota Statutes 2012, section 124D.128, subdivision 2, is amended to read:
64.20 Subd. 2. Commissioner designation. (a) A state-approved alternative program
64.21 designated by the state must be a site. A state-approved alternative program must provide
64.22 services to students who meet the criteria in section 124D.68 and who are enrolled in:
64.23 (1) a district that is served by the state-approved alternative program; or
64.24 (2) a charter school located within the geographic boundaries of a district that is
64.25 served by the state-approved alternative program.
64.26 (b) A school district or charter school may be approved biennially by the state to
64.27 provide additional instructional programming that results in grade level acceleration. The
64.28 program must be designed so that students make grade progress during the school year
64.29 and graduate prior to the students' peers.
64.30 (c) (b) To be designated, a district, charter school, or state-approved alternative
64.31 program must demonstrate to the commissioner that it will:
64.32 (1) provide a program of instruction that permits pupils to receive instruction
64.33 throughout the entire year; and
(2) develop and maintain a separate record system that, for purposes of section 126C.05, permits identification of membership attributable to pupils participating in the program. The record system and identification must ensure that the program will not have the effect of increasing the total average daily membership attributable to an individual pupil as a result of a learning year program. The record system must include the date the pupil originally enrolled in a learning year program, the pupil's grade level, the date of each grade promotion, the average daily membership generated in each grade level, the number of credits or standards earned, and the number needed to graduate.

(d) (c) A student who has not completed a school district's graduation requirements may continue to enroll in courses the student must complete in order to graduate until the student satisfies the district's graduation requirements or the student is 21 years old, whichever comes first.

Sec. 11. Minnesota Statutes 2012, section 124D.42, is amended to read:

124D.42 READING AND MATH CORPS.

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

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

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

and

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

Subd. 8. Minnesota reading corps program. (a) A Minnesota reading corps program is established to provide ServeMinnesota innovation AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, to children age 3 to grade 3.

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

(c) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.
Subd. 9. **Minnesota math corps program.** (a) A Minnesota math corps program is established to give ServeMinnesota AmeriCorps members a data-based problem-solving model of mathematics instruction useful for providing elementary and middle school students and their teachers with instructional support to meet state academic standards in mathematics.

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

**EFFECTIVE DATE.** This section is effective July 1, 2013.

Sec. 12. Minnesota Statutes 2012, section 124D.4531, is amended to read:

**124D.4531 CAREER AND TECHNICAL LEVY REVENUE.**

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

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

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

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

4. necessary travel between instructional sites by licensed career and technical education personnel;

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

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

7. necessary travel by licensed career and technical education personnel for noncollegiate credit-bearing professional development; and

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

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

(d) The amount of the **levy certified revenue** calculated under this subdivision may not exceed $17,850,000 for taxes payable in 2012, $15,520,000 for taxes payable in 2013, and $15,203,000 **$24,224,000** for taxes payable in 2014.

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

**Subd. 1a. Career and technical levy.** (a) For fiscal year 2014 only, a district may levy an amount not more than the product of its career and technical revenue times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit in the fiscal year in which the levy is certified to the career and technical revenue equalizing factor. The career and technical revenue equalizing factor for fiscal year 2014 equals $9,497.

(b) For fiscal year 2015 and later, a district may levy an amount not more than the product of its career and technical revenue times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is certified to the career and technical revenue equalizing factor. The career and technical revenue equalizing factor for fiscal year 2015 and later equals $10,058.

**Subd. 1b. Career and technical aid.** For fiscal year 2014 and later, a district's career and technical aid equals its career and technical revenue less its career and technical levy. If the district levy is less than the permitted levy, the district's career and technical aid shall be reduced proportionately.

**Subd. 2. Allocation from cooperative centers and intermediate districts.** For purposes of this section, a cooperative center or an intermediate district must allocate its approved expenditures for career and technical education programs among participating districts.

**Subd. 3. Levy Revenue guarantee.** Notwithstanding subdivision 1, paragraph (a), the career and technical education **levy revenue** for a district is not less than the lesser of:

1. The district's career and technical education **levy authority revenue** for the previous fiscal year; or
(2) 100 percent of the approved expenditures for career and technical programs included in subdivision 1, paragraph (b), for the fiscal year in which the levy is certified.

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

Subd. 4. **District reports.** Each district or cooperative center must report data to the department for all career and technical education programs as required by the department to implement the career and technical levy revenue formula.

Subd. 5. **Allocation from districts participating in agreements for secondary education or interdistrict cooperation.** For purposes of this section, a district with a career and technical program approved under this section that participates in an agreement under section 123A.30 or 123A.32 must allocate its levy revenue authority under this section among participating districts.

**EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

Sec. 13. Minnesota Statutes 2012, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **School district EL revenue.** (a) A district's English learner programs revenue equals the product of (1) $700 in fiscal year 2004 and later $705 times (2) the greater of 20 or the adjusted marginal cost average daily membership of eligible English learners enrolled in the district during the current fiscal year.

(b) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.

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

Sec. 14. [124D.861] **ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.**

Subdivision 1. **Program to close the academic achievement and opportunity gap.** The "Achievement and Integration for Minnesota" program is established to
promote diversity, pursue racial and economic integration, and increase student academic
achievement and equitable educational opportunities in Minnesota public schools. The
program must serve students of varying racial, ethnic, and economic backgrounds, taking
into account unique geographic and demographic particularities affecting students,
schools, and districts including race, neighborhood locations and characteristics, grades,
socioeconomic status, academic performance, and language barriers. Eligible districts
must use the revenue under section 124D.862 to pursue racial and economic integration in
schools through: (1) in-school educational practices and integrated learning environments
created to prepare all students to be effective citizens, enhance social cohesion, and
reinforce democratic values; and (2) corresponding and meaningful policies and curricula
and trained instructors, administrators, school counselors, and other advocates who support
and enhance in-school practices and integrated learning environments under this section.
In-school practices and integrated learning environments must promote increased student
academic achievement, cultural fluency, cross-cultural interactivities, communication and
pedagogy, graduation and educational attainment rates, and parent involvement.

Subd. 2. Plan components. (a) The school board of each eligible district must
formally develop and implement a long-term comprehensive plan that identifies the
collaborative structures and systems, in-school strategies, inclusive best educational
practices, and partnerships with higher education institutions and industries required
to effect this section and increase the academic achievement of all students. Plan
components may include: innovative and integrated prekindergarten through grade 12
learning environments that offer students school enrollment choices; family engagement
initiatives that involve families in their students' academic life and success; professional
development opportunities for teachers and administrators focused on improving the
academic achievement of all students; increased programmatic opportunities focused
on rigor and college and career readiness for underserved students, including students
enrolled in alternative learning centers under section 123A.05, public alternative programs
under section 126C.05, subdivision 15, or contract alternative programs under section
124D.69, among other underserved students; or recruitment and retention of teachers and
administrators with diverse backgrounds. The plan must specify district and school goals
for reducing the disparity in academic achievement among all racial and ethnic categories of
students and promoting racial and economic integration in schools and districts over time.
(b) Among other requirements, an eligible district must implement a cost-effective,
research-based intervention that includes formative assessment practices to reduce the
disparity in student academic achievement between the highest and lowest performing
racial and ethnic categories of students as measured by student demonstration of
proficiency on state reading and math assessments.

(c) Eligible districts must collaborate in creating efficiencies and eliminating the
duplication of programs and services under this section, which may include forming a
single, seven-county metropolitan areawide partnership of eligible districts for this purpose.

Subd. 3. Biennial progress; budget process. (a) To receive revenue under section
124D.862, the school board of an eligible district must hold at least one formal hearing by
March 1 in the year preceding the current biennium to report to the public its progress in
realizing the goals identified in its plan. At the hearing, the board must provide the public
with longitudinal data demonstrating district and school progress in reducing the disparity
in student academic achievement among all racial and ethnic categories of students and
realizing racial and economic integration, consistent with its plan and the measures in
paragraph (b). The district also must submit to the commissioner by March 1 in the year
preceding the current biennium a detailed biennial budget for continuing to implement
its plan and the commissioner must review and approve or disapprove the budget by
June 1 of that year.

(b) The longitudinal data required under paragraph (a) must be based on student
growth and progress toward proficiency in reading, mathematics, and writing, as defined
under section 120B.299, and one or more of the following measures:

(1) the number of world language proficiency or high achievement certificates
awarded under section 120B.022, subdivision 1, paragraphs (b) and (c);

(2) adequate yearly progress under section 120B.35, subdivision 2;

(3) preparation for postsecondary academic and career opportunities under section
120B.35, subdivision 3, paragraph (e), clause (1);

(4) rigorous coursework completed under section 120B.35, subdivision 3, paragraph
(c), clause (2); or

(5) school safety and students’ engagement and connection at school under section
120B.35, subdivision 3, paragraph (d).

Subd. 4. Evaluation. The commissioner must evaluate the efficacy of district
plans in reducing the disparity in student academic achievement among all racial and
ethnic categories of students and realizing racial and economic integration and report the
commissioner's findings to the kindergarten through grade 12 education committees of the
legislature by February 1 every fourth year beginning February 1, 2017.

EFFECTIVE DATE. This section is effective for fiscal year 2014 and later.

Sec. 15. [124D.862] ACHIEVEMENT AND INTEGRATION REVENUE.
Subdivision 1. **Eligibility.** A school district is eligible for achievement and integration revenue under this section if the district has a biennial achievement and integration plan approved by the department under section 124D.861. Priority for funding must be given to eligible school districts that include methods that have been effective in reducing disparities in student achievement in the district's biennial plan.

Subd. 2. **Achievement and integration revenue.** (a) For fiscal year 2014, initial achievement and integration revenue for an eligible district equals the lesser of the district's expenditure for the fiscal year under its budget according to subdivision 1a or the greater of: (1) 90 percent of the district's integration revenue for fiscal year 2013 under Minnesota Statutes 2012, section 124D.86, or (2) the sum of: (i) $361 times the district's adjusted pupil units for the prior fiscal year computed using the pupil unit weights effective under section 126C.05 for fiscal year 2015 and later, times the district's enrollment of protected students as a percent of its total enrollment on October 1 of the prior fiscal year, plus (ii) $100 times the district's adjusted pupil units for the prior fiscal year computed using the pupil unit weights effective under section 126C.05 for fiscal year 2015 and later times the district's enrollment of protected students as a percent of its total enrollment on October 1 of the prior fiscal year times the district's focus rating for the prior fiscal year under Minnesota's 2012 Elementary and Secondary Education Act flexibility request.

(b) For fiscal year 2015 and later, initial achievement and integration revenue for an eligible district equals the lesser of the district's expenditure for the fiscal year under its budget according to subdivision 1a or the greater of: (1) 63 percent of the district's integration revenue for fiscal year 2013 under Minnesota Statutes 2012, section 124D.86, or (2) the sum of: (i) $253 times the district's adjusted pupil units for the prior fiscal year computed using the pupil unit weights effective under section 126C.05 for fiscal year 2015 and later, times the district's enrollment of protected students as a percent of its total enrollment on October 1 of the prior fiscal year, plus (ii) $70 times the district's adjusted pupil units for the prior fiscal year computed using the pupil unit weights effective under section 126C.05 for fiscal year 2015 and later, times the district's enrollment of protected students as a percent of its total enrollment on October 1 of the prior fiscal year times the district's focus rating for the prior fiscal year under Minnesota's 2012 Elementary and Secondary Education Act flexibility request.

(c) In each year, .02 percent of each district's initial achievement and integration revenue is transferred to the Department of Education for the oversight and accountability activities required under this section and section 124D.861.

(d) A district that did not meet its achievement goals established in section 124D.861 for the previous biennium must report to the commissioner the reasons why the goals were
72.1 not met. The district must submit a two-year improvement plan to achieve the unmet goals
from its achievement and integration plan. A district that does not meet its goals in the
improvement plan must have its initial achievement and integration revenue reduced by
20 percent for the current year.
72.5 (e) Any revenue saved by the reductions in paragraph (d) must be proportionately
reallocated on a per adjusted pupil unit basis to all districts that met their achievement
goals in the previous biennium.
72.8 Subd. 3. Achievement and integration aid. A district's achievement and
integration aid for fiscal year 2014 equals the difference between the district's achievement
and integration revenue and its achievement and integration levy. A district's achievement
and integration aid for fiscal year 2015 and later equals the district's achievement and
integration revenue.
72.13 Subd. 4. Achievement and integration levy. For fiscal year 2014 only, a district's
achievement and integration levy equals the amount the district was authorized to levy
under Laws 2011, First Special Session chapter 11, article 2, section 49, paragraph (f).
72.16 Subd. 5. Revenue reserved. Integration revenue received under this section must
be reserved and used only for the programs authorized in subdivision 6.
72.18 Subd. 6. Revenue uses. At least 80 percent of a district's achievement and
integration revenue received under this section must be used for innovative and integrated
learning environments, family engagement activities, and other approved programs
providing direct services to students. Up to 20 percent of the revenue may be used for
professional development and staff development activities, and not more than ten percent
of this share of the revenue may be used for administrative expenditures.
72.24 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2014
and later.

Sec. 16. Minnesota Statutes 2012, section 260C.007, subdivision 19, is amended to read:
Subd. 19. Habitual truant. "Habitual truant" means a child under the age of 16 17
years who is absent from attendance at school without lawful excuse for seven school days
per school year if the child is in elementary school or for one or more class periods on
seven school days per school year if the child is in middle school, junior high school, or
high school, or a child who is 16 or 17 years of age who is absent from attendance at school
without lawful excuse for one or more class periods on seven school days per school year
and who has not lawfully withdrawn from school under section 120A.22, subdivision 8.
**EFFECTIVE DATE.** This section is effective for the 2014-2015 school year and later.

Sec. 17. Laws 2011, First Special Session chapter 11, article 2, section 13, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies beginning in the 2014-2015 2015-2016 school year and later.

Sec. 18. Laws 2011, First Special Session chapter 11, article 2, section 14, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies beginning in the 2014-2015 2015-2016 school year and later.

Sec. 19. Laws 2011, First Special Session chapter 11, article 2, section 18, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies beginning in the 2014-2015 2015-2016 school year and later.

Sec. 20. Laws 2011, First Special Session chapter 11, article 2, section 19, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies beginning in the 2014-2015 2015-2016 school year and later.

Sec. 21. **SUCCESS FOR THE FUTURE GRANT APPLICATIONS.**

A school district may receive a success for the future grant if the school district's grant application was postmarked on or before the Department of Education's deadline for application.

Sec. 22. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.
Subd. 2. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86, and Minnesota Statutes, section 124D.862:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$75,390,000</td>
<td>2015</td>
<td>$68,568,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $17,197,000 for 2013 and $58,193,000 for 2014.

The 2015 appropriation includes $9,869,000 for 2014 and $58,699,000 for 2015.

Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$52,035,000</td>
<td>2015</td>
<td>$53,812,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $6,607,000 for 2013 and $45,428,000 for 2014.

The 2015 appropriation includes $7,704,000 for 2014 and $46,108,000 for 2015.

Subd. 4. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$13,968,000</td>
<td>2015</td>
<td>$14,712,000</td>
</tr>
</tbody>
</table>

Subd. 5. **Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2,118,000</td>
<td>2015</td>
<td>$2,137,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $290,000 for 2013 and $1,828,000 for 2014.

The 2015 appropriation includes $309,000 for 2014 and $1,828,000 for 2015.

Subd. 6. **American Indian teacher preparation grants.** For joint grants to assist American Indian people to become teachers under Minnesota Statutes, section 122A.63:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$190,000</td>
<td>2015</td>
<td>$190,000</td>
</tr>
</tbody>
</table>

Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2,052,000</td>
<td>2015</td>
<td>$2,190,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $266,000 for 2013 and $1,786,000 for 2014.

The 2015 appropriation includes $303,000 for 2014 and $1,887,000 for 2015.
Subd. 8. Early childhood programs at tribal schools. For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$68,000</td>
<td>2015</td>
</tr>
</tbody>
</table>

Subd. 9. Examination fees; teacher training and support programs. (a) For students’ advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$4,500,000</td>
<td>2015</td>
</tr>
</tbody>
</table>

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

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

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

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

Subd. 10. Concurrent enrollment program. For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2,000,000</td>
<td>2015</td>
</tr>
</tbody>
</table>

Article 3 Sec. 22.
If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district.

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

Subd. 11. **Collaborative urban educator.** For the collaborative urban educator grant program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$528,000</td>
</tr>
<tr>
<td>2015</td>
<td>$528,000</td>
</tr>
</tbody>
</table>

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

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

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

Subd. 12. **ServeMinnesota program.** For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$900,000</td>
</tr>
<tr>
<td>2015</td>
<td>$900,000</td>
</tr>
</tbody>
</table>

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

Subd. 13. **Student organizations.** For student organizations:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$725,000</td>
</tr>
<tr>
<td>2015</td>
<td>$725,000</td>
</tr>
</tbody>
</table>

$46,000 each year is for student organizations serving health occupations (HOSA).

$43,000 each year is for student organizations serving service occupations (HERO).

$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

$95,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

$150,000 each year is for student organizations serving agriculture occupations (FFA, PAS).
$142,000 each year is for student organizations serving family and consumer science occupations (FCCLA).

$109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

$40,000 each year is for the Minnesota Foundation for Student Organizations.

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

**Subd. 14. Early childhood literacy programs.** For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4,875,000</td>
</tr>
<tr>
<td>2015</td>
<td>4,875,000</td>
</tr>
</tbody>
</table>

Up to $4,875,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota Reading Corps program established by ServeMinnesota, including costs associated with the training and teaching of early literacy skills to children age three to grade 3 and the evaluation of the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

**Subd. 15. Minnesota math corps program.** For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>750,000</td>
</tr>
<tr>
<td>2015</td>
<td>750,000</td>
</tr>
</tbody>
</table>

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

**Subd. 16. Alternative compensation.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>59,711,000</td>
</tr>
</tbody>
</table>

The 2015 appropriation includes $0 for 2014 and $59,711,000 for 2015.

**Subd. 17. Teacher development and evaluation pilot grant program.** For grants to school districts to participate in the teacher development and evaluation pilot grant program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>683,000</td>
</tr>
</tbody>
</table>

This is a onetime appropriation.

**Subd. 18. Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:
The 2014 appropriation includes $0 for 2014 and $7,551,000 for 2015.

The 2015 appropriation includes $1,280,000 for 2014 and $7,518,000 for 2015.

ARTICLE 4

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2012, section 124D.10, subdivision 14, is amended to read:

Subd. 14. Annual public reports. (a) A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, operational performance, innovative practices and implementation, and future plans. A charter school must distribute the annual report by publication, mail, or electronic means to the commissioner, authorizer, school employees, and parents and legal guardians of students enrolled in the charter school and must also post the report on the charter school's official Web site. The reports are public data under chapter 13.

(b) An authorizer must annually compile the individual reports of all schools it charters and that are published in accordance with paragraph (a), and submit a portfolio report to the commissioner in the form and manner determined by the commissioner and to the public. An authorizer's annual portfolio report must include:

(1) the academic and financial performance of all operating charter schools overseen by the authorizer;

(2) the status of the authorizer's charter school portfolio, identifying all charter schools in each of the following categories: approved, but not open; open and operating; and closed, including the year closed and reason for closure;

(3) the authorizing function provided by the authorizer to the charter schools within its portfolio, including the authorizer's financial plan that is submitted to the commissioner under this section; and

(4) the process for overseeing and evaluating all charter schools it authorizes to ensure compliance with all statutory and contractual obligations to increase students' academic performance and achievement.

Sec. 2. Minnesota Statutes 2012, section 124D.10, subdivision 23a, is amended to read:
Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from entering a lease of real property with a related party unless the lessor is a school district, a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

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

1. "related party" means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate;
2. "affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;
3. "immediate family" means an individual whose relationship by blood, marriage, adoption, or partnering is no more remote than first cousin;
4. "person" means an individual or entity of any kind; and
5. "control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.

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

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

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

Sec. 3. Minnesota Statutes 2012, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** (a) General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted marginal-cost pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485 .0465, calculated without basic skills revenue, extended time revenue, alternative teacher compensation revenue, equity revenue, teacher development and evaluation revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus basic skills revenue, extended time revenue, basic alternative teacher compensation aid according to section 126C.10, subdivision 34, equity...
revenue, pension adjustment revenue, and transition revenue as though the school were a school district. The general education revenue for each extended time marginal cost pupil unit equals $4,378, $4,722.

(b) Notwithstanding paragraph (a), for charter schools in the first year of operation, general education revenue shall be computed using the number of adjusted pupil units in the current fiscal year.

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

Sec. 4. Minnesota Statutes 2012, section 124D.11, subdivision 2, is amended to read:

Subd. 2. **Transportation revenue.** Transportation revenue must be paid to a charter school that provides transportation services according to section 124D.10, subdivision 16, according to this subdivision. Transportation aid shall equal transportation revenue.

In addition to the revenue under subdivision 1, a charter school providing transportation services must receive general education aid equal to the sum of the product of (i) an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times 0.0465, plus the transportation sparsity allowance for the school district in which the charter school is located times (ii) the adjusted marginal cost pupil units, plus the product of $223 times the extended time marginal cost pupil units.

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

Sec. 5. Minnesota Statutes 2012, section 124D.11, subdivision 4, is amended to read:

Subd. 4. **Building lease aid.** (a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose. The commissioner must review the lease as provided in section 124D.10, subdivision 17, and either approve or deny a lease aid application using the following criteria:

(1) the reasonableness of the price based on current market values;
(2) the extent to which the lease conforms to applicable state laws and rules; and
(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school.
A charter school must not use the building lease aid it receives for custodial, maintenance
service, utility, or other operating costs.

(b) The amount of annual building lease aid per pupil unit served for a charter school
for any year leasing a building from any private, nonprofit, nonsectarian organization; any
private property owner or any sectarian organization; or an affiliated building corporation,
school district, or other governmental entity on which debt or capital lease obligations
remain based on original issuance for building purchase, construction, or renovation shall
not exceed the lesser of (1) 90 percent of the approved cost or (2) the product of the
pupil units served for the current school year times $1,200 $1,314.

(c) The annual building lease contract amount for a charter school leasing from a
related nonprofit organization, a parent company, an affiliated building corporation, a
school district, a charter school, or other governmental entity on which the original debt
or capital lease obligations related to the original building purchase, construction, or
renovation have been retired shall be no greater than the lesser of (1) $3 per square foot;
or (2) the product of pupil units served for the current school year times $200. Lease
aid is calculated as 90 percent of the lesser of (i) $3 per square foot, or (ii) the product
of pupil units served times $200.

(d) The annual lease contract and lease aid for a site with ownership as provided in
paragraph (c) occupied by a charter school, where the building is expanded, improved, or
sold, may be subject to the provisions of paragraph (c).

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

Sec. 6. APPROPRIATIONS.

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$54,384,000</td>
</tr>
<tr>
<td>2015</td>
<td>$58,020,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $6,819,000 for 2013 and $47,565,000 for 2014.
The 2015 appropriation includes $8,066,000 for 2014 and $49,954,000 for 2015.
ARTICLE 5
SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2012, section 124D.11, subdivision 5, is amended to read:

Subd. 5. Special education aid. (a) Except as provided in subdivision 2, special education aid must be paid to a charter school according to section 125A.76, as though it were a school district.

(b) For fiscal year 2006, the charter school may charge tuition to the district of residence as follows:

(1) if the charter school does not receive general education revenue on behalf of the student according to subdivision 1, tuition shall be charged as provided in section 125A.11; or

(2) if the charter school receives general education revenue on behalf of the student according to subdivision 1, tuition shall be charged as provided in section 127A.47, subdivision 7, paragraph (d).

(c) (b) For fiscal year 2007 and later, the special education aid paid to the charter school shall be adjusted as follows:

(1) if the charter school does not receive general education revenue on behalf of the student according to subdivision 1, the aid shall be adjusted as provided in section 125A.11; or

(2) if the charter school receives general education revenue on behalf of the student according to subdivision 1, the aid shall be adjusted as provided in section 127A.47, subdivision 7, paragraphs (b) to (d).

EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2012, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. Nonresident tuition rate; other costs. (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence.

The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus (3) the amount of special education aid for children with a disability received...
on behalf of that child, minus (4) if the pupil receives special instruction and services
outside the regular classroom for more than 60 percent of the school day, the amount of
general education revenue and referendum aid, excluding portions attributable to district
and school administration, district support services, operations and maintenance, capital
expenditures, and pupil transportation, attributable to that pupil for the portion of time
the pupil receives special instruction and services outside of the regular classroom. If
the boards involved do not agree upon the tuition rate, either board may apply to the
commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set
a date for a hearing or request a written statement from each board, giving each board
at least ten days' notice, and after the hearing or review of the written statements the
commissioner must make an order fixing the tuition rate, which is binding on both school
districts. General education revenue and referendum equalization aid attributable to a
pupil must be calculated using the resident district's average general education revenue
and referendum equalization aid per adjusted pupil unit:

(b) (a) For fiscal year 2007 2015 and later, when a school district provides special
instruction and services for a pupil with a disability as defined in section 125A.02 outside
the district of residence, excluding a pupil for whom an adjustment to special education
aid is calculated according to section 127A.47, subdivision 7, paragraph (e) paragraphs (b)
to (d), special education aid paid to the resident district must be reduced by an amount
equal to (1) the actual cost of providing special instruction and services to the pupil,
including a proportionate amount for special transportation and unreimbursed building
lease and debt service costs for facilities used primarily for special education, plus (2)
the amount of general education revenue and referendum equalization aid attributable
to that pupil, calculated using the resident district's average general education revenue
and referendum equalization aid per adjusted pupil unit excluding basic skills revenue,
elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of
special education aid for children with a disability under section 125A.76 received on
behalf of that child, minus (4) if the pupil receives special instruction and services outside
the regular classroom for more than 60 percent of the school day, the amount of general
education revenue and referendum equalization aid, excluding portions attributable to
district and school administration, district support services, operations and maintenance,
capital expenditures, and pupil transportation, attributable to that pupil for the portion of
time the pupil receives special instruction and services outside of the regular classroom,
calculated using the resident district's average general education revenue and referendum
equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity
revenue and secondary sparsity revenue and the serving district's basic skills revenue,
elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit.

Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district.

Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(e) (b) Notwithstanding paragraphs paragraph (a) and (b) and section 127A.47, subdivision 7, paragraphs (b) to (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, a special education cooperative, or a school district that served as the applicant agency for a group of school districts for federal special education aids for fiscal year 2006 may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e) paragraphs (b) to (d), as applicable.

(d) (c) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs (d) and (e), "general education revenue and referendum equalization aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus the referendum equalization aid according to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (e).

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

Sec. 3. Minnesota Statutes 2012, section 125A.76, subdivision 4, is amended to read:

Subd. 4. **State total special education aid.** The state total special education aid equals $529,247,000 for fiscal year 2007, $694,063,000 for fiscal year 2008, $719,470,000 for fiscal year 2009, $727,095,000 for fiscal year 2010, $724,634,000 for fiscal year 2011, $727,567,000 for fiscal year 2012, $763,534,000 for fiscal year 2013, $789,597,000 for fiscal year 2014, $815,071,000 for fiscal year 2015, and $840,227,000 for fiscal year 2016 and later.
for fiscal year 2009, $735,693,000 for fiscal year 2010, and $786,586,000 for fiscal year
2011 $869,357,000 for fiscal year 2013, $916,575,000 for fiscal year 2014, $976,895,000
for fiscal year 2015, $1,037,655,000 for fiscal year 2016, and $1,100,577,000 for fiscal
year 2017. The state total special education aid for later fiscal years equals:
   (1) the state total special education aid for the preceding fiscal year; times
   (2) the program growth factor; times
   (3) the greater of one, or the ratio of the state total average daily membership for the
current fiscal year to the state total average daily membership for the preceding fiscal year.

Sec. 4. Minnesota Statutes 2012, section 125A.79, subdivision 1, is amended to read:

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

(a) "Unreimbursed special education cost" means the sum of the following:
(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and
transportation services eligible for revenue under section 125A.76; plus
(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and
125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus
(3) revenue for teachers' salaries, contracted services, supplies, equipment, and
transportation services under section 125A.76; minus
(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services
eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" for a school district means the sum of the general education
revenue according to section 126C.10, subdivision 1, excluding alternative teacher
compensation revenue, minus transportation sparsity revenue minus total operating
capital revenue. "General revenue" for a charter school means the sum of the general
education revenue according to section 124D.11, subdivision 1, and transportation revenue
according to section 124D.11, subdivision 2, excluding alternative teacher compensation
revenue, minus referendum equalization aid minus transportation sparsity revenue minus
operating capital revenue.

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

(d) "Program growth factor" means 1.02 for fiscal year 2012 and later.

EFFECTIVE DATE. This section is effective for fiscal year 2015 and later.

Sec. 5. Minnesota Statutes 2012, section 125A.79, subdivision 8, is amended to read:

Subd. 8. Out-of-state tuition. For children who are residents of the state, receive
services under section 125A.76, subdivisions 1 and 2, and are placed in a care and
treatment facility by court action in a state that does not have a reciprocity agreement with
the commissioner under section 125A.155, the resident school district shall submit the
balance of the tuition bills, minus the general education revenue, excluding basic skills
revenue and alternative teacher compensation revenue, and referendum equalization aid
attributable to the pupil, calculated using the resident district's average general education
revenue and referendum equalization aid per adjusted pupil unit minus the special
education contracted services initial revenue attributable to the pupil.

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

### Sec. 6. APPROPRIATIONS.

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$901,904,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$968,149,000</td>
<td></td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $118,232,000 for 2013 and $783,672,000 for 2014.
The 2015 appropriation includes $132,903,000 for 2014 and $835,246,000 for 2015.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1,655,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$1,752,000</td>
<td></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$342,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$355,000</td>
<td></td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $45,000 for 2013 and $297,000 for 2014.
The 2015 appropriation includes $50,000 for 2014 and $305,000 for 2015.
Subd. 5. Special education; excess costs. For excess cost aid under Minnesota Statutes, section 125A.79, subdivision 7:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$117,841,000</td>
</tr>
<tr>
<td>2015</td>
<td>$121,897,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $42,030,000 for 2013 and $75,811,000 for 2014.

The 2015 appropriation includes $44,009,000 for 2014 and $77,888,000 for 2015.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$54,000</td>
</tr>
<tr>
<td>2015</td>
<td>$55,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$250,000</td>
</tr>
<tr>
<td>2015</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

Sec. 7. REPEALER. Minnesota Statutes 2012, sections 124D.454, subdivisions 10 and 11; and 125A.76, subdivision 7, are repealed.

ARTICLE 6
FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2012, section 123B.53, subdivision 5, is amended to read:

Subd. 5. Equalized debt service levy. (a) The equalized debt service levy of a district equals the sum of the first tier equalized debt service levy and the second tier equalized debt service levy.

(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) $3,049 $3,550.

(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:
(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) $7,622 $7,900.

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

Sec. 2. Minnesota Statutes 2012, section 123B.54, is amended to read:

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

(a) $21,727,000 $25,191,000 in fiscal year 2014 2016 and $24,201,000 $22,773,000 in fiscal year 2015 2017 and later are appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 123B.53.

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

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

Sec. 3. Minnesota Statutes 2012, section 123B.57, subdivision 4, is amended to read:

**Subd. 4. Health and safety levy.** To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the adjusted marginal cost pupil units in the district for the school year to which the levy is attributable, to $2,796 $3,165.

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

Sec. 4. Minnesota Statutes 2012, section 123B.591, subdivision 2, is amended to read:

**Subd. 2. Deferred maintenance revenue.** The deferred maintenance revenue for an eligible school district equals the product of $60 $64 times the adjusted marginal cost pupil units for the school year times the lesser of one or the ratio of the district's average age of building space to 35 years.
EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015

and later.

Sec. 5. Minnesota Statutes 2012, section 123B.591, subdivision 3, is amended to read:

Subd. 3. Deferred maintenance levy. To obtain deferred maintenance revenue for fiscal year 2008 and later, a district may levy an amount not more than the product of its deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to $5,621 $5,965.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015

and later.

Sec. 6. Minnesota Statutes 2012, section 125B.26, subdivision 4, is amended to read:

Subd. 4. District aid. For fiscal year 2006 and later, a district, charter school, or intermediate school district's Internet access equity aid equals the district, charter school, or intermediate school district's approved cost for the previous fiscal year according to subdivision 1 exceeding $15 $16 times the district's adjusted marginal cost pupil units for the previous fiscal year or no reduction if the district is part of an organized telecommunications access cluster. Equity aid must be distributed to the telecommunications access cluster for districts, charter schools, or intermediate school districts that are members of the cluster or to individual districts, charter schools, or intermediate school districts not part of a telecommunications access cluster.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2015

and later.

Sec. 7. DISABLED ACCESS LEVY AUTHORITY; TRACY.

Notwithstanding the time limit in Minnesota Statutes, section 123B.58, subdivision 3, Independent School District No. 2904, Tracy, may levy its remaining disabled access levy authority over two years, beginning with taxes payable in 2015.

EFFECTIVE DATE. This section is effective for levies certified in 2014 and later.

Sec. 8. ELEVATOR REPAIR LEVY; NORMAN COUNTY WEST SCHOOL DISTRICT.

For taxes payable in 2015 and 2016, Independent School District No. 2527, Norman County West, may levy for an amount not to exceed $27,500 in each year. The
proceeds of this levy must be used to refurbish an existing elevator with new electrical and mechanical components.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and 2016.

**Sec. 9. APPROPRIATIONS.**

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

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$458,000</td>
</tr>
<tr>
<td>2015</td>
<td>$435,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $26,000 for 2013 and $432,000 for 2014.

The 2015 appropriation includes $73,000 for 2014 and $362,000 for 2015.

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$18,909,000</td>
</tr>
<tr>
<td>2015</td>
<td>$24,986,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $2,397,000 for 2013 and $16,512,000 for 2014.

The 2015 appropriation includes $2,800,000 for 2014 and $22,186,000 for 2015.

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$19,114,000</td>
</tr>
<tr>
<td>2015</td>
<td>$19,287,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $2,623,000 for 2013 and $16,491,000 for 2014.

The 2015 appropriation includes $2,796,000 for 2014 and $16,491,000 for 2015.

Subd. 5. **Equity in telecommunications access.** For equity in telecommunications access:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$3,750,000</td>
</tr>
<tr>
<td>2015</td>
<td>$3,750,000</td>
</tr>
</tbody>
</table>

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2014 and 2015 shall be prorated.
Any balance in the first year does not cancel but is available in the second year.

Subd. 6. Deferred maintenance aid. For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

1

2

3

4

5

$ 3,532,000 ..... 2014

$ 3,729,000 ..... 2015

The 2014 appropriation includes $456,000 for 2013 and $3,076,000 for 2014.

The 2015 appropriation includes $521,000 for 2014 and $3,208,000 for 2015.

ARTICLE 7

NUTRITION, LIBRARIES, AND ACCOUNTING

Section 1. Minnesota Statutes 2012, section 123B.75, subdivision 5, is amended to read:

Subd. 5. Levy recognition. (a) For fiscal years 2009 and 2010, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.42, subdivision 2; and 126C.48, subdivision 6; plus

(iii) zero percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

(b) For fiscal year 2011 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:
(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, subdivision 4, for Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

Sec. 2. Minnesota Statutes 2012, section 124D.111, subdivision 1, is amended to read:

Subdivision 1. School lunch aid computation. Each school year, the state must pay participants in the national school lunch program the amount of 42 14 cents for each full paid, reduced reduced-price, and free student lunch served to students.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 124D.111, is amended by adding a subdivision to read:

Subd. 4. Inability to pay. A school that provides meals under this section must not deny a child lunch or provide that child with an alternative meal if that child qualifies for a reduced-price meal and that child or that child's parent or guardian provides notice to the school that the family does not have sufficient funds to pay for the lunch.

Sec. 4. Minnesota Statutes 2012, section 124D.119, is amended to read:

124D.119 SUMMER FOOD SERVICE REPLACEMENT AID.

States funds are available to compensate department-approved summer food program sponsors for reduced federal operating reimbursement rates under Public Law 104-193, the federal summer food service program. A sponsor is eligible for summer food service replacement aid equal to the sum of the following amounts. Reimbursement shall
be made on December 15 based on total meals served by each sponsor from the end of the
school year to the beginning of the next school year on a pro rata basis.

(1) for breakfast service, up to four cents per breakfast served by the sponsor during
the current program year;

(2) for lunch or supper service, up to 14 cents per lunch or supper served by the
sponsor during the current program year; and

(3) for supplement service, up to ten cents per supplement served by the sponsor
during the current program year.

Sec. 5. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

Subd. 2. Definitions. (a) "Other district receipts" means payments by county
treasurers pursuant to section 276.10, apportionments from the school endowment fund
pursuant to section 127A.33, apportionments by the county auditor pursuant to section
127A.34, subdivision 2, and payments to school districts by the commissioner of revenue
pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of

(1) the cumulative disbursement percentage shown in subdivision 3; times

(2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit
entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made
by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,
or a weekday which is a legal holiday, the payment shall be made on the immediately
preceding business day. The commissioner may make payments on dates other than
those listed in subdivision 3, but only for portions of payments from any preceding
payment dates which could not be processed by the electronic funds transfer method due
to documented extenuating circumstances.

(d) The current year aid payment percentage equals 73 in fiscal year 2010 and 70 in
fiscal year 2011, and 60 in fiscal years 2012 and later 85.5 in fiscal year 2014 and later.

Sec. 6. CYRUS AND MORRIS SCHOOL DISTRICT CONSOLIDATION.

Subdivision 1. Purpose. The legislature finds that an orderly, voluntary
consolidation of Independent School Districts Nos. 611, Cyrus, and 769, Morris, promotes
the well-being of the students and increases educational efficiency in those school districts.
Subd. 2. **Remediation costs.** Independent School District No. 611, Cyrus, may identify all health and safety remediation costs related to the demolition of the Cyrus school building and submit those amounts to the commissioner of education for approval. Any approved costs may be included either in the district's health and safety plan or in the bonding authority authorized under subdivision 3.

Subd. 3. **Facility bonds.** Independent School District No. 611, Cyrus, may issue general obligation bonds without an election under Minnesota Statutes, chapter 475, after a public meeting of the school board with notice given by mail according to Minnesota Statutes, section 123B.09, subdivision 11, in an amount not to exceed $1,000,000 approved by the commissioner of education for the costs associated with demolishing the Cyrus school building. The bonds must be repaid within ten years of issuance. Any excess bond proceeds after bonds are repaid must be credited back to the taxpayers of the former Independent School District No. 611, Cyrus.

Subd. 4. **Reorganization operating debt determined.** Independent School District No. 611, Cyrus, must estimate its reorganization operating debt according to Minnesota Statutes, section 123B.82, and submit that amount to the commissioner of education for approval.

Subd. 5. **Reorganization operating debt bonds.** Independent School District No. 611, Cyrus, may issue general obligation bonds without an election under Minnesota Statutes, chapter 475, after a public meeting of the school board with notice given by mail according to Minnesota Statutes, section 123B.09, subdivision 11, in an amount not to exceed the reorganization operating debt approved by the commissioner of education under subdivision 4. The bonds must be repaid within six years of issuance.

Subd. 6. **Repayment.** The bonded debt issued under this section remains payable by the taxable property located within the boundaries of former Independent School District No. 611, Cyrus.

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

Sec. 7. **RECIROCITY AGREEMENT EXEMPTION; HENDRICKS.** Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions of Minnesota Statutes, section 124D.041, and the agreement shall not apply to Independent School District No. 402, Hendricks.

**EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and later.
Sec. 8. APPROPRIATIONS.

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

Subd. 2. School lunch. For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

$ 14,596,000 .... 2014
$ 14,888,000 .... 2015

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

$ 5,711,000 .... 2014
$ 6,022,000 .... 2015

Subd. 4. Kindergarten milk. For kindergarten milk aid under Minnesota Statutes, section 124D.118:

$ 1,039,000 .... 2014
$ 1,049,000 .... 2015

Subd. 5. Summer food service replacement aid. For summer food service replacement aid under Minnesota Statutes, section 124D.119:

$ 150,000 .... 2014
$ 150,000 .... 2015

Subd. 6. Basic system support. For basic system support grants under Minnesota Statutes, section 134.355:

$ 13,448,000 .... 2014
$ 13,570,000 .... 2015

The 2014 appropriation includes $1,845,000 for 2013 and $11,603,000 for 2014.
The 2015 appropriation includes $1,967,000 for 2014 and $11,603,000 for 2015.

Subd. 7. Multicounty, multitype library systems. For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

$ 1,288,000 .... 2014
$ 1,300,000 .... 2015

The 2014 appropriation includes $176,000 for 2013 and $1,112,000 for 2014.
The 2015 appropriation includes $188,000 for 2014 and $1,112,000 for 2015.
Subd. 8. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$900,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$900,000</td>
<td></td>
</tr>
</tbody>
</table>

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

Subd. 9. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2,279,000</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$2,300,000</td>
<td></td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $312,000 for 2013 and $1,967,000 for 2014.

The 2015 appropriation includes $333,000 for 2014 and $1,967,000 for 2015.

**ARTICLE 8**

**EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, AND LIFELONG LEARNING**

Section 1. Minnesota Statutes 2012, section 13.319, is amended by adding a subdivision to read:

Subd. 9. **Early learning scholarships.** Section 124D.143 governs data under the early learning scholarship program.

Sec. 2. **[124D.143] EARLY LEARNING SCHOLARSHIPS.**

Subdivision 1. **Early learning scholarships established.** The Office of Early Learning must oversee the early learning scholarship program in consultation with the Minnesota Departments of Education, Human Services, and Health.

Subd. 2. **Duties.** The Office of Early Learning shall administer the early learning scholarship program, establish participation standards for children and their families, develop criteria for qualifying providers based on section 124D.142, and contract for administrative services as necessary with a resource and referral organization under section 119B.19, or other nonprofit or public entity.

Subd. 3. **Definitions.** (a) The terms defined in the subdivision apply to this section.

(b) "Director" means the director of the Office of Early Learning.

(c) "Eligible program" means a Head Start program under section 119A.50, school readiness program under section 124D.15, or other school district child-based program...
designed to provide early education services to children not yet in kindergarten, licensed

center-based child care program under chapter 245A, or licensed family child care

program under chapter 245A or other program providing early learning opportunities.

(d) "Income" has the meaning given in section 119B.011, subdivision 15.

(e) "Parent" means the parent or legal guardian of a child.

(f) "Prospective program" means an eligible program that makes a commitment to

enhance its quality of education and care and demonstrates to the director's satisfaction that

the program is pursuing a program rating. For fiscal years 2016 and later, a prospective

program must cite a hardship or demonstrate a special circumstance as to why the program

is not yet ready to enter the rating process before the director may grant it eligibility.

(g) "Rated program" means an eligible program that receives one, two, three, or four

stars under the quality rating and improvement system established in section 124D.142.

Subd. 4. Participant eligibility. The parent of a child who will be at least three

years of age as of September 1 of the year of application, is eligible to apply for an early

learning scholarship if the family's income is at or below 185 percent of the federal

poverty level. The director of the Office of Early Learning may specify the form and

manner of the application for a scholarship. The director may establish a method to

determine family income but a parent meets this requirement by documenting their child's

identification through another public funding eligibility process, including the free and

reduced-price lunch program, National School Lunch Act, United States Code, title

42, section 1751, part 210; Head Start under federal Improving Head Start for School

Readiness Act of 2007; Minnesota family investment program under chapter 256J; the

Federal Supplemental Nutrition Assistance Program; and child care assistance programs

under chapter 119B, and no further information to verify income is required. A parent

under age 21 who is pursuing a high school or general education equivalency diploma is

eligible for an early learning scholarship if the parent has a child age zero to five years old

and meets the income eligibility requirements in this subdivision.

Subd. 5. Scholarship amount. (a) The director annually shall determine the

maximum scholarship amounts based on the results of the rate survey conducted under

section 119B.13, subdivision 1, paragraph (b), and may establish a range of scholarship

amounts taking into account the child's level of need and geographic location. The

director shall establish a scholarship amount schedule according to the eligible program's

rating under subdivision 3, paragraph (g), and prospective programs under subdivision

3, paragraph (f). The scholarship amounts may be designed to be layered around other

assistance programs available to that child. The director shall not consider local funds

allocated to support an early learning program when layering scholarships around other
assistance programs. Eligible providers must be notified of the scholarship allocations
available in their geographic location.

(b) The director shall try to maintain a statewide annual average scholarship amount
of $6,000 per scholarship recipient and report annually to the legislature the actual average
statewide scholarship amount per scholarship recipient.

Subd. 6. Award of scholarships. (a) The director shall establish application
timelines and determine the schedule for awarding scholarships that meet operational
needs of eligible programs. The director may prioritize applications on factors including
family income, geographic location, and needs of the child. By March 15, eligible
programs may notify the director of the number of scholarship-eligible children who are
eligible under subdivision 4 and who have applied for enrollment in that program. To
facilitate enrollment planning, by April 15, the director shall notify eligible programs that
have provided enrollment information under this paragraph of the scholarship status of
each applicant. To the extent practicable and taking into account family mobility, the
scholarships must be awarded to eligible recipients beginning April 15 of each year for a
child's participation in a program starting in July, August, or September of that year. Any
siblings of a child who has been awarded a scholarship under this section must be awarded
a scholarship upon request provided the sibling attends the same program. A child who
has received a scholarship under this section must continue to receive a scholarship until
that child enrolls in kindergarten or turns six years of age.

(b) A three- or four-star rated program that has a waiting list of children eligible for
scholarships may notify the director of the program's desire to serve additional children in
order to accommodate scholarship recipients. The director may designate a predetermined
number of scholarship slots for that program and notify the program of that number.
(c) A scholarship recipient may choose any available program and is not required to
enroll in a program with a predetermined number of slots.
(d) A child who receives a scholarship who has not completed development
screening under sections 121A.16 to 121A.19 must complete that screening within 45
days of first attending an eligible program.
(e) The director shall report annually to the legislature on a summary of the
geographic distribution of scholarships throughout the state.

Subd. 7. Scholarship recipient choice of programs. A scholarship recipient may
choose to apply to any rated program or prospective program for acceptance. If the
scholarship recipient has not been accepted and subsequently enrolled in a rated program
within ten months of receipt of the scholarship, the scholarship cancels and the recipient
must reapply in order to be eligible for another scholarship.
Subd. 8. **Building quality.** For fiscal years 2014 and 2015 only, the director must develop a streamlined process to encourage eligible programs to enter the rating program. As a part of building quality in the system of providers, the director may grant a parent authority to use a scholarship at a prospective program.

Subd. 9. **Provider reimbursement.** The director may determine the form and method of payment to the fiscal agent for each program serving a scholarship recipient. The director may make quarterly payments on behalf of the scholarship recipient in advance of the services provided to the child, or arrange other payment methods for providers. The director may request information as necessary from providers to verify scholarship payments.

Subd. 10. **Earned income calculation.** Scholarships paid to providers on behalf of eligible parents must not be counted as earned income for the purposes of medical assistance, MinnesotaCare, Minnesota family investment program, diversionary work program, child care assistance, or Head Start programs. Scholarships paid to providers on behalf of eligible parents must not be considered child care funds for the purposes of the child care assistance program under chapter 119B.

Subd. 11. **Student identification number.** The director shall collect from participating programs data including, but not limited to, demographic, socioeconomic, participation, and assessment information related to scholarship recipients. Data on scholarship recipients are private data on individuals as defined in section 13.02, subdivision 12.

Subd. 12. **Report required.** (a) The director, in consultation with the children's cabinet, shall develop and implement a plan to publicize and increase parent awareness of early learning scholarships. The director must report the results of the outreach efforts to the legislature by January 15 of each year.

(b) The director shall coordinate existing evaluation and assessment efforts and track scholarship program participation to understand program outcomes. The director must report to the legislature on the performance of the scholarship program by January 15, 2016, and each year thereafter.

Sec. 3. Minnesota Statutes 2012, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2011 equals $44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:
(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times
(2) the lesser of:
   (i) 1.02; or
   (ii) the average growth in state total contact hours over the prior ten program years.

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.52.

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

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014 and later.

**Sec. 4. EARLY LEARNING SCHOLARSHIPS; FISCAL YEAR 2014 ONLY.**

Notwithstanding the timelines in Minnesota Statutes, section 124D.143, for fiscal year 2014 only, the director shall establish an expedited process to award scholarships to eligible recipients attending three- or four-star rated programs to accommodate those eligible programs with fall enrollment deadlines.

**Sec. 5. APPROPRIATIONS.**

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$10,004,000</td>
</tr>
<tr>
<td>2015</td>
<td>$10,159,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $1,372,000 for 2013 and $8,632,000 for 2014.

The 2015 appropriation includes $1,463,000 for 2014 and $8,696,000 for 2015.

**Subd. 3. Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:
The 2014 appropriation includes $3,008,000 for 2013 and $18,871,000 for 2014.

The 2015 appropriation includes $3,200,000 for 2014 and $19,222,000 for 2015.

Subd. 4. **Early childhood education scholarships.** For early childhood education scholarships under Minnesota Statutes, section 124D.143:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>$25,000,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $950,000 for administrative costs to run the program.

The 2015 appropriation includes $950,000 for administrative costs to run the program.

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

Subd. 5. **Parent-child home program.** For a grant to the parent-child home program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$250,000</td>
</tr>
<tr>
<td>2015</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must expand to one additional urban and one additional rural program location for fiscal years 2014 and 2015.

Subd. 6. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$3,390,000</td>
</tr>
<tr>
<td>2015</td>
<td>$3,345,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $474,000 for 2013 and $2,916,000 for 2014.

The 2015 appropriation includes $494,000 for 2014 and $2,851,000 for 2015.

Subd. 7. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$20,100,000</td>
</tr>
<tr>
<td>2015</td>
<td>$20,100,000</td>
</tr>
</tbody>
</table>

Subd. 8. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:
Subd. 9. Kindergarten entrance assessment initiative and intervention. For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$281,000</td>
</tr>
<tr>
<td>2015</td>
<td>$281,000</td>
</tr>
</tbody>
</table>

Subd. 10. Community education aid. For community education aid under Minnesota Statutes, section 124D.20:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$926,000</td>
</tr>
<tr>
<td>2015</td>
<td>$1,056,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $118,000 for 2013 and $808,000 for 2014.
The 2015 appropriation includes $137,000 for 2014 and $919,000 for 2015.

Subd. 11. Adults with disabilities program aid. For adults with disabilities programs under Minnesota Statutes, section 124D.56:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$704,000</td>
</tr>
<tr>
<td>2015</td>
<td>$710,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $96,000 for 2013 and $608,000 for 2014.
The 2015 appropriation includes $102,000 for 2014 and $608,000 for 2015.

Subd. 12. Hearing-impaired adults. For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$70,000</td>
</tr>
<tr>
<td>2015</td>
<td>$70,000</td>
</tr>
</tbody>
</table>

Subd. 13. School-age care revenue. For extended day aid under Minnesota Statutes, section 124D.22:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$1,000</td>
</tr>
<tr>
<td>2015</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

The 2014 appropriation includes $0 for 2013 and $1,000 for 2014.
The 2015 appropriation includes $0 for 2014 and $1,000 for 2015.

Subd. 14. Adult basic education aid. For adult basic education aid under Minnesota Statutes, section 124D.531:
The 2014 appropriation includes $6,284,000 for 2013 and $40,694,000 for 2014.

The 2015 appropriation includes $6,901,000 for 2014 and $41,915,000 for 2015.

Subd. 15. GED tests. For payment of 60 percent of the costs of GED tests under Minnesota Statutes, section 124D.55:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>125,000</td>
</tr>
<tr>
<td>2015</td>
<td>125,000</td>
</tr>
</tbody>
</table>

**ARTICLE 9**

**STATE AGENCIES**

Section 1. DEPARTMENT OF EDUCATION.

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

Subd. 2. Department. (a) For the Department of Education:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>22,283,000</td>
</tr>
<tr>
<td>2015</td>
<td>19,996,000</td>
</tr>
</tbody>
</table>

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

(b) $260,000 each year is for the Minnesota Children's Museum.

(c) $41,000 each year is for the Minnesota Academy of Science.

(d) $50,000 each year is for the Duluth Children's Museum.

(e) $618,000 each year is for the Board of Teaching. Any balance in the first year does not cancel but is available in the second year.

(f) $167,000 each year is for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(g) $1,500,000 in fiscal year 2014 and $263,000 in fiscal year 2015 only is for transfers to the Office of Enterprise Technology to develop model Individuals with Disabilities Education Act (IDEA) online-available paperwork for special needs students.

Any ongoing information technology support or costs for online IDEA paperwork will be incorporated into the service-level agreement and will be paid to the Office of Enterprise Technology by the department under the rates and mechanisms specified in that agreement.

Any balance in the first year does not cancel but is available in the second year.
(h) $250,000 each year is for the School Finance Division to enhance financial data analysis.

(i) $300,000 in fiscal year 2014 only is for a grant to the Northeast Service Cooperative for a pilot project related to energy conservation programs in Northeast Service Cooperative member school districts.

(j) $500,000 each year is to assist school districts in implementing an antibullying policy.

(k) $125,000 each year is appropriated to the Minnesota Humanities Commission for civics education.

(l) $35,000 each year is for a transfer to the governor's office.

(m) $750,000 in fiscal year 2014 only is for departmental costs associated with teacher development and evaluation.

(n) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(o) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(p) The base in fiscal year 2016 and later is $19,733,000.

Subd. 3. **Board of Teaching; licensure by portfolio.** For the Board of Teaching for licensure by portfolio:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$30,000</td>
</tr>
<tr>
<td>2015</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

This appropriation is from the educator licensure portfolio account of the special revenue fund.

Sec. 2. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$11,591,000</td>
</tr>
<tr>
<td>2015</td>
<td>$11,591,000</td>
</tr>
</tbody>
</table>

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

Sec. 3. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:
$750,000 each year is to develop an arts curriculum.

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

ARTICLE 10

FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

Section 1. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 1, is amended to read:

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

The 2012 appropriation includes $1,660,922,000 for 2011 and $3,718,146,000 for 2012.

The 2013 appropriation includes $2,038,568,000 for 2012 and $2,806,427,000 for 2013.

Sec. 2. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 3, as amended by Laws 2012, chapter 292, article 2, section 2, is amended to read:

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

The 2012 appropriation includes $42,000 for 2011 and $40,000 for 2012.

The 2013 appropriation includes $46,000 for 2012 and $40,000 for 2013.

Sec. 3. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 4, as amended by Laws 2012, chapter 292, article 2, section 3, is amended to read:

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

The 2012 appropriation includes $1,406,000 for 2011 and $2,072,000 for 2012.

The 2013 appropriation includes $2,503,000 for 2012.
The 2012 appropriation includes $346,000 for 2011 and $1,060,000 for 2012.

The 2013 appropriation includes $588,000 for 2012 and $1,484,000 $1,915,000 for 2013.

Sec. 4. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 5, as amended by Laws 2012, chapter 292, article 2, section 4, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$145,000</td>
</tr>
<tr>
<td>2013</td>
<td>$260,000</td>
</tr>
</tbody>
</table>

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

The 2013 appropriation includes $0 for 2012 and $193,000 $260,000 for 2013.

Sec. 5. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 6, as amended by Laws 2012, chapter 292, article 2, section 5, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$14,302,000</td>
</tr>
<tr>
<td>2013</td>
<td>$18,969,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $4,161,000 for 2011 and $10,141,000 for 2012.

The 2013 appropriation includes $5,629,000 for 2012 and $9,965,000 $13,340,000 for 2013.

Sec. 6. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 7, as amended by Laws 2012, chapter 292, article 2, section 6, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$17,757,000</td>
</tr>
<tr>
<td>2013</td>
<td>$23,648,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $5,700,000 for 2011 and $12,057,000 for 2012.

The 2013 appropriation includes $6,694,000 for 2012 and $12,942,000 $16,954,000 for 2013.

For 2013:

Article 10 Sec. 6.
Sec. 7. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision 10, as amended by Laws 2012, chapter 292, article 2, section 7, is amended to read:

Subd. 10. Compensatory pilot project formula aid. For grants for compensatory pilot project formula aid as calculated under this subdivision:

\[
\begin{array}{c}
9,368,000 \\
13,403,000 \\
\end{array}
\]

For fiscal year 2013 only, a district which has a pupil unit count that is in the top 20 largest pupil unit counts is eligible for the greater of zero or $1,400 times the number of compensatory pupil units, minus the amount of compensatory education revenue received by the district under Minnesota Statutes, section 126C.10, subdivision 3.

The 2013 appropriation includes $0 for 2012 and $9,368,000 $13,403,000 for 2013.

This is a onetime appropriation.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 8, is amended to read:

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

\[
\begin{array}{c}
42,806,000 \\
48,978,000 \\
60,067,000 \\
\end{array}
\]

The 2012 appropriation includes $12,642,000 for 2011 and $30,164,000 for 2012.

The 2013 appropriation includes $16,746,000 for 2012 and $16,746,000 $43,321,000 for 2013.

Sec. 9. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision 4, as amended by Laws 2012, chapter 292, article 2, section 10, is amended to read:

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

\[
\begin{array}{c}
61,181,000 \\
65,498,000 \\
79,329,000 \\
\end{array}
\]

The 2012 appropriation includes $19,272,000 for 2011 and $41,909,000 for 2012.

The 2013 appropriation includes $23,268,000 for 2012 and $23,268,000 $56,061,000 for 2013.
The base for the final payment in fiscal year 2014 for fiscal year 2013 is $31,668,000.

The 2013 appropriation includes $0 for 2012 and $31,241,000 $41,978,000 for 2013.

The 2012 appropriation includes $638,000 for 2011 and $1,375,000 for 2012.

The 2013 appropriation includes $762,000 for 2012 and $1,375,000 $1,847,000 for 2013.
The 2012 appropriation includes $600,000 for 2011 and $1,191,000 for 2012.

The 2013 appropriation includes $660,000 for 2012 and $1,309,000 for 2013.

C. SPECIAL EDUCATION

Sec. 14. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 15, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$767,845,000</td>
</tr>
<tr>
<td>2013</td>
<td>$1,046,423,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $235,975,000 for 2011 and $531,870,000 for 2012.

The 2013 appropriation includes $295,299,000 for 2012 and $561,087,000 for 2013.

Sec. 15. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 3, as amended by Laws 2012, chapter 292, article 2, section 16, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,508,000</td>
</tr>
<tr>
<td>2013</td>
<td>$1,570,000</td>
</tr>
</tbody>
</table>

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

Sec. 16. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 4, as amended by Laws 2012, chapter 292, article 2, section 17, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$314,000</td>
</tr>
<tr>
<td>2013</td>
<td>$407,000</td>
</tr>
</tbody>
</table>
The 2012 appropriation includes $107,000 for 2011 and $207,000 for 2012.

The 2013 appropriation includes $114,000 for 2012 and $207,000 $293,000 for 2013.

Sec. 17. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision 5, as amended by Laws 2012, chapter 292, article 2, section 18, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$107,557,000</td>
</tr>
<tr>
<td>2013</td>
<td>$134,121,000</td>
</tr>
</tbody>
</table>


The 2013 appropriation includes $59,607,000 for 2012 and $55,662,000 $74,514,000 for 2013.

D. FACILITIES AND TECHNOLOGY

Sec. 18. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 19, is amended to read:

Subd. 2. Health and safety revenue. For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$98,000</td>
</tr>
<tr>
<td>2013</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $39,000 for 2011 and $59,000 for 2012.

The 2013 appropriation includes $32,000 for 2012 and $125,000 $168,000 for 2013.

Sec. 19. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision 3, as amended by Laws 2012, chapter 292, article 2, section 20, is amended to read:

Subd. 3. Debt service equalization. For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$11,625,000</td>
</tr>
<tr>
<td>2013</td>
<td>$20,237,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $2,604,000 for 2011 and $9,021,000 for 2012.

The 2013 appropriation includes $5,008,000 for 2012 and $15,229,000 for 2013.
Sec. 20. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision 4, as amended by Laws 2012, chapter 292, article 2, section 21, is amended to read:

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

$18,187,000 ..... 2012
$19,287,000
$23,549,000 ..... 2013

The 2012 appropriation includes $5,785,000 for 2011 and $12,402,000 for 2012. The 2013 appropriation includes $6,885,000 for 2012 and $12,402,000 $16,664,000 for 2013.

Sec. 21. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision 6, as amended by Laws 2012, chapter 292, article 2, section 22, is amended to read:

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

$2,331,000 ..... 2012
$3,141,000
$3,817,000 ..... 2013

The 2012 appropriation includes $676,000 for 2011 and $1,655,000 for 2012. The 2013 appropriation includes $918,000 for 2012 and $2,223,000 $2,899,000 for 2013.

**E. NUTRITION AND LIBRARIES**

Sec. 22. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 23, is amended to read:

Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

$12,285,000 ..... 2012
$24,524,000
$12,666,000 ..... 2013

Sec. 23. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision 3, as amended by Laws 2012, chapter 292, article 2, section 24, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:
Sec. 24. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision 4, as amended by Laws 2012, chapter 292, article 2, section 25, is amended to read:

Subd. 4. Kindergarten milk. For kindergarten milk aid under Minnesota Statutes, section 124D.18:

112.8 $ 1,025,000 ..... 2012
112.9 4,035,000
112.10 $ 1,019,000 ..... 2013

Sec. 25. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 26, is amended to read:

Subd. 2. Basic system support. For basic system support grants under Minnesota Statutes, section 134.355:

112.15 $ 12,797,000 ..... 2012
112.16 14,570,000
112.17 $ 16,569,000 ..... 2013

The 2012 appropriation includes $4,071,000 for 2011 and $8,726,000 for 2012.

The 2013 appropriation includes $4,844,000 for 2012 and $8,726,000 $11,725,000 for 2013.

Sec. 26. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision 3, as amended by Laws 2012, chapter 292, article 2, section 27, is amended to read:

Subd. 3. Multicounty, multitype library systems. For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

112.25 $ 1,226,000 ..... 2012
112.26 4,390,000
112.27 $ 1,588,000 ..... 2013

The 2012 appropriation includes $390,000 for 2011 and $836,000 for 2012.

The 2013 appropriation includes $464,000 for 2012 and $836,000 $1,124,000 for 2013.

Sec. 27. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision 5, as amended by Laws 2012, chapter 292, article 2, section 28, is amended to read:
Subd. 5. Regional library telecommunications aid. For regional library telecommunications aid under Minnesota Statutes, section 134.355:

113.3 $2,169,000 ..... 2012
113.4 $2,300,000 
113.5 $2,809,000 ..... 2013

The 2012 appropriation includes $690,000 for 2011 and $1,479,000 for 2012.
The 2013 appropriation includes $821,000 for 2012 and $1,479,000 $1,988,000 for 2013.

F. EARLY CHILDHOOD EDUCATION, PREVENTION, AND LIFELONG LEARNING

Sec. 28. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 2, as amended by Laws 2012, chapter 292, article 2, section 29, is amended to read:

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

113.15 $9,444,000 ..... 2012
113.16 $10,095,000 
113.17 $12,326,000 ..... 2013

The 2012 appropriation includes $2,952,000 for 2011 and $6,492,000 for 2012.
The 2013 appropriation includes $3,603,000 for 2012 and $6,492,000 $8,723,000 for 2013.

Sec. 29. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 3, as amended by Laws 2012, chapter 292, article 2, section 30, is amended to read:

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

113.25 $21,099,000 ..... 2012
113.26 $22,358,000 
113.27 $27,197,000 ..... 2013

The 2012 appropriation includes $6,542,000 for 2011 and $14,557,000 for 2012.
The 2013 appropriation includes $8,082,000 for 2012 and $14,276,000 $19,115,000 for 2013.

Sec. 30. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 4, as amended by Laws 2012, chapter 292, article 2, section 31, is amended to read:
Subd. 4. Health and developmental screening aid. For health and developmental
screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$3,359,000</td>
</tr>
<tr>
<td>2013</td>
<td>$4,287,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $1,066,000 for 2011 and $2,293,000 for 2012.

The 2013 appropriation includes $1,273,000 for 2012 and $2,270,000 $3,014,000 for 2013.

Sec. 31. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision
2, as amended by Laws 2012, chapter 292, article 2, section 32, is amended to read:

Subd. 2. Community education aid. For community education aid under
Minnesota Statutes, section 124D.20:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$442,000</td>
</tr>
<tr>
<td>2013</td>
<td>$926,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $134,000 for 2011 and $308,000 for 2012.

The 2013 appropriation includes $170,000 for 2012 and $576,000 $756,000 for 2013.

Sec. 32. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision
3, as amended by Laws 2012, chapter 292, article 2, section 33, is amended to read:

Subd. 3. Adults with disabilities program aid. For adults with disabilities
programs under Minnesota Statutes, section 124D.56:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$654,000</td>
</tr>
<tr>
<td>2013</td>
<td>$867,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $197,000 for 2011 and $457,000 for 2012.

The 2013 appropriation includes $253,000 for 2012 and $457,000 $614,000 for 2013.

Sec. 33. Laws 2011, First Special Session chapter 11, article 9, section 3, subdivision
2, as amended by Laws 2012, chapter 292, article 2, section 34, is amended to read:

Subd. 2. Adult basic education aid. For adult basic education aid under Minnesota
Statutes, section 124D.531:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$42,526,000</td>
</tr>
<tr>
<td>2013</td>
<td>$56,113,000</td>
</tr>
</tbody>
</table>

The 2012 appropriation includes $13,364,000 for 2011 and $29,162,000 for 2012.
The 2013 appropriation includes $16,190,000 for 2012 and $29,711,000 for 2013.