

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 1030**

(SENATE AUTHORS: OLSON)

DATE	D-PG	OFFICIAL STATUS
03/24/2011	702	Introduction and first reading (For the Committee on Education) Referred to Taxes
03/28/2011	775a	Comm report: To pass as amended and re-refer to Finance
03/30/2011	1061a	Comm report: To pass as amended
	1064	Second reading
03/31/2011	1125a	Special Order: Amended
	1148	Third reading Passed
	1148	Laid on table
04/04/2011	1168	HF substituted on Special Orders [HF934]

A bill for an act

1.1 relating to education; providing for general education; education excellence;
1.2 special programs; facilities and technology; nutrition and accounting; libraries;
1.3 early childhood education; prevention; self-sufficiency and lifelong learning;
1.4 state agencies; and forecast adjustments; amending Minnesota Statutes 2010,
1.5 sections 11A.16, subdivision 5; 120A.22, subdivision 11; 120A.24; 120B.023,
1.6 subdivision 2; 120B.07; 121A.15, subdivision 8; 122A.09, subdivision 4;
1.7 122A.18, subdivision 2; 122A.40, subdivisions 7, 9, 11, 13, 15, 16, by
1.8 adding subdivisions; 122A.41, subdivisions 4, 14, by adding a subdivision;
1.9 123B.42, subdivision 1; 123B.44, subdivision 1; 123B.54; 123B.57; 123B.63,
1.10 subdivision 3; 123B.75, subdivision 5; 123B.88, by adding a subdivision;
1.11 123B.92, subdivision 1; 124D.09, subdivisions 5, 7, 8; 124D.10, subdivision 3;
1.12 124D.11, subdivision 4; 124D.36; 124D.37; 124D.38, subdivision 3; 124D.385,
1.13 subdivision 3; 124D.39; 124D.40; 124D.42; 124D.44; 124D.45, subdivision 2;
1.14 124D.4531, subdivision 1; 124D.531, subdivisions 1, 4; 124D.59, subdivision
1.15 2; 125A.69, subdivision 1; 125A.76, subdivision 1; 125A.79, subdivision 1;
1.16 126C.10, subdivisions 2, 3, 7, 8, 8a, 14, 18; 126C.126; 126C.20; 126C.40,
1.17 subdivision 1; 126C.44; 127A.441; 127A.45, subdivisions 2, 6a; 171.05,
1.18 subdivision 2; 171.17, subdivision 1; 171.22, subdivision 1; 181A.05, subdivision
1.19 1; Laws 1999, chapter 241, article 4, section 25, by adding a subdivision; Laws
1.20 2008, chapter 363, article 2, section 46, subdivision 1, as amended; Laws 2009,
1.21 chapter 96, article 1, section 24, subdivisions 2, as amended, 3, 4, as amended, 5,
1.22 as amended, 6, as amended, 7, as amended; article 2, section 67, subdivisions
1.23 2, as amended, 3, as amended, 4, as amended, 6, 9, as amended; article 3,
1.24 section 21, subdivisions 3, 4, as amended; article 4, section 12, subdivision 6, as
1.25 amended; article 5, section 13, subdivisions 2, 3, 4, as amended; article 6, section
1.26 11, subdivisions 3, as amended, 4, as amended, 8, as amended, 12, as amended;
1.27 proposing coding for new law in Minnesota Statutes, chapters 120B; 122A;
1.28 124D; repealing Minnesota Statutes 2010, sections 120A.26, subdivisions 1, 2;
1.29 122A.60; 122A.61; 123B.05; 124D.11, subdivision 8; 124D.38, subdivisions
1.30 4, 5, 6; 124D.86; 124D.87; 124D.871; 124D.88; 124D.892, subdivisions 1, 2;
1.31 124D.896; 127A.46; Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120;
1.32 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; 3535.0180.

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

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2010, section 11A.16, subdivision 5, is amended to read:

Subd. 5. **Calculation of income.** As of the end of each fiscal year, the state board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities ~~and~~ dividends on equity securities, and interest earned on certified monthly earnings prior to the transfer to the Department of Education. Gains and losses arising from the sale of securities shall be apportioned as follows:

(a) If the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b) it shall be added to the principal of the fund.

(b) If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered first from the gains in paragraph (a) apportioned to that fiscal year. If these gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

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

Sec. 2. Minnesota Statutes 2010, section 120A.22, subdivision 11, is amended to read:

Subd. 11. **Assessment of performance.** (a) Each year the performance of every child who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. ~~The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination~~ or a nationally recognized college entrance exam.

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

~~(c) If the results of the assessments in paragraphs (a) and (b) indicate that the child's performance on the total battery score is at or below the 30th percentile or one grade level below the performance level for children of the same age, the parent must obtain additional evaluation of the child's abilities and performance for the purpose of determining whether the child has learning problems.~~

3.1 ~~(d)~~ (b) A child receiving instruction from a nonpublic school, person, or institution
3.2 that is accredited by an accrediting agency, recognized according to section 123B.445, or
3.3 recognized by the commissioner, is exempt from the requirements of this subdivision.

3.4 Sec. 3. Minnesota Statutes 2010, section 120A.24, is amended to read:

3.5 **120A.24 REPORTING.**

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

3.12 (1) by October 1 of ~~each~~ the first school year, ~~the name, birth date, and address~~
3.13 ~~of each child receiving instruction~~ the child receives instruction after reaching the age
3.14 of seven;

3.15 ~~(2) the name of each instructor and evidence of compliance with one of the~~
3.16 ~~requirements specified in section 120A.22, subdivision 10;~~

3.17 ~~(3) an annual instructional calendar; and~~

3.18 ~~(4) for each child instructed by a parent who meets only the requirement of section~~
3.19 ~~120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the~~
3.20 ~~child in each subject area required in section 120A.22, subdivision 9;~~

3.21 (2) within 15 days of when a parent withdraws a child from public school after
3.22 age seven to homeschool;

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

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

3.25 (b) The person in charge of providing instruction to a child between the ages of
3.26 seven and 16 must submit, by October 1 of each school year, a letter of intent to continue
3.27 to provide instruction under this section for all students under the person's supervision and
3.28 any changes to the information required in paragraph (a) for each student.

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

3.33 Subd. 2. **Availability of documentation.** (a) The person in charge of providing
3.34 instruction to a child must ~~make available~~ maintain documentation indicating that the
3.35 subjects required in section 120A.22, subdivision 9, are being taught and proof that the

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4.1 tests under section 120A.22, subdivision 11, have been administered. This documentation
4.2 must include class schedules, copies of materials used for instruction, and descriptions of
4.3 methods used to assess student achievement.

4.4 (b) The parent of a child who enrolls full time in public school after having been
4.5 enrolled in a home school under section 120A.22, subdivision 6, must provide the
4.6 enrolling public school or school district with the child's scores on any tests administered
4.7 to the child under section 120A.22, subdivision 11, and other education-related documents
4.8 the enrolling school or district requires to determine where the child is placed in school
4.9 and what course requirements apply. This paragraph does not apply to a shared time
4.10 student who does not seek a public school diploma.

4.11 (c) The person in charge of providing instruction to a child must make the
4.12 documentation in this subdivision available to the county attorney when a case is
4.13 commenced under section 120A.26, subdivision 5; chapter 260C; or when diverted under
4.14 chapter 260A.

4.15 Subd. 3. **Exemptions.** A nonpublic school, person, or other institution that is
4.16 accredited by an accrediting agency, recognized according to section 123B.445, or
4.17 recognized by the commissioner, is exempt from the requirements in ~~subdivisions 1 and~~
4.18 ~~subdivision 2, except for the requirement in subdivision 1, clause (1).~~

4.19 Subd. 4. **Reports to the state.** A superintendent must make an annual report to the
4.20 commissioner of education by December 1 of the total number of nonpublic children
4.21 reported as residing in the district. The report must include the following information:

4.22 ~~(1) the number of children residing in the district attending nonpublic schools or~~
4.23 ~~receiving instruction from persons or institutions other than a public school;~~

4.24 ~~(2) the number of children in clause (1) who are in compliance with section 120A.22~~
4.25 ~~and this section; and~~

4.26 ~~(3) the number of children in clause (1) who the superintendent has determined are~~
4.27 ~~not in compliance with section 120A.22 and this section.~~

4.28 Subd. 5. **Obligations.** Nothing in this section alleviates the obligations under
4.29 section 120A.22.

4.30 Sec. 4. Minnesota Statutes 2010, section 120B.07, is amended to read:

4.31 **120B.07 EARLY GRADUATION.**

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

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

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

5.5 Sec. 5. **[120B.08] EARLY GRADUATION ACHIEVEMENT SCHOLARSHIP**
5.6 **PROGRAM.**

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

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

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

5.17 Subd. 4. **Application.** A qualifying student may apply to the commissioner of
5.18 education for an early graduation achievement scholarship. The application must be in
5.19 the form and manner specified by the commissioner. Upon verification of the qualifying
5.20 student's course completion necessary for graduation, the department must issue the
5.21 student a certificate showing the student's scholarship amount.

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

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

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

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6.1 Sec. 6. Minnesota Statutes 2010, section 121A.15, subdivision 8, is amended to read:

6.2 Subd. 8. **Report.** The administrator or other person having general control and
6.3 supervision of the elementary or secondary school shall file a report with the commissioner
6.4 on all persons enrolled in the school. The superintendent of each district shall file a report
6.5 with the commissioner for all persons within the district receiving instruction in a home
6.6 school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving
6.7 instruction in a home school shall submit the statements as required by subdivisions 1, 2,
6.8 3, ~~and 4, and 12~~ to the superintendent of the district in which the person resides by October
6.9 1 of ~~each school year~~ the first year of their homeschooling in Minnesota and the grade 7
6.10 year. The school report must be prepared on forms developed jointly by the commissioner
6.11 of health and the commissioner of education and be distributed to the local districts by the
6.12 commissioner of health. The school report must state the number of persons attending the
6.13 school, the number of persons who have not been immunized according to subdivision 1 or
6.14 2, and the number of persons who received an exemption under subdivision 3, clause (c)
6.15 or (d). The school report must be filed with the commissioner of education within 60 days
6.16 of the commencement of each new school term. Upon request, a district must be given a
6.17 60-day extension for filing the school report. The commissioner of education shall forward
6.18 the report, or a copy thereof, to the commissioner of health who shall provide summary
6.19 reports to boards of health as defined in section 145A.02, subdivision 2. The administrator
6.20 or other person having general control and supervision of the child care facility shall file a
6.21 report with the commissioner of human services on all persons enrolled in the child care
6.22 facility. The child care facility report must be prepared on forms developed jointly by
6.23 the commissioner of health and the commissioner of human services and be distributed
6.24 to child care facilities by the commissioner of health. The child care facility report
6.25 must state the number of persons enrolled in the facility, the number of persons with no
6.26 immunizations, the number of persons who received an exemption under subdivision 3,
6.27 clause (c) or (d), and the number of persons with partial or full immunization histories.
6.28 The child care facility report must be filed with the commissioner of human services by
6.29 November 1 of each year. The commissioner of human services shall forward the report,
6.30 or a copy thereof, to the commissioner of health who shall provide summary reports to
6.31 boards of health as defined in section 145A.02, subdivision 2. The report required by this
6.32 subdivision is not required of a family child care or group family child care facility, for
6.33 prekindergarten children enrolled in any elementary or secondary school provided services
6.34 according to sections 125A.05 and 125A.06, nor for child care facilities in which at least
6.35 75 percent of children in the facility participate on a onetime only or occasional basis to a
6.36 maximum of 45 hours per child, per month.

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7.1 Sec. 7. Minnesota Statutes 2010, section 123B.42, subdivision 1, is amended to read:

7.2 Subdivision 1. **Providing education materials and tests.** The commissioner of
7.3 education shall promulgate rules under the provisions of chapter 14 requiring that in
7.4 each school year, based upon formal requests by or on behalf of nonpublic school pupils
7.5 in a nonpublic school with enrollment that exceeds ten students, the local districts or
7.6 intermediary service areas must purchase or otherwise acquire textbooks, individualized
7.7 instructional or cooperative learning materials, and standardized tests and loan or provide
7.8 them for use by children enrolled in that nonpublic school. These textbooks, individualized
7.9 instructional or cooperative learning materials, and standardized tests must be loaned or
7.10 provided free to the children for the school year for which requested. The loan or provision
7.11 of the textbooks, individualized instructional or cooperative learning materials, and
7.12 standardized tests shall be subject to rules prescribed by the commissioner of education.

7.13 Sec. 8. Minnesota Statutes 2010, section 123B.44, subdivision 1, is amended to read:

7.14 Subdivision 1. **Provided services.** The commissioner of education shall promulgate
7.15 rules under the provisions of chapter 14 requiring each district or other intermediary
7.16 service area: (a) to provide each year upon formal request by a specific date by or on
7.17 behalf of a nonpublic school pupil enrolled in a nonpublic school located in that district or
7.18 area with a total enrollment of more than ten pupils, the same specific health services as
7.19 are provided for public school pupils by the district where the nonpublic school is located;
7.20 and (b) to provide each year upon formal request by a specific date by or on behalf of a
7.21 nonpublic school secondary pupil enrolled in a nonpublic school located in that district
7.22 or area with a total enrollment of more than ten pupils, the same specific guidance and
7.23 counseling services as are provided for public school secondary pupils by the district
7.24 where the nonpublic school is located. The district where the nonpublic school is located
7.25 must provide the necessary transportation within the district boundaries between the
7.26 nonpublic school and a public school or neutral site for nonpublic school pupils who are
7.27 provided pupil support services under this section if the district elects to provide pupil
7.28 support services at a site other than the nonpublic school. Each request for pupil support
7.29 services must set forth the guidance and counseling or health services requested by or on
7.30 behalf of all eligible nonpublic school pupils enrolled in a given nonpublic school. No
7.31 district or intermediary service area must not expend an amount for these pupil support
7.32 services which exceeds the amount allotted to it under this section.

7.33 Sec. 9. Minnesota Statutes 2010, section 124D.59, subdivision 2, is amended to read:

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

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

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

8.11 (b) Notwithstanding paragraph (a), a pupil in grades 4 through 12 who was enrolled
8.12 in a Minnesota public school on the dates during the previous school year when a
8.13 commissioner provided assessment that measures the pupil's emerging academic English
8.14 was administered, shall not be counted as a pupil of limited English proficiency in
8.15 calculating limited English proficiency pupil units under section 126C.05, subdivision
8.16 17, and shall not generate state limited English proficiency aid under section 124D.65,
8.17 subdivision 5, unless the pupil scored below the state cutoff score or is otherwise counted
8.18 as a nonproficient participant on an assessment measuring emerging academic English
8.19 provided by the commissioner during the previous school year.

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

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

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

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

8.30 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula
8.31 allowance times the adjusted marginal cost pupil units for the school year. The formula
8.32 allowance for fiscal year ~~2007 is \$4,974~~ 2011 is \$5,124. The formula allowance for fiscal
8.33 year ~~2008 is \$5,074 and~~ 2012 is \$5,174. The formula allowance for fiscal year ~~2009~~
8.34 2013 and subsequent years is ~~\$5,124~~ \$5,224.

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

9.3 Sec. 11. Minnesota Statutes 2010, section 126C.10, subdivision 3, is amended to read:

9.4 Subd. 3. **Compensatory education revenue.** (a) For fiscal year 2011 only, the
9.5 compensatory education revenue for each building in the district equals the formula
9.6 allowance minus \$415 times the compensation revenue pupil units computed according to
9.7 section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated
9.8 according to section 126C.15, subdivision 2.

9.9 (b) For fiscal year 2011 only, when the district contracting with an alternative
9.10 program under section 124D.69 changes prior to the start of a school year, the
9.11 compensatory revenue generated by pupils attending the program shall be paid to the
9.12 district contracting with the alternative program for the current school year, and shall not
9.13 be paid to the district contracting with the alternative program for the prior school year.

9.14 (c) For fiscal year 2011 only, when the fiscal agent district for an area learning center
9.15 changes prior to the start of a school year, the compensatory revenue shall be paid to the
9.16 fiscal agent district for the current school year, and shall not be paid to the fiscal agent
9.17 district for the prior school year.

9.18 (d) The compensatory allowance for fiscal year 2012 and later is equal to the
9.19 district's total compensatory revenue for fiscal year 2011 divided by the district's 2011
9.20 adjusted marginal cost pupil units.

9.21 (e) The initial compensatory revenue for each district equals the district's
9.22 compensatory allowance times the adjusted marginal cost pupil units for the school year.

9.23 (f) Notwithstanding paragraph (e), the commissioner shall adjust each district's
9.24 compensatory revenue computed under paragraph (e), based on the district's proportionate
9.25 share of initial compensatory revenue to ensure that the total statewide entitlement for
9.26 compensatory revenue equals \$414,260,438.

9.27 (g) A school district's compensatory revenue is equal to its initial compensatory
9.28 revenue under paragraph (e), as adjusted by the commissioner under paragraph (f), and
9.29 shall be paid to the district.

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

9.32 Sec. 12. Minnesota Statutes 2010, section 126C.10, subdivision 7, is amended to read:

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

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

10.5 (2) the secondary average daily membership of pupils served in the high school,
10.6 multiplied by

10.7 (3) the quotient obtained by dividing 400 minus the secondary average daily
10.8 membership by 400 plus the secondary daily membership, multiplied by

10.9 (4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus
10.10 23 by ten.

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

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

10.18 Sec. 13. Minnesota Statutes 2010, section 126C.10, subdivision 8, is amended to read:

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

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

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

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

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

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

10.29 Subd. 8a. **Sparsity revenue for school districts that close facilities.** A school
10.30 district that closes a school facility or whose sparsity revenue is reduced by a school
10.31 closure in another district is eligible for elementary and secondary sparsity revenue equal
10.32 to the greater of the amounts calculated under subdivisions 6, 7, and 8 or the total amount
10.33 of sparsity revenue for the previous fiscal year if the school board of the district has

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11.1 adopted a written resolution stating that the district intends to close the school facility, but
11.2 cannot proceed with the closure without the adjustment to sparsity revenue authorized by
11.3 this subdivision. The written resolution must be filed with the commissioner of education
11.4 at least 60 days prior to the start of the fiscal year for which aid under this subdivision is
11.5 first requested. A school district whose sparsity revenue is affected by a closure in another
11.6 district is not required to adopt a written resolution under this section.

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

11.9 Sec. 15. Minnesota Statutes 2010, section 126C.10, subdivision 14, is amended to read:

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

11.12 (1) to acquire land for school purposes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12.5 (16) by board resolution, to transfer money into the debt redemption fund to: (i)
12.6 pay the amounts needed to meet, when due, principal and interest payments on certain
12.7 obligations issued according to chapter 475; or (ii) pay principal and interest on debt
12.8 service loans or capital loans according to section 126C.70;

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

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

12.13 (19) to purchase or lease assistive technology or equipment for instructional
12.14 programs;

12.15 (20) to purchase textbooks;

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

12.17 (22) to lease or purchase vehicles;

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

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

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

12.24 (iii) other classroom information management needs; and

12.25 (24) to pay personnel costs directly related to the acquisition, operation, and
12.26 maintenance of telecommunications systems, computers, related equipment, and network
12.27 and applications software.

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

12.29 Sec. 16. Minnesota Statutes 2010, section 126C.10, subdivision 18, is amended to read:

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

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

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

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

13.3 ~~(iv)~~ (4) multiply ~~the formula allowance according to subdivision 2, \$5,124~~ by
13.4 ~~.0485~~; and

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

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

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

13.9 Sec. 17. Minnesota Statutes 2010, section 126C.126, is amended to read:

13.10 **126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR**
13.11 **ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.**

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

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

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

13.19 Sec. 18. Minnesota Statutes 2010, section 126C.20, is amended to read:

13.20 **126C.20 ANNUAL GENERAL EDUCATION AID APPROPRIATION.**

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

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

13.27 Sec. 19. Minnesota Statutes 2010, section 126C.44, is amended to read:

13.28 **126C.44 SAFE SCHOOLS LEVY.**

13.29 (a) Each district may make a levy on all taxable property located within the district
13.30 for the purposes specified in this section. The maximum amount which may be levied
13.31 for all costs under this section shall be equal to \$30 multiplied by the district's adjusted

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14.1 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and
14.2 used for directly funding the following purposes or for reimbursing the cities and counties
14.3 who contract with the district for the following purposes: (1) to pay the costs incurred for
14.4 the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in
14.5 services in the district's schools; (2) to pay the costs for a drug abuse prevention program
14.6 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;
14.7 (3) to pay the costs for a gang resistance education training curriculum in the district's
14.8 schools; (4) to pay the costs for security in the district's schools and on school property; (5)
14.9 to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary
14.10 opt-in suicide prevention tools, and violence prevention measures taken by the school
14.11 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed
14.12 school social workers, licensed school psychologists, and licensed alcohol and chemical
14.13 dependency counselors to help provide early responses to problems. For expenditures
14.14 under clause (1), the district must initially attempt to contract for services to be provided
14.15 by peace officers or sheriffs with the police department of each city or the sheriff's
14.16 department of the county within the district containing the school receiving the services. If
14.17 a local police department or a county sheriff's department does not wish to provide the
14.18 necessary services, the district may contract for these services with any other police or
14.19 sheriff's department located entirely or partially within the school district's boundaries.

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

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

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

14.35 Sec. 20. Minnesota Statutes 2010, section 127A.45, subdivision 6a, is amended to read:

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

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

15.16 Sec. 21. Minnesota Statutes 2010, section 171.05, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

16.15 (b) For the purposes of determining compliance with the certification of paragraph
16.16 (a), clause (1), item (ii), the commissioner may request verification of a student's
16.17 homeschool status from the superintendent of the school district in which the student
16.18 resides and the superintendent shall provide that verification.

16.19 (c) The instruction permit is valid for two years from the date of application and
16.20 may be renewed upon payment of a fee equal to the fee for issuance of an instruction
16.21 permit under section 171.06, subdivision 2.

16.22 Sec. 22. Minnesota Statutes 2010, section 171.17, subdivision 1, is amended to read:

16.23 Subdivision 1. **Offenses.** (a) The department shall immediately revoke the license
16.24 of a driver upon receiving a record of the driver's conviction of:

16.25 (1) manslaughter resulting from the operation of a motor vehicle or criminal
16.26 vehicular homicide or injury under section 609.21;

16.27 (2) a violation of section 169A.20 or 609.487;

16.28 (3) a felony in the commission of which a motor vehicle was used;

16.29 (4) failure to stop and disclose identity and render aid, as required under section
16.30 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury
16.31 of another;

16.32 (5) perjury or the making of a false affidavit or statement to the department under
16.33 any law relating to the application, ownership, or operation of a motor vehicle, including
16.34 on the certification required under section 171.05, subdivision 2, paragraph (a), clause (1),
16.35 item (ii), to issue an instruction permit to a homeschool student;

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17.1 (6) except as this section otherwise provides, three charges of violating within a
17.2 period of 12 months any of the provisions of chapter 169 or of the rules or municipal
17.3 ordinances enacted in conformance with chapter 169, for which the accused may be
17.4 punished upon conviction by imprisonment;

17.5 (7) two or more violations, within five years, of the misdemeanor offense described
17.6 in section 169.444, subdivision 2, paragraph (a);

17.7 (8) the gross misdemeanor offense described in section 169.444, subdivision 2,
17.8 paragraph (b);

17.9 (9) an offense in another state that, if committed in this state, would be grounds for
17.10 revoking the driver's license; or

17.11 (10) a violation of an applicable speed limit by a person driving in excess of 100
17.12 miles per hour. The person's license must be revoked for six months for a violation of
17.13 this clause, or for a longer minimum period of time applicable under section 169A.53,
17.14 169A.54, or 171.174.

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

17.18 Sec. 23. Minnesota Statutes 2010, section 171.22, subdivision 1, is amended to read:

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

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

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

17.25 (3) to display or represent as one's own any driver's license or Minnesota
17.26 identification card not issued to that person;

17.27 (4) to use a fictitious name or date of birth to any police officer or in any application
17.28 for a driver's license or Minnesota identification card, or to knowingly make a false
17.29 statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any
17.30 such application;

17.31 (5) to alter any driver's license or Minnesota identification card;

17.32 (6) to take any part of the driver's license examination for another or to permit
17.33 another to take the examination for that person;

17.34 (7) to make a counterfeit driver's license or Minnesota identification card;

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18.1 (8) to use the name and date of birth of another person to any police officer for the
18.2 purpose of falsely identifying oneself to the police officer; ~~or~~

18.3 (9) to display as a valid driver's license any canceled, revoked, or suspended driver's
18.4 license. A person whose driving privileges have been withdrawn may display a driver's
18.5 license only for identification purposes; or

18.6 (10) to submit a false affidavit or statement to the department on the certification
18.7 required under section 171.05, subdivision 2, paragraph (a), clause (1), item (ii), to issue
18.8 an instruction permit to a homeschool student.

18.9 Sec. 24. Minnesota Statutes 2010, section 181A.05, subdivision 1, is amended to read:

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

18.18 (1) if a minor is to be employed in an occupation not prohibited by rules promulgated
18.19 under section 181A.09 and as evidence thereof presents a signed statement from the
18.20 prospective employer; and

18.21 (2) if the parent or guardian of the minor consents to the employment; and

18.22 (3) if the issuing officer believes the minor is physically capable of handling the job
18.23 in question and further believes the best interests of the minor will be served by permitting
18.24 the minor to work.

18.25 Sec. 25. **KITTSON CENTRAL SCHOOL CLOSING.**

18.26 Independent School District No. 356, Lancaster, is eligible for sparsity revenue
18.27 calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal year 2012
18.28 and later, if the board has adopted a written resolution at any time prior to the start of
18.29 the 2011-2012 school year to notify the commissioner and request aid under Minnesota
18.30 Statutes, section 126C.10, subdivision 8a. For the purposes of this section, the school
18.31 district shall be eligible for aid under Minnesota Statutes, section 126C.10, subdivision
18.32 8a, as a result of the closure of the Kennedy Elementary School in Independent School
18.33 District No. 2171, Kittson Central.

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

19.3 Sec. 26. NORTHLAND COMMUNITY SCHOOL CLOSING.

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

19.8 (b) If the school district adopts a written resolution under paragraph (a), in fiscal
19.9 year 2012, the commissioner must provide sparsity aid to the district in an amount equal
19.10 to the amount that the district would have received under Minnesota Statutes, section
19.11 126C.10, subdivision 8a, in fiscal year 2011, if the provisions of paragraph (a) had been in
19.12 effect. The school district must recognize the sparsity aid provided under this paragraph as
19.13 revenue in fiscal year 2011.

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

19.15 Sec. 27. SALARY FREEZE.

19.16 Subdivision 1. Salary increases prohibited. (a) From the effective date of this
19.17 section through June 30, 2013, a school district or charter school must not increase the
19.18 salary or wages for any employee. This section prohibits any increase including, but
19.19 not limited to, across-the-board increases; cost-of-living adjustments; increases based
19.20 on longevity; increases as a result of step and lane changes; increases in the form of
19.21 lump-sum payments; increases in employer contributions to deferred compensation plans;
19.22 or any other pay grade adjustments of any kind. For purposes of this section, salary or
19.23 wages does not include employer contributions toward the cost of medical or dental
19.24 insurance premiums, provided that employee contributions to the costs of medical or
19.25 dental insurance premiums are not decreased.

19.26 (b) This section does not prohibit an increase in the rate of salary and wages for an
19.27 employee who is promoted or transferred to a position with greater job responsibilities.
19.28 Additional educational credits or degrees or a lane change is not a promotion or a
19.29 transfer to a position with greater job responsibilities. This section also does not prohibit
19.30 a school district or charter school from implementing an alternative compensation
19.31 program approved by the commissioner of education. The commissioner may approve an
19.32 alternative compensation program at the commissioner's sole discretion.

19.33 Subd. 2. Contracts in effect. (a) This section does not prohibit a school district
19.34 or charter school from effectuating an increase in the salary or wages for employees

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20.1 if required by a contract or collective bargaining agreement that is in effect before the
20.2 effective date of this section. However, from the effective date of this section until June
20.3 30, 2013, a school district or charter school may not:

20.4 (1) enter into a new contract or collective bargaining agreement that increases salary
20.5 or wages in a manner prohibited by this section or that decreases the number of student
20.6 contact days in the 2011-2012 and 2012-2013 school years;

20.7 (2) increase the salary or wages for employees through extension of an expired
20.8 contract or collective bargaining agreement or any other arrangement or agreement.

20.9 (b) Notwithstanding any law to the contrary, if, as of the effective date of this
20.10 section, a school district or charter school has agreed to or entered into a contract or
20.11 collective bargaining agreement that is not scheduled to become effective until after
20.12 the effective date of this section, any provision of the contract or collective bargaining
20.13 agreement that violates subdivision 1, paragraph (a), is void. Any subsequent contract or
20.14 collective bargaining agreement must comply with the terms of this section.

20.15 (c) Notwithstanding any law to the contrary, upon expiration of a contract or
20.16 collective bargaining agreement, each employee must remain at the salary and wage in
20.17 effect at the time the contract expired, except as authorized in subdivision 1, paragraph
20.18 (b). Any language in a contract or collective bargaining agreement that attempts to extend
20.19 the terms of the contract or collective bargaining agreement is invalid if it seeks to extend
20.20 the application of the terms of a collective bargaining agreement past the durational limits
20.21 set forth in Minnesota Statutes, section 179A.20, subdivision 3.

20.22 Subd. 3. **Future contracts.** A contract or collective bargaining agreement or
20.23 compensation plan entered into after June 30, 2013, must not provide a retroactive salary
20.24 or wage increase that applies to a period before June 30, 2013, if that increase would be
20.25 prohibited by this section if granted before June 30, 2013.

20.26 Subd. 4. **Arbitration and strikes.** Notwithstanding any law to the contrary:

20.27 (1) employees of a school district or charter school may not legally strike due to a
20.28 school district or charter school's refusal to grant a salary or wage increase if the refusal is
20.29 required to comply with this section; and

20.30 (2) neither a school district or charter school nor an exclusive representative may
20.31 request interest arbitration in relation to an increase to salary or wages that is prohibited
20.32 by this section and an arbitrator may not issue an award that would increase salary or
20.33 wages in a manner prohibited by this section.

20.34 Subd. 5. **Relation to other law.** This section supersedes Minnesota Statutes,
20.35 chapter 179A, and any other law to the contrary. It is not an unfair labor practice under

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21.1 Minnesota Statutes, chapter 179A, for a school district or charter school to take any action
21.2 required to comply with this section.

21.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.
21.4 Subdivisions 1, 2, 4, and 5 expire on June 30, 2013.

21.5 Sec. 28. **APPROPRIATIONS.**

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

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

21.11 \$ 5,684,714,000 2012

21.12 \$ 5,815,640,000 2013

21.13 The 2012 appropriation includes \$1,664,876,000 for 2011 and \$4,019,838,000
21.14 for 2012.

21.15 The 2013 appropriation includes \$1,722,788,000 for 2012 and \$4,092,852,000
21.16 for 2013.

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

21.20 \$ 31,000 2012

21.21 \$ 32,000 2013

21.22 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
21.23 127A.49:

21.24 \$ 1,452,000 2012

21.25 \$ 1,635,000 2013

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

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

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

21.30 \$ 145,000 2012

21.31 \$ 210,000 2013

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

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

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

22.4 \$ 15,750,000 2012

22.5 \$ 15,578,000 2013

22.6 The 2012 appropriation includes \$5,078,000 for 2011 and \$10,672,000 for 2012.

22.7 The 2013 appropriation includes \$4,573,000 for 2012 and \$11,005,000 for 2013.

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

22.10 \$ 19,010,000 2012

22.11 \$ 19,030,000 2013

22.12 The 2012 appropriation includes \$5,895,000 for 2011 and \$13,115,000 for 2012.

22.13 The 2013 appropriation includes \$5,621,000 for 2012 and \$13,409,000 for 2013.

22.14 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.
22.15 690, Warroad, to operate the Angle Inlet School:

22.16 \$ 65,000 2012

22.17 \$ 65,000 2013

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

22.21 \$ 2,175,000 2012

22.22 \$ 2,175,000 2013

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

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

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

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24.1 (b). The commissioner must implement a review of the academic standards and related
24.2 benchmarks in mathematics beginning in the 2015-2016 school year.

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

24.8 (d) The commissioner in the 2008-2009 school year must revise and align the state's
24.9 academic standards and high school graduation requirements in science to require that
24.10 students satisfactorily complete the revised science standards, beginning in the 2011-2012
24.11 school year. Under the revised standards, students scheduled to graduate in the 2014-2015
24.12 school year or later must satisfactorily complete a chemistry ~~or~~ physics, or career and
24.13 technical education credit. The commissioner must implement a review of the academic
24.14 standards and related benchmarks in science beginning in the 2017-2018 school year.

24.15 (e) The commissioner in the 2009-2010 school year must revise and align the state's
24.16 academic standards and high school graduation requirements in language arts to require
24.17 that students satisfactorily complete the revised language arts standards beginning in the
24.18 2012-2013 school year. The commissioner must implement a review of the academic
24.19 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

24.20 (f) The commissioner in the 2010-2011 school year must revise and align the state's
24.21 academic standards and high school graduation requirements in social studies to require
24.22 that students satisfactorily complete the revised social studies standards beginning in the
24.23 2013-2014 school year. The commissioner must implement a review of the academic
24.24 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

24.25 (g) School districts and charter schools must revise and align local academic
24.26 standards and high school graduation requirements in health, world languages, and career
24.27 and technical education to require students to complete the revised standards beginning
24.28 in a school year determined by the school district or charter school. School districts and
24.29 charter schools must formally establish a periodic review cycle for the academic standards
24.30 and related benchmarks in health, world languages, and career and technical education.

24.31 (h) The commissioner is prohibited from adopting common core standards in the
24.32 subject and school year listed in the revision cycle in paragraphs (a) to (f).

24.33 Sec. 2. Minnesota Statutes 2010, section 122A.09, subdivision 4, is amended to read:

24.34 Subd. 4. **License and rules.** (a) The board must adopt rules to license public school
24.35 teachers and interns subject to chapter 14.

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25.1 (b) The board must adopt rules requiring a person to ~~successfully complete~~ pass a
25.2 skills examination in reading, writing, and mathematics as a requirement for ~~initial teacher~~
25.3 ~~licensure~~ entrance into a board-approved teacher preparation program. Such rules must
25.4 require college and universities offering a board-approved teacher preparation program to
25.5 ~~provide~~ offer remedial assistance to persons who did not achieve a qualifying score on
25.6 the skills examination, including those for whom English is a second language. Persons
25.7 needing remedial assistance must be successfully remediated prior to entrance into a
25.8 board-approved teacher preparation program.

25.9 (c) The board must adopt rules to approve teacher preparation programs. The board,
25.10 upon the request of a postsecondary student preparing for teacher licensure or a licensed
25.11 graduate of a teacher preparation program, shall assist in resolving a dispute between the
25.12 person and a postsecondary institution providing a teacher preparation program when the
25.13 dispute involves an institution's recommendation for licensure affecting the person or the
25.14 person's credentials. At the board's discretion, assistance may include the application
25.15 of chapter 14.

25.16 (d) The board must provide the leadership and shall adopt rules for the redesign of
25.17 teacher education programs to implement a research based, results-oriented curriculum
25.18 that focuses on the skills teachers need in order to be effective. The board shall implement
25.19 new systems of teacher preparation program evaluation to assure program effectiveness
25.20 based on proficiency of graduates in demonstrating attainment of program outcomes.

25.21 (e) The board must adopt rules requiring candidates for initial licenses to ~~successfully~~
25.22 ~~complete~~ pass an examination of general pedagogical knowledge and examinations of
25.23 licensure-specific teaching skills. The rules shall be effective by September 1, 2001.
25.24 The rules under this paragraph also must require candidates for initial licenses to teach
25.25 prekindergarten or elementary students to ~~successfully complete~~ pass, as part of the
25.26 examination of licensure-specific teaching skills, test items assessing the candidates'
25.27 knowledge, skill, and ability in comprehensive, scientifically based reading instruction
25.28 under section 122A.06, subdivision 4, and their knowledge and understanding of the
25.29 foundations of reading development, the development of reading comprehension, and
25.30 reading assessment and instruction, and their ability to integrate that knowledge and
25.31 understanding.

25.32 (f) The board must adopt rules requiring teacher educators to work directly with
25.33 elementary or secondary school teachers in elementary or secondary schools to obtain
25.34 periodic exposure to the elementary or secondary teaching environment.

25.35 (g) The board must grant licenses to interns and to candidates for initial licenses.

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26.1 (h) The board must design and implement an assessment system which requires a
26.2 candidate for an initial license and first continuing license to demonstrate the abilities
26.3 necessary to perform selected, representative teaching tasks at appropriate levels.

26.4 (i) The board must receive recommendations from local committees as established
26.5 by the board for the renewal of teaching licenses.

26.6 (j) The board must grant life licenses to those who qualify according to requirements
26.7 established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and
26.8 214.10. The board must not establish any expiration date for application for life licenses.

26.9 (k) The board must adopt rules that require all licensed teachers who are renewing
26.10 their continuing license to include in their renewal requirements further preparation in
26.11 the areas of using positive behavior interventions and in accommodating, modifying, and
26.12 adapting curricula, materials, and strategies to appropriately meet the needs of individual
26.13 students and ensure adequate progress toward the state's graduation rule.

26.14 (l) In adopting rules to license public school teachers who provide health-related
26.15 services for disabled children, the board shall adopt rules consistent with license or
26.16 registration requirements of the commissioner of health and the health-related boards who
26.17 license personnel who perform similar services outside of the school.

26.18 (m) The board must adopt rules that require all licensed teachers who are renewing
26.19 their continuing license to include in their renewal requirements further reading
26.20 preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect
26.21 until they are approved by law. Teachers who do not provide direct instruction including, at
26.22 least, counselors, school psychologists, school nurses, school social workers, audiovisual
26.23 directors and coordinators, and recreation personnel are exempt from this section.

26.24 (n) The board must adopt rules that require all licensed teachers who are renewing
26.25 their continuing license to include in their renewal requirements further preparation
26.26 in understanding the key warning signs of early-onset mental illness in children and
26.27 adolescents.

26.28 Sec. 3. Minnesota Statutes 2010, section 122A.18, subdivision 2, is amended to read:

26.29 Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of
26.30 Teaching must issue licenses under its jurisdiction to persons the board finds to be
26.31 qualified and competent for their respective positions.

26.32 (b) The board must require a person to ~~successfully complete~~ pass an examination of
26.33 skills in reading, writing, and mathematics before being granted an initial teaching license
26.34 to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special
26.35 education programs. The board must require colleges and universities offering a board

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27.1 approved teacher preparation program to ~~provide~~ offer remedial assistance that includes a
27.2 formal diagnostic component to persons enrolled in their institution who did not achieve a
27.3 qualifying score on the skills examination, including those for whom English is a second
27.4 language. The colleges and universities must ~~provide~~ offer assistance in the specific
27.5 academic areas of deficiency in which the person did not achieve a qualifying score.
27.6 School districts must ~~provide~~ offer similar, appropriate, and timely remedial assistance
27.7 that includes a formal diagnostic component and mentoring to those persons employed by
27.8 the district who completed their teacher education program outside the state of Minnesota,
27.9 received a one-year license to teach in Minnesota and did not achieve a qualifying score
27.10 on the skills examination, including those persons for whom English is a second language.
27.11 The Board of Teaching shall report annually to the education committees of the legislature
27.12 on the total number of teacher candidates during the most recent school year taking the
27.13 skills examination, the number who achieve a qualifying score on the examination, the
27.14 number who do not achieve a qualifying score on the examination, the distribution of all
27.15 candidates' scores, the number of candidates who have taken the examination at least once
27.16 before, and the number of candidates who have taken the examination at least once before
27.17 and achieve a qualifying score.

27.18 ~~(c) A person who has completed an approved teacher preparation program and~~
27.19 ~~obtained a one-year license to teach, but has not successfully completed the skills~~
27.20 ~~examination, may renew the one-year license for two additional one-year periods. Each~~
27.21 ~~renewal of the one-year license is contingent upon the licensee:~~

27.22 ~~(1) providing evidence of participating in an approved remedial assistance program~~
27.23 ~~provided by a school district or postsecondary institution that includes a formal diagnostic~~
27.24 ~~component in the specific areas in which the licensee did not obtain qualifying scores; and~~

27.25 ~~(2) attempting to successfully complete the skills examination during the period~~
27.26 ~~of each one-year license.~~

27.27 ~~(d)~~ (c) The Board of Teaching must grant continuing licenses only to those persons
27.28 who have met board criteria for granting a continuing license, which includes ~~successfully~~
27.29 ~~completing~~ passing the skills examination in reading, writing, and mathematics.

27.30 ~~(e)~~ (d) All colleges and universities approved by the board of teaching to prepare
27.31 persons for teacher licensure must include in their teacher preparation programs a common
27.32 core of teaching knowledge and skills to be acquired by all persons recommended
27.33 for teacher licensure. This common core shall meet the standards developed by the
27.34 interstate new teacher assessment and support consortium in its 1992 "model standards for
27.35 beginning teacher licensing and development." Amendments to standards adopted under
27.36 this paragraph are covered by chapter 14. The board of teaching shall report annually to

28.1 the education committees of the legislature on the performance of teacher candidates
28.2 on common core assessments of knowledge and skills under this paragraph during the
28.3 most recent school year.

28.4 Sec. 4. [122A.39] SALARY INCREASES BASED ON STUDENT
28.5 ACHIEVEMENT.

28.6 (a) At least 50 percent of a teacher's salary increase contained in the contract
28.7 between the school board and the exclusive representative of the teachers must be based
28.8 on the teacher's performance and evaluation using:

28.9 (1) student achievement gains as measured by statewide assessment results under
28.10 section 120B.35;

28.11 (2) if statewide assessment results are unavailable, a teacher's increase in salary must
28.12 be based on student performance on districtwide assessments of state and local standards
28.13 and teacher-developed assessments; or

28.14 (3) if no districtwide assessment results are available, a teacher's increase in salary
28.15 must be based on student performance on teacher-developed and administrator-approved
28.16 assessments of state and local standards.

28.17 (b) A school administrator shall meet with teachers at least annually under this
28.18 section to review, modify if needed, and approve local course and grade-level expectations
28.19 for student achievement and growth.

28.20 **EFFECTIVE DATE.** This section is effective for two-year contracts with the
28.21 term beginning on July 1, 2013, and later.

28.22 Sec. 5. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision
28.23 to read:

28.24 Subd. 3a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary,
28.25 if a school board offers teachers a biennial contract that includes a percentage increase
28.26 in total compensation at least equal to the district's biennial percent increase in basic
28.27 revenue under section 126C.10, subdivision 2, as measured by the ratio of (1) the most
28.28 recent estimate of basic revenue for the district for the biennium that corresponds to the
28.29 prospective contract term to (2) the basic revenue for the previous biennium, the teachers
28.30 may not strike for any issue relating to the total compensation for the years covered by that
28.31 contract or submit any issue relating to the total compensation to interest arbitration under
28.32 section 179A.16. However, the teachers may strike for noneconomic issues, consistent
28.33 with section 179A.18, subdivision 2, or submit noneconomic issues to interest arbitration

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29.1 under section 179A.16. District fund balances or other revenue sources or allocations are
29.2 not to be included in any calculation of compensation under this subdivision.

29.3 (b) If a school board and teachers do not agree on the allocation of the total
29.4 compensation offered by the board under paragraph (a) by January 15 of an even-numbered
29.5 calendar year, the allocation of total compensation among the teachers shall be as follows:

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

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

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

29.16 "Teachers" means classroom teachers licensed under section 122A.18. At a school
29.17 board's election, teachers also means school administrators licensed under section
29.18 122A.14, subdivision 1. A school board that elects to offer school administrators an
29.19 employment contract under this subdivision must make the offer consistent with section
29.20 179A.20, and the provisions of this subdivision. A school board, at its discretion, also
29.21 may elect to offer any of its nonlicensed employees an employment contract under the
29.22 terms of this subdivision.

29.23 "Total compensation" means the sum of the following cost components: (i) a school
29.24 district's total salary schedule costs excluding alternative teacher compensation under
29.25 sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative
29.26 teacher professional pay system under sections 122A.413 to 122A.415; (iii) total
29.27 health insurance costs paid by the school district for its teachers, excluding any district
29.28 contributions to health reimbursement arrangements (HRA) or health savings accounts
29.29 (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers;
29.30 (v) total long-term disability costs paid by the school district for its teachers; (vi) total
29.31 dental insurance costs paid by the school district for its teachers; (vii) total extracurricular
29.32 costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers'
29.33 salary schedule; (ix) total Teachers Retirement Association costs paid by the school district
29.34 for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by
29.35 the school district for its teachers; and (xi) other miscellaneous costs identified by the
29.36 school district as payment for teachers' services or benefits such as special school events,

30.1 extra service duty, summer school instruction, driver's education outside the regular school
30.2 day and school year, and other direct salary payments to teachers or fringe benefit costs
30.3 paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

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

30.6 Sec. 6. Minnesota Statutes 2010, section 122A.40, subdivision 7, is amended to read:

30.7 Subd. 7. **Termination of contract after probationary period.** (a) A teacher who
30.8 has completed a probationary period in any district, and who has not been discharged or
30.9 advised of a refusal to renew the teacher's contract under subdivision 5, shall ~~elect to have~~
30.10 a continuing renewable five-year contract with such the district where contract terms and
30.11 conditions, including salary and salary increases, are established based either on the length
30.12 of the school calendar or an extended school calendar under section 120A.415. ~~Thereafter,~~
30.13 The teacher's contract must remain in full force and effect, except as modified by mutual
30.14 consent of the board and the teacher, until terminated by a majority roll call vote of the
30.15 full membership of the board prior to ~~April 1~~ July 1 upon one of the grounds specified in
30.16 ~~subdivision 9 or July 1 upon one of the grounds specified in~~ subdivision 9, 10, or 11, or
30.17 until the teacher is discharged pursuant to subdivision 13, or by the written resignation
30.18 of the teacher submitted prior to April 1. If an agreement as to the terms and conditions
30.19 of employment for the succeeding school year has not been adopted ~~pursuant to the~~
30.20 ~~provisions of~~ under sections 179A.01 to 179A.25 prior to March 1, the teacher's right of
30.21 resignation is extended to the 30th calendar day following the adoption of ~~said the~~ the contract
30.22 ~~in compliance with~~ under section 179A.20, subdivision 5. ~~Such~~ Written resignation by the
30.23 teacher is effective ~~as of~~ on June 30 if submitted ~~prior to~~ before that date and the ~~teachers'~~
30.24 ~~teacher's~~ right of resignation for the next school year ~~then beginning~~ shall cease on July 15.

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

30.31 If the grounds are those specified in subdivision ~~9 or 13,~~ the notice must also state a
30.32 teacher may request arbitration under subdivision 15. Within 14 calendar days after receipt
30.33 of ~~this the~~ the notification, the teacher may make a written request for a hearing before the
30.34 board or an arbitrator and it shall be granted ~~upon reasonable~~ within 14 calendar days with
30.35 notice to the teacher of the date set for hearing or arbitration, before final action is taken.

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31.1 If no hearing or arbitration is requested within ~~such~~ the required time period, it shall be
31.2 deemed acquiescence by the teacher to the board's action. ~~Such~~ The teacher's termination
31.3 under subdivision 9 shall take effect at the close of the school year in which the contract
31.4 is terminated ~~in the manner aforesaid~~, and termination discharge under subdivision 13
31.5 shall take effect immediately. A board may, however, suspend a teacher with pay pending
31.6 the conclusion of such a hearing or arbitration and determination of the issues raised
31.7 in the hearing or arbitration after charges have been filed which constitute grounds for
31.8 discharge. ~~Such contract~~ A continuing contract teacher's contract may be terminated at
31.9 any time by mutual consent of the board and the teacher, and this section does not affect
31.10 the powers of a board to suspend, discharge, or demote a teacher under and pursuant to
31.11 other provisions of law.

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

31.15 Sec. 7. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision
31.16 to read:

31.17 Subd. 7b. **Teacher employment.** (a) After completing the initial three-year
31.18 probationary period, without discharge, a teacher who is reemployed by a school board
31.19 continues in service and holds that position during good behavior and efficient and
31.20 competent service for a renewable five-year term. The terms and conditions of a teacher's
31.21 employment contract, including salary and salary increases, must be based either on the
31.22 length of the school year or an extended school calendar under section 120A.415.

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

31.25 (1) standards of professional practice, student learning, and successful teacher
31.26 evaluations that are conducted at least twice per year by a school administrator; and

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

31.29 Sec. 8. Minnesota Statutes 2010, section 122A.40, subdivision 9, is amended to read:

31.30 Subd. 9. **Grounds for termination.** A continuing contract may be terminated,
31.31 effective at the close of the school year, upon any of the following grounds:

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

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

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32.1 ~~(e)~~ (3) conduct unbecoming a teacher which materially impairs the teacher's
32.2 educational effectiveness; or

32.3 ~~(d)~~ (4) other good and sufficient grounds rendering the teacher unfit to perform
32.4 the teacher's duties.

32.5 A contract must not be terminated upon one of the grounds specified in clause ~~(a)~~,
32.6 ~~(b)~~, ~~(c)~~, or ~~(d)~~ (1), (2), (3), or (4), unless the teacher fails to correct the deficiency after
32.7 being given written notice of the specific items of complaint ~~and reasonable time~~, a written
32.8 plan to assist the teacher in remedying, the specific items of complaint, and for a period
32.9 not to exceed six months within which to remedy them.

32.10 Sec. 9. Minnesota Statutes 2010, section 122A.40, subdivision 11, is amended to read:

32.11 Subd. 11. **Unrequested leave of absence.** (a) The board may place on unrequested
32.12 leave of absence, without pay or fringe benefits, as many teachers as may be necessary
32.13 because of discontinuance of position, lack of pupils, financial limitations, or merger of
32.14 classes caused by consolidation of districts. The unrequested leave is effective at the close
32.15 of the school year. In placing teachers on unrequested leave, the superintendent may
32.16 exempt from the effects of paragraphs (b) to (f) those teachers who, in the superintendent's
32.17 judgment, are able to provide instruction that similarly licensed teachers cannot provide or
32.18 whose subject area license meets unmet district needs for student instruction. The board is
32.19 governed by ~~the following provisions:~~ paragraphs (b) to (m).

32.20 ~~(a)~~ (b) The board may place probationary teachers on unrequested leave first in
32.21 the inverse order of their employment. A teacher who has acquired continuing contract
32.22 rights must not be placed on unrequested leave of absence while probationary teachers
32.23 are retained in positions for which the teacher who has acquired continuing contract
32.24 rights is licensed;

32.25 ~~(b)~~ (c) Teachers who have acquired continuing contract rights shall be placed on
32.26 unrequested leave of absence in fields in which they are licensed in the inverse order in
32.27 which they were employed by the school district.

32.28 (d) In the case of equal seniority, the order in which teachers who have acquired
32.29 continuing contract rights shall be placed on unrequested leave of absence in fields in
32.30 which they are licensed is negotiable;

32.31 ~~(c)~~ (e) Notwithstanding the provisions of ~~clause (b)~~ paragraphs (c) and (d), a teacher
32.32 is not entitled to exercise any seniority when that exercise results in that teacher being
32.33 retained by the district in a field for which the teacher holds only a provisional license, as
32.34 defined by the board of teaching, unless that exercise of seniority results in the placement
32.35 on unrequested leave of absence of another teacher who also holds a provisional license

33.1 in the same field. The provisions of this ~~clause~~ paragraph do not apply to vocational
33.2 education licenses.

33.3 ~~(d)~~ (f) Notwithstanding ~~clauses (a), paragraphs (b) and~~ (c), and (d), if the placing of
33.4 a probationary teacher on unrequested leave before a teacher who has acquired continuing
33.5 rights, the placing of a teacher who has acquired continuing contract rights on unrequested
33.6 leave before another teacher who has acquired continuing contract rights but who has
33.7 greater seniority, or the ~~restriction~~ restrictions imposed by the provisions of ~~clause~~
33.8 paragraph (b), (c), or (d) would place the district in violation of its affirmative action
33.9 program, the district may retain the ~~probationary teacher, the teacher with less seniority, or~~
33.10 the provisionally licensed teacher, with a lower designated status or less seniority.

33.11 ~~(e)~~ (g) Teachers placed on unrequested leave of absence must be reinstated to
33.12 the positions from which they have been given leaves of absence or, if not available,
33.13 to other available positions in the school district in fields in which they are licensed.
33.14 Reinstatement must be in the inverse order of placement on leave of absence. A teacher
33.15 must not be reinstated to a position in a field in which the teacher holds only a provisional
33.16 license, other than a vocational education license, while another teacher who holds a
33.17 nonprovisional license in the same field remains on unrequested leave. The order of
33.18 reinstatement of teachers who have equal seniority and who are placed on unrequested
33.19 leave in the same school year is negotiable.

33.20 ~~(f)~~ (h) Appointment of a new teacher must not be made while there is available, on
33.21 unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the
33.22 teacher fails to advise the school board within 30 days of the date of notification that a
33.23 position is available to that teacher who may return to employment and assume the duties
33.24 of the position to which appointed on a future date determined by the board.

33.25 ~~(g)~~ (i) A teacher placed on unrequested leave of absence may engage in teaching
33.26 or any other occupation during the period of this leave.

33.27 ~~(h)~~ (j) The unrequested leave of absence must not impair the continuing contract
33.28 rights of a teacher or result in a loss of credit for previous years of service.

33.29 ~~(i)~~ (k) The unrequested leave of absence of a teacher who is placed on unrequested
33.30 leave of absence and who is not reinstated shall continue ~~for a period of five years~~ until
33.31 that teacher's contract expires under subdivision 7b, after which the right to reinstatement
33.32 shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails
33.33 to file with the board by April 1 of any year a written statement requesting reinstatement.

33.34 ~~(j)~~ (l) The same provisions applicable to terminations of probationary or continuing
33.35 contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of
33.36 absence.

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34.1 (~~κ~~) (m) Nothing in this subdivision shall be construed to impair the rights of teachers
34.2 placed on unrequested leave of absence to receive unemployment benefits if otherwise
34.3 eligible.

34.4 Sec. 10. Minnesota Statutes 2010, section 122A.40, subdivision 13, is amended to read:

34.5 Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph
34.6 (b), a board may discharge a continuing-contract teacher, effective immediately, upon any
34.7 of the following grounds:

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

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

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

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

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

34.16 (6) continuing physical or mental disability subsequent to a ~~12-months~~ 12-month
34.17 leave of absence and inability to qualify for reinstatement in accordance with subdivision
34.18 12; or

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

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

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

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

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

35.6 Sec. 11. Minnesota Statutes 2010, section 122A.40, subdivision 15, is amended to read:

35.7 Subd. 15. **Hearing and determination by arbitrator.** (a) A teacher whose
35.8 ~~termination~~ discharge is proposed under subdivision 7 on grounds specified in ~~subdivision~~
35.9 ~~9, or whose discharge is proposed under~~ subdivision 13; may elect ~~a hearing before an~~
35.10 ~~arbitrator~~ arbitration instead of ~~a hearing before the school board.~~ The ~~hearing~~ arbitration
35.11 is governed by this subdivision.

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

35.19 ~~(b)~~ (c) If the teacher and the school board are unable to mutually agree on an
35.20 arbitrator, the board must request from the bureau of mediation services a list of five
35.21 randomly selected persons to serve as an arbitrator. ~~If the matter to be heard is a proposed~~
35.22 ~~termination on grounds specified in subdivision 9, arbitrators on the list must be available~~
35.23 ~~to hear the matter and make a decision within a time frame that will allow the board to~~
35.24 ~~comply with all statutory timelines relating to termination.~~ If the teacher and the board
35.25 are unable to mutually agree on an arbitrator from the list provided, the parties shall
35.26 alternately strike names from the list until the name of one arbitrator remains. The person
35.27 remaining after the striking procedure must be the arbitrator. If the parties are unable to
35.28 agree on who shall strike the first name, the question must be decided by a flip of a coin.
35.29 The teacher and the school board must share equally the costs and fees of the arbitrator.

35.30 ~~(c)~~ (d) The arbitrator shall determine, by a preponderance of the evidence, whether
35.31 the grounds for ~~termination or~~ discharge specified in subdivision 9 ~~or 13~~ exist to support
35.32 the proposed ~~termination or~~ discharge. A lesser penalty than ~~termination or~~ discharge may
35.33 be imposed by the arbitrator only to the extent that ~~either party proposes such~~ both parties
35.34 agree to a lesser penalty in the proceeding. In making the determination, the arbitration

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36.1 proceeding is governed by sections 572B.15 to 572B.28 and by the collective bargaining
36.2 agreement applicable to the teacher.

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

36.6 ~~(e)~~ (f) The arbitrator's award is final and binding on the parties, subject to sections
36.7 572B.18 to 572B.28.

36.8 Sec. 12. Minnesota Statutes 2010, section 122A.40, subdivision 16, is amended to read:

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

36.19 Sec. 13. Minnesota Statutes 2010, section 122A.41, is amended by adding a
36.20 subdivision to read:

36.21 Subd. 2a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary,
36.22 if a school board offers teachers a biennial contract that includes a percentage increase
36.23 in total compensation at least equal to the district's biennial percent increase in basic
36.24 revenue under section 126C.10, subdivision 2, as measured by the ratio of (1) the most
36.25 recent estimate of basic revenue for the district for the biennium that corresponds to the
36.26 prospective contract term to (2) the basic revenue for the previous biennium, the teachers
36.27 may not strike for any issue relating to the total compensation for the years covered by that
36.28 contract or submit any issue relating to the total compensation to interest arbitration under
36.29 section 179A.16. However, the teachers may strike for noneconomic issues, consistent
36.30 with section 179A.18, subdivision 2, or submit noneconomic issues to interest arbitration
36.31 under section 179A.16. District fund balances or other revenue sources or allocations are
36.32 not to be included in any calculation of compensation under this subdivision.

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37.1 (b) If a school board and teachers do not agree on the allocation of the total
37.2 compensation offered by the board under paragraph (a) by January 15 of an even-numbered
37.3 calendar year, the allocation of total compensation among the teachers shall be as follows:

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

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

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

37.14 "Teachers" means classroom teachers licensed under section 122A.18. At a school
37.15 board's election, teachers also means school administrators licensed under section
37.16 122A.14, subdivision 1. A school board that elects to offer school administrators an
37.17 employment contract under this subdivision must make the offer consistent with section
37.18 179A.20, and the provisions of this subdivision. A school board, at its discretion, also
37.19 may elect to offer any of its nonlicensed employees an employment contract under the
37.20 terms of this subdivision.

37.21 "Total compensation" means the sum of the following cost components: (i) a school
37.22 district's total salary schedule costs excluding alternative teacher compensation under
37.23 sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative
37.24 teacher professional pay system under sections 122A.413 to 122A.415; (iii) total
37.25 health insurance costs paid by the school district for its teachers, excluding any district
37.26 contributions to health reimbursement arrangements (HRA) or health savings accounts
37.27 (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers;
37.28 (v) total long-term disability costs paid by the school district for its teachers; (vi) total
37.29 dental insurance costs paid by the school district for its teachers; (vii) total extracurricular
37.30 costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers'
37.31 salary schedule; (ix) total Teachers Retirement Association costs paid by the school district
37.32 for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by
37.33 the school district for its teachers; and (xi) other miscellaneous costs identified by the
37.34 school district as payment for teachers' services or benefits such as special school events,
37.35 extra service duty, summer school instruction, driver's education outside the regular school

38.1 day and school year, and other direct salary payments to teachers or fringe benefit costs
38.2 paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

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

38.5 Sec. 14. Minnesota Statutes 2010, section 122A.41, subdivision 4, is amended to read:

38.6 Subd. 4. ~~Period of service after probationary period; discharge or demotion~~
38.7 **Teacher employment.** (a) After ~~the completion of such~~ completing the initial three-year
38.8 probationary period, without discharge, such teachers as are a teacher who is thereupon
38.9 reemployed shall continue in service and hold their respective that position during good
38.10 behavior and efficient and competent service for a renewable five-year term and must not
38.11 be discharged or demoted except for cause after a hearing. The terms and conditions of a
38.12 teacher's employment contract, including salary and salary increases, must be based either
38.13 on the length of the school year or an extended school calendar under section 120A.415.

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

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

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

38.22 (1) standards of professional practice, student learning, and successful teacher
38.23 evaluations that are conducted at least twice per year by a school administrator; and

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

38.26 Sec. 15. Minnesota Statutes 2010, section 122A.41, subdivision 14, is amended to read:

38.27 Subd. 14. **Services terminated by discontinuance or lack of pupils; preference**
38.28 **given.** (a) A teacher whose services are terminated on account of discontinuance of
38.29 position or lack of pupils must receive first consideration for other positions in the district
38.30 for which that teacher is qualified. In the event it becomes necessary to discontinue one
38.31 or more positions, in making such discontinuance, teachers must be discontinued in any
38.32 department in the inverse order in which they were employed, unless a board and the
38.33 exclusive representative of teachers in the district negotiate a plan providing otherwise.

39.1 (b) The superintendent may exempt from the effects of this subdivision those
39.2 teachers who, in the superintendent's judgment, are able to provide instruction that
39.3 similarly licensed teachers cannot provide or whose subject area license meets unmet
39.4 district needs for student instruction.

39.5 ~~(b)~~ (c) Notwithstanding the provisions of ~~clause~~ paragraph (a), a teacher is not
39.6 entitled to exercise any seniority when that exercise results in that teacher being retained
39.7 by the district in a field for which the teacher holds only a provisional license, as defined
39.8 by the Board of Teaching, unless that exercise of seniority results in the termination of
39.9 services, on account of discontinuance of position or lack of pupils, of another teacher
39.10 who also holds a provisional license in the same field. The provisions of this ~~clause~~
39.11 paragraph do not apply to vocational education licenses.

39.12 ~~(c)~~ (d) Notwithstanding the provisions of ~~clause~~ paragraph (a), a teacher must
39.13 not be reinstated to a position in a field in which the teacher holds only a provisional
39.14 license, other than a vocational education license, while another teacher who holds a
39.15 nonprovisional license in the same field is available for reinstatement.

39.16 Sec. 16. **[122A.645] READING INSTRUCTION STIPEND.**

39.17 A teacher who received their initial teaching license prior to February 1, 2012,
39.18 and passes the assessment of reading instruction administered by the Board of Teaching
39.19 under Laws 2009, chapter 96, article 2, section 66, is eligible to receive a stipend of up to
39.20 \$1,000. The teacher must submit an application for the stipend in the form and manner
39.21 determined by the commissioner of education. The commissioner shall award stipends
39.22 until the funds appropriated are expended.

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

39.24 Sec. 17. Minnesota Statutes 2010, section 123B.88, is amended by adding a
39.25 subdivision to read:

39.26 **Subd. 1a. Full-service school zones.** The board may establish a full-service school
39.27 zone by adoption of a written resolution and may provide transportation for students
39.28 attending that school. A full-service school zone may be established for a school located
39.29 in an area with higher than average crime or other social and economic challenges, that
39.30 provides education, health or human services, or other parental support in collaboration
39.31 with city, county, state, or nonprofit agencies. The pupil transportation must be intended to
39.32 stabilize enrollment and reduce mobility at that community school.

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

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40.1 Sec. 18. Minnesota Statutes 2010, section 123B.92, subdivision 1, is amended to read:

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

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

40.6 (1) the sum of:

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

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

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

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

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

40.21 (1) Regular transportation is:

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

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

40.29 (iii) transportation of a pupil who is a custodial parent and that pupil's child between
40.30 the pupil's home and the child care provider and between the provider and the school, if
40.31 the home and provider are within the attendance area of the school;

40.32 (iv) transportation to and from or board and lodging in another district, of resident
40.33 pupils of a district without a secondary school; and

40.34 (v) transportation to and from school during the regular school year required under
40.35 subdivision 3 for nonresident elementary pupils when the distance from the attendance
40.36 area border to the public school is one mile or more, and for nonresident secondary pupils

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41.1 when the distance from the attendance area border to the public school is two miles or
41.2 more, excluding desegregation transportation and noon kindergarten transportation.

41.3 For the purposes of this paragraph, a district may designate a licensed day care
41.4 facility, school day care facility, respite care facility, the residence of a relative, or the
41.5 residence of a person or other location chosen by the pupil's parent or guardian, or an
41.6 after-school program for children operated by a political subdivision of the state, as the
41.7 home of a pupil for part or all of the day, if requested by the pupil's parent or guardian,
41.8 and if that facility, residence, or program is within the attendance area of the school the
41.9 pupil attends.

41.10 (2) Excess transportation is:

41.11 (i) transportation to and from school during the regular school year for resident
41.12 secondary pupils residing at least one mile but less than two miles from the public or
41.13 nonpublic school they attend, and transportation to and from school for resident pupils
41.14 residing less than one mile from school who are transported because of full-service school
41.15 zones, extraordinary traffic, drug, or crime hazards; and

41.16 (ii) transportation to and from school during the regular school year required under
41.17 subdivision 3 for nonresident secondary pupils when the distance from the attendance area
41.18 border to the school is at least one mile but less than two miles from the public school
41.19 they attend, and for nonresident pupils when the distance from the attendance area border
41.20 to the school is less than one mile from the school and who are transported because of
41.21 full-service school zones, extraordinary traffic, drug, or crime hazards.

41.22 (3) Desegregation transportation is transportation within and outside of the district
41.23 during the regular school year of pupils to and from schools located outside their normal
41.24 attendance areas under a plan for desegregation mandated by the commissioner or under
41.25 court order.

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

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

41.29 (ii) necessary transportation of pupils with disabilities from home or from school to
41.30 other buildings, including centers such as developmental achievement centers, hospitals,
41.31 and treatment centers where special instruction or services required by sections 125A.03
41.32 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district
41.33 where services are provided;

41.34 (iii) necessary transportation for resident pupils with disabilities required by sections
41.35 125A.12, and 125A.26 to 125A.48;

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

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

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

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

42.16 For purposes of computing special education initial aid under section 125A.76,
42.17 subdivision 2, the cost of providing transportation for children with disabilities includes
42.18 (A) the additional cost of transporting a homeless student from a temporary nonshelter
42.19 home in another district to the school of origin, or a formerly homeless student from a
42.20 permanent home in another district to the school of origin but only through the end of the
42.21 academic year; and (B) depreciation on district-owned school buses purchased after July 1,
42.22 2005, and used primarily for transportation of pupils with disabilities, calculated according
42.23 to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled
42.24 transportation category must be excluded in calculating the actual expenditure per pupil
42.25 transported in the regular and excess transportation categories according to paragraph (a).

42.26 (5) "Nonpublic nonregular transportation" is:

42.27 (i) transportation from one educational facility to another within the district for
42.28 resident pupils enrolled on a shared-time basis in educational programs, excluding
42.29 transportation for nonpublic pupils with disabilities under clause (4);

42.30 (ii) transportation within district boundaries between a nonpublic school and a
42.31 public school or a neutral site for nonpublic school pupils who are provided pupil support
42.32 services pursuant to section 123B.44; and

42.33 (iii) late transportation home from school or between schools within a district for
42.34 nonpublic school pupils involved in after-school activities.

42.35 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for
42.36 educational programs and services, including diagnostic testing, guidance and counseling

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43.1 services, and health services. A mobile unit located off nonpublic school premises is a
43.2 neutral site as defined in section 123B.41, subdivision 13.

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

43.4 Sec. 19. Minnesota Statutes 2010, section 124D.09, subdivision 5, is amended to read:

43.5 Subd. 5. **Authorization; notification.** Notwithstanding any other law to the
43.6 contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled
43.7 tribal contract or grant school eligible for aid under section 124D.83, except a foreign
43.8 exchange pupil enrolled in a district under a cultural exchange program, may apply to an
43.9 eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by
43.10 that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th
43.11 grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant
43.12 school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in
43.13 a district under a cultural exchange program, may apply to enroll in nonsectarian courses
43.14 offered under subdivision 10, if after all 11th and 12th grade students have applied for a
43.15 course, additional students are necessary to offer the course. If an institution accepts a
43.16 secondary pupil for enrollment under this section, the institution shall send written notice
43.17 to the pupil, the pupil's school or school district, and the commissioner within ten days of
43.18 acceptance. The notice must indicate the course and hours of enrollment of that pupil. If
43.19 the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil
43.20 about payment in the customary manner used by the institution.

43.21 Sec. 20. Minnesota Statutes 2010, section 124D.09, subdivision 7, is amended to read:

43.22 Subd. 7. **Dissemination of information; notification of intent to enroll.** By March
43.23 1 of each year, a district must provide general information about the program to all pupils
43.24 in grades 8, 9, 10, and 11. To assist the district in planning, a pupil shall inform the district
43.25 by March 30 of each year of the pupil's intent to enroll in postsecondary courses during
43.26 the following school year. A pupil is not bound by notifying or not notifying the district
43.27 by March 30.

43.28 Sec. 21. Minnesota Statutes 2010, section 124D.09, subdivision 8, is amended to read:

43.29 Subd. 8. **Limit on participation.** A pupil who first enrolls in grade 9 may not
43.30 enroll in postsecondary courses under this section for secondary credit for more than
43.31 the equivalent of four academic years. A pupil who first enrolls in grade 10 may not
43.32 enroll in postsecondary courses under this section for secondary credit for more than
43.33 the equivalent of three academic years. A pupil who first enrolls in grade 11 may not

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44.1 enroll in postsecondary courses under this section for secondary credit for more than the
44.2 equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in
44.3 postsecondary courses under this section for secondary credit for more than the equivalent
44.4 of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary
44.5 course for secondary credit during the school year, the time of participation shall be
44.6 reduced proportionately. If a pupil is in a learning year or other year-round program and
44.7 begins each grade in the summer session, summer sessions shall not be counted against the
44.8 time of participation. A pupil who has graduated from high school cannot participate in a
44.9 program under this section. A pupil who has completed course requirements for graduation
44.10 but who has not received a diploma may participate in the program under this section.

44.11 Sec. 22. Minnesota Statutes 2010, section 124D.10, subdivision 3, is amended to read:

44.12 Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this
44.13 subdivision have the meanings given them.

44.14 "Application" to receive approval as an authorizer means the proposal an eligible
44.15 authorizer submits to the commissioner under paragraph (c) before that authorizer is able
44.16 to submit any affidavit to charter to a school.

44.17 "Application" under subdivision 4 means the charter school business plan a
44.18 school developer submits to an authorizer for approval to establish a charter school that
44.19 documents the school developer's mission statement, school purposes, program design,
44.20 financial plan, governance and management structure, and background and experience,
44.21 plus any other information the authorizer requests. The application also shall include a
44.22 "statement of assurances" of legal compliance prescribed by the commissioner.

44.23 "Affidavit" means a written statement the authorizer submits to the commissioner
44.24 for approval to establish a charter school under subdivision 4 attesting to its review and
44.25 approval process before chartering a school.

44.26 "Affidavit" means the form an authorizer submits to the commissioner that is a
44.27 precondition to a charter school organizing an affiliated nonprofit building corporation
44.28 under subdivision 17a.

44.29 (b) The following organizations may authorize one or more charter schools:

44.30 (1) a school board; intermediate school district school board; education district
44.31 organized under sections 123A.15 to 123A.19;

44.32 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code
44.33 of 1986, excluding a nonpublic sectarian or religious institution, any person other than a
44.34 natural person that directly or indirectly, through one or more intermediaries, controls,
44.35 is controlled by, or is under common control with the nonpublic sectarian or religious

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45.1 institution, and any other charitable organization under this clause that in the federal IRS
45.2 Form 1023, Part IV, describes activities indicating a religious purpose, that:

45.3 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on
45.4 Foundations;

45.5 (ii) is registered with the attorney general's office;

45.6 (iii) reports an end-of-year fund balance of at least \$2,000,000; and

45.7 (iv) is incorporated in the state of Minnesota;

45.8 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or
45.9 four-year degrees and is registered with the Minnesota Office of Higher Education under
45.10 chapter 136A; community college, state university, or technical college governed by the
45.11 Board of Trustees of the Minnesota State Colleges and Universities; or the University of
45.12 Minnesota; or

45.13 (4) a nonprofit corporation subject to chapter 317A, described in section 317A.905,
45.14 and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code
45.15 of 1986, may authorize one or more charter schools if the charter school has operated
45.16 for at least three years under a different authorizer and if the nonprofit corporation has
45.17 existed for at least 25 years.

45.18 (5) ~~no more than three~~ single-purpose authorizers that are charitable, nonsectarian
45.19 organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and
45.20 incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible
45.21 organizations interested in being approved as an authorizer under this paragraph must
45.22 submit a proposal to the commissioner that includes the provisions of paragraph (c) and
45.23 a five-year financial plan. Such authorizers shall consider and approve applications
45.24 using the criteria provided in subdivision 4 and shall not limit the applications it solicits,
45.25 considers, or approves to any single curriculum, learning program, or method.

45.26 (c) An eligible authorizer under this subdivision must apply to the commissioner for
45.27 approval as an authorizer before submitting any affidavit to the commissioner to charter
45.28 a school. The application for approval as a charter school authorizer must demonstrate
45.29 the applicant's ability to implement the procedures and satisfy the criteria for chartering a
45.30 school under this section. The commissioner must approve or disapprove an application
45.31 within 60 business days of the application deadline. If the commissioner disapproves
45.32 the application, the commissioner must notify the applicant of the deficiencies and the
45.33 applicant then has 20 business days to address the deficiencies to the commissioner's
45.34 satisfaction. Failing to address the deficiencies to the commissioner's satisfaction makes
45.35 an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for
45.36 approval, must consider the applicant's:

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46.1 (1) capacity and infrastructure;

46.2 (2) application criteria and process;

46.3 (3) contracting process;

46.4 (4) ongoing oversight and evaluation processes; and

46.5 (5) renewal criteria and processes.

46.6 (d) The affidavit to be submitted to and evaluated by the commissioner must include
46.7 at least the following:

46.8 (1) how chartering schools is a way for the organization to carry out its mission;

46.9 (2) a description of the capacity of the organization to serve as an authorizer,
46.10 including the personnel who will perform the authorizing duties, their qualifications, the
46.11 amount of time they will be assigned to this responsibility, and the financial resources
46.12 allocated by the organization to this responsibility;

46.13 (3) a description of the application and review process the authorizer will use to make
46.14 decisions regarding the granting of charters, which will include at least the following:

46.15 (i) how the statutory purposes defined in subdivision 1 are addressed;

46.16 (ii) the mission, goals, program model, and student performance expectations;

46.17 (iii) an evaluation plan for the school that includes criteria for evaluating educational,
46.18 organizational, and fiscal plans;

46.19 (iv) the school's governance plan;

46.20 (v) the financial management plan; and

46.21 (vi) the administration and operations plan;

46.22 (4) a description of the type of contract it will arrange with the schools it charters
46.23 that meets the provisions of subdivision 6 and defines the rights and responsibilities of the
46.24 charter school for governing its educational program, controlling its funds, and making
46.25 school management decisions;

46.26 (5) the process to be used for providing ongoing oversight of the school consistent
46.27 with the contract expectations specified in clause (4) that assures that the schools chartered
46.28 are complying with both the provisions of applicable law and rules, and with the contract;

46.29 (6) the process for making decisions regarding the renewal or termination of
46.30 the school's charter based on evidence that demonstrates the academic, organizational,
46.31 and financial competency of the school, including its success in increasing student
46.32 achievement and meeting the goals of the charter school agreement; and

46.33 (7) an assurance specifying that the organization is committed to serving as an
46.34 authorizer for the full five-year term.

46.35 A disapproved applicant under this paragraph may resubmit an application during a
46.36 future application period.

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47.1 (e) The authorizer must participate in department-approved training.

47.2 (f) An authorizer that chartered a school before August 1, 2009, must apply by June
47.3 30, ~~2011~~ 2012, to the commissioner for approval, under paragraph (c), to continue as an
47.4 authorizer under this section. For purposes of this paragraph, an authorizer that fails to
47.5 submit a timely application is ineligible to charter a school.

47.6 (g) The commissioner shall review an authorizer's performance every five years in
47.7 a manner and form determined by the commissioner and may review an authorizer's
47.8 performance more frequently at the commissioner's own initiative or at the request of a
47.9 charter school operator, charter school board member, or other interested party. The
47.10 commissioner, after completing the review, shall transmit a report with findings to the
47.11 authorizer. If, consistent with this section, the commissioner finds that an authorizer
47.12 has not fulfilled the requirements of this section, the commissioner may subject the
47.13 authorizer to corrective action, which may include terminating the contract with the
47.14 charter school board of directors of a school it chartered. The commissioner must notify
47.15 the authorizer in writing of any findings that may subject the authorizer to corrective
47.16 action and the authorizer then has 15 business days to request an informal hearing before
47.17 the commissioner takes corrective action.

47.18 (h) The commissioner may at any time take corrective action against an authorizer,
47.19 including terminating an authorizer's ability to charter a school for:

47.20 (1) failing to demonstrate the criteria under paragraph (c) under which the
47.21 commissioner approved the authorizer;

47.22 (2) violating a term of the chartering contract between the authorizer and the charter
47.23 school board of directors; or

47.24 (3) unsatisfactory performance as an approved authorizer.

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

47.26 Sec. 23. Minnesota Statutes 2010, section 124D.11, subdivision 4, is amended to read:

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

47.33 (1) the reasonableness of the price based on current market values;

47.34 (2) the extent to which the lease conforms to applicable state laws and rules; and

48.1 (3) the appropriateness of the proposed lease in the context of the space needs and
48.2 financial circumstances of the charter school.

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

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

48.12 Sec. 24. Minnesota Statutes 2010, section 124D.36, is amended to read:

48.13 **124D.36 CITATION; ~~MINNESOTA YOUTHWORKS~~ SERVE MINNESOTA**
48.14 **INNOVATION ACT.**

48.15 Sections 124D.37 to 124D.45 shall be cited as the "~~Minnesota Youthworks~~
48.16 ServeMinnesota Innovation Act."

48.17 Sec. 25. Minnesota Statutes 2010, section 124D.37, is amended to read:

48.18 **124D.37 PURPOSE OF ~~MINNESOTA YOUTHWORKS~~ SERVE MINNESOTA**
48.19 **INNOVATION ACT.**

48.20 The purposes of sections 124D.37 to 124D.45 are to:

48.21 (1) renew the ethic of civic responsibility in Minnesota;

48.22 (2) empower youth to improve their life opportunities through literacy, job
48.23 placement, and other essential skills;

48.24 (3) empower government to meet its responsibility to prepare young people to be
48.25 contributing members of society;

48.26 (4) help meet human, educational, environmental, and public safety needs,
48.27 particularly those needs relating to poverty;

48.28 (5) prepare a citizenry that is academically competent, ready for work, and socially
48.29 responsible;

48.30 (6) demonstrate the connection between youth and community service, community
48.31 service and education, and education and meaningful opportunities in the business
48.32 community;

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49.1 (7) demonstrate the connection between providing opportunities for at-risk youth
49.2 and reducing crime rates and the social costs of troubled youth;

49.3 (8) create linkages for a comprehensive youth service and learning program in
49.4 Minnesota including school age programs, higher education programs, youth work
49.5 programs, and service corps programs; and

49.6 (9) coordinate federal and state activities that advance the purposes in this section.

49.7 Sec. 26. Minnesota Statutes 2010, section 124D.38, subdivision 3, is amended to read:

49.8 Subd. 3. **Federal law.** "Federal law" means Public Law ~~101-610~~ 111-13, as
49.9 amended, or any other federal law or program assisting youth community service,
49.10 work-based learning, or youth transition from school to work.

49.11 Sec. 27. Minnesota Statutes 2010, section 124D.385, subdivision 3, is amended to read:

49.12 Subd. 3. **Duties.** (a) The commission shall:

49.13 (1) develop, with the assistance of the governor, the commissioner of education, and
49.14 affected state agencies, a comprehensive state plan to provide services under sections
49.15 124D.37 to 124D.45 and federal law;

49.16 (2) actively pursue public and private funding sources for services, including
49.17 funding available under federal law;

49.18 (3) administer the ~~Youthworks~~ ServeMinnesota grant program under sections
49.19 124D.39 to 124D.44, including soliciting and approving grant applications from eligible
49.20 organizations, and administering individual postservice benefits;

49.21 (4) establish an evaluation plan for programs developed and services provided
49.22 under sections 124D.37 to 124D.45;

49.23 (5) report to the governor, commissioner of education, and legislature; and

49.24 (6) administer the federal AmeriCorps Program.

49.25 (b) Nothing in sections 124D.37 to 124D.45 precludes an organization from
49.26 independently seeking public or private funding to accomplish purposes similar to those
49.27 described in paragraph (a).

49.28 Sec. 28. Minnesota Statutes 2010, section 124D.39, is amended to read:

49.29 **124D.39 ~~YOUTHWORKS~~ SERVEMINNESOTA INNOVATION PROGRAM.**

49.30 The ~~Youthworks~~ ServeMinnesota Innovation program is established to provide
49.31 funding for the commission to leverage federal and private funding to fulfill the purposes
49.32 of section 124D.37. The ~~Youthworks~~ ServeMinnesota Innovation program must
49.33 supplement existing programs and services. The program must not displace existing

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50.1 programs and services, existing funding of programs or services, or existing employment
50.2 and employment opportunities. No eligible organization may terminate, layoff, or reduce
50.3 the hours of work of an employee to place or hire a program participant. No eligible
50.4 organization may place or hire an individual for a project if an employee is on layoff from
50.5 the same or a substantially equivalent position.

50.6 Sec. 29. Minnesota Statutes 2010, section 124D.40, is amended to read:

50.7 **124D.40 ~~YOUTHWORKS~~ SERVE MINNESOTA INNOVATION GRANTS.**

50.8 Subdivision 1. **Application.** An eligible organization interested in receiving a
50.9 grant under sections 124D.39 to 124D.44 may prepare and submit an application to the
50.10 commission. As part of the grant application process, the commission must establish and
50.11 publish grant application guidelines that are consistent with this subdivision, section
50.12 124D.37, and Public Law 111-13; include criteria for reviewing an applicant's cost-benefit
50.13 analysis; and require grantees to use research-based measures of program outcomes to
50.14 generate valid and reliable data that are available to the commission for evaluation and
50.15 public reporting purposes.

50.16 Subd. 2. **Grant authority.** The commission must use any state appropriation and
50.17 any available federal funds, including any grant received under federal law, to award
50.18 grants to establish programs for ~~Youthworks~~ ServeMinnesota Innovation. At least one
50.19 grant each must be available for a metropolitan proposal, a rural proposal, and a statewide
50.20 proposal. If a portion of the suburban metropolitan area is not included in the metropolitan
50.21 grant proposal, the statewide grant proposal must incorporate at least one suburban
50.22 metropolitan area. In awarding grants, the commission may select at least one residential
50.23 proposal and one nonresidential proposal.

50.24 Sec. 30. Minnesota Statutes 2010, section 124D.42, is amended to read:

50.25 **124D.42 ~~YOUTHWORKS PROGRAM TRAINING;~~ READING CORPS.**

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

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

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

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

50.33 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps
50.34 program is established to provide ~~Americorps~~ ServeMinnesota Innovation members with a

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51.1 data-based problem-solving model of literacy instruction to use in helping to train local
51.2 Head Start program providers, other prekindergarten program providers, and staff in
51.3 schools with students in kindergarten through grade 3 to evaluate and teach early literacy
51.4 skills, including comprehensive, scientifically based reading instruction under section
51.5 122A.06, subdivision 4, to children age 3 to grade 3.

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

51.9 Sec. 31. Minnesota Statutes 2010, section 124D.44, is amended to read:

51.10 **124D.44 MATCH REQUIREMENTS.**

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

51.22 Sec. 32. Minnesota Statutes 2010, section 124D.45, subdivision 2, is amended to read:

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

51.25 Sec. 33. Minnesota Statutes 2010, section 124D.4531, subdivision 1, is amended to
51.26 read:

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

51.30 (1) \$80 times the district's average daily membership in grades ~~10~~ 9 through 12 for
51.31 the fiscal year in which the levy is certified; or

51.32 (2) ~~25~~ 35 percent of approved expenditures in the fiscal year in which the levy is
51.33 certified for the following:

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

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

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

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

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

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

52.14 (vii) specialized vocational instructional supplies.

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

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

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

52.22 Sec. 34. **[124D.98] LITERACY INCENTIVE AID.**

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

52.26 **Subd. 2. Proficiency aid.** In fiscal year 2013 and later, the proficiency aid for
52.27 each school is equal to the product of the school's proficiency allowance times the
52.28 number of pupils at the school on October 1 of the previous fiscal year. A school's
52.29 proficiency allowance is equal to the percent of students in each building that meet or
52.30 exceed proficiency on the reading portion of the third grade Minnesota Comprehensive
52.31 Assessment-II, averaged across the previous three test administrations, times \$150.

52.32 **Subd. 3. Growth aid.** In fiscal year 2013 and later, the growth aid for each school is
52.33 equal to the product of the school's growth allowance times the number of pupils enrolled
52.34 at the school on October 1 of the previous fiscal year. A school's growth allowance is
52.35 equal to the percent of students in the fourth grade at that school making medium or high

53.1 growth, under section 120B.299, averaged across the previous three test administrations,
53.2 times \$150.

53.3 Subd. 4. Use. The literacy incentive aid must be used to increase the number of
53.4 third graders meeting or exceeding proficiency on the reading portion of the third grade
53.5 Minnesota Comprehensive Assessment-II.

53.6 Sec. 35. **CHARTER SCHOOL START-UP AID.**

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

53.10 Sec. 36. **LITERACY INCENTIVE AID LIMIT.**

53.11 Notwithstanding Minnesota Statutes, section 124D.98, subdivision 1, for fiscal year
53.12 2013 only, the commissioner must adjust the entitlement for literacy incentive aid under
53.13 Minnesota Statutes, section 124D.98, subdivision 1, to ensure that the total entitlement
53.14 does not exceed \$85,952,000. If the literacy incentive aid exceeds the limit established in
53.15 this section, the aid must be reduced proportionately to match the limit.

53.16 Sec. 37. **LITERACY TRANSITION REVENUE.**

53.17 Subdivision 1. Literacy transition revenue. For districts that received integration
53.18 revenue under Minnesota Statutes, section 124D.86, in fiscal year 2011, literacy transition
53.19 revenue for fiscal year 2012 only is equal to the total district amount received under
53.20 Minnesota Statutes, section 124D.86, subdivision 3, in fiscal year 2011.

53.21 Subd. 2. Literacy transition levy. For fiscal year 2012 only, a district may levy
53.22 an amount equal to 30 percent of the district's literacy transition revenue as defined in
53.23 subdivision 1.

53.24 Subd. 3. Literacy transition aid. A district's literacy aid equals the difference
53.25 between the district's literacy transition revenue and its literacy transition aid.

53.26 Subd. 4. Adjustments. The literacy transition aid under subdivision 3 must be
53.27 adjusted in the same manner as was adjusted under Minnesota Statutes, section 124D.86,
53.28 subdivision 6, in fiscal year 2011 for revenue in fiscal year 2012.

53.29 Subd. 5. Method of payment. The commissioner shall make payments of literacy
53.30 transition aid to school districts according to the payment schedule under Minnesota
53.31 Statutes, section 127A.45.

53.32 **EFFECTIVE DATE.** This section is effective for fiscal year 2012 only.

54.1 Sec. 38. APPROPRIATIONS.

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

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

54.7 \$ 47,466,000 2012

54.8 \$ 52,484,000 2013

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

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

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

54.13 \$ 180,000 2012

54.14 \$ 25,000 2013

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

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

54.17 Subd. 4. Literacy transition aid. For literacy transition aid:

54.18 \$ 64,240,000 2012

54.19 \$ 19,272,000 2013

54.20 The 2012 appropriation includes \$19,272,000 for 2011 and \$44,968,000 for 2012.

54.21 The 2013 appropriation includes \$19,272,000 for 2012 and \$0 for 2013.

54.22 Subd. 5. Literacy incentive aid. For literacy incentive aid under Minnesota
54.23 Statutes, section 124D.98:

54.24 \$ 60,167,000 2013

54.25 The 2013 appropriation includes \$0 for 2012 and \$60,167,000 for 2013.

54.26 Subd. 6. Reading instruction stipend aid. For reading instruction stipend aid
54.27 under Minnesota Statutes, section 122A.645:

54.28 \$ 4,450,000 2013

54.29 The base for fiscal year 2014 and later is \$4,450,000.

54.30 Subd. 7. Interdistrict desegregation or integration transportation grants. For
54.31 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
54.32 section 124D.87:

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55.1 \$ 14,917,000 2012

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

55.4 \$ 2,137,000 2012

55.5 \$ 2,137,000 2013

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

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

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

55.10 \$ 190,000 2012

55.11 \$ 190,000 2013

55.12 Subd. 10. **Tribal contract school aid.** For tribal contract school aid under
55.13 Minnesota Statutes, section 124D.83:

55.14 \$ 2,097,000 2012

55.15 \$ 2,217,000 2013

55.16 The 2012 appropriation includes \$600,000 for 2011 and \$1,497,000 for 2012.

55.17 The 2013 appropriation includes \$641,000 for 2012 and \$1,576,000 for 2013.

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

55.21 \$ 68,000 2012

55.22 \$ 68,000 2013

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

55.25 \$ 15,150,000 2012

55.26 \$ 15,150,000 2013

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

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

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56.1 \$ 4,500,000 2012

56.2 \$ 4,500,000 2013

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

56.10 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
56.11 \$500,000 each year is for teachers to attend subject matter summer training programs
56.12 and follow-up support workshops approved by the advanced placement or international
56.13 baccalaureate programs. The amount of the subsidy for each teacher attending an
56.14 advanced placement or international baccalaureate summer training program or workshop
56.15 shall be the same. The commissioner shall determine the payment process and the amount
56.16 of the subsidy.

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

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

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

56.24 \$ 2,000,000 2012

56.25 \$ 2,000,000 2013

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

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

56.29 Subd. 15. **Collaborative urban educator.** For the collaborative urban educator
56.30 grant program:

56.31 \$ 528,000 2012

56.32 \$ 528,000 2013

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

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

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

57.6 \$ 900,000 2012

57.7 \$ 900,000 2013

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

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

57.12 \$ 800,000 2012

57.13 \$ 800,000 2013

57.14 \$54,000 each year is for student organizations serving health occupations.

57.15 \$51,000 each year is for student organizations serving service occupations.

57.16 \$117,000 each year is for student organizations serving trade and industry
57.17 occupations.

57.18 \$112,000 each year is for student organizations serving business occupations.

57.19 \$174,000 each year is for student organizations serving agriculture occupations.

57.20 \$166,000 each year is for student organizations serving family and consumer science
57.21 occupations.

57.22 \$126,000 each year is for student organizations serving marketing occupations.

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

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

57.26 \$ 4,125,000 2012

57.27 \$ 4,125,000 2013

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

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

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

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

58.4 \$ 829,000 2012

58.5 \$ 829,000 2013

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

58.7 Sec. 39. **REPEALER.**

58.8 (a) Minnesota Statutes 2010, sections 124D.871; and 124D.88, are repealed.

58.9 (b) Minnesota Statutes 2010, section 124D.11, subdivision 8, is repealed.

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

58.11 (d) Minnesota Statutes 2010, sections 124D.86; 124D.892, subdivisions 1 and 2; and
58.12 124D.896, are repealed.

58.13 (e) Minnesota Statutes 2010, section 124D.87, is repealed.

58.14 (f) Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130;
58.15 3535.0140; 3535.0150; 3535.0160; 3535.0170; and 3535.0180, are repealed.

58.16 **EFFECTIVE DATE.** Paragraph (a) is effective for revenue for fiscal year 2012
58.17 and later. Paragraphs (b) and (e) are effective for revenue for fiscal year 2013 and later.
58.18 Paragraphs (d) and (f) are effective the day following final enactment.

58.19 **ARTICLE 3**

58.20 **SPECIAL PROGRAMS**

58.21 Section 1. Minnesota Statutes 2010, section 125A.76, subdivision 1, is amended to
58.22 read:

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

58.25 (a) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

58.26 For the purposes of computing basic revenue pursuant to this section, each child with a
58.27 disability shall be counted as prescribed in section 126C.05, subdivision 1.

58.28 (b) "Essential personnel" means teachers, cultural liaisons, related services, and
58.29 support services staff providing services to students. Essential personnel may also include
58.30 special education paraprofessionals or clericals providing support to teachers and students
58.31 by preparing paperwork and making arrangements related to special education compliance
58.32 requirements, including parent meetings and individual education plans. Essential
58.33 personnel does not include administrators and supervisors.

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

59.2 (d) "Program growth factor" means ~~1.046~~ 1.0 for fiscal year 2012 and later.

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

59.5 Sec. 2. Minnesota Statutes 2010, section 125A.79, subdivision 1, is amended to read:

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

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

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

59.11 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and
59.12 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

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

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

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

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

59.22 (d) "Program growth factor" means ~~1.02~~ 1.0 for fiscal year 2012 and later.

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

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

59.29 Sec. 3. **APPROPRIATIONS.**

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

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

60.3 \$ 789,955,000 2012

60.4 \$ 796,681,000 2013

60.5 The 2012 appropriation includes \$235,975,000 for 2011 and \$553,980,000 for 2012.

60.6 The 2013 appropriation includes \$237,419,000 for 2012 and \$559,262,000 for 2013.

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

60.10 \$ 1,648,000 2012

60.11 \$ 1,745,000 2013

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

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

60.16 \$ 357,000 2012

60.17 \$ 359,000 2013

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

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

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

60.22 \$ 111,243,000 2012

60.23 \$ 112,122,000 2013

60.24 The 2012 appropriation includes \$53,449,000 for 2011 and \$57,794,000 for 2012.

60.25 The 2013 appropriation includes \$53,777,000 for 2012 and \$58,345,000 for 2013.

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

60.30 \$ 80,000 2012

60.31 \$ 82,000 2013

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

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62.1 to section 123B.59. A school board shall not separate portions of a single project into
62.2 components to qualify for health and safety revenue, and shall not combine unrelated
62.3 projects into a single project to qualify for alternative facilities bonding and levy revenue.

62.4 (c) The commissioner of education shall not make eligibility for health and safety
62.5 revenue contingent on a district's compliance status, level of program development, or
62.6 training. The commissioner shall not mandate additional performance criteria such as
62.7 training, certifications, or compliance evaluations as a prerequisite for levy approval.

62.8 Subd. 2. **Contents of program Health and safety policy.** To qualify for health
62.9 and safety revenue, a district school board must adopt a health and safety program policy.
62.10 The program policy must include plans, where applicable, for hazardous substance
62.11 removal, fire and life safety code repairs, regulated facility and equipment violations,
62.12 and provisions for implementing a health and safety program that complies with health,
62.13 safety, and environmental management, regulations and best practices, including indoor
62.14 air quality management.

62.15 ~~(a) A hazardous substance plan must contain provisions for the removal or~~
62.16 ~~encapsulation of asbestos from school buildings or property, asbestos-related repairs,~~
62.17 ~~cleanup and disposal of polychlorinated biphenyls found in school buildings or property,~~
62.18 ~~and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation~~
62.19 ~~fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296A.01.~~
62.20 ~~If a district has already developed a plan for the removal or encapsulation of asbestos as~~
62.21 ~~required by the federal Asbestos Hazard Emergency Response Act of 1986, the district~~
62.22 ~~may use a summary of that plan, which includes a description and schedule of response~~
62.23 ~~actions, for purposes of this section. The plan must also contain provisions to make~~
62.24 ~~modifications to existing facilities and equipment necessary to limit personal exposure~~
62.25 ~~to hazardous substances, as regulated by the federal Occupational Safety and Health~~
62.26 ~~Administration under Code of Federal Regulations, title 29, part 1910, subpart Z; or is~~
62.27 ~~determined by the commissioner to present a significant risk to district staff or student~~
62.28 ~~health and safety as a result of foreseeable use, handling, accidental spill, exposure, or~~
62.29 ~~contamination.~~

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

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

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

63.4 ~~(e) A plan to test for and mitigate radon produced hazards.~~

63.5 ~~(f) A plan to monitor and improve indoor air quality.~~

63.6 Subd. 3. **Health and safety revenue.** A district's health and safety revenue
63.7 for a fiscal year equals the district's alternative facilities levy under section 123B.59,
63.8 subdivision 5, paragraph (b), plus the greater of zero or:

63.9 (1) the sum of (a) the total approved cost of the district's hazardous substance
63.10 plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's
63.11 health and safety program for fiscal year 1990 through the fiscal year to which the levy
63.12 is attributable, excluding expenditures funded with bonds issued under section 123B.59
63.13 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section
63.14 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or
63.15 6; and other federal, state, or local revenues, minus

63.16 (2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years
63.17 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the
63.18 district's health and safety revenue under this subdivision, for years before the fiscal year
63.19 to which the levy is attributable.

63.20 Subd. 4. **Health and safety levy.** To receive health and safety revenue, a district
63.21 may levy an amount equal to the district's health and safety revenue as defined in
63.22 subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by
63.23 dividing the adjusted net tax capacity of the district for the year preceding the year the
63.24 levy is certified by the adjusted marginal cost pupil units in the district for the school year
63.25 to which the levy is attributable, to \$2,935.

63.26 Subd. 5. **Health and safety aid.** A district's health and safety aid is the difference
63.27 between its health and safety revenue and its health and safety levy. If a district does not
63.28 levy the entire amount permitted, health and safety aid must be reduced in proportion to
63.29 the actual amount levied. Health and safety aid may not be reduced as a result of reducing
63.30 a district's health and safety levy according to section 123B.79.

63.31 Subd. 6. **Uses of health and safety revenue.** ~~(a)~~ Health and safety revenue may
63.32 be used only for approved expenditures necessary ~~to correct~~ for the correction of fire
63.33 and life safety hazards, or for the; design, purchase, installation, maintenance, and
63.34 inspection of fire protection and alarm equipment; purchase or construction of appropriate
63.35 facilities for the storage of combustible and flammable materials; inventories and facility
63.36 modifications not related to a remodeling project to comply with lab safety requirements

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64.1 under section 121A.31; inspection, testing, repair, removal or encapsulation, and disposal
64.2 of asbestos from school buildings or property owned or being acquired by the district,
64.3 asbestos-related repairs, asbestos-containing building materials; cleanup and disposal
64.4 of polychlorinated biphenyls found in school buildings or property owned or being
64.5 acquired by the district, or the; cleanup and disposal of hazardous and infectious wastes;
64.6 cleanup, removal, disposal, and repairs related to storing heating fuel or transportation
64.7 fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
64.8 Minnesota; correction of occupational safety and health administration regulated facility
64.9 and equipment hazards;; indoor air quality inspections, investigations, and testing; mold
64.10 abatement;; upgrades or replacement of mechanical ventilation systems to meet American
64.11 Society of Heating, Refrigerating and Air Conditioning Engineers standards and State
64.12 Mechanical Code;; design, materials, and installation of local exhaust ventilation systems,
64.13 including required make-up air for controlling regulated hazardous substances; correction
64.14 of Department of Health Food Code and violations; correction of swimming pool
64.15 hazards excluding depth correction;; playground safety inspections and the installation
64.16 of impact surfacing materials; bleacher repair or rebuilding to comply with the order of
64.17 a building code inspector under section 326B.112; testing and mitigation of elevated
64.18 radon hazards; lead testing; copper in water testing; cleanup after major weather-related
64.19 disasters or flooding; reduction of excessive organic and inorganic levels in wells and
64.20 well capping of abandoned wells; installation and testing of boiler backflow valves to
64.21 prevent contamination of potable water; vaccinations, titers, and preventative supplies
64.22 for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents'
64.23 Right To Know Act; and health, safety, and environmental management costs associated
64.24 with implementing the district's health and safety program, including costs to establish
64.25 and operate safety committees, in school buildings or property owned or being acquired
64.26 by the district. Testing and calibration activities are permitted for existing mechanical
64.27 ventilation systems at intervals no less than every five years. Health and safety revenue
64.28 must not be used to finance a lease purchase agreement, installment purchase agreement,
64.29 or other deferred payments agreement. Health and safety revenue must not be used for
64.30 the construction of new facilities or the purchase of portable classrooms, for interest or
64.31 other financing expenses, or for energy efficiency projects under section 123B.65. The
64.32 revenue may not be used for a building or property or part of a building or property used
64.33 for postsecondary instruction or administration or for a purpose unrelated to elementary
64.34 and secondary education.

64.35 Subd. 6a. **Restrictions on health and safety revenue.** (b) Notwithstanding
64.36 paragraph (a) subdivision 6, health and safety revenue must not be used: (1) to finance a

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65.1 lease purchase agreement, installment purchase agreement, or other deferred payments
65.2 agreement; (2) for the construction of new facilities, remodeling of existing facilities, or
65.3 the purchase of portable classrooms; (3) for interest or other financing expenses; (4) for
65.4 energy efficiency projects under section 123B.65 for a building or property or part of a
65.5 building or property used for postsecondary instruction or administration or for a purpose
65.6 unrelated to elementary and secondary education; (5) for replacement of building materials
65.7 or facilities including roof, walls, windows, internal fixtures and flooring, nonhealth and
65.8 safety costs associated with demolition of facilities, structural repair or replacement of
65.9 facilities due to unsafe conditions, violence prevention and facility security, ergonomics; ;
65.10 or (6) for building and heating, ventilating and air conditioning supplies, maintenance, and
65.11 cleaning activities. All assessments, investigations, inventories, and support equipment
65.12 not leading to the engineering or construction of a project shall be included in the health,
65.13 safety, and environmental management costs in subdivision 8, paragraph (a).

65.14 Subd. 6b. **Health and safety projects.** (a) Health and safety revenue applications
65.15 defined in subdivision 1 must be accompanied by a description of each project for which
65.16 funding is being requested. Project descriptions must provide enough detail for an auditor
65.17 to determine if the work qualifies for revenue. For projects other than fire and life
65.18 safety projects, playground projects, and health, safety, and environmental management
65.19 activities, a project description does not need to include itemized details such as material
65.20 types, room locations, square feet, names, or license numbers. The commissioner
65.21 may request supporting information and shall approve only projects that comply with
65.22 subdivisions 6 and 8, as defined by the Department of Education.

65.23 (b) Districts may request funding for allowable projects based on self-assessments,
65.24 safety committee recommendations, insurance inspections, management assistance
65.25 reports, fire marshal orders, or other mandates. Notwithstanding subdivision 1, paragraph
65.26 (b), and subdivision 8, paragraph (b), for projects under \$500,000, individual project
65.27 size for projects authorized by this subdivision is not limited and may include related
65.28 work in multiple facilities. Health and safety management costs from subdivision 8 may
65.29 be reported as a single project.

65.30 (c) All costs directly related to a project shall be reported in the appropriate Uniform
65.31 Financial Accounting and Reporting Standards (UFARS) finance code.

65.32 (d) For fire and life safety egress and all other projects exceeding \$20,000 and cited
65.33 under Minnesota Fire Code, a fire marshal plan review is required.

65.34 (e) Districts shall update project estimates with actual expenditures for each
65.35 fiscal year. If a project's final cost is significantly higher than originally approved, the
65.36 commissioner may request additional supporting information.

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66.1 Subd. 6c. Appeals process. In the event a district is denied funding approval for
66.2 a project the district believes complies with subdivisions 6 and 8, and is not otherwise
66.3 excluded, a district may appeal the decision. All such requests must be in writing. The
66.4 commissioner shall respond in writing. A written request must contain project number,
66.5 description and amount, reason for denial, unresolved questions for consideration, reasons
66.6 for reconsideration, and a specific statement of what action the district is requesting.

66.7 Subd. 7. **Proration.** In the event that the health and safety aid available for any year
66.8 is prorated, a district having its aid prorated may levy an additional amount equal to the
66.9 amount not paid by the state due to proration.

66.10 Subd. 8. **Health, safety, and environmental management cost.** (a) "Health, safety,
66.11 and environmental management" is defined in section 123B.56.

66.12 (b) A district's cost for health, safety, and environmental management is limited to
66.13 the lesser of:

66.14 (1) actual cost to implement their plan; or

66.15 (2) an amount determined by the commissioner, based on enrollment, building
66.16 age, and size.

66.17 ~~(b)~~ (c) The department may contract with regional service organizations, private
66.18 contractors, Minnesota Safety Council, or state agencies to provide management
66.19 assistance to school districts for health and safety capital projects. Management assistance
66.20 is the development of written programs for the identification, recognition and control of
66.21 hazards, and prioritization and scheduling of district health and safety capital projects.
66.22 The ~~department~~ commissioner shall not mandate management assistance or exclude
66.23 private contractors from the opportunity to provide any health and safety services to
66.24 school districts.

66.25 ~~(c)~~ Notwithstanding paragraph (b), the department may approve revenue, up to
66.26 the limit defined in paragraph (a) for districts having an approved health, safety, and
66.27 environmental management plan that uses district staff to accomplish coordination and
66.28 provided services.

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

66.30 Sec. 3. Minnesota Statutes 2010, section 123B.63, subdivision 3, is amended to read:

66.31 Subd. 3. **Capital project levy referendum.** (a) A district may levy the local tax
66.32 rate approved by a majority of the electors voting on the question to provide funds for
66.33 an approved project. The election must take place no more than five years before the
66.34 estimated date of commencement of the project. The referendum must be held on a date
66.35 set by the board. A referendum for a project not receiving a positive review and comment

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67.1 by the commissioner under section 123B.71 must be approved by at least 60 percent of
67.2 the voters at the election.

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

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

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

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

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

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

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

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

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

67.31 "BY VOTING YES ON THIS BALLOT QUESTION, YOU ARE VOTING
67.32 TO RENEW AN EXISTING CAPITAL PROJECTS REFERENDUM THAT IS
67.33 SCHEDULED TO EXPIRE."

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

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

68.2 **EFFECTIVE DATE.** This section is effective for referenda conducted on or after
68.3 July 1, 2011.

68.4 Sec. 4. Minnesota Statutes 2010, section 126C.40, subdivision 1, is amended to read:

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

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

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

68.30 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the
68.31 purpose of leasing or renting a district-owned building or site to itself only if the amount
68.32 is needed by the district to make payments required by a lease purchase agreement,
68.33 installment purchase agreement, or other deferred payments agreement authorized by law,
68.34 and the levy meets the requirements of paragraph (c). A levy authorized for a district by
68.35 the commissioner under this paragraph may be in the amount needed by the district to

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69.1 make payments required by a lease purchase agreement, installment purchase agreement,
69.2 or other deferred payments agreement authorized by law, provided that any agreement
69.3 include a provision giving the school districts the right to terminate the agreement
69.4 annually without penalty.

69.5 (e) The total levy under this subdivision for a district for any year must not exceed
69.6 \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

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

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

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

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

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

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

69.21 (h) A school district that is a member of an intermediate school district may include
69.22 in its authority under this section the costs associated with leases of administrative and
69.23 classroom space for intermediate school district programs. This authority must not exceed
69.24 \$43 times the adjusted marginal cost pupil units of the member districts. This authority is
69.25 in addition to any other authority authorized under this section.

69.26 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in
69.27 2012 to 2022, a district that is a member of the "Technology and Information Education
69.28 Systems" data processing joint board, that finds it economically advantageous to enter
69.29 into a lease ~~purchase~~ agreement for to finance improvements to a building for a group of
69.30 school districts or special school districts for staff development purposes, may levy for
69.31 its portion of lease costs attributed to the district within the total levy limit in paragraph
69.32 (e). The total levy authority under this paragraph shall not exceed \$632,000 each year.

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

69.34 Sec. 5. Laws 1999, chapter 241, article 4, section 25, is amended by adding a
69.35 subdivision to read:

70.1 Subd. 3. **Independent School District No. 284, Wayzata.** Independent School
70.2 District No. 284, Wayzata, is eligible for the alternative facilities revenue program under
70.3 Minnesota Statutes, section 123B.59, for the purposes of financing school facilities
70.4 in the district.

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

70.7 Sec. 6. **HEALTH AND SAFETY POLICY.**

70.8 Notwithstanding Minnesota Statutes, section 123B.57, subdivision 2, a school board
70.9 that has not yet adopted a health and safety policy by September 30, 2011, may submit an
70.10 application for health and safety revenue for taxes payable in 2012 in the form and manner
70.11 specified by the commissioner of education.

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

70.13 Sec. 7. **APPROPRIATIONS.**

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

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

70.19 \$ 123,000 2012

70.20 \$ 113,000 2013

70.21 The 2012 appropriation includes \$39,000 for 2011 and \$84,000 for 2012.

70.22 The 2013 appropriation includes \$36,000 for 2012 and \$77,000 for 2013.

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

70.25 \$ 12,425,000 2012

70.26 \$ 19,947,000 2013

70.27 The 2012 appropriation includes \$2,604,000 for 2011 and \$9,821,000 for 2012.

70.28 The 2013 appropriation includes \$4,208,000 for 2012 and \$15,739,000 for 2013.

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

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72.1 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
72.2 subdivision 6; plus

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

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

72.10 (1) the sum of May, June, and July school district tax settlement revenue received in
72.11 that calendar year, plus general education aid according to section 126C.13, subdivision
72.12 4, received in July and August of that calendar year; or

72.13 (2) the sum of:

72.14 (i) the greater of 48.6 percent of the referendum levy certified according to section
72.15 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified
72.16 according to section 126C.17 in calendar year 2000; plus

72.17 (ii) the entire amount of the levy certified in the prior calendar year according to
72.18 section 124D.86, subdivision 4, for school districts receiving revenue under sections
72.19 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
72.20 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
72.21 subdivision 6; plus

72.22 (iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the
72.23 school district's general and community service funds, plus or minus auditor's adjustments,
72.24 ~~not including the levy portions that are assumed by the state,~~ that remains after subtracting
72.25 the referendum levy certified according to section 126C.17 and the amount recognized
72.26 according to item (ii).

72.27 **EFFECTIVE DATE.** This section is effective for fiscal year 2011.

72.28 Sec. 2. Minnesota Statutes 2010, section 127A.441, is amended to read:

72.29 **127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.**

72.30 (a) Each year, the state aids payable to any school district for that fiscal year that are
72.31 recognized as revenue in the school district's general and community service funds shall
72.32 be adjusted by an amount equal to (1) the amount the district recognized as revenue for the
72.33 prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2)
72.34 the amount the district recognized as revenue for the current fiscal year pursuant to section

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73.1 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments
73.2 under this section, the amount the district recognizes as revenue for either the prior fiscal
73.3 year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b),
73.4 shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school
73.5 districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3);
73.6 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2;
73.7 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall
73.8 not be adjusted pursuant to this section.

73.9 (b) The commissioner shall schedule the timing of the adjustments under paragraph
73.10 (a) as close to the end of the fiscal year as possible.

73.11 The school district shall be notified of the amount of the adjustment made to each
73.12 payment pursuant to this section.

73.13 **EFFECTIVE DATE.** This section is effective for fiscal year 2011.

73.14 Sec. 3. Minnesota Statutes 2010, section 127A.45, subdivision 2, is amended to read:

73.15 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county
73.16 treasurers pursuant to section 276.10, apportionments from the school endowment fund
73.17 pursuant to section 127A.33, apportionments by the county auditor pursuant to section
73.18 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue
73.19 pursuant to chapter 298.

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

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

73.22 (2) the sum of

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

73.25 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

73.26 (iii) the other district receipts.

73.27 (c) "Payment date" means the date on which state payments to districts are made
73.28 by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,
73.29 or a weekday which is a legal holiday, the payment shall be made on the immediately
73.30 preceding business day. The commissioner may make payments on dates other than
73.31 those listed in subdivision 3, but only for portions of payments from any preceding
73.32 payment dates which could not be processed by the electronic funds transfer method due
73.33 to documented extenuating circumstances.

73.34 (d) The current year aid payment percentage equals 73 in fiscal year 2010; and 70
73.35 in fiscal year 2011, and 90 in fiscal years 2012 and later.

74.1 Sec. 4. Laws 2008, chapter 363, article 2, section 46, subdivision 1, as amended by
74.2 Laws 2009, chapter 96, article 5, section 11, is amended to read:

74.3 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
74.4 on June 30 of 2008, 2009, ~~and~~ 2010, 2011, and 2012, a school district may transfer
74.5 money from its reserved for operating capital account to its undesignated balance in the
74.6 general fund. The amount transferred by any school district must not exceed \$51 times
74.7 the district's adjusted marginal cost pupil units for the second preceding fiscal year. This
74.8 transfer annually may occur only after the school board has adopted a written resolution
74.9 stating the amount of the transfer and declaring that the school district's operating capital
74.10 needs are being met.

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

74.12 Sec. 5. **FUND TRANSFERS.**

74.13 Subdivision 1. **Becker.** Notwithstanding Minnesota Statutes, sections 123B.79;
74.14 123B.80; and 475.61, subdivision 4, on June 30, 2011, Independent School District No.
74.15 726, Becker, may permanently transfer up to \$500,000 from its debt redemption fund to its
74.16 reserved for operating capital account without making a levy reduction.

74.17 Subd. 2. **Delano.** Notwithstanding Minnesota Statutes, sections 123B.57; 123B.80;
74.18 and 475.61, subdivision 4, on June 30, 2011, Independent School District No. 879,
74.19 Delano, may permanently transfer up to \$235,000 from its debt redemption fund to its
74.20 reserved for operating capital account without making a levy reduction.

74.21 Subd. 3. **Elk River.** Notwithstanding Minnesota Statutes, sections 123B.79;
74.22 123B.80; and 475.61, subdivision 4, on June 30, 2011, Independent School District No.
74.23 728, Elk River, may permanently transfer up to \$690,000 from its debt redemption fund to
74.24 its reserved for operating capital account without making a levy reduction.

74.25 Subd. 4. **Madelia.** Notwithstanding Minnesota Statutes, sections 123B.57; 123B.80;
74.26 and 475.61, subdivision 4, on June 30, 2011, Independent School District No. 837,
74.27 Madelia, may permanently transfer up to \$427,000 from its debt redemption fund to its
74.28 reserved for operating capital account without making a levy reduction.

74.29 Subd. 5. **Monticello.** Notwithstanding Minnesota Statutes, sections 123B.57;
74.30 123B.80; and 475.61, subdivision 4, on June 30, 2011, Independent School District No.
74.31 882, Monticello, may permanently transfer up to \$500,000 from its debt redemption fund
74.32 to its reserved for operating capital account without making a levy reduction.

74.33 Subd. 6. **St. Cloud.** Notwithstanding Minnesota Statutes, sections 123B.57;
74.34 123B.80; and 475.61, subdivision 4, on June 30, 2011, Independent School District No.

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75.1 742, St. Cloud, may permanently transfer up to \$650,000 from its debt redemption fund to
75.2 its reserved for operating capital account without making a levy reduction.

75.3 **Sec. 6. LEVY AID RECOGNITION TIMING.**

75.4 Notwithstanding Minnesota Statutes, section 127A.441, paragraph (b), the
75.5 commissioner of education shall schedule the portion of the aid adjustment for fiscal year
75.6 2011 attributable to the exclusion of levy portions assumed by the state from the levy
75.7 recognition calculation under Minnesota Statutes, section 123B.75, subdivision 5, to occur
75.8 with the final payment for fiscal year 2011 made on October 30, 2011.

75.9 **Sec. 7. APPROPRIATIONS.**

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

75.13 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
75.14 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

75.15 \$ 12,626,000 2012
75.16 \$ 12,878,000 2013

75.17 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
75.18 Statutes, section 124D.1158:

75.19 \$ 4,759,000 2012
75.20 \$ 4,875,000 2013

75.21 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
75.22 section 124D.118:

75.23 \$ 1,084,000 2012
75.24 \$ 1,105,000 2013

75.25 Subd. 5. **Summer school service replacement aid.** For summer school service
75.26 replacement aid under Minnesota Statutes, section 124D.119:

75.27 \$ 150,000 2012
75.28 \$ 150,000 2013

75.29 **Sec. 8. REPEALER.**

75.30 Minnesota Statutes 2010, section 127A.46, is repealed.

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

76.2 **ARTICLE 6**

76.3 **LIBRARIES**

76.4 Section 1. **APPROPRIATIONS.**

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

76.8 Subd. 2. Basic system support. For basic system support grants under Minnesota
76.9 Statutes, section 134.355:

76.10 \$ 13,570,000 2012

76.11 \$ 13,570,000 2013

76.12 The 2012 appropriation includes \$4,071,000 for 2011 and \$9,499,000 for 2012.

76.13 The 2013 appropriation includes \$4,071,000 for 2012 and \$9,499,000 for 2013.

76.14 Subd. 3. Multicounty, multitype library systems. For grants under Minnesota
76.15 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

76.16 \$ 1,300,000 2012

76.17 \$ 1,300,000 2013

76.18 The 2012 appropriation includes \$390,000 for 2011 and \$910,000 for 2012.

76.19 The 2013 appropriation includes \$390,000 for 2012 and \$910,000 for 2013.

76.20 Subd. 4. Electronic library for Minnesota. For statewide licenses to online
76.21 databases selected in cooperation with the Minnesota Office of Higher Education for
76.22 school media centers, public libraries, state government agency libraries, and public
76.23 or private college or university libraries:

76.24 \$ 900,000 2012

76.25 \$ 900,000 2013

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

76.27 Subd. 5. Regional library telecommunications aid. For regional library
76.28 telecommunications aid under Minnesota Statutes, section 134.355:

76.29 \$ 2,300,000 2012

76.30 \$ 2,300,000 2013

76.31 The 2012 appropriation includes \$690,000 for 2011 and \$1,610,000 for 2012.

76.32 The 2013 appropriation includes \$690,000 for 2012 and \$1,610,000 for 2013.

ARTICLE 7

EARLY CHILDHOOD EDUCATION

Section 1. **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 readiness. For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$ 10,095,000 2012

\$ 10,095,000 2013

The 2012 appropriation includes \$3,028,000 for 2011 and \$7,067,000 for 2012.

The 2013 appropriation includes \$3,028,000 for 2012 and \$7,067,000 for 2013.

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

\$ 22,466,000 2012

\$ 23,015,000 2013

The 2012 appropriation includes \$6,542,000 for 2011 and \$15,924,000 for 2012.

The 2013 appropriation includes \$6,824,000 for 2012 and \$16,191,000 for 2013.

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

\$ 3,568,000 2012

\$ 3,547,000 2013

The 2012 appropriation includes \$1,066,000 for 2011 and \$2,502,000 for 2012.

The 2013 appropriation includes \$1,072,000 for 2012 and \$2,475,000 for 2013.

Subd. 5. Head Start program. For Head Start programs under Minnesota Statutes, section 119A.52:

\$ 20,100,000 2012

\$ 20,100,000 2013

Subd. 6. Educate parents partnership. For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$ 49,000 2012

\$ 49,000 2013

79.1 The 2013 appropriation includes \$0 for 2012 and \$1,000 for 2013.

79.2 **ARTICLE 9**

79.3 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

79.4 Section 1. Minnesota Statutes 2010, section 124D.531, subdivision 1, is amended to
79.5 read:

79.6 Subdivision 1. **State total adult basic education aid.** (a) ~~The state total adult basic~~
79.7 ~~education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education~~
79.8 ~~aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during~~
79.9 ~~the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or~~
79.10 ~~section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year~~
79.11 ~~2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal~~
79.12 ~~year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52,~~
79.13 ~~subdivision 3. The state total adult basic education aid for fiscal year 2008 2011 equals~~
79.14 ~~\$40,650,000~~ \$44,419,000, plus any amount that is not paid during the previous fiscal
79.15 year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52,
79.16 subdivision 3. The state total adult basic education aid for later fiscal years equals:

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

79.20 (2) the lesser of:

79.21 (i) ~~1.03~~ 1.02; or

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

79.23 Beginning in fiscal year 2002, two percent of the state total adult basic education
79.24 aid must be set aside for adult basic education supplemental service grants under section
79.25 124D.522.

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

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

79.31 Sec. 2. Minnesota Statutes 2010, section 124D.531, subdivision 4, is amended to read:

79.32 Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding
79.33 subdivisions 2 and 3, the total adult basic education aid for a program per prior year

80.1 contact hour must not exceed \$22 per prior year contact hour computed under subdivision
80.2 3, clause (2).

80.3 ~~(b) For fiscal year 2006 and fiscal year 2007, the aid for a program under subdivision~~
80.4 ~~3, clause (2), adjusted for changes in program membership, must not exceed the aid for~~
80.5 ~~that program under subdivision 3, clause (2), for the first preceding fiscal year by more~~
80.6 ~~than the greater of eight percent or \$10,000.~~

80.7 ~~(c) For fiscal year 2008, the aid for a program under subdivision 3, clause (2),~~
80.8 ~~adjusted for changes in program membership, shall not be limited.~~

80.9 ~~(d) For fiscal year 2009 and later, The aid for a program under subdivision 3,~~
80.10 ~~clause (2), adjusted for changes in program membership, must not exceed the aid for~~
80.11 ~~that program under subdivision 3, clause (2), for the first preceding fiscal year by more~~
80.12 ~~than the greater of 11 percent or \$10,000.~~

80.13 ~~(e)~~ (c) Adult basic education aid is payable to a program for unreimbursed costs
80.14 occurring in the program year as defined in section 124D.52, subdivision 3.

80.15 ~~(f)~~ (d) Any adult basic education aid that is not paid to a program because of the
80.16 program aid limitation under paragraph (a) must be added to the state total adult basic
80.17 education aid for the next fiscal year under subdivision 1. Any adult basic education aid
80.18 that is not paid to a program because of the program aid limitations under paragraph
80.19 (b), ~~(c), or (d)~~, must be reallocated among programs by adjusting the rate per contact hour
80.20 under subdivision 3, clause (2).

80.21 Sec. 3. **APPROPRIATIONS.**

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

80.25 Subd. 2. Adult basic education aid. For adult basic education aid under Minnesota
80.26 Statutes, section 124D.531:

80.27 \$ 45,075,000 2012

80.28 \$ 45,932,000 2013

80.29 The 2012 appropriation includes \$13,365,000 for 2011 and \$31,710,000 for 2012.

80.30 The 2013 appropriation includes \$13,589,000 for 2012 and \$32,343,000 for 2013.

80.31 Subd. 3. GED tests. For payment of 60 percent of the costs of GED tests under
80.32 Minnesota Statutes, section 124D.55:

80.33 \$ 125,000 2012

80.34 \$ 125,000 2013

ARTICLE 10

STATE AGENCIES

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

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

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

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

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

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

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

82.1 child's placement reverts to the placement in the child's individualized education program
82.2 that immediately preceded the trial placement. If the parent and individualized education
82.3 program team agree to continue the placement beyond the trial period, the transportation
82.4 and due process responsibilities are the same as those described for the trial placement
82.5 under this paragraph.

82.6 Sec. 2. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

82.7 Subdivision 1. Department of Education. Unless otherwise indicated, the sums
82.8 indicated in this section are appropriated from the general fund to the Department of
82.9 Education for the fiscal years designated.

82.10 Subd. 2. Department. (a) For the Department of Education:

82.11 \$ 16,996,000 2012

82.12 \$ 16,940,000 2013

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

82.14 (b) \$260,000 each year is for the Minnesota Children's Museum.

82.15 (c) \$41,000 each year is for the Minnesota Academy of Science.

82.16 (d) \$50,000 each year is for the Duluth Children's Museum.

82.17 (e) \$618,000 each year is for the Board of Teaching. Any balance in the first year
82.18 does not cancel but is available in the second year.

82.19 (f) \$167,000 each year is for the Board of School Administrators. Any balance in
82.20 the first year does not cancel but is available in the second year.

82.21 (g) \$10,000 in fiscal year 2012 is for nonpublic pupil aid rulemaking.

82.22 (h) \$44,000 in fiscal year 2012 is for rulemaking for the alternative teacher
82.23 preparation program under Minnesota Statutes, section 122A.245.

82.24 (i) \$104,000 in fiscal year 2012 and \$102,000 in fiscal year 2013 are for a
82.25 professional education specialist to administer the early graduation achievement program.

82.26 (j) The expenditures of federal grants and aids as shown in the biennial budget
82.27 document and its supplements are approved and appropriated and shall be spent as
82.28 indicated.

82.29 (k) The Division of Program Finance in the Department of Education must be
82.30 funded, at a minimum, at the fiscal year 2011 level.

82.31 (l) None of the amounts appropriated under this subdivision may be used for
82.32 Minnesota's Washington, D.C. office.

82.33 Sec. 3. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

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83.1 The sums indicated in this section are appropriated from the general fund to the
83.2 Minnesota State Academies for the Deaf and Blind for the fiscal years designated:

83.3 \$ 11,603,000 2012

83.4 \$ 11,603,000 2013

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

83.6 **Sec. 4. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

83.7 The sums in this section are appropriated from the general fund to the Perpich
83.8 Center for Arts Education for the fiscal years designated:

83.9 \$ 6,587,000 2012

83.10 \$ 6,587,000 2013

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

83.12 **ARTICLE 11**

83.13 **FORECAST ADJUSTMENTS**

83.14 **A. GENERAL EDUCATION**

83.15 Section 1. Laws 2009, chapter 96, article 1, section 24, subdivision 2, as amended by
83.16 Laws 2010, First Special Session chapter 1, article 3, section 10, is amended to read:

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

83.19 \$ 4,291,422,000 2010

83.20 ~~4,776,884,000~~

83.21 \$ 4,832,264,000 2011

83.22 The 2010 appropriation includes \$553,591,000 for 2009 and \$3,737,831,000 for
83.23 2010.

83.24 The 2011 appropriation includes \$1,363,306,000 for 2010 and ~~\$3,413,578,000~~
83.25 \$3,468,958,000 for 2011.

83.26 Sec. 2. Laws 2009, chapter 96, article 1, section 24, subdivision 3, is amended to read:

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

83.30 \$ 48,000 2010

83.31 ~~52,000~~

83.32 \$ 29,000 2011

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84.1 Sec. 3. Laws 2009, chapter 96, article 1, section 24, subdivision 4, as amended by
84.2 Laws 2010, First Special Session chapter 1, article 4, section 2, is amended to read:

84.3 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
84.4 127A.49:

84.5 \$ 1,000,000 2010
84.6 ~~1,132,000~~
84.7 \$ 1,127,000 2011

84.8 The 2010 appropriation includes \$140,000 for 2009 and \$860,000 for 2010.

84.9 The 2011 appropriation includes \$317,000 for 2010 and ~~\$815,000~~ \$810,000 for 2011.

84.10 Sec. 4. Laws 2009, chapter 96, article 1, section 24, subdivision 5, as amended by
84.11 Laws 2010, First Special Session chapter 1, article 4, section 3, is amended to read:

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

84.14 \$ 684,000 2010
84.15 ~~576,000~~
84.16 \$ 593,000 2011

84.17 The 2010 appropriation includes \$0 for 2009 and \$684,000 for 2010.

84.18 The 2011 appropriation includes \$252,000 for 2010 and ~~\$324,000~~ \$341,000 for 2011.

84.19 Sec. 5. Laws 2009, chapter 96, article 1, section 24, subdivision 6, as amended by
84.20 Laws 2010, First Special Session chapter 1, article 4, section 4, is amended to read:

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

84.23 \$ 12,861,000 2010
84.24 ~~16,157,000~~
84.25 \$ 16,213,000 2011

84.26 The 2010 appropriation includes \$1,067,000 for 2009 and \$11,794,000 for 2010.

84.27 The 2011 appropriation includes \$4,362,000 for 2010 and ~~\$11,795,000~~ \$11,851,000
84.28 for 2011.

84.29 Sec. 6. Laws 2009, chapter 96, article 1, section 24, subdivision 7, as amended by
84.30 Laws 2010, First Special Session chapter 1, article 4, section 5, is amended to read:

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

S.F. No. 1030, as introduced - 87th Legislative Session (2011-2012) [11-2851]

86.1 The 2011 appropriation includes \$16,636,000 for 2010 and ~~\$45,146,000~~ \$44,968,000
86.2 for 2011.

86.3 Sec. 10. Laws 2009, chapter 96, article 2, section 67, subdivision 6, is amended to read:

86.4 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
86.5 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
86.6 section 124D.87:

86.7	\$	14,468,000	.....	2010
86.8		17,582,000		
86.9	\$	<u>13,393,000</u>	.....	2011

86.10 Sec. 11. Laws 2009, chapter 96, article 2, section 67, subdivision 9, as amended by
86.11 Laws 2010, First Special Session chapter 1, article 4, section 10, is amended to read:

86.12 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
86.13 Statutes, section 124D.83:

86.14	\$	1,702,000	.....	2010
86.15		2,119,000		
86.16	\$	<u>1,958,000</u>	.....	2011

86.17 The 2010 appropriation includes \$191,000 for 2009 and \$1,511,000 for 2010.

86.18 The 2011 appropriation includes \$558,000 for 2010 and ~~\$1,561,000~~ \$1,400,000
86.19 for 2011.

86.20 **C. SPECIAL EDUCATION**

86.21 Sec. 12. Laws 2009, chapter 96, article 3, section 21, subdivision 3, is amended to read:

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

86.25	\$	1,717,000	.....	2010
86.26		1,895,000		
86.27	\$	<u>1,554,000</u>	.....	2011

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

86.30 Sec. 13. Laws 2009, chapter 96, article 3, section 21, subdivision 4, as amended by
86.31 Laws 2010, First Special Session chapter 1, article 4, section 12, is amended to read:

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

87.3 \$ 224,000 2010

87.4 ~~282,000~~

87.5 \$ 324,000 2011

87.6 The 2010 appropriation includes \$24,000 for 2009 and \$200,000 for 2010.

87.7 The 2011 appropriation includes \$73,000 for 2010 and ~~\$209,000~~ \$251,000 for 2011.

87.8 **D. FACILITIES AND TECHNOLOGY**

87.9 Sec. 14. Laws 2009, chapter 96, article 4, section 12, subdivision 6, as amended by
87.10 Laws 2010, First Special Session chapter 1, article 4, section 17, is amended to read:

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

87.13 \$ 1,918,000 2010

87.14 ~~2,146,000~~

87.15 \$ 2,191,000 2011

87.16 The 2010 appropriation includes \$260,000 for 2009 and \$1,658,000 for 2010.

87.17 The 2011 appropriation includes \$613,000 for 2010 and ~~\$1,533,000~~ \$1,578,000
87.18 for 2011.

87.19 **E. NUTRITION**

87.20 Sec. 15. Laws 2009, chapter 96, article 5, section 13, subdivision 2, is amended to read:

87.21 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
87.22 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

87.23 \$ 12,688,000 2010

87.24 ~~13,069,000~~

87.25 \$ 12,378,000 2011

87.26 Sec. 16. Laws 2009, chapter 96, article 5, section 13, subdivision 3, is amended to read:

87.27 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
87.28 Statutes, section 124D.1158:

87.29 \$ 4,978,000 2010

87.30 ~~5,147,000~~

87.31 \$ 4,646,000 2011

S.F. No. 1030, as introduced - 87th Legislative Session (2011-2012) [11-2851]

88.1 Sec. 17. Laws 2009, chapter 96, article 5, section 13, subdivision 4, as amended by
88.2 Laws 2010, First Special Session chapter 1, article 4, section 18, is amended to read:

88.3 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
88.4 section 124D.118:

88.5 \$ 1,104,000 2010

88.6 ~~1,126,000~~

88.7 \$ 1,063,000 2011

88.8 **F. EARLY CHILDHOOD EDUCATION, PREVENTION, AND**

88.9 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

88.10 Sec. 18. Laws 2009, chapter 96, article 6, section 11, subdivision 3, as amended by
88.11 Laws 2010, First Special Session chapter 1, article 4, section 23, is amended to read:

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

88.14 \$ 19,005,000 2010

88.15 ~~21,460,000~~

88.16 \$ 21,177,000 2011

88.17 The 2010 appropriation includes \$3,020,000 for 2009 and \$15,985,000 for 2010.

88.18 The 2011 appropriation includes \$5,911,000 for 2010 and ~~\$15,549,000~~ \$15,266,000
88.19 for 2011.

88.20 Sec. 19. Laws 2009, chapter 96, article 6, section 11, subdivision 4, as amended by
88.21 Laws 2010, First Special Session chapter 1, article 4, section 24, is amended to read:

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

88.24 \$ 2,922,000 2010

88.25 ~~3,425,000~~

88.26 \$ 3,434,000 2011

88.27 The 2010 appropriation includes \$367,000 for 2009 and \$2,555,000 for 2010.

88.28 The 2011 appropriation includes \$945,000 for 2010 and ~~\$2,480,000~~ \$2,489,000
88.29 for 2011.

88.30 Sec. 20. Laws 2009, chapter 96, article 6, section 11, subdivision 8, as amended by
88.31 Laws 2010, First Special Session chapter 1, article 4, section 25, is amended to read:

88.32 Subd. 8. **Community education aid.** For community education aid under
88.33 Minnesota Statutes, section 124D.20:

S.F. No. 1030, as introduced - 87th Legislative Session (2011-2012) [11-2851]

89.1 \$ 476,000 2010

89.2 ~~473,000~~

89.3 \$ 463,000 2011

89.4 The 2010 appropriation includes \$73,000 for 2009 and \$403,000 for 2010.

89.5 The 2011 appropriation included \$148,000 for 2010 and ~~\$325,000~~ \$315,000 for

89.6 2011.

89.7 Sec. 21. Laws 2009, chapter 96, article 6, section 11, subdivision 12, as amended by
89.8 Laws 2010, First Special Session chapter 1, article 4, section 27, is amended to read:

89.9 Subd. 12. **Adult basic education aid.** For adult basic education aid under
89.10 Minnesota Statutes, section 124D.531:

89.11 \$ 35,671,000 2010

89.12 ~~42,732,000~~

89.13 \$ 42,829,000 2011

89.14 The 2010 appropriation includes \$4,187,000 for 2009 and \$31,484,000 for 2010.

89.15 The 2011 appropriation includes \$11,644,000 for 2010 and ~~\$31,088,000~~ \$31,185,000

89.16 for 2011.

APPENDIX
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