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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 1955

03/17/2015 Authored by Urdahl, Marquart and Slocum  
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act  
1.2 relating to education; reaffirming the importance of teacher mentorship  
1.3 programs; making modifications to taxable income; appropriating money;  
1.4 amending Minnesota Statutes 2014, sections 122A.40, subdivision 8; 122A.41,  
1.5 subdivision 5; 122A.60, subdivision 1a; 122A.61, subdivision 1; 122A.70;  
1.6 290.01, subdivision 19b.

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

1.8 Section 1. Minnesota Statutes 2014, section 122A.40, subdivision 8, is amended to read:

1.9 Subd. 8. **Development, evaluation, and peer coaching for continuing contract**  
1.10 **teachers.** (a) To improve student learning and success, a school board and an exclusive  
1.11 representative of the teachers in the district, consistent with paragraph (b), may develop  
1.12 a teacher evaluation and peer review process for probationary and continuing contract  
1.13 teachers through joint agreement. If a school board and the exclusive representative of the  
1.14 teachers do not agree to an annual teacher evaluation and peer review process, then the  
1.15 school board and the exclusive representative of the teachers must implement the state  
1.16 teacher evaluation plan under paragraph (c). The process must include having trained  
1.17 observers serve as peer coaches or having teachers participate in professional learning  
1.18 communities, consistent with paragraph (b).

1.19 (b) To develop, improve, and support qualified teachers and effective teaching  
1.20 practices and improve student learning and success, the annual evaluation process for  
1.21 teachers:

1.22 (1) must, for probationary teachers, provide for all evaluations required under  
1.23 subdivision 5;

1.24 (2) must establish a three-year professional review cycle for each teacher that  
1.25 includes an individual growth and development plan, a peer review process, and at least

2.1 one summative evaluation performed by a qualified and trained evaluator such as a school  
2.2 administrator. For the years when a tenured teacher is not evaluated by a qualified and  
2.3 trained evaluator, the teacher must be evaluated by a peer review;

2.4 (3) must be based on professional teaching standards established in rule;

2.5 (4) must coordinate staff development activities under sections 122A.60 and  
2.6 122A.61 with this evaluation process and teachers' evaluation outcomes;

2.7 (5) may provide time during the school day and school year for peer coaching and  
2.8 teacher collaboration;

2.9 (6) may include job-embedded learning opportunities such as professional learning  
2.10 communities;

2.11 (7) may include mentoring under section 122A.70 and induction programs;

2.12 (8) must include an option for teachers to develop and present a portfolio  
2.13 demonstrating evidence of reflection and professional growth, consistent with section  
2.14 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment  
2.15 based on student work samples and examples of teachers' work, which may include video  
2.16 among other activities for the summative evaluation;

2.17 (9) must use data from valid and reliable assessments aligned to state and local  
2.18 academic standards and must use state and local measures of student growth and literacy  
2.19 that may include value-added models or student learning goals to determine 35 percent of  
2.20 teacher evaluation results;

2.21 (10) must use longitudinal data on student engagement and connection, and other  
2.22 student outcome measures explicitly aligned with the elements of curriculum for which  
2.23 teachers are responsible, including academic literacy, oral academic language, and  
2.24 achievement of content areas of English learners;

2.25 (11) must require qualified and trained evaluators such as school administrators to  
2.26 perform summative evaluations and ensure school districts and charter schools provide for  
2.27 effective evaluator training specific to teacher development and evaluation;

2.28 (12) must give teachers not meeting professional teaching standards under clauses  
2.29 (3) through (11) support to improve through a teacher improvement process that includes  
2.30 established goals and timelines; and

2.31 (13) must discipline a teacher for not making adequate progress in the teacher  
2.32 improvement process under clause (12) that may include a last chance warning,  
2.33 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or  
2.34 other discipline a school administrator determines is appropriate.

3.1 Data on individual teachers generated under this subdivision are personnel data  
 3.2 under section 13.43. The observation and interview notes of peer coaches may only be  
 3.3 disclosed to other school officials with the consent of the teacher being coached.

3.4 (c) The department, in consultation with parents who may represent parent  
 3.5 organizations and teacher and administrator representatives appointed by their respective  
 3.6 organizations, representing the Board of Teaching, the Minnesota Association of School  
 3.7 Administrators, the Minnesota School Boards Association, the Minnesota Elementary  
 3.8 and Secondary Principals Associations, Education Minnesota, and representatives of  
 3.9 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota  
 3.10 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise  
 3.11 in teacher evaluation, must create and publish a teacher evaluation process that complies  
 3.12 with the requirements in paragraph (b) and applies to all teachers under this section and  
 3.13 section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher  
 3.14 evaluation and peer review process. The teacher evaluation process created under this  
 3.15 subdivision does not create additional due process rights for probationary teachers under  
 3.16 subdivision 5.

3.17 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and  
 3.18 later.

3.19 Sec. 2. Minnesota Statutes 2014, section 122A.41, subdivision 5, is amended to read:

3.20 Subd. 5. **Development, evaluation, and peer coaching for continuing contract**  
 3.21 **teachers.** (a) To improve student learning and success, a school board and an exclusive  
 3.22 representative of the teachers in the district, consistent with paragraph (b), may develop an  
 3.23 annual teacher evaluation and peer review process for probationary and nonprobationary  
 3.24 teachers through joint agreement. If a school board and the exclusive representative of  
 3.25 the teachers in the district do not agree to an annual teacher evaluation and peer review  
 3.26 process, then the school board and the exclusive representative of the teachers must  
 3.27 implement the state teacher evaluation plan developed under paragraph (c). The process  
 3.28 must include having trained observers serve as peer coaches or having teachers participate  
 3.29 in professional learning communities, consistent with paragraph (b).

3.30 (b) To develop, improve, and support qualified teachers and effective teaching  
 3.31 practices and improve student learning and success, the annual evaluation process for  
 3.32 teachers:

3.33 (1) must, for probationary teachers, provide for all evaluations required under  
 3.34 subdivision 2;

4.1 (2) must establish a three-year professional review cycle for each teacher that  
4.2 includes an individual growth and development plan, a peer review process, and at least  
4.3 one summative evaluation performed by a qualified and trained evaluator such as a school  
4.4 administrator;

4.5 (3) must be based on professional teaching standards established in rule;

4.6 (4) must coordinate staff development activities under sections 122A.60 and  
4.7 122A.61 with this evaluation process and teachers' evaluation outcomes;

4.8 (5) may provide time during the school day and school year for peer coaching and  
4.9 teacher collaboration;

4.10 (6) may include job-embedded learning opportunities such as professional learning  
4.11 communities;

4.12 (7) may include mentoring under section 122A.70 and induction programs;

4.13 (8) must include an option for teachers to develop and present a portfolio  
4.14 demonstrating evidence of reflection and professional growth, consistent with section  
4.15 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment  
4.16 based on student work samples and examples of teachers' work, which may include video  
4.17 among other activities for the summative evaluation;

4.18 (9) must use data from valid and reliable assessments aligned to state and local  
4.19 academic standards and must use state and local measures of student growth and literacy  
4.20 that may include value-added models or student learning goals to determine 35 percent of  
4.21 teacher evaluation results;

4.22 (10) must use longitudinal data on student engagement and connection and other  
4.23 student outcome measures explicitly aligned with the elements of curriculum for which  
4.24 teachers are responsible, including academic literacy, oral academic language, and  
4.25 achievement of English learners;

4.26 (11) must require qualified and trained evaluators such as school administrators to  
4.27 perform summative evaluations and ensure school districts and charter schools provide for  
4.28 effective evaluator training specific to teacher development and evaluation;

4.29 (12) must give teachers not meeting professional teaching standards under clauses  
4.30 (3) through (11) support to improve through a teacher improvement process that includes  
4.31 established goals and timelines; and

4.32 (13) must discipline a teacher for not making adequate progress in the teacher  
4.33 improvement process under clause (12) that may include a last chance warning,  
4.34 termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or  
4.35 other discipline a school administrator determines is appropriate.

5.1 Data on individual teachers generated under this subdivision are personnel data  
 5.2 under section 13.43. The observation and interview notes of peer coaches may only be  
 5.3 disclosed to other school officials with the consent of the teacher being coached.

5.4 (c) The department, in consultation with parents who may represent parent  
 5.5 organizations and teacher and administrator representatives appointed by their respective  
 5.6 organizations, representing the Board of Teaching, the Minnesota Association of School  
 5.7 Administrators, the Minnesota School Boards Association, the Minnesota Elementary  
 5.8 and Secondary Principals Associations, Education Minnesota, and representatives of  
 5.9 the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota  
 5.10 Chamber of Commerce, and Minnesota postsecondary institutions with research expertise  
 5.11 in teacher evaluation, must create and publish a teacher evaluation process that complies  
 5.12 with the requirements in paragraph (b) and applies to all teachers under this section and  
 5.13 section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher  
 5.14 evaluation and peer review process. The teacher evaluation process created under this  
 5.15 subdivision does not create additional due process rights for probationary teachers under  
 5.16 subdivision 2.

5.17 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and  
 5.18 later.

5.19 Sec. 3. Minnesota Statutes 2014, section 122A.60, subdivision 1a, is amended to read:

5.20 Subd. 1a. **Effective staff development activities.** (a) Staff development activities  
 5.21 must:

5.22 (1) focus on the school classroom and research-based strategies that improve student  
 5.23 learning;

5.24 (2) provide opportunities for teachers to practice and improve their instructional  
 5.25 skills over time;

5.26 (3) provide opportunities for teachers to use student data as part of their daily work  
 5.27 to increase student achievement;

5.28 (4) enhance teacher content knowledge and instructional skills, including to  
 5.29 accommodate the delivery of digital and blended learning and curriculum and engage  
 5.30 students with technology;

5.31 (5) align with state and local academic standards;

5.32 (6) provide opportunities to build professional relationships, foster collaboration  
 5.33 among principals and staff who provide instruction, and provide opportunities for  
 5.34 teacher-to-teacher mentoring under section 122A.70 that may include a teacher mentor  
 5.35 stipend;

6.1 (7) align with the plan of the district or site for an alternative teacher professional  
6.2 pay system;

6.3 (8) provide teachers of English learners, including English as a second language and  
6.4 content teachers, with differentiated instructional strategies critical for ensuring students'  
6.5 long-term academic success; the means to effectively use assessment data on the academic  
6.6 literacy, oral academic language, and English language development of English learners;  
6.7 and skills to support native and English language development across the curriculum; and

6.8 (9) provide opportunities for staff to learn about current workforce trends, the  
6.9 connections between workforce trends and postsecondary education, and training options,  
6.10 including career and technical education options.

6.11 Staff development activities may include curriculum development and curriculum training  
6.12 programs, and activities that provide teachers and other members of site-based teams  
6.13 training to enhance team performance. The school district also may implement other  
6.14 staff development activities required by law and activities associated with professional  
6.15 teacher compensation models.

6.16 (b) Release time provided for teachers to supervise students on field trips and school  
6.17 activities, or independent tasks not associated with enhancing the teacher's knowledge  
6.18 and instructional skills, such as preparing report cards, calculating grades, or organizing  
6.19 classroom materials, may not be counted as staff development time that is financed with  
6.20 staff development reserved revenue under section 122A.61.

6.21 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and  
6.22 later.

6.23 Sec. 4. Minnesota Statutes 2014, section 122A.61, subdivision 1, is amended to read:

6.24 Subdivision 1. **Staff development revenue.** A district is required to reserve  
6.25 an amount equal to at least two percent of the basic revenue under section 126C.10,  
6.26 subdivision 2, for in-service education for programs under section 120B.22, subdivision 2,  
6.27 for staff development plans, including plans for challenging instructional activities and  
6.28 experiences under section 122A.60, and for curriculum development and programs, other  
6.29 in-service education, teachers' mentoring under section 122A.70 and evaluation, teachers'  
6.30 workshops, teacher conferences, the cost of substitute teachers for staff development  
6.31 purposes, preservice and in-service education for special education professionals and  
6.32 paraprofessionals, and other related costs for staff development efforts. A district may  
6.33 annually waive the requirement to reserve their basic revenue under this section if a  
6.34 majority vote of the licensed teachers in the district and a majority vote of the school board

7.1 agree to a resolution to waive the requirement. A district in statutory operating debt is  
 7.2 exempt from reserving basic revenue according to this section. Districts may expend an  
 7.3 additional amount of unreserved revenue for staff development based on their needs.

7.4 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and  
 7.5 later.

7.6 Sec. 5. Minnesota Statutes 2014, section 122A.70, is amended to read:

7.7 **122A.70 TEACHER MENTORSHIP.**

7.8 Subdivision 1. **Teacher mentoring programs.** (a) School districts are encouraged  
 7.9 to must, at a minimum, develop teacher mentoring and implement programs for mentoring  
 7.10 teachers new to the profession or district, including and may include in the mentoring  
 7.11 program teaching residents, teachers of color, teachers with special needs, or and  
 7.12 experienced teachers under section 122A.40, subdivision 8, paragraph (b), clause (12), or  
 7.13 122A.41, subdivision 5, paragraph (b), clause (12), in need of peer coaching.

7.14 (b) Teacher mentoring programs must support districts' teacher evaluation and peer  
 7.15 review processes under section 122A.40, subdivision 8, or 122A.41, subdivision 5.  
 7.16 A district may use staff development revenue under sections 122A.60 and 122A.61 or  
 7.17 another funding source to pay a stipend to a mentor who may be a district employee or  
 7.18 a third-party contractor.

7.19 Subd. 2. **Applications Program structure.** (a) The Board of Teaching, upon  
 7.20 request, must make application forms available to assist school sites interested in  
 7.21 developing or expanding a teacher mentorship program under subdivision 1. A school  
 7.22 district, a group of school districts, or a coalition of districts, teachers and teacher  
 7.23 education institutions may apply for participate jointly in a teacher mentorship program  
 7.24 grant. The Board of Teaching, in consultation with the teacher mentoring task force, must  
 7.25 approve or disapprove the applications. To the extent possible, the approved applications  
 7.26 must reflect must work to ensure that all teacher mentorship programs contain effective  
 7.27 mentoring components, include a variety of coalitions, and be geographically distributed  
 7.28 are readily available throughout the state. The Board of Teaching must encourage  
 7.29 the selected help school sites to consider the use of its assessment combine teacher  
 7.30 development and evaluation procedures with other effective mentoring components.

7.31 (b) All teacher mentorship programs annually must transmit to the Board of  
 7.32 Teaching an electronic copy of the program structure and include the longitudinal data  
 7.33 used to measure the program's effectiveness.

8.1 Subd. 3. **Program criteria for selection.** At a minimum, ~~applicants must express~~  
 8.2 ~~commitment~~ districts must structure teacher mentorship programs to:

- 8.3 (1) allow staff participation;
- 8.4 (2) assess skills of both beginning and mentor teachers;
- 8.5 (3) provide appropriate in-service to meet the needs identified in the assessment;
- 8.6 (4) provide leadership to the effort;
- 8.7 (5) cooperate with higher education institutions;
- 8.8 (6) provide facilities and other resources;
- 8.9 (7) share findings, materials, and techniques with other school districts; and
- 8.10 (8) retain teachers of color.

8.11 Subd. 4. **Additional Funding.** ~~Applicants are required to~~ Notwithstanding other  
 8.12 law to the contrary, to implement this section, districts may use staff development revenue  
 8.13 under section 122A.61 or alternative compensation revenue under section 122A.415  
 8.14 and may seek additional funding and assistance from sources such as school districts,  
 8.15 postsecondary institutions, foundations, and the private sector.

8.16 Subd. 5. **Program implementation.** ~~New and expanding Mentorship sites that are~~  
 8.17 ~~funded to design, develop, implement, and evaluate their program~~ must participate in  
 8.18 activities that support ~~program~~ the development and implementation of teacher mentorship  
 8.19 programs. The Board of Teaching must provide resources and assistance to support ~~new~~  
 8.20 school sites in their program efforts and must develop a teacher mentorship program  
 8.21 model that interested districts may use in whole or in part to implement this section. ~~These~~  
 8.22 Board activities and services may include, but are not limited to, assistance with: planning,  
 8.23 planning guides, media, training, conferences, institutes, and regional and statewide  
 8.24 networking meetings. ~~Nonfunded schools or districts interested in getting started may~~  
 8.25 ~~participate. Fees may be charged for meals, materials, and the like.~~

8.26 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and  
 8.27 later.

8.28 Sec. 6. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

8.29 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,  
 8.30 and trusts, there shall be subtracted from federal taxable income:

- 8.31 (1) net interest income on obligations of any authority, commission, or  
 8.32 instrumentality of the United States to the extent includable in taxable income for federal  
 8.33 income tax purposes but exempt from state income tax under the laws of the United States;

9.1 (2) if included in federal taxable income, the amount of any overpayment of income  
9.2 tax to Minnesota or to any other state, for any previous taxable year, whether the amount  
9.3 is received as a refund or as a credit to another taxable year's income tax liability;

9.4 (3) the amount paid to others, less the amount used to claim the credit allowed under  
9.5 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten  
9.6 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and  
9.7 transportation of each qualifying child in attending an elementary or secondary school  
9.8 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a  
9.9 resident of this state may legally fulfill the state's compulsory attendance laws, which  
9.10 is not operated for profit, and which adheres to the provisions of the Civil Rights Act  
9.11 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or  
9.12 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,  
9.13 "textbooks" includes books and other instructional materials and equipment purchased  
9.14 or leased for use in elementary and secondary schools in teaching only those subjects  
9.15 legally and commonly taught in public elementary and secondary schools in this state.  
9.16 Equipment expenses qualifying for deduction includes expenses as defined and limited in  
9.17 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional  
9.18 books and materials used in the teaching of religious tenets, doctrines, or worship, the  
9.19 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books  
9.20 or materials for, or transportation to, extracurricular activities including sporting events,  
9.21 musical or dramatic events, speech activities, driver's education, or similar programs. No  
9.22 deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or  
9.23 the qualifying child's vehicle to provide such transportation for a qualifying child. For  
9.24 purposes of the subtraction provided by this clause, "qualifying child" has the meaning  
9.25 given in section 32(c)(3) of the Internal Revenue Code;

9.26 (4) income as provided under section 290.0802;

9.27 (5) to the extent included in federal adjusted gross income, income realized on  
9.28 disposition of property exempt from tax under section 290.491;

9.29 (6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E)  
9.30 of the Internal Revenue Code in determining federal taxable income by an individual  
9.31 who does not itemize deductions for federal income tax purposes for the taxable year, an  
9.32 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable  
9.33 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code,  
9.34 under the provisions of Public Law 109-1 and Public Law 111-126;

9.35 (7) for individuals who are allowed a federal foreign tax credit for taxes that do not  
9.36 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover

10.1 of subnational foreign taxes for the taxable year, but not to exceed the total subnational  
10.2 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,  
10.3 "federal foreign tax credit" means the credit allowed under section 27 of the Internal  
10.4 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed  
10.5 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to  
10.6 the extent they exceed the federal foreign tax credit;

10.7 (8) in each of the five tax years immediately following the tax year in which an  
10.8 addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a  
10.9 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the  
10.10 delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount  
10.11 of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c,  
10.12 clause (12), in the case of a shareholder of an S corporation, minus the positive value of  
10.13 any net operating loss under section 172 of the Internal Revenue Code generated for the  
10.14 tax year of the addition. The resulting delayed depreciation cannot be less than zero;

10.15 (9) job opportunity building zone income as provided under section 469.316;

10.16 (10) to the extent included in federal taxable income, the amount of compensation  
10.17 paid to members of the Minnesota National Guard or other reserve components of the  
10.18 United States military for active service, including compensation for services performed  
10.19 under the Active Guard Reserve (AGR) program. For purposes of this clause, "active  
10.20 service" means (i) state active service as defined in section 190.05, subdivision 5a, clause  
10.21 (1); or (ii) federally funded state active service as defined in section 190.05, subdivision  
10.22 5b, and "active service" includes service performed in accordance with section 190.08,  
10.23 subdivision 3;

10.24 (11) to the extent included in federal taxable income, the amount of compensation  
10.25 paid to Minnesota residents who are members of the armed forces of the United States  
10.26 or United Nations for active duty performed under United States Code, title 10; or the  
10.27 authority of the United Nations;

10.28 (12) an amount, not to exceed \$10,000, equal to qualified expenses related to a  
10.29 qualified donor's donation, while living, of one or more of the qualified donor's organs  
10.30 to another person for human organ transplantation. For purposes of this clause, "organ"  
10.31 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;  
10.32 "human organ transplantation" means the medical procedure by which transfer of a human  
10.33 organ is made from the body of one person to the body of another person; "qualified  
10.34 expenses" means unreimbursed expenses for both the individual and the qualified donor  
10.35 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses  
10.36 may be subtracted under this clause only once; and "qualified donor" means the individual

11.1 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An  
11.2 individual may claim the subtraction in this clause for each instance of organ donation for  
11.3 transplantation during the taxable year in which the qualified expenses occur;

11.4 (13) in each of the five tax years immediately following the tax year in which an  
11.5 addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a  
11.6 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the  
11.7 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the  
11.8 case of a shareholder of a corporation that is an S corporation, minus the positive value of  
11.9 any net operating loss under section 172 of the Internal Revenue Code generated for the  
11.10 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a  
11.11 subtraction is not allowed under this clause;

11.12 (14) to the extent included in the federal taxable income of a nonresident of  
11.13 Minnesota, compensation paid to a service member as defined in United States Code, title  
11.14 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief  
11.15 Act, Public Law 108-189, section 101(2);

11.16 (15) to the extent included in federal taxable income, the amount of national service  
11.17 educational awards received from the National Service Trust under United States Code,  
11.18 title 42, sections 12601 to 12604, for service in an approved Americorps National Service  
11.19 program;

11.20 (16) to the extent included in federal taxable income, discharge of indebtedness  
11.21 income resulting from reacquisition of business indebtedness included in federal taxable  
11.22 income under section 108(i) of the Internal Revenue Code. This subtraction applies only  
11.23 to the extent that the income was included in net income in a prior year as a result of the  
11.24 addition under subdivision 19a, clause (13);

11.25 (17) the amount of the net operating loss allowed under section 290.095, subdivision  
11.26 11, paragraph (c);

11.27 (18) the amount of expenses not allowed for federal income tax purposes due  
11.28 to claiming the railroad track maintenance credit under section 45G(a) of the Internal  
11.29 Revenue Code;

11.30 (19) the amount of the limitation on itemized deductions under section 68(b) of the  
11.31 Internal Revenue Code;

11.32 (20) the amount of the phaseout of personal exemptions under section 151(d) of  
11.33 the Internal Revenue Code; and

11.34 (21) to the extent included in federal taxable income, the amount of qualified  
11.35 transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal  
11.36 Revenue Code. The subtraction is limited to the lesser of the amount of qualified

12.1 transportation fringe benefits received in excess of the limitations under section  
12.2 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the  
12.3 maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal  
12.4 Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A)  
12.5 of the Internal Revenue Code; and  
12.6 (22) to the extent included in federal taxable income, the amount of any stipend paid  
12.7 under section 122A.70 for participation in a teacher mentorship program.

12.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after  
12.9 December 31, 2014.

12.10 Sec. 7. **BOARD OF TEACHING; TEACHER MENTORSHIP PROGRAM;**  
12.11 **APPROPRIATION.**

12.12 \$150,000 in fiscal year 2016 is appropriated from the general fund to the Board of  
12.13 Teaching for purposes of implementing teacher mentorship programs under Minnesota  
12.14 Statutes, section 122A.70. Any unexpended funds do not cancel but are available in  
12.15 the next fiscal year.