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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2678

03/05/2012 Authored by Winkler, Ward, Lillie and Moran

The bill was read for the first time and referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to education; modifying certain early childhood, kindergarten through
1.3 grade 12, and higher education provisions; establishing early learning and higher
1.4 education gap scholarship programs; establishing a fiber optic infrastructure grant
1.5 program; appropriating money for a public school's fiber optic infrastructure
1.6 grant program; implementing a schedule to repay the school aid payment shift;
1.7 increasing accessibility to career and technical education; authorizing the sale
1.8 and issuance of state bonds; appropriating money; amending Minnesota Statutes
1.9 2010, sections 13.32, subdivisions 3, 6; 119B.03, by adding a subdivision;
1.10 124D.09, subdivisions 3, 9, 10, 12, 25; 124D.15, subdivisions 3a, 12; 135A.101,
1.11 subdivision 1; Minnesota Statutes 2011 Supplement, sections 124D.09,
1.12 subdivisions 5, 7; 127A.45, subdivision 2; proposing coding for new law in
1.13 Minnesota Statutes, chapters 119B; 126C; 136A; repealing Minnesota Statutes
1.14 2010, sections 119A.52; 124D.09, subdivision 23; 124D.16, subdivisions 2,
1.15 3, 5, 6, 7; Laws 2011, First Special Session chapter 11, article 7, section 2,
1.16 subdivision 8.

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

1.18 ARTICLE 1

1.19 EARLY LEARNING SCHOLARSHIP PROGRAM

1.20 Section 1. Minnesota Statutes 2010, section 119B.03, is amended by adding a
1.21 subdivision to read:

1.22 Subd. 11. Expiration. This section expires June 30, 2013. Beginning in fiscal year
1.23 2014, base appropriations for the basic sliding fee child care program under this section
1.24 are transferred to the early learning scholarship program under section 119B.055.

1.25 Sec. 2. [119B.055] EARLY LEARNING SCHOLARSHIP PROGRAM.

1.26 Subdivision 1. Establishment. The early learning scholarship program is
1.27 established to make quality early education services available to all Minnesota children.

2.1 The commissioner shall adopt policies and rules as necessary to implement and administer
2.2 a statewide program, including application procedures and forms.

2.3 Subd. 2. **Eligible family.** A family is eligible for a scholarship under this section
2.4 if the family:

2.5 (1) meets the requirements under sections 119B.07; 119B.09, subdivisions 1 and 4;
2.6 and 119B.10, except for families participating in the MFIP or diversionary work programs
2.7 under chapter 256J and transition year families under section 119B.011, subdivision 20;

2.8 (2) resides in Minnesota; and

2.9 (3) has a child 12 years of age or younger, or 14 years of age or younger who is
2.10 disabled as defined in section 125A.02.

2.11 Subd. 3. **Eligible providers; provider choice.** (a) Providers eligible to accept an
2.12 early learning scholarship as payment for child care or early education services for a
2.13 child include:

2.14 (1) an individual or child care center or facility, either licensed or unlicensed,
2.15 providing legal child care services as defined under section 245A.03;

2.16 (2) a school readiness program under section 124D.15; and

2.17 (3) a federal Head Start program.

2.18 (b) Parents may choose a child care or early education provider as defined under
2.19 paragraph (a), who has a quality rating from the state quality rating and improvement
2.20 system under section 124D.142, and that best meets the family's needs. The state shall
2.21 make resources available to parents in choosing quality child care and early education
2.22 services. The state may require a parent to sign a release stating their knowledge and
2.23 responsibilities in choosing a legal provider described under paragraph (a).

2.24 Subd. 4. **Amount and length of scholarships.** (a) The amount of an early learning
2.25 scholarship under this section must be based on:

2.26 (1) the income of the family, as determined under section 119B.09, subdivision 4;

2.27 (2) the number of people in the family, as defined under section 119B.011,
2.28 subdivision 13; and

2.29 (3) the number of eligible children in the applicant's family.

2.30 (b) The maximum scholarship awarded to the applicant shall be \$8,000 for each
2.31 eligible child in a 12-month time period. The commissioner shall prepare a chart to show
2.32 the amount of a scholarship that will be awarded per child based on the factors in this
2.33 subdivision. The chart shall show a range of income and family size. The maximum
2.34 scholarship amount under this paragraph shall be adjusted each July 1 beginning in 2014
2.35 to reflect any change in inflation. The index used must be the revised Consumer Price

3.1 Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared
 3.2 by the United States Department of Labor.

3.3 (c) Families receiving a scholarship under this section shall continue to receive a
 3.4 scholarship until they are no longer eligible.

3.5 (d) Families are responsible for payment to providers of any fees or charges not
 3.6 covered by the scholarship.

3.7 Subd. 5. **Provider rates.** Eligible providers may not charge families using
 3.8 scholarships under this section a rate that is higher than the rate charged to private paying
 3.9 clients.

3.10 Subd. 6. **Funds; appropriations; waiting list.** Scholarships provided under this
 3.11 section may be funded with state general funds, federal child care and development funds,
 3.12 and county funds. Each county must contribute to the scholarship program as required
 3.13 under section 119B.11, subdivision 1. Within the limits of available appropriations, the
 3.14 commissioner shall distribute scholarships to eligible families. If there are insufficient
 3.15 funds to serve all eligible families, the commissioner must develop a method to prioritize
 3.16 applicants and keep a written record of the number of eligible families who have applied
 3.17 for a scholarship. The commissioner must update the waiting list at least every six months.

3.18 Subd. 7. **Information.** The commissioner shall develop and provide information
 3.19 about the program to eligible providers, human service agencies, and potential applicants.

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

3.21 Sec. 3. Minnesota Statutes 2010, section 124D.15, subdivision 3a, is amended to read:

3.22 Subd. 3a. **Application and reporting requirements.** (a) A school readiness
 3.23 program provider must submit a biennial plan for approval by the commissioner ~~before~~
 3.24 ~~receiving aid under section 124D.16.~~ The plan must describe how the program meets the
 3.25 program requirements under subdivision 3. A school district by April 1 must submit
 3.26 the plan for approval by the commissioner in the form and manner prescribed by the
 3.27 commissioner. One-half the districts must first submit the plan by April 1, 2006, and
 3.28 one-half the districts must first submit the plan by April 1, 2007, as determined by the
 3.29 commissioner.

3.30 (b) Programs receiving school readiness funds annually must submit a report to
 3.31 the department.

3.32 Sec. 4. Minnesota Statutes 2010, section 124D.15, subdivision 12, is amended to read:

3.33 Subd. 12. **Program fees.** A district must adopt a sliding fee schedule based on a
 3.34 family's income but must waive a fee for a participant unable to pay. School districts

4.1 ~~must use school readiness aid~~ accept early learning scholarships for eligible children.
4.2 Children who do not meet the eligibility requirements in subdivision 15 may participate
4.3 on a fee-for-service basis.

4.4 Sec. 5. **WAIVER REQUEST.**

4.5 The commissioner of human services shall submit any waiver requests necessary
4.6 to implement the early learning scholarship program under Minnesota Statutes, section
4.7 119B.055, to the United States Department of Health and Human Services by January
4.8 1, 2013.

4.9 Sec. 6. **USE OF FUNDS.**

4.10 In the governor's fiscal year 2014-2015 budget proposal, general fund base
4.11 appropriations for the Head Start program under Minnesota Statutes, section 119A.50,
4.12 the School Readiness program under Minnesota Statutes, section 124D.15, and the early
4.13 childhood education scholarships under Laws 2011, First Special Session chapter 11,
4.14 article 7, section 2, subdivision 8, must be used for the purposes of the early learning
4.15 scholarship program under Minnesota Statutes, section 119B.055. In any budget enacted
4.16 for fiscal years 2014-2015, all general fund base appropriations for the Head Start
4.17 program under Minnesota Statutes, section 119A.50, the School Readiness program under
4.18 Minnesota Statutes, section 124D.15, and the early childhood education scholarships
4.19 under Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8, must
4.20 be included in the base appropriation for the early learning scholarship program under
4.21 Minnesota Statutes, section 119B.055.

4.22 Sec. 7. **APPROPRIATIONS.**

4.23 \$800,000,000 is appropriated in fiscal year 2014 from the general fund to the
4.24 commissioner of human services for the early learning scholarship program under
4.25 Minnesota Statutes, section 119B.055. This appropriation is ongoing and is in addition to
4.26 the funds under section 6.

4.27 Sec. 8. **REVISOR'S INSTRUCTION.**

4.28 The revisor of statutes shall correct internal cross references to sections resulting
4.29 from the expiration of Minnesota Statutes, section 119B.03, and the repealer in section 9.
4.30 The revisor may make changes necessary to correct the punctuation, grammar, or structure
4.31 of the remaining text and preserve its meaning.

6.1 demolition of structures and remediation of any hazardous conditions on the land;
6.2 predesign, design, acquisition, and installation of publicly owned fiber optic infrastructure
6.3 in this state with a useful life of at least ten years that supports public school district
6.4 facility operation, administration, and instruction; the unpaid principal on debt issued by
6.5 the school district for a fiber optic infrastructure project; or the amount necessary to pay in
6.6 a lump sum all lease payments due if payment results in the school district owning the fiber
6.7 optic infrastructure. All uses under this paragraph must be for publicly owned property.

6.8 (b) Eligible cost for use of any other source of money will be determined by
6.9 limitations imposed on that source, but may include the costs of leases and reimbursement
6.10 of the costs of purchase and installation of fiber optic infrastructure.

6.11 Subd. 7. **Application.** The commissioner must develop forms and procedures for
6.12 soliciting and reviewing applications for grants under this section. At a minimum, a school
6.13 district must include the following information in its application:

6.14 (1) a resolution adopted by its school board certifying that the money required to be
6.15 supplied by the school district to complete the project is available and committed;

6.16 (2) a detailed and specific description of the project and an estimate, along with
6.17 necessary supporting evidence, of the total costs for the project;

6.18 (3) an assessment of the need for and benefits of the project;

6.19 (4) a timeline indicating the major milestones of the project and anticipated
6.20 completion dates; and

6.21 (5) any additional information or material the commissioner prescribes.

6.22 Subd. 8. **Criteria for grants.** The commissioner must develop the criteria that will
6.23 be used to award grants if grant applications exceed available resources.

6.24 Subd. 9. **Cancellation of grant.** If, five years after execution of a grant agreement,
6.25 the commissioner determines that the grantee has not proceeded in a timely manner with
6.26 implementation of the project funded, the commissioner must cancel the grant and the
6.27 grantee must repay to the commissioner all grant money paid to the grantee. Section
6.28 16A.642 applies to any appropriations made to the commissioner under this section that
6.29 have not been awarded to grantees.

6.30 Subd. 10. **Report.** By January 15 of each year, the commissioner must submit to
6.31 the commissioner of management and budget and the chairs of the legislative committees
6.32 or divisions with jurisdiction over education policy, education finance, and capital
6.33 investment, a list of the projects that have been funded with money under this program
6.34 during the preceding calendar year, as well as a list of those priority projects for which state
6.35 bond proceeds fund appropriations will be sought during that year's legislative session.

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

7.1 Sec. 2. Minnesota Statutes 2011 Supplement, section 127A.45, subdivision 2, is
7.2 amended to read:

7.3 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county
7.4 treasurers pursuant to section 276.10, apportionments from the school endowment fund
7.5 pursuant to section 127A.33, apportionments by the county auditor pursuant to section
7.6 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue
7.7 pursuant to chapter 298.

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

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

7.10 (2) the sum of

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

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

7.14 (iii) the other district receipts.

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

7.22 (d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70~~
7.23 ~~in fiscal year 2011, and 60 in fiscal years 2012 and later 2013 and increases by two~~
7.24 percentage points in each subsequent fiscal year until the aid payment percentage equals
7.25 90. This annual increase is in addition to any increase occurring under section 16A.152,
7.26 subdivision 2.

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

7.28 Sec. 3. **PUBLIC SCHOOLS; FIBER OPTIC INFRASTRUCTURE GRANTS.**

7.29 Subdivision 1. **Appropriation.** \$200,000,000 is appropriated from the bond
7.30 proceeds fund to the commissioner of education for grants to public school districts under
7.31 Minnesota Statutes, section 126C.75.

7.32 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the
7.33 bond proceeds fund, the commissioner of management and budget shall sell and issue
7.34 bonds of the state in an amount up to \$200,000,000 in the manner, upon the terms, and

8.1 with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
 8.2 Minnesota Constitution, article XI, sections 4 to 7.

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

8.4 **ARTICLE 3**

8.5 **CAREER EDUCATION**

8.6 Section 1. Minnesota Statutes 2010, section 13.32, subdivision 3, is amended to read:

8.7 Subd. 3. **Private data; when disclosure is permitted.** Except as provided in
 8.8 subdivision 5, educational data is private data on individuals and shall not be disclosed
 8.9 except as follows:

8.10 (a) pursuant to section 13.05;

8.11 (b) pursuant to a valid court order;

8.12 (c) pursuant to a statute specifically authorizing access to the private data;

8.13 (d) to disclose information in health, including mental health, and safety emergencies
 8.14 pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code
 8.15 of Federal Regulations, title 34, section 99.36;

8.16 (e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1),
 8.17 (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal
 8.18 Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, 99.35, and 99.39;

8.19 (f) to appropriate health authorities to the extent necessary to administer
 8.20 immunization programs and for bona fide epidemiologic investigations which the
 8.21 commissioner of health determines are necessary to prevent disease or disability to
 8.22 individuals in the public educational agency or institution in which the investigation
 8.23 is being conducted;

8.24 (g) when disclosure is required for institutions that participate in a program under
 8.25 title IV of the Higher Education Act, United States Code, title 20, section 1092;

8.26 (h) to the appropriate school district officials to the extent necessary under
 8.27 subdivision 6, annually to indicate the extent and content of remedial instruction, including
 8.28 the results of assessment testing and academic performance at a postsecondary institution
 8.29 during the previous academic year by a student who graduated from a Minnesota school
 8.30 district within two years before receiving the remedial instruction;

8.31 (i) to appropriate authorities as provided in United States Code, title 20, section
 8.32 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the
 8.33 system to effectively serve, prior to adjudication, the student whose records are released;
 8.34 provided that the authorities to whom the data are released submit a written request for

9.1 the data that certifies that the data will not be disclosed to any other person except as
 9.2 authorized by law without the written consent of the parent of the student and the request
 9.3 and a record of the release are maintained in the student's file;

9.4 (j) to volunteers who are determined to have a legitimate educational interest in
 9.5 the data and who are conducting activities and events sponsored by or endorsed by the
 9.6 educational agency or institution for students or former students;

9.7 (k) to provide student recruiting information, from educational data held by colleges
 9.8 and universities, as required by and subject to Code of Federal Regulations, title 32,
 9.9 section 216;

9.10 (l) to the juvenile justice system if information about the behavior of a student who
 9.11 poses a risk of harm is reasonably necessary to protect the health or safety of the student
 9.12 or other individuals;

9.13 (m) with respect to Social Security numbers of students in the adult basic education
 9.14 system, to Minnesota State Colleges and Universities and the Department of Employment
 9.15 and Economic Development for the purpose and in the manner described in section
 9.16 124D.52, subdivision 7;

9.17 (n) to the commissioner of education for purposes of an assessment or investigation
 9.18 of a report of alleged maltreatment of a student as mandated by section 626.556. Upon
 9.19 request by the commissioner of education, data that are relevant to a report of maltreatment
 9.20 and are from charter school and school district investigations of alleged maltreatment of a
 9.21 student must be disclosed to the commissioner, including, but not limited to, the following:

9.22 (1) information regarding the student alleged to have been maltreated;

9.23 (2) information regarding student and employee witnesses;

9.24 (3) information regarding the alleged perpetrator; and

9.25 (4) what corrective or protective action was taken, if any, by the school facility in
 9.26 response to a report of maltreatment by an employee or agent of the school or school
 9.27 district;

9.28 (o) when the disclosure is of the final results of a disciplinary proceeding on a charge
 9.29 of a crime of violence or nonforcible sex offense to the extent authorized under United
 9.30 States Code, title 20, section 1232g(b)(6)(A) and (B) and Code of Federal Regulations,
 9.31 title 34, sections 99.31 (a)(13) and (14);

9.32 (p) when the disclosure is information provided to the institution under United States
 9.33 Code, title 42, section 14071, concerning registered sex offenders to the extent authorized
 9.34 under United States Code, title 20, section 1232g(b)(7); ~~or~~

9.35 (q) when the disclosure is to a parent of a student at an institution of postsecondary
 9.36 education regarding the student's violation of any federal, state, or local law or of any rule

10.1 or policy of the institution, governing the use or possession of alcohol or of a controlled
 10.2 substance, to the extent authorized under United States Code, title 20, section 1232g(i),
 10.3 and Code of Federal Regulations, title 34, section 99.31 (a)(15), and provided the
 10.4 institution has an information release form signed by the student authorizing disclosure
 10.5 to a parent. The institution must notify parents and students about the purpose and
 10.6 availability of the information release forms. At a minimum, the institution must distribute
 10.7 the information release forms at parent and student orientation meetings; or
 10.8 (r) to the appropriate school district officials to the extent necessary under
 10.9 subdivision 6, annually to indicate the number of secondary students enrolled in a course
 10.10 under section 124D.09 and the number and content of the course credits provided to those
 10.11 secondary students in the preceding academic year.

10.12 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and
 10.13 later.

10.14 Sec. 2. Minnesota Statutes 2010, section 13.32, subdivision 6, is amended to read:

10.15 Subd. 6. **Admissions forms; remedial instruction; dual enrollment.** (a)
 10.16 Minnesota postsecondary education institutions, for purposes of reporting and research,
 10.17 may collect on the 1986-1987 admissions form, and disseminate to any public educational
 10.18 agency or institution the following data on individuals: student sex, ethnic background,
 10.19 age, and disabilities. The data shall not be required of any individual and shall not be used
 10.20 for purposes of determining the person's admission to an institution.

10.21 (b) A school district that receives information under subdivision 3, paragraph (h)
 10.22 from a postsecondary institution about an identifiable student shall maintain the data
 10.23 as educational data and use that data to conduct studies to improve instruction. Public
 10.24 postsecondary systems annually shall provide summary data to the Department of
 10.25 Education indicating the extent and content of the remedial instruction received in each
 10.26 system during the prior academic year by, and the results of assessment testing and the
 10.27 academic performance of, students who graduated from a Minnesota school district within
 10.28 two years before receiving the remedial instruction. The department shall evaluate the
 10.29 data and annually report its findings to the education committees of the legislature.

10.30 (c) A school district that receives information under subdivision 3, paragraph (r),
 10.31 from a postsecondary institution about an identifiable student shall maintain the data as
 10.32 educational data and use the data to help all students who are interested in integrating
 10.33 academics with career and technical education and need help with the transition from high
 10.34 school to postsecondary college and career opportunities leading to an industry credential.
 10.35 Public postsecondary systems annually shall provide summary data to the Department of

11.1 Education indicating the number of secondary students enrolled in the system in a course
 11.2 under section 124D.09 and the number and content of the course credits provided to those
 11.3 students in the preceding academic year. The department shall evaluate the data and
 11.4 annually report its findings to the education committees of the legislature.

11.5 (d) This section supersedes any inconsistent provision of law.

11.6 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and
 11.7 later.

11.8 Sec. 3. Minnesota Statutes 2010, section 124D.09, subdivision 3, is amended to read:

11.9 Subd. 3. **Definitions.** For purposes of this section, the following terms have the
 11.10 meanings given to them.

11.11 (a) "Eligible institution" means a Minnesota public postsecondary institution,
 11.12 an intermediate school district, a private, nonprofit two-year trade and technical school
 11.13 granting associate degrees, an opportunities industrialization center accredited by the
 11.14 North Central Association of Colleges and Schools, or a private, residential, two-year or
 11.15 four-year, liberal arts, degree-granting college or university located in Minnesota.

11.16 (b) "Course" means a course or program.

11.17 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and
 11.18 later.

11.19 Sec. 4. Minnesota Statutes 2011 Supplement, section 124D.09, subdivision 5, is
 11.20 amended to read:

11.21 Subd. 5. **Authorization; notification.** (a) Notwithstanding any other law to the
 11.22 contrary, ~~an~~ a 9th, 10th, 11th, or 12th grade pupil enrolled in a school or an American
 11.23 Indian-controlled tribal contract or grant school eligible for aid under section 124D.83,
 11.24 except a foreign exchange pupil enrolled in a district under a cultural exchange program,
 11.25 may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian
 11.26 academic and career and technical courses offered by that postsecondary institution,
 11.27 subject to the enrollment priority in subdivision 9.

11.28 (b) Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled
 11.29 in a district or an American Indian-controlled tribal contract or grant school eligible for
 11.30 aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a
 11.31 cultural exchange program, may apply to enroll in nonsectarian academic and career and
 11.32 technical courses offered under subdivision 10, if after all 11th and 12th grade students
 11.33 have applied for a course, additional students are necessary to offer the course.

12.1 (c) If an institution accepts a secondary pupil for enrollment under this section, the
 12.2 institution shall send written notice to the pupil, the pupil's school or school district, and
 12.3 the commissioner within ten days of acceptance. The notice must indicate the course
 12.4 and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary
 12.5 credit, the institution must notify the pupil about payment in the customary manner used
 12.6 by the institution.

12.7 (d) Secondary pupils may enroll in their first course offered by a Minnesota state
 12.8 college or university under this section without meeting the enrollment requirements
 12.9 of the college or university. If a secondary student receives a grade of "C" or better in
 12.10 an academic or career and technical course taken at the college or university under
 12.11 this paragraph, that institution must allow the student to take additional courses at the
 12.12 institution, not to exceed the limits on participation in subdivision 8.

12.13 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and
 12.14 later.

12.15 Sec. 5. Minnesota Statutes 2011 Supplement, section 124D.09, subdivision 7, is
 12.16 amended to read:

12.17 Subd. 7. **Dissemination of information; notification of intent to enroll.** By March
 12.18 1 of each year, a district must provide general information about the program to all pupils
 12.19 in grades 8, 9, 10, and 11. Using a career guidance structure, the district must work to
 12.20 inform and support students who are interested in integrating academics with career and
 12.21 technical education leading to an industry credential. To assist the district in planning, a
 12.22 pupil shall inform the district by March 30 of each year of the pupil's intent to enroll in
 12.23 postsecondary courses during the following school year. A pupil is not bound by notifying
 12.24 or not notifying the district by March 30.

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

12.26 Sec. 6. Minnesota Statutes 2010, section 124D.09, subdivision 9, is amended to read:

12.27 Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to
 12.28 its postsecondary students when enrolling 9th, 10th, 11th, and 12th grade pupils in its
 12.29 courses. A postsecondary institution may provide information about its programs to a
 12.30 secondary school or to a pupil or parent, ~~but it may not advertise or otherwise recruit or~~
 12.31 ~~solicit the participation of secondary pupils to enroll in its programs on financial grounds.~~
 12.32 An institution must not enroll secondary pupils, for postsecondary enrollment options
 12.33 purposes, in remedial, developmental, or other courses that are not college level. Once a

13.1 pupil has been enrolled in a postsecondary course under this section, the pupil shall not
 13.2 be displaced by another student.

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

13.4 Sec. 7. Minnesota Statutes 2010, section 124D.09, subdivision 10, is amended to read:

13.5 Subd. 10. **Courses according to agreements.** (a) An eligible pupil, according to
 13.6 subdivision 5, may enroll in a nonsectarian academic and career and technical course
 13.7 taught by a secondary teacher or a postsecondary faculty member and offered at a
 13.8 secondary school, or another location, according to an agreement between a public school
 13.9 board and the governing body of an eligible public postsecondary system or an eligible
 13.10 private postsecondary institution, as defined in subdivision 3. All provisions of this
 13.11 section shall apply to a pupil, public school board, district, and the governing body of a
 13.12 postsecondary institution, except as otherwise provided.

13.13 (b) Participating public school boards, districts, and the governing bodies of
 13.14 eligible postsecondary institutions, consistent with this section and in collaboration with
 13.15 community-based employers, may establish consortia to promote concurrent enrollment
 13.16 for students who are interested in integrating academics with career and technical
 13.17 education leading to an industry credential and need help with the transition from high
 13.18 school to postsecondary career and college opportunities. If established, the consortia
 13.19 must:

13.20 (1) pursue effective strategies to motivate students to pursue dual enrollment
 13.21 opportunities within a career-focused pathway;

13.22 (2) create a sequence of linked high school and postsecondary coursework leading to
 13.23 a high school diploma and an industry credential such as industry certification;

13.24 (3) offer career guidance for all types of employment opportunities;

13.25 (4) work to ensure the transfer of course credits between education systems; and

13.26 (5) provide the students with supplemental academic supports, including help in
 13.27 selecting appropriate courses and in building capacity for matriculation and persistence.

13.28 A career-focused pathway must offer competency-based applied learning that helps
 13.29 students: develop academic knowledge, higher order thinking skills, problem-solving
 13.30 skills, work attitudes, general employability and leadership skills, and occupation-specific
 13.31 skills synchronized with regional and state labor markets; and succeed in the workplace or
 13.32 in postsecondary education by being prepared for industry certification and the opportunity
 13.33 to enter postsecondary education and training.

14.1 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and
14.2 later.

14.3 Sec. 8. Minnesota Statutes 2010, section 124D.09, subdivision 12, is amended to read:

14.4 Subd. 12. **Credits.** ~~A pupil may enroll in a course under this section for either~~
14.5 ~~secondary credit or postsecondary credit. At the time a pupil enrolls in a course, the pupil~~
14.6 ~~shall designate whether the course is for secondary or postsecondary credit. A pupil taking~~
14.7 ~~several courses may designate some for secondary credit and some for postsecondary~~
14.8 ~~credit.~~ A pupil must not audit a course under this section.

14.9 A district shall grant academic credit to a pupil enrolled in a course for secondary
14.10 credit if the pupil successfully completes the course. Seven quarter or four semester
14.11 college credits equal at least one full year of high school credit. Fewer college credits may
14.12 be prorated. A district must also grant academic credit to a pupil enrolled in a course for
14.13 postsecondary credit if secondary credit is requested by a pupil. If no comparable course is
14.14 offered by the district, the district must, as soon as possible, notify the commissioner, who
14.15 shall determine the number of credits that shall be granted to a pupil who successfully
14.16 completes a course. If a comparable course is offered by the district, the school board
14.17 shall grant a comparable number of credits to the pupil. If there is a dispute between the
14.18 district and the pupil regarding the number of credits granted for a particular course, the
14.19 pupil may appeal the board's decision to the commissioner. The commissioner's decision
14.20 regarding the number of credits shall be final.

14.21 The secondary credits granted to a pupil must be counted toward the graduation
14.22 requirements and subject area requirements of the district. Evidence of successful
14.23 completion of each course and secondary credits granted must be included in the pupil's
14.24 secondary school record. A pupil shall provide the school with a copy of the pupil's grade
14.25 in each course taken for secondary credit under this section. Upon the request of a pupil,
14.26 the pupil's secondary school record must also include evidence of successful completion
14.27 and credits granted for a course taken for postsecondary credit. In either case, the record
14.28 must indicate that the credits were earned at a postsecondary institution.

14.29 If a pupil enrolls in a postsecondary institution after leaving secondary school, the
14.30 postsecondary institution must award postsecondary credit for any course successfully
14.31 completed for secondary credit at that institution. Other postsecondary institutions may
14.32 award, after a pupil leaves secondary school, postsecondary credit for any courses
14.33 successfully completed under this section. An institution may not charge a pupil for
14.34 the award of credit.

15.1 The Board of Trustees of the Minnesota State Colleges and Universities and
 15.2 the Board of Regents of the University of Minnesota must, and private nonprofit and
 15.3 proprietary postsecondary institutions should, award postsecondary credit for any
 15.4 successfully completed courses in a program certified by the National Alliance of
 15.5 Concurrent Enrollment Partnerships offered according to an agreement under subdivision
 15.6 10.

15.7 Sec. 9. Minnesota Statutes 2010, section 124D.09, subdivision 25, is amended to read:

15.8 Subd. 25. **Pupils 40 miles or more from an eligible institution.** A pupil who
 15.9 is enrolled in a secondary school that is located 40 miles or more from the nearest
 15.10 eligible institution may request that the resident district offer at least one accelerated or
 15.11 advanced academic course within the resident district in which the pupil may enroll for
 15.12 postsecondary credit. ~~A pupil may enroll in a course offered under this subdivision for~~
 15.13 ~~either secondary or postsecondary credit according to subdivision 12.~~

15.14 A district must offer an accelerated or advanced academic course for postsecondary
 15.15 credit if one or more pupils requests such a course under this subdivision. The district
 15.16 may decide which course to offer, how to offer the course, and whether to offer one or
 15.17 more courses. The district must offer at least one such course in the next academic period
 15.18 and must continue to offer at least one accelerated or advanced academic course for
 15.19 postsecondary credit in later academic periods.

15.20 Sec. 10. Minnesota Statutes 2010, section 135A.101, subdivision 1, is amended to read:

15.21 Subdivision 1. **Requirements for participation.** To participate in the postsecondary
 15.22 enrollment options program, a college or university must abide by the provisions in this
 15.23 section. The institution may provide information about its programs to a secondary school
 15.24 or to a pupil or parent, ~~but may not recruit or solicit participation on financial grounds.~~

15.25 Sec. 11. **STUDY OF IMPEDIMENTS TO SECONDARY AND**
 15.26 **POSTSECONDARY TECHNICAL EDUCATION COOPERATION.**

15.27 The commissioner of education and the Board of Trustees of the Minnesota State
 15.28 Colleges and Universities must identify any statutory impediments to technical education
 15.29 coursework conducted cooperatively between high schools and Minnesota State Colleges
 15.30 and Universities and report their findings to the legislative committees with jurisdiction
 15.31 over kindergarten through grade 12 education and higher education by February 1, 2013.

15.32 Sec. 12. **REPEALER.**

16.1 Minnesota Statutes 2010, section 124D.09, subdivision 23, is repealed effective
 16.2 for the 2012-2013 school year and later.

16.3 **ARTICLE 4**

16.4 **HIGHER EDUCATION**

16.5 Section 1. **[136A.123] MINNESOTA GAP SCHOLARSHIP.**

16.6 Subdivision 1. **Establishment.** The director shall establish procedures for awarding
 16.7 a gap scholarship to a Minnesota resident who is eligible for a Pell grant or a state grant.
 16.8 The gap scholarship is provided to cover an eligible student's full cost of attending an
 16.9 eligible Minnesota postsecondary institution for the first two years of postsecondary
 16.10 education.

16.11 Subd. 2. **Eligible student.** To be eligible to receive a gap scholarship under this
 16.12 section, in addition to the requirements under section 136A.121, subdivision 2, a student
 16.13 must:

16.14 (1) submit a Free Application for Federal Student Aid (FAFSA);

16.15 (2) qualify for a federal Pell grant or state grant under section 136A.121;

16.16 (3) be a United States citizen or eligible noncitizen, as defined in section 484 of the
 16.17 Higher Education Act, United States Code, title 20, section 1091 et seq., as amended and
 16.18 Code of Federal Regulation, title 34, section 668.33;

16.19 (4) meet satisfactory academic progress as defined under section 136A.101,
 16.20 subdivision 10;

16.21 (5) be a Minnesota resident, as defined under section 136A101, subdivision 8;

16.22 (6) have been enrolled full time or the equivalent for less than eight semesters in
 16.23 a postsecondary institution that participates in the state grant program under section
 16.24 136A.121; and

16.25 (7) enroll in a degree, diploma, or certificate program.

16.26 Subd. 3. **Eligible institution.** The gap scholarship must only be used for the cost
 16.27 of attendance for a student attending an eligible institution as defined under section
 16.28 136A.121, subdivision 5.

16.29 Subd. 4. **Cost of attendance.** The total cost of attendance shall include tuition and
 16.30 required fees charged by the institution plus the amount of the campus-based budget
 16.31 used for federal financial aid for food, housing, books, supplies, transportation, and
 16.32 miscellaneous expenses.

16.33 Subd. 5. **Scholarship amount.** (a) Each student shall be awarded a gap scholarship
 16.34 based on the federal need analysis. The scholarship is provided as a bonus payment to a
 16.35 state grant or Pell grant award. Applicants are encouraged to apply for all other sources of

17.1 financial aid. The amount of the award must not exceed the applicant's cost of attendance,
 17.2 as defined in subdivision 4, after deducting:

17.3 (1) the amount of a federal Pell Grant award for which the applicant is eligible;

17.4 (2) the amount of the state grant;

17.5 (3) the sum of all federal Supplemental Educational Opportunity Grant, federal
 17.6 Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain
 17.7 Talent Grant awards;

17.8 (4) the sum of all institutional grants, scholarships, tuition waivers, and tuition
 17.9 remission amounts;

17.10 (5) the amount of any other state and federal gift aid;

17.11 (6) the amount of any tribal scholarships; and

17.12 (7) the amount of any private grants or scholarships.

17.13 (b) The award shall be paid directly to the postsecondary institution where the
 17.14 student receives federal financial aid.

17.15 (c) The minimum award for a student under this section is \$100 per academic year.

17.16 (d) A gap scholarship may not be given to any student for more than four semesters
 17.17 of study or the equivalent at the undergraduate level. A student with an associate degree
 17.18 from an institution that participates in the state grant program is not eligible for a gap
 17.19 scholarship.

17.20 Subd. 6. Award procedures. (a) Awards must be made from appropriations for this
 17.21 purpose on a first-come, first-served basis in the order complete applications are received.
 17.22 If there are multiple applications with identical completion dates, those applications are
 17.23 further sorted by application receipt date.

17.24 (b) Awards are made to eligible students until the appropriation is expended.

17.25 (c) Applicants not receiving a grant and for whom the office has received a
 17.26 completed application are placed on a waiting list in order of application completion date.

17.27 **Sec. 2. ALTERNATIVE EDUCATIONAL PATHS TO EMPLOYMENT.**

17.28 The board of trustees of the Minnesota State Colleges and Universities shall
 17.29 implement the conclusions and recommendations of the 2011 report on technical education
 17.30 and career paths in Minnesota. The board shall:

17.31 (1) build on the award types currently available in the system to enhance the
 17.32 comprehensive array of alternatives that allow programs to be sequenced, of variable
 17.33 length, and aligned with occupational training requirements;

18.1 (2) enhance occupational program offerings that can be completed in less than two
18.2 years, have interrelated programing across career levels, and are aligned with occupational
18.3 training requirements;

18.4 (3) continue to develop career pathways starting at the adult education or secondary
18.5 level and progressing in a designed way through undergraduate postsecondary programs
18.6 that lead to employment;

18.7 (4) consult with representatives of Minnesota labor and business and expand the
18.8 number of short-term offerings in specific skill areas in which these representatives have
18.9 indicated that educational preparation is inadequate; and

18.10 (5) continue to work with Minnesota employers and labor in the design and
18.11 implementation of career pathways and associated program curriculum.

18.12 The board shall provide annual progress reports on the alternative pathways
18.13 initiatives to the legislative committees in the house and the senate with responsibility for
18.14 higher education and workforce development.

18.15 Sec. 3. **REFORM POSTSECONDARY CREDIT TRANSFERS.**

18.16 The Office of Higher Education shall evaluate barriers to transferring credits between
18.17 Minnesota postsecondary institutions and make recommendations to the legislature
18.18 on procedures and methods to make credits fully transferrable between all Minnesota
18.19 postsecondary institutions including public institutions and private institutions registered
18.20 and licensed by the office. For all types of postsecondary institutions, the study must
18.21 evaluate and consider the effectiveness and opportunities for existing transfer procedures,
18.22 policies and requirements in law, including but not limited to the Minnesota transfer
18.23 curriculum, articulation agreements, credit transfer review criteria, transfer credit reports,
18.24 credit review processes, and national college credit recommendation services.

18.25 In making recommendations for streamlined procedures and criteria to facilitate
18.26 credit transfers, the office must allow individual institutions or systems to establish
18.27 specific, rigorous standards to award credit for courses taken at another institution. Once
18.28 established, these institutional standards must be consistently applied when determining if
18.29 a comparable course from another institution can be transferred.

18.30 The office must report its findings and recommendations to the legislative
18.31 committees with jurisdiction over higher education by February 1, 2013.

18.32 Sec. 4. **APPROPRIATIONS; MINNESOTA GAP SCHOLARSHIP.**

19.1 \$..... for fiscal year is appropriated from the general fund to the director of
19.2 the Office of Higher Education for the Minnesota gap scholarship under section 1. The
19.3 amount of this appropriation is added to the base beginning in fiscal year

APPENDIX
Article locations in 12-5370

ARTICLE 1	EARLY LEARNING SCHOLARSHIP PROGRAM	Page.Ln 1.18
ARTICLE 2	K-12	Page.Ln 5.5
ARTICLE 3	CAREER EDUCATION	Page.Ln 8.4
ARTICLE 4	HIGHER EDUCATION	Page.Ln 16.3