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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

**EIGHTY-EIGHTH SESSION**

**H. F. No. 3171**

03/17/2014 Authored by Marquart

The bill was read for the first time and referred to the Committee on Education Finance

03/27/2014 Adoption of Report: Amended and re-referred to the Committee on Taxes

03/28/2014 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act  
1.2 relating to education; providing funding and policy modifications for early  
1.3 childhood, kindergarten through grade 12, and adult education, including  
1.4 general education, education excellence, special education, facilities, nutrition,  
1.5 community education, self-sufficiency and lifelong learning, and state agencies;  
1.6 making forecast adjustments; appropriating money; amending Minnesota  
1.7 Statutes 2012, sections 121A.19; 122A.40, subdivision 13; 122A.41, subdivision  
1.8 6; 122A.415, subdivision 1; 123A.05, subdivision 2; 123A.485; 123A.64;  
1.9 123B.71, subdivisions 8, 9; 124D.09, subdivisions 9, 13; 124D.111, by adding  
1.10 a subdivision; 124D.16, subdivision 2; 124D.522; 124D.531, subdivision 3;  
1.11 124D.59, subdivision 2; 125A.76, subdivision 2; 126C.10, subdivisions 25, 26;  
1.12 127A.45, subdivisions 2, 3; 127A.49, subdivisions 2, 3; 129C.10, subdivision 3,  
1.13 by adding a subdivision; Minnesota Statutes 2013 Supplement, sections 123B.53,  
1.14 subdivisions 1, 5; 123B.54; 123B.75, subdivision 5; 124D.11, subdivision 1;  
1.15 124D.111, subdivision 1; 124D.165, subdivision 5; 124D.531, subdivision 1;  
1.16 124D.65, subdivision 5; 124D.862, subdivisions 1, 2; 125A.0942; 125A.11,  
1.17 subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c; 125A.79, subdivisions 1, 5,  
1.18 8; 126C.05, subdivision 15; 126C.10, subdivisions 2, 2a, 2d, 24, 31; 126C.17,  
1.19 subdivisions 6, 7b, 9, 9a; 126C.44; 126C.48, subdivision 8; 127A.47, subdivision  
1.20 7; Laws 2012, chapter 263, section 1; Laws 2013, chapter 116, article 1, section  
1.21 58, subdivisions 2, 3, 4, 5, 6, 7, 11; article 3, section 37, subdivisions 3, 4, 5, 6, 8,  
1.22 11, 15, 20; article 4, section 9, subdivision 2; article 5, section 31, subdivisions  
1.23 2, 3, 4, 8; article 6, section 12, subdivisions 2, 3, 4, 5, 6; article 7, section 21,  
1.24 subdivisions 2, 3, 4, 6, 7, 9; article 8, section 5, subdivisions 2, 3, 4, 10, 11, 14;  
1.25 article 9, sections 1, subdivision 2; 2; proposing coding for new law in Minnesota  
1.26 Statutes, chapters 123A; 123B; 124D; 129C; repealing Minnesota Statutes 2012,  
1.27 section 123B.71, subdivision 1.

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

1.29 **ARTICLE 1**

1.30 **GENERAL EDUCATION**

1.31 Section 1. Minnesota Statutes 2012, section 123A.05, subdivision 2, is amended to read:

2.1 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center  
 2.2 or alternative learning program must reserve revenue in an amount equal to the sum of  
 2.3 (1) at least 90 and no more than 100 percent of the district average general education  
 2.4 revenue per adjusted pupil unit minus an amount equal to the product of the formula  
 2.5 allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated  
 2.6 without basic skills revenue and transportation sparsity revenue, times the number of  
 2.7 pupil units attending an area learning center or alternative learning program under this  
 2.8 section, plus (2) the amount of basic skills revenue generated by pupils attending the area  
 2.9 learning center or alternative learning program. The amount of reserved revenue under  
 2.10 this subdivision may only be spent on program costs associated with the area learning  
 2.11 center or alternative learning program.

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

2.14 Sec. 2. Minnesota Statutes 2013 Supplement, section 123B.75, subdivision 5, is  
 2.15 amended to read:

2.16 Subd. 5. **Levy recognition.** For fiscal year ~~2014~~ 2014 and later years, in June of  
 2.17 each year, the school district must recognize as revenue, in the fund for which the levy  
 2.18 was made, the lesser of:

2.19 (1) the sum of May, June, and July school district tax settlement revenue received in  
 2.20 that calendar year, plus general education aid according to section 126C.13, subdivision  
 2.21 4, received in July and August of that calendar year; or

2.22 (2) the sum of:

2.23 (i) ~~the greater of 48.6 percent of the referendum levy certified according to section~~  
 2.24 ~~126C.17 in the prior calendar year, or 31 percent of the referendum levy certified~~  
 2.25 ~~according to section 126C.17 in calendar year 2000; plus~~

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

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

3.1 Sec. 3. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

3.2 Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its  
3.3 postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses.

3.4 A postsecondary institution may provide information about its programs to a secondary  
3.5 school or to a pupil or parent and it may advertise or otherwise recruit or solicit a  
3.6 secondary pupil to enroll in its programs on educational and programmatic grounds only.

3.7 An institution must not enroll secondary pupils, for postsecondary enrollment options  
3.8 purposes, in remedial, developmental, or other courses that are not college level except  
3.9 when a student eligible to participate in the graduation incentives program under section  
3.10 124D.68 enrolls full time in a middle or early college program specifically designed to  
3.11 allow the student to earn dual high school and college credit. In this case, the student shall  
3.12 receive developmental college credit and not college credit for completing remedial or  
3.13 developmental courses. Once a pupil has been enrolled in a postsecondary course under  
3.14 this section, the pupil shall not be displaced by another student.

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

3.16 Sec. 4. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

3.17 Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this  
3.18 section, the department must make payments according to this subdivision for courses that  
3.19 were taken for secondary credit.

3.20 The department must not make payments to a school district or postsecondary  
3.21 institution for a course taken for postsecondary credit only. The department must not  
3.22 make payments to a postsecondary institution for a course from which a student officially  
3.23 withdraws during the first 14 days of the quarter or semester or who has been absent from  
3.24 the postsecondary institution for the first 15 consecutive school days of the quarter or  
3.25 semester and is not receiving instruction in the home or hospital.

3.26 A postsecondary institution shall receive the following:

3.27 (1) for an institution granting quarter credit, the reimbursement per credit hour shall  
3.28 be an amount equal to 88 percent of the product of the formula allowance minus ~~\$415~~  
3.29 \$425, multiplied by ~~1.3~~ 1.2, and divided by 45; or

3.30 (2) for an institution granting semester credit, the reimbursement per credit hour  
3.31 shall be an amount equal to 88 percent of the product of the general revenue formula  
3.32 allowance minus ~~\$415~~ \$425, multiplied by ~~1.3~~ 1.2, and divided by 30.

3.33 The department must pay to each postsecondary institution 100 percent of the  
3.34 amount in clause (1) or (2) within 30 days of receiving initial enrollment information  
3.35 each quarter or semester. If changes in enrollment occur during a quarter or semester,

4.1 the change shall be reported by the postsecondary institution at the time the enrollment  
4.2 information for the succeeding quarter or semester is submitted. At any time the  
4.3 department notifies a postsecondary institution that an overpayment has been made, the  
4.4 institution shall promptly remit the amount due.

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

4.6 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is  
4.7 amended to read:

4.8 Subdivision 1. **General education revenue.** General education revenue must be  
4.9 paid to a charter school as though it were a district. The general education revenue  
4.10 for each adjusted pupil unit is the state average general education revenue per pupil  
4.11 unit, plus the referendum equalization aid allowance in the pupil's district of residence,  
4.12 minus an amount equal to the product of the formula allowance according to section  
4.13 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue,  
4.14 local optional revenue, basic skills revenue, extended time revenue, pension adjustment  
4.15 revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment  
4.16 revenue, basic skills revenue, extended time revenue, pension adjustment revenue, and  
4.17 transition revenue as though the school were a school district. The general education  
4.18 revenue for each extended time pupil unit equals \$4,794.

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

4.21 Sec. 6. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

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

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

4.27 (2) the pupil is determined by a valid assessment measuring the pupil's English  
4.28 language proficiency and by developmentally appropriate measures, which might include  
4.29 observations, teacher judgment, parent recommendations, or developmentally appropriate  
4.30 assessment instruments, to lack the necessary English skills to participate fully in  
4.31 academic classes taught in English.

4.32 (b) ~~Notwithstanding paragraph (a),~~ A pupil enrolled in a Minnesota public school  
4.33 in grades any grade 4 through 12 who was enrolled in a Minnesota public school on

5.1 ~~the dates during~~ in the previous school year ~~when a commissioner provided~~ took a  
 5.2 commissioner-provided assessment ~~that measures~~ measuring the pupil's emerging  
 5.3 academic English ~~was administered~~, shall not be counted as an English learner in  
 5.4 calculating English learner pupil units under section 126C.05, subdivision 17, and shall not  
 5.5 generate state English learner aid under section 124D.65, subdivision 5, ~~unless if~~ the pupil  
 5.6 scored below the state cutoff score or is otherwise counted as a nonproficient participant  
 5.7 on ~~an~~ the assessment measuring the pupil's emerging academic English ~~provided by the~~  
 5.8 ~~commissioner during the previous school year~~, or, in the judgment of the pupil's classroom  
 5.9 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate  
 5.10 academic language proficiency in English, including oral academic language, sufficient to  
 5.11 successfully and fully participate in the general core curriculum in the regular classroom.

5.12 (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade  
 5.13 12 shall not be counted as an English learner in calculating English learner pupil units  
 5.14 under section 126C.05, subdivision 17, and shall not generate state English learner aid  
 5.15 under section 124D.65, subdivision 5, if:

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

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

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

5.22 Sec. 7. Minnesota Statutes 2013 Supplement, section 124D.65, subdivision 5, is  
 5.23 amended to read:

5.24 Subd. 5. **School district EL revenue.** (a) A district's English learner programs  
 5.25 revenue equals the product of (1) ~~\$704~~ \$726 times (2) the greater of 20 or the adjusted  
 5.26 average daily membership of eligible English learners enrolled in the district during the  
 5.27 current fiscal year.

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

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

5.33 Sec. 8. **[124D.695] APPROVED RECOVERY PROGRAM FUNDING.**

6.1            Subdivision 1. **Approved recovery program.** "Approved recovery program" means  
6.2 a course of instruction offered by a recovery school that provides academic services,  
6.3 assistance with recovery, and continuing care to students recovering from substance abuse  
6.4 or dependency. A recovery program may be offered in a transitional academic setting  
6.5 designed to meet graduation requirements. A recovery program must be approved by the  
6.6 commissioner of education. The commissioner may specify the manner and form of the  
6.7 application for the approval of a recovery school or recovery program.

6.8            Subd. 2. **Eligibility.** An approved recovery program is eligible for an annual  
6.9 recovery program grant of up to \$125,000 to pay for a portion of the costs of recovery  
6.10 program support staff under this section. "Recovery program support staff" means licensed  
6.11 alcohol and chemical dependency counselors, licensed school counselors, licensed school  
6.12 psychologists, licensed school nurses, and licensed school social workers.

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

6.15            Sec. 9. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15, is  
6.16 amended to read:

6.17            Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
6.18 year program under section 124D.128, an area learning center or an alternative learning  
6.19 program approved by the commissioner under sections 123A.05 and 123A.06, or a  
6.20 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
6.21 subdivision 4, for more than 1,020 hours in a school year for a secondary student, more  
6.22 than 935 hours in a school year for an elementary student, more than 850 hours in a school  
6.23 year for a kindergarten student without a disability in an all-day kindergarten program,  
6.24 or more than 425 hours in a school year for a half-day kindergarten student without a  
6.25 disability, that pupil may be counted as more than one pupil in average daily membership  
6.26 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
6.27 be determined by the ratio of the number of hours of instruction provided to that pupil in  
6.28 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
6.29 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
6.30 or the number of hours required for a full-time elementary pupil in the district to 935 for  
6.31 an elementary pupil in grades 1 through 6; and (iii) the greater of ~~425~~ 850 hours or the  
6.32 number of hours required for a full-time kindergarten student without a disability in the  
6.33 district to ~~425~~ 850 for a kindergarten student without a disability; ~~and (iv) the greater of~~  
6.34 ~~425 hours or the number of hours required for a half-time kindergarten student without a~~  
6.35 ~~disability in the district to 425 for a half-day kindergarten student without a disability.~~

7.1 Hours that occur after the close of the instructional year in June shall be attributable to  
7.2 the following fiscal year. A student in kindergarten or grades 1 through 12 must not be  
7.3 counted as more than 1.2 pupils in average daily membership under this subdivision.

7.4 (b)(i) To receive general education revenue for a pupil in an area learning center  
7.5 or alternative learning program that has an independent study component, a district  
7.6 must meet the requirements in this paragraph. The district must develop, for the pupil,  
7.7 a continual learning plan consistent with section 124D.128, subdivision 3. Each school  
7.8 district that has an area learning center or alternative learning program must reserve  
7.9 revenue in an amount equal to at least 90 and not more than 100 percent of the district  
7.10 average general education revenue per pupil unit, minus an amount equal to the product  
7.11 of the formula allowance according to section 126C.10, subdivision 2, times .0466,  
7.12 calculated without basic skills and transportation sparsity revenue, times the number of  
7.13 pupil units generated by students attending an area learning center or alternative learning  
7.14 program. The amount of reserved revenue available under this subdivision may only be  
7.15 spent for program costs associated with the area learning center or alternative learning  
7.16 program. Basic skills revenue generated according to section 126C.10, subdivision 4, by  
7.17 pupils attending the eligible program must be allocated to the program.

7.18 (ii) General education revenue for a pupil in a state-approved alternative program  
7.19 without an independent study component must be prorated for a pupil participating for  
7.20 less than a full year, or its equivalent. The district must develop a continual learning plan  
7.21 for the pupil, consistent with section 124D.128, subdivision 3. Each school district that  
7.22 has an area learning center or alternative learning program must reserve revenue in an  
7.23 amount equal to at least 90 and not more than 100 percent of the district average general  
7.24 education revenue per pupil unit, minus an amount equal to the product of the formula  
7.25 allowance according to section 126C.10, subdivision 2, times .0466, calculated without  
7.26 basic skills and transportation sparsity revenue, times the number of pupil units generated  
7.27 by students attending an area learning center or alternative learning program. The amount  
7.28 of reserved revenue available under this subdivision may only be spent for program costs  
7.29 associated with the area learning center or alternative learning program. Basic skills  
7.30 revenue generated according to section 126C.10, subdivision 4, by pupils attending the  
7.31 eligible program must be allocated to the program.

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

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

8.5 Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2, is  
8.6 amended to read:

8.7 Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district  
8.8 equals the formula allowance times the adjusted marginal cost pupil units for the school  
8.9 year. For fiscal year 2015 and later, the basic revenue for each district equals the formula  
8.10 allowance times the adjusted pupil units for the school year. The formula allowance for  
8.11 fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The  
8.12 formula allowance for fiscal year 2015 and later is ~~\$5,806~~ \$5,864.

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

8.15 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a,  
8.16 is amended to read:

8.17 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for  
8.18 fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal  
8.19 cost pupil units of the district for each pupil in average daily membership in excess of 1.0  
8.20 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended  
8.21 time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum  
8.22 of the adjusted pupil units of the district for each pupil in average daily membership in  
8.23 excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

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

8.27 **EFFECTIVE DATE.** This section is effective the day following final enactment  
8.28 and applies to revenue for fiscal year 2014 and later.

8.29 Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24,  
8.30 is amended to read:

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



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

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

9.7 (b) Equity revenue for a qualifying district that receives referendum revenue under  
9.8 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil  
9.9 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's  
9.10 equity index computed under subdivision 27.

9.11 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
9.12 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil  
9.13 units for that year times \$14.

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

9.19 (e) A school district's equity revenue for a school district located in the metro equity  
9.20 region or a school district with its administrative offices located in any Minnesota county  
9.21 in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated in  
9.22 2009 by the United States Census Bureau equals the amount computed in paragraphs (b),  
9.23 (c), and (d) multiplied by 1.25.

9.24 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil  
9.25 units.

9.26 **EFFECTIVE DATE.** The changes in paragraph (d) are effective for revenue for  
9.27 fiscal year 2015 and later. The changes in paragraph (e) are effective for revenue for  
9.28 fiscal years 2017 and later.

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

9.30 Subd. 25. **Regional equity gap.** The regional equity gap equals the difference  
9.31 between the value of the school district at or immediately above the fifth percentile of  
9.32 adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit and the value of the school  
9.33 district at or immediately above the 95th percentile of adjusted general revenue per  
9.34 adjusted ~~marginal-cost~~ pupil unit.

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

10.3 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

10.4 Subd. 26. **District equity gap.** A district's equity gap equals the greater of zero  
10.5 or the difference between the district's adjusted general revenue and the value of the  
10.6 school district at or immediately above the regional 95th percentile of adjusted general  
10.7 revenue per adjusted ~~marginal-cost~~ pupil unit.

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

10.10 Sec. 15. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31,  
10.11 is amended to read:

10.12 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the  
10.13 sum of the transition revenue the district would have received for fiscal year 2015 under  
10.14 Minnesota Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater  
10.15 of zero or the difference between:

10.16 (1) the sum of:

10.17 (i) the general education revenue the district would have received for fiscal year  
10.18 2015 according to Minnesota Statutes 2012, section 126C.10;

10.19 (ii) the integration revenue the district received for fiscal year 2013 under Minnesota  
10.20 Statutes 2012, section 124D.86;

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

10.23 (iv) the special education aid the district would have received for fiscal year 2015  
10.24 under Minnesota Statutes 2012, section 125A.76; and

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

10.27 (2) the sum of the district's:

10.28 (i) general education revenue for fiscal year 2015 excluding transition revenue  
10.29 under this section;

10.30 (ii) achievement and integration revenue for fiscal year 2015 under section  
10.31 124D.862; and

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

10.33 (iv) alternative teacher compensation revenue for fiscal year 2015 under section  
10.34 122A.415,

11.1 divided by the number of adjusted pupil units for fiscal year 2015.

11.2 (b) A district's transition revenue for fiscal year 2015 and later equals the product of  
11.3 the district's transition allowance times the district's adjusted pupil units.

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

11.6 Sec. 16. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is  
11.7 amended to read:

11.8 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~  
11.9 A district's referendum equalization levy equals the sum of the first tier referendum  
11.10 equalization levy, the second tier referendum equalization levy, and the third tier  
11.11 referendum equalization levy.

11.12 (b) A district's first tier referendum equalization levy equals the district's first tier  
11.13 referendum equalization revenue times the lesser of one or the ratio of the district's  
11.14 referendum market value per resident pupil unit to \$880,000.

11.15 (c) A district's second tier referendum equalization levy equals the district's second  
11.16 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
11.17 referendum market value per resident pupil unit to \$510,000.

11.18 (d) A district's third tier referendum equalization levy equals the district's third  
11.19 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
11.20 referendum market value per resident pupil unit to \$290,000.

11.21 Sec. 17. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b,  
11.22 is amended to read:

11.23 Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, the sum  
11.24 of a district's referendum equalization aid and location equity aid under section 126C.10,  
11.25 subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum  
11.26 equalization aid the district would have received for fiscal year 2015 under Minnesota  
11.27 Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have  
11.28 received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs  
11.29 (a), (b), and (c).

11.30 (b) Notwithstanding subdivision 7, the sum of referendum equalization aid and  
11.31 location equity aid under section 126C.10, subdivision 2e, for fiscal year 2016 and later,  
11.32 for a district qualifying for additional aid under paragraph (a) for fiscal year 2015, must  
11.33 not be less than the product of (1) the district's referendum equalization aid for fiscal year  
11.34 2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that

12.1 school year to the district's referendum revenue for fiscal year 2015, times (3) the lesser  
12.2 of one or the ratio of the district's referendum market value used for fiscal year 2015  
12.3 referendum equalization calculations to the district's referendum market value used for  
12.4 that year's referendum equalization calculations.

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

12.7 Sec. 18. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is  
12.8 amended to read:

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

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

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

13.1 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
13.2 School District No. ..., be approved?"

13.3 If approved, an amount equal to the approved revenue per adjusted pupil unit times  
13.4 the adjusted pupil units for the school year beginning in the year after the levy is certified  
13.5 shall be authorized for certification for the number of years approved, if applicable, or  
13.6 until revoked or reduced by the voters of the district at a subsequent referendum.

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

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

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

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

13.35 (d) The approval of 50 percent plus one of those voting on the question is required to  
13.36 pass a referendum authorized by this subdivision.

14.1 (e) At least 15 days before the day of the referendum, the district must submit a  
14.2 copy of the notice required under paragraph (b) to the commissioner and to the county  
14.3 auditor of each county in which the district is located. Within 15 days after the results  
14.4 of the referendum have been certified by the board, or in the case of a recount, the  
14.5 certification of the results of the recount by the canvassing board, the district must notify  
14.6 the commissioner of the results of the referendum.

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

14.9 Sec. 19. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a,  
14.10 is amended to read:

14.11 Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision  
14.12 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority  
14.13 from voter approved to board approved by a board vote. A district with less than \$300 per  
14.14 adjusted pupil unit of referendum authority after the local optional revenue subtraction  
14.15 under subdivision 1 may authorize new referendum authority up to the difference between  
14.16 \$300 per adjusted pupil unit and the district's referendum authority. The board may  
14.17 authorize this levy for up to five years and may subsequently reauthorize that authority  
14.18 in increments of up to five years.

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

14.21 Sec. 20. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

14.22 **126C.44 SAFE SCHOOLS LEVY.**

14.23 (a) Each district may make a levy on all taxable property located within the district  
14.24 for the purposes specified in this section. The maximum amount which may be levied for  
14.25 all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil  
14.26 units for the school year. The proceeds of the levy must be reserved and used for directly  
14.27 funding the following purposes or for reimbursing the cities and counties who contract  
14.28 with the district for the following purposes:

14.29 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of  
14.30 peace officers and sheriffs for liaison in services in the district's schools;

14.31 (2) to pay the costs for a drug abuse prevention program as defined in section  
14.32 609.101, subdivision 3, paragraph (e), in the elementary schools;

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

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

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

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

15.10 (7) to pay for facility security enhancements including laminated glass, public  
15.11 announcement systems, emergency communications devices, and equipment and facility  
15.12 modifications related to violence prevention and facility security;

15.13 (8) to pay for costs associated with improving the school climate; or

15.14 (9) to pay costs for colocating and collaborating with mental health professionals  
15.15 who are not district employees or contractors.

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

15.23 (c) A school district that is a member of an intermediate school district may  
15.24 include in its authority under this section the costs associated with safe schools activities  
15.25 authorized under paragraph (a) for intermediate school district programs. This authority  
15.26 must not exceed ~~\$10~~ \$15 times the adjusted ~~marginal-cost~~ pupil units of the member  
15.27 districts. This authority is in addition to any other authority authorized under this section.  
15.28 Revenue raised under this paragraph must be transferred to the intermediate school district.

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

15.30 Sec. 21. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

15.31 Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county  
15.32 treasurers pursuant to section 276.10, apportionments from the school endowment fund  
15.33 pursuant to section 127A.33, apportionments by the county auditor pursuant to section  
15.34 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue  
15.35 pursuant to chapter 298.

- 16.1 (b) "Cumulative amount guaranteed" means the product of  
 16.2 (1) the cumulative disbursement percentage shown in subdivision 3; times  
 16.3 (2) the sum of  
 16.4 (i) the current year aid payment percentage of the estimated aid and credit  
 16.5 entitlements paid according to subdivision 13; plus  
 16.6 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus  
 16.7 (iii) the other district receipts.  
 16.8 (c) "Payment date" means the date on which state payments to districts are made  
 16.9 by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday,  
 16.10 or a weekday which is a legal holiday, the payment shall be made on the immediately  
 16.11 preceding business day. The commissioner may make payments on dates other than  
 16.12 those listed in subdivision 3, but only for portions of payments from any preceding  
 16.13 payment dates which could not be processed by the electronic funds transfer method due  
 16.14 to documented extenuating circumstances.  
 16.15 (d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in~~  
 16.16 ~~fiscal year 2011, and 60 in fiscal years 2012 and later~~ 90.

16.17 Sec. 22. Minnesota Statutes 2012, section 127A.45, subdivision 3, is amended to read:

16.18 Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a  
 16.19 district on the dates indicated an amount computed as follows: the cumulative amount  
 16.20 guaranteed minus the sum of (1) the district's other district receipts through the current  
 16.21 payment, and (2) the aid and credit payments through the immediately preceding payment.  
 16.22 For purposes of this computation, the payment dates and the cumulative disbursement  
 16.23 percentages are as follows:

	Payment date	Percentage
16.24		
16.25	Payment 1 July 15:	5.5
16.26	Payment 2 July 30:	8.0
16.27	Payment 3 August 15:	17.5
16.28	Payment 4 August 30:	20.0
16.29	Payment 5 September 15:	22.5
16.30	Payment 6 September 30:	25.0
16.31	Payment 7 October 15:	27.0
16.32	Payment 8 October 30:	30.0
16.33	Payment 9 November 15:	32.5
16.34	Payment 10 November 30:	36.5
16.35	Payment 11 December 15:	42.0
16.36	Payment 12 December 30:	45.0
16.37	Payment 13 January 15:	50.0



17.1	Payment 14	January 30:	54.0
17.2	Payment 15	February 15:	58.0
17.3	Payment 16	February 28:	63.0
17.4	Payment 17	March 15:	68.0
17.5	Payment 18	March 30:	74.0
17.6	Payment 19	April 15:	78.0
17.7	Payment 20	April 30:	85.0
17.8	Payment 21	May 15:	90.0
17.9	Payment 22	May 30:	95.0
17.10	Payment 23	June 20:	100.0

17.11 (b) In addition to the amounts paid under paragraph (a), the commissioner shall pay  
 17.12 to a school district or charter school on the dates indicated an amount computed as follows:

17.13	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
17.14		property tax credits established in section 273.1392
17.15	Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for
17.16		all aid entitlements except state paid property tax credits
17.17	Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year
17.18		for all aid entitlements except state paid property tax credits
17.19	Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year
17.20		for all aid entitlements except state paid property tax credits

17.21 (c) Notwithstanding paragraph (b), if the current year aid payment percentage  
 17.22 under subdivision 2, paragraph (d), is less than 90, in addition to the amounts paid under  
 17.23 paragraph (a), the commissioner shall pay to a charter school on the dates indicated an  
 17.24 amount computed as follows:

17.25	Payment 1	July 15: 75 percent of the final adjustment for the prior fiscal year for
17.26		all aid entitlements
17.27	Payment 8	October 30: 25 percent of the final adjustment for the prior fiscal year
17.28		for all aid entitlements

17.29 **EFFECTIVE DATE.** This section is effective July 1, 2015.

17.30 Sec. 23. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is  
 17.31 amended to read:

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

17.36 (b) For purposes of this subdivision, the "unreimbursed cost of providing special  
 17.37 education and services" means the difference between: (1) the actual cost of providing  
 17.38 special instruction and services, including special transportation and unreimbursed

18.1 building lease and debt service costs for facilities used primarily for special education, for  
18.2 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section  
18.3 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil  
18.4 receives special instruction and services outside the regular classroom for more than  
18.5 60 percent of the school day, the amount of general education revenue and referendum  
18.6 equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable  
18.7 to that pupil for the portion of time the pupil receives special instruction and services  
18.8 outside of the regular classroom, excluding portions attributable to district and school  
18.9 administration, district support services, operations and maintenance, capital expenditures,  
18.10 and pupil transportation, minus (3) special education aid under section 125A.76  
18.11 attributable to that pupil, that is received by the district providing special instruction and  
18.12 services. For purposes of this paragraph, general education revenue and referendum  
18.13 equalization aid attributable to a pupil must be calculated using the serving district's  
18.14 average general education revenue and referendum equalization aid per adjusted pupil unit.

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

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

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

18.29 (f) An area learning center operated by a service cooperative, intermediate district,  
18.30 education district, or a joint powers cooperative may elect through the action of the  
18.31 constituent boards to charge the resident district tuition for pupils rather than to have the  
18.32 general education revenue paid to a fiscal agent school district. Except as provided in  
18.33 paragraph (e), the district of residence must pay tuition equal to at least 90 and no more  
18.34 than 100 percent of the district average general education revenue per pupil unit minus  
18.35 an amount equal to the product of the formula allowance according to section 126C.10,  
18.36 subdivision 2, times .0466, calculated without compensatory revenue and transportation

19.1 sparsity revenue, times the number of pupil units for pupils attending the area learning  
19.2 center.

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

19.5 Sec. 24. Laws 2012, chapter 263, section 1, is amended to read:

19.6 Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND**  
19.7 **SHARING OF DISTRICT RESOURCES; PILOT PROJECT.**

19.8 Subdivision 1. **Establishment; requirements for participation.** (a) A ~~five-year~~  
19.9 ~~pilot project for the 2013-2014 through 2017-2018 school years~~ is established to improve  
19.10 student and school outcomes by allowing groups of school districts to work together to  
19.11 provide innovative education programs and activities and share district resources. The  
19.12 pilot project may last until June 30, 2018, or for up to five years, whichever is less, except  
19.13 that innovation partnerships formed during the period of the pilot project may continue  
19.14 past June 30, 2018, with the agreement of the partnership members.

19.15 (b) To participate in this pilot project to improve student and school outcomes, a  
19.16 group of two or more school districts must collaborate with school staff and receive formal  
19.17 school board approval to form a partnership. The partnership must develop a plan to  
19.18 provide challenging programmatic options for students, create professional development  
19.19 opportunities for educators, increase student engagement and connection and challenging  
19.20 learning opportunities for students, or demonstrate efficiencies in delivering financial and  
19.21 other services. The plan must establish:

19.22 (1) collaborative educational goals and objectives;

19.23 (2) strategies and processes to implement those goals and objectives, including a  
19.24 budget process with periodic expenditure reviews;

19.25 (3) valid and reliable measures to evaluate progress in realizing the goals and  
19.26 objectives;

19.27 (4) an implementation timeline; and

19.28 (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee  
19.29 schedules, and legal considerations needed to fully implement the plan.

19.30 A partnership may invite additional districts to join the partnership during the pilot  
19.31 project term after notifying the commissioner.

19.32 (c) A partnership of interested districts must apply by February 1, ~~2013~~, of any year  
19.33 to the education commissioner in the form and manner the commissioner determines,  
19.34 consistent with this section. The application must contain the formal approval adopted by  
19.35 the school board in each district to participate in the plan.

20.1 (d) Notwithstanding other law to the contrary, a participating school district under  
 20.2 this section continues to: receive revenue and maintain its taxation authority; be organized  
 20.3 and governed by an elected school board with general powers under Minnesota Statutes,  
 20.4 section 123B.02; and be subject to employment agreements under Minnesota Statutes,  
 20.5 chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue  
 20.6 to remain employees of the employing school district.

20.7 Subd. 2. **Commissioner's role.** Interested groups of school districts must submit  
 20.8 a completed application to the commissioner by March 1, ~~2013~~, of any year in the form  
 20.9 and manner determined by the commissioner. The education commissioner must convene  
 20.10 an advisory panel composed of a teacher appointed by Education Minnesota, a school  
 20.11 principal appointed by the Minnesota Association of Secondary School Principals, a  
 20.12 school board member appointed by the Minnesota School Boards Association, and a  
 20.13 school superintendent appointed by the Minnesota Association of School Administrators  
 20.14 to advise the commissioner on applicants' qualifications to participate in this pilot project.  
 20.15 The commissioner ~~must select between three and~~ may select up to six qualified applicants  
 20.16 under subdivision 1 by April 1, ~~2013~~, of any year to participate in this pilot project,  
 20.17 ensuring an equitable geographical distribution of project participants to the extent  
 20.18 practicable. The commissioner must select only those applicants that fully comply with  
 20.19 the requirements in subdivision 1. The commissioner must terminate a project participant  
 20.20 that fails to effectively implement the goals and objectives contained in its application and  
 20.21 according to its stated timeline.

20.22 Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot  
 20.23 project data to the commissioner in the form and manner determined by the commissioner.  
 20.24 The education commissioner must analyze participating districts' progress in realizing  
 20.25 their educational goals and objectives to work together in providing innovative education  
 20.26 programs and activities and sharing resources. The commissioner must include the  
 20.27 analysis of best practices in a report to the legislative committees with jurisdiction over  
 20.28 kindergarten through grade 12 education finance and policy on the efficacy of this pilot  
 20.29 project. The commissioner ~~may~~ shall submit an interim project report ~~at any time by~~  
 20.30 February 1, 2016, and must submit a final report to the legislature by February 1, ~~2018~~  
 20.31 2019, recommending whether or not to continue or expand the pilot project.

20.32 Sec. 25. Laws 2012, chapter 263, section 1, the effective date, is amended to read:

20.33 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 20.34 ~~and applies to the 2013-2014 through 2017-2018 school years.~~

21.1 Sec. 26. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

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

21.4		<del>6,051,766,000</del>		
21.5	\$	<u>6,851,972,000</u>	.....	2014
21.6		<del>6,370,640,000</del>		
21.7	\$	<u>6,495,698,000</u>	.....	2015

21.8 The 2014 appropriation includes ~~\$781,842,000~~ \$780,709,000 for 2013 and  
 21.9 ~~\$5,269,924,000~~ \$6,071,263,000 for 2014.

21.10 The 2015 appropriation includes ~~\$823,040,000~~ \$589,097,000 for 2014 and  
 21.11 ~~\$5,547,600,000~~ \$5,906,601,000 for 2015.

21.12 Sec. 27. **APPROPRIATIONS.**

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

21.16 Subd. 2. Recovery program grants. For recovery program grants under Minnesota  
 21.17 Statutes, section 124D.695:

21.18	\$	<u>500,000</u>	.....	<u>2015</u>
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21.19 Sec. 28. **REVISOR'S INSTRUCTION.**

21.20 In Minnesota Statutes, the revisor of statutes shall change the term "location equity"  
 21.21 to "local optional."

21.22 **ARTICLE 2**

21.23 **EDUCATION EXCELLENCE**

21.24 Section 1. Minnesota Statutes 2012, section 122A.40, subdivision 13, is amended to  
 21.25 read:

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

- 21.29 (1) immoral conduct, insubordination, or conviction of a felony;
- 21.30 (2) conduct unbecoming a teacher which requires the immediate removal of the  
 21.31 teacher from classroom or other duties;

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

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

22.5 (5) willful neglect of duty; or

22.6 (6) continuing physical or mental disability subsequent to a 12 months leave of  
22.7 absence and inability to qualify for reinstatement in accordance with subdivision 12.

22.8 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair  
22.9 discriminatory practice described in section 363A.13.

22.10 Prior to discharging a teacher under this paragraph, the board must notify the teacher  
22.11 in writing and state its ground for the proposed discharge in reasonable detail. Within  
22.12 ten days after receipt of this notification the teacher may make a written request for a  
22.13 hearing before the board and it shall be granted before final action is taken. The board  
22.14 may suspend a teacher with pay pending the conclusion of the hearing and determination  
22.15 of the issues raised in the hearing after charges have been filed which constitute ground for  
22.16 discharge. If a teacher has been charged with a felony and the underlying conduct that  
22.17 is the subject of the felony charge is a ground for a proposed immediate discharge, the  
22.18 suspension pending the conclusion of the hearing and determination of the issues may be  
22.19 without pay. If a hearing under this paragraph is held, the board must reimburse the teacher  
22.20 for any salary or compensation withheld if the final decision of the board or the arbitrator  
22.21 does not result in a penalty to or suspension, termination, or discharge of the teacher.

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

22.25 (c) When a teacher is discharged under paragraph (b) or when the commissioner  
22.26 makes a final determination of child maltreatment involving a teacher under section  
22.27 626.556, subdivision 11, the school principal or other person having administrative  
22.28 control of the school must include in the teacher's employment record the information  
22.29 contained in the record of the disciplinary action or the final maltreatment determination,  
22.30 consistent with the definition of public data under section 13.41, subdivision 5, and must  
22.31 provide the Board of Teaching and the licensing division at the department with the  
22.32 necessary and relevant information to enable the Board of Teaching and the department's  
22.33 licensing division to fulfill their statutory and administrative duties related to issuing,  
22.34 renewing, suspending, or revoking a teacher's license. Information received by the Board  
22.35 of Teaching or the licensing division at the department under this paragraph is governed  
22.36 by section 13.41 or other applicable law governing data of the receiving entity. In addition

23.1 to the background check required under section 123B.03, a school board or other school  
23.2 hiring authority must contact the Board of Teaching and the department to determine  
23.3 whether the teacher's license has been suspended or revoked, consistent with the discharge  
23.4 and final maltreatment determinations identified in this paragraph.

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

23.6 Sec. 2. Minnesota Statutes 2012, section 122A.41, subdivision 6, is amended to read:

23.7 Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided  
23.8 in paragraph (b), causes for the discharge or demotion of a teacher either during or after  
23.9 the probationary period must be:

23.10 (1) immoral character, conduct unbecoming a teacher, or insubordination;

23.11 (2) failure without justifiable cause to teach without first securing the written release  
23.12 of the school board having the care, management, or control of the school in which the  
23.13 teacher is employed;

23.14 (3) inefficiency in teaching or in the management of a school, consistent with  
23.15 subdivision 5, paragraph (b);

23.16 (4) affliction with active tuberculosis or other communicable disease must be  
23.17 considered as cause for removal or suspension while the teacher is suffering from such  
23.18 disability; or

23.19 (5) discontinuance of position or lack of pupils.

23.20 For purposes of this paragraph, conduct unbecoming a teacher includes an unfair  
23.21 discriminatory practice described in section 363A.13.

23.22 (b) A probationary or continuing-contract teacher must be discharged immediately  
23.23 upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the  
23.24 teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

23.25 (c) When a teacher is discharged under paragraph (b) or when the commissioner  
23.26 makes a final determination of child maltreatment involving a teacher under section  
23.27 626.556, subdivision 11, the school principal or other person having administrative  
23.28 control of the school must include in the teacher's employment record the information  
23.29 contained in the record of the disciplinary action or the final maltreatment determination,  
23.30 consistent with the definition of public data under section 13.41, subdivision 5, and must  
23.31 provide the Board of Teaching and the licensing division at the department with the  
23.32 necessary and relevant information to enable the Board of Teaching and the department's  
23.33 licensing division to fulfill their statutory and administrative duties related to issuing,  
23.34 renewing, suspending, or revoking a teacher's license. Information received by the Board  
23.35 of Teaching or the licensing division at the department under this paragraph is governed

24.1 by section 13.41 or other applicable law governing data of the receiving entity. In addition  
24.2 to the background check required under section 123B.03, a school board or other school  
24.3 hiring authority must contact the Board of Teaching and the department to determine  
24.4 whether the teacher's license has been suspended or revoked, consistent with the discharge  
24.5 and final maltreatment determinations identified in this paragraph.

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

24.7 Sec. 3. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

24.8 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,  
24.9 school site, or charter school that meets the conditions of section 122A.414 and submits an  
24.10 application approved by the commissioner is eligible for alternative teacher compensation  
24.11 revenue.

24.12 (b) For school district and intermediate school district applications, the commissioner  
24.13 must consider only those applications to participate that are submitted jointly by a  
24.14 district and the exclusive representative of the teachers. The application must contain an  
24.15 alternative teacher professional pay system agreement that:

24.16 (1) implements an alternative teacher professional pay system consistent with  
24.17 section 122A.414; and

24.18 (2) is negotiated and adopted according to the Public Employment Labor Relations  
24.19 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a  
24.20 district may enter into a contract for a term of two or four years.

24.21 Alternative teacher compensation revenue for a qualifying school district or site in  
24.22 which the school board and the exclusive representative of the teachers agree to place  
24.23 teachers in the district or at the site on the alternative teacher professional pay system  
24.24 equals \$260 times the number of pupils enrolled at the district or site on October 1 of  
24.25 the previous fiscal year. Alternative teacher compensation revenue for a qualifying  
24.26 intermediate school district must be calculated under ~~section 126C.10, subdivision 34~~  
24.27 subdivision 4, paragraphs (a) and (b).

24.28 (c) For a newly combined or consolidated district, the revenue shall be computed  
24.29 using the sum of pupils enrolled on October 1 of the previous year in the districts entering  
24.30 into the combination or consolidation. The commissioner may adjust the revenue computed  
24.31 for a site using prior year data to reflect changes attributable to school closings, school  
24.32 openings, or grade level reconfigurations between the prior year and the current year.

24.33 (d) The revenue is available only to school districts, intermediate school districts,  
24.34 school sites, and charter schools that fully implement an alternative teacher professional  
24.35 pay system by October 1 of the current school year.



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

25.3 Sec. 4. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1, is  
25.4 amended to read:

25.5 Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible  
25.6 district's initial achievement and integration revenue equals the lesser of 100.3 percent of  
25.7 the district's expenditures under the budget approved by the commissioner under section  
25.8 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive  
25.9 revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil  
25.10 units for that year times the ratio of the district's enrollment of protected students for the  
25.11 previous school year to total enrollment for the previous school year and (2) the greater of  
25.12 zero or 66 percent of the difference between the district's integration revenue for fiscal  
25.13 year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

25.14 (b) In each year, 0.3 percent of each district's initial achievement and integration  
25.15 revenue is transferred to the department for the oversight and accountability activities  
25.16 required under this section and section 124D.861.

25.17 **EFFECTIVE DATE.** This section is effective the day following final enactment  
25.18 and applies to revenue for fiscal year 2014 and later.

25.19 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2, is  
25.20 amended to read:

25.21 Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive  
25.22 revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must~~  
25.23 ~~be~~ A district's incentive revenue equals the lesser of the maximum incentive revenue  
25.24 or the district's expenditures for implementing a voluntary plan to reduce racial and  
25.25 economic enrollment disparities through intradistrict and interdistrict activities that have  
25.26 been approved as a part of the district's achievement and integration plan under the budget  
25.27 approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

25.28 **EFFECTIVE DATE.** This section is effective the day following final enactment  
25.29 and applies to revenue for fiscal year 2014 and later.

25.30 Sec. 6. Laws 2013, chapter 116, article 3, section 37, subdivision 11, is amended to read:

25.31 Subd. 11. **Concurrent enrollment program.** For concurrent enrollment programs  
25.32 under Minnesota Statutes, section 124D.091:

26.1           \$       2,000,000   ..... 2014  
 26.2                       ~~2,000,000~~  
 26.3           \$       3,897,000   ..... 2015

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

26.6           Any balance in the first year does not cancel but is available in the second year. The  
 26.7 annual base budget for this program is \$2,000,000 for fiscal years 2016 and 2017.

26.8           Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 15, is amended to read:

26.9           Subd. 15. **Early childhood literacy programs.** For early childhood literacy  
 26.10 programs under Minnesota Statutes, section 119A.50, subdivision 3:

26.11           \$       4,125,000   ..... 2014  
 26.12                       ~~4,125,000~~  
 26.13           \$       4,625,000   ..... 2015

26.14           Up to \$4,125,000 each in the first year and \$4,625,000 in the second year is for  
 26.15 leveraging federal and private funding to support AmeriCorps members serving in the  
 26.16 Minnesota Reading Corps program established by ServeMinnesota, including costs  
 26.17 associated with the training and teaching of early literacy skills to children age three  
 26.18 to grade 3 and the evaluation of the impact of the program under Minnesota Statutes,  
 26.19 sections 124D.38, subdivision 2, and 124D.42, subdivision 6. Up to \$500,000 in fiscal  
 26.20 year 2015 must be used to support priority and focus schools as defined by the Department  
 26.21 of Education and to expand kindergarten programming.

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

26.23           Sec. 8. **BETTER ALIGNING MINNESOTA'S ALTERNATIVE TEACHER**  
 26.24 **PROFESSIONAL PAY SYSTEM AND TEACHER DEVELOPMENT AND**  
 26.25 **EVALUATION PROGRAM.**

26.26           To better align Minnesota's alternative teacher professional pay system under  
 26.27 Minnesota Statutes, sections 122A.413 to 122A.416, and Minnesota's teacher development  
 26.28 and evaluation program under Minnesota Statutes, sections 122A.40, subdivision 8, and  
 26.29 122A.41, subdivision 5, and effect and fund an improved alignment of this system and  
 26.30 program, the commissioner of education must consult with stakeholders, including, but  
 26.31 not limited to, representatives of the Minnesota Association of School Administrators,  
 26.32 the Minnesota Association of Secondary School Principals, the Minnesota Elementary  
 26.33 School Principals' Association, Education Minnesota, Schools for Equity in Education, the  
 26.34 Minnesota Business Partnership, the Minnesota Chamber of Commerce, the Minnesota  
 26.35 School Boards Association, the Department of Education, the College of Education

27.1 and Human Development at the University of Minnesota, the Minnesota Association  
27.2 of the Colleges for Teacher Education, licensed elementary and secondary school  
27.3 teachers employed in school districts with an alternative teacher professional pay system  
27.4 agreement and licensed elementary and secondary school teachers employed in school  
27.5 districts without an alternative teacher professional pay system agreement, where one or  
27.6 more of these teachers may be a master teacher, peer evaluator, in another teacher leader  
27.7 position, or national board certified teacher, a teacher or school administrator employed in  
27.8 a Minnesota charter school with an alternative teacher professional pay system agreement  
27.9 and a teacher or school administrator employed in a Minnesota charter school without an  
27.10 alternative teacher professional pay system agreement, a parent or guardian of a student  
27.11 currently enrolled in a Minnesota public school, the Association of Metropolitan School  
27.12 Districts, and the Minnesota Rural Education Association. The commissioner also must  
27.13 consult with members of the house of representatives and members of the senate.

27.14 The commissioner, by February 1, 2015, must submit to the education policy and  
27.15 finance committees of the legislature written recommendations on better aligning and  
27.16 financing the alternative teacher professional pay system and teacher development and  
27.17 evaluation program.

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

27.19 **Sec. 9. CAREER AND TECHNICAL EDUCATION PROGRAM INVENTORY.**

27.20 (a) The commissioner of education must consult with experts knowledgeable about  
27.21 secondary and postsecondary career and technical education programs to determine the  
27.22 content and status of particular career and technical education programs in Minnesota  
27.23 school districts, including cooperating districts under Minnesota Statutes, 123A.33,  
27.24 subdivision 2, integration districts, and postsecondary institutions partnering with school  
27.25 districts or offering courses through PSEO or career and technical programs and the rates  
27.26 of student participation and completion for these various programs, including: agriculture,  
27.27 food, and natural resources; architecture and construction; arts, audiovisual technology,  
27.28 and communications; business management and administration; computer science; family  
27.29 and consumer science; finance; health science; hospitality and tourism; human services;  
27.30 information technology; manufacturing; marketing; science, technology, engineering, and  
27.31 mathematics; and transportation, distribution, and logistics.

27.32 (b) To accomplish paragraph (a) and to understand the current role of local school  
27.33 districts and postsecondary institutions in providing career and technical education  
27.34 programs, the commissioner of education, in consultation with experts, also must examine  
27.35 the extent to which secondary and postsecondary education programs offer students a

28.1 progression of coordinated, nonduplicative courses that adequately prepare students to  
 28.2 successfully complete a career and technical education program.

28.3 (c) The commissioner of education must submit a report by February 1, 2015,  
 28.4 to the education policy and finance committees of the legislature, consistent with this  
 28.5 section, and include information about each district's dedicated equipment, resources, and  
 28.6 relationships with postsecondary institutions and the local business community.

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

28.8 Sec. 10. **APPROPRIATIONS.**

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

28.12 Subd. 2. **Career and technical program inventory.** For the career and technical  
 28.13 program inventory program under section 9:

28.14 \$ 150,000 ..... 2015

28.15 This is a onetime appropriation.

28.16 Subd. 3. **Teacher Professional Pay System and Teacher Evaluation Program**  
 28.17 **alignment.** For the alignment and reporting activities under section 8:

28.18 \$ 25,000 ..... 2015

28.19 **ARTICLE 3**

28.20 **SPECIAL EDUCATION**

28.21 Section 1. Minnesota Statutes 2013 Supplement, section 125A.0942, is amended to read:

28.22 **125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.**

28.23 Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use  
 28.24 restrictive procedures shall maintain and make publicly accessible in an electronic format  
 28.25 on a school or district Web site or make a paper copy available upon request describing a  
 28.26 restrictive procedures plan for children with disabilities that at least:

28.27 (1) lists the restrictive procedures the school intends to use;

28.28 (2) describes how the school will implement a range of positive behavior strategies  
 28.29 and provide links to mental health services;

28.30 (3) describes how the school will provide training on de-escalation techniques,  
 28.31 consistent with section 122A.09, subdivision 4, paragraph (k);

29.1 (4) describes how the school will monitor and review the use of restrictive  
 29.2 procedures, including:

29.3 (i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a),  
 29.4 clause (5); and

29.5 (ii) convening an oversight committee to undertake a quarterly review of the use  
 29.6 of restrictive procedures based on patterns or problems indicated by similarities in the  
 29.7 time of day, day of the week, duration of the use of a procedure, the individuals involved,  
 29.8 or other factors associated with the use of restrictive procedures; the number of times a  
 29.9 restrictive procedure is used schoolwide and for individual children; the number and types  
 29.10 of injuries, if any, resulting from the use of restrictive procedures; whether restrictive  
 29.11 procedures are used in nonemergency situations; the need for additional staff training; and  
 29.12 proposed actions to minimize the use of restrictive procedures; and

29.13 ~~(4)~~ (5) includes a written description and documentation of the training staff  
 29.14 completed under subdivision 5.

29.15 (b) Schools annually must publicly identify oversight committee members who  
 29.16 must at least include:

29.17 (1) a mental health professional, school psychologist, or school social worker;

29.18 (2) an expert in positive behavior strategies;

29.19 (3) a special education administrator; and

29.20 (4) a general education administrator.

29.21 **Subd. 2. Restrictive procedures.** (a) Restrictive procedures may be used only  
 29.22 by a licensed special education teacher, school social worker, school psychologist,  
 29.23 behavior analyst certified by the National Behavior Analyst Certification Board, a person  
 29.24 with a master's degree in behavior analysis, other licensed education professional,  
 29.25 paraprofessional under section 120B.363, or mental health professional under section  
 29.26 245.4871, subdivision 27, who has completed the training program under subdivision 5.

29.27 (b) A school shall make reasonable efforts to notify the parent on the same day a  
 29.28 restrictive procedure is used on the child, or if the school is unable to provide same-day  
 29.29 notice, notice is sent within two days by written or electronic means or as otherwise  
 29.30 indicated by the child's parent under paragraph ~~(d)~~ (f).

29.31 (c) The district must hold a meeting of the individualized education program team,  
 29.32 conduct or review a functional behavioral analysis, review data, consider developing  
 29.33 additional or revised positive behavioral interventions and supports, consider actions to  
 29.34 reduce the use of restrictive procedures, and modify the individualized education program  
 29.35 or behavior intervention plan as appropriate. The district must hold the meeting: within  
 29.36 ten calendar days after district staff use restrictive procedures on two separate school

30.1 days within 30 calendar days or a pattern of use emerges and the child's individualized  
30.2 education program or behavior intervention plan does not provide for using restrictive  
30.3 procedures in an emergency; or at the request of a parent or the district after restrictive  
30.4 procedures are used. The district must review use of restrictive procedures at a child's  
30.5 annual individualized education program meeting when the child's individualized  
30.6 education program provides for using restrictive procedures in an emergency.

30.7 (d) If the individualized education program team under paragraph (c) determines  
30.8 that existing interventions and supports are ineffective in reducing the use of restrictive  
30.9 procedures or the district uses restrictive procedures on a child on ten or more school days  
30.10 during the same school year, the team, as appropriate, either must consult with other  
30.11 professionals working with the child; consult with experts in behavior analysis, mental  
30.12 health, communication, or autism; consult with culturally competent professionals;  
30.13 review existing evaluations, resources, and successful strategies; or consider whether to  
30.14 reevaluate the child.

30.15 (e) At the individualized education program meeting under paragraph (c), the team  
30.16 must review any known medical or psychological limitations, including any medical  
30.17 information the parent provides voluntarily, that contraindicate the use of a restrictive  
30.18 procedure, consider whether to prohibit that restrictive procedure, and document any  
30.19 prohibition in the individualized education program or behavior intervention plan.

30.20 (f) An individualized education program team may plan for using restrictive  
30.21 procedures and may include these procedures in a child's individualized education  
30.22 program or behavior intervention plan; however, the restrictive procedures may be used  
30.23 only in response to behavior that constitutes an emergency, consistent with this section.  
30.24 The individualized education program or behavior intervention plan shall indicate how the  
30.25 parent wants to be notified when a restrictive procedure is used.

30.26 **Subd. 3. Physical holding or seclusion.** (a) Physical holding or seclusion may be  
30.27 used only in an emergency. A school that uses physical holding or seclusion shall meet the  
30.28 following requirements:

30.29 (1) physical holding or seclusion is the least intrusive intervention that effectively  
30.30 responds to the emergency;

30.31 (2) physical holding or seclusion is not used to discipline a noncompliant child;

30.32 (3) physical holding or seclusion ends when the threat of harm ends and the staff  
30.33 determines the child can safely return to the classroom or activity;

30.34 (4) staff directly observes the child while physical holding or seclusion is being used;

31.1 (5) each time physical holding or seclusion is used, the staff person who implements  
31.2 or oversees the physical holding or seclusion documents, as soon as possible after the  
31.3 incident concludes, the following information:

31.4 (i) a description of the incident that led to the physical holding or seclusion;

31.5 (ii) why a less restrictive measure failed or was determined by staff to be  
31.6 inappropriate or impractical;

31.7 (iii) the time the physical holding or seclusion began and the time the child was  
31.8 released; and

31.9 (iv) a brief record of the child's behavioral and physical status;

31.10 (6) the room used for seclusion must:

31.11 (i) be at least six feet by five feet;

31.12 (ii) be well lit, well ventilated, adequately heated, and clean;

31.13 (iii) have a window that allows staff to directly observe a child in seclusion;

31.14 (iv) have tamperproof fixtures, electrical switches located immediately outside the  
31.15 door, and secure ceilings;

31.16 (v) have doors that open out and are unlocked, locked with keyless locks that  
31.17 have immediate release mechanisms, or locked with locks that have immediate release  
31.18 mechanisms connected with a fire and emergency system; and

31.19 (vi) not contain objects that a child may use to injure the child or others;

31.20 (7) before using a room for seclusion, a school must:

31.21 (i) receive written notice from local authorities that the room and the locking  
31.22 mechanisms comply with applicable building, fire, and safety codes; and

31.23 (ii) register the room with the commissioner, who may view that room; and

31.24 (8) until August 1, 2015, a school district may use prone restraints with children  
31.25 age five or older if:

31.26 (i) the district has provided to the department a list of staff who have had specific  
31.27 training on the use of prone restraints;

31.28 (ii) the district provides information on the type of training that was provided and  
31.29 by whom;

31.30 (iii) only staff who received specific training use prone restraints;

31.31 (iv) each incident of the use of prone restraints is reported to the department within  
31.32 five working days on a form provided by the department; and

31.33 (v) the district, before using prone restraints, must review any known medical or  
31.34 psychological limitations that contraindicate the use of prone restraints.

31.35 The department must collect data on districts' use of prone restraints and publish the data  
31.36 in a readily accessible format on the department's Web site on a quarterly basis.

32.1 (b) By ~~March 1, 2014~~ February 1, 2015, and annually thereafter, stakeholders must  
32.2 recommend to the commissioner specific and measurable implementation and outcome  
32.3 goals for reducing the use of restrictive procedures and the commissioner must submit to  
32.4 the legislature a report on districts' progress in reducing the use of restrictive procedures  
32.5 that recommends how to further reduce these procedures and eliminate the use of prone  
32.6 restraints. The statewide plan includes the following components: measurable goals; the  
32.7 resources, training, technical assistance, mental health services, and collaborative efforts  
32.8 needed to significantly reduce districts' use of prone restraints; and recommendations  
32.9 to clarify and improve the law governing districts' use of restrictive procedures. The  
32.10 commissioner must consult with interested stakeholders when preparing the report,  
32.11 including representatives of advocacy organizations, special education directors, teachers,  
32.12 paraprofessionals, intermediate school districts, school boards, day treatment providers,  
32.13 county social services, state human services department staff, mental health professionals,  
32.14 and autism experts. By June 30 each year, districts must report summary data on their  
32.15 use of restrictive procedures to the department, in a form and manner determined by the  
32.16 commissioner. The summary data must include information about the use of restrictive  
32.17 procedures, including use of reasonable force under section 121A.582.

32.18 Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

32.19 (1) engaging in conduct prohibited under section 121A.58;

32.20 (2) requiring a child to assume and maintain a specified physical position, activity,  
32.21 or posture that induces physical pain;

32.22 (3) totally or partially restricting a child's senses as punishment;

32.23 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,  
32.24 substance, or spray as punishment;

32.25 (5) denying or restricting a child's access to equipment and devices such as walkers,  
32.26 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,  
32.27 except when temporarily removing the equipment or device is needed to prevent injury  
32.28 to the child or others or serious damage to the equipment or device, in which case the  
32.29 equipment or device shall be returned to the child as soon as possible;

32.30 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or  
32.31 physical abuse under section 626.556;

32.32 (7) withholding regularly scheduled meals or water;

32.33 (8) denying access to bathroom facilities; and

32.34 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or  
32.35 impairs a child's ability to communicate distress, places pressure or weight on a child's



33.1 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in  
33.2 straddling a child's torso.

33.3 Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1, staff  
33.4 who use restrictive procedures, including paraprofessionals, shall complete training in  
33.5 the following skills and knowledge areas:

33.6 (1) positive behavioral interventions;

33.7 (2) communicative intent of behaviors;

33.8 (3) relationship building;

33.9 (4) alternatives to restrictive procedures, including techniques to identify events and  
33.10 environmental factors that may escalate behavior;

33.11 (5) de-escalation methods;

33.12 (6) standards for using restrictive procedures only in an emergency;

33.13 (7) obtaining emergency medical assistance;

33.14 (8) the physiological and psychological impact of physical holding and seclusion;

33.15 (9) monitoring and responding to a child's physical signs of distress when physical  
33.16 holding is being used;

33.17 (10) recognizing the symptoms of and interventions that may cause positional  
33.18 asphyxia when physical holding is used;

33.19 (11) district policies and procedures for timely reporting and documenting each  
33.20 incident involving use of a restricted procedure; and

33.21 (12) schoolwide programs on positive behavior strategies.

33.22 (b) The commissioner, after consulting with the commissioner of human services,  
33.23 must develop and maintain a list of training programs that satisfy the requirements of  
33.24 paragraph (a). The commissioner also must develop and maintain a list of experts to  
33.25 help individualized education program teams reduce the use of restrictive procedures.

33.26 The district shall maintain records of staff who have been trained and the organization  
33.27 or professional that conducted the training. The district may collaborate with children's  
33.28 community mental health providers to coordinate trainings.

33.29 Subd. 6. **Behavior supports; reasonable force.** (a) School districts are encouraged  
33.30 to establish effective schoolwide systems of positive behavior interventions and supports.

33.31 (b) Nothing in this section or section 125A.0941 precludes the use of reasonable  
33.32 force under sections 121A.582; 609.06, subdivision 1; and 609.379. For the 2014-2015  
33.33 school year and later, districts must collect and submit to the commissioner summary  
33.34 data, consistent with subdivision 3, paragraph (b), on district use of reasonable force  
33.35 that is consistent with the definition of physical holding or seclusion for a child with a  
33.36 disability under this section.

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

34.2 Sec. 2. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1, is  
34.3 amended to read:

34.4 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and  
34.5 later, when a school district provides special instruction and services for a pupil with  
34.6 a disability as defined in section 125A.02 outside the district of residence, excluding  
34.7 a pupil for whom an adjustment to special education aid is calculated according to  
34.8 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the  
34.9 resident district must be reduced by an amount equal to (1) the actual cost of providing  
34.10 special instruction and services to the pupil, including a proportionate amount for special  
34.11 transportation and unreimbursed building lease and debt service costs for facilities used  
34.12 primarily for special education, plus (2) the amount of general education revenue and  
34.13 referendum equalization aid attributable to that pupil, calculated using the resident district's  
34.14 average general education revenue and referendum equalization aid per adjusted pupil  
34.15 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity  
34.16 revenue, minus (3) the amount of special education aid for children with a disability  
34.17 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives  
34.18 special instruction and services outside the regular classroom for more than 60 percent  
34.19 of the school day, the amount of general education revenue and referendum equalization  
34.20 aid, excluding portions attributable to district and school administration, district support  
34.21 services, operations and maintenance, capital expenditures, and pupil transportation,  
34.22 attributable to that pupil for the portion of time the pupil receives special instruction  
34.23 and services outside of the regular classroom, calculated using the resident district's  
34.24 average general education revenue and referendum equalization aid per adjusted pupil unit  
34.25 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue  
34.26 and the serving district's basic skills revenue, elementary sparsity revenue and secondary  
34.27 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils  
34.28 served by a cooperative unit without a fiscal agent school district, the general education  
34.29 revenue and referendum equalization aid attributable to a pupil must be calculated using  
34.30 the resident district's average general education revenue and referendum equalization aid  
34.31 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity  
34.32 revenue. Special education aid paid to the district or cooperative providing special  
34.33 instruction and services for the pupil must be increased by the amount of the reduction in  
34.34 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision  
34.35 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and

35.1 expenditures on the resident school district's books of account under sections 123B.75  
 35.2 and 123B.76. If the resident district's special education aid is insufficient to make the full  
 35.3 adjustment, the remaining adjustment shall be made to other state aid due to the district.

35.4 (b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs  
 35.5 (b) to (d), a charter school where more than 30 percent of enrolled students receive special  
 35.6 education and related services, a site approved under section 125A.515, an intermediate  
 35.7 district, a special education cooperative, or a school district that served as the applicant  
 35.8 agency for a group of school districts for federal special education aids for fiscal year  
 35.9 2006 may apply to the commissioner for authority to charge the resident district an  
 35.10 additional amount to recover any remaining unreimbursed costs of serving pupils with  
 35.11 a disability. The application must include a description of the costs and the calculations  
 35.12 used to determine the unreimbursed portion to be charged to the resident district. Amounts  
 35.13 approved by the commissioner under this paragraph must be included in the tuition billings  
 35.14 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs  
 35.15 (b) to (d), as applicable.

35.16 (c) For purposes of this subdivision and section 127A.47, subdivision 7, ~~paragraphs~~  
 35.17 ~~(d) and (e)~~ paragraph (b), "general education revenue and referendum equalization aid"  
 35.18 means the sum of the general education revenue according to section 126C.10, subdivision  
 35.19 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph  
 35.20 (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

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

35.23 Sec. 3. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is  
 35.24 amended to read:

35.25 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,  
 35.26 the definitions in this subdivision apply.

35.27 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.  
 35.28 For the purposes of computing basic revenue pursuant to this section, each child with a  
 35.29 disability shall be counted as prescribed in section 126C.05, subdivision 1.

35.30 (c) "Essential personnel" means teachers, cultural liaisons, related services, and  
 35.31 support services staff providing services to students. Essential personnel may also include  
 35.32 special education paraprofessionals or clericals providing support to teachers and students  
 35.33 by preparing paperwork and making arrangements related to special education compliance  
 35.34 requirements, including parent meetings and individualized education programs. Essential  
 35.35 personnel does not include administrators and supervisors.

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

36.2 (e) "Program growth factor" means 1.046 for fiscal years 2012 ~~though~~ through 2015,  
36.3 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the  
36.4 program growth factor for the previous year for fiscal year 2018 and later.

36.5 (f) "Nonfederal special education expenditure" means all direct expenditures that  
36.6 are necessary and essential to meet the district's obligation to provide special instruction  
36.7 and services to children with a disability according to sections 124D.454, 125A.03 to  
36.8 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by  
36.9 the department under section 125A.75, subdivision 4, excluding expenditures:

36.10 (1) reimbursed with federal funds;

36.11 (2) reimbursed with other state aids under this chapter;

36.12 (3) for general education costs of serving students with a disability;

36.13 (4) for facilities;

36.14 (5) for pupil transportation; and

36.15 (6) for postemployment benefits.

36.16 (g) "Old formula special education expenditures" means expenditures eligible for  
36.17 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

36.18 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy  
36.19 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and  
36.20 fringe benefits of one-to-one instructional and behavior management aides and one-to-one  
36.21 licensed, certified professionals assigned to a child attending the academy, if the aides or  
36.22 professionals are required by the child's individualized education program.

36.23 ~~(h)~~ (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year  
36.24 2014 and 2.27 percent for fiscal year 2015.

36.25 ~~(i)~~ (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48  
36.26 for fiscal year 2015.

36.27 ~~(j)~~ (k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100  
36.28 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education  
36.29 aid increase limit for the previous fiscal year and \$40.

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

36.32 Sec. 4. Minnesota Statutes 2012, section 125A.76, subdivision 2, is amended to read:

36.33 Subd. 2. **Special education initial aid.** The special education initial aid equals the  
36.34 sum of the following amounts computed using current year data:

37.1 (1) 68 percent of the salary of each essential person employed in the district's program  
37.2 for children with a disability during the fiscal year, whether the person is employed by one  
37.3 or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

37.4 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy  
37.5 for the Blind, 68 percent of the salary of each ~~one-to-one~~ one-to-one instructional and  
37.6 behavior management aide and one-to-one licensed, certified professional assigned to  
37.7 a child attending the academy, if the aides or professionals are required by the child's  
37.8 individualized education program;

37.9 (3) for special instruction and services provided to any pupil by contracting with  
37.10 public, private, or voluntary agencies other than school districts, in place of special  
37.11 instruction and services provided by the district, 52 percent of the difference between  
37.12 the amount of the contract and the general education revenue, excluding basic skills  
37.13 revenue and alternative teacher compensation revenue, and referendum equalization aid  
37.14 attributable to a pupil, calculated using the resident district's average general education  
37.15 revenue and referendum equalization aid per adjusted pupil unit for the fraction of the  
37.16 school day the pupil receives services under the contract. This includes children who  
37.17 are residents of the state, receive services under this subdivision and subdivision 1, and  
37.18 are placed in a care and treatment facility by court action in a state that does not have a  
37.19 reciprocity agreement with the commissioner under section 125A.155 as provided for in  
37.20 section 125A.79, subdivision 8;

37.21 (4) for special instruction and services provided to any pupil by contracting for  
37.22 services with public, private, or voluntary agencies other than school districts, that are  
37.23 supplementary to a full educational program provided by the school district, 52 percent of  
37.24 the amount of the contract for that pupil;

37.25 (5) for supplies and equipment purchased or rented for use in the instruction of  
37.26 children with a disability, an amount equal to 47 percent of the sum actually expended by  
37.27 the district, or a Minnesota correctional facility operating on a fee-for-service basis, but  
37.28 not to exceed an average of \$47 in any one school year for each child with a disability  
37.29 receiving instruction;

37.30 (6) for fiscal years 1997 and later, special education base revenue shall include  
37.31 amounts under clauses (1) to (5) for special education summer programs provided during  
37.32 the base year for that fiscal year;

37.33 (7) the cost of providing transportation services for children with disabilities under  
37.34 section 123B.92, subdivision 1, paragraph (b), clause (4); and

37.35 (8) the district's transition-disabled program initial aid according to section  
37.36 124D.454, subdivision 3.

38.1 The department shall establish procedures through the uniform financial accounting  
 38.2 and reporting system to identify and track all revenues generated from third-party billings  
 38.3 as special education revenue at the school district level; include revenue generated from  
 38.4 third-party billings as special education revenue in the annual cross-subsidy report; and  
 38.5 exclude third-party revenue from calculation of excess cost aid to the districts.

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

38.8 Sec. 5. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2a, is  
 38.9 amended to read:

38.10 Subd. 2a. **Special education initial aid.** For fiscal year 2016 and later, a district's  
 38.11 special education initial aid equals the sum of:

38.12 (1) the ~~lesser~~ least of 62 percent of the district's old formula special education  
 38.13 expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50  
 38.14 percent of the district's nonfederal special education expenditures for the prior year,  
 38.15 excluding pupil transportation expenditures, or 56 percent of the product of the sum of the  
 38.16 following amounts, computed using prior fiscal year data, and the program growth factor:

38.17 (i) the product of the district's average daily membership served and the sum of:

38.18 (A) \$450; plus

38.19 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1  
 38.20 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1  
 38.21 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

38.22 (C) .008 times the district's average daily membership served; plus

38.23 (ii) \$10,400 times the December 1 child count for the primary disability areas of  
 38.24 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

38.25 (iii) \$18,000 times the December 1 child count for the primary disability areas of  
 38.26 deaf and hard-of-hearing and emotional or behavioral disorders; plus

38.27 (iv) \$27,000 times the December 1 child count for the primary disability areas of  
 38.28 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,  
 38.29 physically impaired, visually impaired, and deafblind; plus

38.30 (2) the cost of providing transportation services for children with disabilities under  
 38.31 section 123B.92, subdivision 1, paragraph (b), clause (4).

38.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
 38.33 and later.

39.1 Sec. 6. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2b, is  
 39.2 amended to read:

39.3 Subd. 2b. **Cross subsidy reduction aid.** For fiscal years 2014 and 2015, the cross  
 39.4 subsidy reduction aid for a school district, not including a charter school, equals the  
 39.5 lesser of (a) the product of the cross subsidy reduction aid limit and the district's average  
 39.6 daily membership served or (b) the sum of the product of the cross subsidy reduction aid  
 39.7 percentage, the district's average daily membership served, and the sum of:

39.8 (1) \$450; plus

39.9 (2) \$400 times the ratio of the sum of the number of pupils enrolled on October 1  
 39.10 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1  
 39.11 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

39.12 (3) .008 times the district's average daily membership served; plus the product of the  
 39.13 cross subsidy aid percentage and the sum of:

39.14 (i) \$10,100 times the December 1 child count for the primary disability areas of  
 39.15 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

39.16 (ii) \$17,500 times the December 1 child count for the primary disability areas of  
 39.17 deaf and hard-of-hearing and emotional or behavioral disorders; plus

39.18 (iii) \$26,000 times the December 1 child count for the primary disability areas of  
 39.19 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,  
 39.20 physically impaired, visually impaired, and deafblind.

39.21 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 39.22 and applies to revenue for fiscal year 2014 and later.

39.23 Sec. 7. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c, is  
 39.24 amended to read:

39.25 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a  
 39.26 district's special education aid equals the sum of the district's special education ~~initial~~ aid  
 39.27 under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and  
 39.28 the district's excess cost aid under section 125A.79, subdivision 7.

39.29 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of  
 39.30 the district's special education initial aid under subdivision 2a and the district's excess cost  
 39.31 aid under section 125A.79, subdivision 5.

39.32 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for  
 39.33 a school district must not exceed the sum of the special education aid the district would  
 39.34 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76  
 39.35 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and

40.1 127A.47, subdivision 7, and the product of the district's average daily membership served  
40.2 and the special education aid increase limit.

40.3 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education  
40.4 aid for a school district must not exceed the sum of: (i) the product of the district's average  
40.5 daily membership served and the special education aid increase limit and (ii) the product  
40.6 of the sum of the special education aid the district would have received for fiscal year 2016  
40.7 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according  
40.8 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of  
40.9 the district's average daily membership served for the current fiscal year to the district's  
40.10 average daily membership served for fiscal year 2016, and the program growth factor.

40.11 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education  
40.12 aid for a school district, not including a charter school, must not be less than the lesser of  
40.13 (1) the district's nonfederal special education expenditures for that fiscal year or (2) the  
40.14 product of the sum of the special education aid the district would have received for fiscal  
40.15 year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted  
40.16 according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the  
40.17 ratio of the district's adjusted daily membership for the current fiscal year to the district's  
40.18 average daily membership for fiscal year 2016, and the program growth factor.

40.19 **EFFECTIVE DATE.** This section is effective the day following final enactment  
40.20 and applies to revenue for fiscal year 2014 and later.

40.21 Sec. 8. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is  
40.22 amended to read:

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

40.25 (a) "Unreimbursed old formula special education expenditures" means:

40.26 (1) old formula special education expenditures for the prior fiscal year; minus

40.27 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section  
40.28 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under  
40.29 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education  
40.30 initial aid under section 125A.76, subdivision 2a; minus

40.31 (3) the amount of general education revenue, excluding local optional revenue, plus  
40.32 local optional aid and referendum equalization aid for the prior fiscal year attributable  
40.33 to pupils receiving special instruction and services outside the regular classroom for  
40.34 more than 60 percent of the school day for the portion of time the pupils receive special  
40.35 instruction and services outside the regular classroom, excluding portions attributable to



41.1 district and school administration, district support services, operations and maintenance,  
41.2 capital expenditures, and pupil transportation.

41.3 (b) "Unreimbursed nonfederal special education expenditures" means:

41.4 (1) nonfederal special education expenditures for the prior fiscal year; minus

41.5 (2) special education initial aid under section 125A.76, subdivision 2a; minus

41.6 (3) for fiscal year 2016 and later, the amount of general education revenue and

41.7 referendum equalization aid for the prior fiscal year attributable to pupils receiving

41.8 special instruction and services outside the regular classroom for more than 60 percent of

41.9 the school day for the portion of time the pupils receive special instruction and services

41.10 outside of the regular classroom, excluding portions attributable to district and school

41.11 administration, district support services, operations and maintenance, capital expenditures,

41.12 and pupil transportation.

41.13 (c) "General revenue" for a school district means the sum of the general education

41.14 revenue according to section 126C.10, subdivision 1, excluding alternative teacher

41.15 compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, local optional

41.16 revenue, and total operating capital revenue. "General revenue" for a charter school means

41.17 the sum of the general education revenue according to section 124D.11, subdivision 1, and

41.18 transportation revenue according to section 124D.11, subdivision 2, excluding alternative

41.19 teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~, transportation

41.20 sparsity revenue ~~minus~~, and operating capital revenue.

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

41.22 and applies to revenue for fiscal year 2014 and later.

41.23 Sec. 9. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is

41.24 amended to read:

41.25 Subd. 5. **Initial Excess cost aid.** For fiscal year 2016 and later, a district's ~~initial~~

41.26 excess cost aid equals the greater of:

41.27 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal

41.28 special education expenditures and (ii) 7.0 percent of the district's general revenue;

41.29 (2) 62 percent of the difference between (i) the district's unreimbursed old formula

41.30 special education expenditures and (ii) 2.5 percent of the district's general revenue; or

41.31 (3) zero.

41.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016

41.33 and later.

42.1 Sec. 10. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is  
 42.2 amended to read:

42.3 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive  
 42.4 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and  
 42.5 treatment facility by court action in a state that does not have a reciprocity agreement with  
 42.6 the commissioner under section 125A.155, the resident school district shall ~~submit the~~  
 42.7 ~~balance~~ receive special education out-of-state tuition aid equal to the amount of the tuition  
 42.8 bills, minus (1) the general education revenue, excluding basic skills revenue and the local  
 42.9 optional levy attributable to the pupil, calculated using the resident district's average  
 42.10 general education revenue per adjusted pupil unit, and (2) the referendum equalization aid  
 42.11 attributable to the pupil, calculated using the resident district's average general education  
 42.12 revenue and referendum equalization aid per adjusted pupil unit minus, and (3) the special  
 42.13 education contracted services initial revenue aid attributable to the pupil.

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

42.16 Sec. 11. Laws 2013, chapter 116, article 5, section 31, subdivision 8, is amended to read:

42.17 Subd. 8. **Special education paperwork cost savings.** (a) For the contract to  
 42.18 customize a statewide online reporting system and effect special education paperwork  
 42.19 cost savings:

42.20 \$ 1,763,000 ..... 2014

42.21 For a transfer to MNIT. This appropriation is available in fiscal year 2015 ~~if not~~ and  
 42.22 must be expended according to this subdivision for online due process reporting.

42.23 (b) To ensure a strong focus on outcomes for children with disabilities informs  
 42.24 federal and state compliance and accountability requirements and to increase opportunities  
 42.25 for special educators and related-services providers to focus on teaching children with  
 42.26 disabilities, the commissioner must customize a streamlined, user-friendly statewide  
 42.27 online system, with a single model online form, for effectively and efficiently collecting  
 42.28 and reporting required special education-related data to individuals with a legitimate  
 42.29 educational interest and who are authorized by law to access the data.

42.30 (c) The commissioner must consult with qualified experts, including information  
 42.31 technology specialists, licensed special education teachers and directors of special  
 42.32 education, related-services providers, third-party vendors, a designee of the commissioner  
 42.33 of human services, parents of children with disabilities, representatives of advocacy groups  
 42.34 representing children with disabilities, and representatives of school districts and special

43.1 education cooperatives on integrating, field testing, customizing, and sustaining this simple,  
43.2 easily accessible, efficient, and effective online data system for uniform statewide reporting  
43.3 of required due process compliance data. Among other outcomes, the system must:

43.4 (1) reduce special education teachers' paperwork burden and thereby increase the  
43.5 teachers' opportunities to focus on teaching children;

43.6 (2) to the extent authorized by chapter 13 or other applicable state or federal law  
43.7 governing access to and dissemination of educational records, provide for efficiently  
43.8 and effectively transmitting the records of all transferring children with disabilities,  
43.9 including highly mobile and homeless children with disabilities, among others, and avoid  
43.10 fragmented service delivery;

43.11 (3) address language and other barriers and disparities that prevent parents from  
43.12 understanding and communicating information about the needs of their children with  
43.13 disabilities; and

43.14 (4) help continuously improve the interface among the online systems serving  
43.15 children with disabilities in order to maintain and reinforce the children's ability to learn.

43.16 (d) The commissioner must use the federal Office of Special Education Programs  
43.17 model forms for the (1) individualized education program, (2) notice of procedural  
43.18 safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate  
43.19 and customize a state-sponsored universal special education online case management  
43.20 system, consistent with the requirements of state law and this subdivision for customizing  
43.21 a statewide online reporting system. The commissioner must use a request for proposal  
43.22 process to contract for the technology and software needed for customizing the online  
43.23 system in order for the system to be fully functional, consistent with the requirements of  
43.24 this subdivision. This online system must be made available to school districts without  
43.25 charge beginning in the 2015-2016 school year. All actions in which data in the system  
43.26 are entered, updated, accessed, or shared or disseminated outside of the system, must be  
43.27 recorded in a data audit trail. The audit trail must identify the user responsible for the  
43.28 action, and the date and time the action occurred. Data contained in the audit trail maintain  
43.29 the same classification as the underlying data that was affected by the action, and may be  
43.30 accessed by the responsible authority at any time for purposes of auditing the system's  
43.31 user activity and security safeguards. For the 2015-2016 through 2017-2018 school years,  
43.32 school districts may use this online system or may contract with an outside vendor for  
43.33 compliance reporting. Beginning in the 2018-2019 school year and later, school districts  
43.34 must use this online system for compliance reporting.

43.35 (e) Consistent with this subdivision, the commissioner must establish a public  
43.36 Internet Web interface to provide information to educators, parents, and the public about

44.1 the form and content of required special education reports, to respond to queries from  
 44.2 educators, parents, and the public about specific aspects of special education reports and  
 44.3 reporting, and to use the information garnered from the interface to streamline and revise  
 44.4 special education reporting on the online system under this subdivision. The public Internet  
 44.5 Web interface must not provide access to the educational records of any individual child.

44.6 (f) The commissioner annually by February 1 must submit to the legislature a report  
 44.7 on the status, recent changes, and sustainability of the online system under this subdivision.

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

44.9 Sec. 12. **RULEMAKING AUTHORITY; SPECIAL EDUCATION TASK FORCE**  
 44.10 **RECOMMENDATIONS.**

44.11 The commissioner of education must use the expedited rulemaking process under  
 44.12 Minnesota Statutes, section 14.389, including subdivision 5, to make the rule changes  
 44.13 recommended by the Special Education Case Load and Rule Alignment Task Force in  
 44.14 its 2014 report entitled "Recommendations for Special Education Case Load and Rule  
 44.15 Alignment" submitted to the legislature on February 15, 2014.

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

44.17 Sec. 13. **APPROPRIATION.**

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

44.21 Subd. 2. **Department assistance.** For the commissioner of education to assist  
 44.22 school districts in meeting the needs of children who have experienced a high use of prone  
 44.23 restraints, consistent with Minnesota Statutes 2013 Supplement, section 125A.0942:

44.24 §           250,000   ..... 2015

44.25 The commissioners of education and human services, or their designees, must  
 44.26 discuss coordinating use of funds and personnel available for this purpose within their  
 44.27 respective departments. This is a onetime appropriation.

44.28 **ARTICLE 4**

44.29 **FACILITIES**

44.30 Section 1. **[123A.482] JOINT POWERS COOPERATIVE FACILITY.**

45.1 Subdivision 1. **Schools may be jointly operated.** Two or more school districts may  
45.2 agree to jointly operate a secondary facility. The districts may choose to operate the  
45.3 facility according to a joint powers agreement under section 123A.78 or 471.59.

45.4 Subd. 2. **Expanded program offerings.** A jointly operated secondary program  
45.5 seeking funding under section 123A.485 must demonstrate to the commissioner's  
45.6 satisfaction that the jointly operated program provides enhanced learning opportunities and  
45.7 broader curriculum offerings to the students attending that program. The commissioner  
45.8 must approve or disapprove a cooperative secondary program within 60 days of receipt of  
45.9 an application.

45.10 Subd. 3. **Transfer of employees.** If an employee is transferred between two  
45.11 employer members of the joint powers agreement under this section, the employee's  
45.12 length of service under section 122A.40, subdivision 5, remains uninterrupted. The  
45.13 employee shall receive credit on the receiving district's salary schedule for the employee's  
45.14 educational attainment and years of continuous service in the sending district, or shall  
45.15 receive a comparable salary, whichever is greater. The employee shall receive credit for  
45.16 accrued sick leave and rights to severance benefits as if the employee had been employed  
45.17 by the receiving district during the employee's years of employment in the sending district.

45.18 Subd. 4. **Revenue.** An approved program that is jointly operated under this section  
45.19 is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections  
45.20 123A.44 to 123A.446.

45.21 Subd. 5. **Duty to maintain elementary and secondary schools met.** A school  
45.22 district operating a joint facility under this section meets the requirements of section  
45.23 123A.64.

45.24 Subd. 6. **Estimated market value limit exclusion.** Bonds for a cooperative facility  
45.25 operated under this section issued by a member school district are not subject to the net  
45.26 debt limit under section 475.53, subdivision 4.

45.27 Subd. 7. **Allocation of levy authority for joint facility.** For purposes of determining  
45.28 each member district's school levy, a jointly operated secondary program may allocate  
45.29 program costs to each member district according to the joint powers agreement and each  
45.30 member district may include those costs in its tax levy. The joint powers agreement may  
45.31 choose to allocate costs on any basis adopted as part of the joint powers agreement.

45.32 Subd. 8. **Effect of consolidation.** The joint powers agreement may allow member  
45.33 school districts that choose to consolidate to continue to certify levies separately based on  
45.34 each component district's characteristics.

45.35 Subd. 9. **Bonds.** A joint powers district formed under this section may issue bonds  
45.36 according to section 123A.78 or its member districts may issue bonds individually after

46.1 complying with this subdivision. The joint powers board must submit the project for  
 46.2 review and comment under section 123B.71. The joint powers board must hold a hearing  
 46.3 on the proposal. If the bonds are not issued under section 123A.78, each member district  
 46.4 of the joint powers district must submit the question of authorizing borrowing of funds for  
 46.5 the project to the voters of the district at a special election. The question submitted shall  
 46.6 state the total amount of funding needed from that district. The member district may issue  
 46.7 the bonds according to chapter 475 and certify the levy required by section 475.61 only if  
 46.8 a majority of those voting on the question in that district vote in the affirmative and only  
 46.9 after the board has adopted a resolution pledging the full faith and credit of that unit. The  
 46.10 resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy  
 46.11 shortages that, together with other funds available, would allow the member school board  
 46.12 to pay the principal and interest on the obligations. The clerk of the joint powers board  
 46.13 must certify the vote of any bond elections to the commissioner. Bonds issued under this  
 46.14 section first qualify for debt service equalization aid in fiscal year 2018.

46.15 Subd. 10. **Election.** A district entering into a joint powers agreement under this  
 46.16 section may conduct a referendum seeking approval for a new facility. This election may  
 46.17 be held separately or at the same time as a bond election under subdivision 9. If the  
 46.18 election is held at the same time, the questions may be asked separately or as a conjunctive  
 46.19 question. The question must be approved by a majority of those voting on the question.  
 46.20 If asked separately and the question fails, a district may not proceed with the sale of  
 46.21 bonds according to subdivision 9.

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

46.23 Sec. 2. Minnesota Statutes 2012, section 123A.485, is amended to read:

46.24 **123A.485 CONSOLIDATION TRANSITION REVENUE AID.**

46.25 Subdivision 1. **Eligibility and use.** A district that operates a cooperative facility  
 46.26 under section 123A.482 or that has been reorganized after June 30, 1994, under section  
 46.27 123A.48 is eligible for consolidation transition revenue. Revenue is equal to the sum of  
 46.28 aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue  
 46.29 aid may only be used according to this section. Revenue must be used for the following  
 46.30 purposes and may be distributed among these purposes at the discretion of the district or  
 46.31 the governing board of the cooperative facility:

46.32 (1) to offer early retirement incentives as provided by section 123A.48, subdivision  
 46.33 23;

46.34 (2) to reduce operating debt as defined in section 123B.82;

47.1 (3) to enhance learning opportunities for students in the reorganized district; ~~and~~  
47.2 (4) to repay building debt; or  
47.3 (5) for other costs incurred in the reorganization.

47.4 Revenue received and utilized under clause (3) or ~~(4)~~ (5) may be expended for  
47.5 operating, facilities, and/or equipment.

47.6 Subd. 2. **Aid.** ~~(a) Consolidation transition aid is equal to \$200 \$300 times the~~  
47.7 ~~number of resident adjusted pupil units in the newly created cooperative facility under~~  
47.8 ~~section 123A.482 or the consolidated district in the year of consolidation and \$100 times~~  
47.9 ~~the number of resident pupil units in the first year following the year of consolidation~~  
47.10 ~~under section 123A.48. The number of pupil units used to calculate aid in either year~~  
47.11 ~~shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts~~  
47.12 ~~consolidating July 1, 1995, and thereafter~~ A district may receive aid under this section for  
47.13 not more than five years except as provided in subdivision 4.

47.14 ~~(b) If the total appropriation for consolidation transition aid for any fiscal year, plus~~  
47.15 ~~any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all~~  
47.16 ~~districts the full amount of aid earned, the department must first pay the districts in the first~~  
47.17 ~~year following the year of consolidation the full amount of aid earned and distribute any~~  
47.18 ~~remaining funds to the newly created districts in the first year of consolidation.~~

47.19 Subd. 3. **Levy.** If the aid available in subdivision 2 is insufficient to cover the costs  
47.20 of the district under section 123A.48, subdivision 23, the district may levy the difference  
47.21 over a period of time not to exceed three years.

47.22 Subd. 4. **New districts.** If a district enters into a cooperative secondary facilities  
47.23 program or consolidates with another district that has received aid under section 123A.39,  
47.24 subdivision 3, or 123A.485 for a combination or consolidation taking effect within  
47.25 six years of the effective date of the new consolidation or the start of the cooperative  
47.26 secondary facilities program, only the pupil units in the district or districts not previously  
47.27 cooperating or reorganized must be counted for aid purposes under subdivision 2. If  
47.28 two or more districts consolidate and all districts received aid under subdivision 2 for a  
47.29 consolidation taking effect within six years of the effective date of the new consolidation,  
47.30 only one quarter of the pupil units in the newly created district must be used to determine  
47.31 aid under subdivision 2.

47.32 **EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2017  
47.33 and later.

48.1 Sec. 3. Minnesota Statutes 2012, section 123A.64, is amended to read:

48.2 **123A.64 DUTY TO MAINTAIN ELEMENTARY AND SECONDARY**  
48.3 **SCHOOLS.**

48.4 Each district must maintain classified elementary and secondary schools, grades 1  
48.5 through 12, unless the district is exempt according to section 123A.61 or 123A.62, has  
48.6 made an agreement with another district or districts as provided in sections 123A.30,  
48.7 123A.32, or sections 123A.35 to 123A.43, or 123A.17, subdivision 7, ~~or~~ has received a  
48.8 grant under sections 123A.441 to 123A.446, or has formed a cooperative under section  
48.9 123A.482. A district that has an agreement according to sections 123A.35 to 123A.43 or  
48.10 123A.32 must operate a school with the number of grades required by those sections. A  
48.11 district that has an agreement according to section 123A.30 or 123A.17, subdivision 7, or  
48.12 has received a grant under sections 123A.441 to 123A.446 must operate a school for the  
48.13 grades not included in the agreement, but not fewer than three grades.

48.14 Sec. 4. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 1, is  
48.15 amended to read:

48.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service  
48.17 revenue of a district is defined as follows:

48.18 (1) the amount needed to produce between five and six percent in excess of the  
48.19 amount needed to meet when due the principal and interest payments on the obligations  
48.20 of the district for eligible projects according to subdivision 2, including the amounts  
48.21 necessary for repayment of energy loans according to section 216C.37 or sections 298.292  
48.22 to 298.298, debt service loans and capital loans, lease purchase payments under section  
48.23 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision  
48.24 5, paragraph (a), minus

48.25 (2) the amount of debt service excess levy reduction for that school year calculated  
48.26 according to the procedure established by the commissioner.

48.27 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

48.28 (1) obligations under section 123B.61;

48.29 (2) the part of debt service principal and interest paid from the taconite environmental  
48.30 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of  
48.31 taconite payments from the Iron Range school consolidation and cooperatively operated  
48.32 school account under section 298.28, subdivision 7a;

48.33 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as  
48.34 amended by Laws 1992, chapter 499, article 5, section 24; ~~and~~

48.35 (4) obligations under section 123B.62; and



49.1 (5) obligations equalized under section 123B.535.

49.2 (c) For purposes of this section, if a preexisting school district reorganized under  
49.3 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement  
49.4 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt  
49.5 service equalization aid must be computed separately for each of the preexisting districts.

49.6 (d) For purposes of this section, the adjusted net tax capacity determined according  
49.7 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
49.8 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

49.9 **EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

49.10 Sec. 5. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 5, is  
49.11 amended to read:

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

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

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

49.20 (2) ~~\$3,550~~ \$4,970.

49.21 (c) A district's second tier equalized debt service levy equals the district's second tier  
49.22 debt service equalization revenue times the lesser of one or the ratio of:

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

49.26 (2) ~~\$7,900~~ \$8,000.

49.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016  
49.28 and later.

49.29 Sec. 6. **[123B.535] NATURAL DISASTER DEBT SERVICE EQUALIZATION.**

49.30 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible natural  
49.31 disaster debt service revenue of a district is defined as the amount needed to produce  
49.32 between five and six percent in excess of the amount needed to meet when due the

50.1 principal and interest payments on the obligations of the district that would otherwise  
50.2 qualify under section 123B.53 under the following conditions:

50.3 (1) the district was impacted by a natural disaster event or area occurring January  
50.4 1, 2005, or later, as declared by the President of the United States of America, which is  
50.5 eligible for Federal Emergency Management Agency payments;

50.6 (2) the natural disaster caused \$500,000 or more in damages to school district  
50.7 buildings; and

50.8 (3) the repair and replacement costs are not covered by insurance payments or  
50.9 Federal Emergency Management Agency payments.

50.10 (b) For purposes of this section, the adjusted net tax capacity equalizing factor  
50.11 equals the quotient derived by dividing the total adjusted net tax capacity of all school  
50.12 districts in the state for the year before the year the levy is certified by the total number of  
50.13 adjusted pupil units in the state for the year prior to the year the levy is certified.

50.14 (c) For purposes of this section, the adjusted net tax capacity determined according  
50.15 to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property  
50.16 generally exempted from ad valorem taxes under section 272.02, subdivision 64.

50.17 Subd. 2. **Notification.** A district eligible for natural disaster debt service  
50.18 equalization revenue under subdivision 1 must notify the commissioner of the amount of  
50.19 its intended natural disaster debt service revenue calculated under subdivision 1 for all  
50.20 bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

50.21 Subd. 3. **Natural disaster debt service equalization revenue.** The debt service  
50.22 equalization revenue of a district equals the greater of zero or the eligible debt service  
50.23 revenue, minus the greater of zero or the difference between:

50.24 (1) the amount raised by a levy of ten percent times the adjusted net tax capacity  
50.25 of the district; and

50.26 (2) the district's eligible debt service revenue under section 123B.53.

50.27 Subd. 4. **Equalized natural disaster debt service levy.** A district's equalized  
50.28 natural disaster debt service levy equals the district's natural disaster debt service  
50.29 equalization revenue times the lesser of one or the ratio of:

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

50.33 (2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

50.34 Subd. 5. **Natural disaster debt service equalization aid.** A district's natural  
50.35 disaster debt service equalization aid equals the difference between the district's natural

51.1 disaster debt service equalization revenue and the district's equalized natural disaster  
 51.2 debt service levy.

51.3 Subd. 6. **Natural disaster debt service equalization aid payment schedule.** Debt  
 51.4 service equalization aid must be paid according to section 127A.45, subdivision 10.

51.5 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and  
 51.6 revenue for fiscal year 2017 and later.

51.7 Sec. 7. Minnesota Statutes 2013 Supplement, section 123B.54, is amended to read:

51.8 **123B.54 DEBT SERVICE APPROPRIATION.**

51.9 (a) The amount necessary to make debt service equalization aid payments under  
 51.10 ~~section~~ sections 123B.53 and 123B.535 is annually appropriated from the general fund to  
 51.11 the commissioner of education.

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

51.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
 51.15 and later.

51.16 Sec. 8. Minnesota Statutes 2012, section 123B.71, subdivision 8, is amended to read:

51.17 Subd. 8. **Review and comment.** A school district, a special education cooperative,  
 51.18 or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not  
 51.19 initiate an installment contract for purchase or a lease agreement, hold a referendum for  
 51.20 bonds, nor solicit bids for new construction, expansion, or remodeling of an educational  
 51.21 facility that requires an expenditure in excess of \$500,000 per school site if it has a capital  
 51.22 loan outstanding, or ~~\$1,400,000~~ \$2,000,000 per school site if it does not have a capital  
 51.23 loan outstanding, prior to review and comment by the commissioner. ~~The commissioner~~  
 51.24 ~~may exempt~~ A facility addition, maintenance project, or remodeling project funded only  
 51.25 with general education aid and levy revenue, deferred maintenance revenue, alternative  
 51.26 facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond  
 51.27 proceeds, or health and safety revenue is exempt from this provision after reviewing a  
 51.28 written request from a school district describing the scope of work. A capital project under  
 51.29 section 123B.63 addressing only technology is exempt from this provision if the district  
 51.30 submits a school board resolution stating that funds approved by the voters will be used  
 51.31 only as authorized in section 126C.10, subdivision 14. A school board shall not separate  
 51.32 portions of a single project into components to avoid the requirements of this subdivision.

52.1 Sec. 9. Minnesota Statutes 2012, section 123B.71, subdivision 9, is amended to read:

52.2 Subd. 9. **Information required.** A school board proposing to construct, expand,  
52.3 or remodel a facility described in that requires a review and comment under subdivision  
52.4 8 shall submit to the commissioner a proposal containing information including at least  
52.5 the following:

52.6 (1) the geographic area and population to be served, preschool through grade 12  
52.7 student enrollments for the past five years, and student enrollment projections for the  
52.8 next five years;

52.9 (2) a list of existing facilities by year constructed, their uses, and an assessment of  
52.10 the extent to which alternate facilities are available within the school district boundaries  
52.11 and in adjacent school districts;

52.12 (3) a list of the specific deficiencies of the facility that demonstrate the need for a  
52.13 new or renovated facility to be provided, the process used to determine the deficiencies, a  
52.14 list of those deficiencies that will and will not be addressed by the proposed project, and a  
52.15 list of the specific benefits that the new or renovated facility will provide to the students,  
52.16 teachers, and community users served by the facility;

52.17 ~~(4) the relationship of the project to any priorities established by the school district,~~  
52.18 ~~educational cooperatives that provide support services, or other public bodies in the~~  
52.19 ~~service area;~~

52.20 ~~(5) a description of the pedestrian, bicycle, and transit connections between the~~  
52.21 ~~school and nearby residential areas that make it easier for children, teachers, and parents~~  
52.22 ~~to get to the school by walking, bicycling, and taking transit;~~

52.23 ~~(6) a specification of how the project maximizes the opportunity for cooperative use~~  
52.24 ~~of existing park, recreation, and other public facilities and whether and how the project~~  
52.25 ~~will increase collaboration with other governmental or nonprofit entities;~~

52.26 ~~(7)~~ (4) a description of the project, including the specification of site and outdoor  
52.27 space acreage and square footage allocations for classrooms, laboratories, and support  
52.28 spaces; estimated expenditures for the major portions of the project; and the dates the  
52.29 project will begin and be completed;

52.30 ~~(8)~~ (5) a specification of the source of financing the project, including applicable  
52.31 statutory citations; the scheduled date for a bond issue or school board action; a schedule  
52.32 of payments, including debt service equalization aid; and the effect of a bond issue on  
52.33 local property taxes by the property class and valuation;

52.34 ~~(9) an analysis of how the proposed new or remodeled facility will affect school~~  
52.35 ~~district operational or administrative staffing costs, and how the district's operating budget~~  
52.36 ~~will cover any increased operational or administrative staffing costs;~~

53.1 ~~(10) a description of the consultation with local or state transportation officials~~  
53.2 ~~on multimodal school site access and safety issues, and the ways that the project will~~  
53.3 ~~address those issues;~~

53.4 ~~(11) a description of how indoor air quality issues have been considered and a~~  
53.5 ~~certification that the architects and engineers designing the facility will have professional~~  
53.6 ~~liability insurance;~~

53.7 ~~(12) as required under section 123B.72, for buildings coming into service after July 1,~~  
53.8 ~~2002, a certification that the plans and designs for the extensively renovated or new facility's~~  
53.9 ~~heating, ventilation, and air conditioning systems will meet or exceed code standards; will~~  
53.10 ~~provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and~~  
53.11 ~~will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;~~

53.12 ~~(13) a specification of any desegregation requirements that cannot be met by any~~  
53.13 ~~other reasonable means;~~

53.14 ~~(14) a specification of how the facility will utilize environmentally sustainable~~  
53.15 ~~school facility design concepts;~~

53.16 ~~(15) a description of how the architects and engineers have considered the American~~  
53.17 ~~National Standards Institute Acoustical Performance Criteria, Design Requirements~~  
53.18 ~~and Guidelines for Schools of the maximum background noise level and reverberation~~  
53.19 ~~times; and~~

53.20 ~~(16) any existing information from the relevant local unit of government about the~~  
53.21 ~~cumulative costs to provide infrastructure to serve the school, such as utilities, sewer,~~  
53.22 ~~roads, and sidewalks.~~

53.23 (6) documents obligating the school district and contractors to comply with items (i)  
53.24 to (vii) in planning and executing the project:

53.25 (i) section 471.346 governing municipal contracts;

53.26 (ii) sustainable design;

53.27 (iii) school facility commissioning under section 123B.72 certifying the plans and  
53.28 designs for the heating, ventilating, air conditioning, and air filtration for an extensively  
53.29 renovated or new facility meet or exceed current code standards, including the ASHRAE  
53.30 air filtration standard 52.1;

53.31 (iv) American National Standards Institute Acoustical Performance Criteria, Design  
53.32 Requirements and Guidelines for Schools on maximum background noise level and  
53.33 reverberation times;

53.34 (v) State Fire Code;

53.35 (vi) chapter 326B governing building codes; and

54.1 (vii) consultation with affected government units about the impact of the project  
54.2 on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic,  
54.3 access to mass transit, and safe access for pedestrians and cyclists.

54.4 Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2d,  
54.5 is amended to read:

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

54.10 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil  
54.11 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the  
54.12 district or charter school in which the pupil was last counted in average daily membership.

54.13 Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.48, subdivision 8, is  
54.14 amended to read:

54.15 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies  
54.16 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

54.17 (2) Notwithstanding any other law to the contrary, districts that have revenue  
54.18 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed  
54.19 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34  
54.20 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon  
54.21 severed mineral values must reduce the levies authorized by this chapter and chapters  
54.22 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the  
54.23 previous year's revenue specified under this clause and the amount attributable to the same  
54.24 production year distributed to the cities and townships within the school district under  
54.25 section 298.28, subdivision 2, paragraph (c).

54.26 (3) The amount of any voter approved referendum, facilities down payment, and  
54.27 debt levies shall not be reduced by more than 50 percent under this subdivision, except  
54.28 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by  
54.29 more than 50 percent. In administering this paragraph, the commissioner shall first reduce  
54.30 the nonvoter approved levies of a district; then, if any payments, severed mineral value  
54.31 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall  
54.32 reduce any voter approved referendum levies authorized under section 126C.17; then, if  
54.33 any payments, severed mineral value tax revenue or recognized revenue under paragraph  
54.34 (2) remains, the commissioner shall reduce any voter approved facilities down payment

55.1 levies authorized under section 123B.63 and then, if any payments, severed mineral value  
55.2 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall  
55.3 reduce any voter approved debt levies.

55.4 (4) Before computing the reduction pursuant to this subdivision of the health and  
55.5 safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner  
55.6 shall ascertain from each affected school district the amount it proposes to levy under  
55.7 each section or subdivision. The reduction shall be computed on the basis of the amount  
55.8 so ascertained.

55.9 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the  
55.10 limitation in paragraph (3), an amount equal to the excess must be distributed from the  
55.11 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following  
55.12 year to the cities and townships within the school district in the proportion that their  
55.13 taxable net tax capacity within the school district bears to the taxable net tax capacity of  
55.14 the school district for property taxes payable in the year prior to distribution. No city or  
55.15 township shall receive a distribution greater than its levy for taxes payable in the year prior  
55.16 to distribution. The commissioner of revenue shall certify the distributions of cities and  
55.17 towns under this paragraph to the county auditor by September 30 of the year preceding  
55.18 distribution. The county auditor shall reduce the proposed and final levies of cities and  
55.19 towns receiving distributions by the amount of their distribution. Distributions to the cities  
55.20 and towns shall be made at the times provided under section 298.27.

55.21 Sec. 12. Minnesota Statutes 2012, section 127A.49, subdivision 2, is amended to read:

55.22 Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86,  
55.23 375.192, or otherwise, the net tax capacity or referendum market value of any district for  
55.24 any taxable year is changed after the taxes for that year have been spread by the county  
55.25 auditor and the local tax rate as determined by the county auditor based upon the original  
55.26 net tax capacity is applied upon the changed net tax capacities, the county auditor shall,  
55.27 prior to February 1 of each year, certify to the commissioner of education the amount of  
55.28 any resulting net revenue loss that accrued to the district during the preceding year. Each  
55.29 year, the commissioner shall pay an abatement adjustment to the district in an amount  
55.30 calculated according to the provisions of this subdivision. This amount shall be deducted  
55.31 from the amount of the levy authorized by section 126C.46. The amount of the abatement  
55.32 adjustment must be the product of:

55.33 (1) the net revenue loss as certified by the county auditor, times

55.34 (2) the ratio of:

56.1 (i) the sum of the amounts of the district's certified levy in the third preceding year  
56.2 according to the following:

56.3 (A) section 123B.57, if the district received health and safety aid according to that  
56.4 section for the second preceding year;

56.5 (B) section 124D.20, if the district received aid for community education programs  
56.6 according to that section for the second preceding year;

56.7 (C) section 124D.135, subdivision 3, if the district received early childhood family  
56.8 education aid according to section 124D.135 for the second preceding year;

56.9 (D) section 126C.17, subdivision 6, if the district received referendum equalization  
56.10 aid according to that section for the second preceding year;

56.11 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
56.12 according to section 126C.10, subdivision 13b, in the second preceding year;

56.13 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
56.14 section 126C.10, subdivision 30, in the second preceding year;

56.15 (G) section 126C.10, subdivision 32, if the district received transition aid according  
56.16 to section 126C.10, subdivision 33, in the second preceding year;

56.17 (H) section 123B.53, subdivision 5, if the district received debt service equalization  
56.18 aid according to section 123B.53, subdivision 6, in the second preceding year;

56.19 (I) section 123B.535, subdivision 4, if the district received natural disaster debt  
56.20 service equalization aid according to section 123B.535, subdivision 5, in the second  
56.21 preceding year;

56.22 ~~(J)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid  
56.23 according to section 124D.22, subdivision 4, in the second preceding year;

56.24 ~~(K)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance  
56.25 aid according to section 123B.591, subdivision 4, in the second preceding year; and

56.26 ~~(L)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher  
56.27 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
56.28 (a), in the second preceding year; to

56.29 (ii) the total amount of the district's certified levy in the third preceding December,  
56.30 plus or minus auditor's adjustments.

56.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
56.32 and later.

56.33 Sec. 13. Minnesota Statutes 2012, section 127A.49, subdivision 3, is amended to read:

56.34 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a  
56.35 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon



57.1 decertification of a tax increment district, the school district's aid and levy limitations  
 57.2 must be adjusted for the fiscal year in which the excess tax increment is paid under the  
 57.3 provisions of this subdivision.

57.4 (b) An amount must be subtracted from the district's aid for the current fiscal year  
 57.5 equal to the product of:

57.6 (1) the amount of the payment of excess tax increment to the district, times

57.7 (2) the ratio of:

57.8 (i) the sum of the amounts of the district's certified levy for the fiscal year in which  
 57.9 the excess tax increment is paid according to the following:

57.10 (A) section 123B.57, if the district received health and safety aid according to that  
 57.11 section for the second preceding year;

57.12 (B) section 124D.20, if the district received aid for community education programs  
 57.13 according to that section for the second preceding year;

57.14 (C) section 124D.135, subdivision 3, if the district received early childhood family  
 57.15 education aid according to section 124D.135 for the second preceding year;

57.16 (D) section 126C.17, subdivision 6, if the district received referendum equalization  
 57.17 aid according to that section for the second preceding year;

57.18 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
 57.19 according to section 126C.10, subdivision 13b, in the second preceding year;

57.20 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
 57.21 section 126C.10, subdivision 30, in the second preceding year;

57.22 (G) section 126C.10, subdivision 32, if the district received transition aid according  
 57.23 to section 126C.10, subdivision 33, in the second preceding year;

57.24 (H) section 123B.53, subdivision 5, if the district received debt service equalization  
 57.25 aid according to section 123B.53, subdivision 6, in the second preceding year;

57.26 (I) section 123B.535, subdivision 4, if the district received natural disaster debt  
 57.27 service equalization aid according to section 123B.535, subdivision 5, in the second  
 57.28 preceding year;

57.29 ~~(H)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid  
 57.30 according to section 124D.22, subdivision 4, in the second preceding year;

57.31 ~~(I)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance  
 57.32 aid according to section 123B.591, subdivision 4, in the second preceding year; and

57.33 ~~(K)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher  
 57.34 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
 57.35 (a), in the second preceding year; to

58.1 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus  
58.2 auditor's adjustments.

58.3 (c) An amount must be subtracted from the school district's levy limitation for the  
58.4 next levy certified equal to the difference between:

58.5 (1) the amount of the distribution of excess increment; and

58.6 (2) the amount subtracted from aid pursuant to clause (a).

58.7 If the aid and levy reductions required by this subdivision cannot be made to the aid  
58.8 for the fiscal year specified or to the levy specified, the reductions must be made from  
58.9 aid for subsequent fiscal years, and from subsequent levies. The school district must use  
58.10 the payment of excess tax increment to replace the aid and levy revenue reduced under  
58.11 this subdivision.

58.12 (d) This subdivision applies only to the total amount of excess increments received  
58.13 by a district for a calendar year that exceeds \$25,000.

58.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017  
58.15 and later.

58.16 Sec. 14. Minnesota Statutes 2012, section 129C.10, subdivision 3, is amended to read:

58.17 Subd. 3. **Powers and duties of board.** (a) The board has the powers necessary for  
58.18 the care, management, and control of the Perpich Center for Arts Education and any other  
58.19 school authorized in this chapter, and all ~~its~~ their real and personal property. The powers  
58.20 shall include, but are not limited to, those listed in this subdivision.

58.21 (b) The board may employ and discharge necessary employees, and contract for  
58.22 other services to ensure the efficient operation of the Center for Arts Education and any  
58.23 other school authorized in this chapter.

58.24 (c) The board may receive and award grants. The board may establish a charitable  
58.25 foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for  
58.26 educational purposes and hold, manage, invest, and dispose of them and the proceeds  
58.27 and income of them according to the terms and conditions of the gift, grant, bequest, or  
58.28 devise and its acceptance. The board must adopt internal procedures to administer and  
58.29 monitor aids and grants.

58.30 (d) The board may establish or coordinate evening, continuing education, extension,  
58.31 and summer programs for teachers and pupils.

58.32 (e) The board may identify pupils who have artistic talent, either demonstrated or  
58.33 potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more  
58.34 than one art form.

58.35 (f) The board must educate pupils with artistic talent by providing:

59.1 (1) an interdisciplinary academic and arts program for pupils in the 11th and 12th  
59.2 grades. The total number of pupils accepted under this clause and clause (2) shall not  
59.3 exceed 310;

59.4 (2) additional instruction to pupils for a 13th grade. Pupils eligible for this  
59.5 instruction are those enrolled in 12th grade who need extra instruction and who apply  
59.6 to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes  
59.7 established by the board;

59.8 (3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

59.9 (4) summer arts institutes for pupils in grades 9 to 12;

59.10 (5) artist mentor and extension programs in regional sites; and

59.11 (6) teacher education programs for indirect curriculum delivery.

59.12 (g) The board may determine the location for the Perpich Center for Arts Education  
59.13 and any additional facilities related to the center, including the authority to lease a  
59.14 temporary facility.

59.15 (h) The board must plan for the enrollment of pupils on an equal basis from each  
59.16 congressional district.

59.17 (i) The board may establish task forces as needed to advise the board on policies and  
59.18 issues. The task forces expire as provided in section 15.059, subdivision 6.

59.19 (j) The board may request the commissioner of education for assistance and services.

59.20 (k) The board may enter into contracts with other public and private agencies  
59.21 and institutions for residential and building maintenance services if it determines that  
59.22 these services could be provided more efficiently and less expensively by a contractor  
59.23 than by the board itself. The board may also enter into contracts with public or private  
59.24 agencies and institutions, school districts or combinations of school districts, or service  
59.25 cooperatives to provide supplemental educational instruction and services.

59.26 (l) The board may provide or contract for services and programs by and for the  
59.27 Center for Arts Education, including a store, operating in connection with the center;  
59.28 theatrical events; and other programs and services that, in the determination of the board,  
59.29 serve the purposes of the center.

59.30 (m) The board may provide for transportation of pupils to and from the Center for  
59.31 Arts Education for all or part of the school year, as the board considers advisable and  
59.32 subject to its rules. Notwithstanding any other law to the contrary, the board may charge a  
59.33 reasonable fee for transportation of pupils. Every driver providing transportation of pupils  
59.34 under this paragraph must possess all qualifications required by the commissioner of  
59.35 education. The board may contract for furnishing authorized transportation under rules  
59.36 established by the commissioner of education and may purchase and furnish gasoline to a

60.1 contract carrier for use in the performance of a contract with the board for transportation  
 60.2 of pupils to and from the Center for Arts Education. When transportation is provided,  
 60.3 scheduling of routes, establishment of the location of bus stops, the manner and method of  
 60.4 transportation, the control and discipline of pupils, and any other related matter is within  
 60.5 the sole discretion, control, and management of the board.

60.6 (n) The board may provide room and board for its pupils. If the board provides room  
 60.7 and board, it shall charge a reasonable fee for the room and board. The fee is not subject  
 60.8 to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

60.9 (o) The board may establish and set fees for services and programs. If the board sets  
 60.10 fees not authorized or prohibited by the Minnesota public school fee law, it may do so  
 60.11 without complying with the requirements of section 123B.38.

60.12 (p) The board may apply for all competitive grants administered by agencies of the  
 60.13 state and other government or nongovernment sources.

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

60.15 Sec. 15. Minnesota Statutes 2012, section 129C.10, is amended by adding a  
 60.16 subdivision to read:

60.17 **Subd. 5a. Interdistrict voluntary integration magnet program.** Notwithstanding  
 60.18 Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate  
 60.19 an interdistrict integration magnet program according to section 129C.30. For fiscal year  
 60.20 2016 and later, the board must have an approved achievement and integration plan and  
 60.21 budget under section 124D.861.

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

60.23 Sec. 16. **[129C.30] CROSSWINDS INTEGRATION MAGNET SCHOOL.**

60.24 **Subdivision 1. Definitions.** (a) The following terms having the meanings given  
 60.25 them for this chapter.

60.26 (b) "Board" means the board of directors of the Perpich Center for Arts Education.

60.27 (c) "Crosswinds school" means the Crosswinds school in Woodbury operated during  
 60.28 the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration  
 60.29 District.

60.30 **Subd. 2. Board to operate the Crosswinds school.** The board may operate the  
 60.31 Crosswinds school with the powers and duties granted to it under this chapter. A student  
 60.32 may apply to the Crosswinds school under section 124D.03 and the Crosswinds school  
 60.33 may accept students under that section.

61.1 Subd. 3. **General education funding.** General education revenue must be paid to  
61.2 the Crosswinds school as though it were a district. The general education revenue for each  
61.3 adjusted pupil unit is the state average general education revenue per pupil unit, plus  
61.4 the referendum equalization aid allowance in the pupil's district of residence, minus an  
61.5 amount equal to the product of the formula allowance according to section 126C.10,  
61.6 subdivision 2, times .0466, calculated without declining enrollment, basic skills revenue,  
61.7 extended time revenue, pension adjustment revenue, transition revenue, and transportation  
61.8 sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue,  
61.9 pension adjustment revenue, and transition revenue as though the school were a school  
61.10 district. The general education revenue for each extended time pupil unit equals \$4,794.

61.11 Subd. 4. **Special education funding.** Special education aid must be paid to the  
61.12 Crosswinds school according to sections 125A.76 and 125A.79, as though it were a  
61.13 school district. The special education aid paid to the Crosswinds school shall be adjusted  
61.14 as follows:

61.15 (1) if the Crosswinds school does not receive general education revenue on behalf of  
61.16 the student according to subdivision 3, the aid shall be adjusted as provided in section  
61.17 125A.11; or

61.18 (2) if the Crosswinds school receives general education revenue on behalf of the  
61.19 student according to subdivision 3, the aid shall be adjusted as provided in section  
61.20 127A.47, subdivision 7, paragraphs (b) to (d).

61.21 Subd. 5. **Pupil transportation.** (a) For fiscal year 2015 only, a member district of  
61.22 Joint Powers District No. 6067, East Metro Integration District, must transport pupils  
61.23 enrolled at the Crosswinds school in the same manner as they were transported in fiscal  
61.24 year 2014.

61.25 (b) Pupil transportation expenses under this section are reimbursable under section  
61.26 124D.87.

61.27 Subd. 6. **Achievement and integration aid.** For fiscal year 2016 and later, the  
61.28 Crosswinds school is eligible for achievement and integration aid under section 124D.862  
61.29 as if it were a school district.

61.30 Subd. 7. **Other aids, grants, revenue.** (a) The Crosswinds school is eligible to  
61.31 receive other aids, grants, and revenue according to chapters 120A to 129C as though it  
61.32 were a district.

61.33 (b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a  
61.34 grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue  
61.35 replaces levy revenue that is not general education revenue, except as otherwise provided  
61.36 in this section.

62.1 (c) Federal aid received by the state must be paid to the school if it qualifies for  
 62.2 the aid as though it were a school district.

62.3 (d) In the year-end report to the commissioner of education, the Crosswinds school  
 62.4 shall report the total amount of funds received from grants and other outside sources.

62.5 Subd. 8. **Year-round programming.** The Crosswinds school may operate as a  
 62.6 flexible learning year program under sections 124D.12 to 124D.127.

62.7 Subd. 9. **Data requirements.** The commissioner of education shall require the  
 62.8 Crosswinds school to follow the budget and accounting procedures required for school  
 62.9 districts and the Crosswinds school shall report all data to the Department of Education in  
 62.10 the form and manner required by the commissioner.

62.11 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 5, is amended to read:

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

62.14	\$	3,750,000	.....	2014
62.15		<del>3,750,000</del>		
62.16	\$	<u>8,750,000</u>	.....	2015

62.17 If the appropriation amount is insufficient, the commissioner shall reduce the  
 62.18 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
 62.19 revenue for fiscal years 2014 and 2015 shall be prorated.

62.20 Any balance in the first year does not cancel but is available in the second year.  
 62.21 The base appropriation for this program for fiscal years 2016 and 2017 is \$8,750,000  
 62.22 for each year.

62.23 Sec. 18. **HARAMBEE COMMUNITY SCHOOL TRANSITION.**

62.24 Subdivision 1. **Facilities.** Notwithstanding the appropriations of state general  
 62.25 obligation bond proceeds in Laws 1994, chapter 643, section 14, subdivision 7, to Joint  
 62.26 Powers District No. 6067, East Metro Integration District, to acquire and better the  
 62.27 Harambee community school, in Maplewood, the real and personal property of the  
 62.28 Harambee school, may be conveyed to Independent School District No. 623, Roseville,  
 62.29 for operation of a multidistrict integration facility that serves students in any grade from  
 62.30 early education through grade 12.

62.31 Subd. 2. **Student enrollment.** A student enrolled in the Harambee community  
 62.32 school during the 2013-2014 school year may continue to enroll in the Harambee  
 62.33 community school in any subsequent year. For the 2014-2015 school year and later, other  
 62.34 students may apply for enrollment under Minnesota Statutes, section 124D.03.

63.1 Subd. 3. **Compensatory revenue; literacy aid; alternative compensation**  
 63.2 **revenue.** For the 2014-2015 school year only, the Department of Education must calculate  
 63.3 compensatory revenue, literacy aid, and alternative compensation revenue for the  
 63.4 Harambee community school based on the October 1, 2013, enrollment counts.

63.5 Subd. 4. **Year-round programming.** Harambee community school may operate as  
 63.6 a flexible learning year program under Minnesota Statutes, sections 124D.12 to 124D.127.

63.7 Subd. 5. **Pupil transportation.** The board may transport pupils enrolled in the  
 63.8 2013-2014 school year to and from the Harambee community school in succeeding school  
 63.9 years regardless of the students' districts of residence. Pupil transportation expenses under  
 63.10 this section are reimbursable under Minnesota Statutes, section 124D.87.

63.11 Sec. 19. **TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

63.12 Subdivision 1. **Transfer.** Notwithstanding the appropriation of state general  
 63.13 obligation bond proceeds in Laws 1998, chapter 404, section 5, subdivision 5; Laws 1999,  
 63.14 chapter 240, article 1, section 3; Laws 2000, chapter 492, article 1, section 5, subdivision  
 63.15 2; Laws 2001, First Special Session chapter 12, section 2, subdivision 2; and Laws  
 63.16 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and better the Crosswinds  
 63.17 school facilities by the Joint Powers District No. 6067, East Metro Integration District,  
 63.18 in Woodbury, the Crosswinds school may be conveyed to the Perpich Center for Arts  
 63.19 Education for use as an east metropolitan area integration magnet school.

63.20 Subd. 2. **Student enrollment.** Any student enrolled in the Crosswinds school  
 63.21 during the 2013-2014 school year may continue to enroll in the Crosswinds school in  
 63.22 any subsequent year. For the 2014-2015 school year and later, a student may apply for  
 63.23 enrollment to the school under Minnesota Statutes, section 124D.03.

63.24 Subd. 3. **Compensatory revenue, literacy aid, and alternative compensation**  
 63.25 **revenue.** For the 2014-2015 school year only, the Department of Education must calculate  
 63.26 compensatory revenue, literacy aid, and alternative compensation revenue for the  
 63.27 Crosswinds school based on the October 1, 2013, enrollment counts at that site.

63.28 Subd. 4. **Title 1 funding.** To the extent possible, the Department of Education  
 63.29 must qualify the Crosswinds school for Title 1, and, if applicable, other federal funding  
 63.30 as if the program were still operated by Joint Powers District No. 6067, East Metro  
 63.31 Integration District.

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

63.33 Sec. 20. **LEASE LEVY; TRANSPORTATION HUB FOR ROSEMOUNT-APPLE**  
 63.34 **VALLEY-EAGAN SCHOOL DISTRICT.**

64.1 Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent  
64.2 School District No. 196, Rosemount-Apple Valley-Eagan, may lease a transportation  
64.3 hub under Minnesota Statutes, section 126C.40, subdivision 1. Levy authority under  
64.4 this section shall not exceed the total levy authority under Minnesota Statutes, section  
64.5 126C.40, subdivision 1, paragraph (e).

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

64.7 Sec. 21. **REPEALER.**

64.8 Minnesota Statutes 2012, section 123B.71, subdivision 1, is repealed.

## 64.9 **ARTICLE 5**

### 64.10 **NUTRITION**

64.11 Section 1. Minnesota Statutes 2013 Supplement, section 124D.111, subdivision 1,  
64.12 is amended to read:

64.13 Subdivision 1. **School lunch aid computation.** Each school year, the state must  
64.14 pay participants in the national school lunch program the amount of 12.5 cents for each  
64.15 full paid, ~~reduced-price,~~ and free student lunch and 52.5 cents for each reduced-price  
64.16 lunch served to students.

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

64.19 Sec. 2. Minnesota Statutes 2012, section 124D.111, is amended by adding a  
64.20 subdivision to read:

64.21 Subd. 4. **No fees.** A participant that receives school lunch aid under this section  
64.22 must make lunch available without charge to all participating students who qualify for  
64.23 free or reduced-price meals. The participant must also ensure that any reminders for  
64.24 payment of outstanding student meal balances do not demean or stigmatize any child  
64.25 participating in the school lunch program.

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

64.28 Sec. 3. Laws 2013, chapter 116, article 7, section 21, subdivision 2, is amended to read:

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



65.1		<del>13,032,000</del>		
65.2	\$	<u>12,417,000</u>	.....	2014
65.3		<del>13,293,000</del>		
65.4	\$	<u>16,185,000</u>	.....	2015

**ARTICLE 6**

**EARLY EDUCATION, COMMUNITY EDUCATION, SELF-SUFFICIENCY AND LIFELONG LEARNING**

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

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

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$80 for a child screened at age three; (2) ~~\$50~~ \$55 for a child screened at age four; (3) \$40 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

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

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

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

(b) ~~For fiscal year 2002 and thereafter,~~ A district must receive school readiness aid equal to:

66.1 (1) the number of four-year-old children in the district on October 1 for the previous  
 66.2 school year times the ratio of 50 percent of the total school readiness aid for that year to  
 66.3 the total number of four-year-old children reported to the commissioner for the previous  
 66.4 school year; plus

66.5 (2) the number of pupils enrolled in the school district from families eligible for the  
 66.6 free or reduced school lunch program for the previous school year times the ratio of  
 66.7 50 percent of the total school readiness aid for that year to the total number of pupils  
 66.8 in the state from families eligible for the free or reduced school lunch program for the  
 66.9 previous school year.

66.10 (c) For fiscal year 2015 and later, total school readiness aid equals \$12,000,000.

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

66.13 Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 5, is  
 66.14 amended to read:

66.15 Subd. 5. **Report required.** The commissioner shall contract with an independent  
 66.16 contractor to evaluate the early learning scholarship program. The evaluation must  
 66.17 include recommendations regarding the appropriate scholarship amount, efficiency, and  
 66.18 effectiveness of the administration, and impact on kindergarten readiness. By January  
 66.19 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs  
 66.20 and ranking minority members of the legislative committees and divisions with primary  
 66.21 jurisdiction over kindergarten through grade 12 education.

66.22 Sec. 4. Minnesota Statutes 2012, section 124D.522, is amended to read:

66.23 **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**  
 66.24 **GRANTS.**

66.25 (a) The commissioner, in consultation with the policy review task force under  
 66.26 section 124D.521, may make grants to nonprofit organizations to provide services that  
 66.27 are not offered by a district adult basic education program or that are supplemental to  
 66.28 either the statewide adult basic education program, or a district's adult basic education  
 66.29 program. The commissioner may make grants for: staff development for adult basic  
 66.30 education teachers and administrators; training for volunteer tutors; training, services, and  
 66.31 materials for serving disabled students through adult basic education programs; statewide  
 66.32 promotion of adult basic education services and programs; development and dissemination  
 66.33 of instructional and administrative technology for adult basic education programs;

67.1 programs which primarily serve communities of color; adult basic education distance  
 67.2 learning projects, including television instruction programs; and other supplemental  
 67.3 services to support the mission of adult basic education and innovative delivery of adult  
 67.4 basic education services.

67.5 (b) The commissioner must establish eligibility criteria and grant application  
 67.6 procedures. Grants under this section must support services throughout the state, focus on  
 67.7 educational results for adult learners, and promote outcome-based achievement through  
 67.8 adult basic education programs. Beginning in fiscal year 2002, the commissioner may  
 67.9 make grants under this section from the state total adult basic education aid set aside for  
 67.10 supplemental service grants under section 124D.531. Up to one-fourth of the appropriation  
 67.11 for supplemental service grants must be used for grants for adult basic education programs  
 67.12 to encourage and support innovations in adult basic education instruction and service  
 67.13 delivery. A grant to a single organization cannot exceed ~~20~~ 40 percent of the total  
 67.14 supplemental services aid. Nothing in this section prevents an approved adult basic  
 67.15 education program from using state or federal aid to purchase supplemental services.

67.16 Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is  
 67.17 amended to read:

67.18 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
 67.19 education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid  
 67.20 during the previous fiscal year as a result of adjustments under subdivision 4, paragraph  
 67.21 (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later  
 67.22 fiscal years equals:

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

67.26 (2) the lesser of:

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

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

67.29 ~~Beginning in fiscal year 2002, two~~ Three percent of the state total adult basic  
 67.30 education aid must be set aside for adult basic education supplemental service grants  
 67.31 under section 124D.522.

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

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

68.3 Sec. 6. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

68.4 Subd. 3. **Program revenue.** Adult basic education programs established under  
 68.5 section 124D.52 and approved by the commissioner are eligible for revenue under this  
 68.6 subdivision. For fiscal year 2001 and later, adult basic education revenue for each  
 68.7 approved program equals the sum of:

68.8 (1) the basic population aid under subdivision 2 for districts participating in the  
 68.9 program during the current program year; plus

68.10 (2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the  
 68.11 ratio of the contact hours for students participating in the program during the first prior  
 68.12 program year to the state total contact hours during the first prior program year; plus

68.13 (3) eight percent times the amount computed in subdivision 1, paragraph (b), times  
 68.14 the ratio of the enrollment of English learners during the second prior school year in  
 68.15 districts participating in the program during the current program year to the state total  
 68.16 enrollment of English learners during the second prior school year in districts participating  
 68.17 in adult basic education programs during the current program year; plus

68.18 (4) eight percent times the amount computed in subdivision 1, paragraph (b), times  
 68.19 the ratio of the latest federal census count of the number of adults aged ~~20~~ 25 or older  
 68.20 with no diploma residing in the districts participating in the program during the current  
 68.21 program year to the latest federal census count of the state total number of adults aged ~~20~~  
 68.22 25 or older with no diploma residing in the districts participating in adult basic education  
 68.23 programs during the current program year.

68.24 Sec. 7. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:

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

68.27		<del>10,095,000</del>		
68.28	\$	<u>10,458,000</u>	.....	2014
68.29		<del>10,159,000</del>		
68.30	\$	<u>11,809,000</u>	.....	2015

68.31 The 2014 appropriation includes \$1,372,000 for 2013 and ~~\$8,723,000~~ \$9,086,000  
 68.32 for 2014.

68.33 The 2015 appropriation includes ~~\$1,372,000~~ \$1,009,000 for 2014 and ~~\$8,787,000~~  
 68.34 \$10,800,000 for 2015.

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

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

69.4	\$	3,421,000	.....	2014
69.5		<del>3,344,000</del>		
69.6	\$	<u>3,569,000</u>	.....	2015

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

69.8 The 2015 appropriation includes \$463,000 for 2014 and ~~\$2,881,000~~ \$3,106,000  
 69.9 for 2015.

69.10 Sec. 9. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

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

69.13		<del>47,005,000</del>		
69.14	\$	<u>48,782,000</u>	.....	2014
69.15		<del>48,145,000</del>		
69.16	\$	<u>48,415,000</u>	.....	2015

69.17 The 2014 appropriation includes \$6,284,000 for 2013 and ~~\$40,721,000~~ \$42,498,000  
 69.18 for 2014.

69.19 The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~  
 69.20 \$43,693,000 for 2015.

69.21 Sec. 10. **APPROPRIATIONS.**

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

69.25 Subd. 2. Northside Achievement Zone. (a) For a grant to the Northside  
 69.26 Achievement Zone:

69.27	\$	<u>1,132,000</u>	.....	<u>2015</u>
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69.28 (b) Funds appropriated in this subdivision are to reduce multigenerational poverty  
 69.29 and the educational achievement gap through increased enrollment of families within  
 69.30 the zone, and may be used for Northside Achievement Zone programming and services  
 69.31 consistent with federal Promise Neighborhood program agreements and requirements.

69.32 (c) The Northside Achievement Zone shall submit a report by October 1, 2015, to  
 69.33 the chairs of the legislative committees with jurisdiction over early childhood through

70.1 grade 12 education policy and finance that, at a minimum, summarizes program activities,  
70.2 specifies performance measures, and analyzes program outcomes.

70.3 (d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

70.4 Subd. 3. **St. Paul Promise Neighborhood.** (a) For a grant to the St. Paul Promise  
70.5 Neighborhood:

70.6 \$ 1,132,000 ..... 2015

70.7 (b) Funds appropriated in this subdivision are to reduce multigenerational poverty  
70.8 and the educational achievement gap through increased enrollment of families within the  
70.9 zone, and may be used for St. Paul Promise Neighborhood programming and services  
70.10 consistent with federal Promise Neighborhood program agreements and requirements.

70.11 (c) The St. Paul Promise Neighborhood shall submit a report by October 1, 2015, to  
70.12 the chairs of the legislative committees with jurisdiction over early childhood through  
70.13 grade 12 education policy and finance that, at a minimum, summarizes program activities,  
70.14 specifies performance measures, and analyzes program outcomes.

70.15 (d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

70.16 **ARTICLE 7**

70.17 **STATE AGENCIES**

70.18 Section 1. Laws 2013, chapter 116, article 9, section 1, subdivision 2, is amended to read:

70.19 Subd. 2. **Department.** (a) For the Department of Education:

70.20 \$ 20,058,000 ..... 2014

70.21 ~~19,308,000~~

70.22 \$ 19,716,000 ..... 2015

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

70.24 (b) \$260,000 each year is for the Minnesota Children's Museum.

70.25 (c) \$41,000 each year is for the Minnesota Academy of Science.

70.26 (d) \$50,000 each year is for the Duluth Children's Museum.

70.27 (e) ~~\$618,000 each~~ in fiscal year 2014 and \$718,000 in fiscal year is 2015 only are  
70.28 for the Board of Teaching. Any balance in the first year does not cancel but is available  
70.29 in the second year.

70.30 (f) ~~\$167,000 each~~ in fiscal year 2014 and \$225,000 in fiscal year is 2015 are for  
70.31 the Board of School Administrators. Any balance in the first year does not cancel but  
70.32 is available in the second year.

70.33 (g) \$75,000 in fiscal year 2015 only is for The Works Museum.

71.1 (h) \$50,000 in fiscal year 2015 only is for a grant to the Headwaters Science Center  
 71.2 for hands-on science, technology, engineering, and math (STEM) education.

71.3 (i) \$25,000 each year is for innovation pilot grants under Laws 2012, chapter 263,  
 71.4 section 1.

71.5 (j) The expenditures of federal grants and aids as shown in the biennial budget  
 71.6 document and its supplements are approved and appropriated and shall be spent as  
 71.7 indicated.

71.8 ~~(h)~~ (k) None of the amounts appropriated under this subdivision may be used for  
 71.9 Minnesota's Washington, D.C. office.

71.10 ~~(i)~~ (l) \$250,000 each year is for the School Finance Division to enhance financial  
 71.11 data analysis.

71.12 ~~(j)~~ (m) \$750,000 in fiscal year 2014 only is for departmental costs associated with  
 71.13 teacher development and evaluation. Any balance in the first year does not cancel and  
 71.14 is available in the second year.

71.15 Sec. 2. Laws 2013, chapter 116, article 9, section 2, is amended to read:

71.16 **Sec. 2. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

71.17 The sums indicated in this section are appropriated from the general fund to the  
 71.18 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

71.19	\$	11,749,000	.....	2014
71.20		<del>11,664,000</del>		
71.21	\$	<u>11,964,000</u>	.....	2015

71.22 \$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading  
 71.23 kitchen facilities. Any balance in the first year does not cancel but is available in the  
 71.24 second year.

71.25 **Sec. 3. APPROPRIATION; RESPONSES TO HEALTH INSURANCE**  
 71.26 **TRANSPARENCY ACT BID REQUESTS.**

71.27 (a) \$294,000 is appropriated for fiscal year 2015 from the general fund to the  
 71.28 commissioner of management and budget to comply with the requirements relating to  
 71.29 health insurance transparency similar to those proposed in House File 2180, if enacted in  
 71.30 the 2014 regular legislative session. This is a onetime appropriation.

71.31 (b) If a bill meeting the requirements of paragraph (a) is enacted, the commissioner  
 71.32 of management and budget shall report by January 15, 2015, to the legislative chairs  
 71.33 and ranking minority members with jurisdiction over state government finance on the  
 71.34 ongoing costs incurred by the public employees insurance program in compliance with

72.1 the requirements of the health insurance transparency act and may request additional  
72.2 appropriations, if necessary.

72.3 **ARTICLE 8**

72.4 **FORECAST ADJUSTMENTS**

72.5 **A. GENERAL EDUCATION**

72.6 Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 3, is amended to  
72.7 read:

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

72.11		<del>44,000</del>		
72.12	\$	<u>37,000</u>	.....	2014
72.13		<del>48,000</del>		
72.14	\$	<u>40,000</u>	.....	2015

72.15 Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 4, is amended to read:

72.16 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
72.17 127A.49:

72.18		<del>2,747,000</del>		
72.19	\$	<u>2,876,000</u>	.....	2014
72.20		<del>3,136,000</del>		
72.21	\$	<u>3,103,000</u>	.....	2015

72.22 The 2014 appropriation includes \$301,000 for 2013 and ~~\$2,446,000~~ \$2,575,000  
72.23 for 2014.

72.24 The 2015 appropriation includes ~~\$385,000~~ \$286,000 for 2014 and ~~\$2,751,000~~  
72.25 \$2,817,000 for 2015.

72.26 Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 5, is amended to read:

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

72.29		<del>472,000</del>		
72.30	\$	<u>585,000</u>	.....	2014
72.31		<del>480,000</del>		
72.32	\$	<u>254,000</u>	.....	2015

72.33 The 2014 appropriation includes \$40,000 for 2013 and ~~\$432,000~~ \$545,000 for 2014.



73.1 The 2015 appropriation includes ~~\$68,000~~ \$60,000 for 2014 and ~~\$412,000~~ \$194,000  
 73.2 for 2015.

73.3 Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 6, is amended to read:

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

73.6		<del>15,582,000</del>		
73.7	\$	<u>16,068,000</u>	.....	2014
73.8		<del>16,169,000</del>		
73.9	\$	<u>16,074,000</u>	.....	2015

73.10 The 2014 appropriation includes \$2,099,000 for 2013 and ~~\$13,483,000~~ \$13,969,000  
 73.11 for 2014.

73.12 The 2015 appropriation includes ~~\$2,122,000~~ \$1,552,000 for 2014 and ~~\$14,047,000~~  
 73.13 \$14,522,000 for 2015.

73.14 Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 7, is amended to read:

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

73.17		<del>18,565,000</del>		
73.18	\$	<u>18,566,000</u>	.....	2014
73.19		<del>18,946,000</del>		
73.20	\$	<u>17,646,000</u>	.....	2015

73.21 The 2014 appropriation includes \$2,668,000 for 2013 and ~~\$15,897,000~~ \$15,898,000  
 73.22 for 2014.

73.23 The 2015 appropriation includes ~~\$2,502,000~~ \$1,766,000 for 2014 and ~~\$16,444,000~~  
 73.24 \$15,880,000 for 2015.

73.25 Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 11, is amended to read:

73.26 Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota  
 73.27 Statutes, section 124D.4531, subdivision 1b:

73.28		<del>4,320,000</del>		
73.29	\$	<u>3,959,000</u>	.....	2014
73.30		<del>5,680,000</del>		
73.31	\$	<u>5,172,000</u>	.....	2015

73.32 The 2014 appropriation includes \$0 for 2014 and ~~\$4,320,000~~ \$3,959,000 for 2015.

73.33 The 2015 appropriation includes ~~\$680,000~~ \$439,000 for 2014 and ~~\$5,000,000~~  
 73.34 \$4,733,000 for 2015.

73.35 **B. EDUCATION EXCELLENCE**

74.1 Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 3, is amended to read:

74.2 Subd. 3. **Achievement and integration aid.** For achievement and integration aid  
 74.3 under Minnesota Statutes, section 124D.862:

74.4		<del>58,911,000</del>		
74.5	\$	<u>55,609,000</u>	.....	2014
74.6		<del>68,623,000</del>		
74.7	\$	<u>62,692,000</u>	.....	2015

74.8 The 2014 appropriation includes \$0 for 2013 and ~~\$58,911,000~~ \$55,609,000 for 2014.

74.9 The 2015 appropriation includes ~~\$9,273,000~~ \$6,178,000 for 2014 and ~~\$59,350,000~~  
 74.10 \$56,514,000 for 2015.

74.11 Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 4, is amended to read:

74.12 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota  
 74.13 Statutes, section 124D.98:

74.14		<del>52,514,000</del>		
74.15	\$	<u>50,998,000</u>	.....	2014
74.16		<del>53,818,000</del>		
74.17	\$	<u>47,458,000</u>	.....	2015

74.18 The 2014 appropriation includes \$6,607,000 for 2013 and ~~\$45,907,000~~ \$44,391,000  
 74.19 for 2014.

74.20 The 2015 appropriation includes ~~\$7,225,000~~ \$4,932,000 for 2014 and ~~\$46,593,000~~  
 74.21 \$42,526,000 for 2015.

74.22 Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 5, is amended to read:

74.23 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For  
 74.24 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 74.25 section 124D.87:

74.26		<del>13,968,000</del>		
74.27	\$	<u>13,521,000</u>	.....	2014
74.28		<del>14,712,000</del>		
74.29	\$	<u>14,248,000</u>	.....	2015

74.30 Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 6, is amended to read:

74.31 Subd. 6. **Success for the future.** For American Indian success for the future grants  
 74.32 under Minnesota Statutes, section 124D.81:

74.33		<del>2,137,000</del>		
74.34	\$	<u>2,214,000</u>	.....	2014
74.35	\$	<u>2,137,000</u>	.....	2015

75.1 The 2014 appropriation includes \$290,000 for 2013 and ~~\$1,847,000~~ \$1,924,000  
 75.2 for 2014.

75.3 The 2015 appropriation includes ~~\$290,000~~ \$213,000 for 2014 and ~~\$1,847,000~~  
 75.4 \$1,924,000 for 2015.

75.5 Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 8, is amended to read:

75.6 Subd. 8. **Tribal contract schools.** For tribal contract school aid under Minnesota  
 75.7 Statutes, section 124D.83:

75.8		<del>2,080,000</del>		
75.9	\$	<u>2,144,000</u>	.....	2014
75.10		<del>2,230,000</del>		
75.11	\$	<u>2,152,000</u>	.....	2015

75.12 The 2014 appropriation includes \$266,000 for 2013 and ~~\$1,814,000~~ \$1,878,000  
 75.13 for 2014.

75.14 The 2015 appropriation includes ~~\$285,000~~ \$208,000 for 2014 and ~~\$1,945,000~~  
 75.15 \$1,944,000 for 2015.

75.16 Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 20, is amended to  
 75.17 read:

75.18 Subd. 20. **Alternative compensation.** For alternative teacher compensation aid  
 75.19 under Minnesota Statutes, section 122A.415, subdivision 4:

75.20		<del>60,340,000</del>		
75.21	\$	<u>71,599,000</u>	.....	2015

75.22 The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

75.23 **C. CHARTER SCHOOLS**

75.24 Sec. 13. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

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

75.27		<del>54,484,000</del>		
75.28	\$	<u>54,763,000</u>	.....	2014
75.29		<del>59,533,000</del>		
75.30	\$	<u>58,294,000</u>	.....	2015

75.31 The 2014 appropriation includes \$6,819,000 for 2013 and ~~\$47,665,000~~ \$47,944,000  
 75.32 for 2014.

75.33 The 2015 appropriation includes ~~\$7,502,000~~ \$5,327,000 for 2014 and ~~\$52,031,000~~  
 75.34 \$52,967,000 for 2015.

76.1

**D. SPECIAL PROGRAMS**

76.2 Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 2, is amended to read:

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

76.5		<del>997,725,000</del>		
76.6	\$	<u>1,038,514,000</u>	.....	2014
76.7		<del>1,108,211,000</del>		
76.8	\$	<u>1,111,641,000</u>	.....	2015

76.9 The 2014 appropriation includes \$118,232,000 for 2013 and ~~\$802,884,000~~  
 76.10 \$920,282,000 for 2014.

76.11 The 2015 appropriation includes ~~\$169,929,000~~ \$129,549,000 for 2014 and  
 76.12 ~~\$938,282,000~~ \$982,092,000 for 2015.

76.13 Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 3, is amended to read:

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

76.17		<del>1,655,000</del>		
76.18	\$	<u>1,548,000</u>	.....	2014
76.19		<del>1,752,000</del>		
76.20	\$	<u>1,674,000</u>	.....	2015

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

76.23 Sec. 16. Laws 2013, chapter 116, article 5, section 31, subdivision 4, is amended to read:

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

76.26		<del>345,000</del>		
76.27	\$	<u>351,000</u>	.....	2014
76.28		<del>355,000</del>		
76.29	\$	<u>346,000</u>	.....	2015

76.30 The 2014 appropriation includes \$45,000 for 2013 and ~~\$300,000~~ \$306,000 for 2014.

76.31 The 2015 appropriation includes ~~\$47,000~~ \$33,000 for 2014 and ~~\$308,000~~ \$313,000  
 76.32 for 2015.

76.33 **E. FACILITIES AND TECHNOLOGY**

76.34 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 2, is amended to read:

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

77.3		<del>463,000</del>		
77.4	\$	<u>473,000</u>	.....	2014
77.5		<del>434,000</del>		
77.6	\$	<u>651,000</u>	.....	2015

77.7 The 2014 appropriation includes \$26,000 for 2013 and ~~\$437,000~~ \$447,000 for 2014.

77.8 The 2015 appropriation includes ~~\$68,000~~ \$49,000 for 2014 and ~~\$366,000~~ \$602,000  
 77.9 for 2015.

77.10 Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 3, is amended to read:

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

77.13		<del>19,083,000</del>		
77.14	\$	<u>19,778,000</u>	.....	2014
77.15		<del>25,060,000</del>		
77.16	\$	<u>22,591,000</u>	.....	2015

77.17 The 2014 appropriation includes \$2,397,000 for 2013 and ~~\$16,686,000~~ \$17,381,000  
 77.18 for 2014.

77.19 The 2015 appropriation includes ~~\$2,626,000~~ \$1,931,000 for 2014 and ~~\$22,434,000~~  
 77.20 \$20,660,000 for 2015.

77.21 Sec. 19. Laws 2013, chapter 116, article 6, section 12, subdivision 4, is amended to read:

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

77.24		<del>19,287,000</del>		
77.25	\$	<u>19,982,000</u>	.....	2014
77.26	\$	19,287,000	.....	2015

77.27 The 2014 appropriation includes \$2,623,000 for 2013 and ~~\$16,664,000~~ \$17,359,000  
 77.28 for 2014.

77.29 The 2015 appropriation includes ~~\$2,623,000~~ \$1,928,000 for 2014 and ~~\$16,664,000~~  
 77.30 \$17,359,000 for 2015.

77.31 Sec. 20. Laws 2013, chapter 116, article 6, section 12, subdivision 6, is amended to read:

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

78.1                 ~~3,564,000~~  
 78.2             \$       3,858,000       ..... 2014  
 78.3                 ~~3,730,000~~  
 78.4             \$       4,024,000       ..... 2015

78.5                 The 2014 appropriation includes \$456,000 for 2013 and ~~\$3,108,000~~ \$3,402,000  
 78.6             for 2014.

78.7                 The 2015 appropriation includes ~~\$489,000~~ \$378,000 for 2014 and ~~\$3,241,000~~  
 78.8             \$3,646,000 for 2015.

78.9   **F. NUTRITION AND LIBRARIES**

78.10                Sec. 21. Laws 2013, chapter 116, article 7, section 21, subdivision 3, is amended to read:

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

78.13                ~~5,711,000~~  
 78.14             \$       5,308,000       ..... 2014  
 78.15                ~~6,022,000~~  
 78.16             \$       5,607,000       ..... 2015

78.17                Sec. 22. Laws 2013, chapter 116, article 7, section 21, subdivision 4, is amended to read:

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

78.20                ~~1,039,000~~  
 78.21             \$       992,000       ..... 2014  
 78.22                ~~1,049,000~~  
 78.23             \$       1,002,000       ..... 2015

78.24                Sec. 23. Laws 2013, chapter 116, article 7, section 21, subdivision 6, is amended to read:

78.25                Subd. 6. **Basic system support.** For basic system support grants under Minnesota  
 78.26             Statutes, section 134.355:

78.27                ~~13,570,000~~  
 78.28             \$       14,058,000       ..... 2014  
 78.29                ~~13,570,000~~  
 78.30             \$       13,570,000       ..... 2015

78.31                The 2014 appropriation includes \$1,845,000 for 2013 and ~~\$11,725,000~~ \$12,213,000  
 78.32             for 2014.

78.33                The 2015 appropriation includes ~~\$1,845,000~~ \$1,357,000 for 2014 and ~~\$11,725,000~~  
 78.34             \$12,213,000 for 2015.

79.1 Sec. 24. Laws 2013, chapter 116, article 7, section 21, subdivision 7, is amended to read:

79.2 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota  
 79.3 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

79.4		<del>1,300,000</del>		
79.5	\$	<u>1,346,000</u>	.....	2014
79.6	\$	1,300,000	.....	2015

79.7 The 2014 appropriation includes \$176,000 for 2013 and ~~\$1,124,000~~ \$1,170,000  
 79.8 for 2014.

79.9 The 2015 appropriation includes ~~\$176,000~~ \$130,000 for 2014 and ~~\$1,124,000~~  
 79.10 \$1,170,000 for 2015.

79.11 Sec. 25. Laws 2013, chapter 116, article 7, section 21, subdivision 9, is amended to read:

79.12 Subd. 9. **Regional library telecommunications aid.** For regional library  
 79.13 telecommunications aid under Minnesota Statutes, section 134.355:

79.14		<del>2,300,000</del>		
79.15	\$	<u>2,382,000</u>	.....	2014
79.16	\$	2,300,000	.....	2015

79.17 The 2014 appropriation includes \$312,000 for 2013 and ~~\$1,988,000~~ \$2,070,000  
 79.18 for 2014.

79.19 The 2015 appropriation includes ~~\$312,000~~ \$230,000 for 2014 and ~~\$1,988,000~~  
 79.20 \$2,070,000 for 2015.

79.21 **G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY,**  
 79.22 **AND LIFELONG LEARNING**

79.23 Sec. 26. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:

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

79.26		<del>22,078,000</del>		
79.27	\$	<u>22,797,000</u>	.....	2014
79.28		<del>22,425,000</del>		
79.29	\$	<u>22,001,000</u>	.....	2015

79.30 The 2014 appropriation includes \$3,008,000 for 2013 and ~~\$19,070,000~~ \$19,789,000  
 79.31 for 2014.

79.32 The 2015 appropriation includes ~~\$3,001,000~~ \$2,198,000 for 2014 and ~~\$19,424,000~~  
 79.33 \$19,803,000 for 2015.

79.34 Sec. 27. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:

80.1 Subd. 10. **Community education aid.** For community education aid under  
 80.2 Minnesota Statutes, section 124D.20:

80.3		<del>935,000</del>		
80.4	\$	<u>955,000</u>	.....	2014
80.5		<del>1,056,000</del>		
80.6	\$	<u>1,060,000</u>	.....	2015

80.7 The 2014 appropriation includes \$118,000 for 2013 and ~~\$817,000~~ \$837,000 for 2014.

80.8 The 2015 appropriation includes ~~\$128,000~~ \$93,000 for 2014 and ~~\$928,000~~ \$967,000  
 80.9 for 2015.

80.10 Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:

80.11 Subd. 11. **Adults with disabilities program aid.** For adults with disabilities  
 80.12 programs under Minnesota Statutes, section 124D.56:

80.13		<del>710,000</del>		
80.14	\$	<u>735,000</u>	.....	2014
80.15	\$	710,000	.....	2015

80.16 The 2014 appropriation includes \$96,000 for 2013 and ~~\$614,000~~ \$639,000 for 2014.

80.17 The 2015 appropriation includes ~~\$96,000~~ \$71,000 for 2014 and ~~\$614,000~~ \$639,000  
 80.18 for 2015.



APPENDIX  
Article locations in H3171-2

ARTICLE 1	GENERAL EDUCATION .....	Page.Ln 1.29
ARTICLE 2	EDUCATION EXCELLENCE .....	Page.Ln 21.22
ARTICLE 3	SPECIAL EDUCATION .....	Page.Ln 28.19
ARTICLE 4	FACILITIES .....	Page.Ln 44.28
ARTICLE 5	NUTRITION .....	Page.Ln 64.9
ARTICLE 6	EARLY EDUCATION, COMMUNITY EDUCATION, SELF-SUFFICIENCY AND LIFELONG LEARNING .....	Page.Ln 65.5
ARTICLE 7	STATE AGENCIES .....	Page.Ln 70.16
ARTICLE 8	FORECAST ADJUSTMENTS .....	Page.Ln 72.3

APPENDIX  
Repealed Minnesota Statutes: H3171-2

**123B.71 REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.**

Subdivision 1. **Consultation.** A school district shall consult with the commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility for which the estimated cost exceeds \$500,000. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital expenditure facilities revenue according to section 126C.10, subdivision 14, clause (2). The commissioner may require the district to participate in a management assistance plan before conducting a review and comment on the project.