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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 393

02/06/2013 Authored by Morgan; Abeler; Winkler; Benson, J.; Persell and others

The bill was read for the first time and referred to the Committee on Early Childhood and Youth Development Policy

03/04/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Education Finance

1.1 A bill for an act  
1.2 relating to education finance; authorizing compensatory revenue to be spent  
1.3 on early education efforts, including parental outreach; amending Minnesota  
1.4 Statutes 2012, section 126C.15, subdivisions 1, 2.

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

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

1.7 Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10,  
1.8 subdivision 4, must be reserved and used to meet the educational needs of pupils who  
1.9 enroll under-prepared to learn and whose progress toward meeting state or local content  
1.10 or performance standards is below the level that is appropriate for learners of their age.  
1.11 Basic skills revenue may also be used for programs designed to prepare children and their  
1.12 families for entry into school whether the student first enrolls in kindergarten or first grade.

1.13 Any of the following may be provided to meet these learners' needs:

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

1.16 (2) remedial instruction in reading, language arts, mathematics, other content areas,  
1.17 or study skills to improve the achievement level of these learners;

1.18 (3) additional teachers and teacher aides to provide more individualized instruction  
1.19 to these learners through individual tutoring, lower instructor-to-learner ratios, or team  
1.20 teaching;

1.21 (4) a longer school day or week during the regular school year or through a summer  
1.22 program that may be offered directly by the site or under a performance-based contract  
1.23 with a community-based organization;

2.1 (5) comprehensive and ongoing staff development consistent with district and site  
 2.2 plans according to section 122A.60, for teachers, teacher aides, principals, and other  
 2.3 personnel to improve their ability to identify the needs of these learners and provide  
 2.4 appropriate remediation, intervention, accommodations, or modifications;

2.5 (6) instructional materials, digital learning, and technology appropriate for meeting  
 2.6 the individual needs of these learners;

2.7 (7) programs to reduce truancy, encourage completion of high school, enhance  
 2.8 self-concept, provide health services, provide nutrition services, provide a safe and secure  
 2.9 learning environment, provide coordination for pupils receiving services from other  
 2.10 governmental agencies, provide psychological services to determine the level of social,  
 2.11 emotional, cognitive, and intellectual development, and provide counseling services,  
 2.12 guidance services, and social work services;

2.13 (8) bilingual programs, bicultural programs, and programs for English learners;

2.14 (9) all day kindergarten;

2.15 (10) early education programs, parent-training programs, school readiness programs,  
 2.16 kindergarten programs for four-year-olds, voluntary home visits under section 124D.13,  
 2.17 subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

2.18 (11) extended school day and extended school year programs; and

2.19 ~~(11)~~ (12) substantial parent involvement in developing and implementing remedial  
 2.20 education or intervention plans for a learner, including learning contracts between the  
 2.21 school, the learner, and the parent that establish achievement goals and responsibilities of  
 2.22 the learner and the learner's parent or guardian.

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

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

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

2.32 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to  
 2.33 five percent of the amount of compensatory revenue that the district receives to school  
 2.34 sites according to a plan adopted by the school board, and a district or cooperative may  
 2.35 allocate up to an additional five percent of its compensatory revenue for activities under

3.1 subdivision 1, clause (10), according to a plan adopted by the school board. The money  
3.2 reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but  
3.3 may be spent on students in any grade, including students attending school readiness or  
3.4 other prekindergarten programs.

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

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

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

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