

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 630

02/14/2013 Authored by Marquart and Bernardy

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration

02/18/2013 Adoption of Report: Pass and re-referred to the Committee on Education Finance

04/15/2013 Adoption of Report: Pass as Amended and re-referred to the Committee on Taxes

04/17/2013 Adoption of Report: Pass and re-referred to the Committee on Ways and Means

04/19/2013 Adoption of Report: Pass as Amended and Read Second Time

1.1 A bill for an act

1.2 relating to education; providing funding and policy for early childhood and

1.3 family, prekindergarten through grade 12, and adult education, including

1.4 general education, student accountability, education excellence, charter schools,

1.5 special education, facilities, technology, nutrition, libraries, accounting, early

1.6 childhood, self-sufficiency, lifelong learning, state agencies, and forecast

1.7 adjustments; authorizing rulemaking; requiring reports; appropriating money;

1.8 amending Minnesota Statutes 2012, sections 13.319, by adding a subdivision;

1.9 15.059, subdivision 5b; 120A.20, subdivision 1; 120A.41; 120B.02; 120B.021,

1.10 subdivision 1; 120B.023; 120B.024; 120B.125; 120B.128; 120B.30, subdivisions

1.11 1, 1a; 120B.31, subdivision 1; 120B.35, subdivision 3; 120B.36, subdivision

1.12 1; 121A.22, subdivision 2; 121A.2205; 122A.09, subdivision 4; 122A.18,

1.13 subdivision 2; 122A.23, subdivision 2; 122A.28, subdivision 1; 122A.33,

1.14 subdivision 3; 122A.61, subdivision 1; 123B.41, subdivision 7; 123B.54;

1.15 123B.88, subdivision 22; 123B.92, subdivisions 1, 5; 124D.02, subdivision

1.16 1; 124D.095, subdivision 10; 124D.10; 124D.11, subdivision 5; 124D.111,

1.17 subdivision 1; 124D.119; 124D.122; 124D.128, subdivision 2; 124D.42;

1.18 124D.4531, subdivision 1; 124D.52, by adding a subdivision; 124D.531,

1.19 subdivision 1; 124D.59, subdivision 2; 124D.61; 124D.79, subdivision 1, by

1.20 adding a subdivision; 125A.0941; 125A.0942; 125A.11, subdivision 1; 125A.27,

1.21 subdivisions 8, 11, 14; 125A.28; 125A.29; 125A.30; 125A.32; 125A.33;

1.22 125A.35, subdivision 1; 125A.36; 125A.43; 125A.76, subdivisions 1, 4a, 8,

1.23 by adding subdivisions; 125A.78, subdivision 2; 125A.79, subdivisions 1, 5;

1.24 126C.01, by adding a subdivision; 126C.05, subdivisions 1, 15; 126C.10,

1.25 subdivisions 1, 2, 14, 24, 29, 32; 126C.15, subdivisions 1, 2; 126C.17,

1.26 subdivisions 1, 5, 6; 126C.40, subdivision 6; 126C.44; 126C.48, subdivision

1.27 8; 127A.47, subdivision 7; 128D.11, subdivision 3; 134.32; 134.34; 134.351,

1.28 subdivisions 3, 7; 134.353; 134.354; 134.355, subdivisions 1, 2, 3, 4, 5, 6;

1.29 134.36; 260A.02, subdivision 3; 260A.03; 260A.05, subdivision 1; 260A.07,

1.30 subdivision 1; Laws 2007, chapter 146, article 4, section 12; Laws 2011, First

1.31 Special Session chapter 11, article 1, section 36, subdivisions 2, as amended, 3,

1.32 as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 10,

1.33 as amended; article 2, section 50, subdivisions 2, as amended, 4, as amended,

1.34 5, as amended, 6, as amended, 7, as amended, 9, as amended; article 3,

1.35 section 11, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as

1.36 amended; article 4, section 10, subdivisions 2, as amended, 3, as amended, 4,

1.37 as amended, 6, as amended; article 5, section 12, subdivisions 2, as amended,

1.38 3, as amended, 4, as amended; article 6, section 2, subdivisions 2, as amended,

1.39 3, as amended, 5, as amended; article 7, section 2, subdivisions 2, as amended,

2.1 3, as amended, 4, as amended, 8, as amended; article 8, section 2, subdivisions
 2.2 2, as amended, 3, as amended; article 9, section 3, subdivision 2, as amended;
 2.3 proposing coding for new law in Minnesota Statutes, chapters 120B; 121A;
 2.4 124D; 126C; 127A; proposing coding for new law as Minnesota Statutes, chapter
 2.5 16F; repealing Minnesota Statutes 2012, sections 124D.454, subdivisions 3,
 2.6 10, 11; 125A.35, subdivisions 4, 5; 125A.76, subdivisions 2, 4, 5, 7; 125A.79,
 2.7 subdivisions 6, 7; 126C.17, subdivision 13; Minnesota Rules, parts 3501.0010;
 2.8 3501.0020; 3501.0030, subparts 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15,
 2.9 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090; 3501.0100; 3501.0110;
 2.10 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160; 3501.0170;
 2.11 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240;
 2.12 3501.0250; 3501.0270; 3501.0280, subparts 1, 2; 3501.0290; 3501.0505;
 2.13 3501.0510; 3501.0515; 3501.0520; 3501.0525; 3501.0530; 3501.0535;
 2.14 3501.0540; 3501.0545; 3501.0550; 3501.1000; 3501.1020; 3501.1030;
 2.15 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140;
 2.16 3501.1150; 3501.1160; 3501.1170; 3501.1180; 3501.1190.

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

2.18 **ARTICLE 1**

2.19 **GENERAL EDUCATION**

2.20 Section 1. Minnesota Statutes 2012, section 120A.20, subdivision 1, is amended to read:

2.21 Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or
 2.22 in part by state funds are public schools. Admission to a public school is free to any
 2.23 person who: (1) resides within the district that operates the school; (2) is under 21 years of
 2.24 age or who meets the requirements of paragraph (c); and (3) satisfies the minimum age
 2.25 requirements imposed by this section. Notwithstanding the provisions of any law to the
 2.26 contrary, the conduct of all students under 21 years of age attending a public secondary
 2.27 school is governed by a single set of reasonable rules and regulations promulgated by the
 2.28 school board.

2.29 (b) A person shall not be admitted to a public school (1) as a kindergarten pupil,
 2.30 unless the pupil is at least five years of age on September 1 of the calendar year in which
 2.31 the school year for which the pupil seeks admission commences; or (2) as a 1st grade
 2.32 student, unless the pupil is at least six years of age on September 1 of the calendar year in
 2.33 which the school year for which the pupil seeks admission commences or has completed
 2.34 kindergarten; except that any school board may establish a policy for admission of
 2.35 selected pupils at an earlier age under section 124D.02.

2.36 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public
 2.37 school enrollment until at least one of the following occurs: (1) the first September 1 after
 2.38 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)
 2.39 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)
 2.40 the end of the school year.

3.1 Sec. 2. Minnesota Statutes 2012, section 120A.41, is amended to read:

3.2 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

3.3 A school board's annual school calendar must include at least 850 hours of
3.4 instruction for a kindergarten student without a disability in an all-day every day
3.5 kindergarten program, at least 425 hours of instruction for a kindergarten student without a
3.6 disability in a kindergarten program that is not all-day every day, 935 hours of instruction
3.7 for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7
3.8 through 12, not including summer school. ~~Nothing in this section permits a school district~~
3.9 ~~to adopt~~ A school board's annual calendar must include at least 165 days of instruction
3.10 for a student in grades 1 through 11 unless a four-day week schedule unless has been
3.11 approved by the commissioner under section 124D.126.

3.12 Sec. 3. Minnesota Statutes 2012, section 123B.41, subdivision 7, is amended to read:

3.13 Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades
3.14 kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be
3.15 counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42,
3.16 and 123B.44 to 123B.48.

3.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
3.18 and later.

3.19 Sec. 4. Minnesota Statutes 2012, section 123B.88, subdivision 22, is amended to read:

3.20 Subd. 22. **Postsecondary enrollment options pupils.** Districts may provide bus
3.21 transportation along school bus routes when space is available, for pupils attending
3.22 programs at a postsecondary institution under the postsecondary enrollment options
3.23 program. ~~The transportation is permitted only if it does not increase the district's~~
3.24 ~~expenditures for transportation.~~ Fees collected for this service under section 123B.36,
3.25 subdivision 1, paragraph (13), shall be subtracted from the authorized cost for nonregular
3.26 transportation for the purpose of section 123B.92. A school district may provide
3.27 transportation for a pupil participating in an articulated program operated under an
3.28 agreement between the school district and the postsecondary institution.

3.29 Sec. 5. Minnesota Statutes 2012, section 123B.92, subdivision 1, is amended to read:

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

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

4.3 (1) the sum of:

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

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

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

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

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

4.18 (1) Regular transportation is:

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

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

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

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

4.31 (v) transportation to and from school during the regular school year required under
4.32 subdivision 3 for nonresident elementary pupils when the distance from the attendance
4.33 area border to the public school is one mile or more, and for nonresident secondary pupils
4.34 when the distance from the attendance area border to the public school is two miles or
4.35 more, excluding desegregation transportation and noon kindergarten transportation.

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

5.7 (2) Excess transportation is:

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

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

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

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

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

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

5.31 (iii) necessary transportation for resident pupils with disabilities required by sections
5.32 125A.12, and 125A.26 to 125A.48;

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

5.35 (v) transportation from one educational facility to another within the district for
5.36 resident pupils enrolled on a shared-time basis in educational programs, and necessary

6.1 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils
6.2 with disabilities who are provided special instruction and services on a shared-time basis
6.3 or if resident pupils are not transported, the costs of necessary travel between public
6.4 and private schools or neutral instructional sites by essential personnel employed by the
6.5 district's program for children with a disability;

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

6.8 (vii) transportation of pupils for a curricular field trip activity on a school bus
6.9 equipped with a power lift when the power lift is required by a student's disability or
6.10 section 504 plan; and

6.11 (viii) services described in clauses (i) to (vii), when provided for pupils with
6.12 disabilities in conjunction with a summer instructional program that relates to the
6.13 pupil's individualized education program or in conjunction with a learning year program
6.14 established under section 124D.128.

6.15 For purposes of computing special education initial aid under section 125A.76,
6.16 ~~subdivision~~ subdivisions 2 and 2a, the cost of providing transportation for children with
6.17 disabilities includes (A) the additional cost of transporting a homeless student from a
6.18 temporary nonshelter home in another district to the school of origin, or a formerly
6.19 homeless student from a permanent home in another district to the school of origin but
6.20 only through the end of the academic year; and (B) depreciation on district-owned school
6.21 buses purchased after July 1, 2005, and used primarily for transportation of pupils with
6.22 disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation
6.23 costs included in the disabled transportation category must be excluded in calculating the
6.24 actual expenditure per pupil transported in the regular and excess transportation categories
6.25 according to paragraph (a). For purposes of subitem (A), a school district may transport
6.26 a child who does not have a school of origin to the same school attended by that child's
6.27 sibling, if the siblings are homeless.

6.28 (5) "Nonpublic nonregular transportation" is:

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

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

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

7.1 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for
7.2 educational programs and services, including diagnostic testing, guidance and counseling
7.3 services, and health services. A mobile unit located off nonpublic school premises is a
7.4 neutral site as defined in section 123B.41, subdivision 13.

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

7.6 Sec. 6. Minnesota Statutes 2012, section 123B.92, subdivision 5, is amended to read:

7.7 Subd. 5. **District reports.** (a) Each district must report data to the department as
7.8 required by the department to account for transportation expenditures.

7.9 (b) Salaries and fringe benefits of district employees whose primary duties are
7.10 other than transportation, including central office administrators and staff, building
7.11 administrators and staff, teachers, social workers, school nurses, and instructional aides,
7.12 must not be included in a district's transportation expenditures, except that a district may
7.13 include salaries and benefits according to paragraph (c) for (1) an employee designated
7.14 as the district transportation director, (2) an employee providing direct support to the
7.15 transportation director, or (3) an employee providing direct transportation services such as
7.16 a bus driver or bus aide.

7.17 (c) Salaries and fringe benefits of the district employees listed in paragraph (b),
7.18 clauses (1), (2), and (3), who work part time in transportation and part time in other areas
7.19 must not be included in a district's transportation expenditures unless the district maintains
7.20 documentation of the employee's time spent on pupil transportation matters in the form
7.21 and manner prescribed by the department.

7.22 (d) A school district that contracts for transportation service may allocate
7.23 transportation expense to transportation categories based upon contract rates. Districts
7.24 may only allocate transportation expense to transportation categories based upon contract
7.25 rates if contract rates are reasonably consistent on a cost-per-hour, cost-per-mile,
7.26 cost-per-route, or cost-per-student basis. In order to allocate transportation expense based
7.27 upon contract rates, a school district, if audited, must be able to demonstrate to the auditor
7.28 that variances in the application of transportation cost basis rates are appropriate.

7.29 (e) Pupil transportation expenditures, excluding expenditures for capital outlay,
7.30 leased buses, student board and lodging, crossing guards, and aides on buses, must be
7.31 allocated among transportation categories based on cost-per-mile or cost-per-student
7.32 regardless of whether the transportation services are provided on district-owned or
7.33 contractor-owned school buses. Expenditures for school bus driver salaries and fringe
7.34 benefits may either be directly charged to the appropriate transportation category or may
7.35 be allocated among transportation categories based on cost-per-mile or cost-per-student.

8.1 Expenditures by private contractors or individuals who provide transportation exclusively
8.2 in one transportation category must be charged directly to the appropriate transportation
8.3 category. Transportation services provided by contractor-owned school bus companies
8.4 incorporated under different names but owned by the same individual or group of
8.5 individuals must be treated as the same company for cost allocation purposes.

8.6 ~~(e) Notwithstanding paragraph (d), districts contracting for transportation services~~
8.7 ~~are exempt from the standard cost allocation method for authorized and nonauthorized~~
8.8 ~~transportation categories if the district: (1) bids its contracts separately for authorized and~~
8.9 ~~nonauthorized transportation categories and for special transportation separate from regular~~
8.10 ~~and excess transportation; (2) receives bids or quotes from more than one vendor for these~~
8.11 ~~transportation categories; and (3) the district's cost-per-mile does not vary more than ten~~
8.12 ~~percent among categories, excluding salaries and fringe benefits of bus aides. If the costs~~
8.13 ~~reported by the district for contractor-owned operations vary by more than ten percent~~
8.14 ~~among categories, the department shall require the district to reallocate its transportation~~
8.15 ~~costs, excluding salaries and fringe benefits of bus aides, among all categories.~~

8.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
8.17 and later.

8.18 Sec. 7. Minnesota Statutes 2012, section 124D.02, subdivision 1, is amended to read:

8.19 Subdivision 1. **Kindergarten instruction.** The board may establish and maintain
8.20 one or more kindergartens for the instruction of children and after July 1, 1974, shall
8.21 provide kindergarten instruction for all eligible children, either in the district or in
8.22 another district. All children to be eligible for kindergarten must be at least five years
8.23 of age on September 1 of the calendar year in which the school year commences. In
8.24 addition all children selected under an early admissions policy established by the school
8.25 board may be admitted. If established, a board-adopted early admissions policy must
8.26 describe the process and procedures for comprehensive evaluation in cognitive, social,
8.27 and emotional developmental domains to help determine the child's ability to meet
8.28 kindergarten grade expectations and progress to first grade in the subsequent year. The
8.29 comprehensive evaluation must use valid and reliable instrumentation, be aligned with
8.30 state kindergarten expectations, and include a parent report and teacher observations of
8.31 the child's knowledge, skills, and abilities. The early admissions policy must be made
8.32 available to parents in an accessible format and is subject to review by the commissioner
8.33 of education. The evaluation is subject to section 127A.41. Nothing in this section
8.34 shall prohibit a school district from establishing Head Start, prekindergarten, or nursery
8.35 school classes for children below kindergarten age. Any school board with evidence that

9.1 providing kindergarten will cause an extraordinary hardship on the school district may
9.2 apply to the commissioner of education for an exception.

9.3 Sec. 8. Minnesota Statutes 2012, section 124D.128, subdivision 2, is amended to read:

9.4 Subd. 2. **Commissioner designation.** (a) A state-approved alternative program
9.5 designated by the state must be a site. A state-approved alternative program must provide
9.6 services to students who meet the criteria in section 124D.68 and who are enrolled in:

9.7 (1) a district that is served by the state-approved alternative program; or

9.8 (2) a charter school located within the geographic boundaries of a district that is
9.9 served by the state-approved alternative program.

9.10 ~~(b) A school district or charter school may be approved biennially by the state to~~
9.11 ~~provide additional instructional programming that results in grade level acceleration. The~~
9.12 ~~program must be designed so that students make grade progress during the school year~~
9.13 ~~and graduate prior to the students' peers.~~

9.14 ~~(e) (b)~~ To be designated, a ~~district, charter school, or~~ state-approved alternative
9.15 program must demonstrate to the commissioner that it will:

9.16 (1) provide a program of instruction that permits pupils to receive instruction
9.17 throughout the entire year; and

9.18 (2) develop and maintain a separate record system that, for purposes of section
9.19 126C.05, permits identification of membership attributable to pupils participating in the
9.20 program. The record system and identification must ensure that the program will not have
9.21 the effect of increasing the total average daily membership attributable to an individual
9.22 pupil as a result of a learning year program. The record system must include the date the
9.23 pupil originally enrolled in a learning year program, the pupil's grade level, the date of
9.24 each grade promotion, the average daily membership generated in each grade level, the
9.25 number of credits or standards earned, and the number needed to graduate.

9.26 ~~(d) (c)~~ A student who has not completed a school district's graduation requirements
9.27 may continue to enroll in courses the student must complete in order to graduate until
9.28 the student satisfies the district's graduation requirements or the student is 21 years old,
9.29 whichever comes first.

9.30 Sec. 9. Minnesota Statutes 2012, section 124D.4531, subdivision 1, is amended to read:

9.31 Subdivision 1. **Career and technical levy.** (a) A district with a career and technical
9.32 program approved under this section for the fiscal year in which the levy is certified
9.33 may levy an amount equal to 35 percent of approved expenditures in the fiscal year in
9.34 which the levy is certified for the following:

10.1 (1) salaries paid to essential, licensed personnel providing direct instructional
10.2 services to students in that fiscal year, including extended contracts, for services rendered
10.3 in the district's approved career and technical education programs, excluding salaries
10.4 reimbursed by another school district under clause (2);

10.5 (2) amounts paid to another Minnesota school district for salaries of essential,
10.6 licensed personnel providing direct instructional services to students in that fiscal year for
10.7 services rendered in the district's approved career and technical education programs;

10.8 ~~(2)~~ (3) contracted services provided by a public or private agency other than a
10.9 Minnesota school district or cooperative center under subdivision 7;

10.10 ~~(3)~~ (4) necessary travel between instructional sites by licensed career and technical
10.11 education personnel;

10.12 ~~(4)~~ (5) necessary travel by licensed career and technical education personnel for
10.13 vocational student organization activities held within the state for instructional purposes;

10.14 ~~(5)~~ (6) curriculum development activities that are part of a five-year plan for
10.15 improvement based on program assessment;

10.16 ~~(6)~~ (7) necessary travel by licensed career and technical education personnel for
10.17 noncollegiate credit-bearing professional development; and

10.18 ~~(7)~~ (8) specialized vocational instructional supplies.

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

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

10.25 (d) The amount of the levy certified under this subdivision may not exceed
10.26 \$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and
10.27 \$15,393,000 for taxes payable in 2014.

10.28 (e) If the estimated levy exceeds the amount in paragraph (d), the commissioner
10.29 must reduce the percentage in paragraph (a), clause (2), until the estimated levy no longer
10.30 exceeds the limit in paragraph (d).

10.31 Sec. 10. Minnesota Statutes 2012, section 126C.01, is amended by adding a
10.32 subdivision to read:

10.33 Subd. 3a. **Referendum market value equalizing factor.** The referendum market
10.34 value equalizing factor equals the quotient derived by dividing the total referendum market

11.1 value of all school districts in the state for the year before the year the levy is certified by
 11.2 the total number of resident marginal cost pupil units in the state for the current school year.

11.3 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and later.

11.4 Sec. 11. Minnesota Statutes 2012, section 126C.05, subdivision 1, is amended to read:

11.5 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the
 11.6 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),
 11.7 in average daily membership enrolled in the district of residence, in another district under
 11.8 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
 11.9 section 124D.10; or for whom the resident district pays tuition under section 123A.18,
 11.10 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
 11.11 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
 11.12 subdivision.

11.13 (a) A prekindergarten pupil with a disability who is enrolled in a program approved
 11.14 by the commissioner and has an individualized education program is counted as the ratio
 11.15 of the number of hours of assessment and education service to 825 times 1.25 with a
 11.16 minimum average daily membership of 0.28, but not more than 1.25 pupil units.

11.17 (b) A prekindergarten pupil who is assessed but determined not to be disabled is
 11.18 counted as the ratio of the number of hours of assessment service to 825 times 1.25.

11.19 (c) A kindergarten pupil with a disability who is enrolled in a program approved
 11.20 by the commissioner is counted as the ratio of the number of hours of assessment and
 11.21 education services required in the fiscal year by the pupil's individualized education
 11.22 program to 875, but not more than one.

11.23 (d) A kindergarten pupil who is not included in paragraph (c) is counted as ~~.612~~
 11.24 1.0 pupil units if the pupil is enrolled in a free all-day, every day kindergarten program
 11.25 available to all kindergarten pupils at the pupil's school, or is counted as .612 pupil units,
 11.26 if the pupil is not enrolled in a free all-day, every day kindergarten program available to all
 11.27 kindergarten pupils at the pupil's school. The annual school calendar for a kindergarten
 11.28 program established by the school board under section 120A.02 must include at least 850
 11.29 hours of instruction for a kindergarten pupil to be counted as 1.0 pupil units.

11.30 (e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units ~~for fiscal~~
 11.31 ~~year 2000 and thereafter.~~

11.32 (f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units ~~for fiscal~~
 11.33 ~~year 1995 and thereafter.~~

11.34 (g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

12.1 (h) A pupil who is in the postsecondary enrollment options program is counted
12.2 as 1.3 pupil units.

12.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
12.4 and later.

12.5 Sec. 12. Minnesota Statutes 2012, section 126C.05, subdivision 15, is amended to read:

12.6 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning
12.7 year program under section 124D.128, an area learning center or an alternative learning
12.8 program approved by the commissioner under sections 123A.05 and 123A.06, or a
12.9 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or
12.10 subdivision 3a, for more than 1,020 hours in a school year for a secondary student, more
12.11 than 935 hours in a school year for an elementary student, more than 850 hours in a school
12.12 year for a kindergarten student without a disability in a full-day kindergarten program,
12.13 or more than 425 hours in a school year for a half-day kindergarten student without a
12.14 disability, that pupil may be counted as more than one pupil in average daily membership
12.15 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must
12.16 be determined by the ratio of the number of hours of instruction provided to that pupil in
12.17 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time
12.18 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours
12.19 or the number of hours required for a full-time elementary pupil in the district to 935 for
12.20 an elementary pupil in grades 1 through 6; ~~and~~ (iii) the greater of 425 hours or the number
12.21 of hours required for a full-time kindergarten student without a disability in the district to
12.22 425 for a kindergarten student without a disability; and (iv) the greater of 425 hours or the
12.23 number of hours required for a half-time kindergarten student without a disability in the
12.24 district to 425 for a half-day kindergarten student without a disability. Hours that occur
12.25 after the close of the instructional year in June shall be attributable to the following fiscal
12.26 year. ~~A kindergarten student must not be counted as more than 1.2 pupils in average daily~~
12.27 ~~membership under this subdivision.~~ A student in kindergarten or grades 1 through 12 must
12.28 not be counted as more than 1.2 pupils in average daily membership under this subdivision.

12.29 (b)(i) To receive general education revenue for a pupil in an area learning center
12.30 or alternative learning program that has an independent study component, a district
12.31 must meet the requirements in this paragraph. The district must develop, for the pupil,
12.32 a continual learning plan consistent with section 124D.128, subdivision 3. Each school
12.33 district that has an area learning center or alternative learning program must reserve
12.34 revenue in an amount equal to at least 90 percent of the district average general education
12.35 revenue per pupil unit, minus an amount equal to the product of the formula allowance

13.1 according to section 126C.10, subdivision 2, times .0485, calculated without basic skills
13.2 and transportation sparsity revenue, times the number of pupil units generated by students
13.3 attending an area learning center or alternative learning program. The amount of reserved
13.4 revenue available under this subdivision may only be spent for program costs associated
13.5 with the area learning center or alternative learning program. Basic skills revenue
13.6 generated according to section 126C.10, subdivision 4, by pupils attending the eligible
13.7 program must be allocated to the program.

13.8 (ii) General education revenue for a pupil in a state-approved alternative program
13.9 without an independent study component must be prorated for a pupil participating for less
13.10 than a full year, or its equivalent. The district must develop a continual learning plan for the
13.11 pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area
13.12 learning center or alternative learning program must reserve revenue in an amount equal to
13.13 at least 90 percent of the district average general education revenue per pupil unit, minus
13.14 an amount equal to the product of the formula allowance according to section 126C.10,
13.15 subdivision 2, times .0485, calculated without basic skills and transportation sparsity
13.16 revenue, times the number of pupil units generated by students attending an area learning
13.17 center or alternative learning program. The amount of reserved revenue available under this
13.18 subdivision may only be spent for program costs associated with the area learning center or
13.19 alternative learning program. Basic skills revenue generated according to section 126C.10,
13.20 subdivision 4, by pupils attending the eligible program must be allocated to the program.

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

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

13.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
13.31 and later.

13.32 Sec. 13. Minnesota Statutes 2012, section 126C.10, subdivision 1, is amended to read:

13.33 Subdivision 1. **General education revenue.** The general education revenue for
13.34 each district equals the sum of the district's basic revenue, extended time revenue, gifted
13.35 and talented revenue, small schools revenue, basic skills revenue, ~~training and experience~~

14.1 ~~revenue~~, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity
14.2 revenue, total operating capital revenue, equity revenue, alternative teacher compensation
14.3 revenue, and transition revenue.

14.4 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 2, is amended to read:

14.5 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula
14.6 allowance times the adjusted marginal cost pupil units for the school year. ~~The formula~~
14.7 ~~allowance for fiscal year 2011 is \$5,124. The formula allowance for fiscal year 2012 is~~
14.8 ~~\$5,174. The formula allowance for fiscal year 2013 and subsequent years is \$5,224. The~~
14.9 ~~formula allowance for fiscal year 2014 is \$5,328. The formula allowance for fiscal year~~
14.10 2015 and later is \$5,433.

14.11 Sec. 15. Minnesota Statutes 2012, section 126C.10, subdivision 14, is amended to read:

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

14.14 (1) to acquire land for school purposes;

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

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

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

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

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

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

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

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

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

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

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

- 15.1 (13) to pay special assessments levied against school property but not to pay
15.2 assessments for service charges;
- 15.3 (14) to pay principal and interest on state loans for energy conservation according to
15.4 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust
15.5 Fund Act according to sections 298.292 to 298.298;
- 15.6 (15) to purchase or lease interactive telecommunications equipment;
- 15.7 (16) by board resolution, to transfer money into the debt redemption fund to: (i)
15.8 pay the amounts needed to meet, when due, principal and interest payments on certain
15.9 obligations issued according to chapter 475; or (ii) pay principal and interest on debt
15.10 service loans or capital loans according to section 126C.70;
- 15.11 (17) to pay operating capital-related assessments of any entity formed under a
15.12 cooperative agreement between two or more districts;
- 15.13 (18) to purchase or lease computers and related ~~materials~~ hardware, initial purchase
15.14 of related software, but not annual licensing fees, copying machines, telecommunications
15.15 equipment, and other noninstructional equipment;
- 15.16 (19) to purchase or lease assistive technology or equipment for instructional
15.17 programs;
- 15.18 (20) to purchase textbooks as defined in section 123B.41, subdivision 2;
- 15.19 (21) to purchase new and replacement library media resources or technology;
- 15.20 (22) to lease or purchase vehicles;
- 15.21 (23) to purchase or lease telecommunications equipment, computers, and related
15.22 equipment for integrated information management systems for:
- 15.23 (i) managing and reporting learner outcome information for all students under a
15.24 results-oriented graduation rule;
- 15.25 (ii) managing student assessment, services, and achievement information required
15.26 for students with individualized education programs; and
- 15.27 (iii) other classroom information management needs;
- 15.28 (24) to pay personnel costs directly related to the acquisition, operation, and
15.29 maintenance of telecommunications systems, computers, related equipment, and network
15.30 and applications software; and
- 15.31 (25) to pay the costs directly associated with closing a school facility, including
15.32 moving and storage costs.

15.33 Sec. 16. Minnesota Statutes 2012, section 126C.10, subdivision 24, is amended to read:

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

16.1 (1) the school district's adjusted marginal cost pupil unit amount of basic revenue,
 16.2 transition revenue, and referendum revenue is less than the value of the school district at
 16.3 or immediately above the 95th percentile of school districts in its equity region for those
 16.4 revenue categories; and

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

16.7 (b) Equity revenue for a qualifying district that receives referendum revenue under
 16.8 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal
 16.9 cost pupil units for that year; times (2) the sum of (i) \$13, plus (ii) \$75, times the school
 16.10 district's equity index computed under subdivision 27.

16.11 (c) Equity revenue for a qualifying district that does not receive referendum revenue
 16.12 under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal
 16.13 cost pupil units for that year times \$13.

16.14 (d) A school district's equity revenue is increased by the greater of zero or an amount
 16.15 equal to the difference between \$300 times the district's resident marginal cost pupil units
 16.16 ~~times the difference between ten percent of the statewide average and the district's amount~~
 16.17 ~~of referendum revenue per resident marginal cost pupil unit for that year and the district's~~
 16.18 ~~referendum revenue per resident marginal cost pupil unit.~~ A school district's revenue
 16.19 ~~under this paragraph must not exceed \$100,000 for that year.~~

16.20 (e) A school district's equity revenue for a school district located in the metro equity
 16.21 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

16.22 (f) ~~For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2),~~ A school
 16.23 ~~district that has per pupil referendum revenue below the 95th percentile qualifies for~~
 16.24 district's additional equity revenue equal to equals \$46 times its adjusted marginal cost
 16.25 pupil units.

16.26 (g) ~~A district that does not qualify for revenue under paragraph (f) qualifies for~~
 16.27 ~~equity revenue equal to \$46 times its adjusted marginal cost pupil units.~~

16.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 16.29 and later.

16.30 Sec. 17. Minnesota Statutes 2012, section 126C.10, subdivision 29, is amended to read:

16.31 Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year 2005 2015 and later,
 16.32 a district may levy an amount not more than the product of its equity revenue for the fiscal
 16.33 year times the lesser of one or the ratio of its referendum market value per resident ~~marginal~~
 16.34 ~~cost pupil unit to \$476,000~~ 122 percent of the referendum market value equalizing factor.

17.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
17.2 and later.

17.3 Sec. 18. Minnesota Statutes 2012, section 126C.10, subdivision 32, is amended to read:

17.4 Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year ~~2005~~ 2015
17.5 and later, a district may levy an amount not more than the product of its transition revenue
17.6 for the fiscal year times the lesser of one or the ratio of its referendum market value per
17.7 resident ~~marginal-cost~~ pupil unit to ~~\$476,000~~ 122 percent of the referendum market
17.8 value equalizing factor.

17.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
17.10 and later.

17.11 Sec. 19. Minnesota Statutes 2012, section 126C.15, subdivision 1, is amended to read:

17.12 Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10,
17.13 subdivision 4, must be reserved and used to meet the educational needs of pupils who
17.14 enroll under-prepared to learn and whose progress toward meeting state or local content
17.15 or performance standards is below the level that is appropriate for learners of their age.
17.16 Basic skills revenue may also be used for programs designed to prepare children and their
17.17 families for entry into school whether the student first enrolls in kindergarten or first grade.
17.18 Any of the following may be provided to meet these learners' needs:

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

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

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

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

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

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

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

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

18.8 (9) all day kindergarten;

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

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

18.13 ~~(11)~~ (12) substantial parent involvement in developing and implementing remedial
18.14 education or intervention plans for a learner, including learning contracts between the
18.15 school, the learner, and the parent that establish achievement goals and responsibilities of
18.16 the learner and the learner's parent or guardian.

18.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
18.18 and later.

18.19 Sec. 20. Minnesota Statutes 2012, section 126C.15, subdivision 2, is amended to read:

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

18.26 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to
18.27 five percent of the amount of compensatory revenue that the district receives to school
18.28 sites according to a plan adopted by the school board, and a district or cooperative may
18.29 allocate up to an additional five percent of its compensatory revenue for activities under
18.30 subdivision 1, clause (10), according to a plan adopted by the school board. The money
18.31 reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but
18.32 may be spent on students in any grade, including students attending school readiness or
18.33 other prekindergarten programs.

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

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

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

19.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 19.11 and later.

19.12 Sec. 21. Minnesota Statutes 2012, section 126C.17, subdivision 1, is amended to read:

19.13 Subdivision 1. **Referendum allowance.** ~~(a) For fiscal year 2003 and later, a district's~~
 19.14 ~~initial referendum revenue allowance equals the sum of the allowance under section~~
 19.15 ~~126C.16, subdivision 2, plus any additional allowance per resident marginal cost pupil~~
 19.16 ~~unit authorized under subdivision 9 before May 1, 2001, for fiscal year 2002 and later,~~
 19.17 ~~plus the referendum conversion allowance approved under subdivision 13, minus \$415.~~
 19.18 ~~For districts with more than one referendum authority, the reduction must be computed~~
 19.19 ~~separately for each authority. The reduction must be applied first to the referendum~~
 19.20 ~~conversion allowance and next to the authority with the earliest expiration date. A~~
 19.21 ~~district's initial referendum revenue allowance may not be less than zero.~~

19.22 ~~(b) For fiscal year 2003, a district's referendum revenue allowance equals the initial~~
 19.23 ~~referendum allowance plus any additional allowance per resident marginal cost pupil unit~~
 19.24 ~~authorized under subdivision 9 between April 30, 2001, and December 30, 2001, for~~
 19.25 ~~fiscal year 2003 and later.~~

19.26 ~~(c) For fiscal year 2004 and later, a district's referendum revenue allowance equals~~
 19.27 ~~the sum of:~~

19.28 ~~(1) the product of (i) the ratio of the resident marginal cost pupil units the district~~
 19.29 ~~would have counted for fiscal year 2004 under Minnesota Statutes 2002, section 126C.05,~~
 19.30 ~~to the district's resident marginal cost pupil units for fiscal year 2004, times (ii) the initial~~
 19.31 ~~referendum allowance plus any additional allowance per resident marginal cost pupil unit~~
 19.32 ~~authorized under subdivision 9 between April 30, 2001, and May 30, 2003, for fiscal~~
 19.33 ~~year 2003 and later, plus~~

19.34 ~~(2) any additional allowance per resident marginal cost pupil unit authorized under~~
 19.35 ~~subdivision 9 after May 30, 2003, for fiscal year 2005 and later.~~

20.1 (a) A district's initial referendum allowance for fiscal year 2015 equals the result of
 20.2 the following calculations:

20.3 (1) multiply the referendum allowance the district would have received for fiscal
 20.4 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on
 20.5 elections held before July 1, 2013, by the resident marginal cost pupil units the district
 20.6 would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

20.7 (2) divide the result of clause (1) by the district's residential marginal cost pupil units
 20.8 for fiscal year 2015; and

20.9 (3) if the result of clause (2) is less than zero, set the allowance to zero.

20.10 (b) A district's referendum allowance equals the sum of the district's initial
 20.11 referendum allowance for fiscal year 2015, plus any additional referendum allowance per
 20.12 resident marginal cost pupil unit authorized after June 30, 2013, minus any allowances
 20.13 expiring in fiscal year 2016 or later.

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

20.15 Sec. 22. Minnesota Statutes 2012, section 126C.17, subdivision 5, is amended to read:

20.16 Subd. 5. **Referendum equalization revenue.** ~~(a) For fiscal year 2003 and later,~~
 20.17 A district's referendum equalization revenue equals the sum of the first tier referendum
 20.18 equalization revenue and the second tier referendum equalization revenue.

20.19 (b) A district's first tier referendum equalization revenue equals the district's first
 20.20 tier referendum equalization allowance times the district's resident marginal cost pupil
 20.21 units for that year.

20.22 ~~(c) For fiscal year 2006, a district's first tier referendum equalization allowance~~
 20.23 ~~equals the lesser of the district's referendum allowance under subdivision 1 or \$500. For~~
 20.24 ~~fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser~~
 20.25 ~~of the district's referendum allowance under subdivision 1 or \$600.~~

20.26 ~~For fiscal year 2008 and later,~~ A district's first tier referendum equalization allowance
 20.27 equals the lesser of the district's referendum allowance under subdivision 1 or \$700.

20.28 (d) A district's second tier referendum equalization revenue equals the district's
 20.29 second tier referendum equalization allowance times the district's resident marginal cost
 20.30 pupil units for that year.

20.31 ~~(e) For fiscal year 2006, a district's second tier referendum equalization allowance~~
 20.32 ~~equals the lesser of the district's referendum allowance under subdivision 1 or 18.6 percent~~
 20.33 ~~of the formula allowance, minus the district's first tier referendum equalization allowance.~~
 20.34 ~~For fiscal year 2007 and later,~~ A district's second tier referendum equalization allowance

21.1 equals the lesser of the district's referendum allowance under subdivision 1 or 26 percent
 21.2 of the formula allowance, minus the district's first tier referendum equalization allowance.

21.3 (f) Notwithstanding paragraph (e), the second tier referendum allowance for a
 21.4 district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or
 21.5 elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's
 21.6 referendum allowance under subdivision 1 minus the district's first tier referendum
 21.7 equalization allowance.

21.8 Sec. 23. Minnesota Statutes 2012, section 126C.17, subdivision 6, is amended to read:

21.9 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~
 21.10 A district's referendum equalization levy equals the sum of the first tier referendum
 21.11 equalization levy and the second tier referendum equalization levy.

21.12 (b) A district's first tier referendum equalization levy equals the district's first tier
 21.13 referendum equalization revenue times the lesser of one or the ratio of the district's
 21.14 referendum market value per resident marginal cost pupil unit to ~~\$476,000~~ 122 percent of
 21.15 the referendum market value equalizing factor.

21.16 (c) A district's second tier referendum equalization levy equals the district's second
 21.17 tier referendum equalization revenue times the lesser of one or the ratio of the district's
 21.18 referendum market value per resident marginal cost pupil unit to ~~\$270,000~~ 66 percent of
 21.19 the referendum market value equalizing factor.

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

21.21 Sec. 24. Minnesota Statutes 2012, section 126C.40, subdivision 6, is amended to read:

21.22 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval
 21.23 by, the commissioner in accordance with the procedures and limits in subdivision 1,
 21.24 paragraphs (a) and (b), a district, as defined in this subdivision, may:

21.25 (1) purchase real or personal property under an installment contract or may lease
 21.26 real or personal property with an option to purchase under a lease purchase agreement, by
 21.27 which installment contract or lease purchase agreement title is kept by the seller or vendor
 21.28 or assigned to a third party as security for the purchase price, including interest, if any; and

21.29 (2) annually levy the amounts necessary to pay the district's obligations under the
 21.30 installment contract or lease purchase agreement.

21.31 (b) The obligation created by the installment contract or the lease purchase
 21.32 agreement must not be included in the calculation of net debt for purposes of section
 21.33 475.53, and does not constitute debt under other law. An election is not required in
 21.34 connection with the execution of the installment contract or the lease purchase agreement.

22.1 (c) The proceeds of the levy authorized by this subdivision must not be used to
 22.2 acquire a facility to be primarily used for athletic or school administration purposes.

22.3 (d) For the purposes of this subdivision, "district" means:

22.4 (1) ~~a school district which is eligible for revenue under section 124D.86, subdivision~~
 22.5 ~~3, clause (1), (2), or (3), and whose~~ Special School District No. 1, Minneapolis;
 22.6 Independent School District No. 625, St. Paul; Independent School District No. 709,
 22.7 Duluth; or Independent School District No. 535, Rochester, if the district's desegregation
 22.8 plan has been determined by the commissioner to be in compliance with Department of
 22.9 Education rules relating to equality of educational opportunity and school desegregation
 22.10 and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4)
 22.11 or (5), where the acquisition of property under this subdivision is determined by the
 22.12 commissioner to contribute to the implementation of the desegregation plan; or

22.13 (2) ~~a school district that participates in a joint program for interdistrict desegregation~~
 22.14 ~~with a district defined in clause (1)~~ other districts eligible for revenue under section
 22.15 124D.862 if the facility acquired under this subdivision is to be primarily used for the a
 22.16 joint program for interdistrict desegregation and the commissioner determines that the
 22.17 joint programs are being undertaken to implement the districts' desegregation plan.

22.18 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease
 22.19 or rent a district-owned building to itself does not apply to levies otherwise authorized
 22.20 by this subdivision.

22.21 (f) For the purposes of this subdivision, any references in subdivision 1 to building
 22.22 or land shall include personal property.

22.23 Sec. 25. Minnesota Statutes 2012, section 126C.44, is amended to read:

22.24 **126C.44 SAFE SCHOOLS LEVY.**

22.25 (a) Each district may make a levy on all taxable property located within the district
 22.26 for the purposes specified in this section. The maximum amount which may be levied for
 22.27 all costs under this section shall be equal to ~~\$30~~ \$35 multiplied by the district's adjusted
 22.28 marginal cost pupil units for the school year. The proceeds of the levy must be reserved
 22.29 and used for directly funding the following purposes or for reimbursing the cities and
 22.30 counties who contract with the district for the following purposes:

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

22.33 (2) to pay the costs for a drug abuse prevention program as defined in section
 22.34 609.101, subdivision 3, paragraph (e), in the elementary schools;

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

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

23.4 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,
23.5 voluntary opt-in suicide prevention tools, and violence prevention measures taken by
23.6 the school district; ~~or~~

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

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

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

23.14 (9) to pay costs associated with mental health services.

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

23.22 ~~(b)~~ (c) A school district that is a member of an intermediate school district may
23.23 include in its authority under this section the costs associated with safe schools activities
23.24 authorized under paragraph (a) for intermediate school district programs. This authority
23.25 must not exceed \$10 times the adjusted marginal cost pupil units of the member districts.
23.26 This authority is in addition to any other authority authorized under this section. Revenue
23.27 raised under this paragraph must be transferred to the intermediate school district.

23.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
23.29 and later.

23.30 Sec. 26. Minnesota Statutes 2012, section 126C.48, subdivision 8, is amended to read:

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

23.33 (2) Notwithstanding any other law to the contrary, districts that have revenue
23.34 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
23.35 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34

24.1 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon
24.2 severed mineral values must reduce the levies authorized by this chapter and chapters
24.3 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the
24.4 previous year's revenue specified under this clause and the amount attributable to the same
24.5 production year distributed to the cities and townships within the school district under
24.6 section 298.28, subdivision 2, paragraph (c).

24.7 (3) The amount of any voter approved referendum, facilities down payment, and
24.8 debt levies shall not be reduced by more than 50 percent under this subdivision. In
24.9 administering this paragraph, the commissioner shall first reduce the nonvoter approved
24.10 levies of a district; then, if any payments, severed mineral value tax revenue or recognized
24.11 revenue under paragraph (2) remains, the commissioner shall reduce any voter approved
24.12 referendum levies authorized under section 126C.17; then, if any payments, severed
24.13 mineral value tax revenue or recognized revenue under paragraph (2) remains, the
24.14 commissioner shall reduce any voter approved facilities down payment levies authorized
24.15 under section 123B.63 and then, if any payments, severed mineral value tax revenue or
24.16 recognized revenue under paragraph (2) remains, the commissioner shall reduce any
24.17 voter approved debt levies.

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

24.23 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the
24.24 limitation in paragraph (3), an amount equal to the excess must be distributed from the
24.25 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following
24.26 year to the cities and townships within the school district in the proportion that their
24.27 taxable net tax capacity within the school district bears to the taxable net tax capacity of
24.28 the school district for property taxes payable in the year prior to distribution. No city or
24.29 township shall receive a distribution greater than its levy for taxes payable in the year prior
24.30 to distribution. The commissioner of revenue shall certify the distributions of cities and
24.31 towns under this paragraph to the county auditor by September 30 of the year preceding
24.32 distribution. The county auditor shall reduce the proposed and final levies of cities and
24.33 towns receiving distributions by the amount of their distribution. Distributions to the cities
24.34 and towns shall be made at the times provided under section 298.27.

24.35 **EFFECTIVE DATE.** This section is effective for levies certified in 2014 and later.

25.1 Sec. 27. Minnesota Statutes 2012, section 127A.47, subdivision 7, is amended to read:

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

25.6 (a) (b) General education aid paid to a resident district must be reduced by an amount
25.7 equal to the referendum equalization aid attributable to the pupil in the resident district.

25.8 (b) (c) General education aid paid to a district serving a pupil in programs listed in
25.9 this subdivision must be increased by an amount equal to the greater of (1) the referendum
25.10 equalization aid attributable to the pupil in the nonresident district; or (2) the product of
25.11 the district's open enrollment concentration index, the maximum amount of referendum
25.12 revenue in the first tier, and the district's net open enrollment pupil units for that year. A
25.13 district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the
25.14 lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units
25.15 served to its resident pupil units for that year and 0.2. This clause does not apply to a
25.16 school district where more than 50 percent of the open enrollment students are enrolled
25.17 solely in online learning courses.

25.18 (e) (d) If the amount of the reduction to be made from the general education aid of
25.19 the resident district is greater than the amount of general education aid otherwise due the
25.20 district, the excess reduction must be made from other state aids due the district.

25.21 (d) ~~For fiscal year 2006, the district of residence must pay tuition to a district or an~~
25.22 ~~area learning center, operated according to paragraph (f), providing special instruction and~~
25.23 ~~services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in~~
25.24 ~~section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must~~
25.25 ~~be equal to (1) the actual cost of providing special instruction and services to the pupil,~~
25.26 ~~including a proportionate amount for special transportation and unreimbursed building~~
25.27 ~~lease and debt service costs for facilities used primarily for special education, minus (2)~~
25.28 ~~if the pupil receives special instruction and services outside the regular classroom for~~
25.29 ~~more than 60 percent of the school day, the amount of general education revenue and~~
25.30 ~~referendum aid attributable to that pupil for the portion of time the pupil receives special~~
25.31 ~~instruction and services outside of the regular classroom, excluding portions attributable to~~
25.32 ~~district and school administration, district support services, operations and maintenance,~~
25.33 ~~capital expenditures, and pupil transportation, minus (3) special education aid attributable~~
25.34 ~~to that pupil, that is received by the district providing special instruction and services.~~
25.35 ~~For purposes of this paragraph, general education revenue and referendum equalization~~

26.1 aid attributable to a pupil must be calculated using the serving district's average general
26.2 education revenue and referendum equalization aid per adjusted pupil unit.

26.3 (e) ~~For fiscal year 2007 and later, special education aid paid to a resident district must~~
26.4 ~~be reduced by an amount equal to~~ For purposes of this subdivision, the "unreimbursed
26.5 cost of providing special education and services" means the difference between: (1) the
26.6 actual cost of providing special instruction and services, including special transportation
26.7 and unreimbursed building lease and debt service costs for facilities used primarily for
26.8 special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as
26.9 defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus
26.10 (2) if the pupil receives special instruction and services outside the regular classroom for
26.11 more than 60 percent of the school day, the amount of general education revenue and
26.12 referendum equalization aid attributable to that pupil for the portion of time the pupil
26.13 receives special instruction and services outside of the regular classroom, excluding
26.14 portions attributable to district and school administration, district support services,
26.15 operations and maintenance, capital expenditures, and pupil transportation, minus (3)
26.16 special education aid under section 125A.76 attributable to that pupil, that is received by
26.17 the district providing special instruction and services. For purposes of this paragraph,
26.18 general education revenue and referendum equalization aid attributable to a pupil must be
26.19 calculated using the serving district's average general education revenue and referendum
26.20 equalization aid per adjusted pupil unit.

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

26.24 (g) Notwithstanding paragraph (f), special education aid paid to a resident district
26.25 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
26.26 education and services provided to students at an intermediate district, cooperative, or
26.27 charter school where the percent of students eligible for special education services is at
26.28 least 70 percent of the charter school's total enrollment.

26.29 (h) Special education aid paid to the district or cooperative providing special
26.30 instruction and services for the pupil, or to the fiscal agent district for a cooperative,
26.31 must be increased by the amount of the reduction in the aid paid to the resident district
26.32 under paragraphs (f) and (g). If the resident district's special education aid is insufficient
26.33 to make the full adjustment, the remaining adjustment shall be made to other state aids
26.34 due to the district.

26.35 (f) (i) An area learning center operated by a service cooperative, intermediate
26.36 district, education district, or a joint powers cooperative may elect through the action of

27.1 the constituent boards to charge the resident district tuition for pupils rather than to have
 27.2 the general education revenue paid to a fiscal agent school district. Except as provided in
 27.3 paragraph ~~(d)~~ ~~or (e)~~ (f) or (g), the district of residence must pay tuition equal to at least 90
 27.4 percent of the district average general education revenue per pupil unit minus an amount
 27.5 equal to the product of the formula allowance according to section 126C.10, subdivision
 27.6 2, times .0485, calculated without compensatory revenue and transportation sparsity
 27.7 revenue, times the number of pupil units for pupils attending the area learning center.

27.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
 27.9 and later.

27.10 Sec. 28. **EQUITY AID; FISCAL YEAR 2014.**

27.11 For fiscal year 2014 only, the commissioner must calculate and pay to school
 27.12 districts in state aid the difference between the equity revenue actually received under
 27.13 Minnesota Statutes, section 126C.10, and the amount the district would have received
 27.14 under Minnesota Statutes 2012, section 126C.10.

27.15 Sec. 29. **APPROPRIATIONS.**

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

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

27.21 \$ 6,092,415,000 2014

27.22 \$ 6,440,890,000 2015

27.23 The 2014 appropriation includes \$781,842,000 for 2013 and \$5,310,573,000 for
 27.24 2014.

27.25 The 2015 appropriation includes \$808,460,000 for 2014 and \$5,632,430,000 for
 27.26 2015.

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

27.30 \$ 44,000 2014

27.31 \$ 48,000 2015

28.1 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
 28.2 127A.49:

28.3 \$ 2,747,000 2014

28.4 \$ 3,136,000 2015

28.5 The 2014 appropriation includes \$301,000 for 2013 and \$2,446,000 for 2014.

28.6 The 2015 appropriation includes \$385,000 for 2014 and \$2,751,000 for 2015.

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

28.9 \$ 472,000 2014

28.10 \$ 480,000 2015

28.11 The 2014 appropriation includes \$40,000 for 2013 and \$432,000 for 2014.

28.12 The 2015 appropriation includes \$68,000 for 2014 and \$412,000 for 2015.

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

28.15 \$ 15,660,000 2014

28.16 \$ 16,324,000 2015

28.17 The 2014 appropriation includes \$2,099,000 for 2013 and \$13,561,000 for 2014.

28.18 The 2015 appropriation includes \$2,121,000 for 2014 and \$14,203,000 for 2015.

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

28.21 \$ 18,656,000 2014

28.22 \$ 19,127,000 2015

28.23 The 2014 appropriation includes \$2,668,000 for 2013 and \$15,988,000 for 2014.

28.24 The 2015 appropriation includes \$2,501,000 for 2014 and \$16,626,000 for 2015.

28.25 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.
 28.26 690, Warroad, to operate the Angle Inlet School:

28.27 \$ 65,000 2014

28.28 \$ 65,000 2015

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

28.32 \$ 2,325,000 2014

28.33 \$ 2,325,000 2015

29.1 Of this amount, \$1,500,000 each year is for a grant to Independent School District
 29.2 No. 11, Anoka-Hennepin; \$75,000 each year is for a grant to Independent School District
 29.3 No. 286, Brooklyn Center; \$210,000 each year is for a grant to Independent School
 29.4 District No. 279, Osseo; \$160,000 each year is for a grant to Independent School District
 29.5 No. 281, Robbinsdale; \$165,000 each year is for a grant to Independent School District
 29.6 No. 535, Rochester; \$65,000 each year is for a grant to Independent School District No.
 29.7 833, South Washington County; and \$150,000 each year is for a grant to Independent
 29.8 School District No. 241, Albert Lea.

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

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

29.12 **Sec. 30. REPEALER.**

29.13 Minnesota Statutes 2012, section 126C.17, subdivision 13, is repealed July 1, 2013.

29.14 **ARTICLE 2**

29.15 **STUDENT ACCOUNTABILITY**

29.16 **Section 1. [120B.018] DEFINITIONS.**

29.17 Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

29.18 Subd. 2. **Academic standard.** "Academic standard" means a summary description
 29.19 of student learning in a required content area under section 120B.021 or elective content
 29.20 area under section 120B.022.

29.21 Subd. 3. **Career and college ready benchmark.** "Career and college ready
 29.22 benchmark" means specific knowledge or skill that a student must attain to complete part
 29.23 of an academic standard.

29.24 Subd. 4. **Credit.** "Credit" means the determination by the local school district that a
 29.25 student successfully completed an academic year of study or demonstrated attainment of
 29.26 applicable subject matter.

29.27 Subd. 5. **Elective standard.** "Elective standard" means a locally adopted
 29.28 expectation for student learning in career and technical education or world languages.

29.29 Subd. 6. **Required standard.** "Required standard" means (1) a statewide adopted
 29.30 expectation for student learning in the content areas of language arts, mathematics,
 29.31 science, social studies, physical education, and the arts or (2) a locally adopted expectation
 29.32 for student learning in health or the arts.

29.33 Subd. 7. **School site.** "School site" means a separate facility, or a separate program
 29.34 within a facility that a local school board recognizes as a school site for funding purposes.

30.1 Sec. 2. Minnesota Statutes 2012, section 120B.02, is amended to read:

30.2 **120B.02 EDUCATIONAL EXPECTATIONS AND GRADUATION**
30.3 **REQUIREMENTS FOR MINNESOTA'S STUDENTS.**

30.4 Subdivision 1. Educational expectations. (a) The legislature is committed to
30.5 establishing rigorous academic standards for Minnesota's public school students. To
30.6 that end, the commissioner shall adopt in rule statewide academic standards. The
30.7 commissioner shall not prescribe in rule or otherwise the delivery system, classroom
30.8 assessments, or form of instruction that school sites must use. ~~For purposes of this chapter,~~
30.9 ~~a school site is a separate facility, or a separate program within a facility that a local school~~
30.10 ~~board recognizes as a school site for funding purposes.~~

30.11 (b) All commissioner actions regarding the rule must be premised on the following:

30.12 (1) the rule is intended to raise academic expectations for students, teachers, and
30.13 schools;

30.14 (2) any state action regarding the rule must evidence consideration of school district
30.15 autonomy; and

30.16 (3) the Department of Education, with the assistance of school districts, must make
30.17 available information about all state initiatives related to the rule to students and parents,
30.18 teachers, and the general public in a timely format that is appropriate, comprehensive, and
30.19 readily understandable.

30.20 ~~(e) When fully implemented, the requirements for high school graduation in~~
30.21 ~~Minnesota must require students to satisfactorily complete, as determined by the school~~
30.22 ~~district, the course credit requirements under section 120B.024, all state academic~~
30.23 ~~standards or local academic standards where state standards do not apply, and successfully~~
30.24 ~~pass graduation examinations as required under section 120B.30.~~

30.25 ~~(d)~~ (c) The commissioner shall periodically review and report on the state's
30.26 assessment process.

30.27 ~~(e)~~ (d) School districts are not required to adopt specific provisions of the federal
30.28 School-to-Work programs.

30.29 Subd. 2. Graduation requirements. To graduate from high school, students must
30.30 demonstrate to their enrolling school district or school their satisfactory completion of the
30.31 credit requirements under section 120B.024 and their attainment of academic standards
30.32 and career and college readiness benchmarks on a nationally normed college entrance
30.33 exam under section 120B.30. A school district must adopt graduation requirements that
30.34 meet or exceed state graduation requirements established in law or rule.

31.1 **EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to
31.2 students entering grade 8 in the 2013-2014 school year and later.

31.3 Sec. 3. Minnesota Statutes 2012, section 120B.021, subdivision 1, is amended to read:

31.4 Subdivision 1. **Required academic standards.** (a) The following subject areas
31.5 are required for statewide accountability:

31.6 (1) language arts;

31.7 (2) mathematics;

31.8 (3) science;

31.9 (4) social studies, including history, geography, economics, and government and
31.10 citizenship;

31.11 (5) physical education;

31.12 (6) health, for which locally developed academic standards apply; and

31.13 (7) the arts, for which statewide or locally developed academic standards apply, as
31.14 determined by the school district. Public elementary and middle schools must offer at least
31.15 three and require at least two of the following four arts areas: dance; music; theater; and
31.16 visual arts. Public high schools must offer at least three and require at least one of the
31.17 following five arts areas: media arts; dance; music; theater; and visual arts.

31.18 ~~The commissioner must submit proposed standards in science and social studies to~~
31.19 ~~the legislature by February 1, 2004.~~

31.20 (b) For purposes of applicable federal law, the academic standards for language arts,
31.21 mathematics, and science apply to all public school students, except the very few students
31.22 with extreme cognitive or physical impairments for whom an individualized education
31.23 program team has determined that the required academic standards are inappropriate. An
31.24 individualized education program team that makes this determination must establish
31.25 alternative standards.

31.26 ~~A school district, no later than the 2007-2008 school year, must adopt graduation~~
31.27 ~~requirements that meet or exceed state graduation requirements established in law or rule.~~
31.28 ~~A school district that incorporates these state graduation requirements before the 2007-2008~~
31.29 ~~school year must provide students who enter the 9th grade in or before the 2003-2004~~
31.30 ~~school year the opportunity to earn a diploma based on existing locally established~~
31.31 ~~graduation requirements in effect when the students entered the 9th grade.~~ (c) District
31.32 efforts to develop, implement, or improve instruction or curriculum as a result of the
31.33 provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

32.1 ~~The commissioner must include the contributions of Minnesota American Indian~~
32.2 ~~tribes and communities as they relate to the academic standards during the review and~~
32.3 ~~revision of the required academic standards.~~

32.4 Sec. 4. Minnesota Statutes 2012, section 120B.023, is amended to read:

32.5 **120B.023 BENCHMARKS.**

32.6 Subdivision 1. **Benchmarks implement, supplement statewide academic**
32.7 **standards.** (a) The commissioner must supplement required state academic standards with
32.8 grade-level benchmarks. High school career and college ready benchmarks may cover
32.9 more than one grade. ~~The benchmarks must implement statewide academic standards~~
32.10 ~~by specifying the academic knowledge and skills that~~ Schools must offer and students
32.11 must achieve all benchmarks for an academic standard to satisfactorily complete a that
32.12 state standard. ~~The commissioner must publish benchmarks to inform and guide parents,~~
32.13 ~~teachers, school districts, and other interested persons and to use in developing tests~~
32.14 ~~consistent with the benchmarks.~~

32.15 (b) The commissioner shall publish benchmarks in the State Register and transmit
32.16 the benchmarks in any other manner that informs and guides parents, teachers, school
32.17 districts, and other interested persons and makes them accessible to the general public. The
32.18 commissioner must use benchmarks in developing career and college readiness assessments
32.19 under section 120B.30. The commissioner may charge a reasonable fee for publications.

32.20 (c) Once established, the commissioner may change the benchmarks only with
32.21 specific legislative authorization and after completing a review under subdivision 2.

32.22 ~~(d) The commissioner must develop and implement a system for reviewing each~~
32.23 ~~of the required academic standards and related benchmarks and elective standards on a~~
32.24 ~~periodic cycle, consistent with subdivision 2.~~

32.25 ~~(e)~~ (d) The benchmarks are not subject to chapter 14 and section 14.386 does not
32.26 apply.

32.27 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must
32.28 revise and appropriately embed technology and information literacy standards consistent
32.29 with recommendations from school media specialists into the state's academic standards
32.30 and graduation requirements and implement a review six-year cycle for to review and
32.31 revise state academic standards and related benchmarks, consistent with this subdivision.
32.32 During each six-year review and revision cycle, the commissioner also must examine the
32.33 alignment of each required academic standard and related benchmark with the knowledge
32.34 and skills students need for career and college readiness and advanced work in the
32.35 particular subject area. The commissioner must include the contributions of Minnesota

33.1 American Indian tribes and communities as related to the academic standards during the
33.2 review and revision of the required academic standards.

33.3 ~~(b) The commissioner in the 2006-2007 school year must revise and align the state's~~
33.4 ~~academic standards and high school graduation requirements in mathematics to require~~
33.5 ~~that students satisfactorily complete the revised mathematics standards, beginning in the~~
33.6 ~~2010-2011 school year. Under the revised standards:~~

33.7 ~~(1) students must satisfactorily complete an algebra I credit by the end of eighth~~
33.8 ~~grade; and~~

33.9 ~~(2) students scheduled to graduate in the 2014-2015 school year or later must~~
33.10 ~~satisfactorily complete an algebra II credit or its equivalent.~~

33.11 (b) The commissioner also must ensure that the statewide mathematics assessments
33.12 administered to students in grades 3 through 8 and 11 are aligned with the state academic
33.13 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph

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

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

33.21 ~~(d) The commissioner in the 2008-2009 school year must revise and align the state's~~
33.22 ~~academic standards and high school graduation requirements in science to require that~~
33.23 ~~students satisfactorily complete the revised science standards, beginning in the 2011-2012~~
33.24 ~~school year. Under the revised standards, students scheduled to graduate in the 2014-2015~~
33.25 ~~school year or later must satisfactorily complete a chemistry or physics credit or a career~~
33.26 ~~and technical education credit that meets standards underlying the chemistry, physics,~~
33.27 ~~or biology credit or a combination of those standards approved by the district. The~~
33.28 ~~commissioner must implement a review of the academic standards and related benchmarks~~
33.29 ~~in science beginning in the 2017-2018 school year.~~

33.30 ~~(e) The commissioner in the 2009-2010 school year must revise and align the state's~~
33.31 ~~academic standards and high school graduation requirements in language arts to require~~
33.32 ~~that students satisfactorily complete the revised language arts standards beginning in the~~
33.33 ~~2012-2013 school year. The commissioner must implement a review of the academic~~
33.34 ~~standards and related benchmarks in language arts beginning in the 2018-2019 school year.~~

33.35 ~~(f) The commissioner in the 2010-2011 school year must revise and align the state's~~
33.36 ~~academic standards and high school graduation requirements in social studies to require~~

34.1 that students satisfactorily complete the revised social studies standards beginning in the
 34.2 2013-2014 school year. The commissioner must implement a review of the academic
 34.3 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

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

34.10 Sec. 5. Minnesota Statutes 2012, section 120B.024, is amended to read:

34.11 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

34.12 Subdivision 1. Graduation requirements. (a) Students beginning 9th grade in the
 34.13 2011-2012 school year and later must successfully complete the following high school
 34.14 level course credits for graduation:

34.15 (1) four credits of language arts sufficient to satisfy all of the academic standards
 34.16 in English language arts;

34.17 (2) three credits of mathematics, ~~encompassing at least algebra, geometry, statistics,~~
 34.18 ~~and probability~~ including an algebra II credit or its equivalent, sufficient to satisfy all of
 34.19 the academic standard standards in mathematics;

34.20 (3) an algebra I credit by the end of grade 8 sufficient to satisfy all of the grade 8
 34.21 standards in mathematics;

34.22 ~~(3)~~ (4) three credits of science, including at least: (i) one credit in biology; and (ii)
 34.23 one chemistry or physics credit or a career and technical education credit that meets
 34.24 standards underlying the chemistry, physics, or biology credit or a combination of those
 34.25 standards approved by the district, but meeting biology standards under this item does not
 34.26 meet the biology requirement under item (i);

34.27 ~~(4)~~ (5) three and one-half credits of social studies, encompassing at least United
 34.28 States history, geography, government and citizenship, world history, and economics ~~or~~
 34.29 ~~three credits of social studies encompassing at least United States history, geography,~~
 34.30 ~~government and citizenship, and world history, and one-half credit of economics taught in~~
 34.31 ~~a school's social studies, agriculture education, or business department~~ sufficient to satisfy
 34.32 all of the academic standards in social studies;

34.33 ~~(5)~~ (6) one credit ~~in~~ of the arts sufficient to satisfy all of the state or local academic
 34.34 standards in the arts; and

34.35 ~~(6)~~ (7) a minimum of seven elective course credits.

35.1 ~~A course credit is equivalent to a student successfully completing an academic~~
 35.2 ~~year of study or a student mastering the applicable subject matter, as determined by the~~
 35.3 ~~local school district.~~

35.4 Subd. 2. Credit equivalencies. (a) A one-half credit of economics taught in a
 35.5 school's agriculture education or business department may fulfill a one-half credit in
 35.6 social studies under subdivision 1, clause (5), if the credit is sufficient to satisfy all of the
 35.7 academic standards in economics.

35.8 (b) An agriculture science course may fulfill a science credit requirement other
 35.9 than the specified science credit in biology under ~~paragraph (a)~~ subdivision 1, clause
 35.10 ~~(3)~~ (4), item (i).

35.11 (c) A career and technical education course may fulfill a mathematics or arts credit
 35.12 requirement or a science credit requirement other than the specified science credit in
 35.13 biology under ~~paragraph (a)~~ subdivision 1, clause (2), ~~(3)~~, or ~~(5)~~ (4), or (6).

35.14 EFFECTIVE DATE. This section is effective August 1, 2013.

35.15 Sec. 6. Minnesota Statutes 2012, section 120B.125, is amended to read:

35.16 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION**
 35.17 **TO POSTSECONDARY EDUCATION AND EMPLOYMENT; INVOLUNTARY**
 35.18 **CAREER TRACKING PROHIBITED.**

35.19 (a) Consistent with sections 120B.128, 120B.13, 120B.131, 120B.132, 120B.14,
 35.20 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections,
 35.21 school districts ~~are strongly encouraged to~~, beginning in the 2013-2014 school year, must
 35.22 assist all students by no later than grade 9 to explore their college and career interests and
 35.23 aspirations and develop a plan for a smooth and successful transition to postsecondary
 35.24 education or employment. All students' plans must be designed to:

35.25 (1) provide a comprehensive academic plan for completing a college and
 35.26 career-ready curriculum premised on meeting state and local academic standards and
 35.27 developing 21st century skills such as team work, collaboration, and good work habits;

35.28 (2) emphasize academic rigor and high expectations;

35.29 (3) help students identify personal learning styles that may affect their postsecondary
 35.30 education and employment choices;

35.31 (4) help students ~~succeed at gaining~~ gain access to postsecondary education and
 35.32 career options;

35.33 (5) integrate strong academic content into career-focused courses and integrate
 35.34 relevant career-focused courses into strong academic content;

36.1 (6) help students and families identify and gain access to appropriate counseling
 36.2 and other supports and assistance that enable students to complete required coursework,
 36.3 prepare for postsecondary education and careers, and obtain information about
 36.4 postsecondary education costs and eligibility for financial aid and scholarship;

36.5 (7) help students and families identify collaborative partnerships of kindergarten
 36.6 through grade 12 schools, postsecondary institutions, economic development agencies, and
 36.7 employers that support students' transition to postsecondary education and employment
 36.8 and provide students with experiential learning opportunities; and

36.9 (8) be reviewed and revised at least annually by the student, the student's parent or
 36.10 guardian, and the school or district to ensure that the student's course-taking schedule
 36.11 keeps the student "~~on track~~" making adequate progress to meet state and local high school
 36.12 graduation requirements and with a reasonable chance to succeed with employment or
 36.13 postsecondary education without the need to first complete remedial course work.

36.14 (b) A school district may develop grade-level curricula or provide instruction that
 36.15 introduces students to various careers, but must not require any curriculum, instruction,
 36.16 or employment-related activity that obligates an elementary or secondary student to
 36.17 involuntarily select a career, career interest, employment goals, or related job training.

36.18 ~~(e) School districts are encouraged to seek and use revenue and in-kind contributions~~
 36.19 ~~from nonstate sources and to seek administrative cost savings through innovative local~~
 36.20 ~~funding arrangements, such as the Collaboration Among Rochester Educators (CARE)~~
 36.21 ~~model for funding postsecondary enrollment options, among other sources, for purposes~~
 36.22 ~~of implementing this section.~~

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

36.24 Sec. 7. Minnesota Statutes 2012, section 120B.128, is amended to read:

36.25 **120B.128 EDUCATIONAL PLANNING AND ASSESSMENT SYSTEM**
 36.26 **(EPAS) PROGRAM.**

36.27 (a) School districts and charter schools may elect to participate in the Educational
 36.28 Planning and Assessment System (EPAS) program offered by ACT, Inc. to provide a
 36.29 longitudinal, systematic approach to student educational and career planning, assessment,
 36.30 instructional support, and evaluation. The EPAS achievement tests include English,
 36.31 reading, mathematics, science, and components on planning for high school and
 36.32 postsecondary education, interest inventory, needs assessments, and student education
 36.33 plans. These tests are linked to the ACT assessment for college admission and allow

37.1 students, parents, teachers, and schools to determine the student's college readiness before
37.2 grades 11 and 12.

37.3 (b) The commissioner of education shall provide ACT Explore tests for students
37.4 in grade 8 and the ACT Plan test for students in grade 10 to assess individual student
37.5 academic strengths and weaknesses, academic achievement and progress, higher order
37.6 thinking skills, and college readiness.

37.7 (c) Students enrolled in grade 8 through the 2012-2013 school year who have
37.8 not yet demonstrated proficiency on the Minnesota comprehensive assessments, the
37.9 graduation-required assessments for diploma, or the basic skills testing requirements
37.10 prior to high school graduation may satisfy state high school graduation requirements
37.11 for assessments in reading, mathematics, and writing by taking the graduation-required
37.12 assessment for diploma in reading, mathematics, or writing under Minnesota Statutes
37.13 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), the WorkKeys
37.14 job skills assessment, the Compass computer-adaptive college placement test, or the
37.15 ACT assessment for college admission.

37.16 (d) The state shall pay the test costs for ~~school districts and charter schools that~~
37.17 ~~choose to participate in the EPAS program~~ public school students to participate in the
37.18 assessments under this section. The commissioner shall establish an application procedure
37.19 and a process for state payment of costs.

37.20 **EFFECTIVE DATE.** This section is effective the day following final enactment
37.21 and applies through the 2013-2014 school year.

37.22 Sec. 8. **[120B.21] MENTAL HEALTH EDUCATION.**

37.23 School districts and charter schools are encouraged to provide mental health
37.24 instruction for students in grades 6 through 12 aligned with local health standards and
37.25 integrated into existing programs, curriculum, or the general school environment of a
37.26 district or charter school. The commissioner, in consultation with the commissioner of
37.27 human services and mental health organizations, is encouraged to provide districts and
37.28 charter schools with:

37.29 (1) age-appropriate model learning activities for grades 6 through 12 that encompass
37.30 the mental health components of the National Health Education Standards and the
37.31 benchmarks developed by the department's quality teaching network in health and best
37.32 practices in mental health education; and

37.33 (2) a directory of resources for planning and implementing age-appropriate mental
37.34 health curriculum and instruction in grades 6 through 12.

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

38.2 Sec. 9. Minnesota Statutes 2012, section 120B.30, subdivision 1, is amended to read:

38.3 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
38.4 with appropriate technical qualifications and experience and stakeholders, consistent
38.5 with subdivision 1a, shall include in the comprehensive assessment system, for each
38.6 grade level to be tested, state-constructed tests developed ~~from and~~ as computer-adaptive
38.7 reading and mathematics assessments for students that are aligned with the state's required
38.8 academic standards under section 120B.021, include multiple choice questions, and be
38.9 are administered annually to all students in grades 3 through 8 ~~7~~. State-developed high
38.10 school tests aligned with the state's required academic standards under section 120B.021
38.11 and administered to all high school students in a subject other than writing must include
38.12 multiple choice questions. The commissioner shall establish one or more months during
38.13 which schools shall administer the tests to students each school year. ~~For students enrolled~~
38.14 ~~in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading,~~
38.15 ~~mathematics, and writing shall fulfill students' basic skills testing requirements for a~~
38.16 ~~passing state notation. The passing scores of basic skills tests in reading and mathematics~~
38.17 ~~are the equivalent of 75 percent correct for students entering grade 9 based on the~~
38.18 ~~first uniform test administered in February 1998. Students who have not successfully~~
38.19 ~~passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass~~
38.20 ~~the graduation-required assessments for diploma under paragraph (c), except that for~~
38.21 ~~the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's~~
38.22 ~~graduation test requirement for math by complying with paragraph (d), clauses (1) and~~
38.23 ~~(3) For students enrolled in grade 8 in the 2005-2006 through 2012-2013 school years,~~
38.24 students' state graduation requirements include the requirements under: (i) section
38.25 120B.128, paragraph (c); (ii) paragraph (c); or (iii) Minnesota Statutes 2012, section
38.26 120B.30, subdivision 1, paragraph (c), clauses (1) and (2).

38.27 (b) The state assessment system must be aligned to the most recent revision of
38.28 academic standards as described in section 120B.023 in the following manner:

38.29 (1) mathematics;

38.30 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

38.31 (ii) high school level beginning in the 2013-2014 school year;

38.32 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
38.33 school year; and

38.34 (3) language arts and reading; grades 3 through 8 and high school level beginning in
38.35 the 2012-2013 school year.

39.1 (c) For students enrolled in grade 8 in the ~~2005-2006~~ 2013-2014 school year and
39.2 later, ~~only the following options shall fulfill~~ students' state graduation test requirements,
39.3 based on a longitudinal, systematic approach to student education and career planning,
39.4 assessment, instructional support, and evaluation, include the following:

39.5 (1) ~~for reading and mathematics:~~

39.6 (i) ~~obtaining an achievement level equivalent to or greater than proficient as~~
39.7 ~~determined through a standard setting process on the Minnesota comprehensive~~
39.8 ~~assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing~~
39.9 ~~score as determined through a standard setting process on the graduation-required~~
39.10 ~~assessment for diploma in grade 10 for reading and grade 11 for mathematics or~~
39.11 ~~subsequent retests;~~

39.12 (ii) ~~achieving a passing score as determined through a standard setting process~~
39.13 ~~on the state-identified language proficiency test in reading and the mathematics test for~~
39.14 ~~English learners or the graduation-required assessment for diploma equivalent of those~~
39.15 ~~assessments for students designated as English learners;~~

39.16 (iii) ~~achieving an individual passing score on the graduation-required assessment for~~
39.17 ~~diploma as determined by appropriate state guidelines for students with an individualized~~
39.18 ~~education program or 504 plan;~~

39.19 (iv) ~~obtaining achievement level equivalent to or greater than proficient as~~
39.20 ~~determined through a standard setting process on the state-identified alternate assessment~~
39.21 ~~or assessments in grade 10 for reading and grade 11 for mathematics for students with~~
39.22 ~~an individualized education program; or~~

39.23 (v) ~~achieving an individual passing score on the state-identified alternate assessment~~
39.24 ~~or assessments as determined by appropriate state guidelines for students with an~~
39.25 ~~individualized education program; and~~

39.26 (2) ~~for writing:~~

39.27 (i) ~~achieving a passing score on the graduation-required assessment for diploma;~~

39.28 (ii) ~~achieving a passing score as determined through a standard setting process on~~
39.29 ~~the state-identified language proficiency test in writing for students designated as English~~
39.30 ~~learners;~~

39.31 (iii) ~~achieving an individual passing score on the graduation-required assessment for~~
39.32 ~~diploma as determined by appropriate state guidelines for students with an individualized~~
39.33 ~~education program or 504 plan; or~~

39.34 (iv) ~~achieving an individual passing score on the state-identified alternate assessment~~
39.35 ~~or assessments as determined by appropriate state guidelines for students with an~~
39.36 ~~individualized education program.~~

40.1 (1) attainment of required academic standards and career and college readiness
40.2 benchmarks under section 120B.023 as demonstrated on a nationally normed college
40.3 entrance exam, or taking a nationally recognized armed services vocational aptitude
40.4 test at the election of the student;

40.5 (2) achievement and career and college readiness tests in mathematics, reading, and
40.6 writing, consistent with paragraph (e) and, to the extent available, to monitor students'
40.7 continuous development of and growth in requisite knowledge and skills; analyze
40.8 students' progress and performance levels, identifying students' academic strengths and
40.9 diagnosing areas where students require curriculum or instructional adjustments, targeted
40.10 interventions, or remediation; and, based on analysis of students' progress and performance
40.11 data, determine students' learning and instructional needs and the instructional tools and
40.12 best practices that support academic rigor for the student; and

40.13 (3) consistent with this paragraph and section 120B.125, age-appropriate exploration
40.14 and planning activities and career assessments to encourage students to identify personally
40.15 relevant career interests and aptitudes and help students and their families develop a
40.16 regularly reexamined transition plan for postsecondary education or employment without
40.17 need for postsecondary remediation.

40.18 Based on appropriate state guidelines, students with an individualized education program
40.19 may satisfy state graduation requirements by achieving an individual score on the
40.20 state-identified alternative assessments.

40.21 Expectations of schools, districts, and the state for career or college readiness under
40.22 this subdivision must be comparable in rigor, clarity of purpose, and rates of student
40.23 completion. A student under clause (2) must receive targeted, relevant, academically
40.24 rigorous, and resourced instruction, which may include a targeted instruction and
40.25 intervention plan focused on improving the student's knowledge and skills in core subjects
40.26 so that the student has a reasonable chance to succeed in a career or college without need
40.27 for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091,
40.28 124D.49, and related sections, an enrolling school or district must actively encourage a
40.29 student in grade 11 or 12 who is identified as academically ready for a career or college
40.30 to participate in courses and programs awarding college credit to high school students.
40.31 Students are not required to achieve a specified score or level of proficiency on an
40.32 assessment under this subdivision to graduate from high school.

40.33 ~~(d) Students enrolled in grade 8 in any school year from the 2005-2006 school~~
40.34 ~~year to the 2009-2010 school year who do not pass the mathematics graduation-required~~
40.35 ~~assessment for diploma under paragraph (e) are eligible to receive a high school diploma~~
40.36 ~~if they:~~

41.1 ~~(1) complete with a passing score or grade all state and local coursework and credits~~
41.2 ~~required for graduation by the school board granting the students their diploma;~~

41.3 ~~(2) participate in district-prescribed academic remediation in mathematics; and~~

41.4 ~~(3) fully participate in at least two retests of the mathematics GRAD test or until~~
41.5 ~~they pass the mathematics GRAD test, whichever comes first. To improve the secondary~~
41.6 ~~and postsecondary outcomes of all students, the alignment between secondary and~~
41.7 ~~postsecondary education programs and Minnesota's workforce needs, and the efficiency~~
41.8 ~~and cost-effectiveness of secondary and postsecondary programs, the commissioner, after~~
41.9 ~~consulting with the chancellor of the Minnesota State Colleges and Universities and using~~
41.10 ~~a request for proposal process, shall contract for a series of assessments that are consistent~~
41.11 ~~with this subdivision, aligned with state academic standards, and include career and~~
41.12 ~~college readiness benchmarks. Mathematics, reading, and writing assessments for students~~
41.13 ~~in grades 8 and 10 must be predictive of and aligned with a nationally normed assessment~~
41.14 ~~for career and college readiness. This nationally recognized assessment must be a college~~
41.15 ~~entrance exam and given to students in grade 11 or 12. This series of assessments must~~
41.16 ~~include a college placement diagnostic exam and contain career exploration elements.~~
41.17 ~~Students in grade 11 or 12 may choose to take a nationally recognized armed services~~
41.18 ~~vocational aptitude test as an alternative to the college and career readiness entrance~~
41.19 ~~exam under this paragraph. The commissioner and the chancellor of the Minnesota State~~
41.20 ~~Colleges and Universities must collaborate in aligning instruction and assessments for~~
41.21 ~~adult basic education students to provide the students with diagnostic information about~~
41.22 ~~any targeted interventions they need so that they may seek postsecondary education or~~
41.23 ~~employment without need for postsecondary remediation.~~

41.24 (1) Districts and schools, on an annual basis, must use the career exploration
41.25 elements in these assessments to help students, beginning no later than grade 9, and their
41.26 families explore and plan for postsecondary education or careers based on the students'
41.27 interests, aptitudes, and aspirations. Districts and schools must use timely regional labor
41.28 market information and partnerships, among other resources, to help students and their
41.29 families successfully develop, pursue, review, and revise an individualized plan for
41.30 postsecondary education or a career. This process must help increase students' engagement
41.31 in and connection to school, improve students' knowledge and skills, and deepen students'
41.32 understanding of career pathways as a sequence of academic and career courses that lead
41.33 to an industry-recognized credential, an associate's degree, or a bachelor's degree and are
41.34 available to all students, whatever their interests and career goals.

41.35 (2) Students who, based on their growth in academic achievement between grades 8
41.36 and 10, show adequate progress toward meeting state career and college readiness must

42.1 be given the college entrance exam part of these assessments in grade 11 or a nationally
42.2 recognized armed services vocational aptitude test. A student under this clause who
42.3 demonstrates attainment of required state academic standards, which include career and
42.4 college readiness benchmarks, on these assessments is academically ready for a career or
42.5 college and is encouraged to participate in courses and programs awarding college credit to
42.6 high school students. Such courses and programs may include sequential courses of study
42.7 within broad career areas and technical skill assessments that extend beyond course grades.

42.8 (3) All students in grade 11 not subject to clause (2) must be given the college
42.9 placement diagnostic exam so that the students, their families, the school, and the district
42.10 can use the results to diagnose areas for targeted instruction, intervention, or remediation
42.11 and improve students' knowledge and skills in core subjects sufficient for the student
42.12 to graduate and have a reasonable chance to succeed in a career or college without
42.13 remediation. These students must be given the college entrance exam part of these
42.14 assessments in grade 12 or a nationally recognized armed services vocational aptitude test.

42.15 (4) A student in clause (3) who demonstrates: (i) attainment of required state
42.16 academic standards, which include career and college readiness benchmarks, on these
42.17 assessments; (ii) attainment of career and college readiness benchmarks on the college
42.18 placement diagnostic part of these assessments; and, where applicable, (iii) successfully
42.19 completes targeted instruction, intervention, or remediation approved by the commissioner
42.20 and the chancellor of the Minnesota State Colleges and Universities after consulting with
42.21 local school officials and educators, is academically ready for a career or college and is
42.22 encouraged to participate in courses and programs awarding college credit to high school
42.23 students. Such courses and programs may include sequential courses of study within
42.24 broad career areas and technical skill assessments that extend beyond course grades.

42.25 (5) A study to determine the alignment between these assessments and state
42.26 academic standards under this chapter must be conducted. Where alignment exists, the
42.27 commissioner must seek federal approval to, and immediately upon receiving approval,
42.28 replace the federally required assessments referenced under subdivision 1a and section
42.29 120B.35, subdivision 2, with assessments under this paragraph.

42.30 (e) In developing, supporting, and improving students' academic readiness for a
42.31 career or college, schools, districts, and the state must have a continuum of empirically
42.32 derived, clearly defined benchmarks focused on students' attainment of knowledge and
42.33 skills so that students, their parents, and teachers know how well students must perform to
42.34 have a reasonable chance to succeed in a career or college without need for postsecondary
42.35 remediation. The commissioner and Minnesota's public postsecondary institutions must
42.36 ensure that the foundational knowledge and skills for students' successful performance

43.1 in postsecondary employment or education and an articulated series of possible targeted
43.2 interventions are clearly identified and satisfy Minnesota's postsecondary admissions
43.3 requirements.

43.4 (f) A school, district, or charter school must place record on the high school
43.5 transcript a student's ~~current pass status for each subject that has a required graduation~~
43.6 assessment progress toward career and college readiness.

43.7 ~~In addition,~~ (g) The school board granting the students their diplomas may formally
43.8 decide to include a notation of high achievement on the high school diplomas of those
43.9 graduating seniors who, according to established school board criteria, demonstrate
43.10 exemplary academic achievement during high school.

43.11 (e) ~~(h)~~ The 3rd through 8th 7th grade computer-adaptive assessment results and
43.12 high school test results shall be available to districts for diagnostic purposes affecting
43.13 student learning and district instruction and curriculum, and for establishing educational
43.14 accountability. The commissioner must establish empirically derived benchmarks on
43.15 adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and
43.16 college readiness. The commissioner must disseminate to the public the computer-adaptive
43.17 assessments and high school test results upon receiving those results.

43.18 (f) ~~(i)~~ The ~~3rd through 8th grade~~ grades 3 through 7 computer-adaptive assessments
43.19 and high school tests must be aligned with state academic standards. The commissioner
43.20 shall determine the testing process and the order of administration. The statewide results
43.21 shall be aggregated at the site and district level, consistent with subdivision 1a.

43.22 (g) ~~In addition to the testing and reporting requirements under this section,~~ (j) The
43.23 commissioner shall include the following components in the statewide public reporting
43.24 system:

43.25 (1) uniform statewide testing computer-adaptive assessments of all students in
43.26 grades 3 through ~~8~~ 7 and testing at the high school level that provides appropriate,
43.27 technically sound accommodations ~~or alternate assessments~~;

43.28 (2) educational indicators that can be aggregated and compared across school
43.29 districts and across time on a statewide basis, including average daily attendance, high
43.30 school graduation rates, and high school drop-out rates by age and grade level;

43.31 (3) state results on the American College Test; and

43.32 (4) state results from participation in the National Assessment of Educational
43.33 Progress so that the state can benchmark its performance against the nation and other
43.34 states, and, where possible, against other countries, and contribute to the national effort
43.35 to monitor achievement.

44.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
44.2 and applies to the 2013-2014 school year and later, except that paragraph (a) applies
44.3 the day following final enactment and the requirements for using computer-adaptive
44.4 mathematics and reading assessments for grades 3 through 7 apply in the 2015-2016
44.5 school year and later.

44.6 Sec. 10. Minnesota Statutes 2012, section 120B.30, subdivision 1a, is amended to read:

44.7 Subd. 1a. **Statewide and local assessments; results.** (a) For purposes of this
44.8 section, the following definitions have the meanings given them.

44.9 (1) "Computer-adaptive assessments" means fully adaptive assessments.

44.10 (2) "Fully adaptive assessments" include test items that are on-grade level and items
44.11 that may be above or below a student's grade level.

44.12 (3) "On-grade level" test items contain subject area content that is aligned to state
44.13 academic standards for the grade level of the student taking the assessment.

44.14 (4) "Above-grade level" test items contain subject area content that is above the
44.15 grade level of the student taking the assessment and is considered aligned with state
44.16 academic standards to the extent it is aligned with content represented in state academic
44.17 standards above the grade level of the student taking the assessment. Notwithstanding
44.18 the student's grade level, administering above-grade level test items to a student does not
44.19 violate the requirement that state assessments must be aligned with state standards.

44.20 (5) "Below-grade level" test items contain subject area content that is below the
44.21 grade level of the student taking the test and is considered aligned with state academic
44.22 standards to the extent it is aligned with content represented in state academic standards
44.23 below the student's current grade level. Notwithstanding the student's grade level,
44.24 administering below-grade level test items to a student does not violate the requirement
44.25 that state assessments must be aligned with state standards.

44.26 (b) The commissioner must use fully adaptive mathematics and reading assessments
44.27 for grades 3 through 7 beginning in the 2015-2016 school year and later.

44.28 (c) For purposes of conforming with existing federal educational accountability
44.29 requirements, the commissioner must develop and implement computer-adaptive reading
44.30 and mathematics assessments for grades 3 through 8 ~~7~~, state-developed high school
44.31 reading and mathematics tests aligned with state academic standards, and science
44.32 assessments under clause (2) that districts and sites must use to monitor student growth
44.33 toward achieving those standards. The commissioner must not develop statewide
44.34 assessments for academic standards in social studies, health and physical education, and
44.35 the arts. The commissioner must require:

45.1 (1) annual computer-adaptive reading and mathematics assessments in grades 3
45.2 through 8 7, and high school reading and mathematics tests; and

45.3 (2) annual science assessments in one grade in the grades 3 through 5 span, the
45.4 grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span,
45.5 and the commissioner must not require students to achieve a passing score on high school
45.6 science assessments as a condition of receiving a high school diploma.

45.7 (d) The commissioner must ensure that for annual computer-adaptive assessments:

45.8 (1) individual student performance data and achievement reports are available within
45.9 three school days of when students take an assessment;

45.10 (2) growth information is available for each student from the student's first
45.11 assessment to each proximate assessment using a constant measurement scale;

45.12 (3) parents, teachers, and school administrators are able to use elementary and
45.13 middle school student performance data to project students' secondary and postsecondary
45.14 achievement; and

45.15 (4) useful diagnostic information about areas of students' academic strengths and
45.16 weaknesses is available to teachers and school administrators for improving student
45.17 instruction and indicating the specific skills and concepts that should be introduced and
45.18 developed for students at given performance levels, organized by strands within subject
45.19 areas, and aligned to state academic standards.

45.20 ~~(b)~~ (e) The commissioner must ensure that all statewide tests administered to
45.21 elementary and secondary students measure students' academic knowledge and skills and
45.22 not students' values, attitudes, and beliefs.

45.23 ~~(e)~~ (f) Reporting of assessment results must:

45.24 (1) provide timely, useful, and understandable information on the performance of
45.25 individual students, schools, school districts, and the state;

45.26 (2) include a value-added growth indicator of student achievement under section
45.27 120B.35, subdivision 3, paragraph (b); and

45.28 ~~(3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine~~
45.29 ~~whether students have met the state's basic skills requirements; and~~

45.30 ~~(ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine~~
45.31 ~~whether students have met the state's academic standards.~~

45.32 ~~(d)~~ (g) Consistent with applicable federal law and ~~subdivision 1, paragraph (d),~~
45.33 ~~clause (1),~~ the commissioner must include appropriate, technically sound accommodations
45.34 or alternative assessments for the very few students with disabilities for whom statewide
45.35 assessments are inappropriate and for English learners.

46.1 (e) (h) A school, school district, and charter school must administer statewide
 46.2 assessments under this section, as the assessments become available, to evaluate student
 46.3 proficiency progress toward career and college readiness in the context of the state's grade
 46.4 level academic standards. ~~If a state assessment is not available, a school, school district,~~
 46.5 ~~and charter school must determine locally if a student has met the required academic~~
 46.6 ~~standards.~~ A school, school district, or charter school may use a student's performance
 46.7 on a statewide assessment as one of multiple criteria to determine grade promotion or
 46.8 retention. A school, school district, or charter school may use a high school student's
 46.9 performance on a statewide assessment as a percentage of the student's final grade in a
 46.10 course, or place a student's assessment score on the student's transcript.

46.11 **EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and
 46.12 later except the requirements for using computer-adaptive mathematics and reading
 46.13 assessments for grades 3 through 7 apply in the 2015-2016 school year and later.

46.14 Sec. 11. Minnesota Statutes 2012, section 120B.31, subdivision 1, is amended to read:

46.15 Subdivision 1. **Educational accountability and public reporting.** Consistent
 46.16 with the direction to adopt statewide academic standards under section 120B.02, the
 46.17 department, in consultation with education and other system stakeholders, must establish a
 46.18 coordinated and comprehensive system of educational accountability and public reporting
 46.19 that promotes greater academic achievement, preparation for higher academic education,
 46.20 preparation for the world of work, citizenship ~~under sections 120B.021, subdivision 1,~~
 46.21 ~~clause (4), and 120B.024, paragraph (a), clause (4),~~ and the arts.

46.22 Sec. 12. Minnesota Statutes 2012, section 120B.35, subdivision 3, is amended to read:

46.23 Subd. 3. **State growth target; other state measures.** (a) The state's educational
 46.24 assessment system measuring individual students' educational growth is based on
 46.25 indicators of achievement growth that show an individual student's prior achievement.
 46.26 Indicators of achievement and prior achievement must be based on highly reliable
 46.27 statewide or districtwide assessments.

46.28 (b) The commissioner, in consultation with a stakeholder group that includes
 46.29 assessment and evaluation directors and staff and researchers must implement a model
 46.30 that uses a value-added growth indicator and includes criteria for identifying schools
 46.31 and school districts that demonstrate medium and high growth under section 120B.299,
 46.32 subdivisions 8 and 9, and may recommend other value-added measures under section
 46.33 120B.299, subdivision 3. The model may be used to advance educators' professional
 46.34 development and replicate programs that succeed in meeting students' diverse learning

47.1 needs. Data on individual teachers generated under the model are personnel data under
47.2 section 13.43. The model must allow users to:

47.3 (1) report student growth consistent with this paragraph; and

47.4 (2) for all student categories, report and compare aggregated and disaggregated state
47.5 growth data using the nine student categories identified under the federal 2001 No Child
47.6 Left Behind Act and two student gender categories of male and female, respectively,
47.7 following appropriate reporting practices to protect nonpublic student data.

47.8 The commissioner must report ~~separate~~ measures of student growth and ~~proficiency~~,
47.9 consistent with this paragraph.

47.10 (c) When reporting student performance under section 120B.36, subdivision 1, the
47.11 commissioner annually, beginning July 1, 2011, must report two core measures indicating
47.12 the extent to which current high school graduates are being prepared for postsecondary
47.13 academic and career opportunities:

47.14 (1) a preparation measure indicating the number and percentage of high school
47.15 graduates in the most recent school year who completed course work important to
47.16 preparing them for postsecondary academic and career opportunities, consistent with
47.17 the core academic subjects required for admission to Minnesota's public colleges and
47.18 universities as determined by the Office of Higher Education under chapter 136A; and

47.19 (2) a rigorous coursework measure indicating the number and percentage of high
47.20 school graduates in the most recent school year who successfully completed one or more
47.21 college-level advanced placement, international baccalaureate, postsecondary enrollment
47.22 options including concurrent enrollment, other rigorous courses of study under section
47.23 120B.021, subdivision 1a, or industry certification courses or programs.

47.24 When reporting the core measures under clauses (1) and (2), the commissioner must also
47.25 analyze and report separate categories of information using the nine student categories
47.26 identified under the federal 2001 No Child Left Behind Act and two student gender
47.27 categories of male and female, respectively, following appropriate reporting practices to
47.28 protect nonpublic student data.

47.29 (d) When reporting student performance under section 120B.36, subdivision 1, the
47.30 commissioner annually, beginning July 1, 2014, must report summary data on school
47.31 safety and students' engagement and connection at school. The summary data under this
47.32 paragraph are separate from and must not be used for any purpose related to measuring
47.33 or evaluating the performance of classroom teachers. The commissioner, in consultation
47.34 with qualified experts on student engagement and connection and classroom teachers,
47.35 must identify highly reliable variables that generate summary data under this paragraph.
47.36 The summary data may be used at school, district, and state levels only. Any data on

48.1 individuals received, collected, or created that are used to generate the summary data
48.2 under this paragraph are nonpublic data under section 13.02, subdivision 9.

48.3 (e) For purposes of statewide educational accountability, the commissioner must
48.4 identify and report measures that demonstrate the success of school districts, school sites,
48.5 charter schools, and alternative program providers in improving the graduation outcomes
48.6 of students under this paragraph. When reporting student performance under section
48.7 120B.36, subdivision 1, the commissioner, beginning July 1, 2015, must annually report
48.8 summary data on:

48.9 (1) the four- and six-year graduation rates of students throughout the state who
48.10 are identified as at risk of not graduating or off track to graduate, including students
48.11 who are eligible to participate in a program under section 123A.05 or 124D.68, among
48.12 other students; and

48.13 (2) the success that school districts, school sites, charter schools, and alternative
48.14 program providers experience in:

48.15 (i) identifying at-risk and off-track student populations by grade;

48.16 (ii) providing successful prevention and intervention strategies for at-risk students;

48.17 (iii) providing successful recuperative and recovery or reenrollment strategies for
48.18 off-track students; and

48.19 (iv) improving the graduation outcomes of at-risk and off-track students.

48.20 For purposes of this paragraph, a student who is at risk of not graduating is a student
48.21 in eighth or ninth grade who meets one or more of the following criteria: first enrolled in
48.22 an English language learners program in eighth or ninth grade and may be older than other
48.23 students enrolled in the same grade; as an eighth grader, is absent from school for at least
48.24 20 percent of the days of instruction during the school year, is two or more years older
48.25 than other students enrolled in the same grade, or fails multiple core academic courses; or
48.26 as a ninth grader, fails multiple ninth grade core academic courses in English language
48.27 arts, mathematics, science, or social studies.

48.28 For purposes of this paragraph, a student who is off track to graduate is a student
48.29 who meets one or more of the following criteria: first enrolled in an English language
48.30 learners program in high school and is older than other students enrolled in the same grade;
48.31 is a returning dropout; is 16 or 17 years old and two or more academic years off track to
48.32 graduate; is 18 years or older and two or more academic years off track to graduate; or is
48.33 18 years or older and may graduate within one school year.

48.34 **EFFECTIVE DATE.** Paragraph (e) applies to data that are collected in the
48.35 2014-2015 school year and later and reported annually beginning July 1, 2015, consistent
48.36 with the recommendations the commissioner receives from recognized and qualified

49.1 experts on improving differentiated graduation rates and establishing alternative routes to
49.2 a standard high school diploma for at-risk and off-track students.

49.3 Sec. 13. Minnesota Statutes 2012, section 120B.36, subdivision 1, is amended to read:

49.4 Subdivision 1. **School performance ~~report cards~~ reports.** (a) The commissioner
49.5 shall report student academic performance under section 120B.35, subdivision 2; the
49.6 percentages of students showing low, medium, and high growth under section 120B.35,
49.7 subdivision 3, paragraph (b); school safety and student engagement and connection
49.8 under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section
49.9 120B.35, subdivision 3, paragraph (c); the percentage of students whose progress and
49.10 performance levels are meeting career and college readiness benchmarks under section
49.11 120B.30, subdivision 1; longitudinal data on district and school progress in reducing
49.12 disparities in students' academic achievement under section 124D.861, subdivision 3; two
49.13 separate student-to-teacher ratios that clearly indicate the definition of teacher consistent
49.14 with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff
49.15 characteristics excluding salaries; student enrollment demographics; district mobility; and
49.16 extracurricular activities. The report also must indicate a school's adequate yearly progress
49.17 status under applicable federal law, and must not set any designations applicable to high-
49.18 and low-performing schools due solely to adequate yearly progress status.

49.19 (b) The commissioner shall develop, annually update, and post on the department
49.20 Web site school performance ~~report cards~~ reports.

49.21 (c) The commissioner must make available performance ~~report cards~~ reports by the
49.22 beginning of each school year.

49.23 (d) A school or district may appeal its adequate yearly progress status in writing to
49.24 the commissioner within 30 days of receiving the notice of its status. The commissioner's
49.25 decision to uphold or deny an appeal is final.

49.26 (e) School performance ~~report card~~ data are nonpublic data under section 13.02,
49.27 subdivision 9, until the commissioner publicly releases the data. The commissioner shall
49.28 annually post school performance ~~report cards~~ reports to the department's public Web
49.29 site no later than September 1, except that in years when the ~~report card reflects~~ reports
49.30 reflect new performance standards, the commissioner shall post the school performance
49.31 ~~report cards~~ reports no later than October 1.

49.32 **EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and
49.33 later.

50.1 Sec. 14. Minnesota Statutes 2012, section 124D.52, is amended by adding a
50.2 subdivision to read:

50.3 Subd. 8. **Standard high school diploma for adults.** (a) The commissioner shall
50.4 adopt rules for providing a standard high school diploma to adults who:

50.5 (1) are not eligible for kindergarten through grade 12 services;

50.6 (2) do not have a high school diploma; and

50.7 (3) successfully complete an adult basic education program of instruction approved
50.8 by the commissioner necessary to earn an adult high school diploma.

50.9 (b) Persons participating in an approved adult basic education program of instruction
50.10 must demonstrate proficiency in a standard set of competencies that reflect the knowledge
50.11 and skills sufficient to ensure that postsecondary programs and institutions and potential
50.12 employers regard persons with a standard high school diploma and persons with a
50.13 standard high school diploma for adults as equally well prepared and qualified graduates.
50.14 Approved adult basic education programs of instruction under this subdivision must issue
50.15 a standard high school diploma for adults who successfully demonstrate the competencies,
50.16 knowledge, and skills required by the program.

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

50.18 Sec. 15. **[126C.101] MINNESOTA'S WORLD'S BEST WORKFORCE.**

50.19 Subdivision 1. **Goals for the world's best workforce.** To create the world's best
50.20 workforce by 2027, Minnesota must strive to: close entirely the academic achievement
50.21 gap among all racial and ethnic groups of students and between students living in poverty
50.22 and students not living in poverty; achieve a 100 percent high school graduation rate;
50.23 achieve 100 percent grade-level literacy for students in third grade; and have 100 percent
50.24 of students attain career and college readiness before graduating from high school.

50.25 Subd. 2. **Strategic plans for attaining the world's best workforce.** (a) A school
50.26 board must formally develop, implement, and periodically review and, where appropriate,
50.27 revise a comprehensive, long-term strategic education and budget plan for student
50.28 achievement premised on research-based strategies and efforts required for a district and
50.29 school to make progress toward realizing the goals in subdivision 1. The strategic plan for
50.30 student achievement must identify the state, regional, and local structures and systems,
50.31 interdistrict, intradistrict, and in-school strategies, inclusive best education practices,
50.32 and collaborative partnerships with regional centers under subdivision 4, postsecondary
50.33 institutions, and local and regional business and industry to work effectively and efficiently
50.34 toward making all students part of the world's best workforce by 2027.

51.1 (b) The components of a board's plan may include: innovative and integrated
51.2 prekindergarten through grade 12 learning environments that include school enrollment
51.3 options; family engagement initiatives that involve families in their students' academic
51.4 life and career success; professional development opportunities for teachers, school
51.5 administrators, and other licensed school professionals focused on improving all students'
51.6 academic achievement and career and college readiness; increased programmatic
51.7 opportunities for all students, including historically underserved students, focused on rigor
51.8 in learning and career and college readiness, and recruitment and retention of teachers
51.9 and school administrators of diverse backgrounds. Plans must include at least formative
51.10 assessment practices, consistent with chapter 120B, and other instructional best practices
51.11 that inform cost-effective, research-based interventions, improve student achievement,
51.12 reduce disparities in students' academic performance, and foster students' career and
51.13 college readiness without need for postsecondary remediation.

51.14 (c) A regional center of excellence, upon request, must assist a school board with
51.15 developing, implementing, reviewing, or revising its education and budget plan.

51.16 Subd. 3. **Budgeting process.** (a) Beginning in the 2014-2015 school year, a school
51.17 board must hold at least one formal hearing by March 1 each year to report to the public
51.18 its progress in realizing the goals contained in its strategic plan for student achievement, to
51.19 review the plan components, and to revise the plan where appropriate. At the hearing, the
51.20 board must provide the public with longitudinal data from at least the three immediately
51.21 preceding school years demonstrating district and school progress in realizing its student
51.22 achievement goals, consistent with the measures for demonstrating progress in paragraph
51.23 (b). At least 30 days before the hearing, the board must post on the district Web site, in
51.24 an understandable, readily accessible format, up-to-date longitudinal data on district
51.25 and school progress. The district, by March 1, must submit to the commissioner and
51.26 its regional center of excellence in an electronic format the district's annual budget for
51.27 continuing to implement its strategic plan for student achievement.

51.28 (b) The longitudinal data required under paragraph (a) at least must be based on
51.29 one or more of the following measures and must report outcomes for all students and
51.30 specific groups of students identified under section 120B.35, subdivision 3: third grade
51.31 at-grade-level literacy rates; reductions in the disparity in academic achievement among
51.32 all racial and ethnic student groups and between students living in poverty and students not
51.33 living in poverty; high school graduation rates; rates for completing rigorous coursework;
51.34 rates for attaining career and college readiness; rates for receiving postsecondary credit
51.35 while enrolled in high school; students' engagement and connection in school; and rates

52.1 for awarding world language proficiency or high achievement certificates under section
52.2 120B.022, subdivision 1, paragraphs (b) and (c).

52.3 (c) For the 2013-2014 school year only, a board, after providing a 30-day notice on
52.4 the district Web site, must hold a formal hearing before March 1, 2014, to inform the
52.5 public about the content of its proposed strategic plan for student achievement under
52.6 this section. The board also must submit its proposed plan by March 1, 2014, to the
52.7 commissioner and its regional center of excellence in an electronic format.

52.8 Subd. 4. **Regional support.** (a) Regional centers of excellence are established to
52.9 assist and support school boards, districts, and schools in implementing this section. The
52.10 centers must collaborate with local and regional service cooperatives, postsecondary
52.11 institutions, integrated school districts, the department, children's mental health providers,
52.12 and other interested entities to equitably support school boards, districts, and schools
52.13 throughout the region. Center support may include assisting districts and schools
52.14 with common principles of effective practice, defining measurable education goals,
52.15 implementing evidence-based practices, engaging in data-driven decision making,
52.16 reducing the use of seclusion and restraints, providing multilayered levels of support,
52.17 supporting culturally responsive teaching and learning, aligning state and local academic
52.18 standards and career and college readiness benchmarks, and engaging parents, families,
52.19 youth, and the local community in district and school programs and activities.

52.20 (b) The department must help the regional centers of excellence meet staff, facilities,
52.21 and technical needs, provide the centers with programmatic support, and work with the
52.22 centers to establish a coherent statewide system of regional support, including consulting,
52.23 training, and technical support, to help school boards, districts, and schools effectively and
52.24 efficiently implement state and federal initiatives.

52.25 Subd. 5. **Evaluation.** (a) The commissioner and each regional center of excellence
52.26 must collaborate in evaluating the success of districts and schools in working effectively
52.27 and efficiently toward creating the world's best workforce by 2027. Where districts and
52.28 schools demonstrate effective use of resources and adequate progress toward realizing
52.29 plan goals, the commissioner and the regional centers of excellence must promote and
52.30 disseminate successful strategies to other districts and schools throughout the state.

52.31 (b) If the commissioner, in consultation with the affected regional center of
52.32 excellence, determines a district or charter school is not making adequate progress in
52.33 realizing its student achievement goals under this section, the department may reduce the
52.34 district's basic general education revenue by up to four percent per fiscal year, and transfer
52.35 that amount to the affected regional center of excellence for the center to use to assist the
52.36 district to effectively and efficiently realize its student achievement goals.

53.1 (c) If, after a district receives assistance under paragraph (b) for at least three
 53.2 consecutive school years, the commissioner, in consultation with the affected regional
 53.3 center of excellence and the affected district, identifies a school as persistently failing to
 53.4 make adequate progress toward realizing the student achievement goals contained in
 53.5 the strategic plan, the commissioner may require the school to implement a turnaround
 53.6 strategy to improve the school's ability to effectively and efficiently realize those goals.

53.7 **EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

53.8 Sec. 16. **STATEWIDE ASSESSMENT AND ACCOUNTABILITY; TRANSITION.**

53.9 Notwithstanding other law to the contrary, students enrolled in grade 8 in the
 53.10 2005-2006 through 2012-2013 school years are eligible to be assessed under the amended
 53.11 provisions of Minnesota Statutes, section 120B.30, subdivision 1, to the extent such
 53.12 assessments are available, under Minnesota Statutes, section 120B.128, paragraph (c), or
 53.13 under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses
 53.14 (1) and (2). Other measures of statewide accountability, including student performance,
 53.15 preparation, rigorous course taking, engagement and connection, and transition into
 53.16 postsecondary education or the workforce remain in effect.

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

53.18 Sec. 17. **CAREER PATHWAYS AND TECHNICAL EDUCATION ADVISORY**
 53.19 **TASK FORCE.**

53.20 Subdivision 1. **Recommendations.** (a) A career pathways and technical education
 53.21 advisory task force is established to recommend to the Minnesota legislature, consistent
 53.22 with Minnesota Statutes, sections 120B.30, subdivision 1, and 120B.35, subdivision 3,
 53.23 how to structurally redesign secondary and postsecondary education to:

53.24 (1) improve secondary and postsecondary outcomes for students and adult learners;

53.25 (2) align secondary and postsecondary education programs serving students and
 53.26 adult learners;

53.27 (3) align secondary and postsecondary education programs and Minnesota's
 53.28 workforce needs; and

53.29 (4) measure and evaluate the combined efficacy of Minnesota's public kindergarten
 53.30 through grade 12 and postsecondary education programs.

53.31 (b) Advisory task force members, in preparing these recommendations, must
 53.32 seek the advice of education providers, employers, policy makers, and other interested
 53.33 stakeholders and must at least consider how to:

54.1 (1) better inform students about career options, occupational trends, and educational
 54.2 paths leading to viable and rewarding careers and reduce the gap between the demand for
 54.3 and preparation of a skilled Minnesota workforce;

54.4 (2) in consultation with a student's family, develop and periodically adapt, as
 54.5 needed, an education and work plan for each student aligned with the student's personal
 54.6 and professional interests, abilities, skills, and aspirations;

54.7 (3) improve monitoring of high school students' progress with targeted interventions
 54.8 and support and remove the need for remedial instruction;

54.9 (4) increase and accelerate opportunities for secondary school students to earn
 54.10 postsecondary credits leading to a certificate, industry license, or degree;

54.11 (5) better align high school courses and expectations and postsecondary
 54.12 credit-bearing courses;

54.13 (6) better align high school standards and assessments, postsecondary readiness
 54.14 measures and entrance requirements, and the expectations of Minnesota employers;

54.15 (7) increase the rates at which students complete a postsecondary certificate,
 54.16 industry license, or degree; and

54.17 (8) provide graduates of two-year and four-year postsecondary institutions with the
 54.18 foundational skills needed for civic engagement, ongoing employment, and continuous
 54.19 learning.

54.20 Subd. 2. **Task force membership and operation.** (a) Advisory task force members
 54.21 must include representatives of the following organizations from throughout the state:
 54.22 the Minnesota Association of Career and Technical Administrators; the Minnesota
 54.23 Association for Career and Technical Education; University of Minnesota, Minnesota
 54.24 State Colleges and Universities, and secondary and other postsecondary faculty working
 54.25 to develop career and technical educators in Minnesota; the National Research Center
 54.26 for Career and Technical Education; the Department of Education; the Department of
 54.27 Employment and Economic Development; the Minnesota Chamber of Commerce; the
 54.28 Minnesota Business Partnership; the Minnesota Board of Teaching; the Minnesota
 54.29 Association of Colleges for Teacher Education; Minnesota State Colleges and Universities
 54.30 foundational skills and general education faculty; Minnesota Secondary School Principals
 54.31 Association; Minnesota Association of School Administrators; Minnesota School
 54.32 Counselors Association; Minnesota Association of Charter Schools; and any other
 54.33 representatives selected by the task force members. The education commissioner or the
 54.34 commissioner's designee must convene the task force.

54.35 (b) The commissioner, upon request, must provide technical assistance to the task
 54.36 force.

55.1 (c) The task force must submit its written recommendations under this section to the
55.2 legislative committees with jurisdiction over kindergarten through grade 12 education by
55.3 February 15, 2014.

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

55.5 Sec. 18. **STANDARD ADULT HIGH SCHOOL DIPLOMA ADVISORY TASK**
55.6 **FORCE.**

55.7 (a) The commissioner of education shall appoint a nine-member advisory task
55.8 force to recommend programmatic requirements for adult basic education programs of
55.9 instruction leading to a standard adult high school diploma under Minnesota Statutes,
55.10 section 124D.52, subdivision 8.

55.11 (b) The commissioner of education must appoint representatives from the following
55.12 organizations to the task force by July 1, 2013:

55.13 (1) one employee of the Department of Education with expertise in adult basic
55.14 education;

55.15 (2) five adult basic education administrators and teachers from local adult basic
55.16 education programs located in rural, suburban, and urban areas of the state, at least one of
55.17 whom represents the Literacy Action network;

55.18 (3) one employee of the Minnesota State Colleges and Universities with expertise
55.19 in adult basic education;

55.20 (4) one employee of the Department of Employment and Economic Development
55.21 with expertise in adult basic education and employment; and

55.22 (5) one member of the Minnesota Chamber of Commerce familiar with adult basic
55.23 education programs under Minnesota Statutes, section 124D.52.

55.24 (c) The commissioner of education must convene the task force. Task force
55.25 members are not eligible for compensation or reimbursement for expenses related to task
55.26 force activities. The commissioner, upon request, must provide technical assistance to
55.27 task force members.

55.28 (d) By February 1, 2014, the task force must submit its recommendations to the
55.29 commissioner of education for providing a standard adult high school diploma to persons
55.30 who are not eligible for kindergarten through grade 12 services, who do not have a
55.31 high school diploma, and who successfully complete an approved adult basic education
55.32 program of instruction necessary to earn an adult high school diploma. The commissioner
55.33 must consider these recommendations when adopting rules under Minnesota Statutes,
55.34 section 124D.52, subdivision 8.

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

56.2 Sec. 19. **IMPLEMENTING DIFFERENTIATED GRADUATION RATE**
56.3 **MEASURES AND EXPLORING ALTERNATIVE ROUTES TO A STANDARD**
56.4 **DIPLOMA FOR AT-RISK AND OFF-TRACK STUDENTS.**

56.5 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
56.6 subdivision 3, paragraph (e), the commissioner of education must consult with recognized
56.7 and qualified experts and the stakeholders listed in paragraph (b) on improving
56.8 differentiated graduation rates and establishing alternative routes to a standard high school
56.9 diploma for at-risk and off-track students throughout the state. The commissioner must
56.10 consider and recommend to the legislature:

56.11 (1) research-based measures that demonstrate the relative success of school
56.12 districts, school sites, charter schools, and alternative program providers in improving the
56.13 graduation outcomes of at-risk and off-track students; and

56.14 (2) state options for establishing alternative routes to a standard diploma consistent
56.15 with the educational accountability system under Minnesota Statutes, chapter 120B.

56.16 When proposing alternative routes to a standard diploma, the commissioner also must
56.17 identify highly reliable variables that generate summary data to comply with Minnesota
56.18 Statutes, section 120B.35, subdivision 3, paragraph (e), including: who initiates the
56.19 request for an alternative route; who approves the request for an alternative route; the
56.20 parameters of the alternative route process, including whether a student first must fail a
56.21 regular, state-mandated exam; and the comparability of the academic and achievement
56.22 criteria reflected in the alternative route and the standard route for a standard diploma.

56.23 The commissioner is also encouraged to identify the data, timelines, and methods needed
56.24 to evaluate and report on the alternative routes to a standard diploma once they are
56.25 implemented and the student outcomes that result from those routes.

56.26 (b) Stakeholders to be consulted include persons from: state-approved alternative
56.27 programs; online programs; charter schools; school boards; teachers; metropolitan school
56.28 districts; rural educators; university and college faculty with expertise in serving and
56.29 assessing at-risk and off-track students; superintendents; high school principals; and
56.30 the public. The commissioner may seek input from other interested stakeholders and
56.31 organizations with expertise to help inform the commissioner.

56.32 (c) The commissioner, by February 15, 2014, must develop and submit to the
56.33 education policy and finance committees of the legislature recommendations and
56.34 legislation, consistent with this section and Minnesota Statutes, section 120B.35,
56.35 subdivision 3, paragraph (e), for:

57.1 (1) measuring and reporting differentiated graduation rates for at-risk and off-track
 57.2 students throughout the state and the success and costs that school districts, school sites,
 57.3 charter schools, and alternative program providers experience in identifying and serving
 57.4 at-risk or off-track student populations; and

57.5 (2) establishing alternative routes to a standard diploma.

57.6 **EFFECTIVE DATE.** This section is effective the day following final enactment
 57.7 and applies to school reports beginning July 1, 2015.

57.8 Sec. 20. **APPROPRIATIONS.**

57.9 Subdivision 1. **Minnesota Department of Education.** The sums indicated in this
 57.10 section are appropriated from the general fund to the Department of Education for the
 57.11 fiscal years designated.

57.12 Subd. 2. **Statewide testing and reporting system.** For the statewide testing and
 57.13 reporting system under Minnesota Statutes, section 120B.30:

57.14 \$ 17,550,000 2014

57.15 \$ 20,079,000 2015

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

57.17 Subd. 3. **Educational planning and assessment system (EPAS) program.** For
 57.18 the educational planning and assessment system program under Minnesota Statutes,
 57.19 section 120B.128:

57.20 \$ 829,000 2014

57.21 \$ 0 2015

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

57.23 Sec. 21. **REVISOR'S INSTRUCTION.**

57.24 The revisor of statutes shall renumber Minnesota Statutes, section 120B.023,
 57.25 subdivision 2, as Minnesota Statutes, section 120B.021, subdivision 4. The revisor shall
 57.26 make necessary cross-reference changes consistent with the renumbering.

57.27 Sec. 22. **REPEALER.**

57.28 (a) Minnesota Rules, parts 3501.0505; 3501.0510; 3501.0515; 3501.0520;
 57.29 3501.0525; 3501.0530; 3501.0535; 3501.0540; 3501.0545; and 3501.0550, are repealed.

57.30 (b) Minnesota Rules, parts 3501.0010; 3501.0020; 3501.0030, subparts 1, 2, 3, 4,
 57.31 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, and 16; 3501.0040; 3501.0050; 3501.0060; 3501.0090;

58.1 3501.0100; 3501.0110; 3501.0120; 3501.0130; 3501.0140; 3501.0150; 3501.0160;
 58.2 3501.0170; 3501.0180; 3501.0200; 3501.0210; 3501.0220; 3501.0230; 3501.0240;
 58.3 3501.0250; 3501.0270; 3501.0280, subparts 1 and 2; 3501.0290; 3501.1000; 3501.1020;
 58.4 3501.1030; 3501.1040; 3501.1050; 3501.1110; 3501.1120; 3501.1130; 3501.1140;
 58.5 3501.1150; 3501.1160; 3501.1170; 3501.1180; and 3501.1190, are repealed.

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

58.7 **ARTICLE 3**

58.8 **EDUCATION EXCELLENCE**

58.9 Section 1. Minnesota Statutes 2012, section 121A.22, subdivision 2, is amended to read:

58.10 Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine
 58.11 that are:

58.12 (1) purchased without a prescription;

58.13 (2) used by a pupil who is 18 years old or older;

58.14 (3) used in connection with services for which a minor may give effective consent,
 58.15 including section 144.343, subdivision 1, and any other law;

58.16 (4) used in situations in which, in the judgment of the school personnel who are
 58.17 present or available, the risk to the pupil's life or health is of such a nature that drugs or
 58.18 medicine should be given without delay;

58.19 (5) used off the school grounds;

58.20 (6) used in connection with athletics or extra curricular activities;

58.21 (7) used in connection with activities that occur before or after the regular school day;

58.22 (8) provided or administered by a public health agency to prevent or control an
 58.23 illness or a disease outbreak as provided for in sections 144.05 and 144.12;

58.24 (9) prescription asthma or reactive airway disease medications self-administered by
 58.25 a pupil with an asthma inhaler if the district has received a written authorization from the
 58.26 pupil's parent permitting the pupil to self-administer the medication, the inhaler is properly
 58.27 labeled for that student, and the parent has not requested school personnel to administer
 58.28 the medication to the pupil. The parent must submit written authorization for the pupil to
 58.29 self-administer the medication each school year; or

58.30 (10) ~~prescription nonsyringe injectors of epinephrine~~ auto-injectors, consistent with
 58.31 section 121A.2205, if the parent and prescribing medical professional annually inform
 58.32 the pupil's school in writing that (i) the pupil may possess the epinephrine or (ii) the
 58.33 pupil is unable to possess the epinephrine and requires immediate access to ~~nonsyringe~~

59.1 ~~injectors of epinephrine auto-injectors~~ that the parent provides properly labeled to the
59.2 school for the pupil as needed.

59.3 Sec. 2. Minnesota Statutes 2012, section 121A.2205, is amended to read:

59.4 **121A.2205 POSSESSION AND USE OF NONSYRINGE INJECTORS OF**
59.5 **EPINEPHRINE AUTO-INJECTORS; MODEL POLICY.**

59.6 Subdivision 1. Definitions. As used in this section:

59.7 (1) "administer" means the direct application of an epinephrine auto-injector to
59.8 the body of an individual;

59.9 (2) "epinephrine auto-injector" means a device that automatically injects a
59.10 premeasured dose of epinephrine; and

59.11 (3) "school" means a public school under section 120A.22, subdivision 4, or a
59.12 nonpublic school, excluding a home school, under section 120A.22, subdivision 4, that
59.13 is subject to the federal Americans with Disabilities Act.

59.14 Subd. 2. Plan for use of epinephrine auto-injectors. (a) At the start of each school
59.15 year or at the time a student enrolls in school, whichever is first, a student's parent, school
59.16 staff, including those responsible for student health care, and the prescribing medical
59.17 professional must develop and implement an individualized written health plan for a
59.18 student who is prescribed ~~nonsyringe injectors of epinephrine auto-injectors~~ that enables
59.19 the student to:

59.20 (1) possess ~~nonsyringe injectors of epinephrine auto-injectors~~; or

59.21 (2) if the parent and prescribing medical professional determine the student is unable
59.22 to possess the epinephrine, have immediate access to ~~nonsyringe injectors of epinephrine~~
59.23 auto-injectors in close proximity to the student at all times during the instructional day.

59.24 The plan must designate the school staff responsible for implementing the student's
59.25 health plan, including recognizing anaphylaxis and administering ~~nonsyringe injectors of~~
59.26 epinephrine auto-injectors when required, consistent with section 121A.22, subdivision 2,
59.27 clause (10). This health plan may be included in a student's 504 plan.

59.28 (b) ~~A school under this section is a public school under section 120A.22, subdivision~~
59.29 ~~4, or a nonpublic school, excluding a home school, under section 120A.22, subdivision 4,~~
59.30 ~~that is subject to the federal Americans with Disabilities Act.~~ Other nonpublic schools are
59.31 encouraged to develop and implement an individualized written health plan for students
59.32 requiring ~~nonsyringe injectors of epinephrine auto-injectors~~, consistent with this section
59.33 and section 121A.22, subdivision 2, clause (10).

60.1 (c) A school district and its agents and employees are immune from liability for
 60.2 any act or failure to act, made in good faith, in implementing this section and section
 60.3 121A.2207.

60.4 (d) The education commissioner may develop and transmit to interested schools a
 60.5 model policy and individualized health plan form consistent with this section and federal
 60.6 504 plan requirements. The policy and form may:

60.7 (1) assess a student's ability to safely possess ~~nonsyringe injectors of epinephrine~~
 60.8 auto-injectors;

60.9 (2) identify staff training needs related to recognizing anaphylaxis and administering
 60.10 epinephrine when needed;

60.11 (3) accommodate a student's need to possess or have immediate access to ~~nonsyringe~~
 60.12 ~~injectors of epinephrine~~ auto-injectors in close proximity to the student at all times during
 60.13 the instructional day; and

60.14 (4) ensure that the student's parent provides properly labeled ~~nonsyringe injectors of~~
 60.15 epinephrine auto-injectors to the school for the student as needed.

60.16 (e) Additional ~~nonsyringe injectors of epinephrine~~ auto-injectors may be available in
 60.17 school first aid kits.

60.18 (f) The school board of the school district must define instructional day for the
 60.19 purposes of this section.

60.20 Sec. 3. **[121A.2207] LIFE-THREATENING ALLERGIES IN SCHOOLS;**
 60.21 **STOCK SUPPLY OF EPINEPHRINE AUTO-INJECTORS.**

60.22 **Subdivision 1. Districts and schools permitted to maintain supply.**

60.23 Notwithstanding section 151.37, districts and schools may obtain and possess epinephrine
 60.24 auto-injectors to be maintained and administered by school personnel to a student or
 60.25 other individual if, in good faith, it is determined that person is experiencing anaphylaxis
 60.26 regardless of whether the student or other individual has a prescription for an epinephrine
 60.27 auto-injector. The administration of an epinephrine auto-injector in accordance with
 60.28 this section is not the practice of medicine.

60.29 **Subd. 2. Arrangements with manufacturers.** A district or school may enter into
 60.30 arrangements with manufacturers of epinephrine auto-injectors to obtain epinephrine
 60.31 auto-injectors at fair-market, free, or reduced prices. A third party, other than a
 60.32 manufacturer or supplier, may pay for a school's supply of epinephrine auto-injectors.

60.33 Sec. 4. Minnesota Statutes 2012, section 122A.09, subdivision 4, is amended to read:

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

61.3 (b) The board must adopt rules requiring a person to pass a skills examination in
61.4 reading, writing, and mathematics as a requirement for initial teacher licensure, except
61.5 that the board may issue up to three additional temporary, one-year teaching licenses to an
61.6 otherwise qualified candidate who has not passed the skills exam at the time the candidate
61.7 successfully completes an approved teacher preparation program. Such rules must require
61.8 college and universities offering a board-approved teacher preparation program to provide
61.9 remedial assistance to persons who did not achieve a qualifying score on the skills
61.10 examination, including those for whom English is a second language.

61.11 (c) The board must adopt rules to approve teacher preparation programs. The board,
61.12 upon the request of a postsecondary student preparing for teacher licensure or a licensed
61.13 graduate of a teacher preparation program, shall assist in resolving a dispute between the
61.14 person and a postsecondary institution providing a teacher preparation program when the
61.15 dispute involves an institution's recommendation for licensure affecting the person or the
61.16 person's credentials. At the board's discretion, assistance may include the application
61.17 of chapter 14.

61.18 (d) The board must provide the leadership and adopt rules for the redesign of teacher
61.19 education programs to implement a research based, results-oriented curriculum that
61.20 focuses on the skills teachers need in order to be effective. The board shall implement new
61.21 systems of teacher preparation program evaluation to assure program effectiveness based
61.22 on proficiency of graduates in demonstrating attainment of program outcomes. Teacher
61.23 preparation programs including alternative teacher preparation programs under section
61.24 122A.245, among other programs, must include a content-specific, board-approved,
61.25 performance-based assessment that measures teacher candidates in three areas: planning
61.26 for instruction and assessment; engaging students and supporting learning; and assessing
61.27 student learning.

61.28 (e) The board must adopt rules requiring candidates for initial licenses to pass an
61.29 examination of general pedagogical knowledge and examinations of licensure-specific
61.30 teaching skills. The rules shall be effective by September 1, 2001. The rules under this
61.31 paragraph also must require candidates for initial licenses to teach prekindergarten or
61.32 elementary students to pass, as part of the examination of licensure-specific teaching
61.33 skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive,
61.34 scientifically based reading instruction under section 122A.06, subdivision 4, and their
61.35 knowledge and understanding of the foundations of reading development, the development

62.1 of reading comprehension, and reading assessment and instruction, and their ability to
62.2 integrate that knowledge and understanding.

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

62.6 (g) The board must grant licenses to interns and to candidates for initial licenses
62.7 based on appropriate professional competencies that are aligned with the board's licensing
62.8 system and students' diverse learning needs. The board must include these licenses in a
62.9 statewide differentiated licensing system that creates new leadership roles for successful
62.10 experienced teachers premised on a collaborative professional culture dedicated to meeting
62.11 students' diverse learning needs in the 21st century and formalizes mentoring and induction
62.12 for newly licensed teachers that is provided through a teacher support framework.

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

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

62.18 (j) The board must grant life licenses to those who qualify according to requirements
62.19 established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and
62.20 214.10. The board must not establish any expiration date for application for life licenses.

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

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

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

63.1 (n) The board must adopt rules that require all licensed teachers who are renewing
63.2 their continuing license to include in their renewal requirements further preparation,
63.3 first, in understanding the key warning signs of early-onset mental illness in children
63.4 and adolescents and then, during subsequent licensure renewal periods, preparation may
63.5 include providing a more in-depth understanding of students' mental illness trauma,
63.6 accommodations for students' mental illness, parents' role in addressing students' mental
63.7 illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942
63.8 governing restrictive procedures, and de-escalation methods, among other similar topics.

63.9 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.
63.10 Paragraph (n) is effective August 1, 2014.

63.11 Sec. 5. Minnesota Statutes 2012, section 122A.18, subdivision 2, is amended to read:

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

63.15 (b) The board must require a person to pass an examination of skills in reading,
63.16 writing, and mathematics before being granted an initial teaching license to provide direct
63.17 instruction to pupils in prekindergarten, elementary, secondary, or special education
63.18 programs, except that the board may issue up to three additional temporary, one-year
63.19 teaching licenses to an otherwise qualified candidate who has not passed the skills
63.20 exam at the time the candidate successfully completes an approved teacher preparation
63.21 program. The board must require colleges and universities offering a board approved
63.22 teacher preparation program to ~~provide~~ make available upon request remedial assistance
63.23 that includes a formal diagnostic component to persons enrolled in their institution who
63.24 did not achieve a qualifying score on the skills examination, including those for whom
63.25 English is a second language. The colleges and universities must ~~provide~~ make available
63.26 assistance in the specific academic areas of deficiency in which the person did not achieve
63.27 a qualifying score. School districts may make available upon request similar, appropriate,
63.28 and timely remedial assistance that includes a formal diagnostic component to those
63.29 persons employed by the district who completed their teacher education program, who did
63.30 not achieve a qualifying score on the skills examination, including those persons for whom
63.31 English is a second language and persons under section 122A.23, subdivision 2, paragraph
63.32 (h), who completed their teacher's education program outside the state of Minnesota,
63.33 and who received a temporary license to teach in Minnesota. The Board of Teaching
63.34 shall report annually to the education committees of the legislature on the total number
63.35 of teacher candidates during the most recent school year taking the skills examination,

64.1 the number who achieve a qualifying score on the examination, the number who do not
 64.2 achieve a qualifying score on the examination, the distribution of all candidates' scores,
 64.3 the number of candidates who have taken the examination at least once before, and the
 64.4 number of candidates who have taken the examination at least once before and achieve
 64.5 a qualifying score.

64.6 (c) A person who has completed an approved teacher preparation program and has
 64.7 been issued three temporary, one-year teaching licenses, but has not passed the skills exam,
 64.8 may have the board renew the temporary license if the school district employing the licensee
 64.9 requests that the licensee continue to teach for that district under a temporary license.

64.10 (d) The Board of Teaching must grant continuing licenses only to those persons who
 64.11 have met board criteria for granting a continuing license, which includes passing the skills
 64.12 examination in reading, writing, and mathematics.

64.13 ~~(d)~~ (e) All colleges and universities approved by the board of teaching to prepare
 64.14 persons for teacher licensure must include in their teacher preparation programs a common
 64.15 core of teaching knowledge and skills to be acquired by all persons recommended
 64.16 for teacher licensure. This common core shall meet the standards developed by the
 64.17 interstate new teacher assessment and support consortium in its 1992 "model standards for
 64.18 beginning teacher licensing and development." Amendments to standards adopted under
 64.19 this paragraph are covered by chapter 14. The board of teaching shall report annually to
 64.20 the education committees of the legislature on the performance of teacher candidates
 64.21 on common core assessments of knowledge and skills under this paragraph during the
 64.22 most recent school year.

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

64.24 Sec. 6. Minnesota Statutes 2012, section 122A.23, subdivision 2, is amended to read:

64.25 Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of
 64.26 sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching
 64.27 license or a temporary teaching license under paragraphs (b) to (e) to an applicant who holds
 64.28 at least a baccalaureate degree from a regionally accredited college or university and holds
 64.29 or held a similar out-of-state teaching license that requires the applicant to successfully
 64.30 complete a teacher preparation program approved by the issuing state, which includes
 64.31 field-specific teaching methods and student teaching or essentially equivalent experience.

64.32 (b) The Board of Teaching must issue a teaching license to an applicant who:

64.33 (1) successfully completed all exams and human relations preparation components
 64.34 required by the Board of Teaching; and

65.1 (2) holds or held an out-of-state teaching license to teach the same content field and
65.2 grade levels if the scope of the out-of-state license is no more than one grade level less
65.3 than a similar Minnesota license.

65.4 (c) The Board of Teaching, consistent with board rules and paragraph (h), must
65.5 issue up to three one-year temporary teaching licenses to an applicant who holds or held
65.6 an out-of-state teaching license to teach the same content field and grade levels, where
65.7 the scope of the out-of-state license is no more than one grade level less than a similar
65.8 Minnesota license, but has not successfully completed all exams and human relations
65.9 preparation components required by the Board of Teaching.

65.10 (d) The Board of Teaching, consistent with board rules, must issue up to three
65.11 one-year temporary teaching licenses to an applicant who:

65.12 (1) successfully completed all exams and human relations preparation components
65.13 required by the Board of Teaching; and

65.14 (2) holds or held an out-of-state teaching license to teach the same content field
65.15 and grade levels, where the scope of the out-of-state license is no more than one grade
65.16 level less than a similar Minnesota license, but has not completed field-specific teaching
65.17 methods or student teaching or equivalent experience.

65.18 The applicant may complete field-specific teaching methods and student teaching
65.19 or equivalent experience by successfully participating in a one-year school district
65.20 mentorship program consistent with board-adopted standards of effective practice and
65.21 Minnesota graduation requirements.

65.22 (e) The Board of Teaching must issue a temporary teaching license for a term of
65.23 up to three years only in the content field or grade levels specified in the out-of-state
65.24 license to an applicant who:

65.25 (1) successfully completed all exams and human relations preparation components
65.26 required by the Board of Teaching; and

65.27 (2) holds or held an out-of-state teaching license where the out-of-state license is
65.28 more limited in the content field or grade levels than a similar Minnesota license.

65.29 (f) The Board of Teaching must not issue to an applicant more than three one-year
65.30 temporary teaching licenses under this subdivision.

65.31 (g) The Board of Teaching must not issue a license under this subdivision if the
65.32 applicant has not attained the additional degrees, credentials, or licenses required in a
65.33 particular licensure field.

65.34 (h) The Board of Teaching must require an applicant for a teaching license or a
65.35 temporary teaching license under this subdivision to pass a skills examination in reading,
65.36 writing, and mathematics before the board issues the license. Consistent with section

66.1 122A.18, subdivision 2, paragraph (c), and notwithstanding other provisions of this
 66.2 subdivision, the board may issue up to three additional temporary, one-year teaching
 66.3 licenses to an otherwise qualified applicant who has not passed the skills exam and the
 66.4 board may renew this temporary license if the school district employing the applicant
 66.5 requests that the applicant continue to teach for that district under a temporary license.

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

66.7 Sec. 7. Minnesota Statutes 2012, section 122A.28, subdivision 1, is amended to read:

66.8 Subdivision 1. **K-12 license to teach deaf and hard-of-hearing students;**
 66.9 **relicensure.** (a) The Board of Teaching must review and determine appropriate licensure
 66.10 requirements for a candidate for a license or an applicant for a continuing license to teach
 66.11 deaf and hard-of-hearing students in prekindergarten through grade 12. In addition to
 66.12 other requirements, a candidate must demonstrate the minimum level of proficiency in
 66.13 American sign language as determined by the board.

66.14 (b) Among other relicensure requirements, each teacher under this section must
 66.15 complete 30 continuing education clock hours on hearing loss topics, including American
 66.16 Sign Language, American Sign Language linguistics, or deaf culture, in each licensure
 66.17 renewal period.

66.18 **EFFECTIVE DATE.** This section is effective August 1, 2013.

66.19 Sec. 8. Minnesota Statutes 2012, section 122A.33, subdivision 3, is amended to read:

66.20 Subd. 3. **Notice of nonrenewal; opportunity to respond.** A school board that
 66.21 declines to renew the coaching contract of a licensed or nonlicensed head varsity coach
 66.22 must notify the coach within 14 days of that decision. If the coach requests reasons for not
 66.23 renewing the coaching contract, the board must give the coach its reasons in writing within
 66.24 ten days of receiving the request. The existence of parent complaints must not be the sole
 66.25 reason for a board not to renew a coaching contract. Upon request, the board must provide
 66.26 the coach with a reasonable opportunity to respond to the reasons at a board meeting. The
 66.27 hearing may be opened or closed at the election of the coach unless the board closes the
 66.28 meeting under section 13D.05, subdivision 2, to discuss private data.

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

66.30 Sec. 9. Minnesota Statutes 2012, section 122A.61, subdivision 1, is amended to read:

66.31 Subdivision 1. **Staff development revenue.** A district is required to reserve
 66.32 an amount equal to at least two percent of the basic revenue under section 126C.10,

67.1 subdivision 2, for in-service education for programs under section 120B.22, subdivision 2,
 67.2 for staff development plans, including plans for challenging instructional activities and
 67.3 experiences under section 122A.60, and for curriculum development and programs, other
 67.4 in-service education, teachers' evaluation, teachers' workshops, teacher conferences, the
 67.5 cost of substitute teachers staff development purposes, preservice and in-service education
 67.6 for special education professionals and paraprofessionals, and other related costs for
 67.7 staff development efforts. A district may annually waive the requirement to reserve their
 67.8 basic revenue under this section if a majority vote of the licensed teachers in the district
 67.9 and a majority vote of the school board agree to a resolution to waive the requirement.
 67.10 A district in statutory operating debt is exempt from reserving basic revenue according
 67.11 to this section. Districts may expend an additional amount of unreserved revenue for
 67.12 staff development based on their needs.

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

67.14 Sec. 10. Minnesota Statutes 2012, section 124D.095, subdivision 10, is amended to
 67.15 read:

67.16 Subd. 10. **Online and Digital Learning Advisory Council.** (a) An Online and
 67.17 Digital Learning Advisory Council is established. The term for each council member shall
 67.18 be three years. The advisory council is composed of ~~12~~ 15 members from throughout the
 67.19 state who have demonstrated experience with or interest in online learning. Two members
 67.20 of the council must represent technology business. The remaining membership must
 67.21 represent the following interests:

67.22 (1) superintendents;

67.23 (2) special education specialists;

67.24 (3) technology directors;

67.25 (4) teachers;

67.26 (5) rural, urban, and suburban school districts;

67.27 (6) supplemental programs;

67.28 (7) full-time programs;

67.29 (8) consortia;

67.30 (9) charter schools;

67.31 (10) Board of Teaching-approved teacher preparation programs; and

67.32 (11) parents.

67.33 The members of the council shall be appointed by the commissioner.

67.34 (b) The advisory council shall bring to the attention of the commissioner and the
 67.35 legislature any matters related to online and digital learning and. The advisory council

68.1 shall provide input to the department and the legislature in online learning matters related,
68.2 but not restricted, to:

- 68.3 (1) quality assurance;
- 68.4 (2) teacher qualifications;
- 68.5 (3) program approval;
- 68.6 (4) special education;
- 68.7 (5) attendance;
- 68.8 (6) program design and requirements; and
- 68.9 (7) fair and equal access to programs.

68.10 ~~(b) By June 30, 2013,~~ (c) The Online Learning advisory council with the support of
68.11 the Minnesota Department of Education and the Minnesota Learning Commons shall:

- 68.12 (1) oversee the development and maintenance of a catalog of publicly available
68.13 digital learning content currently aligned to Minnesota academic standards to include:
 - 68.14 (i) indexing of Minnesota academic standards with which curriculum is aligned;
 - 68.15 (ii) a method for student and teacher users to provide evaluative feedback; and
 - 68.16 (iii) a plan for ongoing maintenance; and
- 68.17 (2) recommend methods for including student performance data on the digital
68.18 learning content within the catalog.

68.19 (d) The advisory council shall also consider and provide input to the department and
68.20 legislature on digital learning matters including, but not limited to:

68.21 (1) methods to maximize the effectiveness of technology and related instructional
68.22 strategies in teaching and learning to improve student outcomes and identify methods
68.23 for measuring the impact of using various forms of digital learning in and outside of
68.24 the classroom;

68.25 (2) the effective use of technology to advance a student's ability to learn 21st
68.26 century skills and knowledge and to involve parents in an education system that is more
68.27 transparent in terms of outcomes and processes by providing toolkits to help parents,
68.28 students, and schools make good decisions in the environment of choice;

68.29 (3) the use of technology for schools to personalize or differentiate learning to the
68.30 needs, abilities, and learning styles of each student and guide students towards greater
68.31 ownership of their learning, so that all students are digital learners and have access to
68.32 high-quality digital curriculum in every class and level;

68.33 (4) methods to prepare current and future educators, education leaders, and staff to
68.34 provide professional development and collaboration around best practices to use and to
68.35 evaluate the effectiveness of digital tools and instructional strategies to personalize or

69.1 differentiate education and focus on competency-based learning and advancement, so that
 69.2 all teachers have a digital presence and use high-quality digital curriculum;

69.3 (5) methods to support collaborative efforts to leverage resources among districts or
 69.4 at regional levels to provide digital resources, content, and curriculum;

69.5 (6) the barriers to improving the use of technology in the classroom, and methods
 69.6 to ensure that each student has access to a digital device and high-speed Internet at
 69.7 school and at home; and

69.8 (7) the current disparities in digital education across the state.

69.9 (e) The advisory council shall make policy recommendations to the commissioner
 69.10 and committees of the legislature having jurisdiction over kindergarten through grade 12
 69.11 education annually by December 15 of each year, including implementation plans based
 69.12 on recommendations from previous councils and task forces related to online and digital
 69.13 learning.

69.14 (e) (f) The Online and Digital Learning Advisory Council under this subdivision
 69.15 expires June 30, 2013 2016.

69.16 Sec. 11. Minnesota Statutes 2012, section 124D.122, is amended to read:

69.17 **124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.**

69.18 The board of any district or a consortium of districts, with the approval of the
 69.19 commissioner, may establish and operate a flexible learning year program in one or more of
 69.20 the day or residential facilities for children with a disability within the district. Consortiums
 69.21 may use a single application and evaluation process, though results, public hearings, and
 69.22 board approvals must be obtained for each district as required under appropriate sections.

69.23 Sec. 12. Minnesota Statutes 2012, section 124D.42, is amended to read:

69.24 **124D.42 READING AND MATH CORPS.**

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

69.26 (1) orient each grantee organization in the nature, philosophy, and purpose of the
 69.27 program;

69.28 (2) build an ethic of community service through general community service training;
 69.29 and

69.30 (3) provide guidance on integrating programmatic-based measurement into program
 69.31 models.

69.32 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps
 69.33 program is established to provide ServeMinnesota ~~Innovation~~ AmeriCorps members with
 69.34 a data-based problem-solving model of literacy instruction to use in helping to train local

70.1 Head Start program providers, other prekindergarten program providers, and staff in
70.2 schools with students in kindergarten through grade 3 to evaluate and teach early literacy
70.3 skills, including comprehensive, scientifically based reading instruction under section
70.4 122A.06, subdivision 4, to children age 3 to grade 3.

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

70.8 (c) The commission must submit a biennial report to the committees of the
70.9 legislature with jurisdiction over kindergarten through grade 12 education that records and
70.10 evaluates program data to determine the efficacy of the programs under this subdivision.

70.11 Subd. 9. **Minnesota math corps program.** (a) A Minnesota math corps program is
70.12 established to give ServeMinnesota AmeriCorps members a data-based problem-solving
70.13 model of mathematics instruction useful for providing elementary and middle school
70.14 students and their teachers with instructional support to meet state academic standards in
70.15 mathematics.

70.16 (b) The commission must submit a biennial report to the legislative committees with
70.17 jurisdiction over kindergarten through grade 12 education that records and evaluates
70.18 program data to determine the efficacy of the programs under this subdivision.

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

70.20 Sec. 13. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

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

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

70.26 (2) the pupil is determined by developmentally appropriate measures, which might
70.27 include observations, teacher judgment, parent recommendations, or developmentally
70.28 appropriate assessment instruments that measure the pupil's emerging academic English
70.29 and are aligned to state standards for English language development defined in rule, to
70.30 lack the necessary English skills to participate fully in classes taught in English.

70.31 (b) Notwithstanding paragraph (a), a pupil in grades 4 through 12 who was enrolled
70.32 in a Minnesota public school on the dates during the previous school year when a
70.33 commissioner provided assessment that measures the pupil's emerging academic English
70.34 was administered, shall not be counted as an English learner in calculating English learner
70.35 pupil units under section 126C.05, subdivision 17, and shall not generate state English

71.1 learner aid under section 124D.65, subdivision 5, unless the pupil scored below the state
71.2 cutoff score or is otherwise counted as a nonproficient participant on an assessment
71.3 measuring emerging academic English provided by the commissioner during the previous
71.4 school year.

71.5 (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade
71.6 12 shall not be counted as an English learner in calculating English learner pupil units
71.7 under section 126C.05, subdivision 17, and shall not generate state English learner aid
71.8 under section 124D.65, subdivision 5, if:

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

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

71.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
71.14 and later.

71.15 Sec. 14. Minnesota Statutes 2012, section 124D.61, is amended to read:

71.16 **124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.**

71.17 A district that enrolls one or more English learners must implement an educational
71.18 program that includes at a minimum the following requirements:

71.19 (1) identification, program entrance, and reclassification criteria for English learners
71.20 and program entrance and exit criteria for English learners must be documented by the
71.21 district, applied uniformly to English learners, and made available to parents and other
71.22 stakeholders upon request;

71.23 (2) a written plan of services that describes programming by English proficiency level
71.24 made available to parents upon request. The plan must articulate the amount and scope of
71.25 service offered to English learners through an educational program for English learners;

71.26 (3) professional development opportunities for ESL, bilingual education,
71.27 mainstream, and all staff working with English learners which are: (i) coordinated with
71.28 the district's professional development activities; (ii) related to the needs of English
71.29 learners; and (iii) ongoing;

71.30 (4) to the extent possible, avoid isolating English learners for a substantial part of
71.31 the school day; and

71.32 (5) in predominantly nonverbal subjects, such as art, music, and physical education,
71.33 permit English learners to participate fully and on an equal basis with their contemporaries
71.34 in public school classes provided for these subjects. To the extent possible, the district

72.1 must assure to pupils enrolled in a program for English learners an equal and meaningful
72.2 opportunity to participate fully with other pupils in all extracurricular activities.

72.3 The exit criteria under clause (1) must be equivalent to the emerging academic English
72.4 measures on state assessments for English language development.

72.5 Sec. 15. Minnesota Statutes 2012, section 124D.79, subdivision 1, is amended to read:

72.6 Subdivision 1. **Community involvement.** The commissioner must provide for the
72.7 maximum involvement of the state committees on American Indian education, parents
72.8 of American Indian children, secondary students eligible to be served, American Indian
72.9 language and culture education teachers, American Indian teachers, teachers' aides,
72.10 representatives of community groups, and persons knowledgeable in the field of American
72.11 Indian education, in the formulation of policy and procedures relating to the administration
72.12 of sections 124D.71 to 124D.82. The commissioner must annually hold a field hearing on
72.13 American Indian education to gather input from American Indian educators, parents, and
72.14 students on the state of American Indian education in Minnesota. Results of the hearing
72.15 must be made available to all 11 tribal nations for review and comment.

72.16 Sec. 16. Minnesota Statutes 2012, section 124D.79, is amended by adding a
72.17 subdivision to read:

72.18 Subd. 4. **Consultation with the Tribal Nations Education Committee.** (a) The
72.19 commissioner shall seek consultation with the Tribal Nations Education Committee on all
72.20 issues relating to American Indian education including:

72.21 (1) administration of the commissioner's duties under sections 124D.71 to 124D.82
72.22 and other programs;

72.23 (2) administration of other programs for the education of American Indian people, as
72.24 determined by the commissioner;

72.25 (3) awarding of scholarships to eligible American Indian students;

72.26 (4) administration of the commissioner's duties regarding awarding of American
72.27 Indian postsecondary preparation grants to school districts; and

72.28 (5) recommendations of education policy changes for American Indians.

72.29 (b) Membership in the Tribal Nations Education Committee is at the sole discretion
72.30 of the committee and nothing in this subdivision gives the commissioner authority to
72.31 dictate committee membership.

72.32 Sec. 17. **[124D.791] INDIAN EDUCATION DIRECTOR.**

73.1 Subdivision 1. **Appointment.** An Indian education director shall be appointed by
73.2 the commissioner.

73.3 Subd. 2. **Qualifications.** The commissioner shall select the Indian education
73.4 director on the basis of outstanding professional qualifications and knowledge of
73.5 American Indian education, culture, practices, and beliefs. The Indian education director
73.6 serves in the unclassified service. The commissioner may remove the Indian education
73.7 director for cause. The commissioner is encouraged to seek qualified applicants who
73.8 are enrolled members of a tribe.

73.9 Subd. 3. **Compensation.** Compensation of the Indian education director shall be
73.10 established under chapter 15A.

73.11 Subd. 4. **Duties; powers.** (a) The Indian education director shall:

73.12 (1) serve as the liaison for the department with the Tribal Nations Education
73.13 Committee, the 11 reservations, the Minnesota Chippewa tribe, the Minnesota Indian
73.14 Affairs Council, and the Urban Indian Advisory Council;

73.15 (2) evaluate the state of American Indian education in Minnesota;

73.16 (3) engage the tribal bodies, community groups, parents of children eligible to be
73.17 served by American Indian education programs, American Indian administrators and
73.18 teachers, persons experienced in the training of teachers for American Indian education
73.19 programs, the tribally controlled schools, and other persons knowledgeable in the field of
73.20 American Indian education and seek their advice on policies that can improve the quality
73.21 of American Indian education;

73.22 (4) advise the commissioner on American Indian education issues, including:

73.23 (i) issues facing American Indian students;

73.24 (ii) policies for American Indian education;

73.25 (iii) awarding scholarships to eligible American Indian students and in administering
73.26 the commissioner's duties regarding awarding of American Indian postsecondary
73.27 preparation grants to school districts; and

73.28 (iv) administration of the commissioner's duties under sections 124D.71 to 124D.82
73.29 and other programs for the education of American Indian people;

73.30 (5) propose to the commissioner legislative changes that will improve the quality
73.31 of American Indian education;

73.32 (6) develop a strategic plan and a long-term framework for American Indian
73.33 education, in conjunction with the Minnesota Indian Affairs Council, that is updated every
73.34 five years and implemented by the commissioner, with goals to:

73.35 (i) increase American Indian student achievement, including increased levels of
73.36 proficiency and growth on statewide accountability assessments;

- 74.1 (ii) increase the number of American Indian teachers in public schools;
 74.2 (iii) close the achievement gap between American Indian students and their more
 74.3 advantaged peers;
 74.4 (iv) increase the statewide graduation rate for American Indian students; and
 74.5 (v) increase American Indian student placement in postsecondary programs and
 74.6 the workforce; and
 74.7 (7) keep the American Indian community informed about the work of the department
 74.8 by reporting to the Tribal Nations Education Committee at each committee meeting.

74.9 **Sec. 18. [124D.861] ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.**

74.10 **Subdivision 1. Program to close the academic achievement and opportunity**
 74.11 **gap.** (a) The "Achievement and Integration for Minnesota" program is established to
 74.12 promote diversity, pursue racial and economic integration, and increase student academic
 74.13 achievement and equitable educational opportunities in Minnesota public schools. The
 74.14 program must serve students of varying racial, ethnic, and economic backgrounds, taking
 74.15 into account unique geographic and demographic particularities affecting students,
 74.16 schools, and districts including race, neighborhood locations and characteristics, grades,
 74.17 socioeconomic status, academic performance, and language barriers.

74.18 (b) For purposes of this section and section 124D.862, "eligible district" means a
 74.19 district required to submit a plan to the commissioner under Minnesota Rules governing
 74.20 school desegregation and integration.

74.21 (c) Eligible districts must use the revenue under section 124D.862 to pursue racial
 74.22 and economic integration in schools through: (1) in-school educational practices and
 74.23 integrated learning environments created to prepare all students to be effective citizens,
 74.24 enhance social cohesion, and reinforce democratic values; and (2) corresponding
 74.25 and meaningful policies and curricula and trained instructors, administrators, school
 74.26 counselors, and other advocates who support and enhance in-school practices and
 74.27 integrated learning environments under this section. In-school practices and integrated
 74.28 learning environments must promote increased student academic achievement, cultural
 74.29 fluency, graduation and educational attainment rates, and parent involvement.

74.30 **Subd. 2. Plan components.** (a) The school board of each eligible district must
 74.31 formally develop and implement a long-term comprehensive plan that identifies the
 74.32 collaborative structures and systems, in-school strategies, inclusive best educational
 74.33 practices, and partnerships with higher education institutions and industries required
 74.34 to effect this section and increase the academic achievement of all students. Plan
 74.35 components may include: innovative and integrated prekindergarten through grade 12

75.1 learning environments that offer students school enrollment choices; family engagement
75.2 initiatives that involve families in their students' academic life and success; professional
75.3 development opportunities for teachers and administrators focused on improving the
75.4 academic achievement of all students; increased programmatic opportunities focused
75.5 on rigor and college and career readiness for underserved students, including students
75.6 enrolled in alternative learning centers under section 123A.05, public alternative programs
75.7 under section 126C.05, subdivision 15, or contract alternative programs under section
75.8 124D.69, among other underserved students; or recruitment and retention of teachers and
75.9 administrators with diverse backgrounds. The plan must specify district and school goals
75.10 for reducing the disparity in academic achievement among all racial and ethnic categories of
75.11 students and promoting racial and economic integration in schools and districts over time.

75.12 (b) Among other requirements, an eligible district must implement a cost-effective,
75.13 research-based intervention that includes formative assessment practices to reduce the
75.14 disparity in student academic achievement between the highest and lowest performing
75.15 racial and ethnic categories of students as measured by student demonstration of
75.16 proficiency on state reading and math assessments.

75.17 (c) Eligible districts must collaborate in creating efficiencies and eliminating the
75.18 duplication of programs and services under this section, which may include forming a
75.19 single, seven-county metropolitan areawide partnership of eligible districts for this purpose.

75.20 Subd. 3. **Biennial progress; budget process.** (a) To receive revenue under section
75.21 124D.862, the school board of an eligible district must hold at least one formal hearing by
75.22 March 1 in the year preceding the current biennium to report to the public its progress in
75.23 realizing the goals identified in its plan. At the hearing, the board must provide the public
75.24 with longitudinal data demonstrating district and school progress in reducing the disparity
75.25 in student academic achievement among all racial and ethnic categories of students and
75.26 realizing racial and economic integration, consistent with its plan and the measures in
75.27 paragraph (b). At least 30 days before the formal hearing under this paragraph, the
75.28 board must post on the district Web site, in an understandable, readily accessible format,
75.29 up-to-date longitudinal data on district and school progress in reducing disparities in
75.30 students' academic achievement, consistent with this subdivision. The district also must
75.31 submit to the commissioner by March 1 in the year preceding the current biennium a
75.32 detailed biennial budget for continuing to implement its plan and the commissioner must
75.33 review and approve or disapprove the budget by June 1 of that year.

75.34 (b) The longitudinal data required under paragraph (a) must be based on one or
75.35 more of the following measures:

- 76.1 (1) the number of world language proficiency or high achievement certificates
 76.2 awarded under section 120B.022, subdivision 1, paragraphs (b) and (c);
 76.3 (2) student growth and progress toward proficiency in reading or mathematics as
 76.4 defined under section 120B.299;
 76.5 (3) adequate yearly progress under section 120B.35, subdivision 2;
 76.6 (4) preparation for postsecondary academic and career opportunities under section
 76.7 120B.35, subdivision 3, paragraph (c), clause (1);
 76.8 (5) rigorous coursework completed under section 120B.35, subdivision 3, paragraph
 76.9 (c), clause (2); or
 76.10 (6) school safety and students' engagement and connection at school under section
 76.11 120B.35, subdivision 3, paragraph (d).

76.12 Subd. 4. **Evaluation.** The commissioner must evaluate the efficacy of district
 76.13 plans in reducing the disparity in student academic achievement among all racial and
 76.14 ethnic categories of students and realizing racial and economic integration and report the
 76.15 commissioner's findings to the legislative committees with jurisdiction over kindergarten
 76.16 through grade 12 education by February 1 every fourth year beginning February 1, 2017.

76.17 **EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

76.18 Sec. 19. **[124D.862] ACHIEVEMENT AND INTEGRATION REVENUE.**

76.19 Subdivision 1. **Eligibility.** A school district is eligible for achievement and
 76.20 integration revenue under this section if the district has a biennial achievement and
 76.21 integration plan approved by the department under section 124D.861.

76.22 Subd. 2. **Achievement and integration revenue.** (a) An eligible district's initial
 76.23 achievement and integration revenue equals the sum of (1) \$350 times the district's adjusted
 76.24 pupil units for that year times the ratio of the district's enrollment of protected students
 76.25 for the previous school year to total enrollment for the previous school year, and (2) the
 76.26 greater of zero or 65 percent of the difference between the district's integration revenue for
 76.27 fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

76.28 (b) In each year, 0.2 percent of each district's initial achievement and integration
 76.29 revenue is transferred to the department for the oversight and accountability activities
 76.30 required under this section and section 124D.861.

76.31 (c) A district that did not meet its achievement goals established in section 124D.861
 76.32 for the previous biennium must have its initial achievement and integration revenue
 76.33 reduced by five percent for the current year.

77.1 (d) Any revenue saved by the reductions in paragraph (c) must be proportionately
 77.2 reallocated on a per-pupil basis to all districts that met their achievement goals in the
 77.3 previous biennium.

77.4 Subd. 3. **Achievement and integration aid.** A district's achievement and
 77.5 integration aid equals 70 percent of its achievement and integration revenue.

77.6 Subd. 4. **Achievement and integration levy.** A district's achievement and
 77.7 integration levy equals the difference between its achievement and integration revenue
 77.8 and its achievement and integration aid. For Special School District No. 1, Minneapolis,
 77.9 Independent School District No. 625, St. Paul, and Independent School District No. 709,
 77.10 Duluth, 100 percent of the levy certified under this subdivision is shifted into the prior
 77.11 calendar year for purposes of sections 123B.75, subdivision 5, and 127A.441.

77.12 Subd. 5. **Incentive revenue.** An eligible school district's maximum incentive
 77.13 revenue equals \$10 per adjusted pupil unit. In order to receive this revenue, a district
 77.14 must be implementing a voluntary plan to reduce racial enrollment disparities through
 77.15 intradistrict and interdistrict activities that have been approved as a part of the district's
 77.16 achievement and integration plan.

77.17 Subd. 6. **Revenue reserved.** Integration revenue received under this section must
 77.18 be reserved and used only for the programs authorized in subdivision 7.

77.19 Subd. 7. **Revenue uses.** (a) At least 80 percent of a district's achievement and
 77.20 integration revenue received under this section must be used for innovative and integrated
 77.21 learning environments, school enrollment choices, family engagement activities, and other
 77.22 approved programs providing direct services to students.

77.23 (b) Up to 20 percent of the revenue may be used for professional development and
 77.24 staff development activities and placement services.

77.25 (c) No more than ten percent of the total amount of revenue may be spent on
 77.26 administrative services.

77.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014
 77.28 and later.

77.29 Sec. 20. **[127A.051] SCHOOL CLIMATE COUNCIL.**

77.30 Subdivision 1. **Establishment and membership.** (a) A multiagency leadership
 77.31 council is established to improve school climate and school safety so that all Minnesota
 77.32 students in prekindergarten through grade 12 schools and higher education institutions
 77.33 are provided with safe and welcoming learning environments in order to maximize each
 77.34 student's learning potential.

77.35 (b) The council shall consist of:

78.1 (1) the commissioners or their designees from the Departments of Education,
78.2 Health, Human Rights, Human Services, Public Safety, and Corrections, and the Office of
78.3 Higher Education;

78.4 (2) one representative each from the Board of Teaching, Board of School
78.5 Administrators, Minnesota School Boards Association, Elementary School Principals
78.6 Association, Association of Secondary School Principals, and Education Minnesota as
78.7 selected by each organization;

78.8 (3) two representatives each of student support personnel, parents, and students as
78.9 selected by the commissioner of education;

78.10 (4) two representatives of local law enforcement as selected by the commissioner of
78.11 public safety;

78.12 (5) two representatives of the judicial branch as selected by the chief justice of
78.13 the Supreme Court; and

78.14 (6) one charter school representative selected by the Minnesota Association of
78.15 Charter Schools.

78.16 Subd. 2. **Duties.** The council must provide leadership for the following activities:

78.17 (1) establishment of norms and standards for prevention, intervention, and support
78.18 around issues of prohibited conduct;

78.19 (2) advancement of evidence-based policy and best practices to improve school
78.20 climate and promote school safety; and

78.21 (3) development and dissemination of resources and training for schools and
78.22 communities about issues of prohibited conduct and other school safety-related issues.

78.23 Sec. 21. **[127A.052] SCHOOL CLIMATE CENTER.**

78.24 (a) The commissioner shall establish a school climate center at the department to
78.25 help districts and schools under section 121A.031 provide a safe and supportive learning
78.26 environment and foster academic achievement for all students by focusing on prevention,
78.27 intervention, support, and recovery. The center must work collaboratively with implicated
78.28 state agencies identified by the center and schools, communities, and interested individuals
78.29 and organizations to determine how to best use available resources.

78.30 (b) The center's services shall include:

78.31 (1) evidence-based policy review, development, and dissemination;

78.32 (2) single, point-of-contact services for schools, parents, and students seeking
78.33 information or other help;

79.1 (3) qualitative and quantitative data gathering, interpretation, and dissemination of
 79.2 summary data for existing reporting systems and student surveys and the identification
 79.3 and pursuit of emerging trends and issues;

79.4 (4) assistance to districts and schools in using Minnesota student survey results to
 79.5 inform intervention and prevention programs;

79.6 (5) education and skill building;

79.7 (6) multisector and multiagency planning and advisory activities incorporating
 79.8 best practices and research; and

79.9 (7) administrative and financial support for school site-based planning, school sites
 79.10 recovering from incidents of violence, and violence prevention education.

79.11 (c) The center shall:

79.12 (1) compile and make available to all districts and schools evidence-based elements
 79.13 and resources to develop and maintain safe and supportive schools;

79.14 (2) establish and maintain a central repository for collecting and analyzing
 79.15 information about prohibited conduct, including but not limited to:

79.16 (i) training materials on strategies and techniques to prevent and appropriately
 79.17 address prohibited conduct;

79.18 (ii) model programming;

79.19 (iii) remedial responses consistent with section 121A.031, subdivision 3, paragraph
 79.20 (g); and

79.21 (iv) other resources for improving the school climate and preventing prohibited
 79.22 conduct;

79.23 (3) assist districts and schools to develop strategies and techniques for effectively
 79.24 communicating with and engaging parents in efforts to protect students from prohibited
 79.25 conduct by other students and adults; and

79.26 (4) solicit input from social media experts on implementing this section.

79.27 (d) The commissioner shall provide administrative services including personnel,
 79.28 budget, payroll and contract services, and staff support for center activities including
 79.29 developing and disseminating materials, providing seminars, and developing and
 79.30 maintaining a Web site. Center staff shall include a center director, a data analyst
 79.31 coordinator, and trainers who provide training to affected state and local organizations
 79.32 under a fee-for-service agreement. The financial, administrative, and staff support the
 79.33 commissioner provides under this section must be based on an annual budget and work
 79.34 program developed by the center and submitted to the commissioner by the center director.

79.35 (e) School climate center staff may consult with school safety center staff at the
 79.36 Department of Public Safety in providing services under this section.

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

80.2 Sec. 22. **TEACHER LICENSURE ADVISORY TASK FORCE.**

80.3 (a) A Teacher Licensure Advisory Task Force is established to make
80.4 recommendations to the Board of Teaching, the commissioner of education, and the
80.5 education committees of the legislature on requirements for: teacher applicants to
80.6 demonstrate mastery of basic reading, writing, and mathematics skills through nationally
80.7 normed assessments, a basic skills portfolio, or accredited college coursework, among other
80.8 methods of demonstrating basic skills mastery; and an alternative licensure pathway for
80.9 nonnative English speakers seeking licensure to teach in a language immersion program.

80.10 (b) Task force recommendations on how teacher candidates demonstrate basic skills
80.11 mastery must encompass the following criteria:

80.12 (1) assessment content must be relevant to the teacher's subject area licensure;

80.13 (2) the scope of assessment content must be documented in sufficient detail to
80.14 correspond to a similarly detailed description of relevant public school curriculum;

80.15 (3) the scope of assessment content must be publicly available and readily accessible
80.16 on the Web site of the Board of Teaching and all Minnesota board-approved teacher
80.17 preparation programs and institutions;

80.18 (4) the Board of Teaching and all Minnesota board-approved teacher preparation
80.19 programs and institutions, upon request, must make available to the public at cost a written
80.20 review of the scope of assessment content;

80.21 (5) if applicable, the Board of Teaching and all Minnesota board-approved teacher
80.22 preparation programs and institutions annually must post on their Web site up-to-date
80.23 longitudinal summary data showing teacher candidates' overall passing rate and the
80.24 passing rate for each demographic group of teacher candidates taking a basic skills
80.25 assessment in that school year and in previous school years;

80.26 (6) reliable evidence showing assessment content is not culturally biased;

80.27 (7) the Board of Teaching and all Minnesota board-approved teacher preparation
80.28 programs and institutions must appropriately accommodate teacher candidates with
80.29 documented learning disabilities; and

80.30 (8) if applicable, give timely, detailed feedback to teacher candidates who do not
80.31 pass the basic skills assessment sufficient for the candidate to target specific areas of
80.32 deficiency for appropriate remediation.

80.33 (c) The Teacher Licensure Advisory Task Force shall be composed of the following
80.34 members:

80.35 (1) two members of the Board of Teaching appointed by the board's chair;

81.1 (2) two representatives from the Department of Education appointed by the
81.2 commissioner of education;

81.3 (3) two members of the house of representatives appointed by the speaker of the
81.4 house, one from the minority party and one from the majority party;

81.5 (4) two members of the senate appointed by the Subcommittee on Committees of
81.6 the Committee on Rules and Administration of the senate, one from the minority party
81.7 and one from the majority party;

81.8 (5) one elementary school principal from rural Minnesota appointed by the
81.9 Minnesota Elementary School Principals Association and one secondary school principal
81.10 from the seven-county metropolitan area appointed by the Minnesota Secondary School
81.11 Principals Association;

81.12 (6) one licensed and practicing public elementary school teacher and one licensed
81.13 and practicing secondary school teacher appointed by Education Minnesota;

81.14 (7) one teacher preparation faculty member each from the University of Minnesota
81.15 system appointed by the system president, the Minnesota State Colleges and Universities
81.16 system appointed by the system chancellor, and the Minnesota Private Colleges and
81.17 Universities system appointed by the Minnesota Private Colleges Council;

81.18 (8) one member of the Nonpublic Education Council appointed by the council; and

81.19 (9) one representative of Minnesota charter schools appointed by the Minnesota
81.20 Charter Schools Association.

81.21 (d) The executive director of the Board of Teaching and the commissioner of
81.22 education jointly must convene the task force by August 1, 2013. Task force members
81.23 are not eligible for compensation or reimbursement for expenses related to task force
81.24 activities. The executive director of the board and the commissioner of education must
81.25 provide technical assistance to task force members upon request.

81.26 (e) By February 1, 2014, task force members must submit to the Board of Teaching,
81.27 the commissioner of education, and the education committees of the legislature their
81.28 written recommendations on requirements for teacher applicants to demonstrate mastery of
81.29 basic reading, writing, and mathematics skills and for an alternative licensure pathway for
81.30 nonnative English speakers seeking licensure to teach in a language immersion program.

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

81.32 **Sec. 23. SCHOOL CLIMATE CENTER FIRST-YEAR PRIORITIES.**

81.33 (a) During the first year the school climate center operates under Minnesota Statutes,
81.34 section 127A.052, the center shall:

82.1 (1) work in partnership with the Department of Public Safety school safety center
82.2 and other appropriate entities to establish and staff the school climate council under
82.3 Minnesota Statutes, section 127A.051;

82.4 (2) develop and disseminate a model bullying and intimidation prevention policy
82.5 for schools;

82.6 (3) provide regional training and technical assistance to schools on best practices for
82.7 ensuring a positive school climate;

82.8 (4) collaborate with other entities to establish and make accessible baseline data to
82.9 inform and guide efforts to improve the school climate; and

82.10 (5) develop a tool kit, available through the Department of Education Web site, of
82.11 current research-based practices that promote positive learning environments and help
82.12 repair learning environments when harm occurs, including materials appropriate for use
82.13 with diverse and special needs populations.

82.14 (b) When appropriate, and consistent with federal and state data privacy laws,
82.15 data under paragraph (a), clause (4), shall be made available for analysis at population
82.16 subgroup, school site, and district, regional, and statewide levels.

82.17 **Sec. 24. STUDENT SUPPORT SERVICES; TEAM STAFFING APPROACH.**

82.18 The commissioner of education shall develop and submit to the kindergarten
82.19 through grade 12 education policy and finance committees of the legislature by February
82.20 1, 2014, recommendations for providing professional support services, including school
82.21 counseling, psychology, nursing, social work, and chemical dependency services, to
82.22 public school students throughout Minnesota using a team staffing structure. The
82.23 recommendations must reflect (i) the extent to which students need academic, career,
82.24 personal, social, and early-onset mental health services and (ii) the extent to which
82.25 such services or teams do not exist, are incomplete or inadequate given the number of
82.26 students implicated, or are not funded or reimbursed from nonstate sources, and where
82.27 caseloads for individual team members exceed established professional guidelines or
82.28 recommendations by more than 50 percent.

82.29 **Sec. 25. LEVY ADJUSTMENT.**

82.30 The Department of Education must adjust the achievement and integration levy for
82.31 taxes payable in 2014 by the difference between the achievement and integration levy for
82.32 fiscal year 2014 under section 124D.862 and the amount levied by the district under Laws
82.33 2011, First Special Session chapter 11, article 2, section 49, paragraph (f).

83.1 **Sec. 26. APPROPRIATIONS.**

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

83.4 **Subd. 2. Integration aid.** For integration aid under Minnesota Statutes, section
 83.5 124D.86:

83.6 \$ 17,197,000 2014

83.7 \$ 0 2015

83.8 The 2014 appropriation includes \$17,197,000 for 2013 and \$0 for 2014.

83.9 The 2015 appropriation includes \$0 for 2014 and \$0 for 2015.

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

83.12 \$ 58,911,000 2014

83.13 \$ 68,623,000 2015

83.14 The 2014 appropriation includes \$0 for 2013 and \$58,911,000 for 2014.

83.15 The 2015 appropriation includes \$9,273,000 for 2014 and \$59,350,000 for 2015.

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

83.18 \$ 52,514,000 2014

83.19 \$ 53,818,000 2015

83.20 The 2014 appropriation includes \$6,607,000 for 2013 and \$45,907,000 for 2014.

83.21 The 2015 appropriation includes \$7,225,000 for 2014 and \$46,593,000 for 2015.

83.22 **Subd. 5. Interdistrict desegregation or integration transportation grants.** For
 83.23 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 83.24 section 124D.87:

83.25 \$ 13,968,000 2014

83.26 \$ 14,712,000 2015

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

83.29 \$ 2,137,000 2014

83.30 \$ 2,137,000 2015

83.31 The 2014 appropriation includes \$290,000 for 2013 and \$1,847,000 for 2014.

83.32 The 2015 appropriation includes \$290,000 for 2014 and \$1,847,000 for 2015.

84.1 Subd. 7. **American Indian teacher preparation grants.** For joint grants to assist
 84.2 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

84.3	\$	<u>190,000</u>	<u>.....</u>	<u>2014</u>
84.4	\$	<u>190,000</u>	<u>.....</u>	<u>2015</u>

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

84.7	\$	<u>2,090,000</u>	<u>.....</u>	<u>2014</u>
84.8	\$	<u>2,252,000</u>	<u>.....</u>	<u>2015</u>

84.9 The 2014 appropriation includes \$266,000 for 2013 and \$1,824,000 for 2014.
 84.10 The 2015 appropriation includes \$285,000 for 2014 and \$1,967,000 for 2015.

84.11 Subd. 9. **Early childhood programs at tribal schools.** For early childhood family
 84.12 education programs at tribal contract schools under Minnesota Statutes, section 124D.83,
 84.13 subdivision 4:

84.14	\$	<u>68,000</u>	<u>.....</u>	<u>2014</u>
84.15	\$	<u>68,000</u>	<u>.....</u>	<u>2015</u>

84.16 Subd. 10. **Examination fees; teacher training and support programs.** (a) For
 84.17 students' advanced placement and international baccalaureate examination fees under
 84.18 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs
 84.19 for teachers and other interested educators under Minnesota Statutes, section 120B.13,
 84.20 subdivision 1:

84.21	\$	<u>4,500,000</u>	<u>.....</u>	<u>2014</u>
84.22	\$	<u>4,500,000</u>	<u>.....</u>	<u>2015</u>

84.23 (b) The advanced placement program shall receive 75 percent of the appropriation
 84.24 each year and the international baccalaureate program shall receive 25 percent of the
 84.25 appropriation each year. The department, in consultation with representatives of the
 84.26 advanced placement and international baccalaureate programs selected by the Advanced
 84.27 Placement Advisory Council and the Minnesota Association of IB World Schools,
 84.28 respectively, shall determine the amounts of the expenditures each year for examination
 84.29 fees and training and support programs for each program.

84.30 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
 84.31 \$500,000 each year is for teachers to attend subject matter summer training programs
 84.32 and follow-up support workshops approved by the advanced placement or international
 84.33 baccalaureate programs. The amount of the subsidy for each teacher attending an
 84.34 advanced placement or international baccalaureate summer training program or workshop

85.1 shall be the same. The commissioner shall determine the payment process and the amount
 85.2 of the subsidy.

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

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

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

85.10 \$ 2,000,000 2014

85.11 \$ 2,000,000 2015

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

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

85.15 Subd. 12. **Collaborative urban educator.** For the collaborative urban educator
 85.16 grant program:

85.17 \$ 776,000 2014

85.18 \$ 776,000 2015

85.19 \$224,000 each year is for the Southeast Asian teacher program at Concordia
 85.20 University, St. Paul; \$184,000 each year is for the collaborative educator program at the
 85.21 University of St. Thomas; \$184,000 each year is for the Center for Excellence in Urban
 85.22 Teaching at Hamline University; and \$184,000 each year is for East African teacher
 85.23 educator activities at Augsburg College.

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

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

85.28 Subd. 13. **ServeMinnesota program.** For funding ServeMinnesota programs under
 85.29 Minnesota Statutes, sections 124D.37 to 124D.45:

85.30 \$ 900,000 2014

85.31 \$ 900,000 2015

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

86.1 Subd. 14. **Student organizations.** For student organizations:

86.2 \$ 725,000 2014

86.3 \$ 725,000 2015

86.4 \$45,695 each year is for student organizations serving health occupations (HOSA).

86.5 \$42,830 each year is for student organizations serving service occupations (HERO).

86.6 \$100,130 each year is for student organizations serving trade and industry

86.7 occupations (Skills USA, secondary and postsecondary).

86.8 \$95,355 each year is for student organizations serving business occupations (BPA,

86.9 secondary and postsecondary).

86.10 \$149,790 each year is for student organizations serving agriculture occupations

86.11 (FFA, PAS).

86.12 \$142,150 each year is for student organizations serving family and consumer science

86.13 occupations (FCCLA).

86.14 \$108,725 each year is for student organizations serving marketing occupations

86.15 (DECA and DECA collegiate).

86.16 \$40,325 each year is for the Minnesota Foundation for Student Organizations.

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

86.18 Subd. 15. **Early childhood literacy programs.** For early childhood literacy

86.19 programs under Minnesota Statutes, section 119A.50, subdivision 3:

86.20 \$ 4,125,000 2014

86.21 \$ 4,125,000 2015

86.22 Up to \$4,125,000 each year is for leveraging federal and private funding to support

86.23 AmeriCorps members serving in the Minnesota reading corps program established by

86.24 ServeMinnesota, including costs associated with the training and teaching of early literacy

86.25 skills to children age three to grade 3 and the evaluation of the impact of the program

86.26 under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

86.28 Subd. 16. **Minnesota math corps program.** For the Minnesota math corps program

86.29 under Minnesota Statutes, section 124D.42, subdivision 9:

86.30 \$ 250,000 2014

86.31 \$ 250,000 2015

86.32 Any unexpended balance in the first year does not cancel but is available in the

86.33 second year.

87.1 Subd. 17. **Minnesota Principals' Academy.** For a grant to the University of
 87.2 Minnesota, College of Education and Human Development, for the operation of the
 87.3 Minnesota Principals' Academy:

87.4 \$ 235,000 2014
 87.5 \$ 215,000 2015

87.6 Any balance in the first year does not cancel but is available in the second year. The
 87.7 base appropriation for this program for fiscal year 2016 and later is \$250,000.

87.8 Subd. 18. **Regional centers of excellence.** For regional centers of excellence under
 87.9 Minnesota Statutes, section 126C.101, subdivision 4:

87.10 \$ 1,500,000 2014
 87.11 \$ 3,000,000 2015

87.12 The base for the regional centers of excellence in fiscal years 2016 and 2017 is
 87.13 \$4,500,000 each year.

87.14 Subd. 19. **School Climate Center.** For the School Climate Center under Minnesota
 87.15 Statutes, section 127A.052:

87.16 \$ 500,000 2014
 87.17 \$ 500,000 2015

87.18 Subd. 20. **Site decision-making grant program.** For site decision-making grants
 87.19 under Minnesota Statutes, section 123B.04, subdivision 2, paragraph (f):

87.20 \$ 200,000 2014

87.21 An education site having a written achievement contract under Minnesota Statutes,
 87.22 section 123B.04, subdivision 4, agreed to by the school board and the education site,
 87.23 may apply to the commissioner of education for a two-year grant not to exceed \$10 per
 87.24 resident pupil unit at the site in the 2012-2013 school year. Each participating education
 87.25 site and its school board that are the parties to the achievement contract must report
 87.26 annually to the commissioner, in the form and manner determined by the commissioner,
 87.27 on the progress and success of the education site in achieving student or contract goals
 87.28 or other performance expectations or measures contained in the achievement contract.
 87.29 The commissioner must include the substance and an analysis of these reports in the
 87.30 next statewide report under Minnesota Statutes, section 123B.04, subdivision 5, clause
 87.31 (3), evaluating the effectiveness of site management agreements in redesigning learning
 87.32 programs and broadening the definition of student achievement. Any unexpended funds
 87.33 do not cancel but are available in fiscal year 2015.

88.1 **ARTICLE 4**

88.2 **CHARTER SCHOOLS**

88.3 Section 1. Minnesota Statutes 2012, section 124D.10, is amended to read:

88.4 **124D.10 CHARTER SCHOOLS.**

88.5 Subdivision 1. **Purposes.** (a) The primary purpose of this section is to:

88.6 ~~(1)~~ improve pupil learning and student achievement~~;~~. Additional purposes include to:

88.7 ~~(2)~~ (1) increase learning opportunities for pupils;

88.8 ~~(3)~~ (2) encourage the use of different and innovative teaching methods;

88.9 ~~(4)~~ (3) measure learning outcomes and create different and innovative forms of
88.10 measuring outcomes;

88.11 ~~(5)~~ (4) establish new forms of accountability for schools; ~~and~~ or

88.12 ~~(6)~~ (5) create new professional opportunities for teachers, including the opportunity
88.13 to be responsible for the learning program at the school site.

88.14 (b) This section does not provide a means to keep open a school that a school board
88.15 decides to close. However, a school board may endorse or authorize the establishing of
88.16 a charter school to replace the school the board decided to close. Applicants seeking a
88.17 charter under this circumstance must demonstrate to the authorizer that the charter sought
88.18 is substantially different in purpose and program from the school the board closed and
88.19 that the proposed charter satisfies the requirements of this subdivision. If the school
88.20 board that closed the school authorizes the charter, it must document in its affidavit to the
88.21 commissioner that the charter is substantially different in program and purpose from
88.22 the school it closed.

88.23 An authorizer shall not approve an application submitted by a charter school
88.24 developer under subdivision 4, paragraph (a), if the application does not comply with this
88.25 subdivision. The commissioner shall not approve an affidavit submitted by an authorizer
88.26 under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

88.27 Subd. 2. **Applicability.** This section applies only to charter schools formed and
88.28 operated under this section.

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

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

88.34 "Application" under subdivision 4 means the charter school business plan a
88.35 school developer submits to an authorizer for approval to establish a charter school that

89.1 documents the school developer's mission statement, school purposes, program design,
89.2 financial plan, governance and management structure, and background and experience,
89.3 plus any other information the authorizer requests. The application also shall include a
89.4 "statement of assurances" of legal compliance prescribed by the commissioner.

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

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

89.9 (1) a school board, intermediate school district school board, or education district
89.10 organized under sections 123A.15 to 123A.19;

89.11 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code
89.12 of 1986, excluding a nonpublic sectarian or religious institution; any person other than a
89.13 natural person that directly or indirectly, through one or more intermediaries, controls,
89.14 is controlled by, or is under common control with the nonpublic sectarian or religious
89.15 institution; and any other charitable organization under this clause that in the federal IRS
89.16 Form 1023, Part IV, describes activities indicating a religious purpose, that:

89.17 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on
89.18 Foundations;

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

89.20 (iii) is incorporated in the state of Minnesota and has been operating continuously
89.21 for at least five years but does not operate a charter school;

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

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

89.32 (5) single-purpose authorizers that are charitable, nonsectarian organizations formed
89.33 under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the
89.34 state of Minnesota under chapter 317A as a corporation with no members whose sole
89.35 purpose is to charter schools. Eligible organizations interested in being approved as an
89.36 authorizer under this paragraph must submit a proposal to the commissioner that includes

90.1 the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall
90.2 consider and approve charter school applications using the criteria provided in subdivision
90.3 4 and shall not limit the applications it solicits, considers, or approves to any single
90.4 curriculum, learning program, or method.

90.5 (c) An eligible authorizer under this subdivision must apply to the commissioner for
90.6 approval as an authorizer before submitting any affidavit to the commissioner to charter
90.7 a school. The application for approval as a charter school authorizer must demonstrate
90.8 the applicant's ability to implement the procedures and satisfy the criteria for chartering a
90.9 school under this section. The commissioner must approve or disapprove an application
90.10 within 45 business days of the application deadline. If the commissioner disapproves
90.11 the application, the commissioner must notify the applicant of the specific deficiencies
90.12 in writing and the applicant then has 20 business days to address the deficiencies to the
90.13 commissioner's satisfaction. After the 20 business days expire, the commissioner has 15
90.14 business days to make a final decision to approve or disapprove the application. Failing to
90.15 address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to
90.16 be an authorizer. The commissioner, in establishing criteria for approval, must consider
90.17 the applicant's:

- 90.18 (1) capacity and infrastructure;
- 90.19 (2) application criteria and process;
- 90.20 (3) contracting process;
- 90.21 (4) ongoing oversight and evaluation processes; and
- 90.22 (5) renewal criteria and processes.

90.23 (d) An applicant must include in its application to the commissioner to be an
90.24 approved authorizer at least the following:

- 90.25 (1) how chartering schools is a way for the organization to carry out its mission;
- 90.26 (2) a description of the capacity of the organization to serve as an authorizer,
90.27 including the personnel who will perform the authorizing duties, their qualifications, the
90.28 amount of time they will be assigned to this responsibility, and the financial resources
90.29 allocated by the organization to this responsibility;

- 90.30 (3) a description of the application and review process the authorizer will use to
90.31 make decisions regarding the granting of charters;

- 90.32 (4) a description of the type of contract it will arrange with the schools it charters
90.33 that meets the provisions of subdivision 6;

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

91.1 (6) a description of the criteria and process the authorizer will use to grant expanded
91.2 applications under subdivision 4, paragraph (j);

91.3 (7) the process for making decisions regarding the renewal or termination of
91.4 the school's charter based on evidence that demonstrates the academic, organizational,
91.5 and financial competency of the school, including its success in increasing student
91.6 achievement and meeting the goals of the charter school agreement; and

91.7 (8) an assurance specifying that the organization is committed to serving as an
91.8 authorizer for the full five-year term.

91.9 (e) A disapproved applicant under this section may resubmit an application during a
91.10 future application period.

91.11 (f) If the governing board of an approved authorizer votes to withdraw as an
91.12 approved authorizer for a reason unrelated to any cause under subdivision 23, the
91.13 authorizer must notify all its chartered schools and the commissioner in writing by July
91.14 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. The
91.15 commissioner may approve the transfer of a charter school to a new authorizer under this
91.16 paragraph after the new authorizer submits an affidavit to the commissioner.

91.17 (g) The authorizer must participate in department-approved training.

91.18 ~~(h) An authorizer that chartered a school before August 1, 2009, must apply by~~
91.19 ~~June 30, 2012, to the commissioner for approval, under paragraph (e), to continue as an~~
91.20 ~~authorizer under this section. For purposes of this paragraph, an authorizer that fails to~~
91.21 ~~submit a timely application is ineligible to charter a school.~~

91.22 ~~(i)~~ (h) The commissioner shall review an authorizer's performance every five years
91.23 in a manner and form determined by the commissioner and may review an authorizer's
91.24 performance more frequently at the commissioner's own initiative or at the request of a
91.25 charter school operator, charter school board member, or other interested party. The
91.26 commissioner, after completing the review, shall transmit a report with findings to the
91.27 authorizer. If, consistent with this section, the commissioner finds that an authorizer has
91.28 not fulfilled the requirements of this section, the commissioner may subject the authorizer
91.29 to corrective action, which may include terminating the contract with the charter school
91.30 board of directors of a school it chartered. The commissioner must notify the authorizer
91.31 in writing of any findings that may subject the authorizer to corrective action and
91.32 the authorizer then has 15 business days to request an informal hearing before the
91.33 commissioner takes corrective action. If the commissioner terminates a contract between
91.34 an authorizer and a charter school under this paragraph, the commissioner may assist the
91.35 charter school in acquiring a new authorizer.

92.1 (†)(i) The commissioner may at any time take corrective action against an authorizer,
92.2 including terminating an authorizer's ability to charter a school for:

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

92.5 (2) violating a term of the chartering contract between the authorizer and the charter
92.6 school board of directors;

92.7 (3) unsatisfactory performance as an approved authorizer; or

92.8 (4) any good cause shown that provides the commissioner a legally sufficient reason
92.9 to take corrective action against an authorizer.

92.10 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from
92.11 a school developer, may charter a licensed teacher under section 122A.18, subdivision
92.12 1, or a group of individuals that includes one or more licensed teachers under section
92.13 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the
92.14 authorizer's affidavit under paragraph (b). The school must be organized and operated as a
92.15 nonprofit corporation under chapter 317A and the provisions under the applicable chapter
92.16 shall apply to the school except as provided in this section.

92.17 Notwithstanding sections 465.717 and 465.719, a school district, subject to this
92.18 section and section 124D.11, may create a corporation for the purpose of establishing a
92.19 charter school.

92.20 (b) Before the operators may establish and operate a school, the authorizer must file
92.21 an affidavit with the commissioner stating its intent to charter a school. An authorizer
92.22 must file a separate affidavit for each school it intends to charter. The affidavit must state
92.23 the terms and conditions under which the authorizer would charter a school and how the
92.24 authorizer intends to oversee the fiscal and student performance of the charter school and to
92.25 comply with the terms of the written contract between the authorizer and the charter school
92.26 board of directors under subdivision 6. The commissioner must approve or disapprove the
92.27 authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner
92.28 disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies
92.29 in the affidavit and the authorizer then has 20 business days to address the deficiencies.
92.30 If the authorizer does not address deficiencies to the commissioner's satisfaction, the
92.31 commissioner's disapproval is final. Failure to obtain commissioner approval precludes an
92.32 authorizer from chartering the school that is the subject of this affidavit.

92.33 (c) The authorizer may prevent an approved charter school from opening for
92.34 operation if, among other grounds, the charter school violates this section or does not meet
92.35 the ready-to-open standards that are part of the authorizer's oversight and evaluation
92.36 process or are stipulated in the charter school contract.

93.1 (d) The operators authorized to organize and operate a school, before entering into
93.2 a contract or other agreement for professional or other services, goods, or facilities,
93.3 must incorporate as a nonprofit corporation under chapter 317A and must establish a
93.4 board of directors composed of at least five members who are not related parties until a
93.5 timely election for members of the ongoing charter school board of directors is held
93.6 according to the school's articles and bylaws under paragraph (f). A charter school board
93.7 of directors must be composed of at least five members who are not related parties.
93.8 Staff members employed at the school, including teachers providing instruction under a
93.9 contract with a cooperative, members of the board of directors, and all parents or legal
93.10 guardians of children enrolled in the school are the voters eligible to elect the members
93.11 of the school's board of directors. A charter school must notify eligible voters of the
93.12 school board election dates at least 30 days before the election. Board of director meetings
93.13 must comply with chapter 13D.

93.14 (e) A charter school shall publish and maintain on the school's official Web site: (1)
93.15 the minutes of meetings of the board of directors, and of members and committees having
93.16 any board-delegated authority, for at least one calendar year from the date of publication;
93.17 (2) directory information for members of the board of directors and committees having
93.18 board-delegated authority; and (3) identifying and contact information for the school's
93.19 authorizer. Identifying and contact information for the school's authorizer must be
93.20 included in other school materials made available to the public. Upon request of an
93.21 individual, the charter school must also make available in a timely fashion financial
93.22 statements showing all operations and transactions affecting income, surplus, and deficit
93.23 during the school's last annual accounting period; and a balance sheet summarizing assets
93.24 and liabilities on the closing date of the accounting period. A charter school also must ~~post~~
93.25 ~~on its official Web site information identifying its authorizer and indicate how to contact~~
93.26 ~~that authorizer and~~ include that same information about its authorizer in other school
93.27 materials that it makes available to the public.

93.28 (f) Every charter school board member shall attend ~~ongoing annual~~ annual training
93.29 throughout the member's term on the board governance, including. All new board
93.30 members shall attend initial training on the board's role and responsibilities, employment
93.31 policies and practices, and financial management. A new board member who does not
93.32 begin the required initial training within six months after being seated and complete that
93.33 training within 12 months of being seated on the board is automatically ineligible to
93.34 continue to serve as a board member. The school shall include in its annual report the
93.35 training attended by each board member during the previous year.

94.1 (g) The ongoing board must be elected before the school completes its third year of
 94.2 operation. Board elections must be held during the school year but may not be conducted
 94.3 on days when the school is closed for holidays, breaks, or vacations. The charter school
 94.4 board of directors shall be composed of at least five nonrelated members and include: (i)
 94.5 at least one licensed teacher employed as a teacher at the school or ~~a licensed teacher~~
 94.6 providing instruction under contract between the charter school and a cooperative; (ii) ~~the~~
 94.7 at least one parent or legal guardian of a student enrolled in the charter school who is not an
 94.8 employee of the charter school; and (iii) ~~an~~ at least one interested community member who
 94.9 resides in Minnesota and is not employed by the charter school and does not have a child
 94.10 enrolled in the school. The board ~~may be a teacher majority board composed~~ may include
 94.11 a majority of teachers, parents, or community members as described in this paragraph or it
 94.12 may have no clear majority. The chief financial officer and the chief administrator may only
 94.13 serve as ex-officio nonvoting board members ~~and may not serve as a voting member of the~~
 94.14 ~~board~~. No charter school employees shall ~~not~~ serve on the board unless other than teachers
 94.15 under item (i) applies. Contractors providing facilities, goods, or services to a charter
 94.16 school shall not serve on the board of directors of the charter school. Board bylaws shall
 94.17 outline the process and procedures for changing the board's governance ~~model~~ structure,
 94.18 consistent with chapter 317A. A board may change its governance ~~model~~ structure only:
 94.19 (1) by a majority vote of the board of directors and a majority vote of the licensed
 94.20 teachers employed by the school as teachers, including licensed teachers providing
 94.21 instruction under a contract between the school and a cooperative; and
 94.22 (2) with the authorizer's approval.

94.23 Any change in board governance structure must conform with the composition of
 94.24 the board structure established under this paragraph.

94.25 (h) The granting or renewal of a charter by an authorizer must not be conditioned
 94.26 upon the bargaining unit status of the employees of the school.

94.27 (i) The granting or renewal of a charter school by an authorizer must not be
 94.28 contingent on the charter school being required to contract, lease, or purchase services
 94.29 or facilities from the authorizer or to enter into a contract with a corporation, contractor,
 94.30 or individual with which the authorizer has a financial relationship or arrangement. Any
 94.31 potential contract, ~~lease~~, or purchase of service from an authorizer must be disclosed to
 94.32 the commissioner, accepted through an open bidding process, and be a separate contract
 94.33 from the charter contract. The school must document the open bidding process it used in
 94.34 awarding the contract. The authorizer must document that the bid terms were competitive
 94.35 in relation to the market and that the authorizer makes the same terms available to
 94.36 schools that it does not authorize. An authorizer must not enter into a contract to provide

95.1 management and financial services for a school that it authorizes, unless the school
95.2 documents that it received at least two competitive bids.

95.3 (j) An authorizer may permit the board of directors of a charter school to expand
95.4 the operation of the charter school to additional sites or to ~~add additional~~ grades at the
95.5 school beyond those described in the authorizer's original affidavit as approved by
95.6 the commissioner only after submitting a supplemental affidavit for approval to the
95.7 commissioner in a form and manner prescribed by the commissioner. The supplemental
95.8 affidavit must document that:

95.9 (1) the proposed expansion plan demonstrates need and projected enrollment;

95.10 (2) the expansion is warranted, at a minimum, by longitudinal data demonstrating
95.11 students' improved academic performance and growth on statewide assessments under
95.12 chapter 120B;

95.13 (3) the charter school is financially sound and the financing it needs to implement
95.14 the proposed expansion exists; and

95.15 (4) the charter school has the governance structure and management capacity to
95.16 carry out its expansion.

95.17 (k) The commissioner shall have 30 business days to review and comment on the
95.18 supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in
95.19 the supplemental affidavit and the authorizer then has 20 business days to address, to the
95.20 commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school
95.21 may not expand grades or add sites until the commissioner has approved the supplemental
95.22 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

95.23 Subd. 4a. **Conflict of interest.** (a) An individual is prohibited from serving as a
95.24 member of the charter school board of directors if the individual, an immediate family
95.25 member, or the individual's partner is an a full or part owner, employee or agent of, or
95.26 a contractor principal with a for-profit or nonprofit entity or individual independent
95.27 contractor with whom the charter school contracts, directly or indirectly, for professional
95.28 services, goods, or facilities. An individual is prohibited from serving as a board member
95.29 if an immediate family member is an employee of the school or is an individual with
95.30 whom the school contracts, directly or indirectly, through full or part ownership, for
95.31 professional services, goods, or facilities. A violation of this prohibition renders a contract
95.32 voidable at the option of the commissioner or the charter school board of directors. A
95.33 member of a charter school board of directors who violates this prohibition is individually
95.34 liable to the charter school for any damage caused by the violation.

96.1 (b) No member of the board of directors, employee, officer, or agent of a charter
 96.2 school shall participate in selecting, awarding, or administering a contract if a conflict
 96.3 of interest exists. A conflict exists when:

- 96.4 (1) the board member, employee, officer, or agent;
 96.5 (2) the immediate family of the board member, employee, officer, or agent;
 96.6 (3) the partner of the board member, employee, officer, or agent; or
 96.7 (4) an organization that employs, or is about to employ any individual in clauses
 96.8 (1) to (3),

96.9 has a financial or other interest in the entity with which the charter school is contracting.
 96.10 A violation of this prohibition renders the contract void.

96.11 (c) Any employee, agent, or board member of the authorizer who participates
 96.12 in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or
 96.13 nonrenewal process or decision is ineligible to serve on the board of directors of a school
 96.14 chartered by that authorizer.

96.15 (d) An individual may serve as a member of the board of directors if no conflict of
 96.16 interest under paragraph (a) exists.

96.17 (e) The conflict of interest provisions under this subdivision do not apply to
 96.18 compensation paid to a teacher employed as a teacher by the charter school ~~who~~ or a
 96.19 teacher who provides instructional services to the charter school through a cooperative
 96.20 formed under chapter 308A when the teacher also serves as a member of on the charter
 96.21 school board of directors.

96.22 ~~(f) The conflict of interest provisions under this subdivision do not apply to a teacher~~
 96.23 ~~who provides services to a charter school through a cooperative formed under chapter~~
 96.24 ~~308A when the teacher also serves on the charter school board of directors.~~

96.25 Subd. 5. **Conversion of existing schools.** A board of an independent or special
 96.26 school district may convert one or more of its existing schools to charter schools under
 96.27 this section if 60 percent of the full-time teachers at the school sign a petition seeking
 96.28 conversion. The conversion must occur at the beginning of an academic year.

96.29 Subd. 6. **Charter contract.** The authorization for a charter school must be in the
 96.30 form of a written contract signed by the authorizer and the board of directors of the charter
 96.31 school. The contract must be completed within 45 business days of the commissioner's
 96.32 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a
 96.33 copy of the signed charter contract within ten business days of its execution. The contract
 96.34 for a charter school must be in writing and contain at least the following:

- 96.35 (1) a declaration that the charter school will carry out the primary purpose in
 96.36 subdivision 1 and how the school will report its implementation of the primary purpose;

97.1 ~~(1)~~ (2) a declaration of the additional purposes in subdivision 1 that the school
 97.2 intends to carry out and how the school will report its implementation of those purposes;

97.3 ~~(2)~~ (3) a description of the school program and the specific academic and
 97.4 nonacademic outcomes that pupils must achieve;

97.5 ~~(3)~~ (4) a statement of admission policies and procedures;

97.6 ~~(4)~~ (5) a governance, management, and administration plan for the school;

97.7 ~~(5)~~ (6) signed agreements from charter school board members to comply with all
 97.8 federal and state laws governing organizational, programmatic, and financial requirements
 97.9 applicable to charter schools;

97.10 ~~(6)~~ (7) the criteria, processes, and procedures that the authorizer will use ~~for~~
 97.11 ~~ongoing oversight of operational, financial, and academic performance~~ to monitor and
 97.12 evaluate the fiscal, operational, and academic performance consistent with subdivision
 97.13 15, paragraphs (a) and (b);

97.14 ~~(7)~~ (8) for contract renewal, the formal written performance evaluation of the school
 97.15 that is a prerequisite for reviewing a charter contract under subdivision 15;

97.16 ~~(8)~~ (9) types and amounts of insurance liability coverage to be obtained by the
 97.17 charter school, consistent with subdivision 8, paragraph (k);

97.18 ~~(9)~~ (10) consistent with subdivision 25, paragraph (d), a provision to indemnify and
 97.19 hold harmless the authorizer and its officers, agents, and employees from any suit, claim,
 97.20 or liability arising from any operation of the charter school, and the commissioner and
 97.21 department officers, agents, and employees notwithstanding section 3.736;

97.22 ~~(10)~~ (11) the term of the initial contract, which may be up to five years plus an
 97.23 additional preoperational planning year, and up to five years for a renewed contract or a
 97.24 contract with a new authorizer after a transfer of authorizers, if warranted by the school's
 97.25 academic, financial, and operational performance;

97.26 ~~(11)~~ (12) how the board of directors or the operators of the charter school will
 97.27 provide special instruction and services for children with a disability under sections
 97.28 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within
 97.29 which the charter school will operate to provide the special instruction and services to
 97.30 children with a disability;

97.31 ~~(12) the process and criteria the authorizer intends to use to monitor and evaluate the~~
 97.32 ~~fiscal and student performance of the charter school, consistent with subdivision 15; and~~

97.33 (13) the specific conditions for contract renewal, which identify performance under
 97.34 the primary purpose of subdivision 1 as the most important factor in determining contract
 97.35 renewal; and

98.1 ~~(13)~~ (14) the plan for an orderly closing of the school under chapter 317A, ~~if~~
98.2 whether the closure is a termination for cause, a voluntary termination, or a nonrenewal
98.3 of the contract, and that includes establishing the responsibilities of the school board of
98.4 directors and the authorizer and notifying the commissioner, authorizer, school district in
98.5 which the charter school is located, and parents of enrolled students about the closure,
98.6 the transfer of student records to students' resident districts, and procedures for closing
98.7 financial operations.

98.8 Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the
98.9 commissioner and its authorizer by December 31 each year.

98.10 (b) The charter school, with the assistance of the auditor conducting the audit,
98.11 must include with the report, as supplemental information, a copy of all charter school
98.12 agreements for corporate management services, including parent company or other
98.13 administrative, financial, and staffing services. If the entity that provides the professional
98.14 services to the charter school is exempt from taxation under section 501 of the Internal
98.15 Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy
98.16 of the annual return required under section 6033 of the Internal Revenue Code of 1986.

98.17 (c) A charter school independent audit report shall include audited financial data of
98.18 an affiliated building corporation or other component unit.

98.19 ~~(e)~~ (d) If the audit report finds that a material weakness exists in the financial
98.20 reporting systems of a charter school, the charter school must submit a written report to
98.21 the commissioner explaining how the material weakness will be resolved. An auditor,
98.22 as a condition of providing financial services to a charter school, must agree to make
98.23 available information about a charter school's financial audit to the commissioner and
98.24 authorizer upon request.

98.25 Subd. 7. **Public status; exemption from statutes and rules.** A charter school is
98.26 a public school and is part of the state's system of public education. A charter school is
98.27 exempt from all statutes and rules applicable to a school, school board, or school district
98.28 unless a statute or rule is made specifically applicable to a charter school or is included
98.29 in this section.

98.30 Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all
98.31 federal, state, and local health and safety requirements applicable to school districts.

98.32 (b) A school must comply with statewide accountability requirements governing
98.33 standards and assessments in chapter 120B.

98.34 (c) A school authorized by a school board may be located in any district, unless the
98.35 school board of the district of the proposed location disapproves by written resolution.

99.1 (d) A charter school must be nonsectarian in its programs, admission policies,
99.2 employment practices, and all other operations. An authorizer may not authorize a charter
99.3 school or program that is affiliated with a nonpublic sectarian school or a religious
99.4 institution. A charter school student must be released for religious instruction, consistent
99.5 with section 120A.22, subdivision 12, clause (3).

99.6 (e) Charter schools must not be used as a method of providing education or
99.7 generating revenue for students who are being home-schooled. This paragraph does not
99.8 apply to shared time aid under section 126C.19.

99.9 (f) The primary focus of a charter school must be to provide a comprehensive
99.10 program of instruction for at least one grade or age group from five through 18 years
99.11 of age. Instruction may be provided to people younger than five years and older than
99.12 18 years of age.

99.13 (g) A charter school may not charge tuition.

99.14 (h) A charter school is subject to and must comply with chapter 363A and section
99.15 121A.04.

99.16 (i) A charter school is subject to and must comply with the Pupil Fair Dismissal
99.17 Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections
99.18 123B.34 to 123B.39.

99.19 (j) A charter school is subject to the same financial audits, audit procedures, and
99.20 audit requirements as a district, except as required under subdivision 6a. Audits must be
99.21 conducted in compliance with generally accepted governmental auditing standards, the
99.22 federal Single Audit Act, if applicable, and section 6.65. A charter school is subject
99.23 to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04;
99.24 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with
99.25 the requirements of sections 123B.75 to 123B.83, except to the extent deviations are
99.26 necessary because of the program at the school. Deviations must be approved by the
99.27 commissioner and authorizer. The Department of Education, state auditor, legislative
99.28 auditor, or authorizer may conduct financial, program, or compliance audits. A charter
99.29 school determined to be in statutory operating debt under sections 123B.81 to 123B.83
99.30 must submit a plan under section 123B.81, subdivision 4.

99.31 (k) A charter school is a district for the purposes of tort liability under chapter 466.

99.32 (l) A charter school must comply with chapters 13 and 13D; and sections 120A.22,
99.33 subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

99.34 (m) A charter school is subject to the Pledge of Allegiance requirement under
99.35 section 121A.11, subdivision 3.

100.1 (n) A charter school offering online courses or programs must comply with section
100.2 124D.095.

100.3 (o) A charter school and charter school board of directors are subject to chapter 181.

100.4 (p) A charter school must comply with section 120A.22, subdivision 7, governing
100.5 the transfer of students' educational records and sections 138.163 and 138.17 governing
100.6 the management of local records.

100.7 (q) A charter school that provides early childhood health and developmental
100.8 screening must comply with sections 121A.16 to 121A.19.

100.9 (r) A charter school that provides school-sponsored youth athletic activities must
100.10 comply with section 121A.38.

100.11 (s) A charter school is subject to and must comply with continuing truant notification
100.12 under section 260A.03.

100.13 (t) A charter school must develop and implement a teacher evaluation and peer
100.14 review process, consistent with section 122A.40, subdivision 8, paragraph (b), and
100.15 subdivision 21, paragraph (b), of this section.

100.16 (u) A charter school is subject to and must comply with the same requirements as
100.17 a school district under section 126C.101.

100.18 Subd. 8a. **Aid reduction.** The commissioner may reduce a charter school's state aid
100.19 under section 127A.42 or 127A.43 if the charter school board fails to correct a violation
100.20 under this section.

100.21 Subd. 8b. **Aid reduction for violations.** The commissioner may reduce a charter
100.22 school's state aid by an amount not to exceed 60 percent of the charter school's basic
100.23 revenue for the period of time that a violation of law occurs.

100.24 Subd. 9. **Admission requirements.** (a) A charter school may limit admission to:

100.25 (1) pupils within an age group or grade level;

100.26 (2) pupils who are eligible to participate in the graduation incentives program under
100.27 section 124D.68; or

100.28 (3) residents of a specific geographic area in which the school is located when the
100.29 majority of students served by the school are members of underserved populations.

100.30 (b) A charter school shall enroll an eligible pupil who submits a timely application,
100.31 unless the number of applications exceeds the capacity of a program, class, grade level, or
100.32 building. In this case, pupils must be accepted by lot. The charter school must develop
100.33 and publish, including on its Web site, a lottery policy and process that it must use when
100.34 accepting pupils by lot.

101.1 (c) A charter school shall give enrollment preference to a sibling of an enrolled pupil
101.2 and to a foster child of that pupil's parents and may give preference for enrolling children
101.3 of the school's staff before accepting other pupils by lot.

101.4 (d) A person shall not be admitted to a charter school: (1) as a kindergarten pupil,
101.5 unless the pupil is at least five years of age on September 1 of the calendar year in which
101.6 the school year for which the pupil seeks admission commences; or (2) as a first grade
101.7 student, unless the pupil is at least six years of age on September 1 of the calendar year in
101.8 which the school year for which the pupil seeks admission commences or has completed
101.9 kindergarten; except that a charter school may establish and publish on its Web site a
101.10 policy for admission of selected pupils at an earlier age, consistent with the enrollment
101.11 process in paragraphs (b) and (c) and section 124D.02, subdivision 1.

101.12 (e) Except as permitted in paragraph (d), a charter school may not limit admission
101.13 to pupils on the basis of intellectual ability, measures of achievement or aptitude, or
101.14 athletic ability and may not establish any criteria or requirements for admission that are
101.15 inconsistent with this subdivision.

101.16 (f) The charter school shall not distribute any services or goods of value to students,
101.17 parents, or guardians as an inducement, term, or condition of enrolling a student in a
101.18 charter school.

101.19 Subd. 10. **Pupil performance.** A charter school must design its programs to at
101.20 least meet the outcomes adopted by the commissioner for public school students. In
101.21 the absence of the commissioner's requirements, the school must meet the outcomes
101.22 contained in the contract with the authorizer. The achievement levels of the outcomes
101.23 contained in the contract may exceed the achievement levels of any outcomes adopted by
101.24 the commissioner for public school students.

101.25 Subd. 11. **Employment and other operating matters.** (a) A charter school must
101.26 employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1,
101.27 who hold valid licenses to perform the particular service for which they are employed in
101.28 the school. The charter school's state aid may be reduced under section 127A.43 if the
101.29 school employs a teacher who is not appropriately licensed or approved by the board of
101.30 teaching. The school may employ necessary employees who are not required to hold
101.31 teaching licenses to perform duties other than teaching and may contract for other services.
101.32 The school may discharge teachers and nonlicensed employees. The charter school board
101.33 is subject to section 181.932. When offering employment to a prospective employee, a
101.34 charter school must give that employee a written description of the terms and conditions
101.35 of employment and the school's personnel policies.

102.1 (b) A person, without holding a valid administrator's license, may perform
 102.2 administrative, supervisory, or instructional leadership duties. The board of directors shall
 102.3 establish qualifications for persons that hold administrative, supervisory, or instructional
 102.4 leadership roles. The qualifications shall include at least the following areas: instruction
 102.5 and assessment; human resource and personnel management; financial management;
 102.6 legal and compliance management; effective communication; and board, authorizer, and
 102.7 community relationships. The board of directors shall use those qualifications as the basis
 102.8 for job descriptions, hiring, and performance evaluations of those who hold administrative,
 102.9 supervisory, or instructional leadership roles. The board of directors and an individual
 102.10 who does not hold a valid administrative license and who serves in an administrative,
 102.11 supervisory, or instructional leadership position shall develop a professional development
 102.12 plan. Documentation of the implementation of the professional development plan of these
 102.13 persons shall be included in the school's annual report.

102.14 (c) The board of directors also shall decide and be responsible for policy matters
 102.15 related to the operation of the school, including budgeting, curriculum programming,
 102.16 personnel, and operating procedures. The board shall adopt a policy on nepotism in
 102.17 employment. The board shall adopt personnel evaluation policies and practices that,
 102.18 at a minimum:

- 102.19 (1) carry out the school's mission and goals;
 102.20 (2) evaluate the execution of charter contract goals and commitments;
 102.21 (3) evaluate student achievement, postsecondary and workforce readiness, and
 102.22 engagement goals; and
 102.23 (4) provide professional development related to the individual's job responsibilities.

102.24 Subd. 12. **Pupils with a disability.** A charter school must comply with sections
 102.25 125A.02, 125A.03 to 125A.24, and 125A.65 and rules relating to the education of pupils
 102.26 with a disability as though it were a district.

102.27 Subd. 13. **Length of school year.** A charter school must provide instruction each
 102.28 year for at least the number of hours required by section 120A.41. It may provide
 102.29 instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

102.30 Subd. 14. **Annual public reports.** A charter school must publish an annual report
 102.31 approved by the board of directors. The annual report must at least include information
 102.32 on school enrollment, student attrition, governance and management, staffing, finances,
 102.33 academic performance, ~~operational performance,~~ innovative practices and implementation,
 102.34 and future plans. A charter school must post the annual report on the school's official
 102.35 Web site. A charter school must also distribute the annual report by publication, mail, or
 102.36 electronic means to ~~the commissioner,~~ its authorizer, school employees, and parents and

103.1 legal guardians of students enrolled in the charter school ~~and must also post the report on~~
103.2 ~~the charter school's official Web site.~~ The reports are public data under chapter 13.

103.3 Subd. 15. **Review and comment.** (a) The authorizer shall provide a formal written
103.4 evaluation of the school's performance before the authorizer renews the charter contract.
103.5 The department must review and comment on the authorizer's evaluation process at the
103.6 time the authorizer submits its application for approval and each time the authorizer
103.7 undergoes its five-year review under subdivision 3, paragraph (i).

103.8 (b) An authorizer shall monitor and evaluate the fiscal, operational, and student
103.9 performance of the school, and may for this purpose annually assess a charter school
103.10 a fee according to paragraph (c). The agreed-upon fee structure must be stated in the
103.11 charter school contract.

103.12 (c) The fee that each charter school pays to an authorizer each year is the greater of:

103.13 (1) the basic formula allowance for that year; or

103.14 (2) the lesser of:

103.15 (i) the maximum fee factor times the basic formula allowance for that year; or

103.16 (ii) the fee factor times the basic formula allowance for that year times the charter
103.17 school's adjusted marginal cost pupil units for that year. The fee factor equals ~~.005 in fiscal~~
103.18 ~~year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013~~
103.19 ~~and later.~~ The maximum fee factor equals ~~1.5 in fiscal year 2010, 2.0 in fiscal year 2011,~~
103.20 ~~3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.~~

103.21 (d) An authorizer may not assess a fee for any required services other than as
103.22 provided in this subdivision.

103.23 (e) For the preoperational planning period, after a school is chartered, the authorizer
103.24 may assess a charter school a fee equal to the basic formula allowance.

103.25 (f) By September 30 of each year, an authorizer shall submit to the commissioner a
103.26 statement of income and expenditures related to chartering activities during the previous
103.27 school year ending June 30. A copy of the statement shall be given to all schools chartered
103.28 by the authorizer.

103.29 Subd. 16. **Transportation.** (a) A charter school after its first fiscal year of operation
103.30 by March 1 of each fiscal year and a charter school by July 1 of its first fiscal year of
103.31 operation must notify the district in which the school is located and the Department of
103.32 Education if it will provide its own transportation or use the transportation services of the
103.33 district in which it is located for the fiscal year.

103.34 (b) If a charter school elects to provide transportation for pupils, the transportation
103.35 must be provided by the charter school within the district in which the charter school is

104.1 located. The state must pay transportation aid to the charter school according to section
104.2 124D.11, subdivision 2.

104.3 For pupils who reside outside the district in which the charter school is located, the
104.4 charter school is not required to provide or pay for transportation between the pupil's
104.5 residence and the border of the district in which the charter school is located. A parent
104.6 may be reimbursed by the charter school for costs of transportation from the pupil's
104.7 residence to the border of the district in which the charter school is located if the pupil is
104.8 from a family whose income is at or below the poverty level, as determined by the federal
104.9 government. The reimbursement may not exceed the pupil's actual cost of transportation
104.10 or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for
104.11 more than 250 miles per week.

104.12 At the time a pupil enrolls in a charter school, the charter school must provide the
104.13 parent or guardian with information regarding the transportation.

104.14 (c) If a charter school does not elect to provide transportation, transportation for
104.15 pupils enrolled at the school must be provided by the district in which the school is
104.16 located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a
104.17 pupil residing in the same district in which the charter school is located. Transportation
104.18 may be provided by the district in which the school is located, according to sections
104.19 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different
104.20 district. If the district provides the transportation, the scheduling of routes, manner and
104.21 method of transportation, control and discipline of the pupils, and any other matter relating
104.22 to the transportation of pupils under this paragraph shall be within the sole discretion,
104.23 control, and management of the district.

104.24 Subd. 17. **Leased space.** A charter school may lease space from an independent
104.25 or special school board ~~eligible to be an authorizer~~, other public organization, private,
104.26 nonprofit nonsectarian organization, private property owner, or a sectarian organization
104.27 if the leased space is constructed as a school facility. The department must review and
104.28 approve or disapprove leases, including modifications and renewals prior to execution of
104.29 the lease by the lessee and lessor, in a timely manner. Leases for a school year must be
104.30 submitted to the department no later than July 1 before that school year. The commissioner
104.31 may waive this date based on an appeal by a charter school when circumstances beyond
104.32 the control of the charter school do not allow a lease agreement to be written prior to that
104.33 date. The commissioner shall not approve a facility lease that does not have (1) a sum
104.34 certain annual cost and (2) an escape clause that may be exercised by the charter school in
104.35 the event of nonrenewal or termination of the charter school contract.

105.1 Subd. 17a. **Affiliated nonprofit building corporation.** (a) Before a charter school
105.2 may organize an affiliated nonprofit building corporation (i) to renovate or purchase an
105.3 existing facility to serve as a school or (ii) to expand an existing building or construct
105.4 a new school facility, an authorizer must submit an affidavit to the commissioner for
105.5 approval in the form and manner the commissioner prescribes, and consistent with
105.6 paragraphs (b) and (c) or (d).

105.7 (b) An affiliated nonprofit building corporation under this subdivision must:

105.8 (1) be incorporated under section 317A;

105.9 (2) comply with applicable Internal Revenue Service regulations, including
105.10 regulations for "supporting organizations" as defined by the Internal Revenue Service;

105.11 (3) submit to the commissioner each fiscal year a list of current board members
105.12 and a copy of its annual audit; and

105.13 (4) comply with government data practices law under chapter 13.

105.14 An affiliated nonprofit building corporation must not serve as the leasing agent for
105.15 property or facilities it does not own. A charter school that leases a facility from an
105.16 affiliated nonprofit building corporation that does not own the leased facility is ineligible
105.17 to receive charter school lease aid. The state is immune from liability resulting from a
105.18 contract between a charter school and an affiliated nonprofit building corporation.

105.19 (c) A charter school may organize an affiliated nonprofit building corporation to
105.20 renovate or purchase an existing facility to serve as a school if the charter school:

105.21 (1) has been operating for at least five consecutive school years;

105.22 (2) has had a net positive unreserved general fund balance as of June 30 in the
105.23 preceding five fiscal years;

105.24 (3) has a long-range strategic and financial plan;

105.25 (4) completes a feasibility study of available buildings;

105.26 (5) documents enrollment projections and the need to use an affiliated building
105.27 corporation to renovate or purchase an existing facility to serve as a school; and

105.28 (6) has a plan for the renovation or purchase, which describes the parameters and
105.29 budget for the project.

105.30 (d) A charter school may organize an affiliated nonprofit building corporation to
105.31 expand an existing school facility or construct a new school facility if the charter school:

105.32 (1) demonstrates the lack of facilities available to serve as a school;

105.33 (2) has been operating for at least eight consecutive school years;

105.34 (3) has had a net positive unreserved general fund balance as of June 30 in the
105.35 preceding five fiscal years;

105.36 (4) completes a feasibility study of facility options;

106.1 (5) has a long-range strategic and financial plan that includes enrollment projections
106.2 and demonstrates the need for constructing a new school facility; and

106.3 (6) has a plan for the expansion or new school facility, which describes the
106.4 parameters and budget for the project.

106.5 Subd. 17b. Positive review and comment. (e) A charter school or an affiliated
106.6 nonprofit building corporation organized by a charter school must not initiate an
106.7 installment contract for purchase, or a lease agreement, or solicit bids for new construction,
106.8 expansion, or remodeling of an educational facility that requires an expenditure in
106.9 excess of \$1,400,000, unless it meets the criteria in subdivision 17a, paragraph (b) and
106.10 paragraph (c) or (d), as applicable, and receives a positive review and comment from
106.11 the commissioner under section 123B.71.

106.12 Subd. 19. Disseminate information. (a) ~~The authorizer, the operators,~~ Authorizers
106.13 and the department must disseminate information to the public on how to form and
106.14 operate a charter school. Charter schools must disseminate information about how to
106.15 use the offerings of a charter school. Targeted groups include low-income families and
106.16 communities, students of color, and students who are at risk of academic failure.

106.17 (b) Authorizers, operators, and the department also may disseminate information
106.18 about the successful best practices in teaching and learning demonstrated by charter
106.19 schools.

106.20 Subd. 20. Leave to teach in a charter school. If a teacher employed by a district
106.21 makes a written request for an extended leave of absence to teach at a charter school,
106.22 the district must grant the leave. The district must grant a leave not to exceed a total of
106.23 five years. Any request to extend the leave shall be granted only at the discretion of the
106.24 school board. The district may require that the request for a leave or extension of leave
106.25 be made before February 1 in the school year preceding the school year in which the
106.26 teacher intends to leave, or February 1 of the calendar year in which the teacher's leave is
106.27 scheduled to terminate. Except as otherwise provided in this subdivision and except for
106.28 section 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but
106.29 not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

106.30 During a leave, the teacher may continue to aggregate benefits and credits in the
106.31 Teachers' Retirement Association account under chapters 354 and 354A, consistent with
106.32 subdivision 22.

106.33 Subd. 21. Collective bargaining. Employees of the board of directors of a charter
106.34 school may, if otherwise eligible, organize under chapter 179A and comply with its
106.35 provisions. The board of directors of a charter school is a public employer, for the
106.36 purposes of chapter 179A, upon formation of one or more bargaining units at the school.

107.1 Bargaining units at the school must be separate from any other units within an authorizing
107.2 district, except that bargaining units may remain part of the appropriate unit within an
107.3 authorizing district, if the employees of the school, the board of directors of the school,
107.4 the exclusive representative of the appropriate unit in the authorizing district, and the
107.5 board of the authorizing district agree to include the employees in the appropriate unit of
107.6 the authorizing district.

107.7 Subd. 22. **Teacher and other employee retirement.** (a) Teachers in a charter
107.8 school must be public school teachers for the purposes of chapters 354 and 354A.

107.9 (b) Except for teachers under paragraph (a), employees in a charter school must be
107.10 public employees for the purposes of chapter 353.

107.11 Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a)
107.12 The duration of the contract with an authorizer must be for the term contained in the
107.13 contract according to subdivision 6. The authorizer may or may not renew a contract at
107.14 the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally
107.15 terminate a contract during the term of the contract for any ground listed in paragraph (b).
107.16 At least 60 business days before not renewing or terminating a contract, the authorizer
107.17 shall notify the board of directors of the charter school of the proposed action in writing.
107.18 The notice shall state the grounds for the proposed action in reasonable detail and that the
107.19 charter school's board of directors may request in writing an informal hearing before the
107.20 authorizer within 15 business days of receiving notice of nonrenewal or termination of
107.21 the contract. Failure by the board of directors to make a written request for an informal
107.22 hearing within the 15-business-day period shall be treated as acquiescence to the proposed
107.23 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten
107.24 business days' notice to the charter school's board of directors of the hearing date. The
107.25 authorizer shall conduct an informal hearing before taking final action. The authorizer
107.26 shall take final action to renew or not renew a contract no later than 20 business days
107.27 before the proposed date for terminating the contract or the end date of the contract.

107.28 (b) A contract may be terminated or not renewed upon any of the following grounds:

107.29 (1) failure to ~~meet~~ demonstrate satisfactory academic achievement for all groups of
107.30 students, including the requirements for pupil performance contained in the contract;

107.31 (2) failure to meet generally accepted standards of fiscal management;

107.32 (3) violations of law; or

107.33 (4) other good cause shown.

107.34 If a contract is terminated or not renewed under this paragraph, the school must be
107.35 dissolved according to the applicable provisions of chapter 317A.

108.1 ~~(e) If the authorizer and the charter school board of directors mutually agree to~~
108.2 ~~terminate or not renew the contract, a change in authorizers is allowed if the commissioner~~
108.3 ~~approves the change to a different eligible authorizer to authorize the charter school.~~
108.4 ~~Both parties must jointly submit their intent in writing to the commissioner to mutually~~
108.5 ~~terminate the contract. The authorizer that is a party to the existing contract must inform~~
108.6 ~~the proposed authorizer about the fiscal and operational status and student performance~~
108.7 ~~of the school. Before the commissioner determines whether to approve a change in~~
108.8 ~~authorizer, the proposed authorizer must identify any outstanding issues in the proposed~~
108.9 ~~charter contract that were unresolved in the previous charter contract and have the charter~~
108.10 ~~school agree to resolve those issues. If no change in authorizer is approved, the school~~
108.11 ~~must be dissolved according to applicable law and the terms of the contract.~~

108.12 (c) If the authorizer and the charter school board of directors mutually agree not to
108.13 renew the contract, a change in authorizers is allowed. The authorizer and the school
108.14 board must jointly submit a written and signed letter of their intent to the commissioner
108.15 to mutually not renew the contract. The authorizer that is a party to the existing contract
108.16 must inform the proposed authorizer about the fiscal, operational, and student performance
108.17 status of the school, as well as any outstanding contractual obligations that exist. The
108.18 charter contract between the proposed authorizer and the school must identify and provide
108.19 a plan to address any outstanding obligations from the previous contract. The proposed
108.20 contract must be submitted at least 105 business days before the end of the existing
108.21 charter contract. The commissioner shall have 30 business days to review and make a
108.22 determination. The proposed authorizer and the school shall have 15 business days to
108.23 respond to the determination and address any issues identified by the commissioner. A
108.24 final determination by the commissioner shall be made no later than 45 business days
108.25 before the end of the current charter contract. If no change in authorizer is approved, the
108.26 school and the current authorizer may withdraw their letter of nonrenewal and enter into a
108.27 new contract. If the transfer of authorizers is not approved and the current authorizer and
108.28 the school do not withdraw their letter and enter into a new contract, the school must be
108.29 dissolved according to applicable law and the terms of the contract.

108.30 (d) The commissioner, after providing reasonable notice to the board of directors of
108.31 a charter school and the existing authorizer, and after providing an opportunity for a public
108.32 hearing, may terminate the existing contract between the authorizer and the charter school
108.33 board if the charter school has a history of:

- 108.34 (1) failure to meet pupil performance requirements consistent with state law;
108.35 (2) financial mismanagement or failure to meet generally accepted standards of
108.36 fiscal management; or

109.1 (3) repeated or major violations of the law.

109.2 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from
109.3 entering a lease of real property with a related party unless the lessor is a nonprofit
109.4 corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is
109.5 reasonable under section 124D.11, subdivision 4, clause (1).

109.6 (b) For purposes of this section and section 124D.11:

109.7 (1) "related party" means an affiliate or immediate relative of the other party in
109.8 question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

109.9 (2) "affiliate" means a person that directly or indirectly, through one or more
109.10 intermediaries, controls, is controlled by, or is under common control with another person;

109.11 (3) "immediate family" means an individual whose relationship by blood, marriage,
109.12 adoption, or partnering is no more remote than first cousin;

109.13 (4) "person" means an individual or entity of any kind; and

109.14 (5) "control" means the ability to affect the management, operations, or policy
109.15 actions or decisions of a person, whether through ownership of voting securities, by
109.16 contract, or otherwise.

109.17 (c) A lease of real property to be used for a charter school, not excluded in paragraph
109.18 (a), must contain the following statement: "This lease is subject to Minnesota Statutes,
109.19 section 124D.10, subdivision 23a."

109.20 (d) If a charter school enters into as lessee a lease with a related party and the
109.21 charter school subsequently closes, the commissioner has the right to recover from the
109.22 lessor any lease payments in excess of those that are reasonable under section 124D.11,
109.23 subdivision 4, clause (1).

109.24 Subd. 24. **Pupil enrollment upon nonrenewal or termination of charter school**
109.25 **contract.** If a contract is not renewed or is terminated according to subdivision 23, a
109.26 pupil who attended the school, siblings of the pupil, or another pupil who resides in the
109.27 same place as the pupil may enroll in the resident district or may submit an application
109.28 to a nonresident district according to section 124D.03 at any time. Applications and
109.29 notices required by section 124D.03 must be processed and provided in a prompt manner.
109.30 The application and notice deadlines in section 124D.03 do not apply under these
109.31 circumstances. The closed charter school must transfer the student's educational records
109.32 within ten business days of closure to the student's school district of residence where the
109.33 records must be retained or transferred under section 120A.22, subdivision 7.

109.34 Subd. 25. **Extent of specific legal authority.** (a) The board of directors of a charter
109.35 school may sue and be sued.

109.36 (b) The board may not levy taxes or issue bonds.

110.1 (c) The commissioner, an authorizer, members of the board of an authorizer in
110.2 their official capacity, and employees of an authorizer are immune from civil or criminal
110.3 liability with respect to all activities related to a charter school they approve or authorize.
110.4 The board of directors shall obtain at least the amount of and types of insurance up to the
110.5 applicable tort liability limits under chapter 466. The charter school board must submit
110.6 a copy of the insurance policy to its authorizer ~~and the commissioner~~ before starting
110.7 operations. The charter school board must submit changes in its insurance carrier or policy
110.8 to its authorizer ~~and the commissioner~~ within 20 business days of the change.

110.9 (d) Notwithstanding section 3.736, the charter school shall assume full liability for
110.10 its activities and indemnify and hold harmless the authorizer and its officers, agents, and
110.11 employees from any suit, claim, or liability arising from any operation of the charter school
110.12 and the commissioner and department officers, agents, and employees. A charter school
110.13 is not required to indemnify or hold harmless a state employee if the state would not be
110.14 required to indemnify and hold the employee harmless under section 3.736, subdivision 9.

110.15 (e) The board may borrow money in the following manner and subject to the
110.16 following limitations in anticipation of receipt of state aids for schools as defined in
110.17 Minnesota Statutes or federal school aid distributed by or through the Department of
110.18 Education. The aggregate borrowing under this paragraph shall not exceed the greater
110.19 of (1) 50 percent or (2) the difference between 100 percent and the current year aid
110.20 payment under section 127A.45, subdivision 2, paragraph (d), of the aids, fees, and
110.21 tuition payments receivable by the charter school in the fiscal year in which the money is
110.22 borrowed as estimated and certified by the commissioner. If the charter school proposes
110.23 to sell all or a portion of the estimated and certified aid, it must give public notice of the
110.24 proposed sale on its official Web site for at least 15 business days before the proposed sale.
110.25 At the time the board intends to sell all or a portion of the anticipated aid, the anticipated
110.26 aid must be sold to the buyer who will agree to purchase the aid on the terms deemed
110.27 most favorable to the charter school. The terms of any sale of anticipated aid are public
110.28 data under chapter 13. The money received from the sale of the anticipated aid must be
110.29 disbursed solely for the purpose that the aid is intended.

110.30 Subd. 27. **Collaboration between charter school and school district.** (a) A charter
110.31 school board may voluntarily enter into a two-year, renewable agreement for collaboration
110.32 to enhance student achievement with a school district within whose geographic boundary
110.33 it operates.

110.34 (b) A school district need not be an approved authorizer to enter into a collaboration
110.35 agreement with a charter school. A charter school need not be authorized by the school
110.36 district with which it seeks to collaborate.

111.1 (c) A charter school authorizer is prohibited from requiring a collaboration agreement
111.2 as a condition of entering into or renewing a charter contract as defined in subdivision 6.

111.3 (d) Nothing in this subdivision or in the collaboration agreement may impact in any
111.4 way the authority or autonomy of the charter school.

111.5 (e) Nothing in this subdivision or in the collaboration agreement shall cause the state
111.6 to pay twice for the same student, service, or facility or otherwise impact state funding, or
111.7 the flow thereof, to the school district or the charter school.

111.8 (f) The collaboration agreement may include, but need not be limited to,
111.9 collaboration regarding facilities, transportation, training, student achievement,
111.10 assessments, mutual performance standards, and other areas of mutual agreement.

111.11 (g) The school district may include the academic performance of the students of a
111.12 collaborative charter school site operating within the geographic boundaries of the school
111.13 district, for purposes of student assessment and reporting to the state.

111.14 (h) Districts, authorizers, or charter schools entering into a collaborative agreement
111.15 are equally and collectively subject to the same state and federal accountability measures
111.16 for student achievement, school performance outcomes, and school improvement
111.17 strategies. The collaborative agreement and all accountability measures must be posted
111.18 on the district, charter school, and authorizer Web sites.

111.19 **EFFECTIVE DATE.** This section is effective the day following final enactment,
111.20 except subdivision 23 is effective July 1, 2013.

111.21 Sec. 2. Minnesota Statutes 2012, section 260A.02, subdivision 3, is amended to read:

111.22 Subd. 3. **Continuing truant.** "Continuing truant" means a child who is subject to the
111.23 compulsory instruction requirements of section 120A.22 and is absent from instruction in a
111.24 school, as defined in section 120A.05, without valid excuse within a single school year for:

111.25 (1) three days if the child is in elementary school; or

111.26 (2) three or more class periods on three days if the child is in middle school, junior
111.27 high school, or high school.

111.28 Nothing in this section shall prevent a school district or charter school from notifying
111.29 a truant child's parent or legal guardian of the child's truancy or otherwise addressing a
111.30 child's attendance problems prior to the child becoming a continuing truant.

111.31 Sec. 3. Minnesota Statutes 2012, section 260A.03, is amended to read:

111.32 **260A.03 NOTICE TO PARENT OR GUARDIAN WHEN CHILD IS A**
111.33 **CONTINUING TRUANT.**

112.1 Upon a child's initial classification as a continuing truant, the school attendance
112.2 officer or other designated school official shall notify the child's parent or legal guardian,
112.3 by first-class mail or other reasonable means, of the following:

112.4 (1) that the child is truant;

112.5 (2) that the parent or guardian should notify the school if there is a valid excuse
112.6 for the child's absences;

112.7 (3) that the parent or guardian is obligated to compel the attendance of the child
112.8 at school pursuant to section 120A.22 and parents or guardians who fail to meet this
112.9 obligation may be subject to prosecution under section 120A.34;

112.10 (4) that this notification serves as the notification required by section 120A.34;

112.11 (5) that alternative educational programs and services may be available in the child's
112.12 enrolling or resident district;

112.13 (6) that the parent or guardian has the right to meet with appropriate school personnel
112.14 to discuss solutions to the child's truancy;

112.15 (7) that if the child continues to be truant, the parent and child may be subject to
112.16 juvenile court proceedings under chapter 260C;

112.17 (8) that if the child is subject to juvenile court proceedings, the child may be subject
112.18 to suspension, restriction, or delay of the child's driving privilege pursuant to section
112.19 260C.201; and

112.20 (9) that it is recommended that the parent or guardian accompany the child to school
112.21 and attend classes with the child for one day.

112.22 Sec. 4. Minnesota Statutes 2012, section 260A.05, subdivision 1, is amended to read:

112.23 Subdivision 1. **Establishment.** A school district or charter school may establish
112.24 one or more school attendance review boards to exercise the powers and duties in this
112.25 section. The school district or charter school board shall appoint the members of the
112.26 school attendance review board and designate the schools within the board's jurisdiction.

112.27 Members of a school attendance review board may include:

112.28 (1) the superintendent of the school district or the superintendent's designee or
112.29 charter school director or the director's designee;

112.30 (2) a principal and one or more other school officials from within the district or
112.31 charter school;

112.32 (3) parent representatives;

112.33 (4) representatives from community agencies that provide services for truant
112.34 students and their families;

112.35 (5) a juvenile probation officer;

113.1 (6) school counselors and attendance officers; and

113.2 (7) law enforcement officers.

113.3 Sec. 5. Minnesota Statutes 2012, section 260A.07, subdivision 1, is amended to read:

113.4 Subdivision 1. **Establishment; referrals.** A county attorney may establish a truancy
 113.5 mediation program for the purpose of resolving truancy problems without court action. If
 113.6 a student is in a school district or charter school that has established a school attendance
 113.7 review board, the student may be referred to the county attorney under section 260A.06,
 113.8 subdivision 3. If the student's school district or charter school has not established a board,
 113.9 the student may be referred to the county attorney by the school district or charter school
 113.10 if the student continues to be truant after the parent or guardian has been sent or conveyed
 113.11 the notice under section 260A.03.

113.12 Sec. 6. **APPROPRIATIONS.**

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

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

113.17 \$ 54,484,000 2014

113.18 \$ 59,533,000 2015

113.19 The 2014 appropriation includes \$6,819,000 for 2013 and \$47,665,000 for 2014.

113.20 The 2015 appropriation includes \$7,502,000 for 2014 and \$52,031,000 for 2015.

113.21 Sec. 7. **REVISOR'S INSTRUCTION; CHARTER SCHOOLS**

113.22 **RECODIFICATION.**

113.23 The revisor of statutes, in consultation with K-12 education staff in House Research
 113.24 and Senate Counsel and Research, shall prepare a recodification of Minnesota Statutes,
 113.25 sections 124D.10 and 124D.11, including corresponding technical corrections and other
 113.26 needed technical changes and shall submit the completed recodification to the chairs and
 113.27 ranking minority members of the legislative committees having jurisdiction over K-12
 113.28 education policy and finance.

113.29 **ARTICLE 5**

113.30 **SPECIAL EDUCATION**

113.31 Section 1. Minnesota Statutes 2012, section 15.059, subdivision 5b, is amended to read:

114.1 Subd. 5b. **Continuation dependent on federal law.** Notwithstanding this section,
 114.2 the following councils and committees do not expire unless federal law no longer requires
 114.3 the existence of the council or committee:

- 114.4 (1) Rehabilitation Council for the Blind, created in section 248.10;
- 114.5 (2) Juvenile Justice Advisory Committee, created in section 299A.72;
- 114.6 (3) Governor's Workforce Development Council, created in section 116L.665;
- 114.7 (4) local workforce councils, created in section 116L.666, subdivision 2;
- 114.8 (5) Rehabilitation Council, created in section 268A.02, subdivision 2; ~~and~~
- 114.9 (6) Statewide Independent Living Council, created in section 268A.02, subdivision
 114.10 2; and
- 114.11 (7) Interagency Coordinating Council, created in section 125A.28.

114.12 Sec. 2. Minnesota Statutes 2012, section 124D.11, subdivision 5, is amended to read:

114.13 Subd. 5. **Special education aid.** (a) Except as provided in subdivision 2, special
 114.14 education aid must be paid to a charter school according to section 125A.76, as though
 114.15 it were a school district.

114.16 ~~(b) For fiscal year 2006, the charter school may charge tuition to the district of
 114.17 residence as follows:~~

114.18 ~~(1) if the charter school does not receive general education revenue on behalf of
 114.19 the student according to subdivision 1, tuition shall be charged as provided in section
 114.20 125A.11; or~~

114.21 ~~(2) if the charter school receives general education revenue on behalf of the student
 114.22 according to subdivision 1, tuition shall be charged as provided in section 127A.47,
 114.23 subdivision 7, paragraph (d).~~

114.24 ~~(e) (b)~~ For fiscal year 2007 2015 and later, the special education aid paid to the
 114.25 charter school shall be adjusted as follows:

114.26 (1) if the charter school does not receive general education revenue on behalf of
 114.27 the student according to subdivision 1, the aid shall be adjusted as provided in section
 114.28 125A.11; or

114.29 (2) if the charter school receives general education revenue on behalf of the student
 114.30 according to subdivision 1, the aid shall be adjusted as provided in section 127A.47,
 114.31 subdivision 7, paragraph ~~(d)~~ (h).

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

115.1 Sec. 3. Minnesota Statutes 2012, section 125A.0941, is amended to read:

115.2 **125A.0941 DEFINITIONS.**

115.3 (a) The following terms have the meanings given them.

115.4 (b) "Emergency" means a situation where immediate intervention is needed to
115.5 protect a child or other individual from physical injury ~~or to prevent serious property~~
115.6 ~~damage.~~ Emergency does not mean circumstances such as: a child who does not respond
115.7 to a task or request and instead places his or her head on a desk or hides under a desk or
115.8 table; a child who does not respond to a staff person's request unless failing to respond
115.9 would result in physical injury to the child or other individual; or an emergency incident
115.10 has already occurred and no threat of physical injury currently exists.

115.11 (c) "Physical holding" means physical intervention intended to hold a child immobile
115.12 or limit a child's movement, where body contact is the only source of physical restraint,
115.13 and where immobilization is used to effectively gain control of a child in order to protect
115.14 ~~the~~ a child or other person individual from physical injury. The term physical holding does
115.15 not mean physical contact that:

115.16 (1) helps a child respond or complete a task;

115.17 (2) assists a child without restricting the child's movement;

115.18 (3) is needed to administer an authorized health-related service or procedure; or

115.19 (4) is needed to physically escort a child when the child does not resist or the child's
115.20 resistance is minimal.

115.21 (d) "Positive behavioral interventions and supports" means interventions and
115.22 strategies to improve the school environment and teach children the skills to behave
115.23 appropriately.

115.24 (e) "Prone restraint" means placing a child in a face down position.

115.25 (f) "Restrictive procedures" means the use of physical holding or seclusion in an
115.26 emergency. Restrictive procedures must not be used to punish or otherwise discipline a
115.27 child.

115.28 (g) "Seclusion" means confining a child alone in a room from which egress is barred.
115.29 Egress may be barred by an adult locking or closing the door in the room or preventing the
115.30 child from leaving the room. Removing a child from an activity to a location where the
115.31 child cannot participate in or observe the activity is not seclusion.

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

115.33 Sec. 4. Minnesota Statutes 2012, section 125A.0942, is amended to read:

115.34 **125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.**

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

116.5 (1) lists the list of restrictive procedures the school intends to use;

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

116.8 (3) describes how the school will monitor and review the use of restrictive
116.9 procedures, including:

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

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

116.20 ~~(3)~~ (4) includes a written description and documentation of the training staff
116.21 completed under subdivision 5.

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

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

116.25 (2) an expert in positive behavior strategies;

116.26 (3) a special education administrator; and

116.27 (4) a general education administrator.

116.28 Subd. 2. **Restrictive procedures.** (a) Restrictive procedures may be used only by a
116.29 licensed special education teacher, school social worker, school psychologist, behavior
116.30 analyst certified by the National Behavior Analyst Certification Board, a person with a
116.31 master's degree in behavior analysis, other licensed education professional, highly qualified
116.32 paraprofessional under section 120B.363, or mental health professional under section
116.33 245.4871, subdivision 27, who has completed the training program under subdivision 5.

116.34 (b) A school shall make reasonable efforts to notify the parent on the same day a
116.35 restrictive procedure is used on the child, or if the school is unable to provide same-day

117.1 notice, notice is sent within two days by written or electronic means or as otherwise
117.2 indicated by the child's parent under paragraph (d).

117.3 ~~(c) When restrictive procedures are used twice in 30 days or when a pattern emerges~~
117.4 ~~and restrictive procedures are not included in a child's individualized education program~~
117.5 ~~or behavior intervention plan,~~ The district must hold a meeting of the individualized
117.6 education program team, conduct or review a functional behavioral analysis, review data,
117.7 consider developing additional or revised positive behavioral interventions and supports,
117.8 consider actions to reduce the use of restrictive procedures, and modify the individualized
117.9 education program or behavior intervention plan as appropriate. The district must hold
117.10 the meeting: within ten calendar days after district staff use restrictive procedures on two
117.11 separate school days within 30 calendar days or a pattern of use emerges and the child's
117.12 individualized education program or behavior intervention plan does not provide for using
117.13 restrictive procedures in an emergency; or at the request of a parent or the district after
117.14 restrictive procedures are used. The district must review use of restrictive procedures at a
117.15 child's annual individualized education program meeting when the child's individualized
117.16 education program provides for using restrictive procedures in an emergency.

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

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

117.30 ~~(d)~~ (f) An individualized education program team may plan for using restrictive
117.31 procedures and may include these procedures in a child's individualized education
117.32 program or behavior intervention plan; however, the restrictive procedures may be used
117.33 only in response to behavior that constitutes an emergency, consistent with this section.
117.34 The individualized education program or behavior intervention plan shall indicate how the
117.35 parent wants to be notified when a restrictive procedure is used.

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

118.4 (1) ~~the physical holding or seclusion must be~~ is the least intrusive intervention
 118.5 that effectively responds to the emergency;

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

118.7 (3) physical holding or seclusion must end ends when the threat of harm ends and
 118.8 the staff determines that the child can safely return to the classroom or activity;

118.9 ~~(3)~~ (4) ~~staff must directly observe~~ observes the child while physical holding or
 118.10 seclusion is being used;

118.11 ~~(4)~~ (5) each time physical holding or seclusion is used, the staff person who
 118.12 implements or oversees the physical holding or seclusion ~~shall document~~ documents, as
 118.13 soon as possible after the incident concludes, the following information:

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

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

118.17 (iii) the time the physical holding or seclusion began and the time the child was
 118.18 released; and

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

118.20 ~~(5)~~ (6) the room used for seclusion must:

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

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

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

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

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

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

118.30 ~~(6)~~ (7) before using a room for seclusion, a school must:

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

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

118.34 ~~(7)~~ (8) until August 1, ~~2013~~ 2015, a school district may use prone restraints with
 118.35 children age five or older ~~under the following conditions~~ if:

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

119.3 (ii) ~~a~~ the district provides information on the type of training that was provided
119.4 and by whom;

119.5 (iii) ~~prone restraints may only be used by~~ staff who have received specific training
119.6 use prone restraints;

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

119.9 (v) ~~a~~ the district, ~~prior to~~ before using prone restraints, must review any known
119.10 medical or psychological limitations that contraindicate the use of prone restraints.

119.11 ~~The department will report back to the chairs and ranking minority members of the~~
119.12 ~~legislative committees with primary jurisdiction over education policy by February~~
119.13 ~~1, 2013, on the use of prone restraints in the schools. Consistent with item (iv), The~~
119.14 ~~department must collect data on districts' use of prone restraints and publish the data in a~~
119.15 ~~readily accessible format on the department's Web site on a quarterly basis.~~

119.16 (b) ~~The department must develop a statewide plan by February 1, 2013, to reduce~~
119.17 ~~districts' use of restrictive procedures that includes~~ By March 1, 2014, stakeholders must
119.18 recommend to the commissioner specific and measurable implementation and outcome
119.19 goals for reducing the use of restrictive procedures and the commissioner must submit to
119.20 the legislature a report on districts' progress in reducing the use of restrictive procedures
119.21 that recommends how to further reduce these procedures and eliminate the use of prone
119.22 restraints. The statewide plan includes the following components: measurable goals; the
119.23 resources, training, technical assistance, mental health services, and collaborative efforts
119.24 needed to significantly reduce districts' use of prone restraints; and recommendations
119.25 to clarify and improve the law governing districts' use of restrictive procedures. The
119.26 ~~department must convene~~ commissioner must consult with interested stakeholders ~~to~~
119.27 ~~develop the statewide plan and identify the need for technical assistance~~ when preparing
119.28 the report, including representatives of advocacy organizations, special education
119.29 directors, intermediate school districts, school boards, day treatment providers, county
119.30 social services, state human services department staff, mental health professionals, and
119.31 autism experts. ~~To assist the department and stakeholders under this paragraph, school~~
119.32 ~~districts must report summary data to the department by July 1, 2012, on districts' use of~~
119.33 ~~restrictive procedures during the 2011-2012 school year, including data on the number~~
119.34 ~~of incidents involving restrictive procedures, the total number of students on which~~
119.35 ~~restrictive procedures were used, the number of resulting injuries, relevant demographic~~
119.36 ~~data on the students and school, and other relevant data collected by the district.~~ By June

120.1 30 each year, districts must report summary data on their use of restrictive procedures to
120.2 the department, in a form and manner determined by the commissioner.

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

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

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

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

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

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

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

120.17 (7) withholding regularly scheduled meals or water;

120.18 (8) denying access to bathroom facilities; and

120.19 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or
120.20 impairs a child's ability to communicate distress, places pressure or weight on a child's
120.21 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in
120.22 straddling a child's torso.

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

120.26 (1) positive behavioral interventions;

120.27 (2) communicative intent of behaviors;

120.28 (3) relationship building;

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

120.31 (5) de-escalation methods;

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

120.33 (7) obtaining emergency medical assistance;

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

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

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

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

121.5 (12) schoolwide programs on positive behavior strategies.

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

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

121.13 Subd. 6. **Behavior supports.** School districts are encouraged to establish effective
121.14 schoolwide systems of positive behavior interventions and supports. Nothing in this
121.15 section or section 125A.0941 precludes the use of reasonable force under sections
121.16 121A.582; 609.06, subdivision 1; and 609.379.

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

121.18 Sec. 5. Minnesota Statutes 2012, section 125A.11, subdivision 1, is amended to read:

121.19 Subdivision 1. **Nonresident tuition rate; other costs.** ~~(a) For fiscal year 2006,~~
121.20 ~~when a school district provides instruction and services outside the district of residence,~~
121.21 ~~board and lodging, and any tuition to be paid, shall be paid by the district of residence.~~
121.22 ~~The tuition rate to be charged for any child with a disability, excluding a pupil for whom~~
121.23 ~~tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be~~
121.24 ~~the sum of (1) the actual cost of providing special instruction and services to the child~~
121.25 ~~including a proportionate amount for special transportation and unreimbursed building~~
121.26 ~~lease and debt service costs for facilities used primarily for special education, plus (2)~~
121.27 ~~the amount of general education revenue and referendum aid attributable to the pupil,~~
121.28 ~~minus (3) the amount of special education aid for children with a disability received~~
121.29 ~~on behalf of that child, minus (4) if the pupil receives special instruction and services~~
121.30 ~~outside the regular classroom for more than 60 percent of the school day, the amount of~~
121.31 ~~general education revenue and referendum aid, excluding portions attributable to district~~
121.32 ~~and school administration, district support services, operations and maintenance, capital~~
121.33 ~~expenditures, and pupil transportation, attributable to that pupil for the portion of time~~
121.34 ~~the pupil receives special instruction and services outside of the regular classroom. If~~
121.35 ~~the boards involved do not agree upon the tuition rate, either board may apply to the~~

122.1 ~~commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set~~
122.2 ~~a date for a hearing or request a written statement from each board, giving each board~~
122.3 ~~at least ten days' notice, and after the hearing or review of the written statements the~~
122.4 ~~commissioner must make an order fixing the tuition rate, which is binding on both school~~
122.5 ~~districts. General education revenue and referendum equalization aid attributable to a~~
122.6 ~~pupil must be calculated using the resident district's average general education revenue~~
122.7 ~~and referendum equalization aid per adjusted pupil unit.~~

122.8 **(b) (a)** For fiscal year ~~2007~~ 2015 and later, when a school district provides special
122.9 instruction and services for a pupil with a disability as defined in section 125A.02 outside
122.10 the district of residence, excluding a pupil for whom an adjustment to special education aid
122.11 is calculated according to section 127A.47, subdivision 7, ~~paragraph (e)~~ paragraphs (f) to
122.12 (h), special education aid paid to the resident district must be reduced by an amount equal
122.13 to (1) the actual cost of providing special instruction and services to the pupil, including
122.14 a proportionate amount for special transportation and unreimbursed building lease and
122.15 debt service costs for facilities used primarily for special education, plus (2) the amount
122.16 of general education revenue and referendum equalization aid attributable to that pupil,
122.17 calculated using the resident district's average general education revenue and referendum
122.18 equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity
122.19 revenue and secondary sparsity revenue, minus (3) the amount of special education aid for
122.20 children with a disability received on behalf of that child, minus (4) if the pupil receives
122.21 special instruction and services outside the regular classroom for more than 60 percent
122.22 of the school day, the amount of general education revenue and referendum equalization
122.23 aid, excluding portions attributable to district and school administration, district support
122.24 services, operations and maintenance, capital expenditures, and pupil transportation,
122.25 attributable to that pupil for the portion of time the pupil receives special instruction
122.26 and services outside of the regular classroom, calculated using the resident district's
122.27 average general education revenue and referendum equalization aid per adjusted pupil unit
122.28 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
122.29 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
122.30 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
122.31 served by a cooperative unit without a fiscal agent school district, the general education
122.32 revenue and referendum equalization aid attributable to a pupil must be calculated using
122.33 the resident district's average general education revenue and referendum equalization aid
122.34 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
122.35 revenue. Special education aid paid to the district or cooperative providing special
122.36 instruction and services for the pupil must be increased by the amount of the reduction in

123.1 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
 123.2 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
 123.3 expenditures on the resident school district's books of account under sections 123B.75
 123.4 and 123B.76. If the resident district's special education aid is insufficient to make the full
 123.5 adjustment, the remaining adjustment shall be made to other state aid due to the district.

123.6 ~~(e)~~ (b) Notwithstanding ~~paragraphs~~ paragraph (a) ~~and (b)~~ and section 127A.47,
 123.7 subdivision 7, paragraphs ~~(d) and (e)~~ (f) to (h), a charter school where more than 30
 123.8 percent of enrolled students receive special education and related services, a site approved
 123.9 under section 125A.515, an intermediate district, a special education cooperative, or a
 123.10 school district that served as the applicant agency for a group of school districts for federal
 123.11 special education aids for fiscal year 2006 may apply to the commissioner for authority to
 123.12 charge the resident district an additional amount to recover any remaining unreimbursed
 123.13 costs of serving pupils with a disability. The application must include a description of the
 123.14 costs and the calculations used to determine the unreimbursed portion to be charged to the
 123.15 resident district. Amounts approved by the commissioner under this paragraph must be
 123.16 included in the ~~tuition billings or aid adjustments~~ under paragraph (a) ~~or (b)~~, or section
 123.17 127A.47, subdivision 7, paragraph ~~(d) or (e)~~ (f) or (g), as applicable.

123.18 ~~(d)~~ (c) For purposes of this subdivision and section 127A.47, subdivision 7,
 123.19 paragraphs ~~(d) and (e)~~ (f) and (g), "general education revenue and referendum equalization
 123.20 aid" means the sum of the general education revenue according to section 126C.10,
 123.21 subdivision 1, excluding alternative teacher compensation revenue, plus the referendum
 123.22 equalization aid according to section 126C.17, subdivision 7, as adjusted according to
 123.23 section 127A.47, subdivision 7, paragraphs (a) to ~~(e)~~ (d).

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

123.25 Sec. 6. Minnesota Statutes 2012, section 125A.27, subdivision 8, is amended to read:

123.26 Subd. 8. **Eligibility for Part C.** "Eligibility for Part C" means eligibility for
 123.27 ~~early childhood special education~~ infant and toddler intervention services under section
 123.28 125A.02 and Minnesota Rules.

123.29 Sec. 7. Minnesota Statutes 2012, section 125A.27, subdivision 11, is amended to read:

123.30 Subd. 11. **Interagency child find systems.** "Interagency child find systems" means
 123.31 activities developed on an interagency basis with the involvement of interagency early
 123.32 intervention committees and other relevant community groups, including primary referral
 123.33 sources included in Code of Federal Regulations, title 34, section 303.303(c), using
 123.34 rigorous standards to actively seek out, identify, and refer infants and young children,

124.1 with, or at risk of, disabilities, and their families, ~~including a child~~ to reduce the need for
 124.2 future services. The interagency child find systems must mandate referrals for a child
 124.3 under the age of three who: (1) is ~~involved in~~ the subject of a substantiated case of abuse
 124.4 or neglect, or (2) is identified as directly affected by illegal substance abuse, or withdrawal
 124.5 symptoms resulting from prenatal drug exposure, to reduce the need for future services.
 124.6 The referral procedures must specify that a referral must occur within seven calendar days
 124.7 from the date of identification.

124.8 Sec. 8. Minnesota Statutes 2012, section 125A.27, subdivision 14, is amended to read:

124.9 Subd. 14. **Parent.** "Parent" means ~~the biological parent with parental rights,~~
 124.10 ~~adoptive parent, legal guardian, or surrogate parent~~ "parent" as defined by Code of Federal
 124.11 Regulations, title 34, section 303.27, or a surrogate parent appointed in accordance with
 124.12 Code of Federal Regulations, title 34, section 303.422, or United States Code, title 20,
 124.13 section 1439(a)(5).

124.14 Sec. 9. Minnesota Statutes 2012, section 125A.28, is amended to read:

124.15 **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

124.16 An Interagency Coordinating Council of at least 17, but not more than 25 members
 124.17 is established, in compliance with Public Law 108-446, section 641. The members must
 124.18 be appointed by the governor and reasonably represent the population of Minnesota.
 124.19 Council members must elect the council chair, who may not be a representative of the
 124.20 Department of Education. ~~The representative of the commissioner may not serve as the~~
 124.21 ~~chair.~~ The council must be composed of at least five parents, including persons of color,
 124.22 of children with disabilities under age 12, including at least three parents of a child
 124.23 with a disability under age seven, five representatives of public or private providers
 124.24 of services for children with disabilities under age five, including a special education
 124.25 director, county social service director, local Head Start director, and a community health
 124.26 services or public health nursing administrator, one member of the senate, one member of
 124.27 the house of representatives, one representative of teacher preparation programs in early
 124.28 childhood-special education or other preparation programs in early childhood intervention,
 124.29 at least one representative of advocacy organizations for children with disabilities under
 124.30 age five, one physician who cares for young children with special health care needs, one
 124.31 representative each from the commissioners of commerce, education, health, human
 124.32 services, a representative from the state agency responsible for child care, foster care,
 124.33 mental health, homeless coordinator of education of homeless children and youth, and a

125.1 representative from Indian health services or a tribal council. Section 15.059, subdivisions
125.2 2 to 5, apply to the council. The council must meet at least quarterly.

125.3 The council must address methods of implementing the state policy of developing
125.4 and implementing comprehensive, coordinated, multidisciplinary interagency programs of
125.5 early intervention services for children with disabilities and their families.

125.6 The duties of the council include recommending policies to ensure a comprehensive
125.7 and coordinated system of all state and local agency services for children under age five
125.8 with disabilities and their families. The policies must address how to incorporate each
125.9 agency's services into a unified state and local system of multidisciplinary assessment
125.10 practices, individual intervention plans, comprehensive systems to find children in need of
125.11 services, methods to improve public awareness, and assistance in determining the role of
125.12 interagency early intervention committees.

125.13 On the date that Minnesota Part C Annual Performance Report is submitted to the
125.14 federal Office of Special Education, the council must recommend to the governor and the
125.15 commissioners of education, health, human services, commerce, and employment and
125.16 economic development policies for a comprehensive and coordinated system.

125.17 Annually, the council must prepare and submit a report to the governor and the
125.18 secretary of the federal Department of Education on the status of early intervention
125.19 services and programs for infants and toddlers with disabilities and their families under
125.20 the Individuals with Disabilities Education Act, United States Code, title 20, sections
125.21 1471 to 1485 (Part C, Public Law 102-119), as operated in Minnesota. The Minnesota
125.22 Part C annual performance report may serve as the report.

125.23 Notwithstanding any other law to the contrary, the State Interagency Coordinating
125.24 Council ~~expires on June 30, 2014~~ does not expire unless federal law no longer requires
125.25 the existence of the council or committee.

125.26 Sec. 10. Minnesota Statutes 2012, section 125A.29, is amended to read:

125.27 **125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL**
125.28 **BOARDS.**

125.29 (a) It is the joint responsibility of county boards and school boards to coordinate,
125.30 provide, and pay for appropriate services, and to facilitate payment for services from public
125.31 and private sources. Appropriate services for children eligible under section 125A.02 must
125.32 be determined in consultation with parents, physicians, and other educational, medical,
125.33 health, and human services providers. The services provided must be in conformity with:

125.34 (1) an IFSP for each eligible infant and toddler from birth through age two and
125.35 the infant's or toddler's family including:

126.1 (i) American Indian infants and toddlers with disabilities and their families residing
126.2 on a reservation geographically located in the state;

126.3 (ii) infants and toddlers with disabilities who are homeless children and their
126.4 families; and

126.5 (iii) infants and toddlers with disabilities who are wards of the state; or

126.6 (2) an individualized education program (IEP) or individual service plan (ISP) for
126.7 each eligible child ages three through four.

126.8 (b) Appropriate early intervention services include ~~family education and~~
126.9 ~~counseling, home visits, occupational and physical therapy, speech pathology, audiology,~~
126.10 ~~psychological services, special instruction, nursing, respite, nutrition, assistive technology,~~
126.11 ~~transportation and related costs, social work, vision services, case management~~ services
126.12 provided in conformity with an IFSP that are designed to meet the special developmental
126.13 needs of an eligible child and the needs of the child's family related to enhancing the
126.14 child's development and that are selected in collaboration with the parent. These services
126.15 include core early intervention services and additional early intervention services listed in
126.16 this section and infant and toddler intervention services defined under United States Code,
126.17 title 20, sections 1431 to 1444, and Code of Federal Regulations, title 34, section 303,
126.18 including service coordination under section 125A.33, medical services for diagnostic and
126.19 evaluation purposes, early identification, and screening, assessment, and health services
126.20 necessary to enable children with disabilities to benefit from early intervention services.

126.21 (c) School and county boards shall coordinate early intervention services. In the
126.22 absence of agreements established according to section 125A.39, service responsibilities
126.23 for children birth through age two are as follows:

126.24 (1) school boards must provide, pay for, and facilitate payment for special education
126.25 and related services required under sections 125A.03 and 125A.06;

126.26 (2) county boards must provide, pay for, and facilitate payment for noneducational
126.27 services of social work, psychology, transportation and related costs, nursing, respite, and
126.28 nutrition services not required under clause (1).

126.29 (d) School and county boards may develop an interagency agreement according
126.30 to section 125A.39 to establish agency responsibility that assures early intervention
126.31 services are coordinated, provided, paid for, and that payment is facilitated from public
126.32 and private sources.

126.33 (e) County and school boards must jointly determine the primary agency in this
126.34 cooperative effort and must notify the commissioner of the state lead agency of their
126.35 decision.

127.1 Sec. 11. Minnesota Statutes 2012, section 125A.30, is amended to read:

127.2 **125A.30 INTERAGENCY EARLY INTERVENTION COMMITTEES.**

127.3 (a) A school district, group of districts, or special education cooperative, in
127.4 cooperation with the health and human service agencies located in the county or counties
127.5 in which the district or cooperative is located, must establish an Interagency Early
127.6 Intervention Committee for children with disabilities under age five and their families
127.7 under this section, and for children with disabilities ages three to 22 consistent with
127.8 the requirements under sections 125A.023 and 125A.027. Committees must include
127.9 representatives of local health, education, and county human service agencies, county
127.10 boards, school boards, early childhood family education programs, Head Start, parents of
127.11 young children with disabilities under age 12, child care resource and referral agencies,
127.12 school readiness programs, current service providers, and may also include representatives
127.13 from other private or public agencies and school nurses. The committee must elect a chair
127.14 from among its members and must meet at least quarterly.

127.15 (b) The committee must develop and implement interagency policies and procedures
127.16 concerning the following ongoing duties:

127.17 (1) develop public awareness systems designed to inform potential recipient families,
127.18 especially parents with premature infants, or infants with other physical risk factors
127.19 associated with learning or development complications, of available programs and services;

127.20 (2) to reduce families' need for future services, and especially parents with premature
127.21 infants, or infants with other physical risk factors associated with learning or development
127.22 complications, implement interagency child find systems designed to actively seek out,
127.23 identify, and refer infants and young children with, or at risk of, disabilities, including
127.24 a child under the age of three who: (i) is ~~involved in~~ the subject of a substantiated case
127.25 of abuse or neglect or (ii) is identified as directly affected by illegal substance abuse, or
127.26 withdrawal symptoms resulting from prenatal drug exposure;

127.27 (3) establish and evaluate the identification, referral, ~~child~~ screening, evaluation,
127.28 child- and family-directed assessment systems, procedural safeguard process,
127.29 and community learning systems to recommend, where necessary, alterations and
127.30 improvements;

127.31 (4) assure the development of individualized family service plans for all eligible
127.32 infants and toddlers with disabilities from birth through age two, and their families,
127.33 and individualized education programs and individual service plans when necessary to
127.34 appropriately serve children with disabilities, age three and older, and their families and
127.35 recommend assignment of financial responsibilities to the appropriate agencies;

128.1 (5) implement a process for assuring that services involve cooperating agencies at all
 128.2 steps leading to individualized programs;

128.3 (6) facilitate the development of a ~~transitional~~ transition plan if a service provider is
 128.4 ~~not recommended to continue to provide services~~ in the individual family service plan by
 128.5 the time a child is two years and nine months old;

128.6 (7) identify the current services and funding being provided within the community
 128.7 for children with disabilities under age five and their families;

128.8 (8) develop a plan for the allocation and expenditure of ~~additional state and federal~~
 128.9 early intervention funds under United States Code, title 20, section 1471 et seq. (Part C,
 128.10 Public Law 108-446) and United States Code, title 20, section 631, et seq. (Chapter I,
 128.11 Public Law 89-313); and

128.12 (9) develop a policy that is consistent with section 13.05, subdivision 9, and federal
 128.13 law to enable a member of an interagency early intervention committee to allow another
 128.14 member access to data classified as not public.

128.15 (c) The local committee shall also:

128.16 ~~(1)~~ participate in needs assessments and program planning activities conducted by
 128.17 local social service, health and education agencies for young children with disabilities
 128.18 and their families; ~~and.~~

128.19 ~~(2) review and comment on the early intervention section of the total special~~
 128.20 ~~education system for the district, the county social service plan, the section or sections of~~
 128.21 ~~the community health services plan that address needs of and service activities targeted~~
 128.22 ~~to children with special health care needs, the section on children with special needs in~~
 128.23 ~~the county child care fund plan, sections in Head Start plans on coordinated planning and~~
 128.24 ~~services for children with special needs, any relevant portions of early childhood education~~
 128.25 ~~plans, such as early childhood family education or school readiness, or other applicable~~
 128.26 ~~coordinated school and community plans for early childhood programs and services, and~~
 128.27 ~~the section of the maternal and child health special project grants that address needs of and~~
 128.28 ~~service activities targeted to children with chronic illness and disabilities.~~

128.29 Sec. 12. Minnesota Statutes 2012, section 125A.32, is amended to read:

128.30 **125A.32 INDIVIDUALIZED FAMILY SERVICE PLAN (IFSP).**

128.31 (a) A team must participate in IFSP meetings to develop the IFSP. The team shall
 128.32 include:

128.33 (1) a parent or parents of the child, as defined in Code of Federal Regulations,
 128.34 title 34, section 303.27;

128.35 (2) other family members, as requested by the parent, if feasible to do so;

129.1 (3) an advocate or person outside of the family, if the parent requests that the
129.2 person participate;

129.3 (4) the service coordinator who has been working with the family since the
129.4 initial referral, or who has been designated by the public agency to be responsible for
129.5 implementation of the IFSP and coordination with other agencies including transition
129.6 services; ~~and~~

129.7 (5) a person or persons involved in conducting evaluations and assessments; and

129.8 (6) as appropriate, persons who will be providing early intervention services under
129.9 the plan to the child or family.

129.10 (b) The IFSP must include:

129.11 (1) information about the child's developmental status;

129.12 (2) family information, with the consent of the family;

129.13 (3) measurable results or major outcomes expected to be achieved by the child with
129.14 the family's assistance, that include developmentally appropriate preliteracy and language
129.15 skills for the child, and the criteria, procedures, and timelines;

129.16 (4) specific early intervention services based on peer-reviewed research, to the
129.17 extent practicable, necessary to meet the unique needs of the child and the family to
129.18 achieve the outcomes;

129.19 (5) payment arrangements, if any;

129.20 (6) medical and other services that the child needs, but that are not required under
129.21 the Individual with Disabilities Education Act, United States Code, title 20, section 1471
129.22 et seq. (Part C, Public Law 108-446) including funding sources to be used in paying for
129.23 those services and the steps that will be taken to secure those services through public
129.24 or private sources;

129.25 (7) dates and duration of early intervention services;

129.26 (8) name of the service coordinator;

129.27 (9) steps to be taken to support a child's transition from early infant and toddler
129.28 intervention services to other appropriate services, including convening a transition
129.29 conference at least 90 days or, at the discretion of all parties, not more than nine months
129.30 before the child is eligible for preschool services; and

129.31 (10) ~~signature of the parent and~~ authorized signatures of the agencies responsible
129.32 for providing, paying for, or facilitating payment, or any combination of these, for early
129.33 infant and toddler intervention services.

129.34 Sec. 13. Minnesota Statutes 2012, section 125A.33, is amended to read:

129.35 **125A.33 SERVICE COORDINATION.**

130.1 (a) The team responsible for the initial evaluation and the child- and family-directed
 130.2 assessment and for developing the IFSP under section 125A.32, if appropriate, must
 130.3 select a service coordinator to carry out service coordination activities on an interagency
 130.4 basis. Service coordination must actively promote a family's capacity and competency
 130.5 to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the
 130.6 family's needs. Service coordination activities include:

- 130.7 (1) coordinating the performance of evaluations and assessments;
- 130.8 (2) facilitating and participating in the development, review, and evaluation of
 130.9 individualized family service plans;
- 130.10 (3) assisting families in identifying available service providers;
- 130.11 (4) coordinating and monitoring the delivery of available services;
- 130.12 (5) informing families of the availability of advocacy services;
- 130.13 (6) coordinating with medical, health, and other service providers;
- 130.14 (7) facilitating the development of a transition plan to preschool, school, or if
 130.15 appropriate, to other services, at least 90 days before the time the child is no longer
 130.16 eligible for early infant and toddler intervention services or, at the discretion of all parties,
 130.17 not more than nine months prior to the child's ~~eligibility for preschool services~~ third
 130.18 birthday, if appropriate;
- 130.19 (8) managing the early intervention record and submitting additional information to
 130.20 the local primary agency at the time of periodic review and annual evaluations; and
- 130.21 (9) notifying a local primary agency when disputes between agencies impact service
 130.22 delivery required by an IFSP.

130.23 (b) A service coordinator must be knowledgeable about children and families
 130.24 receiving services under this section, requirements of state and federal law, and services
 130.25 available in the interagency early childhood intervention system. The IFSP must include
 130.26 the name of the services coordinator from the profession most relevant to the child's or
 130.27 family's needs or who is otherwise qualified to carry out all applicable responsibilities
 130.28 under the Individuals with Disabilities Education Act, United States Code, title 20,
 130.29 sections 1471 to 1485 (Part C, Public Law 102-119), who will be responsible for
 130.30 implementing the early intervention services identified in the child's IFSP, including
 130.31 transition services and coordination with other agencies and persons.

130.32 Sec. 14. Minnesota Statutes 2012, section 125A.35, subdivision 1, is amended to read:

130.33 Subdivision 1. **Lead agency; allocation of resources.** The state lead agency must
 130.34 administer the early intervention account that consists of federal allocations. The Part C
 130.35 state plan must state the amount of federal resources in the early intervention account

131.1 available for use by local agencies. The state lead agency must distribute the funds to the
 131.2 local primary agency designated by an Interagency Early Intervention Committee based
 131.3 on a formula that includes a December 1 count of the prior year of Part C eligible children
 131.4 for the following purposes:

131.5 (1) as provided in Code of Federal Regulations, title 34, part ~~303.425~~ 303.430, to
 131.6 arrange for payment for early intervention services not elsewhere available, or to pay for
 131.7 services during the pendency of a conflict procedure, including mediation, complaints, due
 131.8 process hearings, and interagency disputes; and

131.9 (2) to support interagency child find system activities.

131.10 Sec. 15. Minnesota Statutes 2012, section 125A.36, is amended to read:

131.11 **125A.36 PAYMENT FOR SERVICES.**

131.12 Core early intervention services must be provided at public expense with no cost to
 131.13 parents. Parents must be requested to assist in the cost of additional early intervention
 131.14 services by using third-party payment sources ~~and applying for available resources.~~

131.15 Payment structures permitted under state law must be used to pay for additional early
 131.16 intervention services. Parental financial responsibility must be clearly defined in the
 131.17 IFSP. A parent's inability to pay must not prohibit a child from receiving needed early
 131.18 intervention services.

131.19 Sec. 16. Minnesota Statutes 2012, section 125A.43, is amended to read:

131.20 **125A.43 MEDIATION PROCEDURE.**

131.21 (a) The commissioner, or the commissioner's designee, of the state lead agency must
 131.22 use federal funds to provide mediation for the activities in paragraphs (b) and (c).

131.23 (b) A parent may resolve a dispute regarding issues in section 125A.42, paragraph
 131.24 (b), clause (5), through mediation. If the parent chooses mediation, mediation must be
 131.25 voluntary on the part of the parties. The parent and the public agencies must complete the
 131.26 mediation process within 30 calendar days of the date the ~~Office of Dispute Resolution~~
 131.27 Department of Education receives a parent's written request for mediation unless the
 131.28 district declines mediation. The mediation process may not be used to delay a parent's
 131.29 right to a due process hearing. ~~The resolution of the~~ written, signed mediation agreement
 131.30 is not binding on any party both parties and is enforceable in any state court of competent
 131.31 jurisdiction or in a district court of the United States.

131.32 (c) Resolution of a dispute through mediation, or other form of alternative dispute
 131.33 resolution, is not limited to formal disputes arising from the objection of a parent or
 131.34 guardian and is not limited to the period following a request for a due process hearing.

132.1 (d) The commissioner shall provide training and resources to school districts to
 132.2 facilitate early identification of disputes and access to mediation.

132.3 (e) The local primary agency may request mediation on behalf of involved agencies
 132.4 when there are disputes between agencies regarding responsibilities to coordinate, provide,
 132.5 pay for, or facilitate payment for early intervention services.

132.6 Sec. 17. Minnesota Statutes 2012, section 125A.76, subdivision 1, is amended to read:

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

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

132.12 ~~(b) "Essential personnel" means teachers, cultural liaisons, related services, and
 132.13 support services staff providing services to students. Essential personnel may also include
 132.14 special education paraprofessionals or clericals providing support to teachers and students
 132.15 by preparing paperwork and making arrangements related to special education compliance
 132.16 requirements, including parent meetings and individualized education programs. Essential
 132.17 personnel does not include administrators and supervisors.~~

132.18 ~~(e) "Average daily membership" has the meaning given it in section 126C.05.~~

132.19 ~~(d) (b) "Program growth factor" means 1.046 for fiscal year 2012 through 2015,
 132.20 1.0 for fiscal year 2016, and the product of 1.025 and the program growth factor for the
 132.21 previous year for 2017 and later.~~

132.22 (c) "Nonfederal special education expenditure" means all direct expenditures that
 132.23 are necessary and essential to meet the district's obligation to provide special instruction
 132.24 and services to children with a disability according to sections 124D.454, 125A.03 to
 132.25 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by
 132.26 the department under section 125A.75, subdivision 4, excluding expenditures:

132.27 (1) reimbursed with federal funds;

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

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

132.30 (4) for facilities;

132.31 (5) for pupil transportation; and

132.32 (6) for postemployment benefits.

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

133.1 For the Minnesota State Academy for the Deaf and the Minnesota State Academy for the
133.2 Blind, expenditures are limited to the salary and fringe benefits of one-to-one instructional
133.3 and behavior management aides assigned to a child attending the academy, if the aides are
133.4 required by the child's individualized education program.

133.5 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

133.6 Sec. 18. Minnesota Statutes 2012, section 125A.76, is amended by adding a
133.7 subdivision to read:

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

133.10 (1) the lesser of 56 percent of the district's old formula special education
133.11 expenditures for the prior fiscal year, 48 percent of the district's nonfederal special
133.12 education expenditures for the prior year, or 50 percent of the product of the sum of the
133.13 following amounts, computed using prior fiscal year data, and the program growth factor:

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

133.15 (A) \$438; plus

133.16 (B) \$360 times the ratio of the sum of the number of pupils enrolled on October 1
133.17 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
133.18 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

133.19 (C) .007 times the district's average daily membership served; plus

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

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

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

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

133.29 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

133.30 Sec. 19. Minnesota Statutes 2012, section 125A.76, is amended by adding a
133.31 subdivision to read:

134.1 Subd. 2b. **Special education aid.** (a) For fiscal year 2016 and later, a district's
134.2 special education aid equals the sum of the district's special education initial aid under
134.3 subdivision 2a and the district's excess cost aid under section 125A.79, subdivision 5.

134.4 (b) Notwithstanding paragraph (a), the special education aid for a school district, not
134.5 including a charter school, must not be less than the lesser of (1) the district's nonfederal
134.6 special education expenditures for that fiscal year or (2) the product of the sum of the
134.7 special education aid the district would have received for fiscal year 2016 under Minnesota
134.8 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to sections 125A.11
134.9 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the
134.10 current fiscal year to the district's average daily membership for fiscal year 2016, and the
134.11 program growth factor.

134.12 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

134.13 Sec. 20. Minnesota Statutes 2012, section 125A.76, is amended by adding a
134.14 subdivision to read:

134.15 Subd. 2c. **Statewide average expenditure.** By January 15 of each year, the
134.16 department must calculate the statewide average special education expenditure per
134.17 December 1 child count for the prior fiscal year by primary disability area and provide that
134.18 information to all districts. By January 15 of each odd-numbered year, the commissioner
134.19 must identify options for aligning the assignment of disability areas to the categories and
134.20 the rates for each category in subdivision 2a, clause (1), with the latest expenditure data and
134.21 submit these options to the legislative committees with jurisdiction over education finance.

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

134.23 Sec. 21. Minnesota Statutes 2012, section 125A.76, subdivision 4a, is amended to read:

134.24 Subd. 4a. **Adjustments for tuition reciprocity with adjoining states.** (a) If an
134.25 agreement is reached between the state of Minnesota and an adjoining state pursuant to
134.26 section 124D.041 that requires a special education tuition payment from the state of
134.27 Minnesota to the adjoining state, the tuition payment shall be made from the special
134.28 education aid appropriation for that year, and the state total special education aid under
134.29 subdivision 4 shall be reduced by the amount of the payment.

134.30 (b) If an agreement is reached between the state of Minnesota and an adjoining state
134.31 pursuant to section 124D.041 that requires a special education tuition payment from
134.32 an adjoining state to the state of Minnesota, the special education aid appropriation for

135.1 ~~that year and the state total special education aid under subdivision 4 shall be increased~~
135.2 ~~by the amount of the payment.~~

135.3 (e) (b) If an agreement is reached between the state of Minnesota and an adjoining
135.4 state pursuant to section 124D.041 that requires special education tuition payments to
135.5 be made between the two states and not between districts in the two states, the special
135.6 education aid for a Minnesota school district serving a student with a disability from the
135.7 adjoining state shall be calculated according to section 127A.47, subdivision 7, except that
135.8 no reduction shall be made in the special education aid paid to the resident district.

135.9 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

135.10 Sec. 22. Minnesota Statutes 2012, section 125A.76, subdivision 8, is amended to read:

135.11 Subd. 8. **Special education forecast maintenance of effort.** (a) If, on the basis of
135.12 a forecast of general fund revenues and expenditures under section 16A.103, the state's
135.13 expenditures for special education and related services for children with disabilities from
135.14 nonfederal sources for a fiscal year, including special education aid under ~~section 125A.76;~~
135.15 ~~special education excess cost aid under section 125A.76, subdivision 7~~ subdivision 2b;
135.16 travel for home-based services under section 125A.75, subdivision 1; aid for students with
135.17 disabilities under section 125A.75, subdivision 3; court-placed special education under
135.18 section 125A.79, subdivision 4; out-of-state tuition under section 125A.79, subdivision 8;
135.19 and direct expenditures by state agencies are projected to be less than the amount required
135.20 to meet federal special education maintenance of effort, the reimbursement percentages
135.21 for excess cost aid under section 125A.79, subdivision 5, must be increased as required to
135.22 ensure that the additional amount required to meet federal special education maintenance of
135.23 effort is added to the state total special education aid in ~~section 125A.76, subdivision 4~~ 2b.

135.24 (b) If, on the basis of a forecast of general fund revenues and expenditures under
135.25 section 16A.103, expenditures in the programs in paragraph (a) are projected to be greater
135.26 than previously forecast for an enacted budget, and an addition to state total special
135.27 education aid has been made under paragraph (a), the state total special education aid
135.28 must be reduced by the lesser of the amount of the expenditure increase or the amount
135.29 previously added to state total special education aid in ~~section 125A.76, subdivision 4~~ 2b.

135.30 (c) For the purpose of this section, "previously forecast for an enacted budget" means
135.31 the allocation of funding for these programs in the most recent forecast of general fund
135.32 revenues and expenditures or the act appropriating money for these programs, whichever
135.33 occurred most recently. It does not include planning estimates for a future biennium.

135.34 (d) If the amount of special education aid is adjusted in accordance with this
135.35 subdivision, the commissioner of education shall notify the chairs of the legislative

136.1 committees having jurisdiction over kindergarten through grade 12 education regarding
 136.2 the amount of the adjustment and provide an explanation of the federal maintenance of
 136.3 effort requirements.

136.4 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

136.5 Sec. 23. Minnesota Statutes 2012, section 125A.78, subdivision 2, is amended to read:

136.6 Subd. 2. **Initial aid adjustment.** For the fiscal year after approval of a district's
 136.7 application, and thereafter, the special education ~~initial~~ aid under section 125A.76,
 136.8 ~~subdivision 1~~, must be computed based on activities defined as reimbursable under
 136.9 Department of Education rules for special education and nonspecial education students,
 136.10 and additional activities as detailed and approved by the commissioner.

136.11 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

136.12 Sec. 24. Minnesota Statutes 2012, section 125A.79, subdivision 1, is amended to read:

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

136.15 (a) "Unreimbursed old formula special education cost expenditures" means the
 136.16 ~~sum of the following:~~

136.17 (1) old formula special education expenditures for teachers' salaries, contracted
 136.18 ~~services, supplies, equipment, and transportation services eligible for revenue under~~
 136.19 ~~section 125A.76 for the prior fiscal year; plus minus~~

136.20 (2) ~~expenditures for tuition bills received under sections 125A.03 to 125A.24 and~~
 136.21 ~~125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus~~

136.22 (3) ~~revenue for teachers' salaries, contracted services, supplies, equipment, and~~
 136.23 ~~transportation services~~ special education initial aid under section 125A.76; ~~minus,~~
 136.24 subdivision 2a; minus

136.25 (3) the amount of general education revenue and referendum equalization aid for the
 136.26 prior fiscal year attributable to pupils receiving special instruction and services outside the
 136.27 regular classroom for more than 60 percent of the school day for the portion of time the
 136.28 pupils receive special instruction and services outside the regular classroom, excluding
 136.29 portions attributable to district and school administration, district support services,
 136.30 operations and maintenance, capital expenditures, and pupil transportation.

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

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

137.1 (1) nonfederal special education expenditures for the prior fiscal year; minus
 137.2 (2) special education initial aid under section 125A.76, subdivision 2a; minus
 137.3 (3) the amount of general education revenue and referendum equalization aid for the
 137.4 prior fiscal year attributable to pupils receiving special instruction and services outside the
 137.5 regular classroom for more than 60 percent of the school day for the portion of time the
 137.6 pupils receive special instruction and services outside of the regular classroom, excluding
 137.7 portions attributable to district and school administration, district support services,
 137.8 operations and maintenance, capital expenditures, and pupil transportation.

137.9 (c) "General revenue" for a school district means the sum of the general education
 137.10 revenue according to section 126C.10, subdivision 1, excluding alternative teacher
 137.11 compensation revenue, minus transportation sparsity revenue minus total operating
 137.12 capital revenue. "General revenue" for a charter school means the sum of the general
 137.13 education revenue according to section 124D.11, subdivision 1, and transportation revenue
 137.14 according to section 124D.11, subdivision 2, excluding alternative teacher compensation
 137.15 revenue, minus referendum equalization aid minus transportation sparsity revenue minus
 137.16 operating capital revenue.

137.17 ~~(e) "Average daily membership" has the meaning given it in section 126C.05.~~

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

137.19 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

137.20 Sec. 25. Minnesota Statutes 2012, section 125A.79, subdivision 5, is amended to read:

137.21 Subd. 5. **Initial excess cost aid.** For fiscal years ~~2008~~ 2016 and later, a district's
 137.22 initial excess cost aid equals the greater of:

137.23 (1) ~~75~~ 50 percent of the difference between (i) the district's unreimbursed nonfederal
 137.24 special education cost expenditures and (ii) ~~4.36~~ 6.0 percent of the district's general
 137.25 revenue; ~~or~~

137.26 (2) 60 percent of the difference between (i) the district's unreimbursed old formula
 137.27 special education expenditures and (ii) 3.0 percent of the district's general revenue; or

137.28 ~~(2)~~ (3) zero.

137.29 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

137.30 Sec. 26. **SPECIAL EDUCATION CASE LOADS TASK FORCE.**

137.31 Subdivision 1. **Members.** The commissioner shall establish and appoint a special
 137.32 education case loads task force consisting of at least ten members who will provide equal

138.1 representation from school districts, including special education teachers, and advocacy
 138.2 organizations, including parents of children with disabilities.

138.3 Subd. 2. **Duties.** The special education case loads task force shall develop
 138.4 recommendations for the appropriate numbers of students with disabilities that may be
 138.5 assigned to a teacher both with and without paraprofessional support in the classroom and
 138.6 for cost-effective and efficient strategies and structures for improving student outcomes.

138.7 Subd. 3. **Report.** The task force must submit a report by February 15, 2014, to the
 138.8 education policy and finance committees of the legislature recommending appropriate
 138.9 case loads for teachers of school-age children in all federal settings, including educational
 138.10 service alternatives, and for early childhood special education and program alternatives.

138.11 Subd. 4. **Expiration.** The task force expires February 16, 2014.

138.12 Sec. 27. **RULEMAKING AUTHORITY.**

138.13 The commissioner of education shall use the expedited rulemaking process in
 138.14 Minnesota Statutes, section 14.389, to amend Minnesota Rules related to providing
 138.15 special education under Part C of the Individuals with Disabilities Education Act. The
 138.16 commissioner shall amend the rules to conform to new federal regulations in Code
 138.17 of Federal Regulations, title 34, part 303, including definitions of and procedures for
 138.18 evaluation and assessment, including assessment of the child and family, initial evaluation
 138.19 and assessment, the use of native language, the use of informed clinical opinion as an
 138.20 independent basis to establish eligibility, and transition of a toddler from Part C consistent
 138.21 with Code of Federal Regulations, title 34, sections 303.24, 303.25, and 303.321, only
 138.22 to the extent necessary to avoid loss of federal funds. The authority to use the expedited
 138.23 process to amend rules specified in this section expires July 1, 2014. Rule amendments
 138.24 adopted under the expedited process before that date remain in effect unless further
 138.25 amended under the rulemaking procedures in Minnesota Statutes, chapter 14.

138.26 Sec. 28. **APPROPRIATIONS.**

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

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

138.32	<u>\$</u>	<u>910,153,000</u>	<u>.....</u>	<u>2014</u>
138.33	<u>\$</u>	<u>959,018,000</u>	<u>.....</u>	<u>2015</u>

139.1 The 2014 appropriation includes \$118,232,000 for 2013 and \$791,921,000 for 2014.

139.2 The 2015 appropriation includes \$124,654,000 for 2014 and \$834,364,000 for 2015.

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

139.6 \$ 1,655,000 2014

139.7 \$ 1,752,000 2015

139.8 If the appropriation for either year is insufficient, the appropriation for the other
 139.9 year is available.

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

139.12 \$ 345,000 2014

139.13 \$ 355,000 2015

139.14 The 2014 appropriation includes \$45,000 for 2013 and \$300,000 for 2014.

139.15 The 2015 appropriation includes \$47,000 for 2014 and \$308,000 for 2015.

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

139.18 \$ 118,639,000 2014

139.19 \$ 121,919,000 2015

139.20 The 2014 appropriation includes \$42,030,000 for 2013 and \$76,609,000 for 2014.

139.21 The 2015 appropriation includes \$43,211,000 for 2014 and \$78,708,000 for 2015.

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

139.25 \$ 54,000 2014

139.26 \$ 55,000 2015

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

139.29 \$ 250,000 2014

139.30 \$ 250,000 2015

139.31 **Sec. 29. REPEALER.**

140.1 Minnesota Statutes 2012, sections 124D.454, subdivisions 3, 10, and 11; 125A.35,
140.2 subdivisions 4 and 5; 125A.76, subdivisions 2, 4, 5, and 7; and 125A.79, subdivisions 6
140.3 and 7, are repealed for fiscal year 2016 and later.

140.4 ARTICLE 6

140.5 FACILITIES AND TECHNOLOGY

140.6 Section 1. Minnesota Statutes 2012, section 123B.54, is amended to read:

140.7 **123B.54 DEBT SERVICE APPROPRIATION.**

140.8 (a) ~~\$21,727,000 in fiscal year 2014 and \$24,201,000 in fiscal year 2015 and later~~
140.9 ~~are~~ The amount necessary to make debt service equalization aid payments under section
140.10 123B.53 is annually appropriated from the general fund to the commissioner of education
140.11 ~~for payment of debt service equalization aid under section 123B.53.~~

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

140.14 Sec. 2. Minnesota Statutes 2012, section 128D.11, subdivision 3, is amended to read:

140.15 Subd. 3. **No election.** Subject to the provisions of subdivisions 7 to 10, the school
140.16 district may also by a two-thirds majority vote of all the members of its board of education
140.17 and without any election by the voters of the district, issue and sell in each calendar year
140.18 general obligation bonds of the district in an amount not to exceed 5-1/10 per cent of the
140.19 net tax capacity of the taxable property in the district (plus, for calendar years 1990 to
140.20 2003, an amount not to exceed \$7,500,000, and for calendar years year 2004 to 2016 and
140.21 later, an amount not to exceed \$15,000,000; with an additional provision that any amount
140.22 of bonds so authorized for sale in a specific year and not sold can be carried forward and
140.23 sold in the year immediately following).

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

140.25 Sec. 3. Laws 2007, chapter 146, article 4, section 12, is amended to read:

140.26 Sec. 12. **BONDING AUTHORIZATION.**

140.27 To provide funds for the acquisition or betterment of school facilities, Independent
140.28 School District No. 625, St. Paul, may by two-thirds majority vote of all the members of
140.29 the board of directors issue general obligation bonds in one or more series ~~for calendar~~
140.30 ~~years 2008 through 2016~~, as provided in this section. The aggregate principal amount of
140.31 any bonds issued under this section for each calendar year must not exceed \$15,000,000.
140.32 Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59.

141.1 The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475.
141.2 The authority to issue bonds under this section is in addition to any bonding authority
141.3 authorized by Minnesota Statutes, chapter 123B, or other law. The amount of bonding
141.4 authority authorized under this section must be disregarded in calculating the bonding
141.5 limit of Minnesota Statutes, chapter 123B, or any other law other than Minnesota Statutes,
141.6 section 475.53, subdivision 4.

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

141.8 Sec. 4. **CYRUS AND MORRIS SCHOOL DISTRICT CONSOLIDATION.**

141.9 **Subdivision 1. Purpose.** The legislature finds that an orderly, voluntary
141.10 consolidation of Independent School Districts Nos. 611, Cyrus, and 769, Morris, promotes
141.11 the well-being of the students and increases educational efficiency in those school districts.

141.12 **Subd. 2. Remediation costs.** Independent School District No. 611, Cyrus, may
141.13 identify all health and safety remediation costs related to the demolition of the Cyrus
141.14 school building and submit those amounts to the commissioner of education for approval.
141.15 Any approved costs may be included either in the district's health and safety plan or in the
141.16 bonding authority authorized under subdivision 3.

141.17 **Subd. 3. Facility bonds.** Independent School District No. 611, Cyrus, may issue
141.18 general obligation bonds without an election under Minnesota Statutes, chapter 475,
141.19 in an amount approved by the commissioner of education for the costs associated with
141.20 demolishing the Cyrus school building. The bonds must be repaid within ten years of
141.21 issuance.

141.22 **Subd. 4. Reorganization operating debt determined.** Independent School District
141.23 No. 611, Cyrus, must estimate its reorganization operating debt according to Minnesota
141.24 Statutes, section 123B.82, and submit that amount to the commissioner of education
141.25 for approval.

141.26 **Subd. 5. Reorganization operating debt bonds.** Independent School District No.
141.27 611, Cyrus, may issue general obligation bonds without an election under Minnesota
141.28 Statutes, chapter 475, in an amount not to exceed the reorganization operating debt
141.29 approved by the commissioner of education under subdivision 2. The bonds must be
141.30 repaid within six years of issuance.

141.31 **Subd. 6. Repayment.** The bonded debt issued under this section remains payable
141.32 by the taxable property located within the boundaries of former Independent School
141.33 District No. 611, Cyrus.

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

142.1 **Sec. 5. APPROPRIATIONS.**

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

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

142.7	\$	<u>463,000</u>	<u>.....</u>	<u>2014</u>
142.8	\$	<u>434,000</u>	<u>.....</u>	<u>2015</u>

142.9 The 2014 appropriation includes \$26,000 for 2013 and \$437,000 for 2014.
 142.10 The 2015 appropriation includes \$68,000 for 2014 and \$366,000 for 2015.

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

142.13	\$	<u>19,083,000</u>	<u>.....</u>	<u>2014</u>
142.14	\$	<u>25,046,000</u>	<u>.....</u>	<u>2015</u>

142.15 The 2014 appropriation includes \$2,397,000 for 2013 and \$16,686,000 for 2014.
 142.16 The 2015 appropriation includes \$2,626,000 for 2014 and \$22,420,000 for 2015.

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

142.19	\$	<u>19,287,000</u>	<u>.....</u>	<u>2014</u>
142.20	\$	<u>19,287,000</u>	<u>.....</u>	<u>2015</u>

142.21 The 2014 appropriation includes \$2,623,000 for 2013 and \$16,664,000 for 2014.
 142.22 The 2015 appropriation includes \$2,623,000 for 2014 and \$16,664,000 for 2015.

142.23 **Subd. 5. Equity in telecommunications access.** For equity in telecommunications
 142.24 access:

142.25	\$	<u>3,750,000</u>	<u>.....</u>	<u>2014</u>
142.26	\$	<u>3,750,000</u>	<u>.....</u>	<u>2015</u>

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

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

142.31 **Subd. 6. Deferred maintenance aid.** For deferred maintenance aid, according to
 142.32 Minnesota Statutes, section 123B.591, subdivision 4:

143.1 \$ 3,564,000 2014

143.2 \$ 3,731,000 2015

143.3 The 2014 appropriation includes \$456,000 for 2013 and \$3,108,000 for 2014.

143.4 The 2015 appropriation includes \$489,000 for 2014 and \$3,242,000 for 2015.

143.5 **ARTICLE 7**

143.6 **NUTRITION; LIBRARIES; ACCOUNTING**

143.7 Section 1. Minnesota Statutes 2012, section 124D.111, subdivision 1, is amended to
143.8 read:

143.9 Subdivision 1. **School lunch aid computation.** Each school year, the state must pay
143.10 participants in the national school lunch program the amount of ~~12~~ 13 cents for each full
143.11 paid, ~~reduced~~ reduced-price, and free student lunch served to students.

143.12 **EFFECTIVE DATE.** This section is effective July 1, 2013, for aid payments for
143.13 fiscal year 2014 and later.

143.14 Sec. 2. Minnesota Statutes 2012, section 124D.119, is amended to read:

143.15 **124D.119 SUMMER FOOD SERVICE REPLACEMENT AID.**

143.16 ~~States~~ State funds are available to compensate department-approved summer food
143.17 program sponsors ~~for reduced federal operating reimbursement rates under Public Law~~
143.18 ~~104-193, the federal summer food service program. A sponsor is eligible for summer food~~
143.19 ~~service replacement aid equal to the sum of the following amounts:~~ Reimbursement shall
143.20 be made on December 15 based on total meals served by each sponsor from the end of the
143.21 school year to the beginning of the next school year on a pro rata basis.

143.22 ~~(1) for breakfast service, up to four cents per breakfast served by the sponsor during~~
143.23 ~~the current program year;~~

143.24 ~~(2) for lunch or supper service, up to 14 cents per lunch or supper served by the~~
143.25 ~~sponsor during the current program year; and~~

143.26 ~~(3) for supplement service, up to ten cents per supplement served by the sponsor~~
143.27 ~~during the current program year.~~

143.28 Sec. 3. Minnesota Statutes 2012, section 134.32, is amended to read:

143.29 **134.32 GRANT AUTHORIZATION; TYPES OF GRANTS AND AID.**

143.30 Subdivision 1. **Provision of grants.** The department shall provide the grants and aid
143.31 specified in this section from any available state, federal, or other funds.

144.1 Subd. 3. **Regional library basic system support grants aid.** It shall provide
144.2 regional library basic system support ~~grants aid~~ to regional public library systems which
144.3 meet the requirements of section 134.34, to assist those systems in providing basic system
144.4 services.

144.5 Subd. 4. **Special project grants.** It may provide special project grants to assist
144.6 innovative and experimental library programs including, but not limited to, special
144.7 services for American Indians and the Spanish-speaking, delivery of library materials to
144.8 homebound persons, other extensions of library services to persons without access to
144.9 libraries and projects to strengthen and improve library services.

144.10 Subd. 5. **Interlibrary exchange grants.** It may provide grants for interlibrary
144.11 exchange of books, periodicals, resource material, reference information and the expenses
144.12 incident to the sharing of library resources and materials, including planning, development
144.13 and operating grants to multicounty, multitype library systems.

144.14 Subd. 6. **Library service grants.** It may provide grants for the improvement of
144.15 library services at welfare and corrections institutions and for library service for the blind
144.16 and physically disabled.

144.17 Subd. 7. **Construction or remodeling grants.** It may provide grants for
144.18 construction or remodeling of library facilities from any state and federal funds specifically
144.19 appropriated for this purpose.

144.20 Subd. 8. **Rulemaking.** (a) The commissioner shall promulgate rules consistent
144.21 with sections 134.32 to 134.355 governing:

144.22 (1) applications for these grants and aid;

144.23 (2) computation formulas for determining the amounts of establishment grants and
144.24 regional library basic system support ~~grants aid~~; and

144.25 (3) eligibility criteria for grants and aid.

144.26 (b) To the extent allowed under federal law, a construction grant applicant, in
144.27 addition to the points received under Minnesota Rules, part 3530.2632, shall receive an
144.28 additional five points if the construction grant is for a project combining public library
144.29 services and school district library services at a single location.

144.30 Sec. 4. Minnesota Statutes 2012, section 134.34, is amended to read:

144.31 **134.34 REGIONAL LIBRARY BASIC SYSTEM SUPPORT GRANTS AID;**
144.32 **REQUIREMENTS.**

144.33 Subdivision 1. **Local support levels.** (a) A Regional library basic system support
144.34 ~~grant aid~~ shall be ~~made~~ provided to any regional public library system where there are at
144.35 least three participating counties and where each participating city and county is providing

145.1 for public library service support the lesser of (a) an amount equivalent to .82 percent of
145.2 the average of the adjusted net tax capacity of the taxable property of that city or county,
145.3 as determined by the commissioner of revenue for the second, third, and fourth year
145.4 preceding that calendar year or (b) a per capita amount calculated under the provisions of
145.5 this subdivision. The per capita amount is established for calendar year 1993 as \$7.62.
145.6 In succeeding calendar years, the per capita amount shall be increased by a percentage
145.7 equal to one-half of the percentage by which the total state adjusted net tax capacity of
145.8 property as determined by the commissioner of revenue for the second year preceding
145.9 that calendar year increases over that total adjusted net tax capacity for the third year
145.10 preceding that calendar year.

145.11 (b) The minimum level of support specified under this subdivision or subdivision 4
145.12 shall be certified annually to the participating cities and counties by the Department of
145.13 Education. If a city or county chooses to reduce its local support in accordance with
145.14 subdivision 4, paragraph (b) or (c), it shall notify its regional public library system. The
145.15 regional public library system shall notify the Department of Education that a revised
145.16 certification is required. The revised minimum level of support shall be certified to the
145.17 city or county by the Department of Education.

145.18 (c) A city which is a part of a regional public library system shall not be required to
145.19 provide this level of support if the property of that city is already taxable by the county for
145.20 the support of that regional public library system. In no event shall the Department of
145.21 Education require any city or county to provide a higher level of support than the level
145.22 of support specified in this section in order for a system to qualify for a regional library
145.23 basic system support ~~grant~~ aid. This section shall not be construed to prohibit a city or
145.24 county from providing a higher level of support for public libraries than the level of
145.25 support specified in this section.

145.26 Subd. 3. **Regional designation.** Regional library basic system support ~~grants~~ aid
145.27 shall be ~~made~~ provided only to those regional public library systems officially designated
145.28 by the commissioner of education as the appropriate agency to strengthen, improve and
145.29 promote public library services in the participating areas. The commissioner of education
145.30 shall designate no more than one such regional public library system located entirely within
145.31 any single development region existing under sections 462.381 to 462.398 or chapter 473.

145.32 Subd. 4. **Limitation.** (a) For calendar year 2010 and later, a regional library basic
145.33 system support ~~grant~~ aid shall not be ~~made~~ provided to a regional public library system
145.34 for a participating city or county which decreases the dollar amount provided for support
145.35 for operating purposes of public library service below the amount provided by it for the
145.36 second, or third preceding year, whichever is less. For purposes of this subdivision and

146.1 subdivision 1, any funds provided under section 473.757, subdivision 2, for extending
146.2 library hours of operation shall not be considered amounts provided by a city or county for
146.3 support for operating purposes of public library service. This subdivision shall not apply
146.4 to participating cities or counties where the adjusted net tax capacity of that city or county
146.5 has decreased, if the dollar amount of the reduction in support is not greater than the dollar
146.6 amount by which support would be decreased if the reduction in support were made in
146.7 direct proportion to the decrease in adjusted net tax capacity.

146.8 (b) For calendar year 2009 and later, in any calendar year in which a city's or
146.9 county's aid under sections 477A.011 to 477A.014 or credit reimbursement under section
146.10 273.1384 is reduced after the city or county has certified its levy payable in that year, it
146.11 may reduce its local support by the lesser of:

146.12 (1) ten percent; or

146.13 (2) a percent equal to the ratio of the aid and credit reimbursement reductions to the
146.14 city's or county's revenue base, based on aids certified for the current calendar year. For
146.15 calendar year 2009 only, the reduction under this paragraph shall be based on 2008 aid and
146.16 credit reimbursement reductions under the December 2008 unallotment, as well as any
146.17 aid and credit reimbursement reductions in calendar year 2009. For pay 2009 only, the
146.18 commissioner of revenue will calculate the reductions under this paragraph and certify
146.19 them to the commissioner of education within 15 days of May 17, 2009.

146.20 (c) For taxes payable in 2010 and later, in any payable year in which the total
146.21 amounts certified for city or county aids under sections 477A.011 to 477A.014 are less
146.22 than the total amounts paid under those sections in the previous calendar year, a city or
146.23 county may reduce its local support by the lesser of:

146.24 (1) ten percent; or

146.25 (2) a percent equal to the ratio of:

146.26 (i) the difference between (A) the sum of the aid it was paid under sections
146.27 477A.011 to 477A.014 and the credit reimbursement it received under section 273.1384
146.28 in the previous calendar year and (B) the sum of the aid it is certified to be paid in the
146.29 current calendar year under sections 477A.011 to 477A.014 and the credit reimbursement
146.30 estimated to be paid under section 273.1384; to

146.31 (ii) its revenue base for the previous year, based on aids actually paid in the previous
146.32 calendar year. The commissioner of revenue shall calculate the percent aid cut for each
146.33 county and city under this paragraph and certify the percentage cuts to the commissioner
146.34 of education by August 1 of the year prior to the year in which the reduced aids and
146.35 credit reimbursements are to be paid. The percentage of reduction related to reductions

147.1 to credit reimbursements under section 273.1384 shall be based on the best estimation
147.2 available as of July 30.

147.3 (d) Notwithstanding paragraph (a), (b), or (c), no city or county shall reduce its
147.4 support for public libraries below the minimum level specified in subdivision 1.

147.5 (e) For purposes of this subdivision, "revenue base" means the sum of:

147.6 (1) its levy for taxes payable in the current calendar year, including the levy on
147.7 the fiscal disparities distribution under section 276A.06, subdivision 3, paragraph (a),
147.8 or 473F.08, subdivision 3, paragraph (a);

147.9 (2) its aid under sections 477A.011 to 477A.014 in the current calendar year; and

147.10 (3) its taconite aid in the current calendar year under sections 298.28 and 298.282.

147.11 Subd. 7. **Proposed budget.** In addition to the annual report required in section
147.12 134.13, a regional public system that receives a basic system support ~~grant~~ aid under this
147.13 section must provide each participating county and city with its proposed budget for
147.14 the next year.

147.15 Sec. 5. Minnesota Statutes 2012, section 134.351, subdivision 3, is amended to read:

147.16 Subd. 3. **Agreement.** In order for a multicounty, multitype library system to qualify
147.17 for a planning, development or operating ~~grant~~ aid pursuant to sections 134.353 and
147.18 134.354, each participating library in the system shall adopt an organizational agreement
147.19 providing for the following:

147.20 (a) Sharing of resources among all participating libraries;

147.21 (b) Long-range planning for cooperative programs;

147.22 (c) The development of a delivery system for services and programs;

147.23 (d) The development of a bibliographic database; and

147.24 (e) A communications system among all cooperating libraries.

147.25 Sec. 6. Minnesota Statutes 2012, section 134.351, subdivision 7, is amended to read:

147.26 Subd. 7. **Reports.** Each multicounty, multitype system receiving a ~~grant~~ aid
147.27 pursuant to section 134.353 or 134.354 shall provide an annual progress report to the
147.28 Department of Education.

147.29 Sec. 7. Minnesota Statutes 2012, section 134.353, is amended to read:

147.30 **134.353 MULTICOUNTY, MULTITYPE LIBRARY SYSTEM**
147.31 **DEVELOPMENT GRANT AID.**

147.32 The commissioner of education may provide development ~~grants~~ aid to multicounty,
147.33 multitype library systems. In awarding a development ~~grant~~ aid, the commissioner shall

148.1 consider the extra costs incurred in systems located in sparsely populated and large
148.2 geographic regions.

148.3 Sec. 8. Minnesota Statutes 2012, section 134.354, is amended to read:

148.4 **134.354 MULTICOUNTY, MULTITYPE LIBRARY SYSTEM OPERATING**
148.5 **GRANT AID.**

148.6 The commissioner of education may provide operating grants aid to multicounty,
148.7 multitype library systems. In awarding ~~an~~ operating grant aid, the commissioner shall
148.8 consider the extra costs incurred in systems located in sparsely populated and large
148.9 geographic areas.

148.10 Sec. 9. Minnesota Statutes 2012, section 134.355, subdivision 1, is amended to read:

148.11 Subdivision 1. **Appropriations.** Basic system support grants aid and regional library
148.12 telecommunications aid provide the appropriations for the basic regional library system.

148.13 Sec. 10. Minnesota Statutes 2012, section 134.355, subdivision 2, is amended to read:

148.14 Subd. 2. **Grant application.** Any regional public library system which qualifies
148.15 according to the provisions of section 134.34 may apply for ~~an annual~~ grant aid for
148.16 regional library basic system support. Regional public library districts under section
148.17 134.201 may not compensate board members using grant aid funds. The amount of ~~each~~
148.18 grant aid for each fiscal year shall be calculated as provided in this section.

148.19 Sec. 11. Minnesota Statutes 2012, section 134.355, subdivision 3, is amended to read:

148.20 Subd. 3. **Per capita distribution.** Fifty-seven and one-half percent of the available
148.21 grant aid funds shall be distributed to provide all qualifying systems an equal amount
148.22 per capita. Each system's allocation pursuant to this subdivision shall be based on the
148.23 population it serves.

148.24 Sec. 12. Minnesota Statutes 2012, section 134.355, subdivision 4, is amended to read:

148.25 Subd. 4. **Per square mile distribution.** Twelve and one-half percent of the
148.26 available grant aid funds shall be distributed to provide all qualifying systems an equal
148.27 amount per square mile. Each system's allocation pursuant to this subdivision shall be
148.28 based on the area it serves.

148.29 Sec. 13. Minnesota Statutes 2012, section 134.355, subdivision 5, is amended to read:

149.1 Subd. 5. **Base grant aid distribution.** Five percent of the available grant aid funds
149.2 shall be paid to each system as a base grant aid for basic system services.

149.3 Sec. 14. Minnesota Statutes 2012, section 134.355, subdivision 6, is amended to read:

149.4 Subd. 6. **Adjusted net tax capacity per capita distribution.** Twenty-five percent
149.5 of the available grant aid funds shall be distributed to regional public library systems based
149.6 upon the adjusted net tax capacity per capita for each member county or participating
149.7 portion of a county as calculated for the second year preceding the fiscal year for which
149.8 ~~the grant aid is made provided~~. Each system's entitlement shall be calculated as follows:

149.9 (a) Multiply the adjusted net tax capacity per capita for each county or participating
149.10 portion of a county by .0082.

149.11 (b) Add sufficient grant aid funds that are available under this subdivision to raise
149.12 the amount of the county or participating portion of a county with the lowest value
149.13 calculated according to paragraph (a) to the amount of the county or participating portion
149.14 of a county with the next highest value calculated according to paragraph (a). Multiply the
149.15 amount of the additional grant aid funds by the population of the county or participating
149.16 portion of a county.

149.17 (c) Continue the process described in paragraph (b) by adding sufficient grant aid
149.18 funds that are available under this subdivision to the amount of a county or participating
149.19 portion of a county with the next highest value calculated in paragraph (a) to raise it and
149.20 the amount of counties and participating portions of counties with lower values calculated
149.21 in paragraph (a) up to the amount of the county or participating portion of a county
149.22 with the next highest value, until reaching an amount where funds available under this
149.23 subdivision are no longer sufficient to raise the amount of a county or participating portion
149.24 of a county and the amount of counties and participating portions of counties with lower
149.25 values up to the amount of the next highest county or participating portion of a county.

149.26 (d) If the point is reached using the process in paragraphs (b) and (c) at which the
149.27 remaining grant aid funds under this subdivision are not adequate for raising the amount of
149.28 a county or participating portion of a county and all counties and participating portions of
149.29 counties with amounts of lower value to the amount of the county or participating portion
149.30 of a county with the next highest value, those funds are to be divided on a per capita basis
149.31 for all counties or participating portions of counties that received grant aid funds under
149.32 the calculation in paragraphs (b) and (c).

149.33 Sec. 15. Minnesota Statutes 2012, section 134.36, is amended to read:

149.34 **134.36 RULES.**

150.1 The commissioner of education shall promulgate rules as necessary for
 150.2 implementation of library grant and aid programs.

150.3 **Sec. 16. FUND TRANSFER; FISCAL YEARS 2014 AND 2015 ONLY.**

150.4 (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for
 150.5 fiscal years 2014 and 2015 only, the commissioner must approve a request for a fund
 150.6 transfer if the transfer does not increase state aid obligations to the district or result in
 150.7 additional property tax authority for the district. This section does not permit transfers
 150.8 from the community service fund, the food service fund, or the reserved account for
 150.9 staff development under section 122A.61.

150.10 (b) A school board may approve a fund transfer under paragraph (a) only after
 150.11 adopting a resolution stating the fund transfer will not diminish instructional opportunities
 150.12 for students.

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

150.14 **Sec. 17. SCHOOL PAYMENT SHIFTS.**

150.15 For fiscal years 2014 and later, any increase in an aid entitlement for an aid program
 150.16 subject to the aid payment shift must have a current year aid payment percent of 90.
 150.17 For taxes payable in 2014 and later, no appropriations gains from a property tax early
 150.18 recognition shift may be recognized on any change in school district levies.

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

150.20 **Sec. 18. APPROPRIATIONS.**

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

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

150.26 \$ 13,513,000 2014
 150.27 \$ 13,763,000 2015

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

150.30 \$ 5,711,000 2014
 150.31 \$ 6,022,000 2015

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

151.3 \$ 1,039,000 2014

151.4 \$ 1,049,000 2015

151.5 Subd. 5. **Summer food service replacement aid.** For summer food service
 151.6 replacement aid under Minnesota Statutes, section 124D.119:

151.7 \$ 150,000 2014

151.8 \$ 150,000 2015

151.9 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
 151.10 Statutes, section 134.355:

151.11 \$ 13,570,000 2014

151.12 \$ 13,570,000 2015

151.13 The 2014 appropriation includes \$1,845,000 for 2013 and \$11,725,000 for 2014.

151.14 The 2015 appropriation includes \$1,845,000 for 2014 and \$11,725,000 for 2015.

151.15 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
 151.16 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

151.17 \$ 1,300,000 2014

151.18 \$ 1,300,000 2015

151.19 The 2014 appropriation includes \$176,000 for 2013 and \$1,124,000 for 2014.

151.20 The 2015 appropriation includes \$176,000 for 2014 and \$1,124,000 for 2015.

151.21 Subd. 8. **Electronic library for Minnesota.** For statewide licenses to online
 151.22 databases selected in cooperation with the Minnesota Office of Higher Education for
 151.23 school media centers, public libraries, state government agency libraries, and public
 151.24 or private college or university libraries:

151.25 \$ 900,000 2014

151.26 \$ 900,000 2015

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

151.28 Subd. 9. **Regional library telecommunications aid.** For regional library
 151.29 telecommunications aid under Minnesota Statutes, section 134.355:

151.30 \$ 2,300,000 2014

151.31 \$ 2,300,000 2015

151.32 The 2014 appropriation includes \$312,000 for 2013 and \$1,988,000 for 2014.

151.33 The 2015 appropriation includes \$312,000 for 2014 and \$1,988,000 for 2015.

152.1 Sec. 19. **REVISOR'S INSTRUCTION.**

152.2 In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute
152.3 the term "Division of State Library Services" for "Library Development and Services,"
152.4 "Office of Library Development and Services," or "LDS" where "LDS" stands for "Library
152.5 Development and Services." The revisor shall also make grammatical changes related
152.6 to the changes in terms.

152.7 **ARTICLE 8**

152.8 **EARLY CHILDHOOD; SELF-SUFFICIENCY; LIFELONG LEARNING**

152.9 Section 1. Minnesota Statutes 2012, section 13.319, is amended by adding a
152.10 subdivision to read:

152.11 Subd. 9. **Early learning scholarships.** Section 124D.143 governs data under the
152.12 early learning scholarship program.

152.13 Sec. 2. **[16F.01] MINNESOTA YOUTH COUNCIL COMMITTEE.**

152.14 Subdivision 1. **Establishment and membership.** The Minnesota Youth Council
152.15 Committee is established within and under the auspices of the Minnesota Alliance With
152.16 Youth. The committee consists of four members from each congressional district in
152.17 Minnesota and four members selected at-large. Members must be selected through an
152.18 application and interview process conducted by the Minnesota Alliance With Youth. In
152.19 making its appointments, the Minnesota Alliance With Youth should strive to ensure
152.20 gender and ethnic diversity in the committee's membership. Members must be between
152.21 the ages of 13 and 19 and serve two-year terms, except that one-half of the initial members
152.22 must serve a one-year term. Members may serve a maximum of two terms.

152.23 Subd. 2. **Duties.** The Minnesota Youth Council Committee shall:

152.24 (1) provide advice and recommendations to the legislature and the governor on
152.25 issues affecting youth;

152.26 (2) serve as a liaison for youth around the state to the legislature and the governor; and

152.27 (3) submit an annual report of the council's activities and goals.

152.28 Subd. 3. **Partnerships.** The Minnesota Youth Council Committee shall partner with
152.29 nonprofits, the private sector, and educational resources to fulfill its duties.

152.30 Subd. 4. **Youth Council Committee in the legislature.** (a) The Minnesota Youth
152.31 Council Committee shall meet at least twice each year during the regular session of the
152.32 legislature.

152.33 (b) The committee may:

- 153.1 (1) select introduced bills in the house of representatives and senate for consideration
153.2 for a public hearing before the committee;
153.3 (2) propose youth legislation;
153.4 (3) provide advisory opinions to the legislature on bills heard before the committee;
153.5 and
153.6 (4) prepare a youth omnibus bill.
153.7 (c) The leaders of the majority and minority parties of the house of representatives
153.8 and senate shall each appoint one legislator to serve as a legislative liaison to the
153.9 committee. Leadership of the house of representatives and senate, on rotating years, may
153.10 appoint a staff member to staff the committee.

153.11 **Sec. 3. [124D.143] EARLY LEARNING SCHOLARSHIPS.**

153.12 Subdivision 1. **Early learning scholarships established.** The Office of Early
153.13 Learning must oversee the early learning scholarship program in consultation with the
153.14 Minnesota Departments of Education, Human Services, and Health.

153.15 Subd. 2. **Duties.** The Office of Early Learning shall administer the early learning
153.16 scholarship program, establish participation standards for children and their families,
153.17 develop criteria for qualifying providers based on section 124D.142, and contract for
153.18 administrative services as necessary with a resource and referral organization under
153.19 section 119B.19, or other nonprofit or public entity.

153.20 Subd. 3. **Definitions.** (a) The terms defined in the subdivision apply to this section.

153.21 (b) "Director" means the director of the Office of Early Learning.

153.22 (c) "Eligible program" means a Head Start program under section 119A.50, school
153.23 readiness program under section 124D.15, or other school district child-based program
153.24 designed to provide early education services to children not yet in kindergarten, licensed
153.25 center-based child care program under chapter 245A, or licensed family child care
153.26 program under chapter 245A or other program providing early learning opportunities.

153.27 (d) "Income" has the meaning given in section 119B.011, subdivision 15.

153.28 (e) "Parent" means the parent or legal guardian of a child.

153.29 (f) "Prospective program" means an eligible program that makes a commitment to
153.30 enhance its quality of education and care and demonstrates to the director's satisfaction
153.31 that the program is pursuing a program rating. For fiscal year 2016 and later, a prospective
153.32 program must cite a hardship or demonstrate a special circumstance as to why the program
153.33 is not yet ready to enter the rating process before the director may grant it eligibility.

153.34 (g) "Rated program" means an eligible program that receives one, two, three, or four
153.35 stars under the quality rating and improvement system established in section 124D.142.

154.1 Subd. 4. **Participant eligibility.** The parent of a child who will be at least three
154.2 years of age as of September 1 of the year of application is eligible to apply for an early
154.3 learning scholarship if the family's income is at or below 185 percent of the federal poverty
154.4 level. The director of the Office of Early Learning may specify the form and manner of
154.5 the application for a scholarship. The director may establish a method to determine family
154.6 income but a parent meets this requirement by documenting their child's identification
154.7 through another public funding eligibility process, including the free and reduced-price
154.8 lunch program, National School Lunch Act, United States Code, title 42, section 1751, part
154.9 210; Head Start under federal Improving Head Start for School Readiness Act of 2007;
154.10 Minnesota family investment program under chapter 256J; the Federal Supplemental
154.11 Nutrition Assistance Program; and child care assistance programs under chapter 119B and
154.12 no further information to verify income is required. Notwithstanding the other provisions
154.13 of this section, a parent under age 21 who is pursuing a high school or general education
154.14 equivalency diploma is eligible for an early learning scholarship if the parent has a child
154.15 age zero to five years old and meets the income eligibility guidelines in this subdivision.

154.16 Subd. 5. **Scholarship amount.** The director annually shall determine the maximum
154.17 scholarship amounts based on the results of the rate survey conducted under section
154.18 119B.13, subdivision 1, paragraph (b), and may establish a range of scholarship amounts
154.19 taking into account the child's level of need and geographic location. The director shall
154.20 establish a scholarship amount schedule according to the eligible program's rating and
154.21 prospective programs under subdivision 3, paragraph (g). The scholarship amounts may
154.22 be designed to be layered around other assistance programs available to that child. The
154.23 director shall not consider local funds allocated to support an early learning program
154.24 when layering scholarships around other assistance programs. Eligible providers must be
154.25 notified of the scholarship allocations available in their geographic location.

154.26 Subd. 6. **Award of scholarships.** (a) The director shall establish application
154.27 timelines and determine the schedule for awarding scholarships that meets operational
154.28 needs of eligible programs. The director may prioritize applications on factors including
154.29 family income, geographic location, whether the child's family is on a waiting list for a
154.30 publicly funded program providing early education or child care services, and the needs of
154.31 the child and that child's family. By March 15, eligible programs may notify the director of
154.32 the number of scholarship-eligible children who are eligible under subdivision 4, and who
154.33 have applied for enrollment in that program. To facilitate enrollment planning, by April
154.34 15, the director shall notify eligible programs that have provided enrollment information
154.35 under this paragraph of the scholarship status of each applicant. To the extent practicable
154.36 and taking into account family mobility, the scholarships must be awarded to eligible

155.1 recipients beginning April 15 of each year for a child's participation in a program starting
155.2 in July, August, or September of that year. Any siblings of a child who has been awarded a
155.3 scholarship under this section must be awarded a scholarship upon request provided the
155.4 sibling attends the same program. A child who has received a scholarship under this
155.5 section must continue to receive a scholarship until that child enrolls in kindergarten
155.6 or turns six years of age.

155.7 (b) A three- or four-star rated program that has a waiting list of children eligible for
155.8 scholarships may notify the director of the program's desire to serve additional children in
155.9 order to accommodate scholarship recipients. The director may designate a predetermined
155.10 number of scholarship slots for that program and notify the program of that number.

155.11 (c) A scholarship recipient may choose any available program and is not required to
155.12 enroll in a program with a predetermined number of slots.

155.13 (d) A child who receives a scholarship who has not completed development
155.14 screening under sections 121A.16 to 121A.19 must complete that screening within 45
155.15 days of first attending an eligible program.

155.16 Subd. 7. **Scholarship recipient choice of programs.** A scholarship recipient may
155.17 choose to apply to any rated program or prospective program for acceptance. If the
155.18 scholarship recipient has not been accepted and subsequently enrolled in a rated program
155.19 within ten months of receipt of the scholarship, the scholarship cancels and the recipient
155.20 must reapply in order to be eligible for another scholarship.

155.21 Subd. 8. **Building quality.** For fiscal years 2014 and 2015 only, the director must
155.22 develop a streamlined process to encourage eligible programs to enter the rating program.
155.23 As a part of building quality in the system of providers, the director may grant a parent
155.24 authority to use a scholarship at a prospective program.

155.25 Subd. 9. **Provider reimbursement.** The director may determine the form and
155.26 method of payment to the fiscal agent for each program serving a scholarship recipient.
155.27 The director may make quarterly payments on behalf of the scholarship recipient in
155.28 advance of the services provided to the child, or arrange other payment methods for
155.29 providers. The director may request information as necessary from providers to verify
155.30 scholarship payments.

155.31 Subd. 10. **Earned income calculation.** Scholarships paid to providers on behalf
155.32 of eligible parents must not be counted as earned income for the purposes of medical
155.33 assistance, MinnesotaCare, Minnesota family investment program, diversionary work
155.34 program, child care assistance, or Head Start programs. Scholarships paid to providers on
155.35 behalf of eligible parents must not be considered child care funds for the purposes of the
155.36 child care assistance program under chapter 119B.

156.1 Subd. 11. **Collection and use of data.** (a) To the extent available, the director may
156.2 collect data from participating programs on scholarship program recipients, including but
156.3 not limited to demographic, socioeconomic, participation, and assessment data.

156.4 (b) Data on scholarship applicants and recipients are private data on individuals, as
156.5 defined in section 13.02, subdivision 12. Participating program providers may not disclose
156.6 a scholarship recipient's student identification number except as otherwise authorized by
156.7 law. A participating program provider is liable for damages resulting from its release of a
156.8 student identification number in a manner not authorized by law.

156.9 Subd. 12. **Report required.** (a) The director, in consultation with the children's
156.10 cabinet, shall develop and implement a plan to publicize and increase parent awareness of
156.11 early learning scholarships. The director must report the results of the outreach efforts to
156.12 the legislature by January 15 of each year.

156.13 (b) The director shall coordinate existing evaluation and assessment efforts and track
156.14 scholarship program participation to understand program outcomes. The director must
156.15 report to the legislature on the performance of the scholarship program by January 15,
156.16 2016, and each year thereafter.

156.17 Sec. 4. Minnesota Statutes 2012, section 124D.531, subdivision 1, is amended to read:

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

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

156.26 (2) the lesser of:

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

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

156.29 Beginning in fiscal year 2002, two percent of the state total adult basic education
156.30 aid must be set aside for adult basic education supplemental service grants under section
156.31 124D.522.

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

157.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015
157.2 and later.

157.3 Sec. 5. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8,
157.4 as amended by Laws 2012, chapter 239, article 3, section 4, is amended to read:

157.5 Subd. 8. **Early childhood education scholarships.** For grants to early childhood
157.6 education scholarships for public or private early childhood preschool programs for
157.7 children ages 3 to 5:

157.8 \$ 2,000,000 2013

157.9 (a) All children whose parents or legal guardians meet the eligibility requirements
157.10 of paragraph (b) established by the commissioner are eligible to receive early childhood
157.11 education scholarships under this section.

157.12 (b) A parent or legal guardian is eligible for an early childhood education scholarship
157.13 if the parent or legal guardian:

157.14 (1) has a child three or four years of age on September 1, beginning in calendar
157.15 year 2012; and

157.16 (2)(i) has income equal to or less than 47 percent of the state median income in the
157.17 current calendar year; or

157.18 (ii) can document their child's identification through another public funding
157.19 eligibility process, including the Free and Reduced Price Lunch Program, National School
157.20 Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal
157.21 Improving Head Start for School Readiness Act of 2007; Minnesota family investment
157.22 program under chapter 256J; and child care assistance programs under chapter 119B.

157.23 Early childhood scholarships may not be counted as earned income for the purposes of
157.24 medical assistance, MinnesotaCare, Minnesota family investment program, child care
157.25 assistance, or Head Start programs.

157.26 Each year, if this appropriation is insufficient to provide early childhood education
157.27 scholarships to all eligible children, the Department of Education shall make scholarships
157.28 available on a first-come, first-served basis.

157.29 The commissioner of education shall submit a written report to the education
157.30 committees of the legislature by January 15, 2012, describing its plan for implementation
157.31 of scholarships under this subdivision for the 2012-2013 school year.

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

157.33 The base for this program is \$3,000,000 each year.

158.1 **EFFECTIVE DATE.** This section is effective the day following final enactment
 158.2 and applies to early learning scholarships received during fiscal year 2013.

158.3 **Sec. 6. FISCAL YEAR 2014 ONLY.**

158.4 Notwithstanding the timelines in section 2, for fiscal year 2014 only, the director
 158.5 shall establish an expedited process to award scholarships to eligible recipients attending
 158.6 three- or four-star rated programs to accommodate those eligible programs with fall
 158.7 enrollment deadlines.

158.8 **Sec. 7. APPROPRIATIONS.**

158.9 Subdivision 1. Department of Education. The sums indicated in this section are
 158.10 appropriated from the general fund to the Department of Education for the fiscal years
 158.11 designated.

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

158.14 \$ 10,095,000 2014
 158.15 \$ 10,159,000 2015

158.16 The 2014 appropriation includes \$1,372,000 for 2013 and \$8,723,000 for 2014.
 158.17 The 2015 appropriation includes \$1,372,000 for 2014 and \$8,787,000 for 2015.

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

158.20 \$ 22,078,000 2014
 158.21 \$ 22,425,000 2015

158.22 The 2014 appropriation includes \$3,008,000 for 2013 and \$19,070,000 for 2014.
 158.23 The 2015 appropriation includes \$3,001,000 for 2014 and \$19,424,000 for 2015.

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

158.26 \$ 3,421,000 2014
 158.27 \$ 3,344,000 2015

158.28 The 2014 appropriation includes \$474,000 for 2013 and \$2,947,000 for 2014.
 158.29 The 2015 appropriation includes \$463,000 for 2014 and \$2,881,000 for 2015.

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

159.1 \$ 22,171,000 2014

159.2 \$ 20,100,000 2015

159.3 For the fiscal year 2014 appropriation only, the lesser of 50 percent of the actual
 159.4 loss of revenue to sequestration or \$2,071,000 must be used to replace a portion of the
 159.5 federal funds lost to sequestration and must be distributed proportionate to the loss among
 159.6 all programs.

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

159.9 \$ 49,000 2014

159.10 \$ 49,000 2015

159.11 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
 159.12 program. For the kindergarten entrance assessment initiative and intervention program
 159.13 under Minnesota Statutes, section 124D.162:

159.14 \$ 281,000 2014

159.15 \$ 281,000 2015

159.16 Subd. 8. **Early childhood education scholarships.** For transfer to the Office of
 159.17 Early Learning for early learning scholarships under Minnesota Statutes, section 124D.143:

159.18 \$ 25,000,000 2014

159.19 \$ 31,000,000 2015

159.20 Up to \$950,000 each year is for administration of this program.

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

159.22 The base for this program is \$52,000,000 for fiscal year 2016 and \$75,000,000 for
 159.23 fiscal year 2017 and later.

159.24 Subd. 9. **Parent-child home program.** For a grant for a parent-child home program:

159.25 \$ \$250,000 2014

159.26 \$ \$250,000 2015

159.27 The grant must be used for an evidence-based and research-validated early childhood
 159.28 literacy and school readiness program for children ages 16 months to four years. Any
 159.29 unexpended balance in the first year does not cancel but is available in the second year.

159.30 Subd. 10. **Community education aid.** For community education aid under
 159.31 Minnesota Statutes, section 124D.20:

159.32 \$ 935,000 2014

159.33 \$ 1,056,000 2015

160.1 The 2014 appropriation includes \$118,000 for 2013 and \$817,000 for 2014.

160.2 The 2015 appropriation includes \$128,000 for 2014 and \$928,000 for 2015.

160.3 Subd. 11. **Adults with disabilities program aid.** For adults with disabilities
 160.4 programs under Minnesota Statutes, section 124D.56:

160.5 \$ 710,000 2014

160.6 \$ 710,000 2015

160.7 The 2014 appropriation includes \$96,000 for 2013 and \$614,000 for 2014.

160.8 The 2015 appropriation includes \$96,000 for 2014 and \$614,000 for 2015.

160.9 Subd. 12. **Hearing-impaired adults.** For programs for hearing-impaired adults
 160.10 under Minnesota Statutes, section 124D.57:

160.11 \$ 70,000 2014

160.12 \$ 70,000 2015

160.13 Subd. 13. **School-age care revenue.** For extended day aid under Minnesota
 160.14 Statutes, section 124D.22:

160.15 \$ 1,000 2014

160.16 \$ 1,000 2015

160.17 The 2014 appropriation includes \$0 for 2013 and \$1,000 for 2014.

160.18 The 2015 appropriation includes \$0 for 2014 and \$1,000 for 2015.

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

160.21 \$ 47,005,000 2014

160.22 \$ 48,356,000 2015

160.23 The 2014 appropriation includes \$6,284,000 for 2013 and \$40,721,000 for 2014.

160.24 The 2015 appropriation includes \$6,409,000 for 2014 and \$41,947,000 for 2015.

160.25 Subd. 15. **GED tests.** For payment of 60 percent of the costs of GED tests under
 160.26 Minnesota Statutes, section 124D.55:

160.27 \$ 125,000 2014

160.28 \$ 125,000 2015

160.29 **ARTICLE 9**

160.30 **STATE AGENCIES**

160.31 **Section 1. APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

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

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

161.5 \$ 19,214,000 2014

161.6 \$ 19,386,000 2015

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

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

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

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

161.11 (e) \$618,000 each year is for the Board of Teaching. Any balance in the first year
 161.12 does not cancel but is available in the second year.

161.13 (f) \$167,000 each year is for the Board of School Administrators. Any balance in
 161.14 the first year does not cancel but is available in the second year.

161.15 (g) The expenditures of federal grants and aids as shown in the biennial budget
 161.16 document and its supplements are approved and appropriated and shall be spent as
 161.17 indicated.

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

161.20 Subd. 3. Licensure by portfolio. For licensure by portfolio:

161.21 \$ 30,000 2014

161.22 \$ 30,000 2015

161.23 This appropriation is from the educator licensure portfolio account of the special
 161.24 revenue fund.

161.25 Sec. 2. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

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

161.28 \$ 11,897,000 2014

161.29 \$ 11,910,000 2015

161.30 \$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading
 161.31 kitchen facilities. Any balance in the first year does not cancel but is available in the
 161.32 second year.

161.33 Sec. 3. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

162.1 The sums in this section are appropriated from the general fund to the Perpich
 162.2 Center for Arts Education for the fiscal years designated:

162.3 \$ 6,786,000 2014
 162.4 \$ 6,848,000 2015

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

162.6 **ARTICLE 10**

162.7 **FORECAST ADJUSTMENTS**

162.8 **A. GENERAL EDUCATION**

162.9 Section 1. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 162.10 2, as amended by Laws 2012, chapter 292, article 2, section 1, is amended to read:

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

162.13 \$ 5,379,068,000 2012
 162.14 ~~5,844,995,000~~
 162.15 \$ 7,153,701,000 2013

162.16 The 2012 appropriation includes \$1,660,922,000 for 2011 and \$3,718,146,000
 162.17 for 2012.

162.18 The 2013 appropriation includes \$2,038,568,000 for 2012 and ~~\$3,806,427,000~~
 162.19 \$5,115,133,000 for 2013.

162.20 Sec. 2. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 162.21 3, as amended by Laws 2012, chapter 292, article 2, section 2, is amended to read:

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

162.25 \$ 42,000 2012
 162.26 ~~46,000~~
 162.27 \$ 40,000 2013

162.28 Sec. 3. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 162.29 4, as amended by Laws 2012, chapter 292, article 2, section 3, is amended to read:

162.30 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
 162.31 127A.49:

163.1 \$ 1,406,000 2012
 163.2 ~~2,072,000~~
 163.3 \$ 2,503,000 2013

163.4 The 2012 appropriation includes \$346,000 for 2011 and \$1,060,000 for 2012.

163.5 The 2013 appropriation includes \$588,000 for 2012 and ~~\$1,484,000~~ \$1,915,000
 163.6 for 2013.

163.7 Sec. 4. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 163.8 5, as amended by Laws 2012, chapter 292, article 2, section 4, is amended to read:

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

163.11 \$ 145,000 2012
 163.12 ~~193,000~~
 163.13 \$ 260,000 2013

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

163.15 The 2013 appropriation includes \$0 for 2012 and ~~\$193,000~~ \$260,000 for 2013.

163.16 Sec. 5. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 163.17 6, as amended by Laws 2012, chapter 292, article 2, section 5, is amended to read:

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

163.20 \$ 14,302,000 2012
 163.21 ~~15,594,000~~
 163.22 \$ 18,969,000 2013

163.23 The 2012 appropriation includes \$4,161,000 for 2011 and \$10,141,000 for 2012.

163.24 The 2013 appropriation includes \$5,629,000 for 2012 and ~~\$9,965,000~~ \$13,340,000
 163.25 for 2013.

163.26 Sec. 6. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 163.27 7, as amended by Laws 2012, chapter 292, article 2, section 6, is amended to read:

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

163.30 \$ 17,757,000 2012
 163.31 ~~19,036,000~~
 163.32 \$ 23,648,000 2013

163.33 The 2012 appropriation includes \$5,700,000 for 2011 and \$12,057,000 for 2012.

164.1 The 2013 appropriation includes \$6,694,000 for 2012 and ~~\$12,342,000~~ \$16,954,000
 164.2 for 2013.

164.3 Sec. 7. Laws 2011, First Special Session chapter 11, article 1, section 36, subdivision
 164.4 10, as amended by Laws 2012, chapter 292, article 2, section 7, is amended to read:

164.5 Subd. 10. **Compensatory pilot project formula aid.** For grants for compensatory
 164.6 pilot project formula aid as calculated under this subdivision:

164.7 \$ ~~9,368,000~~
 164.8 \$ 13,403,000 2013

164.9 For fiscal year 2013 only, a district which has a pupil unit count that is in the top 20
 164.10 largest pupil unit counts is eligible for the greater of zero or \$1,400 times the number of
 164.11 compensatory pupil units, minus the amount of compensatory education revenue received
 164.12 by the district under Minnesota Statutes, section 126C.10, subdivision 3.

164.13 The 2013 appropriation includes \$0 for 2012 and ~~\$9,368,000~~ \$13,403,000 for 2013.

164.14 This is a onetime appropriation.

164.15 **B. EDUCATION EXCELLENCE**

164.16 Sec. 8. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 164.17 2, as amended by Laws 2012, chapter 292, article 2, section 8, is amended to read:

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

164.20 \$ 42,806,000 2012
 164.21 ~~48,978,000~~
 164.22 \$ 60,067,000 2013

164.23 The 2012 appropriation includes \$12,642,000 for 2011 and \$30,164,000 for 2012.

164.24 The 2013 appropriation includes \$16,746,000 for 2012 and ~~\$32,232,000~~ \$43,321,000
 164.25 for 2013.

164.26 Sec. 9. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 164.27 4, as amended by Laws 2012, chapter 292, article 2, section 10, is amended to read:

164.28 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
 164.29 124D.86:

164.30 \$ 61,181,000 2012
 164.31 ~~65,498,000~~
 164.32 \$ 79,329,000 2013

164.33 The 2012 appropriation includes \$19,272,000 for 2011 and \$41,909,000 for 2012.

165.1 The 2013 appropriation includes \$23,268,000 for 2012 and ~~\$42,230,000~~ \$56,061,000
 165.2 for 2013.

165.3 The base for the final payment in fiscal year 2014 for fiscal year 2013 is ~~\$31,668,000~~
 165.4 \$17,197,000.

165.5 Sec. 10. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 165.6 5, as amended by Laws 2012, chapter 292, article 2, section 11, is amended to read:

165.7 Subd. 5. **Literacy incentive aid.** For literacy incentive aid under Minnesota
 165.8 Statutes, section 124D.98:

165.9 \$ 31,241,000
 165.10 \$ 41,978,000 2013

165.11 The 2013 appropriation includes \$0 for 2012 and ~~\$31,241,000~~ \$41,978,000 for 2013.

165.12 Sec. 11. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 165.13 6, as amended by Laws 2012, chapter 292, article 2, section 12, is amended to read:

165.14 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
 165.15 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 165.16 section 124D.87:

165.17 \$ 13,262,000 2012
 165.18 ~~13,966,000~~
 165.19 \$ 13,260,000 2013

165.20 Sec. 12. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 165.21 7, as amended by Laws 2012, chapter 292, article 2, section 13, is amended to read:

165.22 Subd. 7. **Success for the future.** For American Indian success for the future grants
 165.23 under Minnesota Statutes, section 124D.81:

165.24 \$ 2,013,000 2012
 165.25 ~~2,137,000~~
 165.26 \$ 2,609,000 2013

165.27 The 2012 appropriation includes \$638,000 for 2011 and \$1,375,000 for 2012.

165.28 The 2013 appropriation includes \$762,000 for 2012 and ~~\$1,375,000~~ \$1,847,000
 165.29 for 2013.

165.30 Sec. 13. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision
 165.31 9, as amended by Laws 2012, chapter 292, article 2, section 14, is amended to read:

165.32 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
 165.33 Statutes, section 124D.83:

166.1 \$ 1,791,000 2012
 166.2 ~~1,969,000~~
 166.3 \$ 2,353,000 2013

166.4 The 2012 appropriation includes \$600,000 for 2011 and \$1,191,000 for 2012.

166.5 The 2013 appropriation includes \$660,000 for 2012 and ~~\$1,309,000~~ \$1,693,000
 166.6 for 2013.

166.7 **C. SPECIAL EDUCATION**

166.8 Sec. 14. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision
 166.9 2, as amended by Laws 2012, chapter 292, article 2, section 15, is amended to read:

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

166.12 \$ 767,845,000 2012
 166.13 ~~856,386,000~~
 166.14 \$ 1,046,423,000 2013

166.15 The 2012 appropriation includes \$235,975,000 for 2011 and \$531,870,000 for 2012.

166.16 The 2013 appropriation includes \$295,299,000 for 2012 and ~~\$561,087,000~~
 166.17 \$751,124,000 for 2013.

166.18 Sec. 15. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision
 166.19 3, as amended by Laws 2012, chapter 292, article 2, section 16, is amended to read:

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

166.23 \$ 1,508,000 2012
 166.24 ~~1,593,000~~
 166.25 \$ 1,570,000 2013

166.26 If the appropriation for either year is insufficient, the appropriation for the other
 166.27 year is available.

166.28 Sec. 16. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision
 166.29 4, as amended by Laws 2012, chapter 292, article 2, section 17, is amended to read:

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

166.32 \$ 314,000 2012
 166.33 ~~321,000~~
 166.34 \$ 407,000 2013

167.1 The 2012 appropriation includes \$107,000 for 2011 and \$207,000 for 2012.

167.2 The 2013 appropriation includes \$114,000 for 2012 and ~~\$207,000~~ \$293,000 for 2013.

167.3 Sec. 17. Laws 2011, First Special Session chapter 11, article 3, section 11, subdivision
 167.4 5, as amended by Laws 2012, chapter 292, article 2, section 18, is amended to read:

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

167.7 \$ 107,557,000 2012

167.8 ~~115,269,000~~

167.9 \$ 134,121,000 2013

167.10 The 2012 appropriation includes \$53,449,000 for 2011 and \$54,108,000 for 2012.

167.11 The 2013 appropriation includes \$59,607,000 for 2012 and ~~\$55,662,000~~ \$74,514,000
 167.12 for 2013.

167.13 **D. FACILITIES AND TECHNOLOGY**

167.14 Sec. 18. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 167.15 2, as amended by Laws 2012, chapter 292, article 2, section 19, is amended to read:

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

167.18 \$ 98,000 2012

167.19 ~~157,000~~

167.20 \$ 200,000 2013

167.21 The 2012 appropriation includes \$39,000 for 2011 and \$59,000 for 2012.

167.22 The 2013 appropriation includes \$32,000 for 2012 and ~~\$125,000~~ \$168,000 for 2013.

167.23 Sec. 19. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 167.24 3, as amended by Laws 2012, chapter 292, article 2, section 20, is amended to read:

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

167.27 \$ 11,625,000 2012

167.28 ~~16,342,000~~

167.29 \$ 20,237,000 2013

167.30 The 2012 appropriation includes \$2,604,000 for 2011 and \$9,021,000 for 2012.

167.31 The 2013 appropriation includes \$5,008,000 for 2012 and ~~\$11,334,000~~ \$15,229,000
 167.32 for 2013.

168.1 Sec. 20. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 168.2 4, as amended by Laws 2012, chapter 292, article 2, section 21, is amended to read:

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

168.5 \$ 18,187,000 2012

168.6 ~~19,287,000~~

168.7 \$ 23,549,000 2013

168.8 The 2012 appropriation includes \$5,785,000 for 2011 and \$12,402,000 for 2012.

168.9 The 2013 appropriation includes \$6,885,000 for 2012 and ~~\$12,402,000~~ \$16,664,000
 168.10 for 2013.

168.11 Sec. 21. Laws 2011, First Special Session chapter 11, article 4, section 10, subdivision
 168.12 6, as amended by Laws 2012, chapter 292, article 2, section 22, is amended to read:

168.13 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
 168.14 Minnesota Statutes, section 123B.591, subdivision 4:

168.15 \$ 2,331,000 2012

168.16 ~~3,141,000~~

168.17 \$ 3,817,000 2013

168.18 The 2012 appropriation includes \$676,000 for 2011 and \$1,655,000 for 2012.

168.19 The 2013 appropriation includes \$918,000 for 2012 and ~~\$2,223,000~~ \$2,899,000
 168.20 for 2013.

168.21 **E. NUTRITION AND LIBRARIES**

168.22 Sec. 22. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision
 168.23 2, as amended by Laws 2012, chapter 292, article 2, section 23, is amended to read:

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

168.26 \$ 12,285,000 2012

168.27 ~~12,524,000~~

168.28 \$ 12,266,000 2013

168.29 Sec. 23. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision
 168.30 3, as amended by Laws 2012, chapter 292, article 2, section 24, is amended to read:

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

169.1 \$ 5,247,000 2012
 169.2 ~~5,560,000~~
 169.3 \$ 5,417,000 2013

169.4 Sec. 24. Laws 2011, First Special Session chapter 11, article 5, section 12, subdivision
 169.5 4, as amended by Laws 2012, chapter 292, article 2, section 25, is amended to read:

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

169.8 \$ 1,025,000 2012
 169.9 ~~1,035,000~~
 169.10 \$ 1,019,000 2013

169.11 Sec. 25. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision
 169.12 2, as amended by Laws 2012, chapter 292, article 2, section 26, is amended to read:

169.13 Subd. 2. **Basic system support.** For basic system support grants under Minnesota
 169.14 Statutes, section 134.355:

169.15 \$ 12,797,000 2012
 169.16 ~~13,570,000~~
 169.17 \$ 16,569,000 2013

169.18 The 2012 appropriation includes \$4,071,000 for 2011 and \$8,726,000 for 2012.

169.19 The 2013 appropriation includes \$4,844,000 for 2012 and ~~\$8,726,000~~ \$11,725,000
 169.20 for 2013.

169.21 Sec. 26. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision
 169.22 3, as amended by Laws 2012, chapter 292, article 2, section 27, is amended to read:

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

169.25 \$ 1,226,000 2012
 169.26 ~~1,300,000~~
 169.27 \$ 1,588,000 2013

169.28 The 2012 appropriation includes \$390,000 for 2011 and \$836,000 for 2012.

169.29 The 2013 appropriation includes \$464,000 for 2012 and ~~\$836,000~~ \$1,124,000 for
 169.30 2013.

169.31 Sec. 27. Laws 2011, First Special Session chapter 11, article 6, section 2, subdivision
 169.32 5, as amended by Laws 2012, chapter 292, article 2, section 28, is amended to read:

170.1 Subd. 5. **Regional library telecommunications aid.** For regional library
170.2 telecommunications aid under Minnesota Statutes, section 134.355:

170.3 \$ 2,169,000 2012

170.4 ~~2,300,000~~

170.5 \$ 2,809,000 2013

170.6 The 2012 appropriation includes \$690,000 for 2011 and \$1,479,000 for 2012.

170.7 The 2013 appropriation includes \$821,000 for 2012 and ~~\$1,479,000~~ \$1,988,000

170.8 for 2013.

170.9 **F. EARLY CHILDHOOD EDUCATION, PREVENTION, AND**

170.10 **LIFELONG LEARNING**

170.11 Sec. 28. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision
170.12 2, as amended by Laws 2012, chapter 292, article 2, section 29, is amended to read:

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

170.15 \$ 9,444,000 2012

170.16 ~~10,095,000~~

170.17 \$ 12,326,000 2013

170.18 The 2012 appropriation includes \$2,952,000 for 2011 and \$6,492,000 for 2012.

170.19 The 2013 appropriation includes \$3,603,000 for 2012 and ~~\$6,492,000~~ \$8,723,000

170.20 for 2013.

170.21 Sec. 29. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision
170.22 3, as amended by Laws 2012, chapter 292, article 2, section 30, is amended to read:

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

170.25 \$ 21,099,000 2012

170.26 ~~22,358,000~~

170.27 \$ 27,197,000 2013

170.28 The 2012 appropriation includes \$6,542,000 for 2011 and \$14,557,000 for 2012.

170.29 The 2013 appropriation includes \$8,082,000 for 2012 and ~~\$14,276,000~~ \$19,115,000

170.30 for 2013.

170.31 Sec. 30. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision
170.32 4, as amended by Laws 2012, chapter 292, article 2, section 31, is amended to read:

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

171.3 \$ 3,359,000 2012

171.4 ~~3,543,000~~

171.5 \$ 4,287,000 2013

171.6 The 2012 appropriation includes \$1,066,000 for 2011 and \$2,293,000 for 2012.

171.7 The 2013 appropriation includes \$1,273,000 for 2012 and ~~\$2,270,000~~ \$3,014,000

171.8 for 2013.

171.9 Sec. 31. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision
171.10 2, as amended by Laws 2012, chapter 292, article 2, section 32, is amended to read:

171.11 Subd. 2. **Community education aid.** For community education aid under
171.12 Minnesota Statutes, section 124D.20:

171.13 \$ 442,000 2012

171.14 ~~746,000~~

171.15 \$ 926,000 2013

171.16 The 2012 appropriation includes \$134,000 for 2011 and \$308,000 for 2012.

171.17 The 2013 appropriation includes \$170,000 for 2012 and ~~\$576,000~~ \$756,000 for 2013.

171.18 Sec. 32. Laws 2011, First Special Session chapter 11, article 8, section 2, subdivision
171.19 3, as amended by Laws 2012, chapter 292, article 2, section 33, is amended to read:

171.20 Subd. 3. **Adults with disabilities program aid.** For adults with disabilities
171.21 programs under Minnesota Statutes, section 124D.56:

171.22 \$ 654,000 2012

171.23 ~~710,000~~

171.24 \$ 867,000 2013

171.25 The 2012 appropriation includes \$197,000 for 2011 and \$457,000 for 2012.

171.26 The 2013 appropriation includes \$253,000 for 2012 and ~~\$457,000~~ \$614,000 for 2013.

171.27 Sec. 33. Laws 2011, First Special Session chapter 11, article 9, section 3, subdivision
171.28 2, as amended by Laws 2012, chapter 292, article 2, section 34, is amended to read:

171.29 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
171.30 Statutes, section 124D.531:

171.31 \$ 42,526,000 2012

171.32 ~~45,901,000~~

171.33 \$ 56,113,000 2013

171.34 The 2012 appropriation includes \$13,364,000 for 2011 and \$29,162,000 for 2012.

172.1 The 2013 appropriation includes \$16,190,000 for 2012 and ~~\$29,711,000~~ \$39,923,000
172.2 for 2013.

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124D.454 ACCESS TO MINNESOTA'S TRANSITION SYSTEM FOR CHILDREN WITH A DISABILITY.

Subd. 3. **Initial aid.** The transition-disabled program initial aid equals the sum of the following amounts computed using current year data:

(1) 68 percent of the salary of each essential licensed person or approved paraprofessional who provides direct instructional services to students employed during that fiscal year for services rendered in that district's transition program for children with a disability;

(2) 47 percent of the costs of necessary equipment for transition programs for children with a disability;

(3) 47 percent of the costs of necessary travel between instructional sites by transition program teachers of children with a disability but not including travel to and from local, regional, district, state, or national career and technical student organization meetings;

(4) 47 percent of the costs of necessary supplies for transition programs for children with a disability but not to exceed an average of \$47 in any one school year for each child with a disability receiving these services;

(5) for transition programs for children with disabilities provided by a contract approved by the commissioner with public, private, or voluntary agencies other than a Minnesota school district or cooperative center, in place of programs provided by the district, 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the pupil receives services under the contract;

(6) for transition programs for children with disabilities provided by a contract approved by the commissioner with public, private, or voluntary agencies other than a Minnesota school district or cooperative center, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract; and

(7) for a contract approved by the commissioner with another Minnesota school district or cooperative center for vocational evaluation services for children with a disability for children that are not yet enrolled in grade 12, 52 percent of the amount of the contract.

Subd. 10. **Exclusion.** A district shall not receive aid pursuant to section 125A.76 for salaries, supplies, travel or equipment for which the district receives aid pursuant to this section.

Subd. 11. **Revenue allocation from cooperative centers and intermediate districts.** For purposes of this section, a cooperative center or an intermediate district must allocate its approved expenditures for transition programs for children with a disability among participating school districts. Aid for transition programs for children with a disability for services provided by a cooperative or intermediate district shall be paid to the participating districts.

125A.35 EARLY INTERVENTION SERVICE DOLLARS.

Subd. 4. **Expenditures; early intervention services.** Each county board must continue to spend for early intervention services under section 125A.27, subdivision 6, an amount equal to the total county expenditure during the period from January 1, 1993, to December 31, 1993, for these same services. The commissioner of human services, in consultation with the commissioner of health and the association of Minnesota counties, must establish a process for determining base year 1993 expenditures.

Subd. 5. **Increased costs.** County boards that have submitted base year 1993 expenditures as required under subdivision 4 are not required to pay any increased cost over the base year 1993 for early intervention services resulting from implementing the early intervention system. Increased costs to county boards may be paid for with early intervention service dollars.

125A.76 SPECIAL EDUCATION REVENUE.

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

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

(2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, 68 percent of the salary of each one to one instructional and behavior management aide assigned to a child attending the academy, if the aides are required by the child's individualized education program;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and

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services provided by the district, 52 percent of the difference between the amount of the contract and the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under this subdivision and subdivision 1, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

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

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

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

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

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

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

Subd. 4. State total special education aid. The state total special education aid equals \$529,247,000 for fiscal year 2007, \$694,063,000 for fiscal year 2008, \$719,470,000 for fiscal year 2009, \$735,693,000 for fiscal year 2010, and \$786,586,000 for fiscal year 2011. The state total special education aid for later fiscal years equals:

(1) the state total special education aid for the preceding fiscal year; times

(2) the program growth factor; times

(3) the greater of one, or the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Subd. 5. School district special education aid. A school district's special education aid for fiscal year 2008 and later equals the state total special education aid times the ratio of the district's initial special education aid to the state total initial special education aid.

Subd. 7. Revenue allocation from cooperative centers and intermediates. For the purposes of this section, a special education cooperative, a service cooperative, an education district, or an intermediate district must allocate its approved expenditures for special education programs among participating school districts.

125A.79 SPECIAL EDUCATION EXCESS COST AID.

Subd. 6. State total special education excess cost aid. The state total special education excess cost aid equals \$104,700,000 for fiscal year 2007, \$110,641,000 for fiscal year 2008, \$110,918,000 for fiscal year 2009, \$110,847,000 for fiscal year 2010, and \$110,892,000 for fiscal year 2011. The state total special education excess cost aid for later fiscal years equals:

(1) the state total special education excess cost aid for the preceding fiscal year; times

(2) the program growth factor; times

(3) the greater of one, or the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Subd. 7. District special education excess cost aid. A district's special education excess cost aid for fiscal year 2002 and later equals the state total special education excess cost aid times the ratio of the district's initial excess cost aid to the state total initial excess cost aid.

126C.17 REFERENDUM REVENUE.

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Subd. 13. **Referendum conversion allowance.** A school district that received supplemental or transition revenue in fiscal year 2002 may convert its supplemental revenue conversion allowance and transition revenue conversion allowance to additional referendum allowance under subdivision 1 for fiscal year 2003 and thereafter. A majority of the school board must approve the conversion at a public meeting before November 1, 2001. For a district with other referendum authority, the referendum conversion allowance approved by the board continues until the portion of the district's other referendum authority with the earliest expiration date after June 30, 2006, expires. For a district with no other referendum authority, the referendum conversion allowance approved by the board continues until June 30, 2012.

3501.0010 PURPOSE.

The purpose of parts 3501.0010 to 3501.0180 is to establish statewide standards that define what a Minnesota public high school graduate should know and be able to do to function effectively as a purposeful thinker, effective communicator, self-directed learner, productive group participant, and responsible citizen.

3501.0020 SCOPE.

Parts 3501.0010 to 3501.0180 govern the graduation standards that Minnesota public schools must require for a high school diploma for all students who enter ninth grade in 1996 or a subsequent year.

3501.0030 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 3501.0010 to 3501.0180 have the meanings given them in this part.

3501.0030 DEFINITIONS.

Subp. 2. **Accommodation.** "Accommodation" means an adjustment in a testing condition, such as the setting for or scheduling of the test, or a change in the method of administering a test. An accommodation does not compromise the security or the confidentiality of the test, does not alter the meaning of the score, or render the student's score incomparable to the scores of those students who took the test under standard conditions. Among accommodations is providing a student with the same test in a large-print version.

3501.0030 DEFINITIONS.

Subp. 3. **Degrees of Reading Power Index of Readability or DRP.** The "Degrees of Reading Power Index of Readability" or "DRP" means the Degrees of Reading Power Index of Readability described in the DRP Teacher's Manual: Primary and Standard Test Forms issued by Touchstone Applied Science Associates (TASA), Inc. (Brewster, New York, 1989). This document is incorporated by reference and is available through the Minitex interlibrary loan system. This index is not subject to frequent change.

3501.0030 DEFINITIONS.

Subp. 4. **Department.** "Department" means the Department of Education.

3501.0030 DEFINITIONS.

Subp. 5. **District.** "District" means a school district.

3501.0030 DEFINITIONS.

Subp. 6. **Exemption.** "Exemption" means a temporary or permanent waiver of the requirement that a student take a test in the basic requirements.

3501.0030 DEFINITIONS.

Subp. 7. **Individualized education program or IEP.** "Individualized education program" or "IEP" means a written statement developed for a student eligible for special education and services pursuant to Minnesota Statutes, sections 125A.03 to 125A.24, and Public Law 101-476, the Individuals with Disabilities Education Act.

3501.0030 DEFINITIONS.

Subp. 9. **Modification.** "Modification" means an adjustment of a test that results in changing the standard for a particular student. Among adjustments are: a modification of only part of a test, a change in test questions, and a change in the performance standard.

3501.0030 DEFINITIONS.

Subp. 10. **Parent.** "Parent" means, for a student under age 18, the mother, father, guardian, person acting as the parent of the child, conservator, or surrogate parent who has been appointed in accordance with parts 3525.2435 to 3525.2455. For a pupil age 18 or over, parent or parents also includes the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator. When the parents are separated or divorced, it means the

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parent who has the legal right, by court decree or agreement, to determine the pupil's education, even though the pupil may be living with the other parent.

3501.0030 DEFINITIONS.

Subp. 11. **Public schools.** "Public schools" means all public schools as defined in Minnesota Statutes, section 120A.05, and includes, but is not limited to, public school districts, charter schools, the state academies for the deaf and the blind, and the Center for Arts Education.

3501.0030 DEFINITIONS.

Subp. 12. **Section 504 accommodation plan.** "Section 504 accommodation plan" means the defined appropriate accommodations or modifications that must be made in the school environment to address the needs of an individual student with disabilities. This section of the federal Rehabilitation Act of 1973, Public Law 91-230 as amended in Public Law 101-476, extends protection to a much broader student population than just those students with IEPs.

3501.0030 DEFINITIONS.

Subp. 13. **State test.** "State test" means a test of a basic requirement that has been developed using the specifications created for a statewide standard in reading or mathematics. The test shall be designated by the department as the official state test.

3501.0030 DEFINITIONS.

Subp. 14. **Statewide standards.** "Statewide standards" means statements of what a student should know and be able to do. Statewide standards are concerned with the knowledge that a student should acquire, the concepts and processes a student should master, and the minimum level of competency a student should develop in the course of the student's prekindergarten through grade 12 experience.

3501.0030 DEFINITIONS.

Subp. 15. **Student.** "Student" means a person admitted to a public school as defined in Minnesota Statutes, section 120A.05, in accordance with Minnesota Statutes, section 120A.20.

3501.0030 DEFINITIONS.

Subp. 16. **Test specifications.** "Test specifications" means statements of the basic requirements that tests must include and how tests are designed. The specifications define the required content, format, level of difficulty, types of items, and length of the tests.

3501.0040 STATEWIDE GRADUATION STANDARDS.

Subpart 1. **Basic requirements.** The basic requirements for mathematics and reading are established in this chapter. The statewide standards for mathematics are specified in subpart 2 and the statewide standards for reading are specified in subpart 3.

To qualify for a high school diploma, a student shall demonstrate competency in the statewide standards for mathematics and reading through a state test except for decisions consistent with parts 3501.0090 and 3501.0100. School districts may require higher standards in mathematics and reading than the statewide standards.

Subp. 2. **Statewide standard in mathematics.** To meet the basic requirement in mathematics, a student shall demonstrate the ability to solve mathematical problems derived from situations commonly encountered in adult life. Among common situations is the estimation of distance traveled when the elapsed time and average rate are known.

Subp. 3. **Statewide standard in reading.** To meet the basic requirement in reading, a student shall demonstrate the ability to read and comprehend English passages representative of widely circulated material commonly encountered in adult life. Among widely circulated material is a newspaper feature article.

3501.0050 TESTING FOR STATEWIDE STANDARDS IN BASIC REQUIREMENTS.

Subpart 1. **School district testing.** A school district shall test for competency in the statewide standards in basic requirements by using the state basic skills tests:

- A. a state test;
- B. one of the state-approved nationally normed, commercially published tests; or
- C. a local test.

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Subp. 2. **Offering tests in basic requirements.** A district shall not offer the test of a basic requirement before grade 8. Once the test has first been offered to a group of students, the district shall continue to offer the test of that basic requirement to that group of students at least once a year.

Subp. 3. **Additional testing opportunities.** A district shall establish a process for additional testing of students, who by April 1 of their anticipated graduation year have not passed one or more of the basic requirement tests.

The process shall include:

- A. how a parent, student, or both can request:
 - (1) an additional opportunity to take basic requirement tests; and
 - (2) testing accommodations;
- B. the procedure that a district shall use to act on a request in item A; and
- C. how a parent, student, or both can appeal the district's action under item B.

In addition to the regularly scheduled annual availability of the state tests, the state tests shall also be made available by the department at a district's request for one additional retesting of seniors.

Subp. 4. **Transfer students.** A student transferring into a district shall not be required to take a test of a basic requirement if the student's former school record verifies that the student has already passed a test of that basic requirement consistent with this part. This subpart applies even if the student transfers into a district that has higher standards than the statewide standard in the basic requirement.

3501.0060 STATE TEST.

Subpart 1. District use of state test.

- A. The department shall establish and maintain state tests in the basic requirements.
- B. When a district uses a state test, it shall:
 - (1) accept as final and conclusive the department's determination on the content of the test, the scoring of the answers, and the determination of the minimum passing score;
 - (2) administer the state test according to the standard conditions for administration that shall be provided to the district with each state test of basic requirements;
 - (3) return the administered state test to the state for scoring; and
 - (4) adopt a passing score no lower than the passing score given in part 3501.0180 for that basic requirement test.

Subp. 2. **Specifications for state test of mathematics.** The state test of mathematics shall assess the statewide standard in mathematics by including the topics described in items A to H:

- A. problems involving whole numbers, fractions, decimals, and integers; for example, finding the change from a \$20 bill after purchasing two items of known cost;
- B. problems involving percents, rate, ratios, and proportions; for example, determining which size of a grocery item represents the best buy;
- C. problems using concepts of number sense, place value, and number relationships to compare, order, and determine equivalence of whole numbers, fractions, decimals, percents, and integers; for example, determining which of two numbers is larger if one is in fraction form and one in decimal form;
- D. problems using estimation; for example, estimating the approximate distance traveled when the elapsed time and average rate are known;
- E. problems applying measurement concepts; for example, using a ruler to determine the length of the side of a figure;
- F. problems in reading, interpreting, and using one- and two-dimensional graphic forms to analyze data, identify patterns, and make predictions; for example, using a table to determine in which month a show had the highest attendance;
- G. problems using elementary concepts of probability and statistics; for example, finding the average of five bowling scores; and
- H. problems applying geometric and spatial relationships; for example, finding the total number of boxes stacked in a display.

A student shall be permitted to use a calculator on the state test of mathematics.

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Subp. 3. **Specifications for state test of reading.** The state test shall assess the statewide standard in reading. The test shall be written according to items A to D.

A. Test questions shall test reading comprehension as an integrated skill, with no testing of subskills or strategies.

B. The test shall be composed of passages of English nonfiction prose that are either narrative or expository.

C. Passages shall be selected from published readings commonly used by adults as sources of information.

D. Passages shall have a level of difficulty measured by the Degrees of Reading Power Index of Readability. The total test shall have an average difficulty of at least 64 DRP units.

3501.0090 STUDENTS WITH INDIVIDUALIZED EDUCATION PROGRAMS OR SECTION 504 ACCOMMODATION PLANS.

Subpart 1. **Considerations for students with IEPs or section 504 accommodation plans.**

A. The IEP or section 504 accommodation plan for a student with a disability shall identify one of the following decisions for each of the basic requirements:

(1) the student is expected to achieve the statewide standard with or without testing accommodations;

(2) the student is expected to achieve the statewide standard at an individually modified level of difficulty; or

(3) the student is exempt from the statewide standard.

An exemption from the statewide standard shall be granted to a special needs student when the student cannot demonstrate the required degree of learning with appropriate accommodations or modifications if:

(a) the student's IEP or section 504 accommodation plan does not and never has included the requirements on which the tests are based; or

(b) the student is enrolled in special education classes for the subject matter included in the test, but the student's IEP or section 504 accommodation plan does not include a majority of concepts tested.

B. Adoption of modifications or exemptions for a student as stated in item A, shall occur concurrently with the adoption of transition goals and objectives as required in Minnesota Statutes, section 125A.08, paragraph (a), clause (1).

Subp. 2. **Testing students with IEPs or section 504 accommodation plans.**

A. All students shall be tested under standard conditions as specified by the developer of the test except those students whose IEPs specify other decisions consistent with subpart 1, item A.

B. Decisions regarding appropriate testing conditions including a decision to provide accommodations for a student with special needs shall be made by the local school district through the IEP process or the section 504 accommodation plan process and shall be reviewed annually.

C. Where subpart 1, item A, subitem (2), applies, the student's IEP or section 504 accommodation plan shall define an appropriate assessment of the statewide standard at a modified level of difficulty. Achievement of the individually modified standard shall be certified only through documented student performance of the defined assessment.

3501.0100 TESTING CONSIDERATIONS FOR ENGLISH LEARNERS (EL).

Subpart 1. **Scope.** This part applies to individuals whose first language is not English and whose test performance may be negatively impacted by lack of English language proficiency.

Subp. 2. **District process.** Each district shall establish a process for determining whether individual students whose first language is not English shall take basic requirements tests under standard test conditions, with language accommodations, with language translation of the mathematics test, or be temporarily exempted from testing. Parents of English learners, teachers of English learners, and district personnel responsible for testing shall be involved in establishing this process.

Subp. 3. **Temporary exemption.** A student may be temporarily exempted from participation in testing if the student has been enrolled for three or fewer years in a school in which the primary language of instruction is English. If the student is temporarily exempted, the exemption shall be reviewed annually according to the process in subpart 2.

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Subp. 4. **Test of reading.** Language accommodations and language translations to basic requirements tests shall not be applied to the testing of reading. Students shall demonstrate English language competence in the testing of reading.

Subp. 5. **Language translations.** A district may translate the mathematics test into a language other than English.

Subp. 6. **Learning opportunities.** Part 3501.0110 applies to students granted considerations under this part.

3501.0110 OPPORTUNITIES TO LEARN AND REMEDIATION.

A school district's curriculum shall include opportunities for all students to learn the basic requirements. At least two years before the anticipated date of the student's graduation, the district shall develop a plan for remediation for students who have not passed one or more basic requirements tests except for exempt students under part 3501.0090, subpart 1, item A, subitem (3).

3501.0120 REQUIRED NOTIFICATION TO PARENTS AND STUDENTS.

Subpart 1. **Written notice.** A school district shall establish and maintain a system to provide written notice to parents and students about graduation requirements.

Subp. 2. **Notice of graduation requirements.** No later than 30 working days after the date of the entrance into the 9th grade or transfer of a student into the district during or after 9th grade, the school district shall provide to the parents and the student written notice of:

- A. the graduation requirements; and
- B. the grade in which the student shall have the first opportunity to take a test in basic requirements.

Subp. 3. **Notice of test results and remediation opportunities.** The school district shall provide no later than 90 days after a student takes a test of basic requirements, written notice to parents and the student of:

- A. basic requirement test results; and
- B. consistent with part 3501.0050, subpart 3, if the student is in the graduating year:
 - (1) the process by which a parent or student can request additional testing and testing accommodations after April 1; and
 - (2) how a parent or student can appeal the district's decision in subitem (1).

3501.0130 STUDENT RECORD KEEPING.

Subpart 1. **Test results.** The district shall keep a record on each student that includes:

- A. the basic requirement tests taken; and
- B. the results of the most recent basic requirement tests given.

Subp. 2. **Student progress.** Individual student progress shall be reported on a student record as described in items A to D.

A. "Pass-state level" shall be noted on the record of a student who passes a basic requirement test under standard conditions or with an accommodation. The records for students passing with an accommodation shall not be different from the records of students passing the test under standard conditions.

B. "Pass-individual level" shall be noted on the record of a student who passes a basic requirement test with a modification established in the IEP or section 504 accommodation plan in accordance with part 3501.0090.

C. "Pass-translation" shall be noted on the record of a student who passes a basic requirement test that has been translated into a language other than English and has not been validated by the state as a state test with a set passing score.

D. "Exempt" shall be noted on the record of a student who has been exempted from a basic requirement test.

3501.0140 TEST ADMINISTRATION.

Subpart 1. **Testing conditions.** The school district shall administer the test of a basic requirement under standard testing conditions defined by the developer of the particular test using the directions provided with the test. Test administration with accommodations or modifications

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to standard testing conditions shall occur only in accordance with part 3501.0050, subpart 3, or 3501.0090.

Subp. 2. **District testing plan.** The district board shall annually adopt and publish a basic requirement test administration plan. The plan shall be filed with the department and delivered to all households in the district by October 15 of each year. At a minimum, the plan shall include:

- A. the graduation requirements;
- B. how many opportunities a student shall have to retake tests of basic requirements during each year;
- C. the opportunities for remediation for a student who has not passed tests of the basic requirements;
- D. the process for requesting an additional testing opportunity and accommodations for a senior who has met all other graduation requirements but has not passed one or more basic requirements;
- E. the process for appealing the district's response to requests in item D; and
- F. how to report breaches in test security procedures to the district and the department.

3501.0150 TEST SECURITY.

Subpart 1. **Security requirements.** When administering tests for the basic requirements, the district shall observe the following test security measures:

- A. all test booklets, answer sheets, and test materials shall be placed in locked storage before and after the test administration;
- B. the tests, testing materials, and answer sheets are nonpublic data under Minnesota Statutes, section 13.34;
- C. no copies of test booklets or answer sheets shall be made; and
- D. school districts shall report any known violations of test security to the department. The department shall receive reports of violations of test security from anyone with knowledge of such an incident.

Subp. 2. **Security violations.** The department shall investigate any reported incidents of breaches in test security. The consequences of a violation in test security may include:

- A. the invalidation of test scores if a violation is found to justify serious questions about the integrity of the results of the test administration; or
- B. other reasonable sanctions that are necessary to preserve the security and confidentiality of future tests and test administrations.

3501.0160 DISTRICT REPORTING REQUIREMENTS.

A. The district shall report the information in item C to the department annually by October 15 in a format to be determined by the department.

B. The district shall prepare and disseminate annually by October 15 a public report of the information in item C, through the newspaper officially designated for school district notices or through publication sent to all households in the district.

C. The reports required in items A and B shall include:

- (1) the number of students enrolled at each grade level 9 through 12 according to the end of the year Minnesota Automated Reporting Student System (MARSS) report;
- (2) the number of students at each grade level 9 through 12 passing each basic requirement at the state standard level;
- (3) the number of students at each grade level 9 through 12 passing each basic requirement at an individualized level under an IEP and a section 504 accommodation plan;
- (4) the number of students at each grade level 9 through 12 passing tests in each basic requirement that has been translated into a language other than English;
- (5) the number of students at each grade level 9 through 12 exempt from testing in each basic requirement; and
- (6) for grade 12 of the previous year only, the number of students currently denied a high school diploma because of not passing the state standard for a basic requirement when all other graduation requirements have been met.

3501.0170 REQUIRED DOCUMENTATION FOR PROGRAM AUDIT.

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The school district shall maintain records necessary for program audits conducted by the department. The records must include documentation that:

- A. required notifications to parents and students meet the requirements of part 3501.0120;
- B. required student records meet the requirements of part 3501.0130;
- C. the district's process for additional testing of students meets the requirements of part 3501.0050;
- D. test security procedures comply with part 3501.0150;
- E. local district decisions regarding testing accommodations, modifications, and granting exemptions are in compliance with parts 3501.0090 and 3501.0100;
- F. the school district's curriculum and instruction provides appropriate learning opportunities in the basic requirements in compliance with part 3501.0110;
- G. remediation plans for students are on file consistent with part 3501.0110;
- H. the basic requirement test administration plan complies with part 3501.0140, subpart 2;
- I. the documentation for students granted accommodations or exempted from testing complies with part 3501.0090;
- J. the assessments and documentation of performance for students granted modifications of statewide standards comply with part 3501.0090, subpart 2, item C; and
- K. the district's process for testing considerations for English learners complies with part 3501.0100.

3501.0180 PASSING SCORES FOR STATE TESTS OF BASIC REQUIREMENTS.

Subpart 1. **Setting scores.** The scores in this part are established for each grade 9 class beginning with the class entering in 1996. Once set, the basic requirements passing scores shall not change for a particular group of entering grade 9 students.

Subp. 2. **Mathematics.** The passing score for the state test of mathematics is 70 percent for students entering grade 9 in 1996; and is 75 percent for students entering grade 9 in 1997 and thereafter.

Subp. 3. **Reading.** The passing score for the state test of reading is 70 percent for students entering grade 9 in 1996; and is 75 percent for students entering grade 9 in 1997 and thereafter.

3501.0200 PURPOSE.

The purpose of parts 3501.0200 to 3501.0290 is to establish a statewide standard that describes what a Minnesota public high school student must demonstrate in written composition to be eligible for a high school diploma.

3501.0210 SCOPE.

Parts 3501.0200 to 3501.0290 govern the written composition standard for a high school diploma that Minnesota public schools must require of all students who enter ninth grade in 1997 or a subsequent year.

3501.0220 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 3501.0200 to 3501.0290, the terms defined in part 3501.0030 have the same meaning unless otherwise clearly indicated.

Subp. 2. **Definitions for basic requirement in written composition testing.** For the purposes of parts 3501.0200 to 3501.0290, the following terms have the meanings given them.

A. "Prompt" means a statement of a writing task for which the student is to create a written composition for a specified adult reader.

B. "Scoring criteria" means the five writing characteristics in part 3501.0230, subpart 2, to be used by trained raters in determining to what degree a written response to a prompt does or does not meet the statewide standard for written composition.

C. "Written composition" or "composition" means the composite acts of formulating and preparing, in English, a clearly focused, organized, developed, coherent, and clearly expressed message to be communicated to an adult reader in a written format.

3501.0230 STATEWIDE GRADUATION STANDARD FOR WRITTEN COMPOSITION.

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Subpart 1. **Basic requirements.** The basic graduation requirement for written composition is established in parts 3501.0210 to 3501.0290. The statewide standard for written composition is specified in subpart 2.

Except for decisions consistent with parts 3501.0090 and 3501.0100, to qualify for a high school diploma, a student shall demonstrate competency in the statewide standard for written composition through one of the testing options in part 3501.0250, subpart 1. Districts may require higher standards, additional demonstrations, or both of competency in written composition beyond the statewide standards.

Subp. 2. **Statewide standard in written composition.** A student shall demonstrate the ability to create, in English, a written composition. An adequate written composition must show:

A. clarity of central ideas such that the composition responds directly and specifically to the task presented in the prompt;

B. coherent focus such that the supporting ideas expressed in the composition relate clearly to the central idea and that there is a clear connection among ideas. Coherent focus may be accomplished through transitions, parallel structure, or other unifying devices;

C. organization such that the ideas are expressed in an order which is logical and clear and the composition contains a beginning, middle, and end. The student may choose one of a variety of organizational strategies such as cause/effect, problem/solution, chronological sequence, topical order, or spatial organization;

D. detailed support or elaboration of ideas. The composition must include any or all of the following: information; verbal illustrations; explanations; and examples, which sufficiently clarify and expand the student's central idea for the reader. These details must be logically connected to the central idea; and

E. language conventions such that the composition includes features of language that are acceptable in standard written discourse. Language conventions are important to ensure that the meaning of the written composition is not impaired. The writer shall apply rules of sentence formation, language choice and order, and language mechanics including punctuation, capitalization, and spelling, of standard written English.

Subp. 3. **Scoring.** When scoring written compositions, there shall be a no minimum length requirement. Ratings shall be based on the overall quality of the written response relative to the scoring criteria. The general guidelines for score scale points in part 3501.0240 shall be used to evaluate adequate demonstration of the characteristics in subpart 2.

Handwriting must be decipherable. While students should be encouraged to write as neatly as they can, there shall be no penalty for poor handwriting, except that only compositions that are legible shall be scored.

3501.0240 GENERAL GUIDELINES FOR SCORE SCALE POINTS.

Subpart 1. **Scoring criteria.** Trained raters shall apply the scoring criteria under part 3501.0230, subpart 2, for the basic requirement in written composition to assign score scale points according to subparts 2 to 6.

Subp. 2. **Four-point rating.** A more than adequate student response in composition shall receive four points. A student response is more than adequate if the composition:

A. is related to the prompt;

B. has a central idea that is clearly expressed;

C. is well developed with supporting details;

D. has a beginning, middle, and end; and

E. demonstrates excellent control of the language that enhances the overall quality of the response.

Subp. 3. **Three-point rating.** An adequate student response in composition shall receive three points. A student response is adequate if the composition:

A. is related to the prompt;

B. has a central idea that is clearly expressed;

C. is developed with supporting details but may present minor obstacles to the reader in moving from one idea to another;

D. has a beginning, middle, and end; and

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E. demonstrates adequate control of the language in that the composition may have minor errors in sentence formation, usage, or mechanics, but these do not substantially detract from the overall quality of the composition.

Subp. 4. **Two-point rating.** A less than adequate student response in composition shall receive two points. A student response is less than adequate if the composition:

- A. is related to the prompt; but
- B. is not well focused;
- C. presents obstacles to the reader in moving from idea to idea;
- D. lacks a beginning, middle, or end; or

E. contains errors in sentence formation, word usage, and mechanics that are frequent enough to detract from the overall quality of the composition.

Subp. 5. **One-point rating.** A very inadequate student response shall receive one point. A student response is very inadequate if the composition:

- A. is related to the prompt; but
- B. lacks a central idea or coherent focus;
- C. is difficult to follow;
- D. is not clearly organized; or

E. contains errors in sentence formation, word usage, and mechanics that are frequent enough to detract from the overall quality of the composition.

Subp. 6. **Not scorable (N).** A student response that cannot be evaluated shall receive an N. A student response shall be designated not scorable when a rater and the scoring leader agree that the composition:

- A. is not related to the prompt;
- B. is not readable because it is illegible or incoherent;
- C. is written in a language other than English;
- D. contains an insufficient amount of writing to evaluate; or
- E. is blank in that no response is given.

3501.0250 TESTING FOR STATEWIDE STANDARDS IN THE BASIC REQUIREMENT OF WRITTEN COMPOSITION.

Subpart 1. **District testing.** A school district shall test for competency in the statewide standard in the basic requirement of written composition by using the state basic skills test of written composition.

Subp. 2. **Offering tests in basic requirements.** A district shall first offer the test of the basic requirement in written composition to students in grade 10. Nonpassing students shall be given the opportunity to retake the test of the basic requirement in written composition at least annually.

Subp. 3. **Additional testing opportunities.** A district shall establish a process for additional testing of students who by April 1 of their anticipated graduation year have not passed a test in the basic requirement in written composition.

The process shall include:

- A. how the parent, student, or both can request:
 - (1) an additional testing opportunity to take the basic requirement in written composition test; and
 - (2) testing accommodations;
- B. the procedure that the district shall use to act on a request in item A; and
- C. how a parent, student, or both can appeal the district's action under item B.

In addition to the regularly scheduled annual availability of a new form of the state test, an additional statewide administration of the state test shall be made available by the department for one additional retesting of seniors.

Subp. 4. **Transfer students.** A student transferring into a district shall not be required to take a test of the basic requirement for written composition if the student's record from the former school verifies that the student has already passed a test of that basic requirement consistent with this part. This subpart applies even if the student transfers into a district that has higher standards than the statewide standard for the basic requirement in written composition.

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Subp. 5. **Specifications for state test in written composition.** The state test shall assess the statewide standard for the basic requirement in written composition. The state test shall be written, administered, and scored according to subparts 6 to 8.

Subp. 6. **Test contents.** The state test shall require a student to compose a single composition in response to one prompt. The prompt shall:

- A. require no prior preparation for response;
- B. indicate that the response should be written for a specific adult reader;
- C. accommodate a variety of writing strategies and instruction;
- D. contain a topic that is unknown to students, their parents, teachers, or test proctors before the actual testing session; and
- E. elicit demonstration of the general scoring criteria of the statewide standard for the basic requirement in written composition.

Subp. 7. **Test administration.** The state test shall be administered according to standard conditions for administration that shall be provided to the district with the test.

A. The state test shall be untimed but must be completed in an unbroken block of time. Once the student is excused for lunch, another class, activity, or to go home, the testing session has been concluded.

B. The state test shall require that the student's response be written directly in the test booklets without the use of word processors or writing tools other than pencils and pens, except when the district determines that a student has a physical condition that prevents the student writing by hand or as provided for under part 3501.0090.

C. A student shall not use a dictionary, thesaurus, or other published or prepared reference or preparation material of any type during testing.

Subp. 8. **Test scoring.** Tests shall be scored independently by members of a state-approved, trained scoring panel using the scoring criteria and the scoring process specified by the state. The state scoring process for the test of the basic requirement in written composition shall be according to items A to E.

A. The state shall contract with an independent vendor chosen for its experience and reliability in training and conducting the scoring of tests of written composition.

B. The contracted vendor shall train each rater on the prompt to be scored and each rater shall satisfactorily complete a qualifying assessment prior to scoring actual student responses. The contractor shall provide periodic reports of interrater agreement as scoring progresses and summary data on interrater agreement when scoring has been completed. The contractor shall also periodically recheck the accuracy of each rater. To qualify for scoring student responses, an individual rater shall demonstrate at least a 90 percent rate of agreement with scores assigned by scoring leaders.

C. A rubric, which is the scoring criteria applied to example compositions unique to a specific prompt, shall be developed as part of the rater training process for rating a specific prompt.

D. Each composition shall be rated independently by two raters. Raters shall assign ratings on a scale of one to four (1-4) or assign a designation of not scorable according to the general scoring criteria in part 3501.0240 and the rubric developed for the specific prompt being scored. When a rater assigns N, the scoring leader shall either determine that the final score is N or declare the test scorable. A test, declared scorable through this procedure, shall be returned to begin the rating process again. Raters may assign only whole number ratings. Except as provided in item E, the written composition score for each student shall be the average of the two assigned ratings. An average score of at least 3.0 shall be required to pass the written composition test.

E. A student composition shall be evaluated by a third rater who is a scoring leader when the composition receives two ratings that:

- (1) differ by more than one point; or
- (2) consist of one 2 and one 3 rating.

The scoring leader shall independently assign a third rating to the composition. The final score shall be calculated by averaging the two ratings that are on the same side of the pass/not pass line. Final scores that are possible under this item are: 1, 1.5, 2, 3, 3.5, and 4. An assigned score of at least 3.0 shall be required to pass the written composition test.

Subp. 9. **Test review.** All written compositions shall be returned to districts after scoring is completed so that schools, teachers, and students have the opportunity to review them for diagnosis of student writing proficiency and identification of needs for further instruction.

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Districts may request, in advance of scoring, that compositions with failing scores be returned with analytic scoring to provide additional assistance in preparing the student for retesting.

3501.0270 SCHOOL DISTRICT RESPONSIBILITIES.

For the purposes of parts 3501.0200 to 3501.0290, parts 3501.0090 to 3501.0170 apply.

3501.0280 TEST OF WRITTEN COMPOSITION; ENGLISH LEARNERS (EL).

Subpart 1. **Testing considerations.** For the purposes of parts 3501.0200 to 3501.0290, part 3501.0100 applies when testing English learners (EL).

3501.0280 TEST OF WRITTEN COMPOSITION; ENGLISH LEARNERS (EL).

Subp. 2. **Test prompts.** A district may translate into another language test prompts for tests of written composition.

3501.0290 PASSING SCORE FOR STATE TESTS OF WRITTEN COMPOSITION.

The passing score for the state test of written composition is a rating of 3, consistent with part 3501.0250, subpart 8, items D and E.

3501.0505 KINDERGARTEN STANDARDS.

Subpart 1. **Reading and literature.** The student will listen to and begin to read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. The student will understand and apply knowledge of the sounds of the English language (phonemic awareness) and of the sound-symbol relationship (phonics).

B. Vocabulary expansion. The student will use a variety of strategies to develop and expand reading, listening, and speaking vocabularies.

C. Comprehension. The student will listen to and understand the meaning of text.

D. Literature. The student will read or listen to a variety of texts.

Subp. 2. **Writing.** The student will write clearly and coherently to effectively communicate for a variety of audiences and purposes.

A. Types of writing. Writing is addressed in subpart 1, item A.

B. Elements of composition. Standards under this heading may be locally determined.

C. Spelling, grammar, and usage. The student will begin to recognize correct spelling and punctuation.

D. Research. Standards under this heading may be locally determined.

E. Handwriting and word processing. The student will form letters and numbers.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

A. Speaking and listening. The student will communicate effectively through listening and speaking.

B. Viewing. The student will become familiar with the structure of printed material.

3501.0510 GRADE 1 STANDARDS.

Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. The student will understand and apply knowledge of the sounds of the English language (phonemic awareness), the sound-symbol relationship (phonics), and word recognition strategies to read grade-level materials with accuracy and emerging fluency.

B. Vocabulary expansion. The student will use a variety of strategies to develop and expand reading, listening, and speaking vocabularies.

C. Comprehension. The student will actively engage in the reading process and use a variety of comprehension strategies to understand the meaning of texts that have been read or listened to.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

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Subp. 2. **Writing.** The student will write clearly and coherently to communicate effectively for a variety of audiences and purposes.

- A. Types of writing. The student will compose various pieces of writing.
- B. Elements of composition. The student will demonstrate emerging knowledge of a writing process with attention to organization, topic, and quality of ideas.
- C. Spelling, grammar, and usage. The student will demonstrate emerging knowledge of punctuation, spelling, and capitalization.
- D. Research. The student will locate and use information in reference materials.
- E. Handwriting and word processing. The student will improve the student's handwriting.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

- A. Speaking and listening. The student will communicate effectively through listening and speaking.
- B. Viewing. The student will become familiar with the structure of printed material.

3501.0515 GRADE 2 STANDARDS.

Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

- A. Word recognition, analysis, and fluency. The student will understand and apply knowledge of the sounds of the English language (phonemic awareness), the sound-symbol relationship (phonics), and word recognition strategies to read grade-level materials with accuracy and fluency.
- B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.
- C. Comprehension. The student will actively engage in the reading process and use a variety of comprehension strategies to understand the meaning of texts that have been read.
- D. Literature. The student will actively engage in the reading process and read, understand, respond to, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently to effectively communicate for a variety of audiences and purposes, demonstrating an emerging knowledge and application of skills.

- A. Types of writing. The student will compose narrative and informational pieces of writing.
- B. Elements of composition. The student will demonstrate increased emerging knowledge in a writing process, with attention to organization, focus, and quality of ideas.
- C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.
- D. Research. The student will locate and use information in reference materials.
- E. Handwriting and word processing. The student will begin to write legibly.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

- A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.
- B. Viewing. The student will become familiar with the structure of printed material.

3501.0520 GRADE 3 STANDARDS.

Subpart 1. **Word recognition, analysis, and fluency.** The student will read and understand grade-appropriate English language text.

- A. Word recognition, analysis, and fluency. The student will apply word recognition strategies to decode unfamiliar multisyllabic words and will read grade-appropriate text with accuracy and fluency.
- B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.

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C. Comprehension. The student will understand the meaning of texts using a variety of comprehension strategies and will demonstrate literal, interpretive, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently to communicate effectively for a variety of audiences and purposes.

A. Types of writing. The student will compose various pieces of writing.

B. Elements of composition. The student will engage in a writing process, with attention to organization, focus, and quality of ideas.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. The student will write legibly.

Subp. 3. **Speaking, listening, and viewing.**

A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.0525 GRADE 4 STANDARDS.

Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. The student will decode unfamiliar words using phonetic and structural analysis and will read with fluency and expression.

B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.

C. Comprehension. The student will understand the meaning of texts, using a variety of strategies, and will demonstrate literal, interpretive, inferential, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently to effectively communicate for a variety of audiences and purposes.

A. Types of writing. The student will compose various pieces of writing.

B. Elements of composition. The student will engage in writing, with attention to organization, focus, and quality of ideas.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. The student will write legibly and use a keyboard.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.0530 GRADE 5 STANDARDS.

Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. The student will decode unfamiliar words using phonetic and structural analysis and will read with fluency and expression.

B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.

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C. Comprehension. The student will understand the meaning of texts, using a variety of strategies, and will demonstrate literal, interpretive, inferential, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently to effectively communicate for a variety of audiences and purposes.

A. Types of writing. The student will compose various pieces of writing.

B. Elements of composition. The student will engage in a writing process, with attention to organization, focus, quality of ideas, audience, and a purpose.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. The student will write legibly and demonstrate effective keyboarding skills.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.0535 GRADE 6 STANDARDS.

Subpart 1. **Reading and literature.** Students will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. The student will read with accuracy and fluency.

B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.

C. Comprehension. The student will understand the meaning of informational, expository, or persuasive texts, using a variety of strategies, and will demonstrate literal, interpretive, inferential, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently to effectively communicate for a variety of audiences and purposes.

A. Types of writing. The student will create informative, expressive, and persuasive writing.

B. Elements of composition. The student will engage in a writing process, with attention to organization, focus, quality of ideas, and a purpose.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. The student will write legibly and demonstrate effective keyboarding skills.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.0540 GRADE 7 STANDARDS.

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Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. The student will read with accuracy and fluency.

B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.

C. Comprehension. The student will understand the meaning of texts, using a variety of strategies, and will demonstrate literal, interpretive, inferential, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently for a variety of audiences and purposes.

A. Types of writing. The student will create informative, expressive, and persuasive writing.

B. Elements of composition. The student will engage in a writing process, with attention to context, organization, focus, quality of ideas, and a purpose.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. The student will write legibly and demonstrate effective keyboarding skills.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.0545 GRADE 8 STANDARDS.

Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. Standards under this heading may be locally determined and based on the individual needs of the student.

B. Vocabulary expansion. The student will use a variety of strategies to expand reading, listening, and speaking vocabularies.

C. Comprehension. The student will understand the meaning of texts using a variety of strategies and will demonstrate literal, interpretive, inferential, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently to effectively communicate for a variety of audiences and purposes.

A. Types of writing. The student will create informative, expressive, and persuasive writing.

B. Elements of composition. The student will engage in a writing process with attention to context, organization, focus, quality of ideas, and a purpose.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. The student will write legibly and demonstrate effective keyboarding skills.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences, and actively listen to, view, and evaluate oral communication and media.

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A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.0550 GRADES 9 THROUGH 12 STANDARDS.

Subpart 1. **Reading and literature.** The student will read and understand grade-appropriate English language text.

A. Word recognition, analysis, and fluency. Standards under this heading may be locally determined.

B. Vocabulary expansion. The student will apply a variety of strategies to expand vocabulary.

C. Comprehension. The student will understand the meaning of informational, expository, or persuasive texts, using a variety of strategies and will demonstrate literal, interpretive, inferential, and evaluative comprehension.

D. Literature. The student will actively engage in the reading process and read, understand, respond to, analyze, interpret, evaluate, and appreciate a wide variety of fiction, poetic, and nonfiction texts.

Subp. 2. **Writing.** The student will write clearly and coherently for a variety of audiences and purposes.

A. Type of writing. The student will write in narrative, expository, descriptive, persuasive, and critical modes.

B. Elements of composition. The student will engage in a writing process with attention to audience, organization, focus, quality of ideas, and a purpose.

C. Spelling, grammar, and usage. The student will apply standard English conventions when writing.

D. Research. The student will locate and use information in reference materials.

E. Handwriting and word processing. Standards under this heading may be locally determined.

Subp. 3. **Speaking, listening, and viewing.** The student will speak clearly and effectively for a variety of purposes and audiences and actively listen to, view, and evaluate oral communication and media.

A. Speaking and listening. The student will demonstrate understanding and communicate effectively through listening and speaking.

B. Media literacy. The student will critically analyze information found in electronic and print media, and will use a variety of these sources to learn about a topic and represent ideas.

3501.1000 PURPOSE.

The purpose of parts 3501.1000 to 3501.1190 is to establish statewide graduation test standards and rules for administration and implementation of the graduation-required assessment for diploma (GRAD).

3501.1020 SCOPE.

Parts 3501.1000 to 3501.1190 govern the graduation standards that Minnesota public schools must require for a high school diploma for all students enrolled in grade 8 in the 2005-2006 school year and later.

3501.1030 DEFINITIONS.

Subpart 1. **Scope.** The terms used in parts 3501.1000 to 3501.1190 have the meanings given them in this part.

Subp. 2. **Accommodation.** "Accommodation" means an adjustment in a testing condition, such as the setting for or scheduling of the test, or a change in the method of administering a test. An accommodation does not compromise the security or the confidentiality of the test, does not alter the meaning of the score, or render the student's score incomparable to the scores of those students who took the test under standard conditions.

Subp. 3. **Department.** "Department" means the Department of Education.

Subp. 4. **District.** "District" means a school district.

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Subp. 5. **Graduation-required assessment for diploma (GRAD).** "Graduation-required assessment for diploma" or "GRAD" means the assessment that measures the reading, writing, and mathematics proficiency of high school students.

Subp. 6. **Individualized education program or IEP.** "Individualized education program" or "IEP" means a written statement developed for a student eligible for special education and services pursuant to Minnesota Statutes, sections 125A.03 to 125A.24, and the Individuals with Disabilities Education Act, as amended in 2004, Public Law 108-446.

Subp. 7. **Modification.** "Modification" means an adjustment of a test that results in changing the standard for a particular student.

Subp. 8. **Parent.** "Parent" means, for a student under age 18, the mother, father, guardian, person acting as the parent of the student, conservator, or surrogate parent who has been appointed according to parts 3525.2435 to 3525.2455. For a student age 18 or over, parent also includes the student unless a guardian or conservator has been appointed, in which case it means the guardian or conservator. When the parents are separated or divorced, it means the parent who has the legal right, by court decree or agreement, to determine the student's education, even though the student may be living with the other parent.

Subp. 9. **Public schools.** "Public schools" means all public schools as defined in Minnesota Statutes, section 120A.05, and includes, but is not limited to, public school districts, charter schools, the state academies for the deaf and the blind, and the Center for Arts Education.

Subp. 10. **Section 504 accommodation plan.** "Section 504 accommodation plan" means the defined appropriate accommodations or modifications that must be made in the school environment to address the needs of an individual student with disabilities. This section of the federal Rehabilitation Act of 1973, Public Law 91-230, as amended in Public Law 101-476, extends protection to a much broader student population than just those students with IEPs.

Subp. 11. **Statewide graduation standards.** "Statewide graduation standards" means statements of what a student should know and be able to do as described by Minnesota Statutes, sections 120B.02 and 120B.021.

Subp. 12. **Student.** "Student" means a person admitted to a public school as defined in Minnesota Statutes, section 120A.05, in accordance with Minnesota Statutes, section 120A.20.

Subp. 13. **Test design.** "Test design" means statements of the requirements that tests must include and how tests are designed. These design documents define the required content, format, level of difficulty, types of items, and length of the tests.

3501.1040 GRAD REQUIREMENTS.

The GRAD requirements for reading, mathematics, and writing are established in this chapter.

To qualify for a high school diploma, a student must demonstrate competency in the statewide standards for reading, mathematics, and writing by fulfilling the graduation test requirements established by Minnesota Statutes, sections 120B.02 and 120B.30.

3501.1050 TESTING FOR STATEWIDE GRAD STANDARDS.

Subpart 1. **District testing.** A district must test for proficiency in statewide graduation standards by using the graduation-required assessment for diploma.

Subp. 2. **Offering GRAD.** A district must not offer the GRAD before the grade of its first census administration. Once the test has first been offered to a group of students, the district must continue to offer the GRAD to that group of students at least once a year.

3501.1110 OPPORTUNITIES TO LEARN AND REMEDIATION.

A district's curriculum must include opportunities for all students to learn the GRAD requirements and subject matter. The district must develop a plan for remediation for a student who, after two retest opportunities, has not passed a specific GRAD.

3501.1120 REQUIRED NOTIFICATION TO PARENTS AND STUDENTS.

Subpart 1. **Written notice.** A district must establish and maintain a system to provide written notice to parents and students about graduation requirements.

Subp. 2. **Notice of graduation requirements.** Beginning in the 2008-2009 school year and each subsequent year the district must provide to parents and students written notice of:

- A. the graduation requirements; and
- B. the grade in which the student will have the first opportunity to take a GRAD.

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Subp. 3. **Notice of test results and remediation opportunities.** The district must provide written notice to parents and the student of GRAD results no later than 60 days after the district receives the results of a GRAD. After the date of receiving test results, students must have a minimum of six weeks for remediation before the next testing opportunity.

3501.1130 STUDENT RECORD KEEPING.

Subpart 1. **Test results.** The district must keep a record on each student that includes:

- A. the GRAD taken; and
- B. the results of the most recent GRAD given.

Subp. 2. **Student progress.** Individual student progress must be reported on a student record as described in this part.

"Pass" or "p" must be noted on the record of a student who passes a GRAD under standard conditions or with an accommodation.

"Pass" or "p" must also be noted on the record of a student who passes a GRAD with a modification established in the IEP or section 504 accommodation plan in accordance with part 3501.1190. This notation is also used as a GRAD notation for any other modified or alternate assessment used for accountability purposes for students with disabilities. The records for students passing with an accommodation or a modification or who pass an alternate assessment must not differ from the records of students passing the test under standard conditions.

3501.1140 TEST ADMINISTRATION.

The district must administer the GRAD under standard testing conditions defined by the developer of the particular test. The district must use the directions provided with the test. Test administration with accommodations or modifications to standard testing conditions must occur only in accordance with part 3501.1190.

3501.1150 TEST SECURITY.

Subpart 1. **Security requirements.** When administering GRAD, the district must observe the following test security measures:

- A. all test materials must be secured, either physically or electronically, before and after the test administration;
- B. all testing materials are nonpublic data under Minnesota Statutes, section 13.34;
- C. a student is required to present a valid photo ID before being admitted to the testing site if:
 - (1) the student is not enrolled in the testing district; or
 - (2) the student is unknown to the test proctor when testing in the enrolled district; and
- D. districts must report any known violations of test security to the department. The department must accept reports of violations of test security from anyone with knowledge of such an incident.

Subp. 2. **Security violations.** The department must investigate any reported incidents of breaches in test security. The consequences of a violation in test security may include:

- A. the invalidation of test scores if a violation is found to justify serious questions about the integrity of the results of the test administration; or
- B. other reasonable sanctions that are necessary to preserve the security and confidentiality of future tests and test administrations.

3501.1160 REQUIRED DOCUMENTATION FOR PROGRAM AUDIT.

The district must maintain records necessary for program audits conducted by the department. The records must include documentation that:

- A. remediation plans for students are developed consistent with part 3501.1110;
- B. the district's curriculum and instruction provides appropriate learning opportunities in the state graduation requirements in compliance with part 3501.1110;
- C. notifications to parents and students meet the requirements of part 3501.1120;
- D. student records meet the requirements of part 3501.1130;
- E. the GRAD administration plan complies with part 3501.1140;
- F. test security procedures comply with part 3501.1150;

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G. the district's process for testing considerations for English learners complies with part 3501.1180;

H. the documentation for students granted accommodations for testing complies with part 3501.1190; and

I. the assessments and documentation of performance for students granted modifications of statewide standards comply with part 3501.1190.

3501.1170 PASSING SCORES FOR GRAD.

Subpart 1. **Passing scores.** Passing scores for purposes of this part reflect an achievement level equivalent to or greater than the level determined through a standard setting process.

Subp. 2. **Reading and mathematics.** The passing scores for the GRAD in reading and mathematics are as provided by Minnesota Statutes, section 120B.30, subdivision 1, for students enrolled in grade 8 in the 2005-2006 school year and later.

Subp. 3. **Writing.** The passing score for the GRAD in writing is as provided by Minnesota Statutes, section 120B.30, subdivision 2, for students enrolled in grade 8 in the 2005-2006 school year and later.

3501.1180 STUDENTS IN UNIQUE SITUATIONS.

Subpart 1. **Dual enrolled students.** Dual enrolled students are public school students. To graduate from a Minnesota public high school, a dual enrolled student must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30.

Subp. 2. **English learners (EL).** English learners (EL) who are public school students and are designated in the Minnesota Automated Reporting Student System (MARSS) as English learners (EL) are required to pass the GRAD if they have been enrolled in any Minnesota school for at least four consecutive years. An EL student who first enrolls in a Minnesota school in grade 9 or above and who completes the course work and any other state and district requirements to graduate within a four-year period is not required to pass the GRAD.

Subp. 3. **Foreign exchange students.** To graduate from a Minnesota public high school, a foreign exchange student must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30. If a foreign exchange student will not receive a diploma from a Minnesota public high school, the student is not required to fulfill the graduation test requirements.

Subp. 4. **Home school students.** Home school students are not public school students and passing the GRAD is not required. To graduate from a Minnesota public high school, a home school student must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30.

Subp. 5. **Open enrollment students.** Open enrollment students are public school students. To graduate from a Minnesota public high school, an open enrollment student must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30.

Subp. 6. **Postsecondary enrollment option (PSEO) students.** Postsecondary enrollment option (PSEO) students are public school students. To graduate from a Minnesota public high school, a PSEO student must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30.

A PSEO student who is present on the day of testing should participate in the current series Minnesota Comprehensive Assessments (MCA). A PSEO student who is not present for the current series MCA must take the GRAD at a later date.

Subp. 7. **Shared-time students.** Shared-time students are private school students attending a public school class; these students are not public school students and passing the GRAD is not required. To graduate from a Minnesota public high school, a shared-time student must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30.

Subp. 8. **Transfer students who passed a graduation examination in another state.** A district may submit a passing score report for a transfer student and the department will request test design documents from the other state for review. As graduation examinations from other states are received, the department will maintain a list of states with acceptable substitute graduation examinations. The department will seek reciprocity for the GRAD in other states when it accepts their assessments.

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Subp. 9. **District-placed students and students attending school under a tuition agreement.** District-placed students and students attending school under a tuition agreement are public school students. To graduate from a Minnesota public high school, district-placed students and students attending school under a tuition agreement must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30.

Subp. 10. **Care and treatment; correctional facility students.** To graduate from a Minnesota public high school, a student placed for care and treatment or a student in a correctional facility must fulfill the graduation test requirements in reading, mathematics, and writing established by Minnesota Statutes, sections 120B.02 and 120B.30, unless the student has an IEP or a section 504 accommodation plan, in which case part 3501.1190 applies.

3501.1190 STUDENTS WITH IEP PLANS OR SECTION 504 ACCOMMODATION PLANS.

Subpart 1. **Considerations for students with IEPs or section 504 accommodation plans.** The individualized education program or section 504 accommodation plan for a student with a disability must identify one of the following decisions for each subject area of the GRAD:

A. the student is expected to achieve the statewide standard with or without testing accommodations, resulting in a "pass" or "p" notation on the record when achieving a passing score; or

B. the student is expected to achieve the statewide standard at an individually modified level of difficulty, resulting in a "pass" or "p" notation on the record when achieving the modified level. A Minnesota alternate assessment must be used when an IEP team chooses to replace the GRAD. Adoption of modifications for a student must occur concurrently with the adoption of transition goals and objectives as required by Minnesota Statutes, section 125A.08, paragraph (a), clause (1).

Subp. 2. **Testing students with IEPs or section 504 accommodation plans.** All students must be tested under standard conditions as specified by the developer of the test except those students whose IEPs or section 504 accommodation plans specify other decisions consistent with subpart 1.

A. Decisions regarding appropriate testing conditions, including a decision to provide accommodations for a student, must be made by the IEP team or through the section 504 accommodation plan process and must be reviewed annually.

B. Where subpart 1, item B, applies, the student's IEP or section 504 accommodation plan must define an appropriate assessment of the statewide standard at a modified level of difficulty. Achievement of the individually modified standard shall be certified only through documented student performance of the defined assessment.