

A bill for an act

1.1 relating to education; providing for policy and funding for early childhood,
1.2 family, adult, and prekindergarten through grade 12 education, including
1.3 general education; education excellence; special programs; facilities and
1.4 technology; nutrition; libraries and accounting; early education, prevention,
1.5 self-sufficiency, and lifelong learning; state agencies; and forecast adjustments;
1.6 creating a consolidated levy; modifying charter school provisions; reducing
1.7 mandates; allocating prekindergarten allowances; appropriating money;
1.8 amending Minnesota Statutes 2008, sections 16A.06, subdivision 11; 119A.52;
1.9 120A.22, subdivisions 11, 12; 120A.24; 120A.40; 120A.41; 120B.02; 120B.021,
1.10 subdivision 1; 120B.023, subdivision 2; 120B.024; 120B.30, subdivisions
1.11 1, 1a, 2, by adding a subdivision; 120B.31, subdivisions 1, 3, 4; 120B.35;
1.12 120B.36; 121A.035, subdivision 2; 121A.037; 121A.15, subdivision 8;
1.13 121A.41, subdivisions 7, 10; 121A.43; 122A.06, subdivision 4; 122A.07,
1.14 subdivisions 2, 3; 122A.18, subdivisions 2, 2a, by adding a subdivision;
1.15 122A.31, subdivision 4; 122A.413, subdivision 2; 122A.414, subdivision 2b, by
1.16 adding a subdivision; 122A.415, by adding subdivisions; 122A.60, subdivision
1.17 1a; 122A.61, subdivision 1; 123A.05; 123A.06; 123A.08; 123A.73, subdivisions
1.18 4, 5; 123B.03, subdivision 1; 123B.14, subdivision 7; 123B.42, subdivision 1;
1.19 123B.44, subdivision 1; 123B.51, by adding a subdivision; 123B.54; 123B.59,
1.20 subdivisions 6, 7; 123B.70, subdivision 1; 123B.71, subdivision 9; 123B.77,
1.21 subdivision 3; 123B.81, subdivisions 3, 4, 5; 123B.83, subdivision 3; 124D.095,
1.22 subdivisions 3, 4, 7, 10; 124D.10, subdivisions 1, 2a, 3, 4, 4a, 5, 6, 6a, 7, 8, 9, 11,
1.23 13, 14, 15, 17, 20, 23, 23a, 25, by adding subdivisions; 124D.11, subdivision
1.24 9, by adding a subdivision; 124D.128, subdivisions 2, 3; 124D.13, subdivision
1.25 13; 124D.135, subdivision 3; 124D.15, subdivision 3; 124D.19, subdivisions
1.26 10, 14; 124D.42, subdivision 6, by adding a subdivision; 124D.522; 124D.60,
1.27 subdivision 1; 124D.68, subdivisions 2, 3, 4; 124D.83, subdivision 4; 124D.86,
1.28 subdivision 3; 125A.01; 125A.02; 125A.07; 125A.08; 125A.091, subdivisions
1.29 7, 10, 12, 13, 14, 16, 18, 19, 20, 24, 25, 27, 28, by adding a subdivision;
1.30 125A.11, subdivision 1; 125A.15; 125A.28; 125A.51; 125A.57, subdivision 2;
1.31 125A.62, subdivision 8; 125A.63, subdivisions 2, 4; 125A.744, subdivision 3;
1.32 125A.76, subdivision 1; 125B.26, subdivisions 1, 2, 3, 4; 126C.05, subdivisions
1.33 2, 15, 20; 126C.10, subdivisions 2a, 13a, 13b, 29, 30, 32, 33, 34, 35, 36;
1.34 126C.13, subdivision 4, by adding subdivisions; 126C.15, subdivisions 2, 4;
1.35 126C.17, subdivision 9; 126C.21, subdivision 3, by adding a subdivision;
1.36 126C.40, subdivision 6; 126C.455; 127A.08, by adding a subdivision; 127A.47,
1.37 subdivisions 5, 7; 127A.49, subdivisions 2, 3; 134.31, subdivision 4a, by
1.38 adding a subdivision; 134.34, subdivisions 1, 4; 171.05, subdivision 2; 171.17,
1.39

2.1 subdivision 1; 171.22, subdivision 1; 181A.05, subdivision 1; 299A.297;
2.2 299F.30, subdivision 1; 299F.47, subdivision 4; Laws 2007, chapter 146, article
2.3 1, section 24, subdivisions 2, as amended, 4, as amended, 5, as amended, 6,
2.4 as amended, 7, as amended, 8, as amended; article 2, section 46, subdivisions
2.5 2, as amended, 3, as amended, 4, as amended, 6, as amended, 9, as amended;
2.6 article 3, section 24, subdivisions 3, as amended, 4, as amended, 7; article 4,
2.7 section 16, subdivisions 2, as amended, 6, as amended, 8, as amended; article
2.8 5, section 13, subdivisions 2, as amended, 3, as amended; article 9, section 17,
2.9 subdivisions 2, as amended, 4, as amended, 8, as amended, 9, as amended, 13, as
2.10 amended; proposing coding for new law in Minnesota Statutes, chapters 4; 120B;
2.11 122A; 124D; 125B; 127A; repealing Minnesota Statutes 2008, sections 120A.26,
2.12 subdivisions 1, 2; 120B.362; 121A.27; 122A.24; 122A.72, subdivisions 3, 4;
2.13 124D.10, subdivisions 18, 19, 26; 125A.05; 125A.091, subdivisions 1, 2, 3, 4,
2.14 22, 23; 126C.10, subdivisions 13a, 13b, 29, 30, 32, 33, 34, 35, 36; Laws 2008,
2.15 chapter 363, article 2, section 48; Minnesota Rules, parts 3525.0210, subparts 34,
2.16 43; 3525.0400; 3525.2445; 3525.4220.

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 2008, section 16A.06, subdivision 11, is amended to read:

2.21 Subd. 11. **Permanent school fund reporting.** The commissioner shall ~~biannually~~
2.22 annually report to the Permanent School Fund Advisory Committee and the legislature
2.23 ~~on the management of the permanent school trust fund that shows how the commissioner~~
2.24 the amount of the permanent school fund transfer and information about the investment of
2.25 the permanent school fund provided by the State Board of Investment. The State Board of
2.26 Investment shall provide information about how they maximized the long-term economic
2.27 return of the permanent school ~~trust~~ fund.

2.28 Sec. 2. Minnesota Statutes 2008, section 120A.40, is amended to read:

2.29 **120A.40 SCHOOL CALENDAR.**

2.30 (a) Except for learning programs during summer, flexible learning year programs
2.31 authorized under sections 124D.12 to 124D.127, and learning year programs under section
2.32 124D.128, a district must not commence an elementary or secondary school year before
2.33 Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops
2.34 may be held before Labor Day. Districts that enter into cooperative agreements are
2.35 encouraged to adopt similar school calendars.

2.36 (b) A district may begin the school year on any day before Labor Day:

2.37 (1) to accommodate a construction or remodeling project of \$400,000 or more
2.38 affecting a district school facility;

3.1 (2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35
3.2 with a district that qualifies under clause (1); or

3.3 ~~A school~~ (3) if the district that agrees to the same schedule with a school district
3.4 in an adjoining state also may begin the school year before Labor Day as authorized
3.5 under this paragraph.

3.6 Sec. 3. Minnesota Statutes 2008, section 120A.41, is amended to read:

3.7 **120A.41 LENGTH OF SCHOOL YEAR; DAYS HOURS OF INSTRUCTION.**

3.8 A school board's annual school calendar must include at least ~~the number of days of~~
3.9 ~~student instruction the board formally adopted as its school calendar at the beginning of~~
3.10 ~~the 1996-1997 school year~~ 425 hours of instruction for a kindergarten student without a
3.11 disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of
3.12 instruction for a student in grades 7 through 12, not including summer school.

3.13 Sec. 4. Minnesota Statutes 2008, section 123A.73, subdivision 4, is amended to read:

3.14 Subd. 4. **Consolidation; maximum authorized referendum revenues.** (a) As
3.15 of the effective date of a consolidation pursuant to section 123A.48, if the plan for
3.16 consolidation so provides, or if the plan for consolidation makes no provision concerning
3.17 referendum revenues, the authorization for all referendum revenues previously approved
3.18 by the voters of all affected districts for those districts pursuant to section 126C.17,
3.19 subdivision 9, or its predecessor provision shall be recalculated as provided in this
3.20 subdivision. The referendum revenue authorization for the newly created district shall
3.21 be the revenue per resident marginal cost pupil unit that would raise an amount equal
3.22 to the combined dollar amount of the referendum revenues authorized by each of the
3.23 component districts for the year preceding the consolidation, unless the referendum
3.24 revenue authorization of the newly created district is subsequently modified pursuant to
3.25 section 126C.17, subdivision 9.

3.26 (b) The referendum allowance for a consolidated district in the years following
3.27 consolidation equals the average of the consolidating districts' existing authorities for
3.28 those years, weighted by the districts' resident marginal cost pupil units in the year
3.29 preceding consolidation. For purposes of this calculation, the referendum authorities used
3.30 for individual districts shall not decrease from year to year until such time as all existing
3.31 authorities for all the consolidating districts have fully expired, but shall increase if they
3.32 were originally approved with consumer price index-based or other annual increases.

3.33 (c) The referendum revenue authorization for the newly created district shall continue
3.34 for a period of time equal to the longest period authorized for any component district.

4.1 EFFECTIVE DATE. This section is effective for revenue for fiscal years 2010
4.2 and later.

4.3 Sec. 5. Minnesota Statutes 2008, section 123A.73, subdivision 5, is amended to read:

4.4 Subd. 5. **Alternative method.** (a) As of the effective date of a consolidation
4.5 pursuant to section 123A.48, if the plan for consolidation so provides, the authorization
4.6 for all referendum revenues previously approved by the voters of all affected districts for
4.7 those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision
4.8 shall be combined as provided in this subdivision. The referendum revenue authorization
4.9 for the newly created district may be any allowance per resident marginal cost pupil unit
4.10 provided in the plan for consolidation, but may not exceed the allowance per resident
4.11 marginal cost pupil unit that would raise an amount equal to the combined dollar amount
4.12 of the referendum revenues authorized by each of the component districts for the year
4.13 preceding the consolidation.

4.14 (b) The referendum allowance for a consolidated district in the years following
4.15 consolidation equals the average of the consolidating districts' existing authorities for
4.16 those years, weighted by the districts' resident marginal cost pupil units in the year
4.17 preceding consolidation. For purposes of this calculation, the referendum authorities used
4.18 for individual districts shall not decrease from year to year until such time as all existing
4.19 authorities for all the consolidating districts have fully expired, but shall increase if they
4.20 were originally approved with consumer price index-based or other annual increases.

4.21 (c) The referendum revenue authorization for the newly created district shall
4.22 continue for a period of time equal to the longest period authorized for any component
4.23 district. The referendum revenue authorization for the newly created district may be
4.24 modified pursuant to section 126C.17, subdivision 9.

4.25 Sec. 6. Minnesota Statutes 2008, section 123B.14, subdivision 7, is amended to read:

4.26 Subd. 7. **Clerk records.** The clerk shall keep a record of all meetings of the
4.27 district and the board in books provided by the district for that purpose. The clerk shall,
4.28 within three days after an election, notify all persons elected of their election. By ~~August~~
4.29 September 15 of each year the clerk shall file with the board a report of the revenues,
4.30 expenditures and balances in each fund for the preceding fiscal year. The report together
4.31 with vouchers and supporting documents shall subsequently be examined by a public
4.32 accountant or the state auditor, either of whom shall be paid by the district, as provided
4.33 in section 123B.77, subdivision 3. The board shall by resolution approve the report or

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5.1 require a further or amended report. By ~~August~~ September 15 of each year, the clerk shall
5.2 make and transmit to the commissioner certified reports, showing:

- 5.3 (1) ~~The condition and value of school property;~~
5.4 ~~(2)~~ the revenues and expenditures in detail, and such other financial information
5.5 required by law, rule, or as may be called for by the commissioner;
5.6 ~~(3)~~ (2) the length of school term and the enrollment and attendance by grades; and
5.7 ~~(4)~~ (3) such other items of information as may be called for by the commissioner.

5.8 The clerk shall enter in the clerk's record book copies of all reports and of the
5.9 teachers' term reports, as they appear in the registers, and of the proceedings of any
5.10 meeting as furnished by the clerk pro tem, and keep an itemized account of all the
5.11 expenses of the district. The clerk shall furnish to the auditor of the proper county, by
5.12 ~~October 10~~ September 30 of each year, an attested copy of the clerk's record, showing
5.13 the amount of ~~money~~ proposed property tax voted by the district or the board for school
5.14 purposes; draw and sign all orders upon the treasurer for the payment of money for bills
5.15 allowed by the board for salaries of officers and for teachers' wages and all claims, to be
5.16 countersigned by the chair. Such orders must state the consideration, payee, and the
5.17 fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in
5.18 the order in which they become due, and no money applicable for teachers' wages shall
5.19 be used for any other purpose, nor shall teachers' wages be paid from any fund except
5.20 that raised or apportioned for that purpose.

5.21 Sec. 7. Minnesota Statutes 2008, section 123B.42, subdivision 1, is amended to read:

5.22 Subdivision 1. **Providing education materials and tests.** The commissioner of
5.23 education shall promulgate rules under the provisions of chapter 14 requiring that in
5.24 each school year, based upon formal requests by or on behalf of nonpublic school pupils
5.25 in a nonpublic school with enrollment that exceeds 15 students, the local districts or
5.26 intermediary service areas must purchase or otherwise acquire textbooks, individualized
5.27 instructional or cooperative learning materials, and standardized tests and loan or provide
5.28 them for use by children enrolled in that nonpublic school. These textbooks, individualized
5.29 instructional or cooperative learning materials, and standardized tests must be loaned or
5.30 provided free to the children for the school year for which requested. The loan or provision
5.31 of the textbooks, individualized instructional or cooperative learning materials, and
5.32 standardized tests shall be subject to rules prescribed by the commissioner of education.

5.33 Sec. 8. Minnesota Statutes 2008, section 123B.44, subdivision 1, is amended to read:

6.1 Subdivision 1. **Provided services.** The commissioner of education shall promulgate
6.2 rules under the provisions of chapter 14 requiring each district or other intermediary
6.3 service area: (a) to provide each year upon formal request by a specific date by or on
6.4 behalf of a nonpublic school pupil enrolled in a nonpublic school located in that district
6.5 or area with a total enrollment of more than 15 pupils, the same specific health services
6.6 as are provided for public school pupils by the district where the nonpublic school is
6.7 located; and (b) to provide each year upon formal request by a specific date by or on
6.8 behalf of a nonpublic school secondary pupil enrolled in a nonpublic school located in that
6.9 district or area, the same specific guidance and counseling services as are provided for
6.10 public school secondary pupils by the district where the nonpublic school is located. The
6.11 district where the nonpublic school is located must provide the necessary transportation
6.12 within the district boundaries between the nonpublic school and a public school or
6.13 neutral site for nonpublic school pupils who are provided pupil support services under
6.14 this section if the district elects to provide pupil support services at a site other than the
6.15 nonpublic school. Each request for pupil support services must set forth the guidance and
6.16 counseling or health services requested by or on behalf of all eligible nonpublic school
6.17 pupils enrolled in a given nonpublic school. No district or intermediary service area
6.18 must not expend an amount for these pupil support services which exceeds the amount
6.19 allotted to it under this section.

6.20 Sec. 9. Minnesota Statutes 2008, section 123B.77, subdivision 3, is amended to read:

6.21 Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the
6.22 calendar year of the submission of the unaudited financial data, the district must provide to
6.23 the commissioner audited financial data for the preceding fiscal year. The audit must be
6.24 conducted in compliance with generally accepted governmental auditing standards, the
6.25 federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office
6.26 of the State Auditor. An audited financial statement prepared in a form which will allow
6.27 comparison with and correction of material differences in the unaudited financial data
6.28 shall be submitted to the commissioner and the state auditor by December 31. The audited
6.29 financial statement must also provide a statement of assurance pertaining to uniform
6.30 financial accounting and reporting standards compliance and a copy of the management
6.31 letter submitted to the district by the school district's auditor.

6.32 (b) By ~~January~~ February 15 of the calendar year following the submission of the
6.33 unaudited financial data, the commissioner shall convert the audited financial data
6.34 required by this subdivision into the consolidated financial statement format required
6.35 under subdivision 1a and publish the information on the department's Web site.

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7.1 Sec. 10. Minnesota Statutes 2008, section 123B.81, subdivision 3, is amended to read:

7.2 Subd. 3. **Debt verification.** The commissioner shall establish a uniform auditing or
7.3 other verification procedure for districts to determine whether a statutory operating debt
7.4 exists in any Minnesota school district ~~as of June 30, 1977. This procedure must identify~~
7.5 ~~all interfund transfers made during fiscal year 1977 from a fund included in computing~~
7.6 ~~statutory operating debt to a fund not included in computing statutory operating debt.~~
7.7 The standards for this uniform auditing or verification procedure must be promulgated
7.8 by the state board pursuant to chapter 14. If a district applies to the commissioner for
7.9 a statutory operating debt verification ~~or if the unaudited financial statement for the~~
7.10 ~~school year ending June 30, 1977 reveals that a statutory operating debt might exist,~~ the
7.11 commissioner shall require a verification of the amount of the statutory operating debt
7.12 which actually does exist.

7.13 Sec. 11. Minnesota Statutes 2008, section 123B.81, subdivision 4, is amended to read:

7.14 Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted
7.15 pursuant to subdivision 3 determines that a statutory operating debt exists, a district
7.16 must follow the procedures ~~set forth in this~~ section 123B.83 to eliminate this statutory
7.17 operating debt.

7.18 Sec. 12. Minnesota Statutes 2008, section 123B.81, subdivision 5, is amended to read:

7.19 Subd. 5. **Certification of debt.** The commissioner shall certify the amount of
7.20 statutory operating debt for each district. ~~Prior to June 30, 1979, the commissioner may,~~
7.21 ~~on the basis of corrected figures, adjust the total amount of statutory operating debt~~
7.22 ~~certified for any district.~~

7.23 Sec. 13. Minnesota Statutes 2008, section 123B.83, subdivision 3, is amended to read:

7.24 Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in
7.25 accordance with this section, the commissioner may so notify the appropriate committees
7.26 of the legislature by no later than ~~January 1~~ February 15 of the year following the end
7.27 of that fiscal year.

7.28 Sec. 14. Minnesota Statutes 2008, section 124D.10, subdivision 13, is amended to read:

7.29 Subd. 13. **Length of school year.** A charter school must provide instruction each
7.30 year for at least the number of ~~days~~ hours required by section 120A.41. It may provide
7.31 instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

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8.1 Sec. 15. Minnesota Statutes 2008, section 125A.11, subdivision 1, is amended to read:

8.2 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,
8.3 when a school district provides instruction and services outside the district of residence,
8.4 board and lodging, and any tuition to be paid, shall be paid by the district of residence.
8.5 The tuition rate to be charged for any child with a disability, excluding a pupil for whom
8.6 tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be
8.7 the sum of (1) the actual cost of providing special instruction and services to the child
8.8 including a proportionate amount for special transportation and unreimbursed building
8.9 lease and debt service costs for facilities used primarily for special education, plus (2)
8.10 the amount of general education revenue and referendum aid attributable to the pupil,
8.11 minus (3) the amount of special education aid for children with a disability received
8.12 on behalf of that child, minus (4) if the pupil receives special instruction and services
8.13 outside the regular classroom for more than 60 percent of the school day, the amount of
8.14 general education revenue and referendum aid, excluding portions attributable to district
8.15 and school administration, district support services, operations and maintenance, capital
8.16 expenditures, and pupil transportation, attributable to that pupil for the portion of time
8.17 the pupil receives special instruction and services outside of the regular classroom. If
8.18 the boards involved do not agree upon the tuition rate, either board may apply to the
8.19 commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set
8.20 a date for a hearing or request a written statement from each board, giving each board
8.21 at least ten days' notice, and after the hearing or review of the written statements the
8.22 commissioner must make an order fixing the tuition rate, which is binding on both school
8.23 districts. General education revenue and referendum equalization aid attributable to a
8.24 pupil must be calculated using the resident district's average general education revenue
8.25 and referendum equalization aid per adjusted pupil unit.

8.26 (b) For fiscal year 2007 and later, when a school district provides special instruction
8.27 and services for a pupil with a disability as defined in section 125A.02 outside the district
8.28 of residence, excluding a pupil for whom an adjustment to special education aid is
8.29 calculated according to section 127A.47, subdivision 7, paragraph (e), special education
8.30 aid paid to the resident district must be reduced by an amount equal to (1) the actual
8.31 cost of providing special instruction and services to the pupil, including a proportionate
8.32 amount for special transportation and unreimbursed building lease and debt service costs
8.33 for facilities used primarily for special education, plus (2) the amount of general education
8.34 revenue and referendum equalization aid attributable to that pupil, calculated using the
8.35 resident district's average general education revenue and referendum equalization aid
8.36 per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and

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9.1 secondary sparsity revenue, minus (3) the amount of special education aid for children
9.2 with a disability received on behalf of that child, minus (4) if the pupil receives special
9.3 instruction and services outside the regular classroom for more than 60 percent of the
9.4 school day, the amount of general education revenue and referendum equalization aid,
9.5 excluding portions attributable to district and school administration, district support
9.6 services, operations and maintenance, capital expenditures, and pupil transportation,
9.7 attributable to that pupil for the portion of time the pupil receives special instruction
9.8 and services outside of the regular classroom, calculated using the resident district's
9.9 average general education revenue and referendum equalization aid per adjusted pupil unit
9.10 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
9.11 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
9.12 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
9.13 served by a cooperative unit without a fiscal agent school district, the general education
9.14 revenue and referendum equalization aid attributable to a pupil must be calculated using
9.15 the resident district's average general education revenue and referendum equalization aid
9.16 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
9.17 revenue. Special education aid paid to the district or cooperative providing special
9.18 instruction and services for the pupil must be increased by the amount of the reduction in
9.19 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
9.20 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
9.21 expenditures on the resident school district's books of account under sections 123B.75
9.22 and 123B.76. If the resident district's special education aid is insufficient to make the full
9.23 adjustment, the remaining adjustment shall be made to other state aid due to the district.

9.24 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,
9.25 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students
9.26 receive special education and related services, a site approved under section 125A.515,
9.27 an intermediate district, a special education cooperative, or a school district that served
9.28 as the applicant agency for a group of school districts for federal special education aids
9.29 for fiscal year 2006 may apply to the commissioner for authority to charge the resident
9.30 district an additional amount to recover any remaining unreimbursed costs of serving
9.31 pupils with a disability. The application must include a description of the costs and the
9.32 calculations used to determine the unreimbursed portion to be charged to the resident
9.33 district. Amounts approved by the commissioner under this paragraph must be included
9.34 in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47,
9.35 subdivision 7, paragraph (d) or (e), as applicable.

10.1 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs
10.2 (d) and (e), "general education revenue and referendum equalization aid" means the sum
10.3 of the general education revenue according to section 126C.10, subdivision 1, excluding
10.4 alternative teacher compensation revenue, plus the referendum equalization aid according
10.5 to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision
10.6 7, paragraphs (a) to (c).

10.7 Sec. 16. Minnesota Statutes 2008, section 126C.05, subdivision 2, is amended to read:

10.8 Subd. 2. **Foreign exchange pupils.** Notwithstanding section 124D.02, subdivision
10.9 3, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a
10.10 cultural exchange program registered with the Office of the Secretary of State under
10.11 section 5A.02 may be counted as a resident pupil for the purposes of this chapter
10.12 and chapters 120B, 122A, 123A, 123B, 124D, 125A, and 127A, even if the pupil has
10.13 graduated from high school or the equivalent.

10.14 Sec. 17. Minnesota Statutes 2008, section 126C.10, subdivision 2a, is amended to read:

10.15 Subd. 2a. **Extended time revenue.** (a) ~~A school district's~~ The extended time
10.16 revenue is equal to for a school district with extended time average daily membership in
10.17 the current fiscal year equals the product of \$4,601 and the sum of the adjusted marginal
10.18 cost pupil units of the district for each pupil in average daily membership in excess of 1.0
10.19 and less than 1.2 according to section 126C.05, subdivision 8.

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

10.23 Sec. 18. Minnesota Statutes 2008, section 126C.10, subdivision 13a, is amended to
10.24 read:

10.25 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal
10.26 ~~year 2007~~ years 2009 and later 2010, a district may levy an amount not more than the
10.27 product of its operating capital revenue for the fiscal year times the lesser of one or the
10.28 ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating
10.29 capital equalizing factor. The operating capital equalizing factor equals ~~\$22,222 for fiscal~~
10.30 ~~year 2006, and~~ \$10,700 for fiscal ~~year 2007~~ years 2009 and later 2010.

10.31 Sec. 19. Minnesota Statutes 2008, section 126C.10, subdivision 13b, is amended to
10.32 read:

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11.1 Subd. 13b. **Operating capital aid.** For fiscal years 2009 and 2010, a district's
11.2 operating capital aid equals its operating capital revenue minus its operating capital levy
11.3 times the ratio of the actual amount levied to the permitted levy.

11.4 Sec. 20. Minnesota Statutes 2008, section 126C.10, subdivision 29, is amended to read:

11.5 Subd. 29. **Equity levy.** To obtain equity revenue for fiscal ~~year 2005~~ years 2009 and
11.6 ~~later 2010,~~ a district may levy an amount not more than the product of its equity revenue
11.7 for the fiscal year times the lesser of one or the ratio of its referendum market value per
11.8 resident marginal cost pupil unit to \$476,000.

11.9 Sec. 21. Minnesota Statutes 2008, section 126C.10, subdivision 30, is amended to read:

11.10 Subd. 30. **Equity aid.** For fiscal years 2009 and 2010, a district's equity aid equals
11.11 its equity revenue minus its equity levy times the ratio of the actual amount levied to
11.12 the permitted levy.

11.13 Sec. 22. Minnesota Statutes 2008, section 126C.10, subdivision 32, is amended to read:

11.14 Subd. 32. **Transition levy.** To obtain transition revenue for fiscal ~~year 2005~~ years
11.15 2009 and later 2010, a district may levy an amount not more than the product of its
11.16 transition revenue for the fiscal year times the lesser of one or the ratio of its referendum
11.17 market value per resident marginal cost pupil unit to \$476,000.

11.18 Sec. 23. Minnesota Statutes 2008, section 126C.10, subdivision 33, is amended to read:

11.19 Subd. 33. **Transition aid.** ~~(a) For fiscal year 2004, a district's transition aid equals~~
11.20 ~~its transition revenue.~~

11.21 ~~(b)~~ For fiscal ~~year 2005~~ years 2009 and later 2010, a district's transition aid equals its
11.22 transition revenue minus its transition levy times the ratio of the actual amount levied to
11.23 the permitted levy.

11.24 Sec. 24. Minnesota Statutes 2008, section 126C.10, subdivision 34, is amended to read:

11.25 Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal ~~years~~
11.26 ~~2007 and later year 2009 only,~~ the basic alternative teacher compensation aid for a
11.27 school district with a plan approved under section 122A.414, subdivision 2b, equals ~~65~~
11.28 73.1 percent of the alternative teacher compensation revenue under section 122A.415,
11.29 subdivision 1. The basic alternative teacher compensation aid for an intermediate school
11.30 district or charter school with a plan approved under section 122A.414, subdivisions 2a
11.31 and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled

12.1 in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal
12.2 year for a charter school in the first year of operation, times the ratio of the sum of the
12.3 alternative teacher compensation aid and alternative teacher compensation levy for all
12.4 participating school districts to the maximum alternative teacher compensation revenue
12.5 for those districts under section 122A.415, subdivision 1.

12.6 (b) For fiscal year 2010 only, the basic alternative teacher compensation aid for a
12.7 school district with a plan approved under section 122A.414, subdivision 2b, equals
12.8 65 percent of the alternative teacher compensation revenue under section 122A.415,
12.9 subdivision 1. The basic alternative teacher compensation aid for an intermediate school
12.10 district or charter school with a plan approved under section 122A.414, subdivisions
12.11 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils
12.12 enrolled in the school on October 1 of the previous year, or on October 1 of the current
12.13 year for a charter school in the first year of operation, times the ratio of the sum of the
12.14 alternative teacher compensation aid and alternative teacher compensation levy for all
12.15 participating school districts to the maximum alternative teacher compensation revenue
12.16 for those districts under section 122A.415, subdivision 1.

12.17 (c) Notwithstanding paragraphs (a) and (b) and section 122A.415, subdivision
12.18 1, the state total basic alternative teacher compensation aid entitlement must not
12.19 exceed ~~\$75,636,000 for fiscal year 2007 and later~~ \$51,838,000 for fiscal year 2009 and
12.20 \$56,097,000 for fiscal year 2010. The commissioner must limit the amount of alternative
12.21 teacher compensation aid approved under section 122A.415 so as not to exceed these
12.22 limits.

12.23 Sec. 25. Minnesota Statutes 2008, section 126C.10, subdivision 35, is amended to read:

12.24 Subd. 35. **Alternative teacher compensation levy.** For fiscal ~~year 2007~~ years 2009
12.25 and later 2010, the alternative teacher compensation levy for a district receiving basic
12.26 alternative teacher compensation aid equals the product of (1) the difference between the
12.27 district's alternative teacher compensation revenue and the district's basic alternative
12.28 teacher compensation aid times (2) the lesser of one or the ratio of the district's adjusted
12.29 net tax capacity per adjusted pupil unit to \$5,913.

12.30 Sec. 26. Minnesota Statutes 2008, section 126C.10, subdivision 36, is amended to read:

12.31 Subd. 36. **Alternative teacher compensation aid.** (a) For fiscal ~~year 2007~~ years
12.32 2009 and later 2010, a district's alternative teacher compensation equalization aid equals
12.33 the district's alternative teacher compensation revenue minus the district's basic alternative
12.34 teacher compensation aid minus the district's alternative teacher compensation levy. If a

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13.1 district does not levy the entire amount permitted, the alternative teacher compensation
13.2 equalization aid must be reduced in proportion to the actual amount levied.

13.3 (b) A district's alternative teacher compensation aid equals the sum of the
13.4 district's basic alternative teacher compensation aid and the district's alternative teacher
13.5 compensation equalization aid.

13.6 Sec. 27. Minnesota Statutes 2008, section 126C.13, is amended by adding a
13.7 subdivision to read:

13.8 Subd. 3a. **Consolidated tax rate.** The commissioner must establish the consolidated
13.9 tax rate by July 1 of each year for levies payable in the following year. The consolidated
13.10 tax capacity rate must be a rate rounded up to the nearest hundredth of a percent that,
13.11 when applied to the adjusted net tax capacity for all districts, raises the amounts specified
13.12 in this subdivision. The consolidated tax rate must be the rate that raises \$227,259,000
13.13 for fiscal year 2011, \$228,674,000 for fiscal year 2012, and \$234,940,000 for fiscal year
13.14 2013 and later years. The consolidated tax rate may not be changed due to changes
13.15 or corrections made to a district's adjusted net tax capacity after the tax rate has been
13.16 established. A school district may adopt a board resolution to reduce its levy below the
13.17 amount calculated in this section.

13.18 Sec. 28. Minnesota Statutes 2008, section 126C.13, is amended by adding a
13.19 subdivision to read:

13.20 Subd. 3b. **Consolidated levy.** To obtain general education revenue, a district may
13.21 levy an amount not to exceed the consolidated tax rate times the adjusted net tax capacity
13.22 of the district for the preceding year. If the amount of the consolidated levy would exceed
13.23 the general education revenue, the consolidated levy must be determined according
13.24 to subdivision 3c. If a district adopts a board resolution to reduce its consolidated
13.25 levy according to subdivision 3a, the district's general education aid shall be reduced
13.26 proportionately.

13.27 Sec. 29. Minnesota Statutes 2008, section 126C.13, is amended by adding a
13.28 subdivision to read:

13.29 Subd. 3c. **Consolidated levy; districts off the formula.** If the amount of the
13.30 consolidated levy for a district exceeds the district's general education revenue, the amount
13.31 of the consolidated levy must be limited to the following:

13.32 (1) the district's general education revenue; minus

14.1 (2) payments made for the same school year according to section 126C.21,
14.2 subdivision 3.

14.3 For purposes of statutory cross-reference, a levy made according to this subdivision shall
14.4 be construed to be the levy made according to subdivision 3b.

14.5 Sec. 30. Minnesota Statutes 2008, section 126C.13, subdivision 4, is amended to read:

14.6 Subd. 4. **General education aid.** (a) For fiscal years ~~2007~~ 2009 and later 2010, a
14.7 district's general education aid is the sum of the following amounts:

14.8 (1) general education revenue, excluding equity revenue, total operating capital
14.9 revenue, alternative teacher compensation revenue, and transition revenue;

14.10 (2) operating capital aid under section 126C.10, subdivision 13b;

14.11 (3) equity aid under section 126C.10, subdivision 30;

14.12 (4) alternative teacher compensation aid under section 126C.10, subdivision 36;

14.13 (5) transition aid under section 126C.10, subdivision 33;

14.14 (6) shared time aid under section 126C.01, subdivision 7;

14.15 (7) referendum aid under section 126C.17, subdivisions 7 and 7a; and

14.16 (8) online learning aid according to section 124D.096.

14.17 (b) For fiscal year 2011 and later, a district's general education aid is the sum of
14.18 the following amounts:

14.19 (1) the product of:

14.20 (i) the difference between the general education revenue and the consolidated levy;
14.21 times

14.22 (ii) the ratio of the actual amount levied to the permitted levy;

14.23 (2) shared time aid according to section 126C.01, subdivision 7;

14.24 (3) referendum aid according to section 126C.17, subdivisions 7 and 7a; and

14.25 (4) online learning aid according to section 124D.096.

14.26 Sec. 31. Minnesota Statutes 2008, section 126C.15, subdivision 2, is amended to read:

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

14.32 (b) Notwithstanding paragraph (a), a district may allocate up to five percent of the
14.33 amount of compensatory revenue that the district receives to school sites according to a
14.34 plan adopted by the school board. The money reallocated under this paragraph must be

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15.1 spent for the purposes listed in subdivision 1, but may be spent on students in any grade,
15.2 including students attending school readiness or other prekindergarten programs.

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

15.5 ~~(d) If the pupil is served at a site other than one owned and operated by the district,~~
15.6 ~~the revenue shall be paid to the district and used for services for pupils who generate~~
15.7 ~~the revenue~~ Notwithstanding section 123A. 26, subdivision 1, compensatory revenue
15.8 generated by students served at a cooperative unit shall be paid to the cooperative unit.

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

15.16 Sec. 32. Minnesota Statutes 2008, section 126C.15, subdivision 4, is amended to read:

15.17 Subd. 4. **Separate accounts.** Each district and cooperative unit that receives basic
15.18 skills revenue shall maintain separate accounts to identify expenditures for salaries and
15.19 programs related to basic skills revenue.

15.20 Sec. 33. Minnesota Statutes 2008, section 126C.17, subdivision 9, is amended to read:

15.21 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
15.22 subdivision 1, may be increased in the amount approved by the voters of the district at a
15.23 referendum called for the purpose. The referendum may be called by the board ~~or shall be~~
15.24 ~~called by the board upon written petition of qualified voters of the district.~~ The referendum
15.25 must be conducted one or two calendar years before the increased levy authority, if
15.26 approved, first becomes payable. Only one election to approve an increase may be held
15.27 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,
15.28 paragraph (a), the referendum must be held on the first Tuesday after the first Monday
15.29 in November. The ballot must state the maximum amount of the increased revenue per
15.30 resident marginal cost pupil unit. The ballot may state a schedule, determined by the
15.31 board, of increased revenue per resident marginal cost pupil unit that differs from year
15.32 to year over the number of years for which the increased revenue is authorized or may
15.33 state that the amount shall increase annually by the rate of inflation. For this purpose, the
15.34 rate of inflation shall be the annual inflationary increase calculated under subdivision 2,

16.1 paragraph (b). The ballot may state that existing referendum levy authority is expiring. In
16.2 this case, the ballot may also compare the proposed levy authority to the existing expiring
16.3 levy authority, and express the proposed increase as the amount, if any, over the expiring
16.4 referendum levy authority. The ballot must designate the specific number of years, not to
16.5 exceed ten, for which the referendum authorization applies. The ballot, including a ballot
16.6 on the question to revoke or reduce the increased revenue amount under paragraph (c),
16.7 must abbreviate the term "per resident marginal cost pupil unit" as "per pupil." The notice
16.8 required under section 275.60 may be modified to read, in cases of renewing existing
16.9 levies at the same amount per pupil as in the previous year:

16.10 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING
16.11 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS
16.12 SCHEDULED TO EXPIRE."

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

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

16.17 If approved, an amount equal to the approved revenue per resident marginal cost
16.18 pupil unit times the resident marginal cost pupil units for the school year beginning in
16.19 the year after the levy is certified shall be authorized for certification for the number of
16.20 years approved, if applicable, or until revoked or reduced by the voters of the district at a
16.21 subsequent referendum.

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

16.34 The notice for a referendum may state that an existing referendum levy is expiring
16.35 and project the anticipated amount of increase over the existing referendum levy in

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17.1 the first year, if any, in annual dollars for typical residential homesteads, agricultural
17.2 homesteads, apartments, and commercial-industrial property within the district.

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

17.7 (c) A referendum on the question of revoking or reducing the increased revenue
17.8 amount authorized pursuant to paragraph (a) may be called by the board ~~and shall be called~~
17.9 ~~by the board upon the written petition of qualified voters of the district.~~ A referendum to
17.10 revoke or reduce the revenue amount must state the amount per resident marginal cost
17.11 pupil unit by which the authority is to be reduced. Revenue authority approved by the
17.12 voters of the district pursuant to paragraph (a) must be available to the school district at
17.13 least once before it is subject to a referendum on its revocation or reduction for subsequent
17.14 years. Only one revocation or reduction referendum may be held to revoke or reduce
17.15 referendum revenue for any specific year and for years thereafter.

17.16 (d) ~~A petition authorized by paragraph (a) or (c) is effective if signed by a number of~~
17.17 ~~qualified voters in excess of 15 percent of the registered voters of the district on the day~~
17.18 ~~the petition is filed with the board. A referendum invoked by petition must be held on the~~
17.19 ~~date specified in paragraph (a).~~

17.20 ~~(e)~~ The approval of 50 percent plus one of those voting on the question is required to
17.21 pass a referendum authorized by this subdivision.

17.22 ~~(f)~~ (e) At least 15 days before the day of the referendum, the district must submit a
17.23 copy of the notice required under paragraph (b) to the commissioner and to the county
17.24 auditor of each county in which the district is located. Within 15 days after the results
17.25 of the referendum have been certified by the board, or in the case of a recount, the
17.26 certification of the results of the recount by the canvassing board, the district must notify
17.27 the commissioner of the results of the referendum.

17.28 **EFFECTIVE DATE.** This section is effective for petitions filed after July 1, 2009.

17.29 Sec. 34. Minnesota Statutes 2008, section 126C.21, subdivision 3, is amended to read:

17.30 Subd. 3. **County apportionment deduction.** Each year the amount of money
17.31 apportioned to a district for that year pursuant to sections 127A.34, subdivision 2, and
17.32 272.029, subdivision 6, multiplied by the wind energy factor according to section
17.33 127A.335, must be deducted from the general education aid earned by that district for the
17.34 same year or from aid earned from other state sources.

18.1 EFFECTIVE DATE. This section is effective for fiscal year 2010 and later.

18.2 Sec. 35. Minnesota Statutes 2008, section 126C.21, is amended by adding a
18.3 subdivision to read:

18.4 Subd. 6. Statewide average daily membership aid adjustment. (a) Each year
18.5 the commissioner shall reduce the general education aid earned by school districts and
18.6 charter schools based on the statewide average daily membership aid adjustment. The
18.7 commissioner shall apportion the statewide average daily membership aid adjustment
18.8 based on each district and charter school's proportionate share of the statewide total
18.9 adjusted average daily membership for that year. The statewide average daily membership
18.10 aid adjustment for fiscal year 2010 is \$544,003,000. The statewide average daily
18.11 membership aid adjustment for fiscal year 2011 is \$424,385,000. The statewide average
18.12 daily membership aid adjustment for fiscal year 2012 and later is \$488,161,000.

18.13 (b) Notwithstanding paragraph (a), \$200,000,000 of the statewide average daily
18.14 membership adjustment for fiscal year 2011 only shall be apportioned based on each
18.15 district and charter school's proportionate share of the statewide total adjusted average
18.16 daily membership for fiscal year 2010.

18.17 Sec. 36. Minnesota Statutes 2008, section 126C.40, subdivision 6, is amended to read:

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

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

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

18.27 (b) The obligation created by the installment contract or the lease purchase
18.28 agreement must not be included in the calculation of net debt for purposes of section
18.29 475.53, and does not constitute debt under other law. An election is not required in
18.30 connection with the execution of the installment contract or the lease purchase agreement.

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

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

19.1 (1) a racially isolated school district or a school district with a racially identifiable
19.2 school required to have a comprehensive desegregation or integration plan for the
19.3 elimination of segregation which is eligible for revenue under section 124D.86,
19.4 subdivision 3, clause (1), (2), or (3), and whose plan has been determined by the
19.5 commissioner to be in compliance with Department of Education rules relating to equality
19.6 of educational opportunity and school desegregation and, for a district eligible for
19.7 revenue under section 124D.86, subdivision 3, clause (4) or (5), where the acquisition of
19.8 property under this subdivision is determined by the commissioner to contribute to the
19.9 implementation of the desegregation plan; or

19.10 (2) a school district that participates in a joint program for interdistrict desegregation
19.11 with a district defined in clause (1) if the facility acquired under this subdivision is to
19.12 be primarily used for the joint program and the commissioner determines that the joint
19.13 programs are being undertaken to implement the districts' desegregation plan.

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

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

19.19 Sec. 37. Minnesota Statutes 2008, section 126C.455, is amended to read:

19.20 **126C.455 SWIMMING POOL LEVY.**

19.21 Each year, a school district ~~with its home office located in a county~~ that has (i) a
19.22 ~~population density of ten or fewer persons per square mile according to the 2000 census of~~
19.23 ~~population;~~ (ii) an international border; ~~and (iii) more than one school district within its~~
19.24 ~~boundaries;~~ may levy for the net operational costs of a swimming pool. The levy may
19.25 not exceed the net actual costs of operation of the swimming pool for the previous year.
19.26 Net actual costs are defined as operating costs less any operating revenues and less any
19.27 payments from other local governmental units.

19.28 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and later.

19.29 Sec. 38. **[127A.335] PERMANENT SCHOOL TRUST FUND WIND ENERGY**
19.30 **REVENUE.**

19.31 For fiscal year 2010 and later, the commissioner shall transfer to the permanent
19.32 school trust fund an amount equal to the amount of money apportioned to all school
19.33 districts for that year according to section 272.029, subdivision 6, multiplied by the wind

20.1 energy factor. The wind energy factor for fiscal year 2010 and later is 0.5. These funds
20.2 shall be managed as principal to the permanent school trust fund.

20.3 Sec. 39. **[127A.431] REDUCTION OF AID FOR NOT PROVIDING REQUIRED**
20.4 **HOURS OF INSTRUCTION.**

20.5 The commissioner shall reduce the state aid paid to a school district or charter
20.6 school that does not provide instruction for at least the number of hours required under
20.7 section 120A.41. If instruction is not provided for the required number of hours, state aid
20.8 shall be reduced by the ratio that the difference between the required number of hours
20.9 and the number of hours instruction is provided bears to the required number of hours,
20.10 multiplied by 60 percent of the basic revenue, as defined in section 126C.10, subdivision
20.11 2, of the district or charter school for that year. However, a district or charter school not
20.12 providing the required number of hours may appeal to the commissioner for a waiver of
20.13 the state aid reduction if (1) the circumstances causing loss of instructional time below the
20.14 required minimum number of hours are beyond the control of the board, and (2) a good
20.15 faith attempt is made to make up time lost due to these circumstances.

20.16 Sec. 40. Minnesota Statutes 2008, section 127A.47, subdivision 7, is amended to read:

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

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

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

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21.1 (c) If the amount of the reduction to be made from the general education aid of the
21.2 resident district is greater than the amount of general education aid otherwise due the
21.3 district, the excess reduction must be made from other state aids due the district.

21.4 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an
21.5 area learning center, operated according to paragraph (f), providing special instruction and
21.6 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in
21.7 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must
21.8 be equal to (1) the actual cost of providing special instruction and services to the pupil,
21.9 including a proportionate amount for special transportation and unreimbursed building
21.10 lease and debt service costs for facilities used primarily for special education, minus (2)
21.11 if the pupil receives special instruction and services outside the regular classroom for
21.12 more than 60 percent of the school day, the amount of general education revenue and
21.13 referendum aid attributable to that pupil for the portion of time the pupil receives special
21.14 instruction and services outside of the regular classroom, excluding portions attributable to
21.15 district and school administration, district support services, operations and maintenance,
21.16 capital expenditures, and pupil transportation, minus (3) special education aid attributable
21.17 to that pupil, that is received by the district providing special instruction and services.
21.18 For purposes of this paragraph, general education revenue and referendum equalization
21.19 aid attributable to a pupil must be calculated using the serving district's average general
21.20 education revenue and referendum equalization aid per adjusted pupil unit.

21.21 (e) For fiscal year 2007 and later, special education aid paid to a resident district
21.22 must be reduced by an amount equal to (1) the actual cost of providing special instruction
21.23 and services, including special transportation and unreimbursed building lease and debt
21.24 service costs for facilities used primarily for special education, for a pupil with a disability,
21.25 as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled
21.26 in a program listed in this subdivision, minus (2) if the pupil receives special instruction
21.27 and services outside the regular classroom for more than 60 percent of the school day,
21.28 the amount of general education revenue and referendum equalization aid attributable
21.29 to that pupil for the portion of time the pupil receives special instruction and services
21.30 outside of the regular classroom, excluding portions attributable to district and school
21.31 administration, district support services, operations and maintenance, capital expenditures,
21.32 and pupil transportation, minus (3) special education aid attributable to that pupil, that is
21.33 received by the district providing special instruction and services. For purposes of this
21.34 paragraph, general education revenue and referendum equalization aid attributable to a
21.35 pupil must be calculated using the serving district's average general education revenue
21.36 and referendum equalization aid per adjusted pupil unit. Special education aid paid to the

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22.1 district or cooperative providing special instruction and services for the pupil, or to the
22.2 fiscal agent district for a cooperative, must be increased by the amount of the reduction
22.3 in the aid paid to the resident district. If the resident district's special education aid is
22.4 insufficient to make the full adjustment, the remaining adjustment shall be made to other
22.5 state aids due to the district.

22.6 (f) An area learning center operated by a service cooperative, intermediate district,
22.7 education district, or a joint powers cooperative may elect through the action of the
22.8 constituent boards to charge the resident district tuition for pupils rather than to have the
22.9 general education revenue paid to a fiscal agent school district. Except as provided in
22.10 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent of
22.11 the district average general education revenue per pupil unit minus an amount equal to the
22.12 product of the formula allowance according to section 126C.10, subdivision 2, times .0485,
22.13 calculated without ~~basic skills compensatory~~ revenue and transportation sparsity revenue,
22.14 times the number of pupil units for pupils attending the area learning center, ~~plus the~~
22.15 ~~amount of compensatory revenue generated by pupils attending the area learning center.~~

22.16 Sec. 41. Minnesota Statutes 2008, section 127A.49, subdivision 2, is amended to read:

22.17 Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86,
22.18 375.192, or otherwise, the net tax capacity or referendum market value of any district for
22.19 any taxable year is changed after the taxes for that year have been spread by the county
22.20 auditor and the local tax rate as determined by the county auditor based upon the original
22.21 net tax capacity is applied upon the changed net tax capacities, the county auditor shall,
22.22 prior to February 1 of each year, certify to the commissioner of education the amount of
22.23 any resulting net revenue loss that accrued to the district during the preceding year. Each
22.24 year, the commissioner shall pay an abatement adjustment to the district in an amount
22.25 calculated according to the provisions of this subdivision. This amount shall be deducted
22.26 from the amount of the levy authorized by section 126C.46. The amount of the abatement
22.27 adjustment must be the product of:

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

22.29 (2) the ratio of:

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

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

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

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

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

23.5 (E) section 126C.13, if the district received general education aid according to
23.6 section 126C.13, subdivision 4, paragraph (b), clause (1), item (i), of that section in the
23.7 second preceding year;

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

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

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

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

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

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

23.20 ~~(K)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher
23.21 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
23.22 (a), in the second preceding year, or section 122A.415, subdivision 5, if the district
23.23 received alternative compensation equalization aid according to section 122A.415,
23.24 subdivision 6, in the second preceding year; to

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

23.27 Sec. 42. Minnesota Statutes 2008, section 127A.49, subdivision 3, is amended to read:

23.28 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a
23.29 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon
23.30 decertification of a tax increment district, the school district's aid and levy limitations
23.31 must be adjusted for the fiscal year in which the excess tax increment is paid under the
23.32 provisions of this subdivision.

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

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

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- 24.1 (2) the ratio of:
- 24.2 (i) the sum of the amounts of the district's certified levy for the fiscal year in which
- 24.3 the excess tax increment is paid according to the following:
- 24.4 (A) section 123B.57, if the district received health and safety aid according to that
- 24.5 section for the second preceding year;
- 24.6 (B) section 124D.20, if the district received aid for community education programs
- 24.7 according to that section for the second preceding year;
- 24.8 (C) section 124D.135, subdivision 3, if the district received early childhood family
- 24.9 education aid according to section 124D.135 for the second preceding year;
- 24.10 (D) section 126C.17, subdivision 6, if the district received referendum equalization
- 24.11 aid according to that section for the second preceding year;
- 24.12 (E) section 126C.13, if the district received general education aid according to
- 24.13 section 126C.13, subdivision 4, paragraph (b), clause (1), item (i), of that section in the
- 24.14 second preceding year;
- 24.15 (F) section 126C.10, subdivision 13a, if the district received operating capital aid
- 24.16 according to section 126C.10, subdivision 13b, in the second preceding year;
- 24.17 ~~(F)~~ (G) section 126C.10, subdivision 29, if the district received equity aid according
- 24.18 to section 126C.10, subdivision 30, in the second preceding year;
- 24.19 ~~(G)~~ (H) section 126C.10, subdivision 32, if the district received transition aid
- 24.20 according to section 126C.10, subdivision 33, in the second preceding year;
- 24.21 ~~(H)~~ (I) section 123B.53, subdivision 5, if the district received debt service
- 24.22 equalization aid according to section 123B.53, subdivision 6, in the second preceding year;
- 24.23 ~~(I)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid
- 24.24 according to section 124D.22, subdivision 4, in the second preceding year;
- 24.25 ~~(J)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance
- 24.26 aid according to section 123B.591, subdivision 4, in the second preceding year; and
- 24.27 ~~(K)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher
- 24.28 compensation equalization aid according to section 126C.10, subdivision 36, paragraph
- 24.29 (a), in the second preceding year, or section 122A.415, subdivision 5, if the district
- 24.30 received alternative compensation equalization aid according to section 122A.415,
- 24.31 subdivision 6, in the second preceding year; to
- 24.32 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus
- 24.33 auditor's adjustments.
- 24.34 (c) An amount must be subtracted from the school district's levy limitation for the
- 24.35 next levy certified equal to the difference between:
- 24.36 (1) the amount of the distribution of excess increment; and

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

25.2 If the aid and levy reductions required by this subdivision cannot be made to the aid
25.3 for the fiscal year specified or to the levy specified, the reductions must be made from
25.4 aid for subsequent fiscal years, and from subsequent levies. The school district must use
25.5 the payment of excess tax increment to replace the aid and levy revenue reduced under
25.6 this subdivision.

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

25.9 **Sec. 43. ALTERNATIVE TEACHER COMPENSATION; ST. CLOUD.**

25.10 Notwithstanding Minnesota Statutes, sections 122A.413 and 122A.414, for fiscal
25.11 year 2009 only, Independent School District No. 742, St. Cloud, must receive alternative
25.12 teacher compensation revenue under Minnesota Statutes, sections 122A.415 and 126C.10,
25.13 subdivisions 34, 35, and 36, without interruption. The school district must continue
25.14 to make progress towards complying with the requirements for alternative teacher
25.15 compensation under Minnesota Statutes, sections 122A.413 and 122A.414.

25.16 **Sec. 44. CONSOLIDATED LEVY ADJUSTMENT.**

25.17 (a) For taxes payable in 2010 only, a school district whose consolidated levy, as
25.18 computed by the commissioner under Minnesota Statutes, section 126C.13, subdivision
25.19 3a, is greater than the sum of the district's equity, transition, and operating capital levies
25.20 that the districts would have levied for taxes payable in 2010 under Minnesota Statutes
25.21 2008, section 126C.10, subdivisions 13a, 29, and 32, based on the February 2009 forecast,
25.22 shall be eligible for a consolidated levy adjustment. An eligible district's consolidated levy
25.23 adjustment shall be equal to the difference to the district's consolidated levy computed by
25.24 the commissioner according to Minnesota Statutes, section 126C.13, subdivision 3a, minus
25.25 the sum of the district's equity, transition, and operating capital levies that districts would
25.26 have levied for taxes payable in 2010 under Minnesota Statutes 2008, section 126C.10,
25.27 subdivisions 13a, 29, and 32, as computed according to the February 2009 forecast.

25.28 (b) Notwithstanding Minnesota Statutes, section 126C.13, subdivision 3a, for
25.29 fiscal year 2011 only, the commissioner of education shall reduce an eligible district's
25.30 consolidated levy by the amount of an eligible district's consolidated levy adjustment.
25.31 The commissioner shall increase an eligible district's general education state aid under
25.32 Minnesota Statutes, section 126C.13, subdivision 4, by the amount of the consolidated
25.33 levy adjustment.

26.1 (c) The commissioner shall include the state aid under this section in the payment
26.2 schedule under Minnesota Statutes, section 127A.45, as if it were general education
26.3 aid. The state aid entitlement for this section must not exceed \$22,017,000. If this
26.4 amount is insufficient, the commissioner shall prorate the aid and adjust property taxes
26.5 proportionately among eligible school districts.

26.6 Sec. 45. **EQUALIZING FACTORS.**

26.7 The commissioner shall adjust each referendum market value equalizing factor
26.8 established under Minnesota Statutes, chapter 126C, by dividing the equalizing factor by
26.9 the ratio of the statewide referendum market value as calculated using the definition
26.10 of referendum market value that was in effect prior to the 2009 legislative session for
26.11 assessment year 2009 to the statewide referendum market value that is in effect after the
26.12 2009 legislative session for that assessment year.

26.13 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and later.

26.14 Sec. 46. **LEARNING AND DEVELOPMENT REVENUE; TEMPORARY**
26.15 **SUSPENSION.**

26.16 Notwithstanding Minnesota Statutes, section 126C.12, subdivisions 4 and 5, for
26.17 fiscal years 2010 and 2011 only, a school district or charter school may use the learning
26.18 and development revenue reserve under Minnesota Statutes, section 126C.12, subdivision
26.19 1, according to the requirements of general education revenue under Minnesota Statutes,
26.20 section 126C.13, subdivision 5.

26.21 **EFFECTIVE DATE.** This section is effective July 1, 2009.

26.22 Sec. 47. **RESTORING SUPPORT FOR GENERAL EDUCATION.**

26.23 (a) Notwithstanding Minnesota Statutes, section 126C.21, subdivision 6, the
26.24 statewide average daily membership aid adjustment for fiscal years 2010 only shall be
26.25 reduced by \$519,617,000. The commissioner must allocate federal aid appropriated under
26.26 this act from the fiscal stabilization account in the federal fund to reduce the statewide
26.27 average daily membership aid adjustment under Minnesota Statutes, section 126C.21,
26.28 subdivision 6, according to this section.

26.29 (b) Notwithstanding paragraph (a), the governor shall release the federal aid in
26.30 paragraph (a) in two phases. The governor shall release \$319,617,000 of the amount
26.31 in paragraph (a) in fiscal year 2010 to reduce the statewide average daily membership
26.32 aid adjustment in that year. The governor shall release \$200,000,000 of the amount in

27.1 paragraph (a) in fiscal year 2011 to reduce the statewide average daily membership aid
27.2 adjustment in that year.

27.3 (c) The commissioner shall allocate the fiscal year 2011 aid under paragraph (b)
27.4 based on a district or charter school's proportionate share of the statewide total adjusted
27.5 average daily membership for fiscal year 2010.

27.6 Sec. 48. **SAFE SCHOOLS LEVY; TEMPORARY SUSPENSION.**

27.7 Notwithstanding Minnesota Statutes, section 126C.44, for fiscal years 2010 and
27.8 2011 only, a school district that receives safe school levy funds under Minnesota Statutes,
27.9 section 126C.44, may use those funds according to the requirement of general education
27.10 revenue under Minnesota Statutes, section 126C.13, subdivision 5.

27.11 **EFFECTIVE DATE.** This section is effective July 1, 2009.

27.12 Sec. 49. **TRANSITION REVENUE; BROOKLYN CENTER.**

27.13 Notwithstanding Minnesota Statutes, section 126C.10, subdivision 31, for fiscal year
27.14 2011 and later, the transition revenue allowance for Independent School District No. 286,
27.15 Brooklyn Center, equals \$221 plus the transition revenue allowance established under
27.16 Minnesota Statutes, section 126C.10, subdivision 31.

27.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2011
27.18 and later.

27.19 Sec. 50. **APPROPRIATIONS; STATE.**

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

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

27.25 \$ 5,101,495,000 2010

27.26 \$ 5,197,198,000 2011

27.27 The 2010 appropriation includes \$555,864,000 for 2009 and \$4,545,631,000 for
27.28 2010.

27.29 The 2011 appropriation includes \$505,070,000 for 2010 and \$4,692,128,000 for
27.30 2011.

28.1 Subd. 3. Enrollment options transportation. For transportation of pupils attending
28.2 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
28.3 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

28.4 \$ 48,000 2010

28.5 \$ 52,000 2011

28.6 Subd. 4. Abatement revenue. For abatement aid under Minnesota Statutes, section
28.7 127A.49:

28.8 \$ 1,175,000 2010

28.9 \$ 1,034,000 2011

28.10 The 2010 appropriation includes \$140,000 for 2009 and \$1,035,000 for 2010.

28.11 The 2011 appropriation includes \$113,000 for 2010 and \$919,000 for 2011.

28.12 Subd. 5. Consolidation transition. For districts consolidating under Minnesota
28.13 Statutes, section 123A.485:

28.14 \$ 854,000 2010

28.15 \$ 927,000 2011

28.16 The 2010 appropriation includes \$0 for 2009 and \$854,000 for 2010.

28.17 The 2011 appropriation includes \$94,000 for 2010 and \$833,000 for 2011.

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

28.20 \$ 16,599,000 2010

28.21 \$ 17,151,000 2011

28.22 The 2010 appropriation includes \$1,647,000 for 2009 and \$14,952,000 for 2010.

28.23 The 2011 appropriation includes \$1,660,000 for 2010 and \$15,491,000 for 2011.

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

28.26 \$ 22,159,000 2010

28.27 \$ 22,712,000 2011

28.28 The 2010 appropriation includes \$2,077,000 for 2009 and \$20,082,000 for 2010.

28.29 The 2011 appropriation includes \$2,231,000 for 2010 and \$20,481,000 for 2011.

28.30 Subd. 8. One-room schoolhouse. For a grant to Independent School District No.
28.31 690, Warroad, to operate the Angle Inlet School:

28.32 \$ 65,000 2010

28.33 \$ 65,000 2011

29.1 Subd. 9. **Independent School District No. 239, Rushford-Peterson.** For school
29.2 district flood enrollment impact aid as a result of the floods of August 2007:

29.3 \$ 158,000 2010

29.4 The base appropriation for later fiscal years is \$0.

29.5 Subd. 10. **Lancaster.** For a grant to Independent School District No. 356, Lancaster,
29.6 to replace the loss of sparsity revenue:

29.7 \$ 100,000 2010

29.8 \$ 100,000 2011

29.9 The base appropriation for later fiscal years is \$0.

29.10 Subd. 11. **Compensatory revenue pilot project.** For grants for participation in the
29.11 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,
29.12 article 1, section 50:

29.13 \$ 2,175,000 2010

29.14 \$ 2,175,000 2011

29.15 Of this amount, \$1,500,000 in each year is for a grant to Independent School District
29.16 No. 11, Anoka-Hennepin; \$210,000 in each year is for a grant to Independent School
29.17 District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School
29.18 District No. 281, Robbinsdale; \$75,000 in each year is for a grant to Independent School
29.19 District No. 286, Brooklyn Center; \$165,000 in each year is for a grant to Independent
29.20 School District No. 535, Rochester; and \$65,000 in each year is for a grant to Independent
29.21 School District No. 833, South Washington.

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

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

29.25 Subd. 12. **Consolidated levy adjustment.** For the consolidated levy adjustment:

29.26 \$ 19,816,000 2011

29.27 The 2011 appropriation includes \$0 for 2010 and \$19,816,000 for 2011.

29.28 Sec. 51. **APPROPRIATIONS; FEDERAL.**

29.29 Subdivision 1. **Department of Education.** The sums indicated in this section are
29.30 appropriated from the fiscal stabilization account in the federal fund for the fiscal years
29.31 designated.

31.1 Subd. 12. **Legitimate exemptions.** A parent, guardian, or other person having
31.2 control of a child may apply to a school district to have the child excused from attendance
31.3 for the whole or any part of the time school is in session during any school year.
31.4 Application may be made to any member of the board, a truant officer, a principal, or the
31.5 superintendent. The school district may state in its school attendance policy that it may ask
31.6 the student's parent or legal guardian to verify in writing the reason for the child's absence
31.7 from school. A note from a physician or a licensed mental health professional stating that
31.8 the child cannot attend school is a valid excuse. The board of the district in which the
31.9 child resides may approve the application upon the following being demonstrated to the
31.10 satisfaction of that board:

31.11 (1) that the child's ~~body~~ physical or mental ~~condition~~ health is such as to prevent
31.12 attendance at school or application to study for the period required, which includes:

31.13 (i) child illness, medical, dental, orthodontic, or counseling appointments;

31.14 (ii) family emergencies;

31.15 (iii) the death or serious illness or funeral of an immediate family member;

31.16 (iv) active duty in any military branch of the United States; ~~or~~

31.17 (v) the child has a condition that requires ongoing treatment for a mental health
31.18 diagnosis; or

31.19 (vi) other exemptions included in the district's school attendance policy;

31.20 (2) that the child has already completed state and district standards required for
31.21 graduation from high school; or

31.22 (3) that it is the wish of the parent, guardian, or other person having control of the
31.23 child, that the child attend for a period or periods not exceeding in the aggregate three
31.24 hours in any week, a school for religious instruction conducted and maintained by some
31.25 church, or association of churches, or any Sunday school association incorporated under
31.26 the laws of this state, or any auxiliary thereof. This school for religious instruction must
31.27 be conducted and maintained in a place other than a public school building, and it must
31.28 not, in whole or in part, be conducted and maintained at public expense. However, a child
31.29 may be absent from school on such days as the child attends upon instruction according to
31.30 the ordinances of some church.

31.31 Sec. 3. Minnesota Statutes 2008, section 120A.24, is amended to read:

31.32 **120A.24 REPORTING.**

31.33 Subdivision 1. **Reports to superintendent.** The person in charge of providing
31.34 instruction to a child must submit ~~the following information~~ to the superintendent of the
31.35 district in which the child resides the name, birth date, and address of the child; the name

32.1 of each instructor; and evidence of compliance with one of the requirements specified in
32.2 section 120A.22, subdivision 10:

32.3 (1) ~~by October 1 of each the first school year, the name, birth date, and address~~
32.4 ~~of each child receiving instruction~~ the child receives instruction after reaching the age
32.5 of seven;

32.6 (2) ~~the name of each instructor and evidence of compliance with one of the~~
32.7 ~~requirements specified in section 120A.22, subdivision 10;~~

32.8 (3) ~~an annual instructional calendar; and~~

32.9 (4) ~~for each child instructed by a parent who meets only the requirement of section~~
32.10 ~~120A.22, subdivision 10, clause (6), a quarterly report card on the achievement of the~~
32.11 ~~child in each subject area required in section 120A.22, subdivision 9~~

32.12 (2) within 15 days of when a parent withdraws a child from public school after
32.13 age seven to homeschool;

32.14 (3) within 15 days of moving out of a district; and

32.15 (4) by October 1 after a new resident district is established.

32.16 Subd. 2. **Availability of documentation.** (a) The person in charge of providing
32.17 instruction to a child must ~~make available~~ maintain documentation indicating that the
32.18 subjects required in section 120A.22, subdivision 9, are being taught and proof that the
32.19 tests under section 120A.22, subdivision 11, have been administered. This documentation
32.20 must include class schedules, copies of materials used for instruction, and descriptions of
32.21 methods used to assess student achievement.

32.22 (b) The parent of a child who enrolls full-time in public school after having been
32.23 enrolled in a home school under section 120A.22, subdivision 6, must provide the
32.24 enrolling public school or school district with the child's scores on any tests administered
32.25 to the child under section 120A.22, subdivision 11, and other education-related documents
32.26 the enrolling school or district requires to determine where the child is placed in school
32.27 and what course requirements apply. This paragraph does not apply to a shared time
32.28 student who does not seek a public school diploma.

32.29 Subd. 3. **Exemptions.** A nonpublic school, person, or other institution that is
32.30 accredited by an accrediting agency, recognized according to section 123B.445, or
32.31 recognized by the commissioner, is exempt from the requirements in ~~subdivisions 1 and~~
32.32 subdivision 2, except for the requirement in subdivision 1, clause (1).

32.33 Subd. 4. **Reports to the state.** A superintendent must make an annual report to the
32.34 commissioner of education by December 1 of the total number of nonpublic children
32.35 reported as residing in the district. ~~The report must include the following information:~~

33.1 ~~(1) the number of children residing in the district attending nonpublic schools or~~
33.2 ~~receiving instruction from persons or institutions other than a public school;~~

33.3 ~~(2) the number of children in clause (1) who are in compliance with section 120A.22~~
33.4 ~~and this section; and~~

33.5 ~~(3) the number of children in clause (1) who the superintendent has determined are~~
33.6 ~~not in compliance with section 120A.22 and this section.~~

33.7 Subd. 5. **Obligations.** Nothing in this section alleviates the obligations under
33.8 section 120A.22.

33.9 Sec. 4. Minnesota Statutes 2008, section 120B.02, is amended to read:

33.10 **120B.02 EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S**
33.11 **STUDENTS.**

33.12 (a) The legislature is committed to establishing rigorous academic standards for
33.13 Minnesota's public school students. To that end, the commissioner shall adopt in rule
33.14 statewide academic standards. The commissioner shall not prescribe in rule or otherwise
33.15 the delivery system, classroom assessments, or form of instruction that school sites must
33.16 use. For purposes of this chapter, a school site is a separate facility, or a separate program
33.17 within a facility that a local school board recognizes as a school site for funding purposes.

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

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

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

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

33.27 (c) When fully implemented, the requirements for high school graduation in
33.28 Minnesota must require students to satisfactorily complete, as determined by the school
33.29 district, the course credit requirements under section 120B.024 and successfully pass
33.30 graduation examinations as required under section 120B.30.

33.31 ~~(1) for students enrolled in grade 8 before the 2005-2006 school year, to pass the~~
33.32 ~~basic skills test requirements; and~~

33.33 ~~(2) for students enrolled in grade 8 in the 2005-2006 school year and later, to pass~~
33.34 ~~the Minnesota Comprehensive Assessments Second Edition (MCA-II).~~

34.1 (d) The commissioner shall periodically review and report on the state's assessment
34.2 process.

34.3 (e) School districts are not required to adopt specific provisions of the federal
34.4 School-to-Work programs.

34.5 Sec. 5. Minnesota Statutes 2008, section 120B.021, subdivision 1, is amended to read:

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

34.8 (1) language arts;

34.9 (2) mathematics;

34.10 (3) science;

34.11 (4) social studies, including history, geography, economics, and government and
34.12 citizenship;

34.13 (5) physical education;

34.14 ~~(6) health and physical education,~~ for which locally developed academic standards
34.15 apply; and

34.16 ~~(6)~~ (7) the arts, for which statewide or locally developed academic standards apply,
34.17 as determined by the school district. Public elementary and middle schools must offer at
34.18 least three and require at least two of the following four arts areas: dance; music; theater;
34.19 and visual arts. Public high schools must offer at least three and require at least one of the
34.20 following five arts areas: media arts; dance; music; theater; and visual arts.

34.21 (b) To satisfy this subdivision and the one-half credit physical education requirement
34.22 under section 120B.024, paragraph (a), clause (6), the state physical education standard
34.23 under paragraph (a) selected by a school district must be consistent with either the
34.24 physical education benchmarks developed by the quality teaching network or the National
34.25 Physical Education Standards developed by the National Association for Sport and
34.26 Physical Education. To satisfy federal reporting requirements for continued funding under
34.27 Title VII of the Physical Education for Progress Act, a school district must notify the
34.28 department, if applicable, of its intent to comply with this subdivision. School districts
34.29 and charter schools also must use either the physical education benchmarks or the
34.30 National Physical Education Standards under this paragraph to comply with paragraph
34.31 (a), clause (5), in providing physical education instruction and programs to students in
34.32 kindergarten through grade 12.

34.33 (c) The commissioner must submit proposed standards in science and social studies
34.34 to the legislature by February 1, 2004.

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35.1 (d) For purposes of applicable federal law, the academic standards for language arts,
35.2 mathematics, and science apply to all public school students, ~~except the very few students~~
35.3 ~~with extreme cognitive or physical impairments for whom an individualized education~~
35.4 ~~plan team has determined that the required academic standards are inappropriate. An~~
35.5 ~~individualized education plan team that makes this determination must establish alternative~~
35.6 ~~standards~~ with appropriate alternate achievement standards based on these academic
35.7 standards for students with individualized education plans described under federal law.

35.8 (e) A school district, no later than the 2007-2008 school year, must adopt graduation
35.9 requirements that meet or exceed state graduation requirements established in law or
35.10 rule. A school district that incorporates these state graduation requirements before the
35.11 2007-2008 school year must provide students who enter the 9th grade in or before
35.12 the 2003-2004 school year the opportunity to earn a diploma based on existing locally
35.13 established graduation requirements in effect when the students entered the 9th grade.
35.14 District efforts to develop, implement, or improve instruction or curriculum as a result
35.15 of the provisions of this section must be consistent with sections 120B.10, 120B.11,
35.16 and 120B.20.

35.17 (f) The commissioner must include the contributions of Minnesota American Indian
35.18 tribes and communities as they relate to the academic standards during the review and
35.19 revision of the required academic standards.

35.20 **EFFECTIVE DATE.** This section is effective the day following final enactment
35.21 and applies in the 2009-2010 school year and later, and is a requirement for graduation for
35.22 students entering the 9th grade in the 2009-2010 school year and later.

35.23 Sec. 6. Minnesota Statutes 2008, section 120B.023, subdivision 2, is amended to read:

35.24 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must
35.25 revise and appropriately embed technology and information literacy standards consistent
35.26 with recommendations from school media specialists into the state's academic standards
35.27 and graduation requirements and implement a review cycle for state academic standards
35.28 and related benchmarks, consistent with this subdivision. During each review cycle, the
35.29 commissioner also must examine the alignment of each required academic standard and
35.30 related benchmark with the knowledge and skills students need for college readiness and
35.31 advanced work in the particular subject area.

35.32 (b) The commissioner in the 2006-2007 school year must revise and align the state's
35.33 academic standards and high school graduation requirements in mathematics to require
35.34 that students satisfactorily complete the revised mathematics standards, beginning in the
35.35 2010-2011 school year. Under the revised standards:

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36.1 (1) students must satisfactorily complete an algebra I credit by the end of eighth
36.2 grade; and

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

36.5 ~~The commissioner also must ensure that the statewide mathematics assessments~~
36.6 ~~administered to students in grades 3 through 8 and 11 beginning in the 2010-2011~~
36.7 ~~school year are aligned with the state academic standards in mathematics. The statewide~~
36.8 ~~11th grade mathematics test administered to students under clause (2) beginning in~~
36.9 ~~the 2013-2014 school year must include algebra II test items that are aligned with~~
36.10 ~~corresponding state academic standards in mathematics.~~ The commissioner must
36.11 implement a review of the academic standards and related benchmarks in mathematics
36.12 beginning in the 2015-2016 school year.

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

36.18 (d) The commissioner in the 2008-2009 school year must revise and align the state's
36.19 academic standards and high school graduation requirements in science to require that
36.20 students satisfactorily complete the revised science standards, beginning in the 2011-2012
36.21 school year. Under the revised standards, students scheduled to graduate in the 2014-2015
36.22 school year or later must satisfactorily complete a chemistry or physics credit. The
36.23 commissioner must implement a review of the academic standards and related benchmarks
36.24 in science beginning in the 2017-2018 school year.

36.25 (e) The commissioner in the 2009-2010 school year must revise and align the state's
36.26 academic standards and high school graduation requirements in language arts to require
36.27 that students satisfactorily complete the revised language arts standards beginning in the
36.28 2012-2013 school year. The commissioner must implement a review of the academic
36.29 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

36.30 (f) The commissioner in the 2010-2011 school year must revise and align the state's
36.31 academic standards and high school graduation requirements in social studies to require
36.32 that students satisfactorily complete the revised social studies standards beginning in the
36.33 2013-2014 school year. The commissioner must implement a review of the academic
36.34 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

36.35 (g) School districts and charter schools must revise and align local academic
36.36 standards and high school graduation requirements in health, ~~physical education,~~ world

37.1 languages, and career and technical education to require students to complete the revised
37.2 standards beginning in a school year determined by the school district or charter school.
37.3 School districts and charter schools must formally establish a periodic review cycle for
37.4 the academic standards and related benchmarks in health, ~~physical education~~, world
37.5 languages, and career and technical education.

37.6 EFFECTIVE DATE. Paragraph (g) is effective the day following final enactment
37.7 and applies in the 2009-2010 school year and later.

37.8 Sec. 7. Minnesota Statutes 2008, section 120B.024, is amended to read:

37.9 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

37.10 (a) Students beginning 9th grade in the 2004-2005 school year and later must
37.11 successfully complete the following high school level course credits for graduation:

37.12 (1) four credits of language arts;

37.13 (2) three credits of mathematics, encompassing at least algebra, geometry, statistics,
37.14 and probability sufficient to satisfy the academic standard;

37.15 (3) three credits of science, including at least one credit in biology;

37.16 (4) three and one-half credits of social studies, encompassing at least United
37.17 States history, geography, government and citizenship, world history, and economics or
37.18 three credits of social studies encompassing at least United States history, geography,
37.19 government and citizenship, and world history, and one-half credit of economics taught in
37.20 a school's social studies, agriculture education, or business department;

37.21 (5) one credit in the arts; ~~and~~

37.22 (6) one-half credit of physical education on a pass or fail basis; and

37.23 (7) a minimum of seven 6-1/2 elective course credits.

37.24 A course credit is equivalent to a student successfully completing an academic
37.25 year of study or a student mastering the applicable subject matter of the state academic
37.26 standards or local academic standards where state standards do not apply, as determined
37.27 by the local school district.

37.28 (b) An agriculture science course may fulfill a science credit requirement in addition
37.29 to the specified science credits in biology and chemistry or physics under paragraph (a),
37.30 clause (3).

37.31 (c) A career and technical education course may fulfill a science, mathematics, or
37.32 arts credit requirement in addition to the specified science, mathematics, or arts credits
37.33 under paragraph (a), clause (2), (3), or (5).

38.1 (d) The school board, or school board designee, shall grant a waiver from the
38.2 physical education requirement if the student is participating in a physical activity outside
38.3 of the regular physical education course offering.

38.4 **EFFECTIVE DATE.** This section is effective August 1, 2012, and applies to
38.5 students entering grade 9 in the 2012-2013 school year and later; except paragraph (a),
38.6 clauses (6) and (7), are effective the day following final enactment and apply to students
38.7 entering 9th grade in the 2009-2010 school year and later.

38.8 **Sec. 8. [120B.17] MINNESOTA VIRTUAL EDUCATION PROGRAM.**

38.9 Subdivision 1. **Program.** A state of Minnesota virtual education program is
38.10 established for teachers and students to improve and enhance teacher instruction and
38.11 student learning through integration of technology and online learning. The commissioner
38.12 of education shall establish the program and develop a selection of online courses for
38.13 students. The online student courses shall be established for grades 6 through 12.

38.14 Subd. 2. **Scope and requirements.** (a) The student courses shall be developed or
38.15 approved by department staff, content experts, licensed Minnesota teachers, licensed
38.16 administrators, and business representatives. The courses must be aligned to the Minnesota
38.17 academic standards established in Minnesota Rules, chapter 3501. The commissioner of
38.18 education, in working with qualified individuals, must establish at least ten student courses
38.19 that will be available to students and teachers no later than the 2010-2011 school year. The
38.20 commissioner must give priority in the development of courses to science, technology,
38.21 engineering, mathematics, and advanced courses. The courses available to students must
38.22 be monitored and delivered by licensed Minnesota teachers under section 122A.16.

38.23 (b) School districts and charter schools participating in the program must:

38.24 (1) submit a letter of intent to the commissioner of education;

38.25 (2) allow students to participate in the program;

38.26 (3) train teachers to monitor and deliver courses;

38.27 (4) allow students to receive graduation credit, if appropriate, for successful
38.28 completion of the courses;

38.29 (5) issue grades to students enrolled in the online courses; and

38.30 (6) report progress to the department on student participation and completion rates.

38.31 Subd. 3. **Report.** The commissioner of education must submit a report to the chairs
38.32 of the house of representatives and senate education committees by October 1, 2011,
38.33 assessing the progress and development of the program.

38.34 **Sec. 9. [120B.191] WORLD LANGUAGE PROFICIENCY CERTIFICATES.**

39.1 (a) Any Minnesota public, charter, or nonpublic school may award Minnesota
39.2 World Language Proficiency Certificates or Minnesota World Language Proficiency High
39.3 Achievement Certificates.

39.4 (b) The Minnesota World Language Proficiency Certificate recognizes students who
39.5 demonstrate listening, speaking, reading, and writing language skills at the American
39.6 Council on the Teaching of Foreign Languages' Intermediate-Low level on a valid and
39.7 reliable assessment tool. For languages listed as Category 3 by the United States Foreign
39.8 Service Institute or Category 4 by the United States Defense Language Institute, the
39.9 standard is Intermediate-Low for listening and speaking and Novice-High for reading
39.10 and writing.

39.11 (c) The Minnesota World Language Proficiency High Achievement Certificate
39.12 recognizes students who demonstrate listening, speaking, reading, and writing language
39.13 skills at the American Council on the Teaching of Foreign Languages' Pre-Advanced level
39.14 for K-12 learners on a valid and reliable assessment tool. For languages listed as Category
39.15 3 by the United States Foreign Service Institute or Category 4 by the United States
39.16 Defense Language Institute, the standard is Pre-Advanced for listening and speaking and
39.17 Intermediate-Mid for reading and writing.

39.18 Sec. 10. **[120B.236] CARDIOPULMONARY RESUSCITATION AND**
39.19 **AUTOMATIC EXTERNAL DEFIBRILLATOR INSTRUCTION.**

39.20 School districts are encouraged to include cardiopulmonary resuscitation and
39.21 automatic external defibrillator instruction as part of their curriculum. Schools offering
39.22 cardiopulmonary resuscitation or automatic external defibrillator instruction must use
39.23 cardiopulmonary resuscitation or automatic external defibrillator training that has been
39.24 developed:

39.25 (1) by the American Heart Association or the American Red Cross and incorporate
39.26 psychomotor skills to support the instruction; or

39.27 (2) using nationally recognized, evidence-based guidelines for cardiopulmonary
39.28 resuscitation and incorporates psychomotor skills to support the instruction.

39.29 Sec. 11. **[120B.299] DEFINITIONS.**

39.30 Subdivision 1. **Definitions.** The definitions in this section apply to this chapter.

39.31 Subd. 2. **Growth.** "Growth" compares the difference in a student's achievement
39.32 score at two or more distinct points in time.

40.1 Subd. 3. **Value-added.** "Value-added" is the amount of achievement a student
40.2 demonstrates above an established baseline. The difference between the student's score
40.3 and the baseline defines value-added.

40.4 Subd. 4. **Growth-based value-added.** "Growth-based value-added" is based on a
40.5 student's growth score. In a growth-based value-added system, the student's first test is
40.6 the baseline, and the difference between the student's first and next test scores within a
40.7 defined period is the measure of value-added.

40.8 Subd. 5. **Adequate yearly progress.** A school or district makes "adequate yearly
40.9 progress" if, for every student subgroup under the federal 2001 No Child Left Behind Act
40.10 in the school or district, its proficiency index, based on statewide assessment scores,
40.11 meets or exceeds federal expectations. To make adequate yearly progress, the school or
40.12 district also must satisfy applicable federal requirements related to student attendance,
40.13 graduation, and test participation rates.

40.14 Subd. 6. **State growth target.** (a) "State growth target" is the average year-two
40.15 assessment scores for students with similar year-one assessment scores.

40.16 (b) Beginning in the 2008-2009 school year, the state growth target is benchmarked
40.17 to 2006-2007 and 2007-2008 school year data until the assessment scale changes.

40.18 (c) Each time before the assessment scale changes, a recognized Minnesota
40.19 assessment group composed of assessment and evaluation directors and staff and
40.20 researchers must recommend a new state growth target that the commissioner must
40.21 consider when revising standards under section 120B.023, subdivision 2.

40.22 Subd. 7. **Low growth.** "Low growth" is an assessment score one-half standard
40.23 deviation below the state growth target.

40.24 Subd. 8. **Medium growth.** "Medium growth" is an assessment score within one-half
40.25 standard deviation above or below the state growth target.

40.26 Subd. 9. **High growth.** "High growth" is an assessment score one-half standard
40.27 deviation or more above the state growth target.

40.28 Subd. 10. **Proficiency.** "Proficiency" for purposes of reporting growth on school
40.29 performance report cards under section 120B.36, subdivision 1, means those students
40.30 who, in the previous school year, scored at or above "meets standards" on the statewide
40.31 assessments under section 120B.30. Each year, school performance report cards must
40.32 separately display: (1) the numbers and percentages of students who achieved low growth,
40.33 medium growth, and high growth and achieved proficiency in the previous school year;
40.34 and (2) the numbers and percentages of students who achieved low growth, medium
40.35 growth, and high growth and did not achieve proficiency in the previous school year.

41.1 Subd. 11. Growth and progress toward proficiency. The categories of low
41.2 growth, medium growth and high growth shall be used to indicate both growth, and
41.3 progress toward grade-level proficiency that is consistent with subdivision 10.

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

41.5 Sec. 12. Minnesota Statutes 2008, section 120B.30, subdivision 1, is amended to read:

41.6 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
41.7 with appropriate technical qualifications and experience and stakeholders, consistent with
41.8 subdivision 1a, shall include in the comprehensive assessment system, for each grade
41.9 level to be tested, state-constructed tests developed from and aligned with the state's
41.10 required academic standards under section 120B.021 and administered annually to all
41.11 students in grades 3 through 8 and at the high school level in mathematics and reading. ~~★~~
41.12 ~~state-developed test in a subject other than writing, developed after the 2002-2003 school~~
41.13 ~~year, must include both machine-scoreable and constructed response questions.~~ The
41.14 commissioner shall establish one or more months during which schools shall administer
41.15 the tests to students each school year.

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

41.18 (1) mathematics;

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

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

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

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

41.25 (c) For students enrolled in grade 8 before the 2005-2006 school year, only
41.26 Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students'
41.27 basic skills testing requirements for a passing state notation. The passing scores of basic
41.28 skills tests in reading and mathematics are the equivalent of 75 percent correct for students
41.29 entering grade 9 in 1997 and thereafter, as based on the first uniform test administration
41.30 of February 1998. Students who have not successfully passed the basic skills test by the
41.31 end of the 2011-2012 school year must pass the graduation assessment requirements
41.32 for Minnesota students given at that time.

41.33 ~~(b)~~ (d) For students enrolled in grade 8 in the 2005-2006 school year and later, only
41.34 the following options shall fulfill students' state graduation test requirements:

41.35 (1) for reading and mathematics:

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42.1 (i) obtaining an achievement level equivalent to or greater than proficient as
42.2 determined through a standard setting process on the Minnesota comprehensive
42.3 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
42.4 score as determined through a standard setting process on the graduation-required
42.5 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
42.6 subsequent retests;

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

42.11 (iii) achieving an individual passing score on the graduation-required assessment
42.12 for diploma as determined by appropriate state guidelines for students with an individual
42.13 education plan or 504 plan;

42.14 (iv) obtaining achievement level equivalent to or greater than proficient as
42.15 determined through a standard setting process on the state-identified alternate assessment
42.16 or assessments in grade 10 for reading and grade 11 for mathematics for students with
42.17 an individual education plan; or

42.18 (v) achieving an individual passing score on the state-identified alternate assessment
42.19 or assessments as determined by appropriate state guidelines for students with an
42.20 individual education plan; and

42.21 (2) for writing:

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

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

42.26 (iii) achieving an individual passing score on the graduation-required assessment
42.27 for diploma as determined by appropriate state guidelines for students with an individual
42.28 education plan or 504 plan; or

42.29 (iv) achieving an individual passing score on the state-identified alternate assessment
42.30 or assessments as determined by appropriate state guidelines for students with an
42.31 individual education plan.

42.32 ~~(e)~~ (e) A student enrolled in grade 8 in the 2005-2006 school year through the
42.33 2009-2010 school year who does not pass the state graduation-required assessment for
42.34 diploma in mathematics, shall receive a passing state notation if they:

42.35 (1) complete with a passing score or grade all state and local coursework and credits
42.36 required for graduation by the school board granting the student their diploma;

43.1 (2) participate in the district-prescribed academic remediation in mathematics; and
43.2 (3) fully participate in at least two retest attempts in mathematics after the initial
43.3 spring administration of the mathematics graduation-required assessment for diploma.

43.4 (f) For students enrolled in grade 8 in the 2010-2011 school year and later, only the
43.5 following options shall fulfill students' state graduation test requirements:

43.6 (1) for reading:

43.7 (i) obtaining an achievement level equivalent to or greater than proficient as
43.8 determined through a standard setting process on the Minnesota comprehensive
43.9 assessments in grade 10 for reading or achieving a passing score as determined through a
43.10 standard setting process on the graduation-required assessment for diploma in grade 10
43.11 for reading or subsequent retests;

43.12 (ii) achieving a passing score as determined through a standard setting process on the
43.13 state-identified language proficiency test in reading for English language learners or the
43.14 graduation-required assessment for diploma equivalent of those assessments for students
43.15 designated as English language learners;

43.16 (iii) achieving an individual passing score on the graduation-required assessment
43.17 for diploma as determined by appropriate state guidelines for students with an individual
43.18 education plan or 504 plan;

43.19 (iv) obtaining achievement level equivalent to or greater than proficient as
43.20 determined through a standard setting process on the state-identified alternate assessment
43.21 or assessments in grade 10 for reading for students with an individual education plan; or

43.22 (v) achieving an individual passing score on the state-identified alternate assessment
43.23 or assessments as determined by appropriate state guidelines for students with an
43.24 individual education plan; and

43.25 (2) for writing:

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

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

43.30 (iii) achieving an individual passing score on the graduation-required assessment
43.31 for diploma as determined by appropriate state guidelines for students with an individual
43.32 education plan or 504 plan; or

43.33 (iv) achieving an individual passing score on the state-identified alternate assessment
43.34 or assessments as determined by appropriate state guidelines for students with an
43.35 individual education plan; and

43.36 (3) for mathematics:

44.1 (i) obtaining a passing score through a standard setting process on the high school
44.2 mathematics assessment or subsequent retests;

44.3 (ii) achieving a passing score as determined through a standard setting process on
44.4 the high school mathematics assessment test equivalent of those assessments for students
44.5 designated as English language learners;

44.6 (iii) achieving an individual passing score on the high school mathematics
44.7 assessment as determined by appropriate state guidelines for students with an individual
44.8 education plan or 504 plan;

44.9 (iv) obtaining a passing score as determined through a standard setting process on
44.10 the mathematics alternative assessment for students with an individual education plan; or

44.11 (v) achieving an individual passing score on the mathematics alternate assessment or
44.12 assessments as determined by appropriate state guidelines for students with an individual
44.13 education plan;

44.14 (g) The 3rd through 8th grade and high school level test results shall be available
44.15 to districts for diagnostic purposes affecting student learning and district instruction and
44.16 curriculum, and for establishing educational accountability. The commissioner must
44.17 disseminate to the public the test results ~~upon~~ within two weeks of receiving those results.

44.18 Individual high school mathematics assessment results must be reported to the
44.19 student, parent or guardian, school, and district within two weeks of the student's
44.20 completion on the test. The results must inform the student of college readiness.

44.21 ~~(d)~~ (h) State tests must be constructed and aligned with state academic standards.
44.22 The testing process and the order of administration shall be determined by the
44.23 commissioner. The statewide results shall be aggregated at the site and district level,
44.24 consistent with subdivision 1a.

44.25 ~~(e)~~ (i) In addition to the testing and reporting requirements under this section, the
44.26 commissioner shall include the following components in the statewide public reporting
44.27 system:

44.28 (1) uniform statewide testing of all students in grades 3 through 8 and at the high
44.29 school level that provides appropriate, technically sound accommodations; ~~or~~ alternate
44.30 ~~assessments, or exemptions~~ consistent with applicable federal law; ~~only with parent or~~
44.31 ~~guardian approval, for those very few students for whom the student's individual education~~
44.32 ~~plan team under sections 125A.05 and 125A.06 determines that the general statewide test~~
44.33 ~~is inappropriate for a student, or for a limited English proficiency student under section~~
44.34 ~~124D.59, subdivision 2;~~

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

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

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

45.9 **EFFECTIVE DATE.** This section is effective the day following final enactment
45.10 with the following exceptions: paragraphs (f) and (g) are effective upon the adjournment
45.11 of the first regular session after which the commissioner, according to section 120B.30,
45.12 subdivision 5, has completed the standards setting process and determined a passing score
45.13 for graduation on the high school mathematics assessment that aligns to postsecondary
45.14 entrance requirements.

45.15 Sec. 13. Minnesota Statutes 2008, section 120B.30, subdivision 1a, is amended to read:

45.16 Subd. 1a. **Statewide and local assessments; results.** (a) The commissioner must
45.17 develop reading, mathematics, and science assessments aligned with state academic
45.18 standards that districts and sites must use to monitor student growth toward achieving
45.19 those standards. The commissioner must not develop statewide assessments for academic
45.20 standards in social studies, health and physical education, and the arts. The commissioner
45.21 must require:

45.22 (1) annual reading and mathematics assessments in grades 3 through 8 and at the
45.23 high school level for the 2005-2006 school year and later; and

45.24 (2) annual science assessments in one grade in the grades 3 through 5 span, the
45.25 grades 6 through ~~9~~ 8 span, and ~~a life sciences assessment in the grades 10 through 12 span~~
45.26 any assessments at the high school level that must include a (i) life science and (ii) a
45.27 chemistry or physics assessment for the 2007-2008 school year and later.

45.28 (b) The commissioner must ensure that all statewide tests administered to elementary
45.29 and secondary students measure students' academic knowledge and skills and not students'
45.30 values, attitudes, and beliefs.

45.31 (c) Reporting of assessment results must:

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

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46.1 (2) include, ~~by no later than the 2008-2009 school year,~~ a growth-based value-added
46.2 ~~component that is in addition to a measure for student achievement growth over time~~
46.3 indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

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

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

46.8 (d) Consistent with applicable federal law and subdivision 1, paragraph ~~(d)~~ (e),
46.9 clause (1), the commissioner must include appropriate, technically sound accommodations
46.10 or alternative assessments for the very few students with disabilities for whom statewide
46.11 assessments are inappropriate and for students with limited English proficiency.

46.12 (e) A school, school district, and charter school must administer statewide
46.13 assessments under this section, as the assessments become available, to evaluate student
46.14 ~~progress in achieving the~~ proficiency in the context of the state's grade level academic
46.15 standards. If a state assessment is not available, a school, school district, and charter
46.16 school must determine locally if a student has met the required academic standards. A
46.17 school, school district, or charter school may use a student's performance on a statewide
46.18 assessment as one of multiple criteria to determine grade promotion or retention. A
46.19 school, school district, or charter school may use a high school student's performance on a
46.20 statewide assessment as a percentage of the student's final grade in a course, or place a
46.21 student's assessment score on the student's transcript except as required in paragraph (f).

46.22 (f) A school, district, or charter school must place a student's highest assessment
46.23 score for each of the following assessments on the student's high school transcript: the
46.24 mathematics Minnesota Comprehensive Assessment, reading Minnesota Comprehensive
46.25 Assessment, and writing Graduation-Required Assessment for Diploma, and when
46.26 applicable, the mathematics Graduation-Required Assessment for Diploma and reading
46.27 Graduation-Required Assessment for Diploma.

46.28 Sec. 14. Minnesota Statutes 2008, section 120B.30, subdivision 2, is amended to read:

46.29 Subd. 2. **Department of Education assistance.** The Department of Education
46.30 shall contract for professional and technical services according to competitive ~~bidding~~
46.31 solicitation procedures under chapter 16C for purposes of this section.

46.32 Sec. 15. Minnesota Statutes 2008, section 120B.30, is amended by adding a
46.33 subdivision to read:

47.1 Subd. 5. **High school mathematics assessment.** (a) The commissioner, with
47.2 consultation from stakeholders, must identify a high school mathematics assessment by
47.3 February 15, 2010. The commissioner must align the high school mathematics assessment
47.4 to the most recent revision of mathematic standards as described in section 120B.023.
47.5 The commissioner must use the authority granted in paragraph (b) to prepare preliminary
47.6 administrations in order to determine a passing score in the high school mathematics
47.7 assessment through a standards setting process. The passing score must be aligned to
47.8 postsecondary entrance requirements. The commissioner must report to the legislature
47.9 upon final determination of a passing score.

47.10 (b) For the purposes of paragraph (a), schools selected for stand-alone state field
47.11 testing by the department must participate as requested. Superintendents or charter school
47.12 directors may appeal in writing to the commissioner of education or the commissioner's
47.13 designee for an exemption from field testing if undue hardship is demonstrated. The
47.14 commissioner's decision regarding the appeal is final.

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

47.16 Sec. 16. Minnesota Statutes 2008, section 120B.31, subdivision 1, is amended to read:

47.17 Subdivision 1. **Educational accountability and public reporting.** Consistent
47.18 with the ~~process~~ direction to adopt a results-oriented graduation rule statewide academic
47.19 standards under section 120B.02, the department, in consultation with education and
47.20 other system stakeholders, must establish a coordinated and comprehensive system of
47.21 educational accountability and public reporting that promotes ~~higher~~ greater academic
47.22 achievement, preparation for higher academic education, preparation for the world of
47.23 work, citizenship under sections 120B.021, subdivision 1, clause (4), and 120B.024,
47.24 paragraph (a), clause (4), and the arts.

47.25 Sec. 17. Minnesota Statutes 2008, section 120B.31, subdivision 3, is amended to read:

47.26 Subd. 3. **Educational accountability.** (a) The Independent Office of Educational
47.27 Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5,
47.28 section 28, subdivision 2, is established, and shall be funded through the Board of Regents
47.29 of the University of Minnesota. The office shall advise the education committees of
47.30 the legislature and the commissioner of education, at least on a biennial basis, on the
47.31 degree to which the statewide educational accountability and reporting system includes a
47.32 comprehensive assessment framework that measures school accountability for students
47.33 achieving the goals described in the state's ~~results-oriented~~ high school graduation

48.1 rule. The office shall determine and annually report to the legislature whether and how
48.2 effectively:

48.3 (1) the statewide system of educational accountability ~~utilizes~~ uses multiple
48.4 indicators to provide valid and reliable comparative and contextual data on students,
48.5 schools, districts, and the state, and if not, recommend ways to improve the accountability
48.6 reporting system;

48.7 ~~(2) the commissioner makes statistical adjustments when reporting student data over~~
48.8 ~~time, consistent with clause (4);~~

48.9 ~~(3) the commissioner uses indicators of student achievement growth~~ a growth-based
48.10 value-added indicator of student achievement over time ~~and a value-added assessment~~
48.11 ~~model that~~ estimates the effects of the school and school district on student achievement ~~to~~
48.12 measure and measures school performance, consistent with section ~~120B.36, subdivision~~
48.13 ~~120B.36, subdivision~~ 120B.35, subdivision 3, paragraph (b);

48.14 ~~(4) the commissioner makes~~ (3) data are available on students who do not pass one
48.15 or more of the state's required GRAD tests and do not receive a diploma as a consequence,
48.16 and ~~categorizes~~ these data are categorized according to gender, race, eligibility for free
48.17 or reduced lunch, and English language proficiency; and

48.18 ~~(5) the commissioner fulfills~~ (4) the requirements under section 127A.095,
48.19 subdivision 2, are met.

48.20 (b) When the office reviews the statewide educational accountability and reporting
48.21 system, it shall also consider:

48.22 (1) the objectivity and neutrality of the state's educational accountability system; and

48.23 (2) the impact of a testing program on school curriculum and student learning.

48.24 Sec. 18. Minnesota Statutes 2008, section 120B.31, subdivision 4, is amended to read:

48.25 Subd. 4. **Statistical adjustments; student performance data.** In developing
48.26 policies and assessment processes to hold schools and districts accountable for high
48.27 levels of academic standards under section 120B.021, the commissioner shall aggregate
48.28 student data over time to report student performance and growth levels measured at the
48.29 school, school district, regional, or ~~regional, or~~ and statewide level. When collecting and reporting
48.30 the performance data, the commissioner shall: ~~(1) acknowledge the impact of significant~~
48.31 ~~demographic factors such as residential instability, the number of single parent families,~~
48.32 ~~parents' level of education, and parents' income level on school outcomes; and (2)~~
48.33 organize and report the data so that state and local policy makers can understand the
48.34 educational implications of changes in districts' demographic profiles over time. Any
48.35 report the commissioner disseminates containing summary data on student performance

49.1 must integrate student performance and the demographic factors that strongly correlate
49.2 with that performance.

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

49.4 Sec. 19. Minnesota Statutes 2008, section 120B.35, is amended to read:

49.5 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND PROGRESS**
49.6 **GROWTH.**

49.7 Subdivision 1. ~~Adequate yearly progress of schools and students~~ School and
49.8 student indicators of growth and achievement. The commissioner must develop and
49.9 implement a system for measuring and reporting academic achievement and individual
49.10 student ~~progress growth~~, consistent with the statewide educational accountability and
49.11 reporting system. The ~~system components of the system~~ must measure and separately
49.12 report the adequate yearly progress of schools and the growth of individual students:
49.13 students' current achievement in schools under subdivision 2; and individual students'
49.14 educational ~~progress growth~~ over time under subdivision 3. The system also must include
49.15 statewide measures of student academic ~~achievement growth~~ that identify schools with
49.16 high levels of ~~achievement growth~~, and also schools with low levels of ~~achievement~~
49.17 growth that need improvement. When determining a school's effect, the data must
49.18 include both statewide measures of student achievement and, to the extent annual tests
49.19 are administered, indicators of achievement growth that take into account a student's
49.20 prior achievement. Indicators of achievement and prior achievement must be based on
49.21 highly reliable statewide or districtwide assessments. Indicators that take into account a
49.22 student's prior achievement must not be used to disregard a school's low achievement or to
49.23 exclude a school from a program to improve low achievement levels. ~~The commissioner~~
49.24 ~~by January 15, 2002, must submit a plan for integrating these components to the chairs of~~
49.25 ~~the legislative committees having policy and budgetary responsibilities for elementary~~
49.26 ~~and secondary education.~~

49.27 Subd. 2. **Federal expectations for student academic achievement.** (a) Each school
49.28 year, a school district must determine if the student achievement levels at each school site
49.29 meet ~~state and local~~ federal expectations. If student achievement levels at a school site do
49.30 not meet ~~state and local~~ federal expectations and the site has not made adequate yearly
49.31 progress for two consecutive school years, beginning with the 2001-2002 school year,
49.32 the district must work with the school site to adopt a plan to raise student achievement
49.33 levels to meet ~~state and local~~ federal expectations. The commissioner of education shall
49.34 establish student academic achievement levels to comply with this paragraph.

50.1 (b) School sites identified as not meeting federal expectations must develop
50.2 continuous improvement plans in order to meet ~~state and local~~ federal expectations for
50.3 student academic achievement. The department, at a district's request, must assist the
50.4 district and the school site in developing a plan to improve student achievement. The plan
50.5 must include parental involvement components.

50.6 (c) The commissioner must:

50.7 (1) ~~provide assistance to~~ assist school sites and districts identified as not meeting
50.8 federal expectations; and

50.9 (2) provide technical assistance to schools that integrate student ~~progress~~
50.10 achievement measures ~~under subdivision 3 in~~ into the school continuous improvement
50.11 plan.

50.12 (d) The commissioner shall establish and maintain a continuous improvement Web
50.13 site designed to make data on every school and district available to parents, teachers,
50.14 administrators, community members, and the general public.

50.15 Subd. 3. ~~Student progress assessment~~ State growth target; other state measures.

50.16 (a) The state's educational assessment system ~~component~~ measuring individual students'
50.17 educational ~~progress must be~~ growth is based, ~~to the extent annual tests are administered,~~
50.18 on indicators of achievement growth that show an individual student's prior achievement.
50.19 Indicators of achievement and prior achievement must be based on highly reliable
50.20 statewide or districtwide assessments.

50.21 (b) The commissioner, in consultation with a recognized Minnesota assessment
50.22 group composed of assessment and evaluation directors and staff and researchers must
50.23 ~~identify effective models for measuring individual student progress that enable a school~~
50.24 ~~district or school site to perform gains-based analysis, including evaluating the effects of~~
50.25 ~~the teacher, school, and school district on student achievement over time. At least one~~
50.26 ~~model must be a "value-added" assessment model that reliably estimates those effects for~~
50.27 ~~classroom settings where a single teacher teaches multiple subjects to the same group~~
50.28 ~~of students, for team teaching arrangements, and for other teaching circumstances.~~
50.29 implement a model that uses a growth-based value-added system and includes criteria
50.30 for identifying schools and school districts that demonstrate medium and high growth
50.31 under section 120B.299. The system may be used to advance educators' professional
50.32 development and replicate programs that succeed in meeting students' diverse learning
50.33 needs. Data on individual teachers generated under the model are personnel data under
50.34 section 13.43. The model must allow users to:

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

51.1 (2) for all student categories with a cell size of at least 20, report and compare
51.2 aggregated and disaggregated state growth data using the nine student categories identified
51.3 under the federal 2001 No Child Left Behind Act and two student gender categories
51.4 of male and female, respectively.

51.5 The commissioner must report separate measures of student growth and proficiency,
51.6 consistent with this paragraph.

51.7 ~~(c) If a district has an accountability plan that includes gains-based analysis or~~
51.8 ~~"value-added" assessment, the commissioner shall, to the extent practicable, incorporate~~
51.9 ~~those measures in determining whether the district or school site meets expectations. The~~
51.10 ~~department must coordinate with the district in evaluating school sites and continuous~~
51.11 ~~improvement plans, consistent with best practices.~~

51.12 Subd. 4. **Improving schools.** Consistent with the requirements of this section, the
51.13 commissioner of education must ~~establish a second achievement benchmark to identify~~
51.14 ~~improving schools. The commissioner must recommend to~~ annually report to the public
51.15 and the legislature by February 15, 2002, indicators in addition to the achievement
51.16 benchmark for identifying improving schools, including an indicator requiring a school
51.17 to demonstrate ongoing successful use of best teaching practices best practices learned
51.18 from those schools that demonstrate medium and high growth compared to the state
51.19 growth target.

51.20 Subd. 5. **Improving graduation rates for students with emotional or behavioral**
51.21 **disorders.** (a) A district must develop strategies₂ in conjunction with parents of students
51.22 with emotional or behavioral disorders and the county board responsible for implementing
51.23 sections 245.487 to 245.4889₂ to keep students with emotional or behavioral disorders in
51.24 school, when the district has a drop-out rate for students with an emotional or behavioral
51.25 disorder in grades 9 through 12 exceeding 25 percent.

51.26 (b) A district must develop a plan₂ in conjunction with parents of students with
51.27 emotional or behavioral disorders and the local mental health authority₂ to increase the
51.28 graduation rates of students with emotional or behavioral disorders. A district with a
51.29 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
51.30 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
51.31 to the commissioner.

51.32 **EFFECTIVE DATE.** Subdivision 3 is effective immediately and applies to students
51.33 in the 2008-2009 school year. Subdivision 4 is effective for the 2011-2012 school year
51.34 and later.

52.1 Sec. 20. Minnesota Statutes 2008, section 120B.36, is amended to read:

52.2 **120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.**

52.3 Subdivision 1. **School performance report cards.** (a) The commissioner shall
52.4 ~~use objective criteria based on levels of student performance to report at least student~~
52.5 ~~academic performance under section 120B.35, subdivision 2, the percentages of students~~
52.6 ~~showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph~~
52.7 ~~(b), school safety, two separate student-to-teacher ratios that clearly indicate the definition~~
52.8 ~~of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining~~
52.9 ~~these ratios, and staff characteristics excluding salaries, with a value-added component~~
52.10 ~~added no later than the 2008-2009 school year student enrollment demographics, district~~
52.11 ~~mobility, and extracurricular activities. The report must indicate a school's adequate yearly~~
52.12 ~~progress status, and must not set any designations applicable to high- and low-performing~~
52.13 ~~schools due solely to adequate yearly progress status.~~

52.14 (b) The commissioner shall develop, annually update, and post on the department
52.15 Web site school performance report cards.

52.16 (c) The commissioner must make available ~~the first~~ performance report cards by
52.17 ~~November 2003, and during~~ the beginning of each school year ~~thereafter~~.

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

52.21 (e) School performance report ~~cards~~ card data are nonpublic data under section
52.22 13.02, subdivision 9, until not later than ten days after the appeal procedure described in
52.23 paragraph (d) concludes. The department shall annually post school performance report
52.24 cards to its public Web site no later than September 1.

52.25 Subd. 2. **Adequate yearly progress data.** All data the department receives,
52.26 collects, or creates ~~for purposes of determining~~ to determine adequate yearly progress
52.27 ~~designations~~ status under Public Law 107-110, section 1116, set state growth targets, and
52.28 determine student growth are nonpublic data under section 13.02, subdivision 9, until not
52.29 later than ten days after the appeal procedure described in subdivision 1, paragraph (d),
52.30 concludes. Districts must provide parents sufficiently detailed summary data to permit
52.31 parents to appeal under Public Law 107-110, section 1116(b)(2). The department shall
52.32 annually post federal adequate yearly progress data and state student growth data to its
52.33 public Web site no later than September 1.

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

53.1 Sec. 21. Minnesota Statutes 2008, section 121A.035, subdivision 2, is amended to read:

53.2 Subd. 2. **School district and charter school policy.** A school board and a
53.3 charter school must adopt a crisis management policy to address potential violent crisis
53.4 situations in the district or charter school. The policy must be developed cooperatively
53.5 with administrators, teachers, employees, students, parents, community members, law
53.6 enforcement agencies, other emergency management officials, county attorney offices,
53.7 social service agencies, emergency medical responders, and any other appropriate
53.8 individuals or organizations. The policy must include at least five school lock-down
53.9 drills, five school fire drills consistent with section 299F.30, ~~and one tornado drill,~~ and an
53.10 expectation that students be present and participate in these drills.

53.11 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
53.12 later.

53.13 Sec. 22. Minnesota Statutes 2008, section 121A.037, is amended to read:

53.14 **121A.037 SCHOOL SAFETY DRILLS.**

53.15 Private schools and educational institutions not subject to section 121A.035 must
53.16 have at least five school lock-down drills, five school fire drills consistent with section
53.17 299F.30, ~~and one tornado drill,~~ and an expectation that students be present and participate
53.18 in these drills.

53.19 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
53.20 later.

53.21 Sec. 23. Minnesota Statutes 2008, section 121A.15, subdivision 8, is amended to read:

53.22 Subd. 8. **Report.** The administrator or other person having general control and
53.23 supervision of the elementary or secondary school shall file a report with the commissioner
53.24 on all persons enrolled in the school. The superintendent of each district shall file a report
53.25 with the commissioner for all persons within the district receiving instruction in a home
53.26 school in compliance with sections 120A.22 and 120A.24. The parent of persons receiving
53.27 instruction in a home school shall submit the statements as required by subdivisions 1, 2,
53.28 3, and 4 to the superintendent of the district in which the person resides by October 1 of
53.29 ~~each school year~~ the first year of their homeschooling and the 7th grade year. The school
53.30 report must be prepared on forms developed jointly by the commissioner of health and the
53.31 commissioner of education and be distributed to the local districts by the commissioner
53.32 of health. The school report must state the number of persons attending the school, the
53.33 number of persons who have not been immunized according to subdivision 1 or 2, and

54.1 the number of persons who received an exemption under subdivision 3, clause (c) or (d).
54.2 The school report must be filed with the commissioner of education within 60 days of the
54.3 commencement of each new school term. Upon request, a district must be given a 60-day
54.4 extension for filing the school report. The commissioner of education shall forward the
54.5 report, or a copy thereof, to the commissioner of health who shall provide summary
54.6 reports to boards of health as defined in section 145A.02, subdivision 2. The administrator
54.7 or other person having general control and supervision of the child care facility shall file a
54.8 report with the commissioner of human services on all persons enrolled in the child care
54.9 facility. The child care facility report must be prepared on forms developed jointly by
54.10 the commissioner of health and the commissioner of human services and be distributed
54.11 to child care facilities by the commissioner of health. The child care facility report
54.12 must state the number of persons enrolled in the facility, the number of persons with no
54.13 immunizations, the number of persons who received an exemption under subdivision 3,
54.14 clause (c) or (d), and the number of persons with partial or full immunization histories.
54.15 The child care facility report must be filed with the commissioner of human services by
54.16 November 1 of each year. The commissioner of human services shall forward the report,
54.17 or a copy thereof, to the commissioner of health who shall provide summary reports to
54.18 boards of health as defined in section 145A.02, subdivision 2. The report required by this
54.19 subdivision is not required of a family child care or group family child care facility, for
54.20 prekindergarten children enrolled in any elementary or secondary school provided services
54.21 according to sections 125A.05 and 125A.06, nor for child care facilities in which at least
54.22 75 percent of children in the facility participate on a onetime only or occasional basis to a
54.23 maximum of 45 hours per child, per month.

54.24 Sec. 24. Minnesota Statutes 2008, section 122A.06, subdivision 4, is amended to read:

54.25 Subd. 4. **Comprehensive, scientifically based reading instruction.** (a)
54.26 "Comprehensive, scientifically based reading instruction" includes a program or collection
54.27 of instructional practices that is based on ~~reliable~~, valid, replicated evidence showing
54.28 that when these programs or practices are used, students can be expected to achieve, at
54.29 a minimum, satisfactory reading progress. The program or collection of practices must
54.30 include, at a minimum, instruction in five areas of reading: phonemic awareness, phonics,
54.31 fluency, vocabulary development, and ~~text reading~~ comprehension.

54.32 Comprehensive, scientifically based reading instruction also includes and integrates
54.33 instructional strategies for continuously assessing, evaluating, and communicating
54.34 the student's reading progress and needs in order to design and implement ongoing

55.1 interventions so that students of all ages and proficiency levels can read and comprehend
55.2 text and apply higher level thinking skills.

55.3 (b) "Fluency" is the ability of students to be able to read text with speed, accuracy,
55.4 and proper expression.

55.5 (c) "Phonemic awareness" is the ability of students to notice, think about, and
55.6 manipulate the individual sounds in spoken syllables and words.

55.7 (d) "Phonics" is the understanding that there are systematic and predictable
55.8 relationships between written letters and spoken words. Phonics instruction is a way
55.9 of teaching reading that stresses learning how letters correspond to sounds and how to
55.10 apply this knowledge in reading and spelling.

55.11 (e) "Reading comprehension" is an active process that requires intentional thinking
55.12 during which meaning is constructed through interactions between text and reader.
55.13 Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and
55.14 implementing specific cognitive strategies to help beginning readers derive meaning by
55.15 intentional, problem-solving thinking processes.

55.16 (f) "Vocabulary development" is the process of teaching vocabulary both directly
55.17 and indirectly, with repetition and multiple exposures to vocabulary items. Learning
55.18 in rich contexts, incidental learning, and use of computer technology all enhance the
55.19 acquisition of vocabulary.

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

55.21 Sec. 25. Minnesota Statutes 2008, section 122A.07, subdivision 2, is amended to read:

55.22 Subd. 2. **Eligibility; board composition.** Except for the representatives of higher
55.23 education and the public, to be eligible for appointment to the Board of Teaching a person
55.24 must be a teacher currently teaching in a Minnesota school and fully licensed for the
55.25 position held and have at least five years teaching experience in Minnesota, including the
55.26 two years immediately preceding nomination and appointment. Each nominee, other than
55.27 a public nominee, must be selected on the basis of professional experience and knowledge
55.28 of teacher education, accreditation, and licensure. The board must be composed of:

55.29 (1) six teachers who are currently teaching in a Minnesota school or who were
55.30 teaching at the time of the appointment and who do not qualify under clause (2) or (3) of
55.31 this subdivision, at least four of whom must be teaching in a public school;

55.32 (2) one higher education representative, who must be a faculty member preparing
55.33 teachers;

55.34 (3) one school administrator; and

56.1 (4) three members of the public, two of whom must be present or former members
56.2 of school boards.

56.3 Sec. 26. Minnesota Statutes 2008, section 122A.07, subdivision 3, is amended to read:

56.4 Subd. 3. **Vacant position.** With the exception of a teacher who retires from teaching
56.5 during the course of completing a board term, the position of a member who leaves
56.6 Minnesota or whose employment status changes to a category different from that from
56.7 which appointed is deemed vacant.

56.8 Sec. 27. Minnesota Statutes 2008, section 122A.18, subdivision 2, is amended to read:

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

56.12 (b) The board must require a person to successfully complete an examination of
56.13 skills in reading, writing, and mathematics before being granted an initial teaching license
56.14 to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special
56.15 education programs. In addition, the board must require a person to successfully complete
56.16 an assessment of reading instruction consistent with subdivision 2c before being granted
56.17 an initial teaching license to provide explicit, sequential, and systematic instruction
56.18 to pupils in prekindergarten or elementary programs. The board must require colleges
56.19 and universities offering a board approved teacher preparation program to provide
56.20 remedial assistance that includes a formal diagnostic component to persons enrolled
56.21 in their institution who did not achieve a qualifying score on the skills examination
56.22 or an assessment of reading instruction, including those for whom English is a second
56.23 language. The colleges and universities must provide assistance in the specific academic
56.24 areas of deficiency in which the person did not achieve a qualifying score. School
56.25 districts must provide similar, appropriate, and timely remedial assistance that includes a
56.26 formal diagnostic component and mentoring to those persons employed by the district
56.27 who completed their teacher education program outside the state of Minnesota, received
56.28 a one-year license to teach in Minnesota and did not achieve a qualifying score on the
56.29 skills examination, including those persons for whom English is a second language. The
56.30 Board of Teaching shall report annually to the education committees of the legislature
56.31 on the total number of teacher candidates during the most recent school year taking the
56.32 skills examination, the number who achieve a qualifying score on the examination, the
56.33 number who do not achieve a qualifying score on the examination, the distribution of all
56.34 candidates' scores, the number of candidates who have taken the examination at least once

57.1 before, and the number of candidates who have taken the examination at least once before
57.2 and achieve a qualifying score.

57.3 (c) A person who has completed an approved teacher preparation program and
57.4 obtained a one-year license to teach, but has not successfully completed the skills
57.5 examination, may renew the one-year license for two additional one-year periods. Each
57.6 renewal of the one-year license is contingent upon the licensee:

57.7 (1) providing evidence of participating in an approved remedial assistance program
57.8 provided by a school district or postsecondary institution that includes a formal diagnostic
57.9 component in the specific areas in which the licensee did not obtain qualifying scores; and

57.10 (2) attempting to successfully complete the skills examination during the period
57.11 of each one-year license.

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

57.15 (e) All colleges and universities approved by the board of teaching to prepare
57.16 persons for teacher licensure must include in their teacher preparation programs a common
57.17 core of teaching knowledge and skills to be acquired by all persons recommended
57.18 for teacher licensure. This common core shall meet the standards developed by the
57.19 interstate new teacher assessment and support consortium in its 1992 "model standards for
57.20 beginning teacher licensing and development." Amendments to standards adopted under
57.21 this paragraph are covered by chapter 14. The board of teaching shall report annually to
57.22 the education committees of the legislature on the performance of teacher candidates
57.23 on common core assessments of knowledge and skills under this paragraph during the
57.24 most recent school year.

57.25 **EFFECTIVE DATE.** This section is effective January 1, 2011.

57.26 Sec. 28. Minnesota Statutes 2008, section 122A.18, subdivision 2a, is amended to read:

57.27 Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the
57.28 Board of Teaching to prepare persons for classroom teacher licensure must include in
57.29 their teacher preparation programs research-based best practices in reading, consistent
57.30 with section 122A.06, subdivision 4, that enable the licensure candidate to know how to
57.31 teach reading in the candidate's content areas and prepare the licensure candidate, where
57.32 applicable, for an assessment of reading instruction.

57.33 (b) Board-approved teacher preparation programs for teachers of elementary
57.34 education must require instruction in the application of comprehensive, scientifically
57.35 based, ~~and balanced~~ reading instruction programs that:

58.1 (1) teach students to read using foundational knowledge, practices, and strategies
58.2 consistent with section 122A.06, subdivision 4, so that all students will achieve continuous
58.3 progress in reading; and

58.4 (2) teach specialized instruction in reading strategies, interventions, and remediations
58.5 that enable students of all ages and proficiency levels to become proficient readers.

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

58.7 Sec. 29. Minnesota Statutes 2008, section 122A.18, is amended by adding a
58.8 subdivision to read:

58.9 **Subd. 2c. Assessment of reading instruction.** An assessment of reading instruction,
58.10 selected by the Board of Teaching, in cooperation with the commissioner of education,
58.11 must measure, at a minimum, the knowledge, skill, and ability of prekindergarten and
58.12 elementary licensure candidates in comprehensive, scientifically based reading instruction
58.13 as defined in section 122A.06. Test content areas must assess foundations of reading
58.14 development, development of reading comprehension, reading assessment and instruction,
58.15 and integration of knowledge and understanding. The Board of Teaching may incorporate
58.16 the requirements of this subdivision into other teacher licensure examinations.

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

58.18 Sec. 30. **[122A.245] ALTERNATIVE TEACHER PREPARATION PROGRAM**
58.19 **AND RESIDENT TEACHER LICENSE FOR QUALIFIED NONTRADITIONAL**
58.20 **CANDIDATES.**

58.21 **Subdivision 1. Requirements.** (a) A teacher preparation program that is an
58.22 alternative to a postsecondary teacher preparation program and to the preparation program
58.23 under section 122A.24 and a two-year resident teacher license, which may be renewed
58.24 one time by a resident teacher in good standing, are established as a means of acquiring
58.25 a standard entrance license. Either (i) a college or university with a board-approved
58.26 alternative teacher preparation program or (ii) a nonprofit corporation formed for an
58.27 education-related purpose and subject to chapter 317A with a board-approved alternative
58.28 preparation program leading to a standard entrance license may offer this program in
58.29 any instructional field but must not restrict the program based on geography or on
58.30 an oversupply of licensed teachers in any particular instructional field. The Board of
58.31 Teaching must ensure that this program serves to enhance any efforts by the state or
58.32 a school district to reduce or eliminate the academic achievement gap among identified
58.33 categories of students.

- 59.1 (b) To participate in this program, a candidate must:
59.2 (1) have a bachelor's degree with a minimum 3.0 grade point average;
59.3 (2) pass the reading, writing, and mathematics skills examination under section
59.4 122A.18; and
59.5 (3) obtain qualifying scores on board-approved content area and pedagogy tests.
59.6 (c) The board may waive the minimum grade point average requirement in paragraph
59.7 (b), clause (1), for candidates with a grade point average of 2.75 or higher.

59.8 Subd. 2. **Characteristics.** An alternative teacher preparation program offered by an
59.9 eligible college or university or nonprofit corporation under this section must include:

- 59.10 (1) a minimum 200-hour instructional phase that provides intensive preparation for
59.11 the resident teacher before that person assumes classroom responsibilities;
59.12 (2) a research-based and results-oriented approach focused on best teaching practices
59.13 to increase student proficiency and growth as measured against state academic standards;
59.14 (3) strategies to combine pedagogy and best teaching practices to better inform
59.15 teachers' classroom instruction;
59.16 (4) assessment, supervision, and evaluation of the program participant to determine
59.17 the participant's specific needs throughout the program and to support the participant
59.18 in successfully completing the program;
59.19 (5) formal instruction and intensive peer coaching during the school year that
59.20 provide structured guidance and regular ongoing support;
59.21 (6) high quality, sustained, intensive, and classroom-embedded staff development
59.22 opportunities conducted by a resident mentor or by a mentorship team that may include
59.23 school administrators, teachers, and postsecondary faculty members and are directed at
59.24 improving student learning and achievement; and
59.25 (7) a requirement that program participants demonstrate satisfactory progress toward
59.26 receiving from the Board of Teaching a standard entrance license at the time the person's
59.27 resident teacher license finally expires.

59.28 Subd. 3. **Program approval.** The Board of Teaching must approve alternative
59.29 teacher preparation programs under this section based on board-adopted criteria that reflect
59.30 best practices for alternative teacher preparation programs, consistent with this section.
59.31 The board must permit licensure candidates to demonstrate licensure competencies in
59.32 school-based settings and through other nontraditional licensure pathways.

59.33 Subd. 4. **Reissued resident teacher license; approval for standard entrance**
59.34 **license.** A resident mentor or mentorship team under subdivision 2, clause (6), must
59.35 evaluate the performance of the resident teacher and submit to the board an evaluation

60.1 report recommending whether or not to reissue the person a resident teacher license or
60.2 to issue the resident teacher a standard entrance license.

60.3 Subd. 5. **Standard entrance license.** The Board of Teaching may issue a standard
60.4 entrance license to a resident teacher under this section who successfully performs
60.5 throughout the program and is recommended for licensure under subdivision 4.

60.6 Subd. 6. **Qualified teacher.** A person with a valid resident teacher license under
60.7 this section is the teacher of record and a qualified teacher within the meaning of section
60.8 122A.16.

60.9 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
60.10 later.

60.11 Sec. 31. Minnesota Statutes 2008, section 122A.31, subdivision 4, is amended to read:

60.12 Subd. 4. **Reimbursement.** (a) For purposes of revenue under section ~~125A.78~~
60.13 125A.76, the Department of Education must only reimburse school districts for the
60.14 services of those interpreters/transliterators who satisfy the standards of competency
60.15 under this section.

60.16 (b) Notwithstanding paragraph (a), a district shall be reimbursed for the services
60.17 of interpreters with a nonrenewable provisional certificate, interpreters/transliterators
60.18 employed to mentor the provisional certified interpreters, and persons for whom a
60.19 time-limited extension has been granted under subdivision 1, paragraph (d), or subdivision
60.20 2, paragraph (c).

60.21 Sec. 32. Minnesota Statutes 2008, section 122A.413, subdivision 2, is amended to read:

60.22 Subd. 2. **Plan components.** The educational improvement plan must be approved
60.23 by the school board and have at least these elements:

60.24 (1) assessment and evaluation tools to measure student performance and progress;

60.25 (2) performance goals and benchmarks for improvement;

60.26 (3) measures of student attendance and completion rates;

60.27 (4) a rigorous professional development system, consistent with section 122A.60,

60.28 that is aligned with educational improvement, designed to achieve teaching quality

60.29 improvement, instructional leadership, and consistent with clearly defined research-based
60.30 standards;

60.31 (5) measures of student, family, and community involvement and satisfaction;

60.32 (6) a data system about students and their academic progress that provides parents
60.33 and the public with understandable information;

61.1 (7) a teacher induction and mentoring program for probationary teachers that
61.2 provides continuous learning and sustained teacher support; and

61.3 (8) substantial participation by the exclusive representative of the teachers in
61.4 developing the plan.

61.5 Sec. 33. Minnesota Statutes 2008, section 122A.414, subdivision 2b, is amended to
61.6 read:

61.7 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section
61.8 and sections 122A.413 and 122A.415, the department must prepare and transmit to
61.9 interested school districts, intermediate school districts, school sites, and charter schools
61.10 a standard form for applying to participate in the alternative teacher professional
61.11 pay system. An interested school district, intermediate school district, school site, or
61.12 charter school must submit to the commissioner by February 1, May 1, or November
61.13 1 a completed application executed by the district superintendent and the exclusive
61.14 bargaining representative of the teachers if the applicant is a school district, intermediate
61.15 school district, or school site, or executed by the charter school board of directors if
61.16 the applicant is a charter school. The application must include the proposed alternative
61.17 teacher professional pay system agreement under subdivision 2. The department must
61.18 ~~convene a review committee that at least includes teachers and administrators~~ a completed
61.19 application within 30 days of receiving ~~a completed application to it~~ and recommend to
61.20 the commissioner whether to approve or disapprove the application. The commissioner
61.21 must approve applications on a first-come, first-served basis. The applicant's alternative
61.22 teacher professional pay system agreement must be legally binding on the applicant
61.23 and the collective bargaining representative before the applicant receives alternative
61.24 compensation revenue. The commissioner must approve or disapprove an application
61.25 based on the requirements under subdivisions 2 and 2a.

61.26 (b) If the commissioner disapproves an application, the commissioner must give the
61.27 applicant timely notice of the specific reasons in detail for disapproving the application.
61.28 The applicant may revise and resubmit its application and related documents to the
61.29 commissioner within 30 days of receiving notice of the commissioner's disapproval and
61.30 the commissioner must approve or disapprove the revised application, consistent with this
61.31 subdivision. Applications that are revised and then approved are considered submitted on
61.32 the date the applicant initially submitted the application.

61.33 **EFFECTIVE DATE.** This section is effective the day following final enactment
61.34 and applies to all applications submitted by the May 1, 2009, deadline and later.

62.1 Sec. 34. Minnesota Statutes 2008, section 122A.414, is amended by adding a
62.2 subdivision to read:

62.3 Subd. 2c. **Cancellation timing.** If the commissioner determines that a school
62.4 district that had previously qualified to participate in the alternative teacher professional
62.5 pay system under this section is no longer in compliance with the program's requirements
62.6 under this section and section 122A.413, the commissioner may not cancel a school
62.7 district's participation in the middle of a school year. The commissioner must notify
62.8 the district 30 days prior to the end of the district's school year if the commissioner
62.9 intends to end a district's participation in the program for the subsequent school year. The
62.10 school district must be given the opportunity to correct its compliance with this section
62.11 and section 122A.413 before the district's participation in the program is ended in the
62.12 subsequent school year.

62.13 Sec. 35. Minnesota Statutes 2008, section 122A.415, is amended by adding a
62.14 subdivision to read:

62.15 Subd. 4. **Basic alternative teacher compensation aid.** (a) For fiscal years 2011
62.16 and later, the basic alternative teacher compensation aid for a school district with a plan
62.17 approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative
62.18 teacher compensation revenue under subdivision 1. The basic alternative teacher
62.19 compensation aid for an intermediate school district or charter school with a plan approved
62.20 under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school equals
62.21 \$260 times the number of pupils enrolled in the school on October 1 of the previous
62.22 fiscal year, or on October 1 of the current fiscal year for a charter school in the first year
62.23 of operation, times the ratio of the sum of the alternative teacher compensation aid and
62.24 alternative teacher compensation levy for all participating school districts to the maximum
62.25 alternative teacher compensation revenue for those districts under subdivision 1.

62.26 (b) Notwithstanding subdivision 1, the state total basic alternative teacher
62.27 compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2007 and
62.28 later. The commissioner must limit the amount of alternative teacher compensation aid
62.29 approved under this section so as not to exceed these limits.

62.30 Sec. 36. Minnesota Statutes 2008, section 122A.415, is amended by adding a
62.31 subdivision to read:

62.32 Subd. 5. **Alternative teacher compensation levy.** For fiscal year 2011 and later,
62.33 the alternative teacher compensation levy for a district receiving basic alternative teacher
62.34 compensation aid equals the product of (1) the difference between the district's alternative

63.1 teacher compensation revenue and the district's basic alternative teacher compensation
63.2 aid times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per
63.3 adjusted pupil unit to \$5,913.

63.4 Sec. 37. Minnesota Statutes 2008, section 122A.415, is amended by adding a
63.5 subdivision to read:

63.6 Subd. 6. **Alternative teacher compensation equalization aid.** (a) For fiscal year
63.7 2011 and later, a district's alternative teacher compensation equalization aid equals the
63.8 district's alternative teacher compensation revenue minus the district's basic alternative
63.9 teacher compensation aid minus the district's alternative teacher compensation levy. If a
63.10 district does not levy the entire amount permitted, the alternative teacher compensation
63.11 equalization aid must be reduced in proportion to the actual amount levied.

63.12 (b) A district's alternative teacher compensation aid equals the sum of the
63.13 district's basic alternative teacher compensation aid and the district's alternative teacher
63.14 compensation equalization aid.

63.15 Sec. 38. [122A.4155] ALTERNATIVE COMPENSATION APPLICATION
63.16 GRANTS.

63.17 Subdivision 1. **Reallocation.** By June 1, 2011, and each year thereafter, the
63.18 unexpended alternative compensation aid, under sections 122.415, subdivision 4, and
63.19 126C.10, subdivision 34, from the prior fiscal year must be reallocated to eligible school
63.20 districts to help districts pay for the costs associated with applying to participate in the
63.21 alternative compensation program. The commissioner must reallocate the unexpended
63.22 alternative compensation aid as grants by June 30, 2011, and each year thereafter. The
63.23 Department of Finance and Department of Education shall continue to forecast the
63.24 alternative compensation aid, under section 122A.415, subdivision 4. On November 15,
63.25 2012, and each year thereafter, the Department of Education must certify the amount of
63.26 aid that is available to be reallocated to grants under this section. The Department of
63.27 Education may make a reasonable estimate to prorate grants under this section to ensure
63.28 that sufficient funding is available to fully fund the forecasted aid under section 122A.415,
63.29 subdivision 4.

63.30 Subd. 2. **Eligibility.** School districts located in greater Minnesota that have
63.31 submitted a letter of intent and begun the transitional planning year, under section
63.32 122A.414, subdivision 1a, are eligible for alternative compensation application grants.
63.33 For the purposes of this section, an eligible school district is any school district located in
63.34 the rural equity region, under section 126C.10, subdivision 28.

64.1 Subd. 3. **Awards.** The commissioner of education must reallocate available aid
64.2 to eligible school districts to encourage participation in the alternative compensation
64.3 program. The commissioner may establish criteria to select greater Minnesota school
64.4 districts. School districts that receive grants under this section must be given priority for
64.5 full participation in alternative compensation program in the subsequent year.

64.6 Subd. 4. **Restriction.** A school district that receives a grant under subdivision
64.7 3, must use the grant to facilitate the district's progress toward full participation in
64.8 the alternative compensation program. The commissioner may establish reasonable
64.9 restrictions on the use of the grant funds to encourage full participation in the alternative
64.10 compensation program.

64.11 Sec. 39. Minnesota Statutes 2008, section 122A.60, subdivision 1a, is amended to read:

64.12 Subd. 1a. **Effective staff development activities.** (a) Staff development activities
64.13 must:

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

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

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

64.20 (4) enhance teacher content knowledge and instructional skills;

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

64.22 (6) provide opportunities to build professional relationships, foster collaboration
64.23 among principals and staff who provide instruction, and provide opportunities for
64.24 teacher-to-teacher mentoring; and

64.25 (7) align with the plan of the district or site for an alternative teacher professional
64.26 pay system.

64.27 Staff development activities may include curriculum development and curriculum training
64.28 programs, ~~and~~ activities that provide teachers and other members of site-based teams
64.29 training to enhance team performance, and basic first aid, including CPR and the use of
64.30 automatic external defibrillators with an option for certification. The school district also
64.31 may implement other staff development activities required by law and activities associated
64.32 with professional teacher compensation models.

64.33 (b) Release time provided for teachers to supervise students on field trips and school
64.34 activities, or independent tasks not associated with enhancing the teacher's knowledge
64.35 and instructional skills, such as preparing report cards, calculating grades, or organizing

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65.1 classroom materials, may not be counted as staff development time that is financed with
65.2 staff development reserved revenue under section 122A.61.

65.3 Sec. 40. Minnesota Statutes 2008, section 122A.61, subdivision 1, is amended to read:

65.4 Subdivision 1. **Staff development revenue.** A district is required to reserve
65.5 an amount equal to at least two percent of the basic revenue under section 126C.10,
65.6 subdivision 2, for in-service education for programs under section 120B.22, subdivision
65.7 2, for staff development plans, including plans for challenging instructional activities
65.8 and experiences under section 122A.60, and for curriculum development and programs,
65.9 other in-service education, teachers' workshops, teacher conferences, the cost of
65.10 substitute teachers staff development purposes, preservice and in-service education for
65.11 special education professionals and paraprofessionals, and other related costs for staff
65.12 development efforts. A district may annually waive the requirement to reserve their basic
65.13 revenue under this section if a majority vote of the licensed teachers in the district and
65.14 a majority vote of the school board agree to a resolution to waive the requirement. A
65.15 district in statutory operating debt is exempt from reserving basic revenue according to
65.16 this section. Districts may expend an additional amount of unreserved revenue for staff
65.17 development based on their needs. With the exception of amounts reserved for staff
65.18 development from revenues allocated directly to school sites and any amounts spent for
65.19 first aid or CPR and automatic external defibrillator training, the board must initially
65.20 allocate 50 percent of the remaining reserved revenue to each school site in the district on
65.21 a per teacher basis, which must be retained by the school site until used. The board may
65.22 retain 25 percent to be used for district wide staff development efforts. The remaining
65.23 25 percent of the revenue must be used to make grants to school sites for best practices
65.24 methods. A grant may be used for any purpose authorized under section 120B.22,
65.25 subdivision 2, 122A.60, or for the costs of curriculum development and programs, other
65.26 in-service education, teachers' workshops, teacher conferences, substitute teachers for
65.27 staff development purposes, and other staff development efforts, and determined by
65.28 the site professional development team. The site professional development team must
65.29 demonstrate to the school board the extent to which staff at the site have met the outcomes
65.30 of the program. The board may withhold a portion of initial allocation of revenue if the
65.31 staff development outcomes are not being met.

65.32 Sec. 41. Minnesota Statutes 2008, section 123A.05, is amended to read:

65.33 **123A.05 AREA LEARNING CENTER STATE-APPROVED ALTERNATIVE**
65.34 **PROGRAM ORGANIZATION.**

66.1 Subdivision 1. **Governance.** (a) A district may establish an area learning center
66.2 ~~either by itself or in cooperation with other districts,~~ alternative learning program, or
66.3 contract alternative in accordance with sections 124D.68, subdivision 3, paragraph (d),
66.4 and 124D.69.

66.5 (b) An area learning center is encouraged to cooperate with a service cooperative, an
66.6 intermediate school district, a local education and employment transitions partnership,
66.7 public and private secondary and postsecondary institutions, public agencies, businesses,
66.8 and foundations. Except for a district located in a city of the first class, ~~a~~ an area
66.9 learning center must be established in cooperation with other districts and must serve
66.10 the geographic area of at least two districts. An area learning center must provide
66.11 comprehensive educational services to enrolled secondary students throughout the year,
66.12 including a daytime school within a school or separate site for both high school and
66.13 middle school level students.

66.14 (c) An alternative learning program may serve the students of one or more districts,
66.15 may designate which grades are served, and may make program hours and a calendar
66.16 optional.

66.17 (d) A contract alternative is an alternative learning program operated by a private
66.18 organization that has contracted with a school district to provide educational services for
66.19 students under section 124D.68, subdivision 2.

66.20 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center
66.21 or alternative learning program must reserve revenue in an amount equal to the sum of (1)
66.22 at least 90 percent of the district average general education revenue per pupil unit minus
66.23 an amount equal to the product of the formula allowance according to section 126C.10,
66.24 subdivision 2, times .0485, calculated without basic skills revenue and transportation
66.25 sparsity revenue, times the number of pupil units attending an area learning center or
66.26 alternative learning program under this section, plus (2) the amount of basic skills revenue
66.27 generated by pupils attending the area learning center or alternative learning program. The
66.28 amount of reserved revenue under this subdivision may only be spent on program costs
66.29 associated with the area learning center or alternative learning program.

66.30 Subd. 3. **Access to services.** A ~~center~~ state-approved alternative program shall have
66.31 access to the district's regular education programs, special education programs, technology
66.32 facilities, and staff. It may contract with individuals or postsecondary institutions. It shall
66.33 seek the involvement of community education programs, postsecondary institutions,
66.34 interagency collaboratives, culturally based organizations, mutual assistance associations,
66.35 and other community resources, businesses, and other federal, state, and local public
66.36 agencies.

67.1 Subd. 4. **Nonresident pupils.** A pupil who does not reside in the district may
67.2 attend a ~~center~~ state-approved alternative program without consent of the school board of
67.3 the district of residence.

67.4 Sec. 42. Minnesota Statutes 2008, section 123A.06, is amended to read:

67.5 **123A.06 CENTER STATE-APPROVED ALTERNATIVE PROGRAMS AND**
67.6 **SERVICES.**

67.7 Subdivision 1. **Program focus.** (a) The programs and services of a ~~center~~
67.8 state-approved alternative program must focus on academic and learning skills, applied
67.9 learning opportunities, trade and vocational skills, work-based learning opportunities,
67.10 work experience, youth service to the community, transition services, and English
67.11 language and literacy programs for children whose primary language is a language other
67.12 than English. Applied learning, work-based learning, and service learning may best be
67.13 developed in collaboration with a local education and transitions partnership, culturally
67.14 based organizations, mutual assistance associations, or other community resources.
67.15 In addition to offering programs, the ~~center~~ state-approved alternative program shall
67.16 coordinate the use of other available educational services, special education services,
67.17 social services, health services, and postsecondary institutions in the community and
67.18 services area.

67.19 (b) Consistent with the requirements of sections 121A.40 to 121A.56, a school
67.20 district may provide an alternative education program for a student who is within the
67.21 compulsory attendance age under section 120A.20, and who is involved in severe or
67.22 repeated disciplinary action.

67.23 Subd. 2. **People to be served.** A ~~center~~ state-approved alternative program shall
67.24 provide programs for secondary pupils and adults. A center may also provide programs
67.25 and services for elementary and secondary pupils who are not attending the ~~center~~
67.26 state-approved alternative program to assist them in being successful in school. ~~A center~~
67.27 ~~shall use research-based best practices for serving limited English proficient students and~~
67.28 ~~their parents.~~ An individual education plan team may identify a ~~center~~ state-approved
67.29 alternative program as an appropriate placement to the extent a ~~center~~ state-approved
67.30 alternative program can provide the student with the appropriate special education services
67.31 described in the student's plan. Pupils eligible to be served are those who qualify under
67.32 the graduation incentives program in section 124D.68, subdivision 2, those enrolled
67.33 under section 124D.02, subdivision 2, or those pupils who are eligible to receive special
67.34 education services under sections 125A.03 to 125A.24, and 125A.65.

68.1 Subd. 3. **Hours of instruction exemption.** Notwithstanding any law to the contrary,
68.2 the area learning center programs must be available throughout the entire year. ~~A center~~
68.3 ~~may petition the state board under Minnesota Rules, part 3500.1000, for exemption from~~
68.4 ~~other rules.~~

68.5 Subd. 4. **Granting a diploma.** Upon successful completion of the area learning
68.6 center program, a pupil is entitled to receive a high school diploma. The pupil may elect
68.7 to receive a diploma from either the district of residence or the district in which the area
68.8 learning center is located.

68.9 Sec. 43. Minnesota Statutes 2008, section 123A.08, is amended to read:

68.10 **123A.08 ~~CENTER~~ STATE-APPROVED ALTERNATIVE PROGRAM**

68.11 **FUNDING.**

68.12 Subdivision 1. **Outside sources for resources and services.** A ~~center~~
68.13 state-approved alternative program may accept:

68.14 (1) resources and services from postsecondary institutions serving ~~center~~
68.15 state-approved alternative program pupils;

68.16 (2) resources from ~~Job Training Partnership~~ Workforce Investment Act programs,
68.17 including funding for jobs skills training for various groups and the percentage reserved
68.18 for education;

68.19 (3) resources from the Department of Human Services and county welfare funding;

68.20 (4) resources from a local education and employment transitions partnership; or

68.21 (5) private resources, foundation grants, gifts, corporate contributions, and other
68.22 grants.

68.23 Subd. 2. **General education aid.** Payment of general education aid for nonresident
68.24 pupils enrolled in ~~the center~~ area learning centers and alternative learning programs must
68.25 be made according to section 127A.47, subdivision 7.

68.26 Subd. 3. **Special education revenue.** Payment of special education revenue for
68.27 nonresident pupils enrolled in the ~~center~~ state-approved alternative program must be made
68.28 according to section ~~125A.15~~ 127A.47, subdivision 7.

68.29 Sec. 44. Minnesota Statutes 2008, section 123B.03, subdivision 1, is amended to read:

68.30 Subdivision 1. **Background check required.** (a) A school hiring authority shall
68.31 request a criminal history background check from the superintendent of the Bureau of
68.32 Criminal Apprehension on all individuals who are offered employment in a school and
68.33 on all individuals, except enrolled student volunteers, who are offered the opportunity to
68.34 provide athletic coaching services or other extracurricular academic coaching services

69.1 to a school, regardless of whether any compensation is paid. In order for an individual
69.2 to be eligible for employment or to provide the services, the individual must provide an
69.3 executed criminal history consent form and a money order or check payable to either the
69.4 Bureau of Criminal Apprehension or the school hiring authority, at the discretion of the
69.5 school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal
69.6 Apprehension and the school district of conducting the criminal history background
69.7 check. A school hiring authority deciding to receive payment may, at its discretion, accept
69.8 payment in the form of a negotiable instrument other than a money order or check and
69.9 shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct
69.10 the background check. The superintendent of the Bureau of Criminal Apprehension shall
69.11 conduct the background check by retrieving criminal history data maintained in the
69.12 criminal justice information system computers. A school hiring authority, at its discretion,
69.13 may decide not to request a criminal history background check on an individual who holds
69.14 an initial entrance license issued by the State Board of Teaching or the commissioner of
69.15 education within the 12 months preceding an offer of employment.

69.16 (b) A school hiring authority may use the results of a criminal background check
69.17 conducted at the request of another school hiring authority if:

69.18 (1) the results of the criminal background check are on file with the other school
69.19 hiring authority or otherwise accessible;

69.20 (2) the other school hiring authority conducted a criminal background check within
69.21 the previous 12 months;

69.22 (3) the individual who is the subject of the criminal background check executes a
69.23 written consent form giving a school hiring authority access to the results of the check; and

69.24 (4) there is no reason to believe that the individual has committed an act subsequent
69.25 to the check that would disqualify the individual for employment.

69.26 (c) A school hiring authority may, at its discretion, request a criminal history
69.27 background check from the superintendent of the Bureau of Criminal Apprehension on
69.28 any individual who seeks to enter a school or its grounds for the purpose of serving as a
69.29 school volunteer or working as an independent contractor or student employee. In order
69.30 for an individual to enter a school or its grounds under this paragraph when the school
69.31 hiring authority decides to request a criminal history background check on the individual,
69.32 the individual first must provide an executed criminal history consent form and a money
69.33 order, check, or other negotiable instrument payable to the school district in an amount
69.34 equal to the actual cost to the Bureau of Criminal Apprehension and the school district
69.35 of conducting the criminal history background check. Notwithstanding section 299C.62,
69.36 subdivision 1, the cost of the criminal history background check under this paragraph is

70.1 the responsibility of the individual. A school hiring authority may decide to pay the costs
70.2 of conducting a background check under this paragraph. If the school hiring authority pays
70.3 the costs, the individual who is the subject of the background check need not pay for it.

70.4 (d) For all nonstate residents who are offered employment in a school, a school
70.5 hiring authority shall request a criminal history background check on such individuals
70.6 from the superintendent of the Bureau of Criminal Apprehension and from the government
70.7 agency performing the same function in the resident state or, if no government entity
70.8 performs the same function in the resident state, from the Federal Bureau of Investigation.
70.9 Such individuals must provide an executed criminal history consent form and a money
70.10 order, check, or other negotiable instrument payable to the school hiring authority in an
70.11 amount equal to the actual cost to the government agencies and the school district of
70.12 conducting the criminal history background check. Notwithstanding section 299C.62,
70.13 subdivision 1, the cost of the criminal history background check under this paragraph is
70.14 the responsibility of the individual.

70.15 (e) At the beginning of each school year or when a student enrolls, a school hiring
70.16 authority must notify parents and guardians about the school hiring authority's policy
70.17 requiring a criminal history background check on employees and other individuals who
70.18 provide services to the school, and identify those positions subject to a background check
70.19 and the extent of the hiring authority's discretion in requiring a background check. The
70.20 school hiring authority may include the notice in the student handbook, a school policy
70.21 guide, or other similar communication. Nothing in this paragraph affects a school hiring
70.22 authority's ability to request a criminal history background check on an individual under
70.23 paragraph (c).

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

70.25 Sec. 45. Minnesota Statutes 2008, section 123B.51, is amended by adding a
70.26 subdivision to read:

70.27 **Subd. 5a. Temporary closing.** A school district that proposes to temporarily close a
70.28 schoolhouse or that intends to lease the facility to another entity for use as a schoolhouse
70.29 for three or fewer years is not subject to subdivision 5 if the school board holds a public
70.30 meeting and allows public comment on the schoolhouse's future.

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

70.32 Sec. 46. Minnesota Statutes 2008, section 124D.095, subdivision 3, is amended to read:

71.1 Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may
71.2 apply for full-time enrollment in an approved online learning program under section
71.3 124D.03, 124D.08 or 124D.10, ~~or for supplemental online learning.~~ Notwithstanding
71.4 sections 124D.03, 124D.08, and 124D.10, procedures for enrolling in supplemental online
71.5 learning shall be as provided in this subdivision. A student age 17 or younger must
71.6 have the written consent of a parent or guardian to apply. No school district or charter
71.7 school may prohibit a student from applying to enroll in online learning. In order that a
71.8 student may enroll in online learning, the student and the student's parents must submit an
71.9 application to the online learning provider and identify the reason for enrolling in online
71.10 learning. The online learning provider that accepts a student under this section must within
71.11 ten days notify the student and the enrolling district in writing if the enrolling district is
71.12 not the online learning provider. The student and family must notify the online learning
71.13 provider of their intent to enroll in online learning within ten days of acceptance, at which
71.14 time the student and parent must sign a statement of assurance that they have reviewed the
71.15 online course or program and understand the expectations of online learning enrollment.
71.16 The online learning provider must notify the enrolling district of the student's ~~enrollment~~
71.17 application to enroll in online learning in writing on a form provided by the department.

71.18 (b) Supplemental online learning notification to the enrolling district upon student
71.19 ~~enrollment in application to~~ the online learning ~~program~~ provider will include the
71.20 courses or program, credits to be awarded, and the start date of online enrollment,
71.21 ~~and confirmation that the courses will meet the student's graduation plan.~~ An online
71.22 learning provider must make available to the enrolling district the course syllabus in a
71.23 format established by the commissioner that identifies the state standards met by the
71.24 course, content outline, assessment requirements, expectations for actual teacher contact
71.25 time, other student-to-teacher communication, and academic support for supplemental
71.26 online courses taken by students in the enrolling district. Within 15 days after the
71.27 online learning provider makes information in this paragraph available to the enrolling
71.28 district, the enrolling district must either confirm or deny to the online provider that
71.29 the student, parent or guardian, and enrolling district have agreed the courses meet the
71.30 enrolling district's graduation requirements. An online learning course or program that
71.31 meets or exceeds a graduation standard or grade progression requirements at the enrolling
71.32 district as demonstrated on the online provider's syllabus must be considered to meet the
71.33 corresponding graduation requirements of the student in the enrolling district. A student
71.34 may enroll in supplemental online learning courses up to the midpoint of the enrolling
71.35 district's term. The enrolling district may waive this requirement for special circumstances
71.36 and upon acceptance by the online provider.

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72.1 (c) An online learning provider must notify the commissioner that it is delivering
72.2 online learning and report the number of online learning students it is accepting and the
72.3 online learning courses and programs it is delivering.

72.4 (d) An online learning provider may limit enrollment if the provider's school board
72.5 or board of directors adopts by resolution specific standards for accepting and rejecting
72.6 students' applications.

72.7 (e) An enrolling district may reduce an online learning student's regular classroom
72.8 instructional membership in proportion to the student's membership in online learning
72.9 courses.

72.10 (f) The online provider must report or make available individual student progress
72.11 and credit accumulation to the student, parent or guardian, and enrolling district in a
72.12 manner specified by the commissioner unless another manner is agreed upon by the
72.13 enrolling district and the online provider and submitted to the commissioner. The enrolling
72.14 district must designate a contact person to assist in the facilitation and monitoring of
72.15 student progress and credit accumulation towards graduation status.

72.16 Sec. 47. Minnesota Statutes 2008, section 124D.095, subdivision 4, is amended to read:

72.17 Subd. 4. **Online learning parameters.** (a) An online learning student must receive
72.18 academic credit for completing the requirements of an online learning course or program.
72.19 Secondary credits granted to an online learning student must be counted toward the
72.20 graduation and credit requirements of the enrolling district. ~~An online learning provider~~
72.21 ~~must make available to the enrolling district the course syllabus, standard alignment,~~
72.22 ~~content outline, assessment requirements, and contact information for supplemental online~~
72.23 ~~courses taken by students in the enrolling district.~~ The enrolling district must apply the
72.24 same graduation requirements to all students, including online learning students, and
72.25 must continue to provide nonacademic services to online learning students. If a student
72.26 completes an online learning course or program that meets or exceeds a graduation
72.27 standard or grade progression requirement at the enrolling district, that standard or
72.28 requirement is met. The enrolling district must use the same criteria for accepting online
72.29 learning credits or courses as it does for accepting credits or courses for transfer students
72.30 under section 124D.03, subdivision 9. The enrolling district may reduce the course
72.31 schedule of an online learning student in proportion to the number of online learning
72.32 courses the student takes from an online learning provider that is not the enrolling district.

72.33 (b) An online learning student may:

72.34 (1) enroll in supplemental online learning courses during a single school year to a
72.35 maximum of 50 percent of the student's full schedule of courses per term. A student may

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73.1 exceed the supplemental online learning registration limit if the enrolling district grants
73.2 permission for supplemental online learning enrollment above the limit, or if an agreement
73.3 is made between the enrolling district and the online learning provider for instructional
73.4 services;

73.5 (2) complete course work at a grade level that is different from the student's current
73.6 grade level; and

73.7 (3) enroll in additional courses with the online learning provider under a separate
73.8 agreement that includes terms for payment of any tuition or course fees.

73.9 (c) An online learning student has the same access to the computer hardware and
73.10 education software available in a school as all other students in the enrolling district. An
73.11 online learning provider must assist an online learning student whose family qualifies
73.12 for the education tax credit under section 290.0674 to acquire computer hardware and
73.13 educational software for online learning purposes.

73.14 (d) An enrolling district may offer online learning to its enrolled students. Such
73.15 online learning does not generate online learning funds under this section. An enrolling
73.16 district that offers online learning only to its enrolled students is not subject to the
73.17 reporting requirements or review criteria under subdivision 7, unless the enrolling district
73.18 is a full-time online provider. A teacher with a Minnesota license must assemble and
73.19 deliver instruction to enrolled students receiving online learning from an enrolling district
73.20 . The delivery of instruction occurs when the student interacts with the computer or the
73.21 teacher and receives ongoing assistance and assessment of learning. The instruction may
73.22 include curriculum developed by persons other than a teacher with a Minnesota license.

73.23 (e) ~~An Both full-time and supplemental online learning provider that is not the~~
73.24 ~~enrolling district is~~ providers are subject to the reporting requirements and review criteria
73.25 under subdivision 7. A teacher with a Minnesota license must assemble and deliver
73.26 instruction to online learning students. The delivery of instruction occurs when the student
73.27 interacts with the computer or the teacher and receives ongoing assistance and assessment
73.28 of learning. The instruction may include curriculum developed by persons other than a
73.29 teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher
73.30 providing online learning instruction must not instruct more than 40 students in any one
73.31 online learning course or program.

73.32 (f) To enroll in more than 50 percent of the student's full schedule of courses per term
73.33 in online learning, the student must qualify to exceed the supplemental online learning
73.34 registration limit under paragraph (b) or apply for enrollment to an approved full-time
73.35 online learning program following appropriate procedures in subdivision 3, paragraph (a).

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74.1 Full-time online learning students may enroll in classes at a local school per contract for
74.2 instructional services between the online learning provider and the school district.

74.3 Sec. 48. Minnesota Statutes 2008, section 124D.095, subdivision 7, is amended to read:

74.4 Subd. 7. **Department of Education.** (a) The department must review and
74.5 certify online learning providers. The online learning courses and programs must be
74.6 rigorous, aligned with state academic standards, and contribute to grade progression
74.7 in a single subject. ~~Online learning providers must demonstrate to the commissioner~~
74.8 ~~that online learning courses have equivalent standards or instruction, curriculum, and~~
74.9 ~~assessment requirements as other courses offered to enrolled students. The online~~
74.10 ~~learning provider must also demonstrate expectations for actual teacher contact time~~
74.11 ~~or other student-to-teacher communication. The online provider must provide written~~
74.12 assurance that all courses meet state academic standards, and that the online learning
74.13 curriculum, instruction and assessment, expectations for actual teacher contact time or
74.14 other student-to-teacher communication, and academic support meet nationally recognized
74.15 professional standards and are demonstrated as such in a syllabus provided according to
74.16 the commissioner's requirements. Once an online learning provider is approved under
74.17 this paragraph, all of its online learning course offerings are eligible for payment under
74.18 this section unless a course is successfully challenged by an enrolling district or the
74.19 department under paragraph (b).

74.20 (b) An enrolling district may challenge the validity of a course offered by an online
74.21 learning provider. The department must review such challenges based on the certification
74.22 procedures under paragraph (a). The department may initiate its own review of the validity
74.23 of an online learning course offered by an online learning provider.

74.24 (c) The department may collect a fee not to exceed \$250 for certifying online
74.25 learning providers or \$50 per course for reviewing a challenge by an enrolling district.

74.26 (d) The department must develop, publish, and maintain a list of approved online
74.27 learning providers and online learning courses and programs that it has reviewed and
74.28 certified.

74.29 Sec. 49. Minnesota Statutes 2008, section 124D.095, subdivision 10, is amended to
74.30 read:

74.31 Subd. 10. **Online Learning Advisory Council.** (a) An Online Learning Advisory
74.32 Council is established ~~under section 15.059, except that.~~ The term for each council
74.33 member shall be three years. The advisory council is composed of 12 members from
74.34 throughout the state who have demonstrated experience with or interest in online learning.

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75.1 The members of the council shall be appointed by the commissioner. The advisory council
75.2 shall bring to the attention of the commissioner any matters related to online learning and
75.3 provide input to the department in matters related, but not restricted, to:

- 75.4 (1) quality assurance;
- 75.5 (2) teacher qualifications;
- 75.6 (3) program approval;
- 75.7 (4) special education;
- 75.8 (5) attendance;
- 75.9 (6) program design and requirements; and
- 75.10 (7) fair and equal access to programs.

75.11 (b) The Online Learning Advisory Council under this subdivision expires June
75.12 30, ~~2008~~ 2013.

75.13 **EFFECTIVE DATE.** Paragraph (b) is effective retroactively to June 30, 2008.

75.14 Sec. 50. Minnesota Statutes 2008, section 124D.10, subdivision 1, is amended to read:

75.15 Subdivision 1. **Purposes.** (a) The purpose of this section is to:

- 75.16 (1) improve pupil learning and student achievement;
- 75.17 (2) increase learning opportunities for pupils;
- 75.18 (3) encourage the use of different and innovative teaching methods;
- 75.19 (4) ~~require the measurement of~~ measure learning outcomes and create different and
75.20 innovative forms of measuring outcomes;
- 75.21 (5) establish new forms of accountability for schools; ~~or~~ and
- 75.22 (6) create new professional opportunities for teachers, including the opportunity to
75.23 be responsible for the learning program at the school site.

75.24 (b) This section does not provide a means to keep open or replace a school that
75.25 otherwise would be closed. Applicants in these circumstances bear the burden of proving
75.26 that conversion to a charter school fulfills ~~a purpose~~ the purposes specified in this
75.27 subdivision, independent of the school's closing.

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

75.29 Sec. 51. Minnesota Statutes 2008, section 124D.10, subdivision 2a, is amended to read:

75.30 Subd. 2a. **Charter School Advisory Council.** (a) A Charter School Advisory
75.31 Council is established ~~under section 15.059 except that~~. The term for each council
75.32 member shall be three years. The advisory council is composed of ~~seven~~ nine members
75.33 ~~from throughout the state who have demonstrated experience with or interest in charter~~

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76.1 ~~schools. The members of the council shall be appointed by the commissioner. The~~
76.2 ~~advisory council shall bring to the attention of the commissioner any matters related to~~
76.3 ~~charter schools that the council deems necessary and shall:~~ The members may include
76.4 charter school sponsors, charter school personnel, public K-12 teachers, school board
76.5 members, parents of currently enrolled K-12 public school students, and school district
76.6 representatives. The commissioner shall appoint the council members. The commissioner
76.7 shall consider geographic balance when appointing council members.

76.8 ~~(1) encourage school boards to make full use of charter school opportunities;~~

76.9 ~~(2) encourage the creation of innovative schools;~~

76.10 ~~(3) provide leadership and support for charter school sponsors to increase the~~
76.11 ~~innovation in and the effectiveness, accountability, and fiscal soundness of charter schools;~~

76.12 ~~(4) serve an ombudsman function in facilitating the operations of new and existing~~
76.13 ~~charter schools;~~

76.14 ~~(5) promote timely financial management training for newly elected members of~~
76.15 ~~a charter school board of directors and ongoing training for other members of a charter~~
76.16 ~~school board of directors; and~~

76.17 ~~(6) facilitate compliance with auditing and other reporting requirements. The~~
76.18 ~~advisory council shall refer all its proposals to the commissioner who shall provide time~~
76.19 ~~for reports from the council.~~

76.20 The advisory council shall advise and make recommendations to the commissioner
76.21 on sponsoring charter schools and other matters, including:

76.22 (1) approving, reviewing, and disciplining sponsors, consistent with this section;

76.23 (2) supporting charter school innovation, effectiveness, accountability, and fiscal
76.24 soundness;

76.25 (3) providing a management training program for charter school administrators
76.26 and board members;

76.27 (4) complying with auditing and other financial reporting requirements;

76.28 (5) reviewing charter school affidavits and charter school grade and program
76.29 expansion applications; and

76.30 (6) identifying models to improve communication, cooperation, and the exchange of
76.31 ideas between and among public charter and district schools.

76.32 (b) The advisory council shall recommend to the commissioner and the legislature,
76.33 by December 1, 2009, an organizational model to give state-level leadership to new school
76.34 planning, development, start-up, and successful ongoing operation in both the district and
76.35 chartered sectors of public education. The council, as part of its recommendation, must
76.36 suggest legislation necessary to implement this new state-level organization model.

77.1 (c) The Charter School Advisory Council under this subdivision expires June 30,
77.2 ~~2007~~ 2015.

77.3 EFFECTIVE DATE. Paragraph (c) is effective retroactively to June 30, 2007.

77.4 Sec. 52. Minnesota Statutes 2008, section 124D.10, subdivision 3, is amended to read:

77.5 Subd. 3. **Sponsor.** (a) For the purposes of this section:

77.6 (1) "application" means the charter school business and operational plan a school
77.7 developer submits to a sponsor for approval that documents the school developer's
77.8 mission statement, school purposes, program design, financial plan, governance and
77.9 management structure, and background and experience, plus any other information the
77.10 sponsor requests. The application also shall include a "statement of assurance" of legal
77.11 compliance as prescribed by the commissioner; and

77.12 (2) "affidavit" means a written statement the sponsor submits to the commissioner
77.13 for approval under subdivision 4 attesting to its review and approval of a school charter.

77.14 (b) The following organizations may sponsor one or more charter schools:

77.15 (1) a school board; intermediate school district school board; education district
77.16 organized under sections 123A.15 to 123A.19;

77.17 (2) charitable organization under section 501(c)(3) of the Internal Revenue Code
77.18 of 1986, excluding a nonpublic sectarian or religious institution, any person other than a
77.19 natural person who directly or indirectly, through one or more intermediaries, controls,
77.20 is controlled by, or is under common control with the nonpublic sectarian or religious
77.21 institution, and any other charitable organization under this clause that in the federal IRS
77.22 Form 1023, Part IV, describes activities indicating a religious purpose, that:

77.23 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on
77.24 Foundations;

77.25 (ii) is registered with the attorney general's office, and;

77.26 (iii) reports an ~~end-of-year~~ ongoing fund balance of at least \$2,000,000 for at least
77.27 four consecutive years; and

77.28 (iv) is incorporated in the state of Minnesota;

77.29 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or
77.30 four-year degrees and is registered with the Minnesota Office of Higher Education under
77.31 chapter 136A; community college, state university, or technical college, governed by the
77.32 Board of Trustees of the Minnesota State Colleges and Universities; or the University of
77.33 Minnesota ~~may sponsor one or more charter schools;~~

77.34 (b) (4) a nonprofit corporation subject to chapter 317A, described in section
77.35 317A.905, and exempt from federal income tax under ~~section~~ sections 501(c)(3) or

78.1 501(c)(6) of the Internal Revenue Code of 1986, may sponsor one or more charter schools
78.2 if the charter school has operated for at least three years under a different sponsor or an
78.3 organization that has previously sponsored schools under this subdivision, and if the
78.4 nonprofit corporation has ~~existed~~ been incorporated in the state of Minnesota for at least
78.5 25 20 years; or

78.6 (5) no more than two single-purpose sponsors that are charitable organizations
78.7 formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated
78.8 in the state of Minnesota whose sole purpose is to sponsor charter schools. Eligible
78.9 organizations interested in being approved as a sponsor under this paragraph must submit
78.10 a proposal to the commissioner that includes the provisions of paragraph (c) and a
78.11 five-year financial plan.

78.12 (c) An eligible sponsor under this subdivision must apply to the commissioner
78.13 for approval as a sponsor before submitting an affidavit to the commissioner to sponsor
78.14 a charter school. The application for approval as a charter school sponsor must
78.15 demonstrate the applicant's ability to implement the procedures and satisfy the criteria
78.16 for sponsoring a charter school under this section. The commissioner must approve or
78.17 disapprove an application within 60 business days of the application deadline. If the
78.18 commissioner disapproves the application, the commissioner must notify the applicant of
78.19 the deficiencies and the applicant then has 20 business days to address the deficiencies to
78.20 the commissioner's satisfaction. Failing to address the deficiencies to the commissioner's
78.21 satisfaction makes an applicant ineligible to be a sponsor. The affidavit to be submitted to
78.22 and evaluated by the commissioner must include at least the following:

78.23 (1) how sponsoring schools is a way for the organization to carry out its mission;

78.24 (2) a description of the capacity of the organization to serve as a sponsor, including
78.25 the personnel who will perform the sponsoring duties, their qualifications, the amount of
78.26 time they will be assigned to this responsibility, and the financial resources allocated
78.27 by the organization to this responsibility;

78.28 (3) a description of the application and review process the sponsor will use to make
78.29 decisions regarding the granting of charters, which will include at least the following:

78.30 (i) how the statutory purposes defined in subdivision 1 are addressed;

78.31 (ii) the mission, goals, program model, and student performance expectations;

78.32 (iii) an evaluation plan for the school that includes criteria for evaluating educational,
78.33 organizational, and fiscal plans;

78.34 (iv) the school's governance plan;

78.35 (v) the financial management plan; and

78.36 (vi) the administration and operations plan;

79.1 (4) a description of the type of contract it will arrange with the schools it sponsors
79.2 that meets the provisions of subdivision 6 and defines the rights and responsibilities of the
79.3 charter school for governing its educational program, controlling its funds, and making
79.4 school management decisions;

79.5 (5) the process to be used for providing ongoing oversight of the school consistent
79.6 with the contract expectations specified in clause (4) that assures that the schools sponsored
79.7 are complying with both the provisions of applicable law and rules, and with the contract;

79.8 (6) the process for making decisions regarding the renewal or termination of
79.9 the school's charter based on evidence that demonstrates the academic, organizational,
79.10 and financial competency of the school, including its success in increasing student
79.11 achievement and meeting the goals of the charter school agreement; and

79.12 (7) an assurance specifying that the organization is committed to serving as a
79.13 sponsor for the full five-year term.

79.14 (d) The sponsor must participate in department-approved training.

79.15 (e) A sponsor that chartered a school before August 1, 2009, must apply by June
79.16 30, 2011, to the commissioner for approval, under paragraph (c), to continue as a sponsor
79.17 under this section. For purposes of this paragraph, a sponsor that fails to submit a timely
79.18 application is ineligible to charter a school.

79.19 (f) The commissioner shall review a sponsor's performance every five years
79.20 in a manner and form determined by the commissioner and may review a sponsor's
79.21 performance more frequently at the commissioner's own initiative or at the request of a
79.22 charter school operator, charter school board member, or other interested party. The
79.23 commissioner, after completing the review, shall transmit a report with findings to the
79.24 sponsor. If, consistent with this section, the commissioner finds that a sponsor has not
79.25 fulfilled the requirements of this section, the commissioner may subject the sponsor to
79.26 corrective action, which may include terminating the contract with the charter school
79.27 board of directors of a school it sponsored. The commissioner must notify the sponsor in
79.28 writing of any findings that may subject the sponsor to corrective action and the sponsor
79.29 then has 15 business days to request an informal hearing before the commissioner takes
79.30 corrective action.

79.31 (g) The commissioner may at any time take corrective action against a sponsor,
79.32 including terminating a sponsor's ability to charter a school for:

79.33 (1) failing to demonstrate the criteria under paragraph (c) under which the
79.34 commissioner approved the sponsor;

79.35 (2) violating a term of the chartering contract between the sponsor and the charter
79.36 school board of directors; or

80.1 (3) violations by the charter school that the sponsor authorizes and that the board of
80.2 directors fails to correct.

80.3 **EFFECTIVE DATE.** This section is effective August 1, 2009.

80.4 Sec. 53. Minnesota Statutes 2008, section 124D.10, subdivision 4, is amended to read:

80.5 Subd. 4. **Formation of school.** (a) A sponsor may authorize one or more licensed
80.6 teachers under section 122A.18, subdivision 1, to operate a charter school subject to
80.7 approval by the commissioner. ~~A board must vote on charter school application for~~
80.8 ~~sponsorship no later than 90 days after receiving the application.~~ The school must be
80.9 organized and operated as a cooperative under chapter 308A or nonprofit corporation
80.10 under chapter 317A and the provisions under the applicable chapter shall apply to the
80.11 school except as provided in this section. Notwithstanding sections 465.717 and 465.719,
80.12 a school district may create a corporation for the purpose of creating a charter school.

80.13 (b) Before the operators may ~~form~~ establish and operate a school, the sponsor must
80.14 file an affidavit with the commissioner stating its intent to authorize a charter school. A
80.15 sponsor must file a separate affidavit for each school it intends to charter. The affidavit
80.16 must state the terms and conditions under which the sponsor would authorize a charter
80.17 school and how the sponsor intends to oversee the fiscal and student performance of
80.18 the charter school and to comply with the terms of the written contract between the
80.19 sponsor and the charter school board of directors under subdivision 6. The commissioner
80.20 must approve or disapprove the sponsor's ~~proposed authorization~~ affidavit within ~~90~~ 60
80.21 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the
80.22 commissioner shall notify the sponsor of the deficiencies in the affidavit and the sponsor
80.23 then has 20 business days to address the deficiencies. If the sponsor does not address the
80.24 deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final.
80.25 Failure to obtain commissioner approval precludes a sponsor from ~~authorizing the charter~~
80.26 chartering the school that ~~was~~ is the subject of ~~the~~ this affidavit.

80.27 (c) The sponsor may prevent an approved charter school from opening for operation
80.28 if, among other grounds, the charter school violates this section or does not meet the
80.29 ready-to-open standards that are part of the sponsor's oversight and evaluation process or
80.30 are stipulated in the charter school contract.

80.31 (d) The operators authorized to organize and operate a school, before entering into
80.32 a contract or other agreement for professional or other services, goods, or facilities,
80.33 must incorporate as a cooperative under chapter 308A or as a nonprofit corporation
80.34 under chapter 317A and must establish a board of directors composed of at least five
80.35 members who are not related parties until a timely election for members of the ongoing

81.1 charter school board of directors is held according to the school's articles and bylaws
81.2 under paragraph (f). ~~A charter school board of directors must be composed of at least~~
81.3 ~~five members. Any Staff members who are employed at the school, including teachers~~
81.4 ~~providing instruction under a contract with a cooperative, and all parents or legal guardians~~
81.5 ~~of children enrolled in the school may participate in the election for~~ are the voters eligible
81.6 to elect the members of the school's board of directors. ~~Licensed teachers employed at the~~
81.7 ~~school, including teachers providing instruction under a contract with a cooperative, must~~
81.8 ~~be a majority of the members of the board of directors before the school completes its~~
81.9 ~~third year of operation, unless the commissioner waives the requirement for a majority~~
81.10 ~~of licensed teachers on the board.~~ A charter school must notify eligible voters of the
81.11 school board election dates at least 30 days before the election. Board of director meetings
81.12 must comply with chapter 13D.

81.13 (e) Every charter school board member shall attend department-approved training
81.14 on board governance, the board's role and responsibilities, employment policies and
81.15 practices, and financial management standards and practices. A board member who does
81.16 not begin the required training within three months of being seated and complete the
81.17 required training within 12 months of being seated on the board is ineligible to continue to
81.18 serve as a board member.

81.19 (f) The ongoing board must be elected before the school completes its third year
81.20 of operation. The charter school board of directors shall be composed of at least five
81.21 members who are not related parties and shall include at least a licensed teacher employed
81.22 at the school, a charter school parent or legal guardian, and an interested community
81.23 member. The chief financial officer and the chief administrator are nonvoting board
81.24 members. Board bylaws shall outline the process and procedures for changing the board's
81.25 governance model. A board may change its governance model within the requirements of
81.26 board membership in this section and only with approval from the sponsor and a voting
81.27 majority of the board of directors and the licensed teachers employed at the school.

81.28 ~~(d)~~ (g) The granting or renewal of a charter school by a sponsoring entity sponsor
81.29 must not be conditioned upon the bargaining unit status of the employees of the school.

81.30 (h) The granting or renewal of a charter school by a sponsor must not be contingent
81.31 on a requirement to contract, lease, or purchase services from the sponsor. A party to
81.32 such an arrangement between a sponsor and a school must disclose the arrangement to
81.33 the commissioner. The commissioner may terminate a charter school contract under this
81.34 section if the commissioner determines that the arrangement is illegal or in violation
81.35 of this section.

82.1 ~~(e)~~ (i) A sponsor may authorize the ~~operators~~ board of directors of a charter school
82.2 to expand the operation of the charter school to additional sites or to add additional grades
82.3 at the school beyond those described in the sponsor's ~~application~~ original affidavit as
82.4 approved by the commissioner only after submitting a supplemental ~~application~~ affidavit
82.5 for approval to the commissioner in a form and manner prescribed by the commissioner.

82.6 The supplemental ~~application~~ affidavit must provide evidence that:

82.7 (1) the expansion ~~of proposed by~~ the charter school is supported by need and
82.8 projected enrollment;

82.9 (2) the charter school expansion is warranted, at a minimum, by longitudinal data
82.10 demonstrating sustained academic performance and growth on statewide assessments
82.11 under chapter 120B;

82.12 (3) the charter school is fiscally sound and has the financial capacity to implement
82.13 the proposed expansion;

82.14 ~~(3)~~ (4) the sponsor supports the charter school has the potential physical capacity to
82.15 implement the proposed expansion; and

82.16 ~~(4) the building of the additional site meets all health and safety requirements to~~
82.17 ~~be eligible for lease aid~~ (5) the sponsor finds that the charter school has the management
82.18 capacity to implement the proposed expansion.

82.19 ~~(f) The commissioner annually must provide timely financial management training~~
82.20 ~~to newly elected members of a charter school board of directors and ongoing training to~~
82.21 ~~other members of a charter school board of directors. Training must address ways to:~~

82.22 (1) ~~proactively assess opportunities for a charter school to maximize all available~~
82.23 ~~revenue sources;~~

82.24 (2) ~~establish and maintain complete, auditable records for the charter school;~~

82.25 (3) ~~establish proper filing techniques;~~

82.26 (4) ~~document formal actions of the charter school, including meetings of the charter~~
82.27 ~~school board of directors;~~

82.28 (5) ~~properly manage and retain charter school and student records;~~

82.29 (6) ~~comply with state and federal payroll record-keeping requirements; and~~

82.30 (7) ~~address other similar factors that facilitate establishing and maintaining complete~~
82.31 ~~records on the charter school's operations.~~

82.32 (j) The commissioner shall have 30 business days to review and comment on the
82.33 supplemental affidavit. The commissioner shall notify the sponsor of any deficiencies in
82.34 the supplemental affidavit and the sponsor then has 30 business days to address, to the
82.35 commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school

83.1 shall not expand grades or add sites until the commissioner has approved the supplemental
83.2 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

83.3 (k) A new charter school must not open in a newly consolidated district under
83.4 section 123A.48 or in a district dissolved under section 123A.46 for at least 36 months
83.5 after the date of consolidation or dissolution, except under subdivision 5 in this section or
83.6 unless the school board of the school district in which the charter school would be located
83.7 gives the sponsor written approval to do so.

83.8 (l) A new charter school must not open within a one-mile radius of a public school
83.9 that has closed under section 123B.51 for at least 36 months after the date the school
83.10 closed unless the commissioner determines that the new charter school applicant does not
83.11 intend to reestablish the closed public school as a charter school, except under subdivision
83.12 5 in this section or unless the school board of the school district in which the charter
83.13 school would be located gives the sponsor written approval to do so.

83.14 (m) A sponsor may apply to the commissioner for a waiver from paragraph (k) or
83.15 paragraph (l). The commissioner must use the criteria in this section to approve or deny
83.16 the waiver within 45 business days. The commissioner's decision is final.

83.17 **EFFECTIVE DATE.** This section is effective August 1, 2009.

83.18 Sec. 54. Minnesota Statutes 2008, section 124D.10, subdivision 4a, is amended to read:

83.19 Subd. 4a. **Conflict of interest.** (a) ~~A member of a charter school board of directors~~
83.20 An individual is prohibited from serving as a member of the charter school board of
83.21 directors ~~or as~~ if the individual, an immediate family member, or the individual's partner is
83.22 an owner, employee or agent of or a contractor with a for-profit or nonprofit entity with
83.23 whom the charter school contracts, directly or indirectly, for professional services, goods,
83.24 or facilities. A violation of this prohibition renders a contract voidable at the option of
83.25 the commissioner or the charter school board of directors. A member of a charter school
83.26 board of directors who violates this prohibition shall be is individually liable to the charter
83.27 school for any damage caused by the violation.

83.28 (b) No member of the board of directors, employee, officer, or agent of a charter
83.29 school shall participate in selecting, awarding, or administering a contract if a conflict
83.30 of interest exists. A conflict exists when:

83.31 (1) the board member, employee, officer, or agent;

83.32 (2) the immediate family of the board member, employee, officer, or agent;

83.33 (3) the partner of the board member, employee, officer, or agent; or

84.1 (4) an organization that employs, or is about to employ any individual in clauses
84.2 (1) to (3), has a financial or other interest in the entity with which the charter school is
84.3 contracting. A violation of this prohibition renders the contract void.

84.4 (c) Any employee, agent, or board member of the sponsor who participates in
84.5 the initial review, approval, ongoing oversight, evaluation, or the charter renewal or
84.6 nonrenewal process or decision is ineligible to serve on the board of directors of a school
84.7 chartered by that sponsor.

84.8 (d) An individual may serve as a member of the board of directors if no conflict of
84.9 interest under paragraph (a) exists.

84.10 ~~(e) A member of a charter school board of directors that serves as a member of the~~
84.11 ~~board of directors or as an employee or agent of or a contractor with a nonprofit entity~~
84.12 ~~with whom the charter school contracts, directly or indirectly, for professional services,~~
84.13 ~~goods, or facilities, must disclose all potential conflicts to the commissioner.~~

84.14 ~~(d)~~ (e) The conflict of interest provisions under this subdivision do not apply to
84.15 compensation paid to a teacher employed by the charter school who also serves as a
84.16 member of the board of directors.

84.17 ~~(e)~~ (f) The conflict of interest provisions under this subdivision do not apply to a
84.18 teacher who provides services to a charter school through a cooperative formed under
84.19 chapter 308A when the teacher also serves on the charter school board of directors.

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

84.21 Sec. 55. Minnesota Statutes 2008, section 124D.10, subdivision 5, is amended to read:

84.22 Subd. 5. **Conversion of existing schools.** A board of an independent or special
84.23 school district may convert one or more of its existing schools to charter schools under
84.24 this section if 60 percent of the full-time teachers at the school sign a petition seeking
84.25 conversion. The conversion must occur at the beginning of an academic year.

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

84.27 Sec. 56. Minnesota Statutes 2008, section 124D.10, subdivision 6, is amended to read:

84.28 Subd. 6. **Charter contract.** The sponsor's authorization for a charter school must
84.29 be in the form of a written contract signed by the sponsor and the board of directors of
84.30 the charter school. The contract must be completed within ~~90~~ 45 business days of the
84.31 commissioner's approval of the sponsor's ~~proposed authorization~~ affidavit. The sponsor
84.32 shall submit a copy of the signed contract to the commissioner within ten days of its

85.1 execution. The contract for a charter school must be in writing and contain at least the
85.2 following:

85.3 (1) a description of ~~a~~ how the program that carries out one or more of the purposes
85.4 in subdivision 1;

85.5 (2) a description of the specific academic and nonacademic outcomes that pupils
85.6 are to must achieve under subdivision 10;

85.7 (3) a statement of admission policies and procedures;

85.8 (4) a governance, management and administration of plan for the school;

85.9 (5) signed agreements from charter school board members to comply with all federal
85.10 and state laws governing all organizational, programmatic, and financial requirements and
85.11 procedures for program and financial audits applicable to charter schools;

85.12 (6) ~~how the school will comply with subdivisions 8, 13, 16, and 23~~ the criteria,
85.13 processes, and procedures that the sponsor will use for ongoing oversight of operational,
85.14 financial, and academic performance;

85.15 (7) ~~assumption of liability by the charter school~~ the performance evaluation that is a
85.16 prerequisite for reviewing a charter school contract under subdivision 15;

85.17 (8) types and amounts of insurance liability coverage to be obtained by the charter
85.18 school;

85.19 (9) the term of the contract, which may be up to three years for an initial contract,
85.20 plus a preoperational planning year and up to five years for a renewed contract if warranted
85.21 by the school's academic, financial, and operational performance;

85.22 (10) ~~if~~ how the board of directors or the operators of the charter school will provide
85.23 special instruction and services for children with a disability under sections 125A.03 to
85.24 125A.24, and 125A.65, and a description of the financial parameters within which the
85.25 charter school will operate to provide the special instruction and services to children
85.26 with a disability; ~~and~~

85.27 (11) the process and criteria the sponsor intends to use to monitor and evaluate the
85.28 fiscal and student performance of the charter school, consistent with subdivision 15; and

85.29 (12) the plan for an orderly closing of the school under chapter 308A or chapter
85.30 317A, if the closure is a termination for cause, voluntary termination, or nonrenewal of
85.31 the contract that includes establishing the responsibilities of the charter school board of
85.32 directors and the sponsor, and notifying the commissioner, sponsor, the school district in
85.33 which the charter school is located, and parents of enrolled students about the closure, the
85.34 transfer of student records to the students' resident districts, and procedures for closing
85.35 financial operations.

85.36 **EFFECTIVE DATE.** The section is effective the day following final enactment.

86.1 Sec. 57. Minnesota Statutes 2008, section 124D.10, subdivision 6a, is amended to read:

86.2 Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the
86.3 commissioner and its sponsor by December 31 each year.

86.4 (b) The charter school, with the assistance of the auditor conducting the audit, must
86.5 include with the report a copy of all charter school agreements for corporate management
86.6 services. If the entity that provides the professional services to the charter school is
86.7 exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity
86.8 must file with the commissioner by February 15 a copy of the annual return required under
86.9 section 6033 of the Internal Revenue Code of 1986.

86.10 (c) If the commissioner receives ~~as part of the~~ an audit report ~~a management letter~~
86.11 indicating that a material weakness exists in the financial reporting systems of a charter
86.12 school, the charter school must submit a written report to the commissioner explaining
86.13 how the material weakness will be resolved.

86.14 (d) Upon the request of an individual, the charter school must make available in a
86.15 timely fashion the minutes of meetings of members, the board of directors, and committees
86.16 having any of the authority of the board of directors, and statements showing the financial
86.17 result of all operations and transactions affecting income and surplus during the school's
86.18 last annual accounting period and a balance sheet containing a summary of its assets and
86.19 liabilities as of the closing date of the accounting period.

86.20 **EFFECTIVE DATE.** The section is effective the day following final enactment.

86.21 Sec. 58. Minnesota Statutes 2008, section 124D.10, subdivision 7, is amended to read:

86.22 Subd. 7. **Public status; exemption from statutes and rules.** A charter school is a
86.23 public school and is part of the state's system of public education. ~~Except as provided in~~
86.24 ~~this section, a charter school is exempt from all statutes and rules applicable to a school, a~~
86.25 ~~board, or a district, although it may elect to comply with one or more provisions of statutes~~
86.26 ~~or rules.~~ A charter school is exempt from all statutes and rules applicable to a school,
86.27 school board, or school district unless a statute or rule is made specifically applicable to a
86.28 charter school or is included in this section.

86.29 **EFFECTIVE DATE.** The section is effective the day following final enactment.

86.30 Sec. 59. Minnesota Statutes 2008, section 124D.10, subdivision 8, is amended to read:

86.31 Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all
86.32 ~~applicable~~ federal, state, and local health and safety requirements applicable to school
86.33 districts.

87.1 (b) A school must comply with statewide accountability requirements governing
87.2 standards and assessments in chapter 120B.

87.3 (c) A school sponsored by a school board may be located in any district, unless the
87.4 school board of the district of the proposed location disapproves by written resolution.

87.5 ~~(e)~~ (d) A charter school must be nonsectarian in its programs, admission policies,
87.6 employment practices, and all other operations. A sponsor may not authorize a charter
87.7 school or program that is affiliated with a nonpublic sectarian school or a religious
87.8 institution. A charter school student must be released for religious instruction, consistent
87.9 with section 120A.22, subdivision 12, clause (3).

87.10 ~~(d)~~ (e) Charter schools must not be used as a method of providing education or
87.11 generating revenue for students who are being home-schooled.

87.12 ~~(e)~~ (f) The primary focus of a charter school must be to provide a comprehensive
87.13 program of instruction for at least one grade or age group from five through 18 years
87.14 of age. Instruction may be provided to people younger than five years and older than
87.15 18 years of age.

87.16 ~~(f)~~ (g) A charter school may not charge tuition.

87.17 ~~(g)~~ (h) A charter school is subject to and must comply with chapter 363A and
87.18 section 121A.04.

87.19 ~~(h)~~ (i) A charter school is subject to and must comply with the Pupil Fair Dismissal
87.20 Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections
87.21 123B.34 to 123B.39.

87.22 ~~(i)~~ (j) A charter school is subject to the same financial audits, audit procedures, and
87.23 audit requirements as a district. Audits must be conducted in compliance with generally
87.24 accepted governmental auditing standards, the Federal Single Audit Act, if applicable,
87.25 and section 6.65. A charter school is subject to and must comply with sections 15.054;
87.26 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; ~~123B.52, subdivision 5;~~
87.27 ~~471.38; 471.391; 471.392; and 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6,~~
87.28 ~~12, 13, and 15; 471.881; and 471.89.~~ The audit must comply with the requirements of
87.29 sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the
87.30 program at the school. Deviations must be approved by the commissioner and sponsor.
87.31 The Department of Education, state auditor, ~~or~~ legislative auditor or sponsor may conduct
87.32 financial, program, or compliance audits. A charter school determined to be in statutory
87.33 operating debt under sections 123B.81 to 123B.83 must submit a plan under section
87.34 123B.81, subdivision 4.

87.35 ~~(j)~~ (k) A charter school is a district for the purposes of tort liability under chapter 466.

88.1 ~~(k)~~ (l) A charter school must comply with ~~sections 13.32~~ chapters 13 and 13D; and
88.2 sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

88.3 ~~(j)~~ (m) A charter school is subject to the Pledge of Allegiance requirement under
88.4 section 121A.11, subdivision 3.

88.5 (n) A charter school offering online courses or programs must comply with section
88.6 124D.095.

88.7 (o) A charter school and charter school board of directors are subject to chapter 181.

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

88.9 Sec. 60. Minnesota Statutes 2008, section 124D.10, is amended by adding a
88.10 subdivision to read:

88.11 Subd. 8a. **Aid reduction.** The commissioner must reduce a charter school's state
88.12 aid according to section 127A.42, if the charter school board fails to correct a violation
88.13 under this section.

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

88.15 Sec. 61. Minnesota Statutes 2008, section 124D.10, subdivision 9, is amended to read:

88.16 Subd. 9. **Admission requirements.** A charter school may limit admission to:

88.17 (1) pupils within an age group or grade level;

88.18 (2) ~~people~~ pupils who are eligible to participate in the graduation incentives program
88.19 under section 124D.68; or

88.20 (3) residents of a specific geographic area ~~where the percentage of the population~~
88.21 ~~of non-Caucasian people of that area is greater than the percentage of the non-Caucasian~~
88.22 ~~population in the congressional district in which the geographic area is located, and as~~
88.23 ~~long as the school reflects the racial and ethnic diversity of the specific area~~ in which the
88.24 school is located when the majority of students served by the school are members of
88.25 underserved populations in which the school is located when the majority of students
88.26 served by the school are members of underserved populations.

88.27 A charter school shall enroll an eligible pupil who submits a timely application,
88.28 unless the number of applications exceeds the capacity of a program, class, grade level,
88.29 or building. In this case, pupils must be accepted by lot. ~~If a charter school is the only~~
88.30 ~~school located in a town serving pupils within a particular grade level, then pupils that~~
88.31 ~~are residents of the town must be given preference for enrollment before accepting pupils~~
88.32 ~~by lot. If a pupil lives within two miles of a charter school and the next closest public~~
88.33 ~~school is more than five miles away, the charter school must give those pupils preference~~

89.1 ~~for enrollment before accepting other pupils by lot.~~ The charter school must develop and
89.2 publish a lottery policy and process that it must use when accepting pupils by lot.

89.3 A charter school shall give preference for enrollment to a sibling of an enrolled pupil
89.4 and to a foster child of that pupil's parents before accepting other pupils by lot.

89.5 A charter school may not limit admission to pupils on the basis of intellectual ability,
89.6 measures of achievement or aptitude, or athletic ability and may not establish any criteria
89.7 or requirements for admission that are inconsistent with this subdivision.

89.8 The charter school shall not distribute any services or goods of value to students,
89.9 parents or guardians as an inducement, term, or condition of enrolling a student in a
89.10 charter school.

89.11 **EFFECTIVE DATE.** This section is effective the day following final enactment
89.12 and applies to the 2010-2011 school year.

89.13 Sec. 62. Minnesota Statutes 2008, section 124D.10, subdivision 11, is amended to read:

89.14 Subd. 11. **Employment and other operating matters.** (a) A charter school must
89.15 employ or contract with necessary teachers, as defined by section 122A.15, subdivision
89.16 1, who hold valid licenses to perform the particular service for which they are employed
89.17 in the school. The charter school's state aid may be reduced under section ~~127A.42~~
89.18 127A.43 if the school employs a teacher who is not appropriately licensed or approved
89.19 by the board of teaching. The school may employ necessary employees who are not
89.20 required to hold teaching licenses to perform duties other than teaching and may contract
89.21 for other services. The school may discharge teachers and nonlicensed employees. The
89.22 charter school board of directors must comply with section 181.932 and a school shall not
89.23 discharge, discipline, threaten or discriminate against, or penalize an employee regarding
89.24 the employee's compensation, terms or conditions of work location or privileges of
89.25 employment because the employee, or person acting on the employee's behalf, in good
89.26 faith transmits to the department, the state of Minnesota or a local law enforcement
89.27 agency information about the school's financial circumstances, educational performance, a
89.28 conflict of interest, or other violation of law or school policy. The charter school board
89.29 of directors must enter into a written agreement with each teacher that outlines the terms
89.30 and conditions of employment.

89.31 (b) A person, without holding a valid administrator's license, may perform
89.32 administrative, supervisory, or instructional leadership duties. The board of directors shall
89.33 establish qualifications for persons that hold administrative, supervisory, or instructional
89.34 leadership roles. The qualifications shall include at least the following areas: instruction
89.35 and assessment; human resource and personnel management; financial management;

90.1 legal and compliance management; effective communication; and board, sponsor, and
90.2 community relationships. The board of directors shall use those qualifications as the basis
90.3 for job descriptions, hiring, and performance evaluations of those who hold administrative,
90.4 supervisory, or instructional leadership roles. The board of directors and an individual
90.5 who does not hold a valid administrative license and who serves in an administrative,
90.6 supervisory, or instructional leadership position shall develop a professional development
90.7 plan. Documentation of the implementation of the professional development plan of these
90.8 persons shall be included in the school's annual report.

90.9 The board of directors also shall decide matters related to the operation of the school,
90.10 including budgeting, curriculum and operating procedures.

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

90.12 Sec. 63. Minnesota Statutes 2008, section 124D.10, subdivision 14, is amended to read:

90.13 Subd. 14. **Annual public reports.** A charter school must publish an annual report at
90.14 least annually to its sponsor and the commissioner the information required by the sponsor
90.15 or the commissioner approved by the board of directors. The annual report must at least
90.16 include information on school enrollment, student attrition, governance and management,
90.17 staffing, finances, academic performance, operational performance, innovative practices
90.18 and implementation, and future plans. A charter school must distribute the annual report
90.19 by publication, mail, or electronic means to the commissioner, sponsor, school employees,
90.20 and parents and legal guardians of students enrolled in the charter school and must also
90.21 post the report on the charter school's official Web site. The reports are public data under
90.22 chapter 13.

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

90.24 Sec. 64. Minnesota Statutes 2008, section 124D.10, subdivision 15, is amended to read:

90.25 Subd. 15. **Review and comment.** (a) ~~The department must review and comment on~~
90.26 ~~the evaluation, by the sponsor, of the performance of a charter school before the charter~~
90.27 ~~school's contract is renewed for another contract term. The sponsor must submit to the~~
90.28 ~~commissioner timely information for the review and comment~~ The sponsor shall provide
90.29 a formal written evaluation of the school's performance before the sponsor renews the
90.30 charter contract. The department must review and comment on the sponsor's evaluation
90.31 process at the time the sponsor submits its application for approval and each time the
90.32 sponsor undergoes its five-year review under subdivision 3, paragraph (e).

91.1 (b) A sponsor shall monitor and evaluate the fiscal, operational, and student
91.2 performance of the school, and may for this purpose annually assess a charter school: ~~(1)~~
91.3 ~~in its first, second, or third year of operation up to \$30 per student up to a maximum of~~
91.4 ~~\$10,000; and (2) in its fourth or a subsequent year of operation up to \$10 per student up to~~
91.5 ~~a maximum of \$3,500~~ a fee according to paragraph (c). The agreed upon fee structure
91.6 must be stated in the charter school contract.

91.7 (c) The fee that each charter school pays to a sponsor each year is the greater of:

91.8 (1) the basic formula allowance for that year; or

91.9 (2) the lesser of:

91.10 (i) the maximum fee factor times the basic formula allowance for that year; or

91.11 (ii) 1.0 percent of the basic formula allowance for that year times the charter school's
91.12 adjusted marginal cost pupil units for that year. The maximum fee factor equals 1.5 in
91.13 fiscal year 2010, 2.0 in fiscal year 2011, 3.0 in fiscal year 2012, and 4.0 in fiscal years
91.14 2013 and later.

91.15 (d) The department and any charter school it sponsors must not assess or pay a
91.16 fee under paragraphs (b) and (c).

91.17 (e) For the preoperational planning period, the sponsor may assess a charter school a
91.18 fee equal to the basic formula allowance.

91.19 (f) By September 30 of each year, a sponsor shall submit to the commissioner a
91.20 statement of expenditures related to sponsoring activities during the previous school year
91.21 ending June 30. A copy of the statement shall be given to all schools chartered by the
91.22 sponsor.

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

91.24 Sec. 65. Minnesota Statutes 2008, section 124D.10, subdivision 17, is amended to read:

91.25 Subd. 17. **Leased space.** A charter school may lease space from ~~a~~ an independent

91.26 or special school board eligible to be a sponsor or other public or private nonprofit

91.27 nonsectarian organization. The department, in consultation with the Department of

91.28 Administration, must review and approve or disapprove the lease agreement within 60

91.29 business days of receiving an application for lease aid. If a charter school is unable to lease

91.30 appropriate space from an eligible board or other public or private nonprofit nonsectarian

91.31 organization, the school may lease space from another nonsectarian organization if

91.32 the Department of Education, in consultation with the Department of Administration,

91.33 approves the lease. If the school is unable to lease appropriate space from public or private

91.34 nonsectarian organizations, the school may lease space from a sectarian organization if

92.1 the leased space is constructed as a school facility and the Department of Education, in
92.2 consultation with the Department of Administration, approves the lease.

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

92.4 Sec. 66. Minnesota Statutes 2008, section 124D.10, is amended by adding a
92.5 subdivision to read:

92.6 Subd. 17a. **Building corporation.** (a) A charter school is prohibited from
92.7 organizing the nonprofit building corporation until the sponsor files a supplementary
92.8 affidavit with and receives approval from the commissioner.

92.9 (b) Upon approval by the sponsor and the commissioner, a charter school that has
92.10 operated for at least eight consecutive years and is not currently in statutory operating debt
92.11 may form a separate affiliated nonprofit building corporation to construct or purchase
92.12 a school facility. The nonprofit building corporation must elect a board of directors.
92.13 Members of the building corporation board of directors must not be members of the
92.14 charter school board of directors. The state is immune from any liability as a result of the
92.15 contractual arrangement and the facility. The sponsor shall submit a supplemental affidavit
92.16 to the commissioner stating that the sponsor has reviewed:

92.17 (1) the school's feasibility study on facility options;

92.18 (2) documents showing the school's need and projected enrollment for such a facility;

92.19 (3) the school's financial plan and financial status; and

92.20 (4) documentation that no other available existing facilities, including those that
92.21 could be renovated, are available for purchase or lease.

92.22 **EFFECTIVE DATE.** This section is effective the day following final enactment
92.23 and applies to building purchases or expansions initiated by building corporations after
92.24 July 1, 2009.

92.25 Sec. 67. Minnesota Statutes 2008, section 124D.10, subdivision 20, is amended to read:

92.26 Subd. 20. **Leave to teach in a charter school.** If a teacher employed by a district
92.27 makes a written request for an extended leave of absence to teach at a charter school,
92.28 the district must grant the leave. The district must grant a leave not to exceed a total of
92.29 five years. Any request to extend the leave shall be granted only at the discretion of the
92.30 school board. The district may require that the request for a leave or extension of leave be
92.31 made up to 90 days before the teacher would otherwise have to report for duty. Except
92.32 as otherwise provided in this subdivision and except for section 122A.46, subdivision 7,

93.1 the leave is governed by section 122A.46, including, but not limited to, reinstatement,
93.2 notice of intention to return, seniority, salary, and insurance.

93.3 During a leave, the teacher may continue to aggregate benefits and credits in the
93.4 Teachers' Retirement Association account ~~by paying both the employer and employee~~
93.5 ~~contributions based upon the annual salary of the teacher for the last full pay period before~~
93.6 ~~the leave began. The retirement association may impose reasonable requirements to~~
93.7 ~~efficiently administer this subdivision~~ according to chapters 354 and 354A.

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

93.9 Sec. 68. Minnesota Statutes 2008, section 124D.10, subdivision 23, is amended to read:

93.10 Subd. 23. **Causes for nonrenewal or termination of charter school contract.**

93.11 (a) The duration of the contract with a sponsor must be for the term contained in the
93.12 contract according to subdivision 6. The sponsor may or may not renew a contract at
93.13 the end of the term for any ground listed in paragraph (b). A sponsor may unilaterally
93.14 terminate a contract during the term of the contract for any ground listed in paragraph (b).

93.15 At least 60 days before not renewing or terminating a contract, the sponsor shall notify
93.16 the board of directors of the charter school of the proposed action in writing. The notice
93.17 shall state the grounds for the proposed action in reasonable detail and that the charter
93.18 school's board of directors may request in writing an informal hearing before the sponsor
93.19 within ~~14~~ 15 business days of receiving notice of nonrenewal or termination of the
93.20 contract. Failure by the board of directors to make a written request for a hearing within
93.21 the ~~14-day~~ 15-business-day period shall be treated as acquiescence to the proposed action.

93.22 Upon receiving a timely written request for a hearing, the sponsor shall give ~~reasonable~~
93.23 ten business days notice to the charter school's board of directors of the hearing date.

93.24 The sponsor shall conduct an informal hearing before taking final action. The sponsor
93.25 shall take final action to renew or not renew a contract ~~by the last day of classes in the~~
93.26 ~~school year. If the sponsor is a local board, the school's board of directors may appeal the~~
93.27 ~~sponsor's decision to the commissioner~~ no later than 20 business days before the proposed
93.28 date for terminating the contract or the end date of the contract.

93.29 (b) A contract may be terminated or not renewed upon any of the following grounds:

93.30 (1) failure to meet the requirements for pupil performance contained in the contract;

93.31 (2) failure to meet generally accepted standards of fiscal management;

93.32 (3) violations of law; or

93.33 (4) other good cause shown.

93.34 If a contract is terminated or not renewed under this paragraph, the school must be
93.35 dissolved according to the applicable provisions of chapter 308A or 317A, ~~except when~~

94.1 ~~the commissioner approves the decision of a different eligible sponsor to authorize the~~
94.2 ~~charter school.~~

94.3 (c) ~~If at the end of a contract term, either the sponsor or~~ and the charter school board
94.4 of directors ~~wants~~ mutually agree to voluntarily terminate or not renew the contract, a
94.5 change in sponsors is allowed if the commissioner approves the ~~decision of transfer to a~~
94.6 different eligible sponsor to authorize the charter school. ~~The party intending to terminate~~
94.7 ~~the contract must notify the other party and the commissioner of its intent at least 90 days~~
94.8 ~~before the date on which the contract ends~~ Both parties must jointly submit their intent
94.9 in writing to the commissioner to mutually terminate the contract. The sponsor that is a
94.10 party to the existing contract at least must inform the approved different eligible sponsor
94.11 about the fiscal and operational status and student performance of the school. Before the
94.12 commissioner determines whether to approve a transfer of sponsor, the commissioner first
94.13 must determine whether the charter school and prospective new sponsor can identify and
94.14 effectively resolve those circumstances causing the previous sponsor and the charter
94.15 school to mutually agree to terminate the contract. If no ~~different eligible~~ transfer of
94.16 sponsor is approved, the school must be dissolved according to applicable law and the
94.17 terms of the contract.

94.18 (d) The commissioner, after providing reasonable notice to the board of directors of
94.19 a charter school and the existing sponsor, and after providing an opportunity for a public
94.20 hearing, may terminate the existing ~~sponsorial relationship~~ contract between the sponsor
94.21 and the charter school if the charter school has a history of:

94.22 (1) sustained failure to meet pupil performance requirements contained in the
94.23 contract;

94.24 (2) financial mismanagement or failure to meet generally accepted standards of
94.25 financial management; or

94.26 ~~(2)~~ (3) repeated or major violations of the law.

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

94.28 Sec. 69. Minnesota Statutes 2008, section 124D.10, subdivision 23a, is amended to
94.29 read:

94.30 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from
94.31 entering a lease of real property with a related party ~~as defined in subdivision 26,~~ unless
94.32 the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter
94.33 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

94.34 (b) For purposes of this section and section 124D.11:

95.1 (1) "related party" means an affiliate or a close relative of the other party in question,
95.2 an affiliate of a close relative, or a close relative of an affiliate;

95.3 (2) "affiliate" means a person that directly or indirectly, through one or more
95.4 intermediaries, controls, is controlled by, or is under common control with another person;

95.5 (3) "close relative" means an individual whose relationship by blood, marriage, or
95.6 adoption to another individual is no more remote than first cousin;

95.7 (4) "person" means an individual or entity of any kind; and

95.8 (5) "control" means the ability to affect the management, operations, or policy
95.9 actions or decisions of a person, whether through ownership of voting securities, by
95.10 contract or otherwise.

95.11 (c) A lease of real property to be used for a charter school, not excluded in paragraph
95.12 (a), must contain the following statement: "This lease is subject to Minnesota Statutes,
95.13 section 124D.10, subdivision 23a."

95.14 ~~(e)~~ (d) If a charter school enters into as lessee a lease with a related party and the
95.15 charter school subsequently closes, the commissioner has the right to recover from the
95.16 lessor any lease payments in excess of those that are reasonable under section 124D.11,
95.17 subdivision 4, clause (1).

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

95.19 Sec. 70. Minnesota Statutes 2008, section 124D.10, subdivision 25, is amended to read:

95.20 Subd. 25. **Extent of specific legal authority.** (a) The board of directors of a charter
95.21 school may sue and be sued.

95.22 (b) The board may not levy taxes or issue bonds.

95.23 (c) The commissioner, a sponsor, members of the board of a sponsor in their official
95.24 capacity, and employees of a sponsor are immune from civil or criminal liability with
95.25 respect to all activities related to a charter school they approve or sponsor. The board
95.26 of directors shall obtain at least the amount of and types of insurance ~~required by the~~
95.27 ~~contract, according to subdivision 6~~ up to the applicable tort liability limits under chapter
95.28 466. The charter school board must submit a copy of the insurance policy to its sponsor
95.29 and the commissioner before starting operations. The charter school board must submit
95.30 changes in its insurance carrier or policy to its sponsor and the commissioner within
95.31 20 business days of the change.

95.32 **EFFECTIVE DATE.** This section is effective August 1, 2009.

96.1 Sec. 71. Minnesota Statutes 2008, section 124D.11, is amended by adding a
96.2 subdivision to read:

96.3 Subd. 4a. **State total building lease aid.** The state total building lease aid equals
96.4 \$37,045,000 for fiscal year 2009. The state total building lease aid for later years equals
96.5 the total state building lease aid for the preceding fiscal year times 1.03. If the aid in this
96.6 section is insufficient, the commissioner shall prorate the available aid among all eligible
96.7 charter schools for that year.

96.8 Sec. 72. Minnesota Statutes 2008, section 124D.11, subdivision 9, is amended to read:

96.9 **Subd. 9. Payment of aids to charter schools.** (a) Notwithstanding section
96.10 127A.45, subdivision 3, aid payments for the current fiscal year to a charter school ~~not in~~
96.11 ~~its first year of operation~~ shall be of an equal amount on each of the ~~23~~ 24 payment dates.
96.12 ~~A charter school in its first year of operation shall receive, on its first payment date, ten~~
96.13 ~~percent of its cumulative amount guaranteed for the year and 22 payments of an equal~~
96.14 ~~amount thereafter the sum of which shall equal the current year aid payment percentage~~
96.15 ~~multiplied by the cumulative amount guaranteed.~~

96.16 (b) Notwithstanding paragraph (a) ~~and section 127A.45~~, for a charter school ceasing
96.17 operation ~~on or prior to the end of a school year~~, the current year aid payment percentage
96.18 ~~multiplied by the amount due for the school year may be paid to the school after audit~~
96.19 ~~of prior fiscal year and current fiscal year pupil counts~~ June 30 of a school year, for the
96.20 payment periods occurring after the school has ceased serving students, the commissioner
96.21 shall withhold state aid due to the school based on estimated state aid entitlements. The
96.22 charter school board of directors and sponsor must provide the commissioner with a
96.23 closure plan under chapter 308A or 317A, and financial information that details the
96.24 school's liabilities and assets. After receiving the closure plan, financial information, an
96.25 audit of pupil counts, and documentation of lease expenditures, and monitoring special
96.26 education expenditures, the commissioner may release cash withheld and may continue
96.27 regular payments up to the current year payment percentages if further amounts are
96.28 due. If, based on audits and monitoring, the school received state aid in excess of the
96.29 amount due, the commissioner shall retain cash withheld sufficient to eliminate the aid
96.30 overpayment. For a charter school ceasing operations prior to, or at the end of, a school
96.31 year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may
96.32 be made after receiving the closure plan, audit of pupil counts, monitoring of special
96.33 education expenditures, ~~and~~ documentation of lease expenditures, and school submission
96.34 of Uniform Financial Accounting and Reporting Standards (UFARS) financial data for

97.1 the final year of operation. Final payment may be made upon receipt of audited financial
97.2 statements under section 123B.77, subdivision 3.

97.3 (c) If a charter school fails to comply with the commissioner's directive to return,
97.4 for cause, federal or state funds administered by the department, the commissioner may
97.5 withhold an amount of state aid sufficient to satisfy the directive.

97.6 (d) If a charter school, within the timeline under section 471.425, fails to pay a
97.7 school district, intermediate school district, education cooperative, or the state after
97.8 receiving an undisputed invoice for goods and services, the commissioner may withhold
97.9 an amount of state aid sufficient to satisfy the claim and shall distribute the withheld aid to
97.10 the school district, intermediate school district, or service cooperative. A school district,
97.11 intermediate school district, education cooperative, or a representative of the state shall
97.12 notify the commissioner when a charter school fails to pay an undisputed invoice within
97.13 75 business days of when it received the original invoice.

97.14 (e) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent
97.15 of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day
97.16 of student attendance for that school year.

97.17 ~~(d)~~ (f) In order to receive state aid payments under this subdivision, a charter school
97.18 in its first three years of operation must submit a school calendar in the form and manner
97.19 requested by the department and a quarterly report to the Department of Education. The
97.20 report must list each student by grade, show the student's start and end dates, if any,
97.21 with the charter school, and for any student participating in a learning year program,
97.22 the report must list the hours and times of learning year activities. The report must be
97.23 submitted not more than two weeks after the end of the calendar quarter to the department.
97.24 The department must develop a Web-based reporting form for charter schools to use
97.25 when submitting enrollment reports. A charter school in its fourth and subsequent year of
97.26 operation must submit a school calendar and enrollment information to the department in
97.27 the form and manner requested by the department.

97.28 ~~(e)~~ (g) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter
97.29 school and satisfaction of creditors, cash and investment balances remaining shall be
97.30 returned to the state.

97.31 **EFFECTIVE DATE.** This section is effective for fiscal year 2010 and later.

97.32 Sec. 73. Minnesota Statutes 2008, section 124D.128, subdivision 2, is amended to read:

97.33 Subd. 2. **Commissioner designation.** (a) ~~An area learning center~~ A state-approved
97.34 alternative program designated by the state must be a site. ~~An area learning center~~ A

98.1 state-approved alternative program must provide services to students who meet the criteria
98.2 in section 124D.68 and who are enrolled in:

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

98.4 (2) a charter school located within the geographic boundaries of a district that is
98.5 served by the ~~center~~ state-approved alternative program.

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

98.10 (c) To be designated, a district, charter school, or ~~center~~ state-approved alternative
98.11 program must demonstrate to the commissioner that it will:

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

98.14 (2) develop and maintain a separate record system that, for purposes of section
98.15 126C.05, permits identification of membership attributable to pupils participating in the
98.16 program. The record system and identification must ensure that the program will not have
98.17 the effect of increasing the total average daily membership attributable to an individual
98.18 pupil as a result of a learning year program. The record system must include the date the
98.19 pupil originally enrolled in a learning year program, the pupil's grade level, the date of
98.20 each grade promotion, the average daily membership generated in each grade level, the
98.21 number of credits or standards earned, and the number needed to graduate.

98.22 (d) A student who has not completed a school district's graduation requirements
98.23 may continue to enroll in courses the student must complete in order to graduate until
98.24 the student satisfies the district's graduation requirements or the student is 21 years old,
98.25 whichever comes first.

98.26 Sec. 74. Minnesota Statutes 2008, section 124D.128, subdivision 3, is amended to read:

98.27 Subd. 3. **Student planning.** A district, charter school, or ~~area learning center~~
98.28 state-approved alternative program must inform all pupils and their parents about the
98.29 learning year program and that participation in the program is optional. A continual
98.30 learning plan must be developed at least annually for each pupil with the participation
98.31 of the pupil, parent or guardian, teachers, and other staff; each participant must sign and
98.32 date the plan. The plan must specify the learning experiences that must occur during the
98.33 entire fiscal year and are necessary for grade progression or, for secondary students,
98.34 graduation. The plan must include:

99.1 (1) the pupil's learning objectives and experiences, including courses or credits the
99.2 pupil plans to complete each year and, for a secondary pupil, the graduation requirements
99.3 the student must complete;

99.4 (2) the assessment measurements used to evaluate a pupil's objectives;

99.5 (3) requirements for grade level or other appropriate progression; and

99.6 (4) for pupils generating more than one average daily membership in a given grade,
99.7 an indication of which objectives were unmet.

99.8 The plan may be modified to conform to district schedule changes. The district may
99.9 not modify the plan if the modification would result in delaying the student's time of
99.10 graduation.

99.11 Sec. 75. Minnesota Statutes 2008, section 124D.42, subdivision 6, is amended to read:

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

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

99.15 (2) build an ethic of community service through general community service training;
99.16 ~~and~~

99.17 ~~(3) provide additional training as it determines necessary, which may include~~
99.18 ~~training in evaluating early literacy skills and teaching reading to preschool children~~
99.19 ~~through the St. Croix River Education District under Laws 2001, First Special Session~~
99.20 ~~chapter 6, article 2, section 70, to assist local Head Start organizations in establishing and~~
99.21 ~~evaluating Head Start programs for developing children's early literacy skills.~~

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

99.23 Sec. 76. Minnesota Statutes 2008, section 124D.42, is amended by adding a
99.24 subdivision to read:

99.25 Subd. 6a. **Minnesota reading corps program.** (a) A Minnesota reading corps
99.26 program is established to provide Americorps members with a data-based problem-solving
99.27 model of literacy instruction to use in helping to train local Head Start program providers,
99.28 other prekindergarten program providers, and staff in schools with students in kindergarten
99.29 through grade 3 to evaluate and teach early literacy skills to children age 3 to grade 3.

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

S.F. No. 1328, 3rd Engrossment - 86th Legislative Session (2009-2010) [s1328-3]

100.1 Sec. 77. Minnesota Statutes 2008, section 124D.68, subdivision 2, is amended to read:

100.2 Subd. 2. **Eligible pupils.** A pupil under the age of 21 or who meets the requirements
100.3 of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation
100.4 incentives program, if the pupil:

100.5 (1) performs substantially below the performance level for pupils of the same age
100.6 in a locally determined achievement test;

100.7 (2) is ~~at least one year~~ behind in satisfactorily completing coursework or obtaining
100.8 credits for graduation;

100.9 (3) is pregnant or is a parent;

100.10 (4) has been assessed as chemically dependent;

100.11 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

100.12 (6) has been appropriately referred in accordance with section 124D.68, subdivision
100.13 1, by a school district for enrollment in an eligible program or a program pursuant to
100.14 section 124D.69;

100.15 (7) is a victim of physical or sexual abuse;

100.16 (8) has experienced mental health problems;

100.17 (9) has experienced homelessness sometime within six months before requesting a
100.18 transfer to an eligible program;

100.19 (10) speaks English as a second language or has limited English proficiency; or

100.20 (11) has withdrawn from school or has been chronically truant; or

100.21 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or
100.22 other life threatening illness or is the sibling of an eligible pupil who is being currently
100.23 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary
100.24 of the seven-county metropolitan area.

100.25 Sec. 78. Minnesota Statutes 2008, section 124D.68, subdivision 3, is amended to read:

100.26 Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2
100.27 may enroll in ~~area learning centers~~ a state-approved alternative program under sections
100.28 123A.05 to 123A.08.

100.29 (b) A pupil who is eligible according to subdivision 2 and who is ~~between the ages~~
100.30 ~~of 16 and 21~~ a high school junior or senior may enroll in postsecondary courses under
100.31 section 124D.09.

100.32 (c) A pupil who is eligible under subdivision 2, may enroll in any public elementary
100.33 or secondary education program.

100.34 (d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic,
100.35 nonsectarian school that has contracted with the serving school district to provide

S.F. No. 1328, 3rd Engrossment - 86th Legislative Session (2009-2010) [s1328-3]

101.1 educational services. However, notwithstanding other provisions of this section, only a
101.2 pupil who is eligible under subdivision 2, clause (12), may enroll in a contract alternative
101.3 school that is specifically structured to provide educational services to such a pupil.

101.4 (e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic
101.5 education programs approved under section 124D.52 and operated under the community
101.6 education program contained in section 124D.19.

101.7 Sec. 79. Minnesota Statutes 2008, section 124D.68, subdivision 4, is amended to read:

101.8 Subd. 4. **Additional eligible program.** A pupil who is at least 16 years of age,
101.9 who is eligible under subdivision 2, ~~clause (a)~~, and who has been enrolled only in a
101.10 public school, if the pupil has been enrolled in any school, during the year immediately
101.11 before transferring under this subdivision, may transfer to any nonpublic school that has
101.12 contracted with the serving school district to provide nonsectarian educational services.
101.13 The school must enroll every eligible pupil who seeks to transfer to the school under
101.14 this program subject to available space.

101.15 Sec. 80. Minnesota Statutes 2008, section 124D.83, subdivision 4, is amended to read:

101.16 Subd. 4. **Early childhood family education revenue.** A school receiving aid
101.17 under this section ~~is eligible~~ may apply annually to the commissioner to receive an early
101.18 childhood family education ~~revenue grant~~ revenue grant to provide early childhood family education
101.19 programs for parents and children who are enrolled or eligible for enrollment in a federally
101.20 recognized tribe. ~~The revenue equals 1.5 times the statewide average expenditure per~~
101.21 ~~participant under section 124D.135, times the number of children and parents participating~~
101.22 ~~full time in the program. The program must grant must be used for programs and services~~
101.23 that comply with section 124D.13, except that the school is not required to provide a
101.24 community education program or establish a community education advisory council. The
101.25 program must be designed to improve the skills of parents and promote American Indian
101.26 history, language, and culture. The school must make affirmative efforts to encourage
101.27 participation by fathers. Admission may not be limited to those enrolled in or eligible for
101.28 enrollment in a federally recognized tribe.

101.29 Sec. 81. Minnesota Statutes 2008, section 124D.86, subdivision 3, is amended to read:

101.30 Subd. 3. **Integration revenue.** (a) Integration revenue for a school district equals
101.31 the lesser of: the district's integration revenue per pupil unit for fiscal year 2009 times the
101.32 adjusted pupil units for the school year or the following amounts:

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102.1 (1) for Independent School District No. 709, Duluth, \$206 times the adjusted pupil
102.2 units for the school year;

102.3 (2) for Independent School District No. 625, St. Paul, \$445 times the adjusted
102.4 pupil units for the school year;

102.5 (3) for Special School District No. 1, Minneapolis, the sum of \$445 times the
102.6 adjusted pupil units for the school year and an additional \$35 times the adjusted pupil units
102.7 for the school year that is provided entirely through a local levy;

102.8 (4) for a district not listed in clause (1), (2), or (3), that must implement a plan
102.9 under Minnesota Rules, parts 3535.0100 to 3535.0180, where the district's enrollment of
102.10 protected students, as defined under Minnesota Rules, part 3535.0110, exceeds 15 percent,
102.11 the lesser of (i) the actual cost of implementing the plan during the fiscal year minus the aid
102.12 received under subdivision 6, or (ii) \$129 times the adjusted pupil units for the school year;

102.13 (5) for a district not listed in clause (1), (2), (3), or (4), that is required to implement
102.14 a plan according to the requirements of Minnesota Rules, parts 3535.0100 to 3535.0180,
102.15 the lesser of

102.16 (i) the actual cost of implementing the plan during the fiscal year minus the aid
102.17 received under subdivision 6, or

102.18 (ii) \$92 times the adjusted pupil units for the school year.

102.19 Any money received by districts in clauses (1) to (3) which exceeds the amount
102.20 received in fiscal year 2000 shall be subject to the budget requirements in subdivision
102.21 1a; and

102.22 (6) for a member district of a multidistrict integration collaborative that files a plan
102.23 with the commissioner, but is not contiguous to a racially isolated district, integration
102.24 revenue equals the amount defined in clause (5).

102.25 (b) A district that did not receive integration revenue under this subdivision for fiscal
102.26 year 2009 is not eligible for integration revenue for fiscal year 2010 or later.

102.27 **EFFECTIVE DATE.** This section is effective July 1, 2009.

102.28 Sec. 82. **[124D.98] SUMMER OF SUCCESS.**

102.29 Subdivision 1. Establishment. The summer of success program is established to
102.30 provide intensive intervention to students not yet proficient on the 8th grade standardized
102.31 assessments in mathematics or reading. Intervention aiming to accelerate students to
102.32 grade level shall be delivered to students the summer between 8th and 9th grade or in
102.33 an extended day format during 9th grade.

103.1 Subd. 2. Program administration. Mathematics and reading instruction shall be
103.2 delivered in a manner to support student success. Program components shall include, but
103.3 are not limited to:

103.4 (1) duration of sufficient length and intensity, individualized based on data, to
103.5 support student mastery of content that brings them to grade level and prepares them for
103.6 9th grade material;

103.7 (2) curriculum aligned to Minnesota kindergarten through grade 12 academic
103.8 standards and delivered by highly qualified instructors in the content area in which
103.9 instruction will be provided;

103.10 (3) connections to other support programs and opportunities offered during the
103.11 traditional school year;

103.12 (4) creation of a high school transition plan, including courses supporting college
103.13 and career readiness; and

103.14 (5) participation in an external program evaluation.

103.15 Subd. 3. Program administration. The commissioner shall administer the program
103.16 through a competitive process. Applicants shall apply in the form and manner prescribed
103.17 by the commissioner. The commissioner shall, to the extent possible, select sites in St.
103.18 Paul, Minneapolis, the suburban metropolitan area, and greater Minnesota.

103.19 Sec. 83. Minnesota Statutes 2008, section 126C.05, subdivision 15, is amended to read:

103.20 **Subd. 15. Learning year pupil units.** (a) When a pupil is enrolled in a learning
103.21 year program under section 124D.128, an area learning center or an alternative learning
103.22 program approved by the commissioner under sections 123A.05 and 123A.06, ~~an~~
103.23 ~~alternative program approved by the commissioner,~~ or a contract alternative program
103.24 under section 124D.68, subdivision 3, paragraph (d), or subdivision 3a, for more than
103.25 1,020 hours in a school year for a secondary student, more than 935 hours in a school year
103.26 for an elementary student, or more than 425 hours in a school year for a kindergarten
103.27 student without a disability, that pupil may be counted as more than one pupil in average
103.28 daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess
103.29 of one pupil must be determined by the ratio of the number of hours of instruction
103.30 provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours
103.31 required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii)
103.32 the greater of 935 hours or the number of hours required for a full-time elementary pupil
103.33 in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of
103.34 425 hours or the number of hours required for a full-time kindergarten student without a
103.35 disability in the district to 425 for a kindergarten student without a disability. Hours that

104.1 occur after the close of the instructional year in June shall be attributable to the following
104.2 fiscal year. A kindergarten student must not be counted as more than 1.2 pupils in average
104.3 daily membership under this subdivision. A student in grades 1 through 12 must not be
104.4 counted as more than 1.2 pupils in average daily membership under this subdivision.

104.5 (b)(i) To receive general education revenue for a pupil in an area learning center or
104.6 alternative learning program that has an independent study component, a district must meet
104.7 the requirements in this paragraph. The district must develop, for the pupil, a continual
104.8 learning plan consistent with section 124D.128, subdivision 3. Each school district that
104.9 ~~has a state-approved public~~ an area learning center or alternative learning program must
104.10 reserve revenue in an amount equal to at least 90 percent of the district average general
104.11 education revenue per pupil unit ~~less compensatory revenue per pupil unit, minus an~~
104.12 amount equal to the product of the formula allowance according to section 126C.10,
104.13 subdivision 2, times .0485, calculated without basic skills and transportation sparsity
104.14 revenue, times the number of pupil units generated by students attending a state-approved
104.15 ~~public~~ an area learning center or alternative learning program. The amount of reserved
104.16 revenue available under this subdivision may only be spent for program costs associated
104.17 with the ~~state-approved public~~ area learning center or alternative learning program.
104.18 ~~Compensatory revenue must be allocated according to section 126C.15, subdivision 2.~~
104.19 Basic skills revenue, according to section 126C.10, subdivision 4, generated by pupils
104.20 attending the eligible program must be allocated to the program.

104.21 (ii) General education revenue for a pupil in ~~an approved~~ a state-approved
104.22 alternative program without an independent study component must be prorated for a
104.23 pupil participating for less than a full year, or its equivalent. The district must develop a
104.24 continual learning plan for the pupil, consistent with section 124D.128, subdivision 3.
104.25 Each school district that has ~~a state-approved public~~ an area learning center or alternative
104.26 learning program must reserve revenue in an amount equal to at least 90 percent of the
104.27 district average general education revenue per pupil unit ~~less compensatory revenue per~~
104.28 ~~pupil unit, minus an amount equal to the product of the formula allowance according~~
104.29 to section 126C.10, subdivision 2, times .0485, calculated without basic skills and
104.30 transportation sparsity revenue, times the number of pupil units generated by students
104.31 attending a state-approved public an area learning center or alternative learning program.
104.32 The amount of reserved revenue available under this subdivision may only be spent for
104.33 program costs associated with the ~~state-approved public~~ area learning center or alternative
104.34 learning program. ~~Compensatory revenue must be allocated according to section 126C.15,~~
104.35 ~~subdivision 2.~~ Basic skills revenue, according to section 126C.10, subdivision 4, generated
104.36 by pupils attending the eligible program must be allocated to the program.

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

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

105.10 Sec. 84. Minnesota Statutes 2008, section 126C.05, subdivision 20, is amended to read:

105.11 Subd. 20. **Project-based average daily membership.** (a) Project-based is an
105.12 instructional program where students complete coursework for credit at an individual pace
105.13 that is primarily student-led and may be completed on site, in the community, or online.
105.14 A project-based program may be made available to all or selected students and grades
105.15 in a school. To receive general education revenue for a pupil enrolled in a public school
105.16 with a project-based program, a school must meet the requirements in this paragraph.

105.17 The school must:

105.18 (1) ~~register with the commissioner as a project-based program by May 30 of the~~
105.19 ~~preceding fiscal year~~ apply and receive approval from the commissioner as a project-based
105.20 program at least 90 days prior to starting the program;

105.21 (2) provide a minimum teacher contact of no less than one hour per week per
105.22 project-based credit for each pupil;

105.23 (3) ensure that the program will not increase the total average daily membership
105.24 generated by the student and that there will be the expectation that the students will be
105.25 making typical progression towards high school graduation;

105.26 ~~(3)~~ (4) maintain a record system that shows when each credit or portion thereof was
105.27 reported for membership for each pupil; and

105.28 ~~(4)~~ (5) report pupil membership consistent with paragraph (b).

105.29 (b) The commissioner must develop a formula for reporting pupil membership to
105.30 compute average daily membership for each ~~registered~~ approved project-based ~~school~~
105.31 program. Average daily membership for a pupil in a ~~registered~~ an approved project-based
105.32 program is the lesser of:

105.33 (1) 1.0; or

105.34 (2) the ratio of (i) the number of membership hours generated by project-based
105.35 credits completed during the school year plus membership hours generated by credits

106.1 completed in a seat-based setting to (ii) the annual required instructional hours at that
106.2 grade level. Membership hours for a partially completed project-based credit must be
106.3 prorated. General education revenue for a pupil in a project-based program must be
106.4 prorated for a pupil participating for less than a full year, or its equivalent.

106.5 (c) For a program that has not been approved by the commissioner for project-based
106.6 learning but an auditor or other site visit deems that any portion or credits awarded by the
106.7 school are project-based, student membership must be computed per paragraph (b).

106.8 Sec. 85. Minnesota Statutes 2008, section 171.05, subdivision 2, is amended to read:

106.9 Subd. 2. **Person less than 18 years of age.** (a) Notwithstanding any provision
106.10 in subdivision 1 to the contrary, the department may issue an instruction permit to an
106.11 applicant who is 15, 16, or 17 years of age and who:

106.12 (1) has completed a course of driver education in another state, has a previously
106.13 issued valid license from another state, or is enrolled in either:

106.14 (i) a public, private, or commercial driver education program that is approved by
106.15 the commissioner of public safety and that includes classroom and behind-the-wheel
106.16 training; or

106.17 (ii) an approved behind-the-wheel driver education program when the student is
106.18 receiving full-time instruction in a home school within the meaning of sections 120A.22
106.19 and 120A.24, the student is working toward a homeschool diploma, ~~the student's status~~
106.20 ~~as a homeschool student has been certified by the superintendent of the school district in~~
106.21 ~~which the student resides, and the student is taking home-classroom driver training with~~
106.22 ~~classroom materials approved by the commissioner of public safety, and the student's~~
106.23 parent has certified the student's homeschool and home-classroom driver training status on
106.24 the form approved by the commissioner;

106.25 (2) has completed the classroom phase of instruction in the driver education program;

106.26 (3) has passed a test of the applicant's eyesight;

106.27 (4) has passed a department-administered test of the applicant's knowledge of traffic
106.28 laws;

106.29 (5) has completed the required application, which must be approved by (i) either
106.30 parent when both reside in the same household as the minor applicant or, if otherwise, then
106.31 (ii) the parent or spouse of the parent having custody or, in the event there is no court order
106.32 for custody, then (iii) the parent or spouse of the parent with whom the minor is living
106.33 or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor or,
106.34 in the event a person under the age of 18 has no living father, mother, or guardian, or is
106.35 married or otherwise legally emancipated, then (v) the applicant's adult spouse, adult close

107.1 family member, or adult employer; provided, that the approval required by this clause
107.2 contains a verification of the age of the applicant and the identity of the parent, guardian,
107.3 adult spouse, adult close family member, or adult employer; and

107.4 (6) has paid the fee required in section 171.06, subdivision 2.

107.5 (b) For the purposes of determining compliance with the certification of paragraph
107.6 (a), clause (1), item (ii), the commissioner may request verification of a student's
107.7 homeschool status from the superintendent of the school district in which the student
107.8 resides and the superintendent shall provide that verification.

107.9 (c) The instruction permit is valid for two years from the date of application and
107.10 may be renewed upon payment of a fee equal to the fee for issuance of an instruction
107.11 permit under section 171.06, subdivision 2.

107.12 Sec. 86. Minnesota Statutes 2008, section 171.17, subdivision 1, is amended to read:

107.13 Subdivision 1. **Offenses.** (a) The department shall immediately revoke the license
107.14 of a driver upon receiving a record of the driver's conviction of:

107.15 (1) manslaughter resulting from the operation of a motor vehicle or criminal
107.16 vehicular homicide or injury under section 609.21;

107.17 (2) a violation of section 169A.20 or 609.487;

107.18 (3) a felony in the commission of which a motor vehicle was used;

107.19 (4) failure to stop and disclose identity and render aid, as required under section
107.20 169.09, in the event of a motor vehicle accident, resulting in the death or personal injury
107.21 of another;

107.22 (5) perjury or the making of a false affidavit or statement to the department under
107.23 any law relating to the application, ownership or operation of a motor vehicle, including
107.24 on the certification required under section 171.05, subdivision 2, clause (1), item (ii), to
107.25 issue an instruction permit to a homeschool student;

107.26 (6) except as this section otherwise provides, three charges of violating within a
107.27 period of 12 months any of the provisions of chapter 169 or of the rules or municipal
107.28 ordinances enacted in conformance with chapter 169, for which the accused may be
107.29 punished upon conviction by imprisonment;

107.30 (7) two or more violations, within five years, of the misdemeanor offense described
107.31 in section 169.444, subdivision 2, paragraph (a);

107.32 (8) the gross misdemeanor offense described in section 169.444, subdivision 2,
107.33 paragraph (b);

107.34 (9) an offense in another state that, if committed in this state, would be grounds for
107.35 revoking the driver's license; or

108.1 (10) a violation of an applicable speed limit by a person driving in excess of 100
108.2 miles per hour. The person's license must be revoked for six months for a violation of
108.3 this clause, or for a longer minimum period of time applicable under section 169A.53,
108.4 169A.54, or 171.174.

108.5 (b) The department shall immediately revoke the school bus endorsement of a driver
108.6 upon receiving a record of the driver's conviction of the misdemeanor offense described in
108.7 section 169.443, subdivision 7.

108.8 Sec. 87. Minnesota Statutes 2008, section 171.22, subdivision 1, is amended to read:

108.9 Subdivision 1. **Violations.** With regard to any driver's license, including a
108.10 commercial driver's license, it shall be unlawful for any person:

108.11 (1) to display, cause or permit to be displayed, or have in possession, any fictitious
108.12 or fraudulently altered driver's license or Minnesota identification card;

108.13 (2) to lend the person's driver's license or Minnesota identification card to any other
108.14 person or knowingly permit the use thereof by another;

108.15 (3) to display or represent as one's own any driver's license or Minnesota
108.16 identification card not issued to that person;

108.17 (4) to use a fictitious name or date of birth to any police officer or in any application
108.18 for a driver's license or Minnesota identification card, or to knowingly make a false
108.19 statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any
108.20 such application;

108.21 (5) to alter any driver's license or Minnesota identification card;

108.22 (6) to take any part of the driver's license examination for another or to permit
108.23 another to take the examination for that person;

108.24 (7) to make a counterfeit driver's license or Minnesota identification card;

108.25 (8) to use the name and date of birth of another person to any police officer for the
108.26 purpose of falsely identifying oneself to the police officer; ~~or~~

108.27 (9) to display as a valid driver's license any canceled, revoked, or suspended driver's
108.28 license. A person whose driving privileges have been withdrawn may display a driver's
108.29 license only for identification purposes; or

108.30 (10) to submit a false affidavit or statement to the department on the certification
108.31 required under section 171.05, subdivision 2, clause (1), item (ii), to issue an instruction
108.32 permit to a homeschool student.

108.33 Sec. 88. Minnesota Statutes 2008, section 181A.05, subdivision 1, is amended to read:

109.1 Subdivision 1. **When issued.** Any minor 14 or 15 years of age who wishes to work
109.2 on school days during school hours shall first secure an employment certificate. The
109.3 certificate shall be issued only by the school district superintendent, the superintendent's
109.4 agent, ~~or~~ some other person designated by the Board of Education, or by the person in
109.5 charge of providing instruction for students enrolled in nonpublic schools as defined in
109.6 section 120A.22, subdivision 4. The employment certificate shall be issued only for
109.7 a specific position with a designated employer and shall be issued only in the following
109.8 circumstances:

109.9 (1) if a minor is to be employed in an occupation not prohibited by rules promulgated
109.10 under section 181A.09 and as evidence thereof presents a signed statement from the
109.11 prospective employer; and

109.12 (2) if the parent or guardian of the minor consents to the employment; and

109.13 (3) if the issuing officer believes the minor is physically capable of handling the job
109.14 in question and further believes the best interests of the minor will be served by permitting
109.15 the minor to work.

109.16 Sec. 89. Minnesota Statutes 2008, section 299F.30, subdivision 1, is amended to read:

109.17 Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035,
109.18 121A.037, and this section, it shall be the duty of the state fire marshal, deputies and
109.19 assistants, to require public and private schools and educational institutions to have at
109.20 least five fire drills each school year, to expect students to be present and participate
109.21 in these drills, and to keep all doors and exits unlocked from the inside of the building
109.22 during school hours.

109.23 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
109.24 later.

109.25 Sec. 90. Minnesota Statutes 2008, section 299F.47, subdivision 4, is amended to read:

109.26 Subd. 4. **Local inspections.** (a) If inspections of public school buildings and
109.27 charter schools were conducted by local units of government between January 1, 1987,
109.28 and January 1, 1990, then inspections may continue to be provided by the local unit
109.29 of government.

109.30 (b) Notwithstanding subdivision 5, Special School District No. 6, South Saint Paul,
109.31 may contract with the South Metro Fire Department to conduct inspections required
109.32 under this section.

109.33 Sec. 91. **ASSESSMENT OF READING INSTRUCTION.**

110.1 (a) No later than March 1, 2010, the Board of Teaching, in cooperation with the
110.2 commissioner of education, shall adopt an assessment of reading instruction for all
110.3 prekindergarten and elementary licensure candidates consistent with Minnesota Statutes,
110.4 section 122A.18, subdivision 2c.

110.5 (b) The Board of Teaching and the commissioner shall report to the legislative
110.6 committees with jurisdiction over prekindergarten through grade 12 education policy by
110.7 March 15, 2010, on the assessment of reading instruction that was adopted.

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

110.9 Sec. 92. **READING INSTRUCTION RULES; LEGISLATIVE REVIEW.**

110.10 The Board of Teaching may not adopt proposed rules regarding licensure and
110.11 reading instruction until the legislature has adjourned the 2009 regular session.

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

110.13 Sec. 93. **RESERVED REVENUE FOR STAFF DEVELOPMENT; TEMPORARY**
110.14 **SUSPENSION.**

110.15 Notwithstanding Minnesota Statutes, section 122A.61, subdivision 1, for fiscal years
110.16 2010 and 2011 only, a school district or charter school may use revenue reserved for staff
110.17 development under Minnesota Statutes, section 122A.61, subdivision 1, according to the
110.18 requirements of general education revenue under Minnesota Statutes, section 126C.13,
110.19 subdivision 5.

110.20 **EFFECTIVE DATE.** This section is effective July 1, 2009.

110.21 Sec. 94. **APPOINTMENTS TO CHARTER SCHOOL ADVISORY COUNCIL.**

110.22 The commissioner shall complete the appointments required under Minnesota
110.23 Statutes, section 124D.10, subdivision 2a, no later than September 1, 2009. The
110.24 commissioner's designee shall convene the first meeting of the council no later than
110.25 October 1, 2009.

110.26 Sec. 95. **SINGLE-PURPOSE SPONSOR.**

110.27 The commissioner shall approve at least one but no more than two charitable
110.28 organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 whose
110.29 sole purpose is to sponsor charter schools, consistent with Minnesota Statutes, section
110.30 124D.10, subdivision 3, paragraph (b), clause (5), by June 30, 2011.

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

111.2 Sec. 96. APPROPRIATIONS.

111.3 Subdivision 1. Department of Education. The sums indicated in this section are
111.4 appropriated from the general fund to the Department of Education for the fiscal years
111.5 designated.

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

111.8 \$ 38,045,000 2010

111.9 \$ 39,186,000 2011

111.10 The 2010 appropriation includes \$3,704,000 for 2009 and \$34,341,000 for 2010.

111.11 The 2011 appropriation includes \$3,815,000 for 2010 and \$35,371,000 for 2011.

111.12 Subd. 3. Charter school startup aid. For charter school startup cost aid under
111.13 Minnesota Statutes, section 124D.11:

111.14 \$ 1,488,000 2010

111.15 \$ 1,064,000 2011

111.16 The 2010 appropriation includes \$202,000 for 2009 and \$1,286,000 for 2010.

111.17 The 2011 appropriation includes \$142,000 for 2010 and \$922,000 for 2011.

111.18 Subd. 4. Integration aid. For integration aid under Minnesota Statutes, section
111.19 124D.86, subdivision 5:

111.20 \$ 61,431,000 2010

111.21 \$ 61,067,000 2011

111.22 The 2010 appropriation includes \$6,110,000 for 2009 and \$55,322,000 for 2010.

111.23 The 2011 appropriation includes \$6,146,000 for 2010 and \$54,920,000 for 2011.

111.24 Subd. 5. Magnet school grants. For magnet school and program grants under
111.25 Minnesota Statutes section 124D.88:

111.26 \$ 750,000 2010

111.27 \$ 750,000 2011

111.28 Subd. 6. Interdistrict desegregation or integration transportation grants. For
111.29 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
111.30 section 124D.87:

111.31 \$ 14,468,000 2010

111.32 \$ 17,582,000 2011

112.1 Subd. 7. **Success for the future.** For American Indian success for the future grants
112.2 under Minnesota Statutes, section 124D.81:

112.3 \$ 2,137,000 2010

112.4 \$ 2,137,000 2011

112.5 The 2010 appropriation includes \$213,000 for 2009 and \$1,924,000 for 2010.

112.6 The 2011 appropriation includes \$213,000 for 2010 and \$1,924,000 for 2011.

112.7 Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist
112.8 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

112.9 \$ 190,000 2010

112.10 \$ 190,000 2011

112.11 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
112.12 Statutes, section 124D.83:

112.13 \$ 2,030,000 2010

112.14 \$ 2,211,000 2011

112.15 The 2010 appropriation includes \$191,000 for 2009 and \$1,839,000 for 2010.

112.16 The 2011 appropriation includes \$204,000 for 2010 and \$2,007,000 for 2011.

112.17 Subd. 10. **Early childhood programs at tribal schools.** For early childhood
112.18 family education programs at tribal contract schools under Minnesota Statutes, section
112.19 124D.83, subdivision 4:

112.20 \$ 68,000 2010

112.21 \$ 68,000 2011

112.22 Subd. 11. **Statewide testing and reporting system.** For the statewide testing and
112.23 reporting system under Minnesota Statutes, section 120B.30:

112.24 \$ 10,724,000 2010

112.25 \$ 10,724,000 2011

112.26 None of the amounts appropriated under this subdivision shall be used for contract
112.27 costs associated with hand-scoring of reading or mathematics constructed response
112.28 questions. Any balance in the first year does not cancel but is available in the second year.

112.29 Subd. 12. **Summer of success.** For summer of success under Minnesota Statutes,
112.30 section 124D.98:

112.31 \$ 1,500,000 2010

112.32 \$ 3,000,000 2011

113.1 Of this amount, \$100,000 in fiscal year 2010 and \$175,000 in fiscal year 2011 is
113.2 for evaluation, development, and administration of the program. Any balance available
113.3 from the first year does not cancel but is available in the second year. This is a onetime
113.4 appropriation.

113.5 Subd. 13. **Alternative compensation.** For alternative compensation aid under
113.6 Minnesota Statutes, section 122A.415, subdivision 4:

113.7 \$ 56,021,000 2011

113.8 The 2011 appropriation includes \$0 for 2010 and \$56,021,000 for 2011.

113.9 Subd. 14. **Examination fees; teacher training and support programs.** (a) For
113.10 students' advanced placement and international baccalaureate examination fees under
113.11 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs
113.12 for teachers and other interested educators under Minnesota Statutes, section 120B.13,
113.13 subdivision 1:

113.14 \$ 3,500,000 2010

113.15 \$ 3,500,000 2011

113.16 (b) The advanced placement program shall receive 75 percent of the appropriation
113.17 each year and the international baccalaureate program shall receive 25 percent of the
113.18 appropriation each year. The department, in consultation with representatives of the
113.19 advanced placement and international baccalaureate programs selected by the Advanced
113.20 Placement Advisory Council and IBMN, respectively, shall determine the amounts of
113.21 the expenditures each year for examination fees and training and support programs for
113.22 each program.

113.23 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
113.24 \$500,000 each year is for teachers to attend subject matter summer training programs
113.25 and follow-up support workshops approved by the advanced placement or international
113.26 baccalaureate programs. The commissioner shall determine the payment process and
113.27 the amount of the subsidy.

113.28 (d) The commissioner shall pay all examination fees for all students of low-income
113.29 families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent
113.30 of available appropriations shall also pay examination fees for students sitting for an
113.31 advanced placement examination, international baccalaureate examination, or both.

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

113.33 Subd. 15. **Advanced placement, preadvanced placement, international**
113.34 **baccalaureate, and concurrent enrollment programs.** For advanced placement,

114.1 preadvanced placement, international baccalaureate programs, and concurrent enrollment
114.2 programs under Minnesota Statutes, sections 120B.132 and 124D.091:

114.3 \$ 2,000,000 2010

114.4 \$ 2,000,000 2011

114.5 Of this amount, \$1,000,000 each year is for concurrent enrollment program aid
114.6 under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the
114.7 commissioner must proportionately reduce the aid payment to each district.

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

114.9 Subd. 16. Collaborative urban educator. For the collaborative urban educator
114.10 grant program:

114.11 \$ 328,000 2010

114.12 \$ 328,000 2011

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

114.14 Subd. 17. Youth works program. For funding youth works programs under
114.15 Minnesota Statutes, sections 124D.37 to 124D.45:

114.16 \$ 900,000 2010

114.17 \$ 900,000 2011

114.18 A grantee organization may provide health and child care coverage to the dependents
114.19 of each participant enrolled in a full-time youth works program to the extent such coverage
114.20 is not otherwise available.

114.21 Subd. 18. Student organizations. For student organizations:

114.22 \$ 725,000 2010

114.23 \$ 725,000 2011

114.24 \$40,000 each year is for student organizations serving health occupations.

114.25 \$38,000 each year is for student organizations serving service occupations.

114.26 \$88,000 each year is for student organizations serving trade and industry occupations.

114.27 \$84,000 each year is for student organizations serving business occupations.

114.28 \$131,000 each year is for student organizations serving agriculture occupations.

114.29 \$125,000 each year is for student organizations serving family and consumer science
114.30 occupations.

114.31 \$95,000 each year is for student organizations serving marketing occupations.

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

115.1 Subd. 19. Education Planning and Assessment System (EPAS) program. For
115.2 the Educational Planning and Assessment System (EPAS) program under Minnesota
115.3 Statutes, section 120B.128:

115.4 \$ 829,000 2010

115.5 \$ 829,000 2011

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

115.7 Subd. 20. Early childhood literacy programs. For early childhood literacy
115.8 programs under Minnesota Statutes, section 119A.50, subdivision 3:

115.9 \$ 1,500,000 2010

115.10 \$ 1,500,000 2011

115.11 (a) \$1,000,000 each year is for leveraging federal and private funding to support
115.12 AmeriCorps members serving in the Minnesota Reading Corps program established by
115.13 Serve Minnesota, including costs associated with the training and teaching of early literacy
115.14 skills to children age three to grade 3 and the evaluation of the impact of the program
115.15 under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

115.16 (b) \$500,000 each year is for a grant to the St. Croix River Education District.

115.17 These funds must be used to:

115.18 (1) deliver standardized research-based professional development in
115.19 problem-solving, including response to intervention and scientifically based reading
115.20 instruction and assessment;

115.21 (2) provide coaching targeted to districts throughout the state;

115.22 (3) deliver large-scale training throughout the state;

115.23 (4) provide ongoing technical assistance to schools;

115.24 (5) assist with implementing professional development content into higher education
115.25 instruction curricula; and

115.26 (6) evaluate the effectiveness of project activities.

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

115.28 Subd. 21. Teacher centers. For teacher centers under Minnesota Statutes, section
115.29 122A.72:

115.30 \$ 1,000,000 2010

115.31 \$ 1,000,000 2011

115.32 Of this amount, \$100,000 in fiscal year 2010 and \$100,000 in fiscal year 2011 is
115.33 for administration and evaluation of the program. Any balance in the first year does not
115.34 cancel but is available in the second year. This is a onetime appropriation.

117.1 Subd. 10. **Suspension.** "Suspension" means an action by the school administration,
117.2 under rules promulgated by the school board, prohibiting a pupil from attending school
117.3 for a period of no more than ten school days. If a suspension is longer than five days,
117.4 the suspending administrator must provide the superintendent with a reason for the
117.5 longer suspension. This definition does not apply to dismissal from school for one school
117.6 day or less, except as provided in federal law for a student with a disability. Each
117.7 suspension action may include a readmission plan. The readmission plan shall include,
117.8 where appropriate, a provision for implementing alternative educational services upon
117.9 readmission and may not be used to extend the current suspension. Consistent with section
117.10 125A.091, subdivision 5, the readmission plan must not obligate a parent to provide a
117.11 sympathomimetic medication for the parent's child as a condition of readmission. The
117.12 school administration may not impose consecutive suspensions against the same pupil
117.13 for the same course of conduct, or incident of misconduct, except where the pupil will
117.14 create an immediate and substantial danger to self or to surrounding persons or property,
117.15 or where the district is in the process of initiating an expulsion, in which case the school
117.16 administration may extend the suspension to a total of 15 school days. ~~In the case~~
117.17 ~~of a student with a disability, the student's individual education plan team must meet~~
117.18 ~~immediately but not more than ten school days after the date on which the decision to~~
117.19 ~~remove the student from the student's current education placement is made. The individual~~
117.20 ~~education plan team and other qualified personnel shall at that meeting: conduct a review~~
117.21 ~~of the relationship between the child's disability and the behavior subject to disciplinary~~
117.22 ~~action; and determine the appropriateness of the child's education plan.~~

117.23 ~~The requirements of the individual education plan team meeting apply when:~~

117.24 ~~(1) the parent requests a meeting;~~

117.25 ~~(2) the student is removed from the student's current placement for five or more~~
117.26 ~~consecutive days; or~~

117.27 ~~(3) the student's total days of removal from the student's placement during the~~
117.28 ~~school year exceed ten cumulative days in a school year. The school administration shall~~
117.29 ~~implement alternative educational services when the suspension exceeds five days. A~~
117.30 ~~separate administrative conference is required for each period of suspension.~~

117.31 Sec. 3. Minnesota Statutes 2008, section 121A.43, is amended to read:

117.32 **121A.43 EXCLUSION AND EXPULSION OF PUPILS WITH A DISABILITY.**

117.33 (a) Consistent with federal law governing days of removal and section 121A.46,

117.34 school personnel may suspend a child with a disability. When a child with a disability

117.35 has been suspended for more than five consecutive school days or 10 cumulative school

118.1 days in the same school year, and that suspension does not involve a recommendation
118.2 for expulsion or exclusion or other change of placement under federal law, relevant
118.3 members of the child's individualized education program team, including at least one of
118.4 the child's teachers, shall meet and determine the extent the child needs services in order
118.5 to continue to participate in the general education curriculum, although in another setting,
118.6 and to progress toward meeting the goals in the child's individualized education program.
118.7 That meeting must occur as soon as possible, but no more than 10 days after the sixth
118.8 consecutive day of suspension or the tenth cumulative day of suspension has elapsed.

118.9 (b) A dismissal for one school day or less is a day of suspension if the child with a
118.10 disability does not receive regular or special education instruction during that dismissal
118.11 period. The notice requirements under section 121A.46 do not apply to a dismissal
118.12 of one day or less.

118.13 (c) A child with a disability shall be provided alternative educational services to the
118.14 extent a suspension exceeds five consecutive school days.

118.15 (d) Before initiating an expulsion or exclusion under sections 121A.40 to 121A.56,
118.16 the district, relevant members of the child's individualized education program team,
118.17 and the child's parent shall, consistent with federal law, determine whether the child's
118.18 behavior was caused by or had a direct and substantial relationship to the child's disability
118.19 and whether the child's conduct was a direct result of a failure to implement the child's
118.20 individualized education program. When a pupil child with a disability who has an
118.21 individual individualized education plan program is excluded or expelled under sections
118.22 121A.40 to 121A.56 for misbehavior that is not a manifestation of the pupil's child's
118.23 disability, the district shall continue to provide special education and related services after
118.24 a period of suspension, if suspension is imposed. The district shall initiate a review of
118.25 the pupil's individual education plan and conduct a review of the relationship between
118.26 the pupil's disability and the behavior subject to disciplinary action and determine
118.27 the appropriateness of the pupil's education plan before commencing an expulsion or
118.28 exclusion during the exclusion or expulsion.

118.29 Sec. 4. Minnesota Statutes 2008, section 124D.60, subdivision 1, is amended to read:

118.30 Subdivision 1. **Notice.** Within ~~ten~~ 30 days after the enrollment of any pupil in an
118.31 instructional program for limited English proficient students, the district in which the pupil
118.32 resides must notify the parent by mail. This notice must:

118.33 (1) be in writing in English and in the primary language of the pupil's parents;

118.34 (2) inform the parents that their child has been enrolled in an instructional program
118.35 for limited English proficient students;

119.1 (3) contain a simple, nontechnical description of the purposes, method and content
119.2 of the program;

119.3 (4) inform the parents that they have the right to visit the educational program for
119.4 limited English proficient students in which their child is enrolled;

119.5 (5) inform the parents of the time and manner in which to request and receive a
119.6 conference for the purpose of explaining the nature and purpose of the program; and

119.7 (6) inform the parents of their rights to withdraw their child from an educational
119.8 program for limited English proficient students and the time and manner in which to do so.

119.9 The department shall, at the request of the district, prepare the notice in the primary
119.10 language of the parent.

119.11 Sec. 5. Minnesota Statutes 2008, section 125A.01, is amended to read:

119.12 **125A.01 DEFINITIONS.**

119.13 Subdivision 1. **Terms defined.** For purposes of this chapter, the words defined in
119.14 section 120A.05 have the same meaning.

119.15 Subd. 2. **Local education agency.** "Local education agency" means a public
119.16 board of education or other public authority legally constituted within the state for
119.17 either administrative control or direction of, or to perform a service function for, public
119.18 elementary or secondary schools in a city, county, township, school district, or other
119.19 political subdivision of the state, or for a combination of school districts in the state as an
119.20 administrative agency for its public elementary and secondary schools. Local education
119.21 agency includes a fiscal host. The Minnesota Department of Education must continue to
119.22 recognize fiscal hosts for purposes of paying Minnesota's special education aids and
119.23 calculating tuition billing amounts.

119.24 Sec. 6. Minnesota Statutes 2008, section 125A.02, is amended to read:

119.25 **125A.02 CHILD WITH A DISABILITY DEFINED.**

119.26 Subdivision 1. **Child with a disability.** ~~Every child who has~~ Child with a disability
119.27 means a child evaluated in accordance with federal and state special education law as
119.28 having a hearing impairment, blindness, visual disability, speech or language impairment,
119.29 physical disability, other health impairment, mental disability, emotional/behavioral
119.30 disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or
119.31 deaf/blind disability and who, by reason thereof, needs special instruction and education
119.32 and related services, as determined by the standards rules of the commissioner, is a
119.33 child with a disability. A licensed physician, an advanced practice nurse, or a licensed
119.34 psychologist is qualified to make a diagnosis and determination of attention deficit

120.1 disorder or attention deficit hyperactivity disorder for purposes of identifying a child
120.2 with a disability.

120.3 Subd. 1a. Children ages three through seven experiencing developmental
120.4 delays. In addition, every child under age three, and at local district discretion from age
120.5 three to age seven, who needs special instruction and services, as determined by the
120.6 ~~standards~~ rules of the commissioner, because the child has a substantial delay or has
120.7 an identifiable physical or mental condition known to hinder normal development is
120.8 a child with a disability.

120.9 Subd. 2. **Not a child with a disability.** A child with a short-term or temporary
120.10 physical or emotional illness or disability, as determined by the ~~standards~~ rules of the
120.11 commissioner, is not a child with a disability.

120.12 Sec. 7. Minnesota Statutes 2008, section 125A.07, is amended to read:

120.13 **125A.07 RULES OF COMMISSIONER RULEMAKING.**

120.14 (a) ~~As defined in~~ Consistent with this paragraph section, the commissioner ~~must~~
120.15 shall adopt new rules and amend existing rules ~~relative to qualifications of essential~~
120.16 ~~personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms,~~
120.17 ~~equipment, supervision, parent consultation, and other necessary rules for instruction of~~
120.18 ~~children with a disability. These rules must provide standards and procedures appropriate~~
120.19 ~~for the implementation of and within the limitations of sections 125A.08 and 125A.091.~~
120.20 ~~These rules must also provide standards for the discipline, control, management, and~~
120.21 ~~protection of children with a disability. The commissioner must not adopt rules for pupils~~
120.22 ~~served primarily in the regular classroom establishing either case loads or the maximum~~
120.23 ~~number of pupils that may be assigned to special education teachers. The commissioner, in~~
120.24 ~~consultation with the Departments of Health and Human Services, must adopt permanent~~
120.25 ~~rules for instruction and services for children under age five and their families. These~~
120.26 ~~rules are binding on state and local education, health, and human services agencies. The~~
120.27 ~~commissioner must adopt rules to determine eligibility for special education services. The~~
120.28 ~~rules must include procedures and standards by which to grant variances for experimental~~
120.29 ~~eligibility criteria. The commissioner must, according to section 14.05, subdivision 4,~~
120.30 ~~notify a district applying for a variance from the rules within 45 calendar days of receiving~~
120.31 ~~the request whether the request for the variance has been granted or denied. If a request is~~
120.32 ~~denied, the commissioner must specify the program standards used to evaluate the request~~
120.33 ~~and the reasons for denying the request~~ related to children with disabilities only under
120.34 specific authority and consistent with the requirements of chapter 14 and paragraph (c).

121.1 (b) As provided in this paragraph, the state's regulatory scheme should support
121.2 schools by assuring that all state special education rules adopted by the commissioner
121.3 result in one or more of the following outcomes:

121.4 (1) increased time available to teachers and, where appropriate, to support staff
121.5 including school nurses for educating students through direct and indirect instruction;

121.6 (2) consistent and uniform access to effective education programs for students with
121.7 disabilities throughout the state;

121.8 (3) reduced inequalities and conflict, appropriate due process hearing procedures
121.9 and reduced court actions related to the delivery of special education instruction and
121.10 services for students with disabilities;

121.11 (4) clear expectations for service providers and for students with disabilities;

121.12 (5) increased accountability for all individuals and agencies that provide instruction
121.13 and other services to students with disabilities;

121.14 (6) greater focus for the state and local resources dedicated to educating students
121.15 with disabilities; and

121.16 (7) clearer standards for evaluating the effectiveness of education and support
121.17 services for students with disabilities.

121.18 (c) Subject to chapter 14, the commissioner may adopt, amend, or rescind a rule
121.19 related to children with disabilities if such action is specifically required by federal law.

121.20 Sec. 8. Minnesota Statutes 2008, section 125A.08, is amended to read:

121.21 **125A.08 SCHOOL DISTRICT OBLIGATIONS INDIVIDUALIZED**
121.22 **EDUCATION PROGRAMS.**

121.23 (a) At the beginning of each school year, each school district shall have in effect, for
121.24 each child with a disability, an individualized education program.

121.25 (b) As defined in this section, every district must ensure the following:

121.26 (1) all students with disabilities are provided the special instruction and services
121.27 which are appropriate to their needs. Where the individual education plan team has
121.28 determined appropriate goals and objectives based on the student's needs, including the
121.29 extent to which the student can be included in the least restrictive environment, and where
121.30 there are essentially equivalent and effective instruction, related services, or assistive
121.31 technology devices available to meet the student's needs, cost to the district may be among
121.32 the factors considered by the team in choosing how to provide the appropriate services,
121.33 instruction, or devices that are to be made part of the student's individual education plan.
121.34 The individual education plan team shall consider and may authorize services covered
121.35 by medical assistance according to section 256B.0625, subdivision 26. The student's

122.1 needs and the special education instruction and services to be provided must be agreed
122.2 upon through the development of an individual education plan. The plan must address
122.3 the student's need to develop skills to live and work as independently as possible within
122.4 the community. The individual education plan team must consider positive behavioral
122.5 interventions, strategies, and supports that address behavior for children with attention
122.6 deficit disorder or attention deficit hyperactivity disorder. ~~By~~ During grade 9 ~~or age 14~~,
122.7 the plan must address the student's needs for transition from secondary services to
122.8 postsecondary education and training, employment, community participation, recreation,
122.9 and leisure and home living. In developing the plan, districts must inform parents of the
122.10 full range of transitional goals and related services that should be considered. The plan
122.11 must include a statement of the needed transition services, including a statement of the
122.12 interagency responsibilities or linkages or both before secondary services are concluded;

122.13 (2) children with a disability under age five and their families are provided special
122.14 instruction and services appropriate to the child's level of functioning and needs;

122.15 (3) children with a disability and their parents or guardians are guaranteed procedural
122.16 safeguards and the right to participate in decisions involving identification, assessment
122.17 including assistive technology assessment, and educational placement of children with a
122.18 disability;

122.19 (4) eligibility and needs of children with a disability are determined by an initial
122.20 assessment or reassessment, which may be completed using existing data under United
122.21 States Code, title 20, section 33, et seq.;

122.22 (5) to the maximum extent appropriate, children with a disability, including those
122.23 in public or private institutions or other care facilities, are educated with children who
122.24 are not disabled, and that special classes, separate schooling, or other removal of children
122.25 with a disability from the regular educational environment occurs only when and to the
122.26 extent that the nature or severity of the disability is such that education in regular classes
122.27 with the use of supplementary services cannot be achieved satisfactorily;

122.28 (6) in accordance with recognized professional standards, testing and evaluation
122.29 materials, and procedures used for the purposes of classification and placement of children
122.30 with a disability are selected and administered so as not to be racially or culturally
122.31 discriminatory; and

122.32 (7) the rights of the child are protected when the parents or guardians are not known
122.33 or not available, or the child is a ward of the state.

122.34 ~~(b)~~ (c) For paraprofessionals employed to work in programs for students with
122.35 disabilities, the school board in each district shall ensure that:

123.1 (1) before or immediately upon employment, each paraprofessional develops
123.2 sufficient knowledge and skills in emergency procedures, building orientation, roles and
123.3 responsibilities, confidentiality, vulnerability, and reportability, among other things, to
123.4 begin meeting the needs of the students with whom the paraprofessional works;

123.5 (2) annual training opportunities are available to enable the paraprofessional to
123.6 continue to further develop the knowledge and skills that are specific to the students with
123.7 whom the paraprofessional works, including understanding disabilities, following lesson
123.8 plans, and implementing follow-up instructional procedures and activities; and

123.9 (3) a districtwide process obligates each paraprofessional to work under the ongoing
123.10 direction of a licensed teacher and, where appropriate and possible, the supervision of a
123.11 school nurse.

123.12 Sec. 9. Minnesota Statutes 2008, section 125A.091, is amended by adding a
123.13 subdivision to read:

123.14 Subd. 3a. **Additional requirements for prior written notice.** In addition to federal
123.15 requirements, a prior written notice shall:

123.16 (1) inform the parent that except for the initial placement of a child in special
123.17 education, the school district will proceed with its proposal for the child's placement or
123.18 for providing special education services unless the child's parent notifies the district of
123.19 an objection within 14 days of when the district sends the prior written notice to the
123.20 parent; and

123.21 (2) state that a parent who objects to a proposal or refusal in the prior written notice
123.22 may request a conciliation conference under subdivision 7 or another alternative dispute
123.23 resolution procedure under subdivision 8 or 9.

123.24 Sec. 10. Minnesota Statutes 2008, section 125A.091, subdivision 7, is amended to read:

123.25 Subd. 7. **Conciliation conference.** A parent must have an opportunity to meet
123.26 with appropriate district staff in at least one conciliation conference if the parent objects
123.27 to any proposal of which the parent receives notice under subdivision ~~2~~ 3a. ~~If the parent~~
123.28 ~~refuses district efforts to conciliate the dispute, the conciliation requirement is satisfied.~~
123.29 Following a conciliation conference, a district must hold a conciliation conference within
123.30 ten calendar days from the date the district receives a parent's objection to a proposal or
123.31 refusal in the prior written notice. Except as provided in this section, all discussions held
123.32 during a conciliation conference are confidential and are not admissible in a due process
123.33 hearing. Within five school days after the final conciliation conference, the district must
123.34 prepare and provide to the parent a conciliation conference memorandum that describes

124.1 the district's final proposed offer of service. This memorandum is admissible in evidence
124.2 in any subsequent proceeding.

124.3 Sec. 11. Minnesota Statutes 2008, section 125A.091, subdivision 10, is amended to
124.4 read:

124.5 Subd. 10. **Mediated agreements.** ~~Mediated agreements are not admissible unless~~
124.6 ~~the parties agree otherwise or a party to the agreement believes the agreement is not~~
124.7 ~~being implemented, in which case the aggrieved party may enter the agreement into~~
124.8 ~~evidence at a due process hearing. The parties may request another mediation to resolve~~
124.9 ~~a dispute over implementing the mediated agreement. After a due process hearing is~~
124.10 ~~requested, a party may request mediation and the commissioner must provide a mediator~~
124.11 ~~who conducts a mediation session no later than the third business day after the mediation~~
124.12 ~~request is made to the commissioner. If the parties resolve all or a portion of the dispute,~~
124.13 ~~or agree to use another procedure to resolve the dispute, the mediator shall ensure that the~~
124.14 ~~resolution or agreement is in writing, signed by the parties, and a copy is given to each~~
124.15 ~~party. The written resolution or agreement shall state that all discussions that occurred~~
124.16 ~~during mediation are confidential and may not be used as evidence in any hearing or~~
124.17 ~~civil proceeding. The resolution or agreement is legally binding upon the parties and is~~
124.18 ~~enforceable in the state or federal district court. A party may request another mediation to~~
124.19 ~~resolve a dispute over implementing the mediated agreement.~~

124.20 Sec. 12. Minnesota Statutes 2008, section 125A.091, subdivision 12, is amended to
124.21 read:

124.22 Subd. 12. **Impartial due process hearing.** (a) A parent or a district is entitled to
124.23 an impartial due process hearing conducted by the state when a dispute arises over the
124.24 identification, evaluation, educational placement, manifestation determination, interim
124.25 alternative educational placement, or the provision of a free appropriate public education
124.26 to a child with a disability. The hearing must be held in the district responsible for
124.27 ensuring that a free appropriate public education is provided according to state and federal
124.28 law. The proceedings must be recorded and preserved, at state expense, pending ultimate
124.29 disposition of the action. The parent and the district shall receive, at state expense, a copy
124.30 of the hearing transcript or recording and the hearing officer's findings of fact, conclusion
124.31 of law, and decisions.

124.32 (b) ~~The due process hearing must be conducted according to the rules of the~~
124.33 ~~commissioner and federal law.~~

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125.1 Sec. 13. Minnesota Statutes 2008, section 125A.091, subdivision 13, is amended to
125.2 read:

125.3 Subd. 13. **Hearing officer qualifications.** ~~The commissioner must appoint an~~
125.4 ~~individual who is qualified under this subdivision to serve as a hearing officer.~~ The
125.5 commissioner shall maintain a list of qualified hearing officers. The list shall include a
125.6 statement of the qualifications of each person listed. Upon receipt of a written request
125.7 for a hearing, the commissioner shall appoint a hearing officer from the list. The hearing
125.8 officer must:

125.9 (1) be knowledgeable and impartial;

125.10 (2) have no personal interest in or specific involvement with the student who is a
125.11 party to the hearing;

125.12 (3) not have been employed as an administrator by the district that is a party to
125.13 the hearing;

125.14 (4) not have been involved in selecting the district administrator who is a party
125.15 to the hearing;

125.16 (5) have no personal, economic, or professional interest in the outcome of the
125.17 hearing other than properly administering federal and state laws, rules, and policies;

125.18 (6) have no substantial involvement in developing state or local policies or
125.19 procedures challenged in the hearing;

125.20 (7) not be a current employee or board member of a Minnesota public school district,
125.21 education district, intermediate unit or regional education agency, or the department if
125.22 the department is the service provider; ~~and~~

125.23 (8) not be a current employee or board member of a disability advocacy organization
125.24 or group;

125.25 (9) not otherwise be under contract with the department or the school district;

125.26 (10) know and understand state and federal special education laws, rules, and
125.27 regulations, and legal interpretations by federal and state courts; and

125.28 (11) have the knowledge and ability to conduct hearings and render and write
125.29 decisions according to appropriate, standard legal practice.

125.30 Sec. 14. Minnesota Statutes 2008, section 125A.091, subdivision 14, is amended to
125.31 read:

125.32 Subd. 14. **Request for hearing.** ~~A request for a due process hearing must:~~

125.33 ~~(1) be in writing;~~

125.34 ~~(2) describe the nature of the dispute about providing special education services to~~
125.35 ~~the student including facts relating to the dispute; and~~

126.1 ~~(3) state, to the extent known, the relief sought.~~

126.2 ~~Any school district administrator receiving a request for a due process hearing~~
126.3 ~~must immediately forward the request to the commissioner. Within two business days of~~
126.4 ~~receiving a request for a due process hearing, the commissioner must appoint a hearing~~
126.5 ~~officer. The commissioner must not deny a request for hearing because the request~~
126.6 ~~is incomplete. A party may disqualify a hearing officer only by affirmatively showing~~
126.7 ~~prejudice or bias to the commissioner or to the chief administrative law judge if the hearing~~
126.8 ~~officer is an administrative law judge. If a party affirmatively shows prejudice against a~~
126.9 ~~hearing officer, the commissioner must assign another hearing officer to hear the matter. (a)~~
126.10 A parent or a school district may file a written request for a due process hearing regarding
126.11 a proposal or refusal to initiate or change that child's evaluation, individualized education
126.12 program, or educational placement, or to provide a free appropriate public education.

126.13 (b) The parent shall include in the hearing request the name of the child, the address
126.14 of the child's residence, the name of the school the child attends, a description of the
126.15 child's problem relating to the proposed or refused initiation or change, including facts
126.16 relating to the problem, and a proposed resolution of the problem to the extent known
126.17 and available to the parents at the time.

126.18 (c) A parent or a school district may file a written request for a hearing under United
126.19 States Code, title 20, section 1415, paragraph (k).

126.20 (d) A parent or school district filing a request for a hearing under this subdivision
126.21 must provide the request to the other party and a copy of the request to the department.
126.22 Upon receiving a request for a hearing, the department shall give to the child's parent a
126.23 copy of the procedural safeguards notice available to a parent under federal regulations.

126.24 (e)(1) If the parent of a child with a disability files a written request for a hearing,
126.25 and the school district has not previously sent a written notice to the parent under
126.26 subdivision 3a, regarding the subject matter of the hearing request, the school district
126.27 shall, within ten days of receiving the hearing request, send to the child's parent a written
126.28 explanation of why the school district proposed or refused to take the action raised in the
126.29 hearing request. The explanation must include a description of other options that the
126.30 individualized education program team considered and the reason why those options were
126.31 rejected; a description of each evaluation procedure, assessment, record, or report that the
126.32 school district used as the basis for the proposed or refused action; and a description of the
126.33 factors that are relevant to the school district's proposal or refusal. A response by a school
126.34 district under this subdivision does not preclude the school district from asserting that the
126.35 parent's request for a hearing is insufficient under clause (2) of this paragraph; and

127.1 (2) a hearing may not occur until the party requesting the hearing files a request that
127.2 meets the requirements of paragraph (b). The request under paragraph (b) is considered
127.3 sufficient unless the party receiving the request notifies the hearing officer and the other
127.4 party in writing within 15 days of receiving the request that the receiving party believes
127.5 the request does not meet the requirements of paragraph (b). Within five days of receiving
127.6 a notice under this subdivision, the hearing officer shall determine whether the request
127.7 meets the requirements under paragraph (b) and notify the parties.

127.8 (f) Except as provided in paragraph (e), clause (1), the party receiving a request for a
127.9 hearing shall send to the party requesting the hearing a written response that addresses the
127.10 issues raised in the hearing request within ten days of receiving the request.

127.11 Sec. 15. Minnesota Statutes 2008, section 125A.091, subdivision 16, is amended to
127.12 read:

127.13 Subd. 16. **Burden of proof.** The burden of proof at a due process hearing is on the
127.14 ~~district to demonstrate, by a preponderance of the evidence, that it is complying with the~~
127.15 ~~law and offered or provided a free appropriate public education to the child in the least~~
127.16 ~~restrictive environment. If the district has not offered or provided a free appropriate public~~
127.17 ~~education in the least restrictive environment and the parent wants the district to pay for a~~
127.18 ~~private placement, the burden of proof is on the parent to demonstrate, by a preponderance~~
127.19 ~~of the evidence, that the private placement is appropriate party seeking relief.~~

127.20 Sec. 16. Minnesota Statutes 2008, section 125A.091, subdivision 18, is amended to
127.21 read:

127.22 Subd. 18. **Hearing officer authority.** (a) A hearing officer must limit an impartial
127.23 due process hearing to the time sufficient for each party to present its case.

127.24 (b) A hearing officer must establish and maintain control and manage the hearing.

127.25 This authority includes, but is not limited to:

127.26 (1) requiring attorneys representing parties at the hearing, after notice and an
127.27 opportunity to be heard, to pay court reporting and hearing officer costs, or fines payable
127.28 to the state, for failing to: (i) obey scheduling or prehearing orders, (ii) appear, (iii) be
127.29 prepared, or (iv) participate in the hearing process in good faith;

127.30 (2) administering oaths and affirmations;

127.31 (3) issuing subpoenas;

127.32 (4) determining the responsible and providing districts and joining those districts, if
127.33 not already notified, in the proceedings;

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128.1 (5) making decisions involving identification, evaluation, educational placement,
128.2 manifestation determination, interim alternative educational placement, or the provision of
128.3 a free appropriate public education to a child with a disability; ~~and~~

128.4 (6) ordering an independent educational evaluation of a child at district expense; and

128.5 (7) extending the hearing decision timeline if the hearing officer determines that
128.6 good cause exists.

128.7 (c) Good cause includes, but is not limited to, the time required for mediation or
128.8 other settlement discussions, independent educational evaluation, complexity and volume
128.9 of issues, or finding or changing counsel.

128.10 Sec. 17. Minnesota Statutes 2008, section 125A.091, subdivision 19, is amended to
128.11 read:

128.12 Subd. 19. **Expedited due process hearings.** Consistent with federal law, a parent
128.13 ~~has the right to~~ or a school district may file a written request for an expedited due process
128.14 ~~hearing when there is a dispute over a manifestation determination or a proposed or actual~~
128.15 ~~placement in an interim alternative educational setting. A district has the right to an~~
128.16 ~~expedited due process hearing when proposing or seeking to maintain placement in an~~
128.17 ~~interim alternative educational setting. A hearing officer must hold an expedited due~~
128.18 ~~process hearing~~ within 20 school days of the date the expedited due process request is
128.19 filed and must issue a decision within ten calendar school days of after the request for a
128.20 ~~hearing. A hearing officer may extend by up to five additional calendar days the time for~~
128.21 ~~issuing a decision in an expedited due process hearing. All policies in this section apply~~
128.22 ~~to expedited due process hearings to the extent they do not conflict with federal law. A~~
128.23 resolution meeting must occur within seven days of receiving the request for an expedited
128.24 due process hearing unless the parent and the school district agree in writing either to
128.25 waive the resolution meeting or use the mediation process. The expedited due process
128.26 hearing may proceed unless the matter has been resolved to the satisfaction of both parties
128.27 within 15 days of receiving the expedited due process hearing request.

128.28 Sec. 18. Minnesota Statutes 2008, section 125A.091, subdivision 20, is amended to
128.29 read:

128.30 Subd. 20. **Hearing officer's decision; time period.** (a) The hearing officer must
128.31 ~~issue a decision within 45 calendar days of the date on which the commissioner receives~~
128.32 ~~the request for a due process hearing~~ ensure that not later than 45 days after the 30-day
128.33 period or the adjusted time periods under federal regulations expire, the hearing officer
128.34 reaches a final decision in the due process hearing and transmits a copy of the decision to

129.1 each party. A hearing officer, at the request of either party, may grant specific extensions
129.2 of time beyond the 45-day period under subdivision 18. The hearing officer must conduct
129.3 the oral arguments in a hearing at a time and place that is reasonably convenient to the
129.4 parents and child involved. A hearing officer is encouraged to accelerate the time line to
129.5 30 days for a child under the age of three whose needs change rapidly and who requires
129.6 quick resolution of a dispute. A hearing officer may not extend the time beyond the 45-day
129.7 period unless requested by either party for good cause shown on the record. Extensions
129.8 of time must not exceed a total of 30 calendar days unless both parties and the hearing
129.9 officer agree or time is needed to complete an independent educational evaluation. Good
129.10 cause includes, but is not limited to, the time required for mediation or other settlement
129.11 discussions, independent educational evaluation, complexity and volume of issues, or
129.12 finding or changing counsel.

129.13 (b) The hearing officer's decision must: Once the hearing officer has issued a final
129.14 decision, the hearing officer lacks authority to amend the decision except for clerical
129.15 or mathematical errors.

129.16 (c) Nothing in this subdivision precludes a hearing officer from ordering a school
129.17 district to comply with federal procedural safeguards under the federal Individuals with
129.18 Disabilities Education Act.

129.19 (1) be in writing;

129.20 (2) state the controlling and material facts upon which the decision is made in order
129.21 to apprise the reader of the basis and reason for the decision; and

129.22 (3) be based on local standards, state statute, the rules of the commissioner, and
129.23 federal law.

129.24 Sec. 19. Minnesota Statutes 2008, section 125A.091, subdivision 24, is amended to
129.25 read:

129.26 Subd. 24. **Review of hearing officer decisions.** The parent or district may seek
129.27 review of the hearing officer's decision in the Minnesota Court of Appeals or in the federal
129.28 district court, consistent with federal law. A party must appeal to the Minnesota Court
129.29 of Appeals within 60 days of receiving the hearing officer's decision or must appeal to
129.30 federal district court within 90 days of receiving the hearing officer's decision.

129.31 Sec. 20. Minnesota Statutes 2008, section 125A.091, subdivision 25, is amended to
129.32 read:

129.33 Subd. 25. **Enforcement of orders.** The commissioner must monitor final hearing
129.34 officer decisions and ensure enforcement of hearing officer orders decisions.

130.1 Sec. 21. Minnesota Statutes 2008, section 125A.091, subdivision 27, is amended to
130.2 read:

130.3 Subd. 27. **Hearing officer training.** A hearing officer must participate in training
130.4 ~~and follow procedures established~~ offered by the commissioner.

130.5 Sec. 22. Minnesota Statutes 2008, section 125A.091, subdivision 28, is amended to
130.6 read:

130.7 Subd. 28. **District liability.** A district is not liable for harmless technical violations
130.8 ~~of this section or rules implementing this section~~ federal or state laws, rules, or regulations
130.9 governing special education if the school district can demonstrate ~~on a case-by-case basis~~
130.10 that the violations did not harm a student's educational progress or the parent's right to
130.11 notice, participation, or due process. This subdivision is applicable to due process hearings
130.12 and special education complaints filed with the department.

130.13 Sec. 23. Minnesota Statutes 2008, section 125A.15, is amended to read:

130.14 **125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.**

130.15 The responsibility for special instruction and services for a child with a disability
130.16 temporarily placed in another district for care and treatment shall be determined in the
130.17 following manner:

130.18 (a) The district of residence of a child shall be the district in which the child's parent
130.19 resides, if living, or the child's guardian, or the district designated by the commissioner if
130.20 neither parent nor guardian is living within the state.

130.21 (b) If a district other than the resident district places a pupil for care and treatment,
130.22 the district placing the pupil must notify and give the resident district an opportunity to
130.23 participate in the placement decision. When an immediate emergency placement of a
130.24 pupil is necessary and time constraints foreclose a resident district from participating in
130.25 the emergency placement decision, the district in which the pupil is temporarily placed
130.26 must notify the resident district of the emergency placement within 15 days. The resident
130.27 district has up to five business days after receiving notice of the emergency placement
130.28 to request an opportunity to participate in the placement decision, which the placing
130.29 district must then provide.

130.30 (c) When a child is temporarily placed for care and treatment in a day program
130.31 located in another district and the child continues to live within the district of residence
130.32 during the care and treatment, the district of residence is responsible for providing
130.33 transportation to and from the care and treatment facility program and an appropriate
130.34 educational program for the child. The resident district may establish reasonable

131.1 restrictions on transportation, except if a Minnesota court or agency orders the child
131.2 placed at a day care and treatment program and the resident district receives a copy of
131.3 the order, then the resident district must provide transportation to and from the program
131.4 unless the court or agency orders otherwise. Transportation shall only be provided by the
131.5 resident district during regular operating hours of the resident district. The resident district
131.6 may provide the educational program at a school within the district of residence, at the
131.7 child's residence, or in the district in which the day treatment center is located by paying
131.8 tuition to that district.

131.9 ~~(e)~~ (d) When a child is temporarily placed in a residential program for care and
131.10 treatment, the nonresident district in which the child is placed is responsible for providing
131.11 an appropriate educational program for the child and necessary transportation while the
131.12 child is attending the educational program; and must bill the district of the child's residence
131.13 for the actual cost of providing the program, as outlined in section 125A.11, except as
131.14 provided in paragraph ~~(d)~~ (e). However, the board, lodging, and treatment costs incurred
131.15 in behalf of a child with a disability placed outside of the school district of residence by
131.16 the commissioner of human services or the commissioner of corrections or their agents,
131.17 for reasons other than providing for the child's special educational needs must not become
131.18 the responsibility of either the district providing the instruction or the district of the child's
131.19 residence. For the purposes of this section, the state correctional facilities operated on a
131.20 fee-for-service basis are considered to be residential programs for care and treatment.

131.21 ~~(d)~~ (e) A privately owned and operated residential facility may enter into a contract
131.22 to obtain appropriate educational programs for special education children and services
131.23 with a joint powers entity. The entity with which the private facility contracts for special
131.24 education services shall be the district responsible for providing students placed in that
131.25 facility an appropriate educational program in place of the district in which the facility is
131.26 located. If a privately owned and operated residential facility does not enter into a contract
131.27 under this paragraph, then paragraph ~~(e)~~ (d) applies.

131.28 ~~(e)~~ (f) The district of residence shall pay tuition and other program costs, not
131.29 including transportation costs, to the district providing the instruction and services.
131.30 The district of residence may claim general education aid for the child as provided by
131.31 law. Transportation costs must be paid by the district responsible for providing the
131.32 transportation and the state must pay transportation aid to that district.

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

132.1 Sec. 24. Minnesota Statutes 2008, section 125A.28, is amended to read:

132.2 **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

132.3 An Interagency Coordinating Council of at least 17, but not more than 25 members
132.4 is established, in compliance with Public Law 108-446, section 641. The members
132.5 must be appointed by the governor. Council members must elect the council chair. The
132.6 representative of the commissioner may not serve as the chair. The council must be
132.7 composed of at least five parents, including persons of color, of children with disabilities
132.8 under age 12, including at least three parents of a child with a disability under age seven,
132.9 five representatives of public or private providers of services for children with disabilities
132.10 under age five, including a special education director, county social service director,
132.11 local Head Start director, and a community health services or public health nursing
132.12 administrator, one member of the senate, one member of the house of representatives, one
132.13 representative of teacher preparation programs in early childhood-special education or
132.14 other preparation programs in early childhood intervention, at least one representative of
132.15 advocacy organizations for children with disabilities under age five, one physician who
132.16 cares for young children with special health care needs, one representative each from the
132.17 commissioners of commerce, education, health, human services, a representative from the
132.18 state agency responsible for child care, foster care, mental health, homeless coordinator
132.19 of education of homeless children and youth, and a representative from Indian health
132.20 services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council.
132.21 The council must meet at least quarterly.

132.22 The council must address methods of implementing the state policy of developing
132.23 and implementing comprehensive, coordinated, multidisciplinary interagency programs of
132.24 early intervention services for children with disabilities and their families.

132.25 The duties of the council include recommending policies to ensure a comprehensive
132.26 and coordinated system of all state and local agency services for children under age five
132.27 with disabilities and their families. The policies must address how to incorporate each
132.28 agency's services into a unified state and local system of multidisciplinary assessment
132.29 practices, individual intervention plans, comprehensive systems to find children in need of
132.30 services, methods to improve public awareness, and assistance in determining the role of
132.31 interagency early intervention committees.

132.32 On the date that Minnesota Part C Annual Performance Report is submitted to the
132.33 federal Office of Special Education, the council must recommend to the governor and the
132.34 commissioners of education, health, human services, commerce, and employment and
132.35 economic development policies for a comprehensive and coordinated system.

133.1 Notwithstanding any other law to the contrary, the State Interagency Coordinating
133.2 Council expires on June 30, ~~2009~~ 2014.

133.3 Sec. 25. Minnesota Statutes 2008, section 125A.51, is amended to read:

133.4 **125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES;**
133.5 **EDUCATION AND TRANSPORTATION.**

133.6 The responsibility for providing instruction and transportation for a pupil without a
133.7 disability who has a short-term or temporary physical or emotional illness or disability, as
133.8 determined by the standards of the commissioner, and who is temporarily placed for care
133.9 and treatment for that illness or disability, must be determined as provided in this section.

133.10 (a) The school district of residence of the pupil is the district in which the pupil's
133.11 parent or guardian resides.

133.12 (b) When parental rights have been terminated by court order, the legal residence
133.13 of a child placed in a residential or foster facility for care and treatment is the district in
133.14 which the child resides.

133.15 (c) Before the placement of a pupil for care and treatment, the district of residence
133.16 must be notified and provided an opportunity to participate in the placement decision.

133.17 When an immediate emergency placement is necessary and time does not permit
133.18 resident district participation in the placement decision, the district in which the pupil is
133.19 temporarily placed, if different from the district of residence, must notify the district
133.20 of residence of the emergency placement within 15 days of the placement. When a
133.21 nonresident district makes an emergency placement without first consulting with the
133.22 resident district, the resident district has up to five business days after receiving notice
133.23 of the emergency placement to request an opportunity to participate in the placement
133.24 decision, which the placing district must then provide.

133.25 (d) When a pupil without a disability is temporarily placed for care and treatment
133.26 in a day program and the pupil continues to live within the district of residence during
133.27 the care and treatment, the district of residence must provide instruction and necessary
133.28 transportation to and from the care and treatment facility program for the pupil. The
133.29 resident district may establish reasonable restrictions on transportation, except if a
133.30 Minnesota court or agency orders the child placed at a day care and treatment program
133.31 and the resident district receives a copy of the order, then the resident district must provide
133.32 transportation to and from the program unless the court or agency orders otherwise.
133.33 Transportation shall only be provided by the resident district during regular operating
133.34 hours of the resident district. The resident district may provide the instruction at a school
133.35 within the district of residence, at the pupil's residence, or in the case of a placement

134.1 outside of the resident district, in the district in which the day treatment program is located
134.2 by paying tuition to that district. The district of placement may contract with a facility to
134.3 provide instruction by teachers licensed by the state Board of Teaching.

134.4 (e) When a pupil without a disability is temporarily placed in a residential program
134.5 for care and treatment, the district in which the pupil is placed must provide instruction
134.6 for the pupil and necessary transportation while the pupil is receiving instruction, and in
134.7 the case of a placement outside of the district of residence, the nonresident district must
134.8 bill the district of residence for the actual cost of providing the instruction for the regular
134.9 school year and for summer school, excluding transportation costs.

134.10 (f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or
134.11 private homeless shelter, then the district that enrolls the pupil under section 127A.47,
134.12 subdivision 2, shall provide the transportation, unless the district that enrolls the pupil
134.13 and the district in which the pupil is temporarily placed agree that the district in which
134.14 the pupil is temporarily placed shall provide transportation. When a pupil without a
134.15 disability is temporarily placed in a residential program outside the district of residence,
134.16 the administrator of the court placing the pupil must send timely written notice of the
134.17 placement to the district of residence. The district of placement may contract with a
134.18 residential facility to provide instruction by teachers licensed by the state Board of
134.19 Teaching. For purposes of this section, the state correctional facilities operated on a
134.20 fee-for-service basis are considered to be residential programs for care and treatment.

134.21 (g) The district of residence must include the pupil in its residence count of pupil
134.22 units and pay tuition as provided in section 123A.488 to the district providing the
134.23 instruction. Transportation costs must be paid by the district providing the transportation
134.24 and the state must pay transportation aid to that district. For purposes of computing state
134.25 transportation aid, pupils governed by this subdivision must be included in the disabled
134.26 transportation category if the pupils cannot be transported on a regular school bus route
134.27 without special accommodations.

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

134.29 Sec. 26. Minnesota Statutes 2008, section 125A.57, subdivision 2, is amended to read:

134.30 Subd. 2. **Assistive technology device.** "Assistive technology device" means any
134.31 item, piece of equipment, ~~software,~~ or product system, whether acquired commercially
134.32 off the shelf, modified, or customized, that is used to increase, maintain, or improve
134.33 functional capabilities of ~~children with disabilities~~ a child with a disability. It does not
134.34 mean a medical device that is surgically implanted or a replacement of such a device.

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

135.2 Sec. 27. Minnesota Statutes 2008, section 125A.63, subdivision 2, is amended to read:

135.3 Subd. 2. **Programs.** The resource centers must offer summer institutes ~~and like~~
135.4 ~~programs~~ or other training programs throughout the state for deaf or ~~hard-of-hearing~~
135.5 hard-of-hearing, blind or visually impaired, and multiply disabled pupils. The resource
135.6 centers must also offer workshops for teachers, and leadership development for teachers.

135.7 A program offered through the resource centers must promote and develop education
135.8 programs offered by school districts or other organizations. The program must assist
135.9 school districts or other organizations to develop innovative programs.

135.10 Sec. 28. Minnesota Statutes 2008, section 125A.63, subdivision 4, is amended to read:

135.11 Subd. 4. **Advisory committees.** The commissioner shall establish an
135.12 advisory committee for each resource center. The advisory committees shall develop
135.13 recommendations regarding the resource centers and submit an annual report to the
135.14 commissioner on the form and in the manner prescribed by the commissioner. The
135.15 advisory committee for the Resource Center for the Deaf and Hard-of-Hearing shall meet
135.16 at least four times a year and submit an annual report to the commissioner, the legislature,
135.17 and the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans.

135.18 The recommendations must include:

135.19 (1) aggregate data-based education outcomes over time for deaf and hard-of-hearing
135.20 children, consistent with state academic standards and assessments under chapter 120B;
135.21 and

135.22 (2) a data-based plan that includes evidence-based best practices known to improve
135.23 the educational outcomes of deaf and hard-of-hearing children.

135.24 Sec. 29. Minnesota Statutes 2008, section 125A.744, subdivision 3, is amended to read:

135.25 Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26,
135.26 school districts may enroll as medical assistance providers or subcontractors and bill
135.27 the Department of Human Services under the medical assistance fee for service claims
135.28 processing system for special education services which are covered services under chapter
135.29 256B, which are provided in the school setting for a medical assistance recipient, and for
135.30 whom the district has secured informed consent consistent with section 13.05, subdivision
135.31 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type
135.32 of covered service. School districts shall be reimbursed by the commissioner of human
135.33 services for the federal share of individual education plan health-related services that

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136.1 qualify for reimbursement by medical assistance, minus up to five percent retained by
136.2 the commissioner of human services for administrative costs, not to exceed ~~\$350,000~~
136.3 \$370,000 per fiscal year. The commissioner may withhold up to five percent of each
136.4 payment to a school district. Following the end of each fiscal year, the commissioner shall
136.5 settle up with each school district in order to ensure that collections from each district
136.6 for departmental administrative costs are made on a pro rata basis according to federal
136.7 earnings for these services in each district. A school district is not eligible to enroll as
136.8 a home care provider or a personal care provider organization for purposes of billing
136.9 home care services under sections 256B.0651 and 256B.0653 to 256B.0656 until the
136.10 commissioner of human services issues a bulletin instructing county public health nurses
136.11 on how to assess for the needs of eligible recipients during school hours. To use private
136.12 duty nursing services or personal care services at school, the recipient or responsible party
136.13 must provide written authorization in the care plan identifying the chosen provider and the
136.14 daily amount of services to be used at school.

136.15 Sec. 30. Minnesota Statutes 2008, section 125A.76, subdivision 1, is amended to read:

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

136.18 (a) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

136.19 For the purposes of computing basic revenue pursuant to this section, each child with a
136.20 disability shall be counted as prescribed in section 126C.05, subdivision 1.

136.21 (b) "Essential personnel" means teachers, cultural liaisons, related services, and
136.22 support services staff providing ~~direct~~ services to students. Essential personnel may also
136.23 include special education paraprofessionals or clericals providing support to teachers and
136.24 students by preparing paperwork and making arrangements related to special education
136.25 compliance requirements, including parent meetings and individual education plans.

136.26 Essential personnel does not include administrators and supervisors.

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

136.28 (d) "Program growth factor" means 1.046 for fiscal year 2012 and later.

136.29 Sec. 31. Minnesota Statutes 2008, section 127A.47, subdivision 5, is amended to read:

136.30 Subd. 5. **Notification of resident district.** A district educating a pupil who is
136.31 a resident of another district must notify the district of residence within 60 days of the
136.32 date the pupil is determined by the district to be a nonresident, but not later than August
136.33 1 following the end of the school year in which the pupil is educated. ~~If the district of~~
136.34 ~~residence does not receive a notification from the providing district pursuant to this~~

137.1 ~~subdivision, it is not liable to that district for any tuition billing received after August 1~~
137.2 ~~of the next school year.~~

137.3 Sec. 32. APPROPRIATIONS.

137.4 Subdivision 1. Department of Education. The sums indicated in this section are
137.5 appropriated from the general fund to the Department of Education for the fiscal years
137.6 designated.

137.7 Subd. 2. Special education; regular. For special education aid under Minnesota
137.8 Statutes, section 125A.75:

137.9 \$ 734,071,000 2010

137.10 \$ 781,497,000 2011

137.11 The 2010 appropriation includes \$71,947,000 for 2009 and \$662,124,000 for 2010.

137.12 The 2011 appropriation includes \$73,569,000 for 2010 and \$707,928,000 for 2011.

137.13 Subd. 3. Aid for children with disabilities. For aid under Minnesota Statutes,
137.14 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
137.15 within the district boundaries for whom no district of residence can be determined:

137.16 \$ 1,717,000 2010

137.17 \$ 1,895,000 2011

137.18 If the appropriation for either year is insufficient, the appropriation for the other
137.19 year is available.

137.20 Subd. 4. Travel for home-based services. For aid for teacher travel for home-based
137.21 services under Minnesota Statutes, section 125A.75, subdivision 1:

137.22 \$ 258,000 2010

137.23 \$ 282,000 2011

137.24 The 2010 appropriation includes \$24,000 for 2009 and \$234,000 for 2010.

137.25 The 2011 appropriation includes \$26,000 for 2010 and \$256,000 for 2011.

137.26 Subd. 5. Special education; excess costs. For excess cost aid under Minnesota
137.27 Statutes, section 125A.79, subdivision 7:

137.28 \$ 110,871,000 2010

137.29 \$ 110,877,000 2011

137.30 The 2010 appropriation includes \$37,046,000 for 2009 and \$73,825,000 for 2010.

137.31 The 2011 appropriation includes \$37,022,000 for 2010 and \$73,855,000 for 2011.

139.1 district's annual levy amount, or one-sixth of the amount of levy that it certified for that
139.2 purpose for taxes payable in 1998.

139.3 (b) Notwithstanding paragraph (a), for fiscal years 2010 through 2012, an
139.4 independent school district that has authority to issue general obligation bonds without
139.5 voter approval, other than authority according to this section or under section 475.51, is
139.6 not eligible for aid under this section. In addition to levy authority granted in this section,
139.7 for taxes payable in 2010 only, a school district that previously received aid under this
139.8 section may levy for any aid eliminated under this paragraph in taxes payable 2010 and
139.9 recognize that revenue in fiscal year 2010.

139.10 **EFFECTIVE DATE.** This section is effective for fiscal year 2010 and later.

139.11 Sec. 3. Minnesota Statutes 2008, section 123B.59, subdivision 7, is amended to read:

139.12 Subd. 7. **Alternative facilities appropriation.** (a) An amount not to exceed
139.13 ~~\$19,700,000~~ \$15,554,000 for fiscal year ~~2000~~ 2010, and ~~\$20,000,000~~ \$4,554,000 for
139.14 fiscal year ~~2001~~ and 2011, \$15,554,000 for fiscal year 2012, and \$19,287,000 each year
139.15 thereafter is appropriated from the general fund to the commissioner of education for
139.16 payment of alternative facilities aid under subdivision 6.

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

139.19 **EFFECTIVE DATE.** This section is effective for fiscal year 2010 and later.

139.20 Sec. 4. Minnesota Statutes 2008, section 123B.70, subdivision 1, is amended to read:

139.21 Subdivision 1. **Commissioner approval.** In determining whether to give a school
139.22 facility a positive, negative, or unfavorable review and comment, the commissioner
139.23 must evaluate the proposals for facilities using the information provided under section
139.24 123B.71, subdivision 9.

139.25 (a) If a school board proposes a new school, the local school board retains the
139.26 authority to determine the minimum acreage needed to accommodate the school and
139.27 related facilities. The commissioner may evaluate the proposals but may not issue a
139.28 negative or unfavorable review and comment under this section for a school facility based
139.29 solely on acreage of the proposed school site.

139.30 (b) If a school board proposes to renovate an existing school, the local school board
139.31 retains the authority to choose whether to renovate an existing school or to build a new
139.32 school, regardless of the acreage of the current school site or the cost of the renovation
139.33 relative to the cost of building a new school. The commissioner's evaluation of whether

140.1 to replace a facility must not be based solely upon the ratio of renovation costs to the
140.2 cost of replacement.

140.3 EFFECTIVE DATE. This section is effective for review and comments issued
140.4 after July 1, 2009.

140.5 Sec. 5. Minnesota Statutes 2008, section 123B.71, subdivision 9, is amended to read:

140.6 Subd. 9. **Information required.** A school board proposing to construct a facility
140.7 described in subdivision 8 shall submit to the commissioner a proposal containing
140.8 information including at least the following:

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

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

140.15 (3) a list of the specific deficiencies of the facility that demonstrate the need for a
140.16 new or renovated facility to be provided, and a list of the specific benefits that the new
140.17 or renovated facility will provide to the students, teachers, and community users served
140.18 by the facility;

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

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

140.25 ~~(5) (6)~~ a specification of how the project ~~will increase community use of the facility~~
140.26 maximizes the opportunity for cooperative use of existing park, recreation, and other
140.27 public facilities and whether and how the project will increase collaboration with other
140.28 governmental or nonprofit entities;

140.29 ~~(6) (7)~~ a description of the project, including the specification of site and outdoor
140.30 space acreage and square footage allocations for classrooms, laboratories, and support
140.31 spaces; estimated expenditures for the major portions of the project; and the dates the
140.32 project will begin and be completed;

140.33 ~~(7) (8)~~ a specification of the source of financing the project; the scheduled date
140.34 for a bond issue or school board action; a schedule of payments, including debt service

141.1 equalization aid; and the effect of a bond issue on local property taxes by the property
141.2 class and valuation;

141.3 ~~(8)~~ (9) an analysis of how the proposed new or remodeled facility will affect school
141.4 district operational or administrative staffing costs, and how the district's operating budget
141.5 will cover any increased operational or administrative staffing costs;

141.6 ~~(9)~~ (10) a description of the consultation with local or state ~~road and~~ transportation
141.7 officials on multimodal school site access and safety issues, and the ways that the project
141.8 will address those issues;

141.9 ~~(10)~~ (11) a description of how indoor air quality issues have been considered and a
141.10 certification that the architects and engineers designing the facility will have professional
141.11 liability insurance;

141.12 ~~(11)~~ (12) as required under section 123B.72, for buildings coming into service
141.13 after July 1, 2002, a certification that the plans and designs for the extensively renovated
141.14 or new facility's heating, ventilation, and air conditioning systems will meet or exceed
141.15 code standards; will provide for the monitoring of outdoor airflow and total airflow of
141.16 ventilation systems; and will provide an indoor air quality filtration system that meets
141.17 ASHRAE standard 52.1;

141.18 ~~(12)~~ (13) a specification of any desegregation requirements that cannot be met
141.19 by any other reasonable means;

141.20 ~~(13)~~ (14) a specification, ~~if applicable,~~ of how the facility will utilize environmentally
141.21 sustainable school facility design concepts; ~~and~~

141.22 ~~(14)~~ (15) a description of how the architects and engineers have considered
141.23 the American National Standards Institute Acoustical Performance Criteria, Design
141.24 Requirements and Guidelines for Schools of the maximum background noise level and
141.25 reverberation times; and

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

141.29 Sec. 6. **[125B.015] STATE AND SCHOOL DISTRICT TECHNOLOGY**
141.30 **GUIDELINES.**

141.31 Subdivision 1. State technology guidelines; guideline setting. (a) Notwithstanding
141.32 other law to the contrary, the commissioner, the Minnesota Education Technology Task
141.33 Force, and representatives of school districts must work together to identify for school
141.34 districts the robust technology tools and systems that improve the educational achievement
141.35 of all Minnesota students. These entities must establish a foundation of flexible shared

142.1 services that supports state development and implementation of new and more efficient
142.2 educational business practices, including the use of modern analytical tools that help
142.3 schools and school districts make data-driven decisions and increase instructional time.
142.4 These entities also must anticipate the needs of school districts for effectively using
142.5 emerging technologies to make the best and most cost-effective use of finite educational
142.6 resources.

142.7 (b) The commissioner, the Minnesota Education Technology Task Force,
142.8 representatives of school districts, and other interested and affected stakeholders must
142.9 establish and then maintain, revise, and publish every four years beginning December 1,
142.10 2009, state and district technology guidelines consistent with the requirements of this
142.11 section and section 120B.023, subdivision 2, paragraph (a). The state and school districts
142.12 must use the technology guidelines to participate in a uniform data collection system
142.13 premised on:

142.14 (1) common data definitions for all required data elements;

142.15 (2) a common course catalogue;

142.16 (3) common transcript definitions; and

142.17 (4) school district infrastructure technology guidelines.

142.18 (c) School districts, consistent with this section and other applicable law, may use
142.19 financial resources in addition to state funding to provide students with the technology
142.20 tools they need to succeed in an increasingly complex and information-rich environment.

142.21 Subd. 2. **District technology guidelines.** (a) The commissioner, in collaboration
142.22 with the Minnesota Education Technology Task Force, must establish and then maintain,
142.23 revise, and publish six categories of district technology guidelines consistent with this
142.24 section. The district technology guidelines must encompass:

142.25 (1) instructional technology that includes best practices in 21st century classroom
142.26 instruction and student learning;

142.27 (2) technological tools that support formative and summative online assessments,
142.28 equipment, and software;

142.29 (3) shared services that facilitate network and data systems administration;

142.30 (4) data practices that include technical security, Internet safety, and data privacy;

142.31 (5) data management that facilitates efficient data transfers involving school districts
142.32 and the department; and

142.33 (6) facilities infrastructure that supports multipurpose technology facilities for
142.34 instruction and assessment.

142.35 (b) School districts are encouraged to align district technology expenditures with
142.36 state and district technology guidelines established under this section.

143.1 (c) Beginning December 1, 2010, and each two-year period thereafter, school
143.2 districts must use the district technology guidelines in this section to complete a review of
143.3 the district technology environment that:

143.4 (1) examines the alignment of district technology expenditures to the technology
143.5 guidelines under this section;

143.6 (2) identifies service gaps in the district technology plan; and

143.7 (3) estimates the funding needed to fill service gaps.

143.8 (d) School districts must transmit the substance of the review to the commissioner in
143.9 the form and manner the commissioner determines in collaboration with the Minnesota
143.10 Education Technology Task Force. The commissioner must evaluate and report the
143.11 substance of the reviews to the legislature by February 15, 2011, and each two-year period
143.12 thereafter.

143.13 **EFFECTIVE DATE.** This section is effective the day following final enactment
143.14 and applies to the 2009-2010 school year and later.

143.15 Sec. 7. Minnesota Statutes 2008, section 125B.26, subdivision 1, is amended to read:

143.16 Subdivision 1. **Costs to be submitted.** (a) A district ~~or~~, charter school, or
143.17 intermediate school district shall submit its actual telecommunications/Internet access
143.18 costs for the previous fiscal year, adjusted for any e-rate revenue received, to the
143.19 department by August 15 of each year as prescribed by the commissioner. Costs eligible
143.20 for reimbursement under this program are limited to the following:

143.21 (1) ongoing or recurring telecommunications/Internet access costs associated with
143.22 Internet access, data lines, and video links providing:

143.23 (i) the equivalent of one data line, video link, or integrated data/video link that relies
143.24 on a transport medium that operates at a minimum speed of 1.544 megabytes per second
143.25 (T1) for each elementary school, middle school, or high school under section 120A.05,
143.26 subdivisions 9, 11, and 13, including the recurring telecommunications line lease costs
143.27 and ongoing Internet access service fees; or

143.28 (ii) the equivalent of one data line or video circuit, or integrated data/video link that
143.29 relies on a transport medium that operates at a minimum speed of 1.544 megabytes per
143.30 second (T1) for each district, including recurring telecommunications line lease costs
143.31 and ongoing Internet access service fees;

143.32 (2) recurring costs of contractual or vendor-provided maintenance on the school
143.33 district's wide area network to the point of presence at the school building up to the router,
143.34 codec, or other service delivery equipment located at the point of presence termination
143.35 at the school or school district;

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144.1 (3) recurring costs of cooperative, shared arrangements for regional delivery of
144.2 telecommunications/Internet access between school districts, postsecondary institutions,
144.3 and public libraries including network gateways, peering points, regional network
144.4 infrastructure, Internet2 access, and network support, maintenance, and coordination; and

144.5 (4) service provider installation fees for installation of new telecommunications lines
144.6 or increased bandwidth.

144.7 (b) Costs not eligible for reimbursement under this program include:

144.8 (1) recurring costs of school district staff providing network infrastructure support;

144.9 (2) recurring costs associated with voice and standard telephone service;

144.10 (3) costs associated with purchase of network hardware, telephones, computers, or
144.11 other peripheral equipment needed to deliver telecommunications access to the school or
144.12 school district;

144.13 (4) costs associated with laying fiber for telecommunications access;

144.14 (5) costs associated with wiring school or school district buildings;

144.15 (6) costs associated with purchase, installation, or purchase and installation of
144.16 Internet filtering; and

144.17 (7) costs associated with digital content, including online learning or distance
144.18 learning programming, and information databases.

144.19 Sec. 8. Minnesota Statutes 2008, section 125B.26, subdivision 2, is amended to read:

144.20 Subd. 2. **E-rates.** To be eligible for aid under this section, a district ~~or~~₂ charter
144.21 school, or intermediate school district is required to file an e-rate application either
144.22 separately or through its telecommunications access cluster and have a current technology
144.23 plan on file with the department. Discounts received on telecommunications expenditures
144.24 shall be reflected in the costs submitted to the department for aid under this section.

144.25 Sec. 9. Minnesota Statutes 2008, section 125B.26, subdivision 3, is amended to read:

144.26 Subd. 3. **Reimbursement criteria.** The commissioner shall develop criteria
144.27 for approving costs submitted by organized school districts ~~and~~₂ charter schools, and
144.28 intermediate school districts under subdivision 1.

144.29 Sec. 10. Minnesota Statutes 2008, section 125B.26, subdivision 4, is amended to read:

144.30 Subd. 4. **District aid.** For fiscal year 2006 and later, a district ~~or~~₂ charter ~~school's~~
144.31 school, or intermediate school district's Internet access equity aid equals the district ~~or~~₂
144.32 ~~charter school's~~ school, or intermediate school district's approved cost for the previous
144.33 fiscal year according to subdivision 1 exceeding \$15 times the district's adjusted marginal

145.1 cost pupil units for the previous fiscal year or no reduction if the district is part of an
145.2 organized telecommunications access cluster. Equity aid must be distributed to the
145.3 telecommunications access cluster for districts, charter schools, or intermediate school
145.4 districts that are members of the cluster or to individual districts ~~and~~, charter schools, or
145.5 intermediate school districts not part of a telecommunications access cluster.

145.6 Sec. 11. **ALTERNATIVE FACILITIES AID ADJUSTMENT.**

145.7 Notwithstanding Minnesota Statutes, section 123B.59, subdivision 6, for fiscal year
145.8 2011 only, a special school district that has authority to issue general obligation bonds
145.9 without voter approval, other than authority according to Minnesota Statutes, section
145.10 123B.59 or 475.51, is not eligible for aid under Minnesota Statutes, section 123B.59,
145.11 subdivision 6.

145.12 Sec. 12. **APPROPRIATIONS.**

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

145.16 Subd. 2. **Health and safety revenue.** For health and safety aid according to
145.17 Minnesota Statutes, section 123B.57, subdivision 5:

145.18 \$ 161,000 2010

145.19 \$ 160,000 2011

145.20 The 2010 appropriation includes \$10,000 for 2009 and \$151,000 for 2010.

145.21 The 2011 appropriation includes \$16,000 for 2010 and \$144,000 for 2011.

145.22 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
145.23 Statutes, section 123B.53, subdivision 6:

145.24 \$ 7,948,000 2010

145.25 \$ 9,275,000 2011

145.26 The 2010 appropriation includes \$851,000 for 2009 and \$7,097,000 for 2010.

145.27 The 2011 appropriation includes \$788,000 for 2010 and \$8,487,000 for 2011.

145.28 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
145.29 according to Minnesota Statutes, section 123B.59, subdivision 1:

145.30 \$ 15,927,000 2010

145.31 \$ 5,654,000 2011

145.32 The 2010 appropriation includes \$1,928,000 for 2009 and \$13,999,000 for 2010.

146.1 The 2011 appropriation includes \$1,555,000 for 2010 and \$4,099,000 for 2011.

146.2 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications
146.3 access:

146.4 \$ 3,750,000 2010

146.5 \$ 3,750,000 2011

146.6 If the appropriation amount is insufficient, the commissioner shall reduce the
146.7 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
146.8 revenue for fiscal years 2010 and 2011 shall be prorated.

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

146.10 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
146.11 Minnesota Statutes, section 123B.591, subdivision 4:

146.12 \$ 2,302,000 2010

146.13 \$ 2,073,000 2011

146.14 The 2010 appropriation includes \$260,000 for 2009 and \$2,042,000 for 2010.

146.15 The 2011 appropriation includes \$226,000 for 2010 and \$1,847,000 for 2011.

146.16 **ARTICLE 5**

146.17 **NUTRITION, LIBRARIES, AND ACCOUNTING**

146.18 Section 1. Minnesota Statutes 2008, section 134.31, subdivision 4a, is amended to read:

146.19 Subd. 4a. **Services to ~~the blind and physically handicapped~~ people with visual**
146.20 **and physical disabilities.** The Minnesota Department of Education shall provide
146.21 specialized services to ~~the blind and physically handicapped~~ people with visual and
146.22 physical disabilities through the Minnesota Braille and Talking Book Library ~~for the Blind~~
146.23 ~~and Physically Handicapped~~ under a cooperative plan with the National Library Services
146.24 for the Blind and Physically Handicapped of the Library of Congress.

146.25 Sec. 2. Minnesota Statutes 2008, section 134.31, is amended by adding a subdivision
146.26 to read:

146.27 Subd. 7. **Telephone or electronic meetings.** (a) Notwithstanding section 13D.01,
146.28 the Advisory Committee for the Minnesota Braille and Talking Book Library may conduct
146.29 a meeting of its members by telephone or other electronic means so long as the following
146.30 conditions are met:

146.31 (1) all members of the committee participating in the meeting, wherever their
146.32 physical locations, can hear one another and can hear all discussion and testimony;

147.1 (2) members of the public present at the regular meeting location of the committee
147.2 can hear all discussion, testimony, and votes of the members of the committee;

147.3 (3) at least one member of the committee is physically present at the regular meeting
147.4 location; and

147.5 (4) all votes are conducted by roll call, so each member's vote on each issue can be
147.6 identified and recorded.

147.7 (b) Each member of the committee participating in a meeting by telephone or other
147.8 electronic means is considered present at the meeting for purposes of determining quorum
147.9 and participating in all proceedings.

147.10 (c) If telephone or other electronic means is used to conduct a meeting, to the extent
147.11 practical, the committee shall allow a person to monitor the meeting electronically from a
147.12 remote location. The committee may require the person making the connection to pay
147.13 for the documented additional costs that the committee incurs as a result of the additional
147.14 connection.

147.15 (d) If telephone or other electronic means is used to conduct a regular, special, or
147.16 emergency meeting, the committee shall provide notice of the regular meeting location,
147.17 the fact that some members may participate by telephone or other electronic means, and
147.18 the provisions of paragraph (c). The timing and method of providing notice is governed
147.19 by section 13D.04.

147.20 Sec. 3. Minnesota Statutes 2008, section 134.34, subdivision 1, is amended to read:

147.21 Subdivision 1. **Local support levels.** (a) A regional library basic system support
147.22 grant shall be made to any regional public library system where there are at least three
147.23 participating counties and where each participating city and county is providing for
147.24 public library service support the lesser of (a) an amount equivalent to .82 percent of the
147.25 average of the adjusted net tax capacity of the taxable property of that city or county,
147.26 as determined by the commissioner of revenue for the second, ~~third, and fourth~~ year
147.27 preceding that calendar year ~~in 1991 and later years~~ or (b) a per capita amount calculated
147.28 under the provisions of this subdivision. The per capita amount is established for calendar
147.29 year 1993 as \$7.62. In succeeding calendar years, the per capita amount shall be increased
147.30 by a percentage equal to one-half of the percentage by which the total state adjusted net
147.31 tax capacity of property as determined by the commissioner of revenue for the second
147.32 year preceding that calendar year increases over that total adjusted net tax capacity for
147.33 the third year preceding that calendar year.

147.34 (b) The minimum level of support specified under this subdivision or subdivision 4
147.35 shall be certified annually to the participating cities and counties by the Department of

148.1 Education. If a city or county chooses to reduce its local support in accordance with
148.2 subdivision 4, paragraphs (b) or (c), it shall notify its regional public library system. The
148.3 regional public library system shall notify the Department of Education that a revised
148.4 certification is required. The revised minimum level of support shall be certified to the
148.5 city or county by the Department of Education.

148.6 (c) A city which is a part of a regional public library system shall not be required to
148.7 provide this level of support if the property of that city is already taxable by the county
148.8 for the support of that regional public library system. In no event shall the Department
148.9 of Education require any city or county to provide a higher level of support than the
148.10 level of support specified in this section in order for a system to qualify for a regional
148.11 library basic system support grant. This section shall not be construed to prohibit a city
148.12 or county from providing a higher level of support for public libraries than the level of
148.13 support specified in this section.

148.14 **EFFECTIVE DATE.** This section is effective for calendar years 2009 and later,
148.15 except that the change in paragraph (a) is effective for calendar years 2011 and later.

148.16 Sec. 4. Minnesota Statutes 2008, section 134.34, subdivision 4, is amended to read:

148.17 Subd. 4. **Limitation.** (a) For calendar year 2010 and later, a regional library
148.18 basic system support grant shall not be made to a regional public library system for a
148.19 participating city or county which decreases the dollar amount provided for support for
148.20 operating purposes of public library service below the amount provided by it for the
148.21 second, or third preceding year, whichever is less. For purposes of this subdivision and
148.22 subdivision 1, any funds provided under section 473.757, subdivision 2, for extending
148.23 library hours of operation shall not be considered amounts provided by a city or county for
148.24 support for operating purposes of public library service. This subdivision shall not apply
148.25 to participating cities or counties where the adjusted net tax capacity of that city or county
148.26 has decreased, if the dollar amount of the reduction in support is not greater than the dollar
148.27 amount by which support would be decreased if the reduction in support were made in
148.28 direct proportion to the decrease in adjusted net tax capacity.

148.29 (b) For calendar year 2009 and later, in any calendar year in which a city's or
148.30 county's aid under sections 477A.011 to 477A.014 or credits under section 273.1384 is
148.31 reduced after the city or county has certified its levy payable in that year, it may reduce
148.32 its local support by the lesser of:

148.33 (1) ten percent; or

148.34 (2) a percent equal to the ratio of the aid and credit reductions to the city's or county's
148.35 revenue base, based on aids certified for the current calendar year. For calendar year 2009

149.1 only, the reduction under this paragraph shall be based on 2008 aid and credit reductions
149.2 under the December 2008 unallotment, as well as any aid and credit reductions in calendar
149.3 year 2009. For pay 2009 only, the commissioner of revenue will calculate the reductions
149.4 under this paragraph and certify them to the commissioner of education within 15 days
149.5 of this provision becoming law.

149.6 (c) For taxes payable in 2010 and later, in any payable year in which the total
149.7 amounts certified for city or county aids under sections 477A.011 to 477A.014 are less
149.8 than the total amounts paid under those sections in the previous calendar year, a city or
149.9 county may reduce its local support by the lesser of:

149.10 (1) ten percent; or

149.11 (2) a percent equal to the ratio of:

149.12 (i) the difference between (A) the sum of the aid it was paid under sections 477A.011
149.13 to 477A.014 and the credits it received under section 273.1398 in the previous calendar
149.14 year and (B) the sum of the aid it is certified to be paid in the current calendar year
149.15 under sections 477A.011 to 477A.014 and the credits estimated to be paid under section
149.16 273.1398; to

149.17 (ii) its revenue base for the previous year, based on aids actually paid in the previous
149.18 calendar year. The commissioner of revenue shall calculate the percent aid cut for each
149.19 county and city under this paragraph and certify the percentage cuts to the commissioner
149.20 of education by August 1 of the year prior to the year in which the reduced aids and credits
149.21 are to be paid. The percentage of reduction related to reductions to credits under section
149.22 273.1384, shall be based on the best estimation available as of July 30.

149.23 (d) Notwithstanding paragraph (a), (b), or (c), for calendar year 2010 and later,
149.24 no city or county shall reduce its support for public libraries below the minimum level
149.25 specified in subdivision 1.

149.26 (e) For purposes of this subdivision, "revenue base" means the sum of:

149.27 (1) its levy for taxes payable in the current calendar year, including the levy on
149.28 the fiscal disparities distribution under section 276A.06, subdivision 3, paragraph (a),
149.29 or 473F.08, subdivision 3, paragraph (a);

149.30 (2) its aid under sections 477A.011 to 477A.014 in the current calendar year; and

149.31 (3) its taconite aid in the current calendar year under sections 298.28 and 298.282.

149.32 **EFFECTIVE DATE.** This section is effective for support in calendar year 2009
149.33 and thereafter and for library grants paid in fiscal year 2010 and thereafter, except that the
149.34 changes in paragraph (a) are effective for support in calendar year 2010 and thereafter.

149.35 **Sec. 5. ELEVATOR LEVY.**

150.1 Subdivision 1. **Lac Qui Parle Valley.** For taxes payable in 2010 only, Independent
150.2 School District No. 2853, Lac Qui Parle Valley, may levy an amount up to \$8,500 for the
150.3 costs of a replacement elevator. The district must recognize the revenue from this section
150.4 in fiscal year 2010.

150.5 Subd. 2. **Richfield.** For taxes payable in 2010 only, Independent School District No.
150.6 280, Richfield, may levy an amount up to \$25,000 for the costs of replacing elevators in
150.7 the district. The district must recognize the revenue from this section in fiscal year 2010.

150.8 Subd. 3. **Restriction.** The levy authority provided in this section must not supplant
150.9 the authority provided by the health and safety levy under Minnesota Statutes, section
150.10 123B.57.

150.11 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 only.

150.12 Sec. 6. **FUND TRANSFERS.**

150.13 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
150.14 on June 30, 2009, a school district may transfer money from its reserved for operating
150.15 capital account to its undesignated balance in the general fund. The amount transferred
150.16 by any school district must not exceed \$51 times the district's adjusted marginal cost
150.17 pupil units for fiscal year 2008. The transfer may occur only after the school board has
150.18 adopted a written resolution stating the amount of the transfer and declaring that the
150.19 school district's operating capital needs are met.

150.20 Subd. 2. **Lac Qui Parle Valley.** Notwithstanding Minnesota Statutes, sections
150.21 123B.79; 123B.80; and 475.61, subdivision 4, on June 30, 2009, Independent School
150.22 District No. 2853, Lac qui Parle Valley, may permanently transfer up to \$221,000 from its
150.23 debt redemption fund to its reserved for capital account without making a levy reduction.

150.24 Subd. 3. **Mankato.** Notwithstanding Minnesota Statutes, section 123B.79,
150.25 123B.80, or 475.61, subdivision 4, on June 30, 2009, Independent School District No. 77,
150.26 Mankato, may permanently transfer up to \$250,000 from its debt redemption fund to its
150.27 undesignated general fund balance without making a levy reduction.

150.28 Subd. 4. **Ortonville.** Notwithstanding Minnesota Statutes, section 123B.79,
150.29 123B.80, or 475.61, subdivision 4, on June 30, 2009, Independent School District No. 62,
150.30 Ortonville, may permanently transfer up to \$200,000 from its debt redemption fund to its
150.31 reserved for operating capital account without making a levy reduction.

150.32 Subd. 5. **St. Anthony-New Brighton.** Notwithstanding Minnesota Statutes,
150.33 section 123B.79 or 123B.80, on June 30, 2009, Independent School District No. 282, St.
150.34 Anthony-New Brighton, may permanently transfer up to \$400,000 from its reserved for

151.1 operating capital account to its undesignated general fund balance without making a
151.2 levy reduction.

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

151.4 Sec. 7. **APPROPRIATIONS.**

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

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

151.10 \$ 12,688,000 2010

151.11 \$ 13,069,000 2011

151.12 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
151.13 Statutes, section 124D.1158:

151.14 \$ 4,978,000 2010

151.15 \$ 5,147,000 2011

151.16 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
151.17 section 124D.118:

151.18 \$ 1,098,000 2010

151.19 \$ 1,120,000 2011

151.20 Subd. 5. **Summer school service replacement aid.** For summer food service
151.21 replacement aid under Minnesota Statutes, section 124D.119:

151.22 \$ 150,000 2010

151.23 \$ 150,000 2011

151.24 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
151.25 Statutes, section 134.355:

151.26 \$ 13,570,000 2010

151.27 \$ 13,570,000 2011

151.28 The 2010 appropriation includes \$1,357,000 for 2009 and \$12,213,000 for 2010.

151.29 The 2011 appropriation includes \$1,357,000 for 2010 and \$12,213,000 for 2011.

151.30 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
151.31 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

153.1 (2) work with the Departments of Education and Human Services and the Minnesota
153.2 Early Learning Foundation (MELF) to create common standards for quality early
153.3 childhood programming;

153.4 (3) create a seamless transition from early childhood programs to kindergarten that
153.5 aligns with kindergarten through grade 3 standards;

153.6 (4) develop and oversee an effective data collection system and participate in
153.7 the state's longitudinal data collection program to support the necessary functions of a
153.8 coordinated system of early childhood education and child care;

153.9 (5) plan and implement a quality rating and improvement system to ensure that
153.10 Minnesota's children have access to high-quality early learning and care programs in a
153.11 range of settings that meet the needs of children and their families and reflects the diversity
153.12 of the family values and cultural heritage represented in the community; and

153.13 (6) prior to the creation of a quality rating and improvement system, employ the
153.14 Minnesota quality rating system rating tool in use in fiscal year 2008.

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

153.16 Sec. 2. Minnesota Statutes 2008, section 119A.52, is amended to read:

153.17 **119A.52 DISTRIBUTION OF APPROPRIATION.**

153.18 (a) The commissioner of education must distribute money appropriated for that
153.19 purpose to federally designated Head Start programs to expand services and to serve
153.20 additional low-income children. Migrant and Indian reservation programs must be initially
153.21 allocated money based on the programs' share of federal funds. The remaining money
153.22 must be initially allocated to the remaining local agencies based equally on the agencies'
153.23 share of federal funds and on the proportion of eligible children in the agencies' service
153.24 area who are not currently being served. A Head Start program must be funded at a per
153.25 child rate equal to its contracted, federally funded base level at the start of the fiscal
153.26 year. For all agencies without a federal Early Head Start rate, the state average federal
153.27 cost per child for Early Head Start applies. In allocating funds under this paragraph, the
153.28 commissioner of education must assure that each Head Start program in existence in
153.29 1993 is allocated no less funding in any fiscal year than was allocated to that program in
153.30 fiscal year 1993. Before paying money to the programs, the commissioner must notify
153.31 each program of its initial allocation; and how the money must be used; ~~and the number of~~
153.32 ~~low-income children to be served with the allocation based upon the federally funded per~~
153.33 ~~child rate.~~ Each program must present a plan under section 119A.535. For any program
153.34 that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner

154.1 must reduce the allocation proportionately. Money available after the initial allocations
154.2 are reduced must be redistributed to eligible programs.

154.3 (b) The commissioner must develop procedures to make payments to programs
154.4 based upon the number of children reported to be enrolled during the required time
154.5 period of program operations. Enrollment is defined by federal Head Start regulations.
154.6 The procedures must include a reporting schedule, corrective action plan requirements,
154.7 and financial consequences to be imposed on programs that do not meet full enrollment
154.8 after the period of corrective action. Programs reporting chronic underenrollment, as
154.9 defined by the commissioner, will have their subsequent program year allocation reduced
154.10 proportionately. Funds made available by prorating payments and allocations to programs
154.11 with reported underenrollment will be made available to the extent funds exist to fully
154.12 enrolled Head Start programs through a form and manner prescribed by the department.

154.13 (c) Programs with approved innovative initiatives that target services to high-risk
154.14 populations, including homeless families and families living in homeless shelters and
154.15 transitional housing, are exempt from the procedures in paragraph (b). This exemption
154.16 does not apply to entire programs. The exemption applies only to approved innovative
154.17 initiatives that target services to high-risk populations, including homeless families and
154.18 families living in homeless shelters and transitional housing.

154.19 Sec. 3. **[124D.082] PREKINDERGARTEN THROUGH GRADE 3 PROGRAM.**

154.20 Subdivision 1. Establishment. A school district, charter school, or collaboration
154.21 of school districts and charter schools may establish a prekindergarten through grade 3
154.22 educational program that serves children three years old through grade 3.

154.23 Subd. 2. Program components. The program may strive to include the following:

154.24 (1) provide a minimum of 12 hours per week prekindergarten program for children
154.25 three and four years old;

154.26 (2) provide a full school day of kindergarten;

154.27 (3) align curriculum and child assessment to the early childhood indicators of
154.28 progress and K-12 standards within and across grades;

154.29 (4) provide a licensed teacher or the equivalent for each grade kindergarten through
154.30 grade 3 and prekindergarten for children three and four years old;

154.31 (5) promote participation in ongoing intentional professional development and offer
154.32 curriculum and classroom planning time;

154.33 (6) provide classroom environments that promote high-quality teacher-child
154.34 interactions that are supportive of student learning;

155.1 (7) maintain student-staff ratios that are 20-to-one in prekindergarten through third
155.2 grade;

155.3 (8) use observational performance-based child assessments for children ages three
155.4 and four years and in kindergarten and grades 1 and 2 to inform classroom planning,
155.5 curriculum, and instruction, and to inform parents of child progress;

155.6 (9) conduct a readiness assessment on entering kindergarteners that aligns with the
155.7 state kindergarten readiness assessment and provide continuous observational assessment
155.8 to measure student progress toward achievement of developmentally appropriate skills
155.9 and knowledge;

155.10 (10) develop and identify student benchmarks aligned to state standards for students'
155.11 continued progress in kindergarten and grades 1 and 2; and

155.12 (11) demonstrate commitment of and leadership by school principals to ensure
155.13 the necessary tools and systems are in place to support prekindergarten through grade
155.14 3 continuum.

155.15 Subd. 3. **Financing.** School districts or charter schools that establish a program
155.16 under subdivision 1 may allocate revenues attributable to students in kindergarten through
155.17 grade 3 to support the program. If a school district has a provisional rating under section
155.18 124D.143, or the program has been rated at a three-star or higher quality level under the
155.19 quality rating and improvement system as provided in section 124D.142, the program may
155.20 accept prekindergarten allowances under section 124D.143, to support the program for
155.21 children aged three and four years. The program may establish fees to support children
155.22 aged three and four years.

155.23 Sec. 4. Minnesota Statutes 2008, section 124D.13, subdivision 13, is amended to read:

155.24 Subd. 13. **Plan and Program data submission requirements.** ~~(a) An early~~
155.25 ~~childhood family education program must submit a biennial plan addressing the~~
155.26 ~~requirements of subdivision 2 for approval by the commissioner. The plan must also~~
155.27 ~~describe how the program provides parenting education and ensures participation of~~
155.28 ~~families representative of the school district. A school district must submit the plan for~~
155.29 ~~approval by the commissioner in the form and manner prescribed by the commissioner.~~
155.30 ~~One-half of districts, as determined by the commissioner, must first submit a biennial plan~~
155.31 ~~by April 1, 2009, and the remaining districts must first submit a plan by April 1, 2010.~~

155.32 ~~(b) Districts receiving early childhood family education revenue under section~~
155.33 ~~124D.135 must submit annual program data to the department by July 15 in the form and~~
155.34 ~~manner prescribed by the commissioner.~~

156.1 ~~(c) Beginning with levies for fiscal year 2011, a school district must submit its annual~~
156.2 ~~program data to the department before it may certify a levy under section 124D.135.~~
156.3 ~~Districts selected by the commissioner to submit a biennial plan by April 1, 2009, must~~
156.4 ~~also have an approved plan on file with the commissioner before certifying a levy under~~
156.5 ~~section 124D.135 for fiscal year 2011. Beginning with levies for fiscal year 2012, all~~
156.6 ~~districts must submit annual program data and have an approved biennial plan on file with~~
156.7 ~~the commissioner before certifying a levy under section 124D.135.~~

156.8 Sec. 5. Minnesota Statutes 2008, section 124D.135, subdivision 3, is amended to read:

156.9 Subd. 3. **Early childhood family education levy.** (a) By September 30 of each
156.10 year, the commissioner shall establish a tax rate for early childhood family education
156.11 revenue that raises \$22,135,000 in each fiscal year. If the amount of the early childhood
156.12 family education levy would exceed the early childhood family education revenue, the
156.13 early childhood family education levy must equal the early childhood family education
156.14 revenue. ~~Beginning with levies for fiscal year 2011, a district may not certify an early~~
156.15 ~~childhood family education levy unless it has met the annual program data reporting and~~
156.16 ~~biennial plan requirements under section 124D.13, subdivision 13.~~

156.17 (b) Notwithstanding paragraph (a), for fiscal year 2009 only, the commissioner shall
156.18 establish a tax rate for early education revenue that raises \$13,565,000.

156.19 Sec. 6. **[124D.142] QUALITY RATING AND IMPROVEMENT SYSTEM.**

156.20 (a) There is established a quality rating and improvement system to ensure that
156.21 Minnesota's children have access to high-quality early learning and care programs in a
156.22 range of settings so that they are fully ready for kindergarten by 2020. Creation of a
156.23 standards-based quality rating and improvement system includes:

156.24 (1) establishing an early care and education framework that improves quality
156.25 opportunities in order to improve the educational outcomes of children so that they are
156.26 ready for school. The framework shall be based on the Minnesota quality rating system
156.27 rating tool and a common set of child outcome standards and informed by evaluation
156.28 results;

156.29 (2) using the framework as a tool to increase the number of publicly funded and
156.30 regulated early learning and care services in both public and private market programs that
156.31 are high quality. If a program or provider chooses to participate, the program or provider
156.32 will be rated and will receive public funding associated with the rating. The state shall
156.33 develop a plan to link future early learning and care state funding to the framework in a
156.34 manner that complies with federal requirements; and

157.1 (3) using the framework to track progress toward statewide access to high-quality
157.2 early learning and care programs, progress toward the number of low-income children
157.3 whose parents can access quality programs, and progress toward increasing the number
157.4 of children who are fully prepared to enter kindergarten.

157.5 (b) In planning and implementing a statewide quality rating and improvement
157.6 system in paragraph (a), the state shall assess the cost of administering and staffing the
157.7 system and collecting assessment and evaluation data of the early learning and care
157.8 system, including ensuring children are fully ready for kindergarten. This cost assessment
157.9 shall be provided to the early childhood learning education finance committees of the
157.10 legislature by January 15, 2010.

157.11 (c) Prior to the creation of a statewide quality rating and improvement system in
157.12 paragraph (a), the state shall employ the Minnesota quality rating system rating tool
157.13 in use in fiscal year 2008 with its modification as a result of the evaluation results of
157.14 the pilot project.

157.15 **EFFECTIVE DATE.** This section is effective July 1, 2009.

157.16 **Sec. 7. [124D.143] PREKINDERGARTEN FINANCE ALLOWANCES.**

157.17 Subdivision 1. **Early childhood allowance locations.** In fiscal year 2010 and later,
157.18 the commissioners of human services and education shall continue three prekindergarten
157.19 exploratory projects located in the city of St. Paul, Hennepin County, and Blue Earth
157.20 County that are conducted in partnership with the Minnesota Early Learning Foundation
157.21 to promote children's school readiness. In fiscal year 2011 and later, the commissioners
157.22 of human services and education shall establish additional prekindergarten projects to
157.23 be conducted in partnership with the Minnesota Early Learning Foundation to promote
157.24 children's school readiness. In fiscal year 2011, the additional prekindergarten project sites
157.25 shall be located in Otter Tail County, Itasca County, St. Louis County, and a consortium of
157.26 Benton, Stearns, and Sherburne Counties.

157.27 Subd. 2. **Allowance eligibility.** Parents or legal guardians with incomes less than
157.28 or equal to 46 percent of the state median income are eligible to receive allowances to
157.29 pay for their children's education in a quality early education program, in an amount not
157.30 to exceed \$4,000 per child per year. The allowance must be used during the 12 months
157.31 following receipt of the allowance by the claimant for a child who is age three or four on
157.32 September 1 to pay for services designed to promote school readiness in a quality early
157.33 care and education setting. A claimant may use the allowance to pay fees or charges
157.34 associated with their child's education in a quality early care and education setting. A
157.35 quality setting is one that meets the standards in subdivision 3.

158.1 Subd. 2a. **Automatic eligibility.** For the purpose of establishing eligibility for the
158.2 prekindergarten education allowance, the commissioners of education and human services
158.3 must accept children identified in other public funding eligibility processes, including, but
158.4 not limited to, public school programs, Head Start, and child care assistance programs.
158.5 In addition, the commissioners of education and human services must make a sample
158.6 form available to providers that can be used to determine potential eligible children. The
158.7 commissioner must submit a prekindergarten education allowance to an eligible child
158.8 who used this automatic process.

158.9 Subd. 3. **Quality standards.** (a) Until a quality rating and improvement system
158.10 is established under section 124D.142, a provider may satisfy the quality rating system
158.11 requirements and be deemed eligible to receive prekindergarten education allowances
158.12 if the provider has received a provisional quality rating system approval from either
158.13 the Department of Human Services or the Department of Education, or has received a
158.14 three-star or higher quality rating under the Minnesota Early Learning Foundation quality
158.15 rating system. An eligible participant must agree to accept a prekindergarten allowance
158.16 to pay for services.

158.17 (b) A quality early care and education setting for this section is a service program
158.18 that receives a three-star or higher quality rating based on the quality rating and
158.19 improvement system established according to section 124D.142.

158.20 (c) For the purposes of receiving a provisional quality rating, a child care program or
158.21 provider must be approved by the commissioner of human services and a school-based
158.22 program or a Head Start program must be approved by the commissioner of education.
158.23 Programs and providers must apply for approval in the form and manner prescribed by the
158.24 commissioners. To receive approval, the commissioners must determine that applicants:

158.25 (1) use research-based curricula that are aligned with the education standards
158.26 under section 120B.021, instruction, and child assessment instruments approved by the
158.27 Department of Education and the Department of Human Services, in consultation with
158.28 the Minnesota Early Learning Foundation;

158.29 (2) provide a program of sufficient intensity and duration to improve the school
158.30 readiness of participating children;

158.31 (3) provide opportunities for parent involvement; and

158.32 (4) meet other research-based criteria determined necessary by the commissioners.

158.33 (d) Notwithstanding paragraph (b), for 2010 and 2011 only, Head Start programs
158.34 meeting Head Start performance standards and accredited child care centers are granted
158.35 a provisional quality rating for the purposes of receiving a prekindergarten allowance
158.36 under this section.

159.1 (e) Notwithstanding paragraph (b), for fiscal years 2010 and 2011 only, school
159.2 readiness programs under section 124D.15 are granted a provisional quality rating for the
159.3 purposes of receiving a prekindergarten allowance under this section.

159.4 (f) Upon completion of the quality rating system pilot evaluation, the commissioner
159.5 shall review the Head Start and school readiness programs that received initial provisional
159.6 quality ratings to establish an appropriate star-based rating.

159.7 (g) A provider deemed eligible to receive a prekindergarten education allowance
159.8 under paragraphs (a) to (c) may use the allowance to enhance services above the current
159.9 quality levels, increase the duration of services provided, or expand the number of children
159.10 to whom services are provided.

159.11 (h) School district-based and Head Start programs may combine prekindergarten
159.12 allowances under this section with resources from other programs to offer services to
159.13 more participants.

159.14 (i) For fiscal years 2010 and 2011 only, when no quality program is available, a
159.15 recipient may direct the prekindergarten allowance to a provider or program for school
159.16 readiness quality improvements that will make the provider or program eligible for a
159.17 quality rating according the quality rating system. Allowable expenditures that will
159.18 increase the capacity of the provider or program to help children be ready for school
159.19 include purchase of curricula and assessment tools, training on the use of curriculum and
159.20 assessment tools, purchase of materials to improve the learning environment, or other
159.21 expenditures approved by the commissioner of human services for child care providers
159.22 and the commissioner of education for school readiness programs.

159.23 Subd. 4. **Eligibility; applications.** Eligible families must have incomes less than or
159.24 equal to 46 percent of the state median income. Allowances paid to families under this
159.25 program may not be counted as earned income for the purposes of medical assistance,
159.26 MinnesotaCare, MFIP, child care assistance, or Head Start programs. All children whose
159.27 parents meet the income requirements are eligible to receive prekindergarten allowances
159.28 under this section.

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

159.30 Sec. 8. Minnesota Statutes 2008, section 124D.15, subdivision 3, is amended to read:

159.31 Subd. 3. **Program requirements.** A school readiness program provider must:

159.32 (1) assess each child's cognitive skills with a comprehensive, culturally relevant
159.33 child assessment instrument when the child enters and again before the child leaves the
159.34 program to inform program planning and parents and promote kindergarten readiness;

160.1 (2) provide comprehensive program content and intentional instructional practice
160.2 aligned with the state early childhood learning guidelines and kindergarten standards and
160.3 based on early childhood research and professional practice that is focused on children's
160.4 cognitive, social, emotional, and physical skills and development and prepares children
160.5 for the transition to kindergarten, including early literacy skills;

160.6 (3) coordinate appropriate kindergarten transition with parents and kindergarten
160.7 teachers;

160.8 ~~(3)~~ (4) arrange for early childhood screening and appropriate referral;

160.9 ~~(4)~~ (5) involve parents in program planning and decision making;

160.10 ~~(5)~~ (6) coordinate with relevant community-based services; ~~and~~

160.11 ~~(6)~~ (7) cooperate with adult basic education programs and other adult literacy
160.12 programs;

160.13 (8) ensure staff-child ratios of one to ten and maximum group size of 20 children
160.14 with the first staff required to be a teacher;

160.15 (9) serve children a minimum of 12 hours per week; and

160.16 (10) have teachers knowledgeable in early childhood curriculum content, cultural
160.17 competency, assessment, and instruction.

160.18 Sec. 9. Minnesota Statutes 2008, section 124D.19, subdivision 10, is amended to read:

160.19 Subd. 10. **Youth service programs.** (a) A school board may offer, as part of a
160.20 community education program with a youth development program, a youth service
160.21 program that provides young people with meaningful opportunities to become involved in
160.22 their community, develop individual capabilities, make career connections, seek support
160.23 networks and services, become active citizens, and address community needs through
160.24 youth service. The board may award up to one credit, or the equivalent, toward graduation
160.25 for a pupil who completes the youth service requirements of the district. The community
160.26 education advisory council, after considering the results of the commissioner's study
160.27 under section 124D.50, subdivision 1, must design the program in cooperation with the
160.28 district planning, evaluating and reporting committee and local organizations that train
160.29 volunteers or need volunteers' services.

160.30 (b) Programs must include:

160.31 (1) preliminary training for pupil volunteers conducted, when possible, by
160.32 organizations experienced in such training;

160.33 (2) supervision of the pupil volunteers to ensure appropriate placement and adequate
160.34 learning opportunity;

161.1 (3) sufficient opportunity, in a positive setting for human development, for pupil
161.2 volunteers to develop general skills in preparation for employment, to enhance self-esteem
161.3 and self-worth, and to give genuine service to their community;

161.4 (4) integration of academic learning with the service experience; and

161.5 (5) integration of youth community service with elementary and secondary
161.6 curriculum.

161.7 (c) Youth service projects include, but are not limited to, the following:

161.8 (1) human services for the elderly, including home care and related services;

161.9 (2) tutoring and mentoring;

161.10 (3) training for and providing emergency services;

161.11 (4) services at extended day programs;

161.12 (5) environmental services; and

161.13 (6) service-learning programs in which schools, including postsecondary schools,
161.14 and employers work together with young people to provide them with meaningful
161.15 opportunities for community service and with the academic and technical skills that
161.16 employers require.

161.17 ~~(d) The commissioner shall maintain a list of acceptable projects with a description~~
161.18 ~~of each project. A project that is not on the list must be approved by the commissioner.~~

161.19 ~~(e)~~ A youth service project must have a community sponsor that may be a
161.20 governmental unit or nonprofit organization. To assure that pupils provide additional
161.21 services, each sponsor must assure that pupil services do not displace employees or reduce
161.22 the workload of any employee.

161.23 ~~(f)~~ (e) The commissioner shall assist districts in planning youth service programs,
161.24 implementing programs, and developing recommendations for obtaining community
161.25 sponsors.

161.26 Sec. 10. Minnesota Statutes 2008, section 124D.19, subdivision 14, is amended to read:

161.27 Subd. 14. **Community education; annual report.** Each district offering a
161.28 community education program under this section must annually report to the department
161.29 information regarding ~~the cost per participant and cost per contact hour for each~~
161.30 community education program, including youth after-school enrichment programs, that
161.31 receives aid or levy. ~~The department must include cost per participant and cost per contact~~
161.32 ~~hour information by program in the community education annual report.~~

162.1 Sec. 11. Minnesota Statutes 2008, section 124D.522, is amended to read:

162.2 **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**
162.3 **GRANTS.**

162.4 (a) The commissioner, in consultation with the policy review task force under
162.5 section 124D.521, may make grants to nonprofit organizations to provide services that
162.6 are not offered by a district adult basic education program or that are supplemental to
162.7 either the statewide adult basic education program, or a district's adult basic education
162.8 program. The commissioner may make grants for: staff development for adult basic
162.9 education teachers and administrators; training for volunteer tutors; training, services, and
162.10 materials for serving disabled students through adult basic education programs; statewide
162.11 promotion of adult basic education services and programs; development and dissemination
162.12 of instructional and administrative technology for adult basic education programs;
162.13 programs which primarily serve communities of color; adult basic education distance
162.14 learning projects, including television instruction programs; and other supplemental
162.15 services to support the mission of adult basic education and innovative delivery of adult
162.16 basic education services.

162.17 (b) The commissioner must establish eligibility criteria and grant application
162.18 procedures. Grants under this section must support services throughout the state, focus on
162.19 educational results for adult learners, and promote outcome-based achievement through
162.20 adult basic education programs. Beginning in fiscal year 2002, the commissioner may
162.21 make grants under this section from the state total adult basic education aid set aside for
162.22 supplemental service grants under section 124D.531. Up to one-fourth of the appropriation
162.23 for supplemental service grants must be used for grants for adult basic education programs
162.24 to encourage and support innovations in adult basic education instruction and service
162.25 delivery. A grant to a single organization cannot exceed ~~\$100,000~~ 20 percent of the total
162.26 supplemental services aid. Nothing in this section prevents an approved adult basic
162.27 education program from using state or federal aid to purchase supplemental services.

162.28 Sec. 12. Minnesota Statutes 2008, section 299A.297, is amended to read:

162.29 **299A.297 OTHER DUTIES.**

162.30 The commissioner of public safety, in consultation with the Chemical Abuse and
162.31 Violence Prevention Council, shall:

162.32 (1) provide information and assistance upon request to school preassessment teams
162.33 established under section 121A.26 ~~and school and community advisory teams established~~
162.34 ~~under section 121A.27;~~

163.1 (2) provide information and assistance upon request to the State Board of Pharmacy
163.2 with respect to the board's enforcement of chapter 152;

163.3 (3) cooperate with and provide information and assistance upon request to the
163.4 Alcohol and Other Drug Abuse Section in the Department of Human Services;

163.5 (4) coordinate the policy of the office with that of the Narcotic Enforcement Unit in
163.6 the Bureau of Criminal Apprehension; and

163.7 (5) coordinate the activities of the regional drug task forces, provide assistance and
163.8 information to them upon request, and assist in the formation of task forces in areas of
163.9 the state in which no task force operates.

163.10 Sec. 13. **AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**
163.11 **FUNDS FOR EARLY EDUCATION.**

163.12 Subdivision 1. Policy. It is the policy of the state of Minnesota that school districts
163.13 and charter schools, in partnership with local community partners, should focus the
163.14 spending of available resources to ensure that Minnesota's children are fully ready for
163.15 kindergarten.

163.16 Subd. 2. Encouragement. The state of Minnesota encourages school districts
163.17 and charter schools to work with community partners to direct a portion of the
163.18 increased revenue that districts and charters will receive from the American Recovery
163.19 and Reinvestment Act of 2009 to ensure that Minnesota's children are fully ready for
163.20 kindergarten.

163.21 Subd. 3. Report. Every school district and charter school that receives federal title
163.22 I funding must report to the Department of Education, in a manner prescribed by the
163.23 commissioner, on how it used its increased funding in fiscal years 2010 and 2011 from the
163.24 American Recovery and Reinvestment Act of 2009 to ensure that Minnesota's children are
163.25 fully ready for kindergarten. The commissioner must summarize the results of the district
163.26 and charter school reports under this subdivision, and report the findings to the education
163.27 finance committees of the legislature by January 15, 2012.

163.28 Sec. 14. **TRANSFER OF DUTIES.**

163.29 Responsibilities of the commissioner of education for early childhood education
163.30 programs and financing under Minnesota Statutes, sections 124D.082; 124D.13; 124D.135;
163.31 124D.141; 124D.142; 124D.143; 124D.15; 124D.16; and 124D.162 are transferred to the
163.32 Office of Early Learning. All positions in the Department of Education related to early
163.33 childhood education are transferred to the Office of Early Learning. Minnesota Statutes,
163.34 section 15.039, applies to the transfer of the responsibilities in this section.

164.1 Sec. 15. APPROPRIATIONS.

164.2 Subdivision 1. Department of Education. The sums indicated in this section are
164.3 appropriated from the general fund to the Department of Education for the fiscal years
164.4 designated.

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

164.7 \$ 10,095,000 2010

164.8 \$ 10,095,000 2011

164.9 The 2010 appropriation includes \$1,009,000 for 2009 and \$9,086,000 for 2010.

164.10 The 2011 appropriation includes \$1,009,000 for 2010 and \$9,086,000 for 2011.

164.11 Subd. 3. Early childhood family education aid. For early childhood family
164.12 education aid under Minnesota Statutes, section 124D.135:

164.13 \$ 22,955,000 2010

164.14 \$ 22,547,000 2011

164.15 The 2010 appropriation includes \$3,020,000 for 2009 and \$19,935,000 for 2010.

164.16 The 2011 appropriation includes \$2,214,000 for 2010 and \$20,333,000 for 2011.

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

164.19 \$ 3,694,000 2010

164.20 \$ 3,800,000 2011

164.21 The 2010 appropriation includes \$367,000 for 2009 and \$3,327,000 for 2010.

164.22 The 2011 appropriation includes \$369,000 for 2010 and \$3,431,000 for 2011.

164.23 Subd. 5. Head Start program. For Head Start programs under Minnesota Statutes,
164.24 section 119A.52:

164.25 \$ 20,100,000 2010

164.26 \$ 20,100,000 2011

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

164.28 Subd. 6. Educate parents partnership. For the educate parents partnership under
164.29 Minnesota Statutes, section 124D.129:

164.30 \$ 50,000 2010

164.31 \$ 50,000 2011

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

165.1 Subd. 7. Kindergarten entrance assessment initiative and intervention
165.2 program. For the kindergarten entrance assessment initiative and intervention program
165.3 under Minnesota Statutes, section 124D.162:

165.4 \$ 287,000 2010
165.5 \$ 287,000 2011

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

165.7 Subd. 8. Parent aware star rating tool. For the parent aware star rating tool:

165.8 \$ 250,000 2010
165.9 \$ 250,000 2011

165.10 This appropriation must be used for the administration of the rating tool and for
165.11 onsite observations. The base for subsequent years is \$500,000.

165.12 Subd. 9. Prekindergarten finance allowances. For grants to prekindergarten
165.13 finance allowances under Minnesota Statutes, section 124D.143.

165.14 \$ 6,000,000 2010
165.15 \$ 8,000,000 2011

165.16 Of this amount, up to ten percent of the annual appropriation is for the administration
165.17 of the Office of Early Learning.

165.18 In fiscal year 2010, this appropriation is for grants to the city of St. Paul, Hennepin
165.19 County, and Blue Earth County for scholarship projects in collaboration with the
165.20 Minnesota Early Learning Foundation to promote children's school readiness. In fiscal
165.21 year 2011 and later, this appropriation is for grants to the city of St. Paul, Hennepin
165.22 County, Blue Earth County, Otter Tail County, Itasca County, St. Louis County, and a
165.23 consortium of Benton, Stearns, and Sherburne Counties. The appropriation is available
165.24 until expended. This appropriation is part of the base budget for subsequent fiscal years.
165.25 For fiscal year 2011 and later, strong consideration for expanded eligibility in Hennepin
165.26 County must be given to participants who have completed an accredited home visiting
165.27 program.

165.28 Subd. 10. Community education aid. For community education aid under
165.29 Minnesota Statutes, section 124D.20:

165.30 \$ 585,000 2010
165.31 \$ 467,000 2011

165.32 The 2010 appropriation includes \$73,000 for 2009 and \$512,000 for 2010.

165.33 The 2011 appropriation included \$56,000 for 2010 and \$411,000 for 2011.

166.1 Subd. 11. **Adults with disabilities program aid.** For adults with disabilities
166.2 programs under Minnesota Statutes, section 124D.56:

166.3 \$ 710,000 2010

166.4 \$ 710,000 2011

166.5 The 2010 appropriation includes \$71,000 for 2009 and \$639,000 for 2010.

166.6 The 2011 appropriation includes \$71,000 for 2010 and \$639,000 for 2011.

166.7 Subd. 12. **Hearing-impaired adults.** For programs for hearing-impaired adults
166.8 under Minnesota Statutes, section 124D.57:

166.9 \$ 70,000 2010

166.10 \$ 70,000 2011

166.11 Subd. 13. **School-age care revenue.** For extended day aid under Minnesota
166.12 Statutes, section 124D.22:

166.13 \$ 1,000 2010

166.14 \$ 1,000 2011

166.15 The 2010 appropriation includes \$0 for 2009 and \$1,000 for 2010.

166.16 The 2011 appropriation includes \$0 for 2010 and \$1,000 for 2011.

166.17 Subd. 14. **Adult basic education aid.** For adult basic education aid under
166.18 Minnesota Statutes:

166.19 \$ 42,975,000 2010

166.20 \$ 44,258,000 2011

166.21 The 2010 appropriation includes \$4,187,000 for 2009 and \$38,788,000 for 2010.

166.22 The 2011 appropriation includes \$4,309,000 for 2010 and \$39,949,000 for 2011.

166.23 Subd. 15. **GED tests.** For payment of 60 percent of the costs of GED tests under
166.24 Minnesota Statutes, section 124D.55:

166.25 \$ 125,000 2010

166.26 \$ 125,000 2011

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

166.28 Sec. 16. **REVISOR'S INSTRUCTION.**

166.29 In the next and subsequent editions of Minnesota Statutes, the revisor of statutes
166.30 shall:

167.1 (1) substitute the term "the director" for "commissioner" and "commissioner of
167.2 education" in the following: Minnesota Statutes, sections 124D.082; 124D.13; 124D.135;
167.3 124D.141; 124D.142; 124D.143; 124D.15; 124D.16; and 124D.162; and

167.4 (2) substitute the term "Office of Early Learning" for the term "Department of
167.5 Education" in the following: Minnesota Statutes, sections 124D.082; 124D.13; 124D.135;
167.6 124D.141; 124D.142; 124D.143; 124D.15; 124D.16; and 124D.162.

167.7 Sec. 17. **REPEALER.**

167.8 Minnesota Statutes 2008, section 121A.27, is repealed.

167.9 ARTICLE 7

167.10 STATE AGENCIES

167.11 Section 1. Minnesota Statutes 2008, section 125A.62, subdivision 8, is amended to
167.12 read:

167.13 Subd. 8. **Grants and gifts.** The board, through the chief administrators of the
167.14 academies, may apply for all competitive grants administered by agencies of the state and
167.15 other government or nongovernment sources. Application may not be made for grants
167.16 over which the board has discretion. Any money so received is hereby appropriated and
167.17 dedicated for the purpose for which it is granted.

167.18 Sec. 2. Minnesota Statutes 2008, section 127A.08, is amended by adding a subdivision
167.19 to read:

167.20 Subd. 5. **Grants and gifts.** The commissioner may apply for and receive grants
167.21 and gifts administered by agencies of the state and other government or nongovernment
167.22 sources. Any money received is hereby appropriated and dedicated for the purpose for
167.23 which it is granted.

167.24 The commissioner must annually report by February 15 a list of all grants and gifts
167.25 received and applied for under this subdivision.

167.26 Sec. 3. **APPROPRIATIONS.**

167.27 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
167.28 indicated in this section are appropriated from the general fund to the Department of
167.29 Education for the fiscal years designated.

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

168.1 \$ 21,042,000 2010

168.2 \$ 21,042,000 2011

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

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

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

168.6 (d) \$632,000 each year is for the Board of Teaching. Any balance in the first year
168.7 does not cancel but is available in the second year.

168.8 (e) \$171,000 each year is for the Board of School Administrators. Any balance in
168.9 the first year does not cancel but is available in the second year.

168.10 (f) Unless otherwise specified in this act, the expenditures of federal grants and
168.11 aids as shown in the biennial budget document and its supplements are approved and
168.12 appropriated and shall be spent as indicated.

168.13 (g) \$40,000 each year is for an early hearing loss intervention coordinator under
168.14 Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal
168.15 funds to employ a hearing loss coordinator under Minnesota Statutes, section 125.63,
168.16 subdivision 5, then the appropriation under this paragraph is reallocated for purposes of
168.17 employing a world languages coordinator.

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

168.19 (i) None of the amounts appropriated under this subdivision may be used for
168.20 Minnesota's Washington, D.C., office.

168.21 Subd. 3. **Board of Teaching; licensure by portfolio.** For the Board of Teaching
168.22 for licensure by portfolio:

168.23 \$ 17,000 2010

168.24 \$ 17,000 2011

168.25 This appropriation is from the education licensure portfolio account of the special
168.26 revenue fund.

168.27 Sec. 4. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

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

168.30 \$ 11,554,000 2010

168.31 \$ 11,554,000 2011

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

168.33 Sec. 5. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

169.1 The sums indicated in this section are appropriated from the general fund to the
169.2 Perpich Center for Arts Education for the fiscal years designated:

169.3 \$ 6,874,000 2010
169.4 \$ 6,874,000 2011

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

169.6 **ARTICLE 8**

169.7 **EDUCATION FORECAST ADJUSTMENTS**

169.8 **A. GENERAL EDUCATION**

169.9 Section 1. Laws 2007, chapter 146, article 1, section 24, subdivision 2, as amended by
169.10 Laws 2008, chapter 363, article 3, section 1, is amended to read:

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

169.13 \$ 5,600,647,000 2008
169.14 \$ ~~5,649,098,000~~ 2009
169.15 5,644,263,000

169.16 The 2008 appropriation includes \$536,251,000 for 2007 and \$5,064,396,000 for
169.17 2008.

169.18 The 2009 appropriation includes ~~\$543,752,000~~ \$533,760,000 for 2008 and
169.19 ~~\$5,105,346,000~~ \$5,110,503,000 for 2009.

169.20 Sec. 2. Laws 2007, chapter 146, article 1, section 24, subdivision 4, as amended by
169.21 Laws 2008, chapter 363, article 3, section 3, is amended to read:

169.22 Subd. 4. **Enrollment options transportation.** For transportation of pupils attending
169.23 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
169.24 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

169.25 \$ 48,000 2008
169.26 \$ ~~50,000~~ 45,000 2009

169.27 Sec. 3. Laws 2007, chapter 146, article 1, section 24, subdivision 5, as amended by
169.28 Laws 2008, chapter 363, article 3, section 4, is amended to read:

169.29 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
169.30 127A.49:

169.31 \$ 1,333,000 2008
169.32 \$ ~~1,629,000~~ 2009
169.33 1,407,000

S.F. No. 1328, 3rd Engrossment - 86th Legislative Session (2009-2010) [s1328-3]

170.1 The 2008 appropriation includes \$76,000 for 2007 and \$1,257,000 for 2008.

170.2 The 2009 appropriation includes \$139,000 for 2008 and ~~\$1,490,000~~ \$1,268,000
170.3 for 2009.

170.4 Sec. 4. Laws 2007, chapter 146, article 1, section 24, subdivision 6, as amended by
170.5 Laws 2008, chapter 363, article 3, section 5, is amended to read:

170.6 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota
170.7 Statutes, section 123A.485:

170.8 \$ 240,000 2008

170.9 \$ ~~339,000~~ 21,000 2009

170.10 The 2008 appropriation includes \$43,000 for 2007 and \$197,000 for 2008.

170.11 The 2009 appropriation includes \$21,000 for 2008 and ~~\$318,000~~ \$0 for 2009.

170.12 Sec. 5. Laws 2007, chapter 146, article 1, section 24, subdivision 7, as amended by
170.13 Laws 2008, chapter 363, article 3, section 6, is amended to read:

170.14 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
170.15 Minnesota Statutes, sections 123B.40 to 123B.43, and 123B.87:

170.16 \$ 15,601,000 2008

170.17 \$ ~~16,608,000~~ 2009

170.18 16,271,000

170.19 The 2008 appropriation includes \$1,214,000 for 2007 and \$14,387,000 for 2008.

170.20 The 2009 appropriation includes ~~\$1,598,000~~ \$1,439,000 for 2008 and ~~\$15,010,000~~
170.21 \$14,832,000 for 2009.

170.22 Sec. 6. Laws 2007, chapter 146, article 1, section 24, subdivision 8, as amended by
170.23 Laws 2008, chapter 363, article 3, section 7, is amended to read:

170.24 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
170.25 under Minnesota Statutes, section 123B.92, subdivision 9:

170.26 \$ 20,755,000 2008

170.27 \$ ~~21,007,000~~ 2009

170.28 20,739,000

170.29 The 2008 appropriation includes \$2,124,000 for 2007 and \$18,631,000 for 2008.

170.30 The 2009 appropriation includes ~~\$2,070,000~~ \$2,037,000 for 2008 and ~~\$18,937,000~~
170.31 \$18,702,000 for 2009.

170.32 **B. EDUCATION EXCELLENCE**

S.F. No. 1328, 3rd Engrossment - 86th Legislative Session (2009-2010) [s1328-3]

171.1 Sec. 7. Laws 2007, chapter 146, article 2, section 46, subdivision 2, as amended by
171.2 Laws 2008, chapter 363, article 3, section 8, is amended to read:

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

171.5 \$ 32,817,000 2008

171.6 \$ ~~37,527,000~~ 2009

171.7 36,605,000

171.8 The 2008 appropriation includes \$2,814,000 for 2007 and \$30,003,000 for 2008.

171.9 The 2009 appropriation includes ~~\$3,333,000~~ \$3,264,000 for 2008 and ~~\$34,194,000~~
171.10 \$33,341,000 for 2009.

171.11 Sec. 8. Laws 2007, chapter 146, article 2, section 46, subdivision 3, as amended by
171.12 Laws 2008, chapter 363, article 3, section 9, is amended to read:

171.13 Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid
171.14 under Minnesota Statutes, section 124D.11:

171.15 \$ 1,801,000 2008

171.16 \$ ~~1,987,000~~ 2009

171.17 1,982,000

171.18 The 2008 appropriation includes \$239,000 for 2007 and \$1,562,000 for 2008.

171.19 The 2009 appropriation includes ~~\$173,000~~ \$162,000 for 2008 and ~~\$1,814,000~~
171.20 \$1,820,000 for 2009.

171.21 Sec. 9. Laws 2007, chapter 146, article 2, section 46, subdivision 4, as amended by
171.22 Laws 2008, chapter 363, article 3, section 10, is amended to read:

171.23 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
171.24 124D.86, subdivision 5:

171.25 \$ 59,036,000 2008

171.26 \$ ~~62,448,000~~ 2009

171.27 60,826,000

171.28 The 2008 appropriation includes \$5,824,000 for 2007 and \$53,212,000 for 2008.

171.29 The 2009 appropriation includes ~~\$5,912,000~~ \$5,833,000 for 2008 and ~~\$56,536,000~~
171.30 \$54,993,000 for 2009.

171.31 Sec. 10. Laws 2007, chapter 146, article 2, section 46, subdivision 6, as amended by
171.32 Laws 2008, chapter 363, article 3, section 11, is amended to read:

172.1 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
172.2 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
172.3 section 124D.87:

172.4	\$	9,901,000	.....	2008
172.5	\$	11,881,000	.....	2009
172.6		<u>11,947,000</u>		

172.7 Sec. 11. Laws 2007, chapter 146, article 2, section 46, subdivision 9, as amended by
172.8 Laws 2008, chapter 363, article 3, section 12, is amended to read:

172.9 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
172.10 Statutes, section 124D.83:

172.11	\$	2,207,000	.....	2008
172.12	\$	2,392,000	.....	2009
172.13		<u>1,844,000</u>		

172.14 The 2008 appropriation includes \$204,000 for 2007 and \$2,003,000 for 2008.

172.15 The 2009 appropriation includes ~~\$222,000~~ \$122,000 for 2008 and ~~\$2,170,000~~
172.16 \$1,722,000 for 2009.

172.17 **C. SPECIAL EDUCATION**

172.18 Sec. 12. Laws 2007, chapter 146, article 3, section 24, subdivision 3, as amended by
172.19 Laws 2008, chapter 363, article 3, section 13, is amended to read:

172.20 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
172.21 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
172.22 within the district boundaries for whom no district of residence can be determined:

172.23	\$	2,086,000	.....	2008
172.24	\$	2,282,000	.....	2009
172.25		<u>1,556,000</u>		

172.26 If the appropriation for either year is insufficient, the appropriation for the other
172.27 year is available.

172.28 Sec. 13. Laws 2007, chapter 146, article 3, section 24, subdivision 4, as amended by
172.29 Laws 2008, chapter 363, article 3, section 14, is amended to read:

172.30 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
172.31 services under Minnesota Statutes, section 125A.75, subdivision 1:

172.32	\$	207,000	.....	2008
172.33	\$	227,000 <u>237,000</u>	.....	2009

173.1 The 2008 appropriation includes \$22,000 for 2007 and \$185,000 for 2008.

173.2 The 2009 appropriation includes ~~\$20,000~~ \$21,000 for 2008 and ~~\$207,000~~ \$216,000
173.3 for 2009.

173.4 Sec. 14. Laws 2007, chapter 146, article 3, section 24, subdivision 7, is amended to
173.5 read:

173.6 Subd. 7. **Court-placed special education revenue.** For reimbursing serving
173.7 school districts for unreimbursed eligible expenditures attributable to children placed in
173.8 the serving school district by court action under Minnesota Statutes, section 125A.79,
173.9 subdivision 4:

173.10 \$ 72,000 2008

173.11 \$ 74,000 2009

173.12 **D. FACILITIES AND TECHNOLOGY**

173.13 Sec. 15. Laws 2007, chapter 146, article 4, section 16, subdivision 2, as amended by
173.14 Laws 2008, chapter 363, article 3, section 15, is amended to read:

173.15 Subd. 2. **Health and safety revenue.** For health and safety aid according to
173.16 Minnesota Statutes, section 123B.57, subdivision 5:

173.17 \$ 254,000 2008

173.18 ~~\$ 103,000~~ 119,000 2009

173.19 The 2008 appropriation includes \$20,000 for 2007 and \$234,000 for 2008.

173.20 The 2009 appropriation includes ~~\$26,000~~ \$23,000 for 2008 and ~~\$77,000~~ \$96,000
173.21 for 2009.

173.22 Sec. 16. Laws 2007, chapter 146, article 4, section 16, subdivision 6, as amended by
173.23 Laws 2008, chapter 363, article 3, section 17, is amended to read:

173.24 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
173.25 Minnesota Statutes, section 123B.591, subdivision 4:

173.26 \$ 3,232,000 2008

173.27 \$ ~~2,627,000~~ 2009

173.28 2,720,000

173.29 The 2008 appropriation includes \$0 for 2007 and \$3,232,000 for 2008.

173.30 The 2009 appropriation includes ~~\$359,000~~ \$371,000 for 2008 and ~~\$2,268,000~~
173.31 \$2,349,000 for 2009.

174.1 Sec. 17. Laws 2007, chapter 146, article 4, section 16, subdivision 8, as amended by
174.2 Laws 2008, chapter 363, article 3, section 18, is amended to read:

174.3 Subd. 8. **School technology and operating capital aid grants.** For school
174.4 technology and operating capital grants under section 11:

174.5 \$ 38,236,000 2008

174.6 \$ ~~52,454,000~~ 2009

174.7 52,254,000

174.8 This is a onetime appropriation.

174.9 **E. NUTRITION**

174.10 Sec. 18. Laws 2007, chapter 146, article 5, section 13, subdivision 2, as amended by
174.11 Laws 2008, chapter 363, article 3, section 19, is amended to read:

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

174.14 \$ 12,094,000 2008

174.15 \$ ~~12,394,000~~ 2009

174.16 12,298,000

174.17 Sec. 19. Laws 2007, chapter 146, article 5, section 13, subdivision 3, as amended by
174.18 Laws 2008, chapter 363, article 2, section 40, is amended to read:

174.19 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school
174.20 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and
174.21 124D.118:

174.22 \$ 5,583,000 2008

174.23 \$ ~~6,396,000~~ 2009

174.24 5,801,000

174.25 The 2009 appropriation includes \$4,725,000 for traditional school breakfast and
174.26 \$1,076,000 for kindergarten milk.

174.27 **F. EARLY CHILDHOOD EDUCATION**

174.28 Sec. 20. Laws 2007, chapter 146, article 9, section 17, subdivision 2, as amended by
174.29 Laws 2008, chapter 363, article 3, section 21, is amended to read:

174.30 Subd. 2. **Early childhood family education aid.** For early childhood family
174.31 education aid under Minnesota Statutes, section 124D.135:

176.1 School districts operating existing adults with disabilities programs that are not fully
176.2 funded shall receive full funding for the program beginning in fiscal year 2008 before the
176.3 commissioner awards grants to other districts.

176.4 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

176.5 Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 13, as amended by
176.6 Laws 2008, chapter 363, article 3, section 25, is amended to read:

176.7 Subd. 13. **Adult basic education aid.** For adult basic education aid under
176.8 Minnesota Statutes, section 124D.531:

176.9	\$	40,344,000	.....	2008
176.10	\$	41,712,000	.....	2009
176.11		<u>41,749,000</u>		

176.12 The 2008 appropriation includes \$3,759,000 for 2007 and \$36,585,000 for 2008.

176.13 The 2009 appropriation includes \$4,065,000 for 2008 and ~~\$37,647,000~~ \$37,684,000
176.14 for 2009.

APPENDIX
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