

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 2744

(SENATE AUTHORS: WIGER)

DATE	D-PG	OFFICIAL STATUS
03/14/2016	5041	Introduction and first reading Referred to Education
04/06/2016		Comm report: To pass as amended Second reading

1.1 A bill for an act
1.2 relating to education; providing for early childhood and prekindergarten through
1.3 grade 12 education, including general education, education excellence, charter
1.4 schools, special education, facilities and technology, and self-sufficiency
1.5 and lifelong learning; amending Minnesota Statutes 2014, sections 120B.11,
1.6 subdivisions 1a, 2, 5; 120B.15; 120B.35, subdivisions 1, 2, 3, 4; 120B.36,
1.7 as amended; 122A.16; 122A.245, subdivision 8; 122A.31, subdivision 3;
1.8 122A.4144; 122A.416; 122A.72, subdivision 5; 122A.74, subdivision 1;
1.9 123A.24, subdivision 2; 123B.571, subdivision 2; 123B.60, subdivision 1;
1.10 123B.71, subdivision 8; 123B.79, subdivisions 5, 8, 9; 124D.15, subdivision 15;
1.11 124D.52, subdivisions 1, 2; 125A.091, subdivision 11; 125A.0942, subdivision 4;
1.12 126C.40, subdivision 5; 126C.63, subdivision 7; 127A.095; 127A.51; Minnesota
1.13 Statutes 2015 Supplement, sections 120B.125; 122A.30; 122A.414, subdivisions
1.14 1, 2, 2b; 122A.60, subdivision 4; 123B.53, subdivision 1; 123B.595, subdivisions
1.15 4, 7, 8, 9, 10, 11, by adding a subdivision; 124D.231, subdivision 2; 124D.73,
1.16 subdivision 4; 124E.05, subdivision 7; 124E.10, subdivisions 1, 5; 124E.16,
1.17 subdivision 2; 125A.08; 125A.0942, subdivision 3; 126C.48, subdivision 8;
1.18 repealing Minnesota Statutes 2014, sections 120B.299, subdivision 5; 122A.413,
1.19 subdivision 3; 123B.60, subdivision 2; 123B.79, subdivisions 2, 6; Minnesota
1.20 Statutes 2015 Supplement, section 122A.413, subdivisions 1, 2.

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

1.22 ARTICLE 1

1.23 GENERAL EDUCATION

1.24 Section 1. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

1.25 Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative

1.26 unit is:

1.27 (1) an education district organized under sections 123A.15 to 123A.19;

1.28 (2) a cooperative vocational center organized under section 123A.22;

1.29 (3) an intermediate district organized under chapter 136D;

1.30 (4) a service cooperative organized under section 123A.21; or

(5) a regional management information center organized under section 123A.23 or as a joint powers district according to section 471.59; or
(6) a special education cooperative organized under section 471.59.

Sec. 2. Minnesota Statutes 2014, section 127A.51, is amended to read:

127A.51 STATEWIDE AVERAGE REVENUE.

By ~~October~~ December 1 of each year the commissioner must estimate the statewide average adjusted general revenue per adjusted pupil unit and the disparity in adjusted general revenue among pupils and districts by computing the ratio of the 95th percentile to the fifth percentile of adjusted general revenue. The commissioner must provide that information to all districts.

If the disparity in adjusted general revenue as measured by the ratio of the 95th percentile to the fifth percentile increases in any year, the commissioner shall recommend to the legislature options for change in the general education formula that will limit the disparity in adjusted general revenue to no more than the disparity for the previous school year. The commissioner must submit the recommended options to the education committees of the legislature by ~~January 15~~ February 1.

For purposes of this section and section 126C.10, adjusted general revenue means the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity revenue under section 126C.10, subdivisions 24a and 24b.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

~~(1) student performance on the National Assessment of Education Progress where applicable;~~

~~(2)~~ (1) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;

~~(3)~~ (2) student performance on the Minnesota Comprehensive Assessments;

~~(4)~~ (3) high school graduation rates; and

3.1 ~~(5)~~ (4) career and college readiness under section 120B.30, subdivision 1.

3.2 Sec. 2. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

3.3 Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, shall
3.4 adopt a comprehensive, long-term strategic plan to support and improve teaching and
3.5 learning that is aligned with creating the world's best workforce and includes:

3.6 (1) clearly defined district and school site goals and benchmarks for instruction and
3.7 student achievement for all student subgroups identified in section 120B.35, subdivision 3,
3.8 paragraph (b), clause (2);

3.9 (2) a process for assessing and evaluating each student's progress toward meeting
3.10 state and local academic standards, assessing and identifying students for participation in
3.11 gifted and talented programs and acceleration and early-admission procedures consistent
3.12 with section 120B.15, and identifying the strengths and weaknesses of instruction in
3.13 pursuit of student and school success and curriculum affecting students' progress and
3.14 growth toward career and college readiness and leading to the world's best workforce;

3.15 (3) a system to periodically review and evaluate the effectiveness of all instruction
3.16 and curriculum, taking into account strategies and best practices, student outcomes, school
3.17 principal evaluations under section 123B.147, subdivision 3, and teacher evaluations
3.18 under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

3.19 (4) strategies for improving instruction, curriculum, and student achievement,
3.20 including the English and, where practicable, the native language development and the
3.21 academic achievement of English learners;

3.22 (5) a process to examine the equitable distribution of teachers and strategies to
3.23 ensure that low-income and minority children are not taught at higher rates than other
3.24 children by inexperienced, ineffective, or out-of-field teachers, consistent with section
3.25 1111(b)(8)(C) of the Elementary and Secondary Education Act;

3.26 ~~(5)~~ (6) education effectiveness practices that integrate high-quality instruction,
3.27 rigorous curriculum, technology, and a collaborative professional culture that develops
3.28 and supports teacher quality, performance, and effectiveness; and

3.29 ~~(6)~~ (7) an annual budget for continuing to implement the district plan.

3.30 Sec. 3. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

3.31 Subd. 5. **Report.** Consistent with requirements for school performance reports
3.32 under section 120B.36, subdivision 1, the school board shall publish a report in the local
3.33 newspaper with the largest circulation in the district, by mail, or by electronic means on
3.34 the district Web site. The school board shall hold an annual public meeting to review,

and revise where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency, the process to examine equitable distribution of effective, experienced, and in-field teachers, and to review district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world's best workforce. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.

Sec. 4. Minnesota Statutes 2014, section 120B.15, is amended to read:

120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.

(a) School districts may identify students, locally develop programs addressing instructional and affective needs, provide staff development, and evaluate programs to provide gifted and talented students with challenging and appropriate educational programs.

(b) School districts must adopt guidelines for assessing and identifying students for participation in gifted and talented programs consistent with section 120B.11, subdivision 2, clause (2). The guidelines should include the use of:

(1) multiple and objective criteria; and

(2) assessments and procedures that are valid and reliable, fair, and based on current theory and research. Assessments and procedures should be sensitive to underrepresented groups, including, but not limited to, low-income, minority, twice-exceptional, and English learners.

(c) School districts must adopt procedures for the academic acceleration of gifted and talented students consistent with section 120B.11, subdivision 2, clause (2). These procedures must include how the district will:

(1) assess a student's readiness and motivation for acceleration; and

(2) match the level, complexity, and pace of the curriculum to a student to achieve the best type of academic acceleration for that student.

(d) School districts must adopt procedures consistent with section 124D.02, subdivision 1, for early admission to kindergarten or first grade of gifted and talented learners consistent with section 120B.11, subdivision 2, clause (2). The procedures must be sensitive to underrepresented groups.

Sec. 5. Minnesota Statutes 2014, section 120B.35, subdivision 1, is amended to read:

Subdivision 1. School and student indicators of growth and achievement.

The commissioner must develop and implement a system for measuring and reporting academic achievement and individual student growth, consistent with the statewide

educational accountability and reporting system. The system components must measure and separately report the ~~adequate yearly progress~~ federal expectations of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational growth over time under subdivision 3. The system also must include statewide measures of student academic growth that identify schools with high levels of growth, and also schools with low levels of growth that need improvement. When determining a school's effect, the data must include both statewide measures of student achievement and, to the extent annual tests are administered, indicators of achievement growth that take into account a student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. Indicators that take into account a student's prior achievement must not be used to disregard a school's low achievement or to exclude a school from a program to improve low achievement levels.

Sec. 6. Minnesota Statutes 2014, section 120B.35, subdivision 2, is amended to read:

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

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

(c) The commissioner must:

(1) assist school sites and districts identified as not meeting federal expectations; and
(2) provide technical assistance to schools that integrate student achievement measures into the school continuous improvement plan.

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

6.1 Sec. 7. Minnesota Statutes 2014, section 120B.35, subdivision 3, is amended to read:

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

6.7 (b) The commissioner, in consultation with a stakeholder group that includes
6.8 assessment and evaluation directors, district staff, experts in culturally responsive teaching,
6.9 and researchers, must implement a model that uses a value-added growth indicator and
6.10 includes criteria for identifying schools and school districts that demonstrate medium and
6.11 high growth under section 120B.299, subdivisions 8 and 9, and may recommend other
6.12 value-added measures under section 120B.299, subdivision 3. The model may be used
6.13 to advance educators' professional development and replicate programs that succeed in
6.14 meeting students' diverse learning needs. Data on individual teachers generated under the
6.15 model are personnel data under section 13.43. The model must allow users to:

- 6.16 (1) report student growth consistent with this paragraph; and
6.17 (2) for all student categories, report and compare aggregated and disaggregated
6.18 state growth data using ~~the nine student categories identified under the federal 2001 No~~
6.19 ~~Child Left Behind Act~~ the student categories identified under the federal Elementary
6.20 and Secondary Education Act and two student gender categories of male and female,
6.21 respectively, following appropriate reporting practices to protect nonpublic student data.

6.22 The commissioner must report measures of student growth, consistent with this
6.23 paragraph, including the English language development, academic progress, and oral
6.24 academic development of English learners and their native language development if the
6.25 native language is used as a language of instruction.

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

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

- 6.35 (2) a rigorous coursework measure indicating the number and percentage of high
6.36 school graduates in the most recent school year who successfully completed one or more

college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

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

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school. The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of learning year program providers under sections 123A.05 and 124D.68, among other such providers, in improving students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually report summary data on:

- (1) the four- and six-year graduation rates of students under this paragraph;
- (2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; and
- (3) the success that learning year program providers experience in:
 - (i) identifying at-risk and off-track student populations by grade;
 - (ii) providing successful prevention and intervention strategies for at-risk students;
 - (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
 - (iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of English learners, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

Sec. 8. Minnesota Statutes 2014, section 120B.35, subdivision 4, is amended to read:

Subd. 4. **Improving schools.** Consistent with the requirements of this section, beginning June 20, 2012, the commissioner of education must annually report to the public and the legislature best practices implemented in those schools that ~~demonstrate high growth compared to the state growth target~~ are identified as high performing under federal expectations.

Sec. 9. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First Special Session chapter 3, article 2, section 8, is amended to read:

120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.

Subdivision 1. **School performance reports.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of English learners under section 124D.59, subdivisions 2 and 2a; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; student homelessness and district mobility; and extracurricular activities. The report also must indicate a school's ~~adequate yearly progress~~ status under applicable federal law, ~~and must~~

9.1 ~~not set any designations applicable to high- and low-performing schools due solely to~~
9.2 ~~adequate yearly progress status.~~

9.3 (b) The commissioner shall develop, annually update, and post on the department
9.4 Web site school performance reports.

9.5 (c) The commissioner must make available performance reports by the beginning
9.6 of each school year.

9.7 (d) A school or district may appeal its ~~adequate yearly progress status in writing~~
9.8 ~~to the commissioner within 30 days of receiving the notice of its status~~ results in a form
9.9 and manner determined by the commissioner and consistent with federal law. The
9.10 commissioner's decision to uphold or deny an appeal is final.

9.11 (e) School performance data are nonpublic data under section 13.02, subdivision 9,
9.12 until the commissioner publicly releases the data. The commissioner shall annually post
9.13 school performance reports to the department's public Web site no later than September 1,
9.14 except that in years when the reports reflect new performance standards, the commissioner
9.15 shall post the school performance reports no later than October 1.

9.16 Subd. 2. ~~Adequate yearly progress~~ Federal expectations and other data. All data
9.17 the department receives, collects, or creates to determine ~~adequate yearly progress status~~
9.18 federal expectations under Public Law 107-110, section 1116, set state growth targets,
9.19 and determine student growth are nonpublic data under section 13.02, subdivision 9, until
9.20 the commissioner publicly releases the data. Districts must provide parents sufficiently
9.21 detailed summary data to permit parents to appeal under Public Law 107-110, section
9.22 1116(b)(2). The commissioner shall annually post ~~federal adequate yearly progress data~~
9.23 on federal expectations and state student growth data to the department's public Web site
9.24 no later than September 1, except that in years when ~~adequate yearly progress data on~~
9.25 federal expectations reflects new performance standards, the commissioner shall post
9.26 ~~federal adequate yearly progress data~~ on federal expectations and state student growth
9.27 data no later than October 1.

9.28 Sec. 10. Minnesota Statutes 2014, section 122A.16, is amended to read:

9.29 **122A.16 ~~HIGHLY~~ QUALIFIED TEACHER DEFINED.**

9.30 (a) A qualified teacher is one holding a valid license, under this chapter, to perform
9.31 the particular service for which the teacher is employed in a public school.

9.32 (b) ~~For the purposes of the federal No Child Left Behind Act, a highly qualified~~
9.33 ~~teacher is one who holds a valid license under this chapter, including under section~~
9.34 ~~122A.245, among other sections and is determined by local administrators as having~~
9.35 ~~highly qualified status according to the approved Minnesota highly qualified plan.~~

10.1 Teachers delivering core content instruction must be deemed highly qualified at the local
10.2 level and reported to the state via the staff automated reporting system.

10.3 Sec. 11. Minnesota Statutes 2014, section 122A.245, subdivision 8, is amended to read:

10.4 Subd. 8. **Highly Qualified teacher.** A person holding a valid limited-term license
10.5 under this section is a highly qualified teacher and the teacher of record under section
10.6 122A.16.

10.7 Sec. 12. Minnesota Statutes 2015 Supplement, section 122A.30, is amended to read:

10.8 **122A.30 EXEMPTION FOR TECHNICAL EDUCATION INSTRUCTORS.**

10.9 (a) Notwithstanding section 122A.15, subdivision 1, and upon approval of the local
10.10 employer school board, a person who teaches ~~in~~ as a part-time vocational or career and
10.11 technical education ~~program~~ teacher is exempt from a license requirement. Nothing in
10.12 this section shall exclude licensed career and technical educators from the definition of
10.13 "teacher" in section 122A.40, 122A.41, or 179A.03.

10.14 (b) This section expires June 30, 2020.

10.15 Sec. 13. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 1,
10.16 is amended to read:

10.17 Subdivision 1. **Restructured pay system.** A restructured alternative teacher
10.18 professional pay system is established under subdivision 2 to provide incentives to
10.19 encourage teachers to improve their knowledge and instructional skills in order to improve
10.20 student learning and for school districts, intermediate school districts, cooperative units,
10.21 as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain
10.22 highly qualified teachers, encourage highly qualified teachers to undertake challenging
10.23 assignments, and support teachers' roles in improving students' educational achievement.

10.24 Sec. 14. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2,
10.25 is amended to read:

10.26 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this
10.27 program, a school district, intermediate school district, school site, or charter school must
10.28 ~~have an educational improvement plan under section 122A.413~~ a World's Best Workforce
10.29 plan under section 120B.11 and an alternative teacher professional pay system agreement
10.30 under paragraph (b). A charter school participant also must comply with subdivision 2a.

10.31 (b) The alternative teacher professional pay system agreement must:

- 11.1 (1) describe how teachers can achieve career advancement and additional
11.2 compensation;
- 11.3 (2) describe how the school district, intermediate school district, school site, or
11.4 charter school will provide teachers with career advancement options that allow teachers
11.5 to retain primary roles in student instruction and facilitate site-focused professional
11.6 development that helps other teachers improve their skills;
- 11.7 (3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation
11.8 paid before implementing the pay system from being reduced as a result of participating in
11.9 this system, base at least 60 percent of any compensation increase on teacher performance
11.10 using:
- 11.11 (i) schoolwide student achievement gains under section 120B.35 or locally selected
11.12 standardized assessment outcomes, or both;
- 11.13 (ii) measures of student growth and literacy that may include value-added models
11.14 or student learning goals, consistent with section 122A.40, subdivision 8, paragraph
11.15 (b), clause (9), or 122A.41, subdivision 5, paragraph (b), clause (9), and other measures
11.16 that include the academic literacy, oral academic language, and achievement of English
11.17 learners under section 122A.40, subdivision 8, paragraph (b), clause (10), or 122A.41,
11.18 subdivision 5, paragraph (b), clause (10); and
- 11.19 (iii) an objective evaluation program under section 122A.40, subdivision 8,
11.20 paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);
- 11.21 (4) provide for participation in job-embedded learning opportunities such as
11.22 professional learning communities to improve instructional skills and learning that are
11.23 aligned with student needs under section ~~122A.41~~ 120B.11, consistent with the staff
11.24 development plan under section 122A.60 and led during the school day by trained teacher
11.25 leaders such as master or mentor teachers;
- 11.26 (5) allow any teacher in a participating school district, intermediate school district,
11.27 school site, or charter school that implements an alternative pay system to participate in
11.28 that system without any quota or other limit; and
- 11.29 (6) encourage collaboration rather than competition among teachers.
- 11.30 (c) The alternative teacher professional pay system may:
- 11.31 (1) include a hiring bonus or other added compensation for teachers who are
11.32 identified as effective or highly effective under the local teacher professional review
11.33 cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with
11.34 a majority of students whose families meet federal poverty guidelines, a geographically
11.35 isolated school, or a school identified by the state as eligible for targeted programs or
11.36 services for its students; and

12.1 (2) include incentives for teachers to obtain a master's degree or other advanced
12.2 certification in their content field of licensure, pursue the training or education necessary
12.3 to obtain an additional licensure in shortage areas identified by the district or charter
12.4 school, or help fund a "grow your own" new teacher initiative.

12.5 Sec. 15. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2b,
12.6 is amended to read:

12.7 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section
12.8 and ~~sections 122A.413 and~~ section 122A.415, the department must prepare and transmit
12.9 to interested school districts, intermediate school districts, cooperatives, school sites,
12.10 and charter schools a standard form for applying to participate in the alternative teacher
12.11 professional pay system. The commissioner annually must establish three dates as
12.12 deadlines by which interested applicants must submit an application to the commissioner
12.13 under this section. An interested school district, intermediate school district, cooperative,
12.14 school site, or charter school must submit to the commissioner a completed application
12.15 executed by the district superintendent and the exclusive bargaining representative of the
12.16 teachers if the applicant is a school district, intermediate school district, or school site, or
12.17 executed by the charter school board of directors if the applicant is a charter school or
12.18 executed by the governing board if the applicant is a cooperative unit. The application
12.19 must include the proposed alternative teacher professional pay system agreement under
12.20 subdivision 2. The department must review a completed application within 30 days of
12.21 the most recent application deadline and recommend to the commissioner whether to
12.22 approve or disapprove the application. The commissioner must approve applications
12.23 on a first-come, first-served basis. The applicant's alternative teacher professional pay
12.24 system agreement must be legally binding on the applicant and the collective bargaining
12.25 representative before the applicant receives alternative compensation revenue. The
12.26 commissioner must approve or disapprove an application based on the requirements
12.27 under subdivisions 2 and 2a.

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

13.1 Sec. 16. Minnesota Statutes 2014, section 122A.4144, is amended to read:

13.2 **122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER**
13.3 **PAY.**

13.4 Notwithstanding section 179A.20 or other law to the contrary, a school board and
13.5 the exclusive representative of the teachers may agree to reopen a collective bargaining
13.6 agreement for the purpose of entering into an alternative teacher professional pay system
13.7 agreement under sections ~~122A.413~~, 122A.414, and 122A.415. Negotiations for a contract
13.8 reopened under this section must be limited to issues related to the alternative teacher
13.9 professional pay system.

13.10 Sec. 17. Minnesota Statutes 2014, section 122A.416, is amended to read:

13.11 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE**
13.12 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**
13.13 **INTEGRATION COLLABORATIVES.**

13.14 Notwithstanding sections ~~122A.413~~, 122A.414, 122A.415, and 126C.10,
13.15 multidistrict integration collaboratives and the Perpich Center for Arts Education are
13.16 eligible to receive alternative teacher compensation revenue as if they were intermediate
13.17 school districts. To qualify for alternative teacher compensation revenue, a multidistrict
13.18 integration collaborative or the Perpich Center for Arts Education must meet all of the
13.19 requirements of sections ~~122A.413~~, 122A.414, and 122A.415 that apply to intermediate
13.20 school districts, must report its enrollment as of October 1 of each year to the department,
13.21 and must annually report its expenditures for the alternative teacher professional pay
13.22 system consistent with the uniform financial accounting and reporting standards to the
13.23 department by November 30 of each year.

13.24 Sec. 18. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 4, is
13.25 amended to read:

13.26 Subd. 4. **Staff development report.** ~~(a) By October 15 of each year, The district~~
13.27 ~~and site staff development committees shall write and submit a report of staff development~~
13.28 ~~activities and expenditures for the previous year, in the form and manner determined by~~
13.29 ~~the commissioner. The report, signed by the district superintendent and staff development~~
13.30 ~~chair, must include assessment and evaluation data indicating progress toward district and~~
13.31 ~~site staff development goals based on teaching and learning outcomes, including the~~
13.32 ~~percentage of teachers and other staff involved in instruction who participate in effective~~
13.33 ~~staff development activities under subdivision 3 as part of the district's world's best~~
13.34 workforce report under section 120B.11, subdivision 5.

14.1 ~~(b) The report must break down expenditures for:~~
 14.2 ~~(1) curriculum development and curriculum training programs; and~~
 14.3 ~~(2) staff development training models, workshops, and conferences, and the cost of~~
 14.4 ~~releasing teachers or providing substitute teachers for staff development purposes.~~

14.5 ~~The report also must indicate whether the expenditures were incurred at the district~~
 14.6 ~~level or the school site level, and whether the school site expenditures were made possible~~
 14.7 ~~by grants to school sites that demonstrate exemplary use of allocated staff development~~
 14.8 ~~revenue. These expenditures must be reported using the uniform financial and accounting~~
 14.9 ~~and reporting standards.~~

14.10 ~~(c) The commissioner shall report the staff development progress and expenditure~~
 14.11 ~~data to the house of representatives and senate committees having jurisdiction over~~
 14.12 ~~education by February 15 each year.~~

14.13 Sec. 19. Minnesota Statutes 2014, section 122A.72, subdivision 5, is amended to read:

14.14 Subd. 5. **Center functions.** (a) A teacher center shall perform functions according
 14.15 to this subdivision. The center shall assist teachers, diagnose learning needs, experiment
 14.16 with the use of multiple instructional approaches, assess pupil outcomes, assess staff
 14.17 development needs and plans, and teach school personnel about effective pedagogical
 14.18 approaches. The center shall develop and produce curricula and curricular materials
 14.19 designed to meet the educational needs of pupils being served, by applying educational
 14.20 research and new and improved methods, practices, and techniques. The center shall
 14.21 provide programs to improve the skills of teachers to meet the special educational needs of
 14.22 pupils. The center shall provide programs to familiarize teachers with developments in
 14.23 curriculum formulation and educational research, including how research can be used to
 14.24 improve teaching skills. The center shall facilitate sharing of resources, ideas, methods,
 14.25 and approaches directly related to classroom instruction and improve teachers' familiarity
 14.26 with current teaching materials and products for use in their classrooms. The center shall
 14.27 provide in-service programs.

14.28 (b) Each teacher center must provide a professional development program to train
 14.29 interested and ~~highly~~ qualified elementary, middle, and secondary teachers, selected by the
 14.30 employing school district, to assist other teachers in that district with mathematics and
 14.31 science curriculum, standards, and instruction so that all teachers have access to:

14.32 (1) high quality professional development programs in mathematics and science that
 14.33 address curriculum, instructional methods, alignment of standards, and performance
 14.34 measurements, enhance teacher and student learning, and support state mathematics and
 14.35 science standards; and

15.1 (2) research-based mathematics and science programs and instructional models
15.2 premised on best practices that inspire teachers and students and have practical classroom
15.3 application.

15.4 Sec. 20. Minnesota Statutes 2014, section 122A.74, subdivision 1, is amended to read:

15.5 Subdivision 1. **Establishment.** (a) The commissioner of education may contract
15.6 with the Minnesota State University Mankato or the regents of the University of Minnesota
15.7 to establish a Principals' Leadership Institute to provide professional development to
15.8 school principals by:

15.9 (1) creating a network of leaders in the educational and business communities to
15.10 communicate current and future trends in leadership techniques;

15.11 (2) helping to create a vision for the school that is aligned with the community
15.12 and district priorities;

15.13 (3) developing strategies to retain highly qualified teachers and ensure that diverse
15.14 student populations, including at-risk students, children with disabilities, English learners,
15.15 and gifted students, among others, have equal access to these highly qualified teachers; and

15.16 (4) providing training to analyze data using culturally competent tools.

15.17 (b) The University of Minnesota must cooperate with participating members of the
15.18 business community to provide funding and content for the institute.

15.19 (c) Participants must agree to attend the Principals' Leadership Institute for four
15.20 weeks during the academic summer.

15.21 (d) The Principals' Leadership Institute must incorporate program elements offered
15.22 by leadership programs at the University of Minnesota and program elements used by
15.23 the participating members of the business community to enhance leadership within their
15.24 businesses.

15.25 Sec. 21. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,
15.26 is amended to read:

15.27 Subd. 2. **Full-service community school program.** (a) The commissioner shall
15.28 provide funding to eligible school sites to plan, implement, and improve full-service
15.29 community schools. Eligible school sites must meet one of the following criteria:

15.30 (1) the school is on a development plan for continuous improvement under section
15.31 120B.35, subdivision 2; or

15.32 (2) the school is in a district that has an achievement and integration plan approved
15.33 by the commissioner of education under sections 124D.861 and 124D.862.

(b) An eligible school site may receive up to \$100,000 annually. School sites receiving funding under this section shall hire or contract with a partner agency to hire a site coordinator to coordinate services at each covered school site.

(c) Implementation funding of up to \$20,000 must be available for up to one year for planning for school sites. At the end of this period, the school must submit a full-service community school plan, pursuant to paragraph (g).

(d) The commissioner shall dispense the funds to schools with significant populations of students receiving free or reduced-price lunches. Schools with significant homeless and highly mobile students shall also be a priority. The commissioner must also dispense the funds in a manner to ensure equity among urban, suburban, and greater Minnesota schools.

(e) A school site must establish a school leadership team responsible for developing school-specific programming goals, assessing program needs, and overseeing the process of implementing expanded programming at each covered site. The school leadership team shall have between 12 to 15 members and shall meet the following requirements:

(1) at least 30 percent of the members are parents and 30 percent of the members are teachers at the school site and must include the school principal and representatives from partner agencies; and

(2) the school leadership team must be responsible for overseeing the baseline analyses under paragraph (f). A school leadership team must have ongoing responsibility for monitoring the development and implementation of full-service community school operations and programming at the school site and shall issue recommendations to schools on a regular basis and summarized in an annual report. These reports shall also be made available to the public at the school site and on school and district Web sites.

(f) School sites must complete a baseline analysis prior to beginning programming as a full-service community school. The analysis shall include:

(1) a baseline analysis of needs at the school site, led by the school leadership team, which shall include the following elements:

(i) identification of challenges facing the school;

(ii) analysis of the student body, including:

(A) number and percentage of students with disabilities and needs of these students;

(B) number and percentage of students who are English learners and the needs of these students;

(C) number of students who are homeless or highly mobile; and

(D) number and percentage of students receiving free or reduced-price lunch and the needs of these students;

- 17.1 (iii) analysis of enrollment and retention rates for students with disabilities,
17.2 English learners, homeless and highly mobile students, and students receiving free or
17.3 reduced-price lunch;
- 17.4 (iv) analysis of suspension and expulsion data, including the justification for such
17.5 disciplinary actions and the degree to which particular populations, including, but not
17.6 limited to, students of color, students with disabilities, students who are English learners,
17.7 and students receiving free or reduced-price lunch are represented among students subject
17.8 to such actions;
- 17.9 (v) analysis of school achievement data disaggregated by major demographic
17.10 categories, including, but not limited to, race, ethnicity, English learner status, disability
17.11 status, and free or reduced-price lunch status;
- 17.12 (vi) analysis of current parent engagement strategies and their success; and
- 17.13 (vii) evaluation of the need for and availability of wraparound services, including,
17.14 but not limited to:
- 17.15 (A) mechanisms for meeting students' social, emotional, and physical health needs,
17.16 which may include coordination of existing services as well as the development of new
17.17 services based on student needs; and
- 17.18 (B) strategies to create a safe and secure school environment and improve school
17.19 climate and discipline, such as implementing a system of positive behavioral supports, and
17.20 taking additional steps to eliminate bullying;
- 17.21 (2) a baseline analysis of community assets and a strategic plan for utilizing
17.22 and aligning identified assets. This analysis should include, but is not limited to, a
17.23 documentation of individuals in the community, faith-based organizations, community and
17.24 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
17.25 agencies who may be able to provide support and resources; and
- 17.26 (3) a baseline analysis of needs in the community surrounding the school, led by
17.27 the school leadership team, including, but not limited to:
- 17.28 (i) the need for high-quality, full-day child care and early childhood education
17.29 programs;
- 17.30 (ii) the need for physical and mental health care services for children and adults; and
- 17.31 (iii) the need for job training and other adult education programming.
- 17.32 (g) Each school site receiving funding under this section must establish at least two
17.33 of the following types of programming:
- 17.34 (1) early childhood:
- 17.35 (i) early childhood education; and
- 17.36 (ii) child care services;

- 18.1 (2) academic:
- 18.2 (i) academic support and enrichment activities, including expanded learning time;
- 18.3 (ii) summer or after-school enrichment and learning experiences;
- 18.4 (iii) job training, internship opportunities, and career counseling services;
- 18.5 (iv) programs that provide assistance to students who have been truant, suspended,
- 18.6 or expelled; and
- 18.7 (v) specialized instructional support services;
- 18.8 (3) parental involvement:
- 18.9 (i) programs that promote parental involvement and family literacy, ~~including the~~
- 18.10 ~~Reading First and Early Reading First programs authorized under part B of title I of the~~
- 18.11 ~~Elementary and Secondary Education Act of 1965, United States Code, title 20, section~~
- 18.12 ~~6361, et seq.;~~
- 18.13 (ii) parent leadership development activities; and
- 18.14 (iii) parenting education activities;
- 18.15 (4) mental and physical health:
- 18.16 (i) mentoring and other youth development programs, including peer mentoring and
- 18.17 conflict mediation;
- 18.18 (ii) juvenile crime prevention and rehabilitation programs;
- 18.19 (iii) home visitation services by teachers and other professionals;
- 18.20 (iv) developmentally appropriate physical education;
- 18.21 (v) nutrition services;
- 18.22 (vi) primary health and dental care; and
- 18.23 (vii) mental health counseling services;
- 18.24 (5) community involvement:
- 18.25 (i) service and service-learning opportunities;
- 18.26 (ii) adult education, including instruction in English as a second language; and
- 18.27 (iii) homeless prevention services;
- 18.28 (6) positive discipline practices; and
- 18.29 (7) other programming designed to meet school and community needs identified in
- 18.30 the baseline analysis and reflected in the full-service community school plan.
- 18.31 (h) The school leadership team at each school site must develop a full-service
- 18.32 community school plan detailing the steps the school leadership team will take, including:
- 18.33 (1) timely establishment and consistent operation of the school leadership team;
- 18.34 (2) maintenance of attendance records in all programming components;
- 18.35 (3) maintenance of measurable data showing annual participation and the impact
- 18.36 of programming on the participating children and adults;

19.1 (4) documentation of meaningful and sustained collaboration between the school
 19.2 and community stakeholders, including local governmental units, civic engagement
 19.3 organizations, businesses, and social service providers;

19.4 (5) establishment and maintenance of partnerships with institutions, such as
 19.5 universities, hospitals, museums, or not-for-profit community organizations to further the
 19.6 development and implementation of community school programming;

19.7 (6) ensuring compliance with the district nondiscrimination policy; and

19.8 (7) plan for school leadership team development.

19.9 Sec. 22. Minnesota Statutes 2015 Supplement, section 124D.73, subdivision 4, is
 19.10 amended to read:

19.11 Subd. 4. **Participating school; American Indian school.** "Participating school"
 19.12 and "American Indian school" mean a school that:

19.13 (1) is not operated by a school district; and

19.14 (2) is eligible for a grant under federal Title ~~VH~~ VI of the Elementary and Secondary
 19.15 Education Act for the education of American Indian children.

19.16 Sec. 23. Minnesota Statutes 2014, section 127A.095, is amended to read:

19.17 **127A.095 IMPLEMENTATION OF NO CHILD LEFT BEHIND ACT**
 19.18 **ELEMENTARY AND SECONDARY EDUCATION ACT.**

19.19 Subdivision 1. **Continued implementation.** The Department of Education shall
 19.20 continue to implement the federal ~~No Child Left Behind Act, Public Law 107-110,~~
 19.21 Elementary and Secondary Education Act without interruption.

19.22 Subd. 2. ~~**No Child Left Behind review.**~~ (a) ~~The legislature intends to require~~
 19.23 ~~the Department of Education to conduct a comprehensive review of the consolidated~~
 19.24 ~~state plan the state submitted to the federal Department of Education to implement the~~
 19.25 ~~No Child Left Behind Act. The Minnesota Department of Education shall seek waivers~~
 19.26 ~~under paragraph (b). If the Department of Education is unable to obtain waivers under~~
 19.27 ~~paragraph (b), it should recommend in its report under paragraph (b) whether the state~~
 19.28 ~~should opt out of the No Child Left Behind Act.~~

19.29 (b) ~~The commissioner, by January 15, 2008, shall report to the house of~~
 19.30 ~~representatives and senate committees having jurisdiction over kindergarten through grade~~
 19.31 ~~12 education policy and finance whether the department has received approval from~~
 19.32 ~~the federal Department of Education to:~~

19.33 (1) ~~participate in the growth model pilot program;~~

(2) ~~exclude from sanctions schools that have not made adequate yearly progress due solely to a subgroup of students with disabilities not testing at a proficient level;~~

(3) ~~identify a school as not making adequate yearly progress only after the school has missed the adequate yearly progress targets in the same subgroup for two consecutive years;~~

(4) ~~determine when to hold schools accountable for including an English learner in adequate yearly progress calculations;~~

(5) ~~allow a district not making adequate yearly progress to offer supplemental educational services as an option before offering school choice;~~

(6) ~~allow a district not making adequate yearly progress to also be the supplemental educational services provider;~~

(7) ~~allow the state to maintain a subgroup size to 40 for the purposes of calculating adequate yearly progress for subgroups of English learners and subgroups of students with disabilities; and~~

(8) ~~create flexibility to enable the state to define and identify highly qualified teachers.~~

Subd. 3. **Department of Management and Budget certification.** ~~If the federal Department of Education does not transmit to the commissioner of education its approval of the conditions in subdivision 2, paragraph (b);~~ The commissioner of management and budget shall certify and report to the legislature annually beginning January 1, 2008, the amount of federal revenue, if any, that the federal government may withhold as a result of a potential state decision to discontinue implementation of the ~~No Child Left Behind Act~~ Elementary and Secondary Education Act. The report shall also specify the intended purpose of the federal revenue and the amount of revenue that the federal government may withhold from the state, each school district, and each charter school in each fiscal year.

Sec. 24. **REPEALER.**

(a) Minnesota Statutes 2014, sections 120B.299, subdivision 5; and 122A.413, subdivision 3, are repealed.

(b) Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1 and 2, are repealed.

ARTICLE 3

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 7, is amended to read:

Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under section

21.1 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the
21.2 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30
21.3 in the next calendar year, regardless of when the authorizer's five-year term of approval
21.4 ends. The commissioner may approve the transfer of a charter school to a new authorizer
21.5 under ~~this subdivision after the new authorizer submits an affidavit to the commissioner~~
21.6 section 124E.10, subdivision 5.

21.7 Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 1, is
21.8 amended to read:

21.9 Subdivision 1. **Contents.** (a) The authorization for a charter school must be in the
21.10 form of a written contract signed by the authorizer and the board of directors of the charter
21.11 school. The contract must be completed within 45 business days of the commissioner's
21.12 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a
21.13 copy of the signed charter contract within ten business days of its execution. The contract
21.14 for a charter school must be in writing and contain at least the following:

21.15 (1) a declaration that the charter school will carry out the primary purpose in section
21.16 124E.01, subdivision 1, and how the school will report its implementation of the primary
21.17 purpose;

21.18 (2) a declaration of the additional purpose or purposes in section 124E.01,
21.19 subdivision 1, that the school intends to carry out and how the school will report its
21.20 implementation of those purposes;

21.21 (3) a description of the school program and the specific academic and nonacademic
21.22 outcomes that pupils must achieve;

21.23 (4) a statement of admission policies and procedures;

21.24 (5) a governance, management, and administration plan for the school;

21.25 (6) signed agreements from charter school board members to comply with all
21.26 federal and state laws governing organizational, programmatic, and financial requirements
21.27 applicable to charter schools;

21.28 (7) the criteria, processes, and procedures that the authorizer will use to monitor and
21.29 evaluate the fiscal, operational, and academic performance consistent with subdivision
21.30 3, paragraphs (a) and (b);

21.31 (8) for contract renewal, the formal written performance evaluation of the school
21.32 that is a prerequisite for reviewing a charter contract under subdivision 3;

21.33 (9) types and amounts of insurance liability coverage to be obtained by the charter
21.34 school, consistent with section 124E.03, subdivision 2, paragraph (d);

(10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the charter school, and the commissioner and department officers, agents, and employees notwithstanding section 3.736;

(11) the term of the initial contract, which may be up to five years plus ~~an additional~~ a preoperational planning year period, and up to five years for a renewed contract or a contract with a new authorizer after a transfer of authorizers, if warranted by the school's academic, financial, and operational performance;

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

(13) the specific conditions for contract renewal that identify performance of all students under the primary purpose of section 124E.01, subdivision 1, as the most important factor in determining contract renewal;

(14) the additional purposes under section 124E.01, subdivision 1, and related performance obligations under clause (7) contained in the charter contract as additional factors in determining contract renewal; and

(15) the plan for an orderly closing of the school under chapter 317A, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, that includes establishing the responsibilities of the school board of directors and the authorizer and notifying the commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, information and assistance sufficient to enable the student to re-enroll in another school, the transfer of student records under section 124E.03, subdivision 5, paragraph (b), and procedures for closing financial operations.

(b) A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students, including world's best workforce goal under section 120B.11, subdivision 1. In the absence of the commissioner's requirements, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 5, is amended to read:

Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of directors mutually agree not to renew the contract, or if the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 4, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, ~~as well as any~~ including unmet contract outcomes and other outstanding contractual obligations that exist. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed contract must be submitted at least 105 business days before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed authorizer and the school shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of authorizers is not approved and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.16, subdivision 2, is amended to read:

Subd. 2. **Annual public reports.** (a) A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under section 120B.11. A charter school must post the annual report on the school's official Web site. A charter school must also distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.

(b) ~~The commissioner shall establish specifications for~~ An authorizer must submit an authorizer's annual public report that in a manner specified by the commissioner by January 15 for the previous school year ending June 30 that shall at least include key indicators of school academic, operational, and financial performance. The report is part of the system

24.1 to evaluate authorizer performance under section 124E.05, subdivision 5. ~~The report shall~~
24.2 ~~at least include key indicators of school academic, operational, and financial performance.~~

24.3 **ARTICLE 4**

24.4 **SPECIAL EDUCATION**

24.5 Section 1. Minnesota Statutes 2015 Supplement, section 120B.125, is amended to read:

24.6 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION**
24.7 **TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL**
24.8 **LEARNING PLANS.**

24.9 (a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15,
24.10 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school
24.11 districts, beginning in the 2013-2014 school year, must assist all students by no later
24.12 than grade 9 to explore their educational, college, and career interests, aptitudes, and
24.13 aspirations and develop a plan for a smooth and successful transition to postsecondary
24.14 education or employment. All students' plans must:

24.15 (1) provide a comprehensive plan to prepare for and complete a career and college
24.16 ready curriculum by meeting state and local academic standards and developing career and
24.17 employment-related skills such as team work, collaboration, creativity, communication,
24.18 critical thinking, and good work habits;

24.19 (2) emphasize academic rigor and high expectations;

24.20 (3) help students identify interests, aptitudes, aspirations, and personal learning
24.21 styles that may affect their career and college ready goals and postsecondary education
24.22 and employment choices;

24.23 (4) set appropriate career and college ready goals with timelines that identify
24.24 effective means for achieving those goals;

24.25 (5) help students access education and career options;

24.26 (6) integrate strong academic content into career-focused courses and applied and
24.27 experiential learning opportunities and integrate relevant career-focused courses and
24.28 applied and experiential learning opportunities into strong academic content;

24.29 (7) help identify and access appropriate counseling and other supports and assistance
24.30 that enable students to complete required coursework, prepare for postsecondary education
24.31 and careers, and obtain information about postsecondary education costs and eligibility
24.32 for financial aid and scholarship;

24.33 (8) help identify collaborative partnerships among prekindergarten through grade
24.34 12 schools, postsecondary institutions, economic development agencies, and local and

regional employers that support students' transition to postsecondary education and employment and provide students with applied and experiential learning opportunities; and (9) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student making adequate progress to meet state and local academic standards and high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.

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

(c) Educators must possess the knowledge and skills to effectively teach all English learners in their classrooms. School districts must provide appropriate curriculum, targeted materials, professional development opportunities for educators, and sufficient resources to enable English learners to become career and college ready.

(d) When assisting students in developing a plan for a smooth and successful transition to postsecondary education and employment, districts must recognize the unique possibilities of each student and ensure that the contents of each student's plan reflect the student's unique talents, skills, and abilities as the student grows, develops, and learns.

(e) If a student with a disability has an individualized education program (IEP) or standardized written plan that meets the plan components of this section, the IEP satisfies the requirement and no additional plan is needed.

Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 3, is amended to read:

Subd. 3. **Qualified interpreters.** The Department of Education ~~and the resource center~~: state specialist for deaf and hard-of-hearing ~~hard-of-hearing~~ shall work with existing interpreter/transliterators training programs, other training/educational institutions, and the regional service centers to ensure that ongoing staff development training for educational interpreters/transliterators is provided throughout the state.

Sec. 3. Minnesota Statutes 2014, section 124D.15, subdivision 15, is amended to read:

Subd. 15. **Eligibility.** A child is eligible to participate in a school readiness program if the child:

(1) is at least three years old on September 1;

(2) has completed health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19; and

(3) has one or more of the following risk factors:

(i) qualifies for free or reduced-price lunch;

(ii) is an English learner;

(iii) is homeless;

(iv) has an individualized education program (IEP) or ~~an individual interagency intervention plan (IHP)~~ standardized written plan;

(v) is identified, through health and developmental screenings under sections 121A.16 to 121A.19, with a potential risk factor that may influence learning; or

(vi) is defined as ~~at-risk~~ at risk by the school district.

Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related

services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the IEP meets the plan components in section 120B.125, the IEP satisfies the requirement and no additional plan is needed;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and

28.1 individual needs of each student according to the student's disability and how the disability
28.2 affects the student's education and behavior, following lesson plans, and implementing
28.3 follow-up instructional procedures and activities; and

28.4 (3) a districtwide process obligates each paraprofessional to work under the ongoing
28.5 direction of a licensed teacher and, where appropriate and possible, the supervision of a
28.6 school nurse.

28.7 Sec. 5. Minnesota Statutes 2014, section 125A.091, subdivision 11, is amended to read:

28.8 Subd. 11. **Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP, or
28.9 ~~HHP~~ multiagency team meeting led by an impartial state-provided facilitator to promote
28.10 effective communication and assist a team in developing an individualized education
28.11 program.

28.12 Sec. 6. Minnesota Statutes 2015 Supplement, section 125A.0942, subdivision 3,
28.13 is amended to read:

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

28.17 (1) before using seclusion, review and document in a student's individualized
28.18 educational program whether there are any known medical or psychological limitations
28.19 that contraindicate the use of seclusion;

28.20 (2) physical holding or seclusion is the least intrusive intervention that effectively
28.21 responds to the emergency;

28.22 ~~(2)~~ (3) physical holding or seclusion is not used to discipline a noncompliant child;

28.23 ~~(3)~~ (4) physical holding or seclusion ends when the threat of harm ends and the staff
28.24 determines the child can safely return to the classroom or activity;

28.25 ~~(4)~~ (5) staff directly observes the child while physical holding or seclusion is being
28.26 used;

28.27 ~~(5)~~ (6) each time physical holding or seclusion is used, the staff person who
28.28 implements or oversees the physical holding or seclusion documents, as soon as possible
28.29 after the incident concludes, the following information:

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

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

28.33 (iii) the time the physical holding or seclusion began and the time the child was
28.34 released; and

- 29.1 (iv) a brief record of the child's behavioral and physical status;
- 29.2 ~~(6)~~ (7) the room used for seclusion must:
- 29.3 (i) be at least six feet by five feet;
- 29.4 (ii) be well lit, well ventilated, adequately heated, and clean;
- 29.5 (iii) have a window that allows staff to directly observe a child in seclusion;
- 29.6 (iv) have tamperproof fixtures, electrical switches located immediately outside the
- 29.7 door, and secure ceilings;
- 29.8 (v) have doors that open out and are unlocked, locked with keyless locks that
- 29.9 have immediate release mechanisms, or locked with locks that have immediate release
- 29.10 mechanisms connected with a fire and emergency system; and
- 29.11 (vi) not contain objects that a child may use to injure the child or others; and
- 29.12 ~~(7)~~ (8) before using a room for seclusion, a school must:
- 29.13 (i) receive written notice from local authorities that the room and the locking
- 29.14 mechanisms comply with applicable building, fire, and safety codes; and
- 29.15 (ii) register the room with the commissioner, who may view that room; and
- 29.16 ~~(8) until August 1, 2015, a school district may use prone restraints with children~~
- 29.17 ~~age five or older if:~~
- 29.18 ~~(i) the district has provided to the department a list of staff who have had specific~~
- 29.19 ~~training on the use of prone restraints;~~
- 29.20 ~~(ii) the district provides information on the type of training that was provided and~~
- 29.21 ~~by whom;~~
- 29.22 ~~(iii) only staff who received specific training use prone restraints;~~
- 29.23 ~~(iv) each incident of the use of prone restraints is reported to the department within~~
- 29.24 ~~five working days on a form provided by the department; and~~
- 29.25 ~~(v) the district, before using prone restraints, must review any known medical or~~
- 29.26 ~~psychological limitations that contraindicate the use of prone restraints.~~
- 29.27 (b) A school district must provide the department with seclusion data related to
- 29.28 incidents of seclusion and individual students who experience the use of seclusion in the
- 29.29 form and manner determined by the commissioner. The department must collect data on
- 29.30 districts' use of ~~prone restraints~~ seclusion and publish the data in a readily accessible format
- 29.31 on the department's Web site on a quarterly basis. The department shall contact and provide
- 29.32 targeted technical assistance to the district after reviewing the submitted seclusion data.
- 29.33 ~~(b)~~ (c) By February 1, 2015, and annually thereafter, stakeholders may, as necessary,
- 29.34 recommend to the commissioner specific and measurable implementation and outcome
- 29.35 goals for reducing the use of restrictive procedures and the commissioner must submit to
- 29.36 the legislature a report on districts' progress in reducing the use of restrictive procedures

that recommends how to further reduce these procedures and eliminate the use of ~~prone restraints~~ seclusion. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of ~~prone restraints~~ seclusion; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner. The summary data must include information about the use of restrictive procedures, including use of reasonable force under section 121A.582.

EFFECTIVE DATE. This section is effective for the 2016-2017 school year and later.

Sec. 7. Minnesota Statutes 2014, section 125A.0942, subdivision 4, is amended to read:

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

- (1) engaging in conduct prohibited under section 121A.58;
- (2) requiring a child to assume and maintain a specified physical position, activity, or posture that induces physical pain;
- (3) totally or partially restricting a child's senses as punishment;
- (4) presenting an intense sound, light, or other sensory stimuli using smell, taste, substance, or spray as punishment;
- (5) denying or restricting a child's access to equipment and devices such as walkers, wheelchairs, hearing aids, and communication boards that facilitate the child's functioning, except when temporarily removing the equipment or device is needed to prevent injury to the child or others or serious damage to the equipment or device, in which case the equipment or device shall be returned to the child as soon as possible;
- (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or physical abuse under section 626.556;
- (7) withholding regularly scheduled meals or water;
- (8) denying access to bathroom facilities; and
- (9) physical holding that restricts or impairs a child's ability to breathe, restricts or impairs a child's ability to communicate distress, places pressure or weight on a child's

31.1 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in
31.2 straddling a child's torso; and
31.3 (10) prone restraint.

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

31.5 ARTICLE 5

31.6 FACILITIES AND TECHNOLOGY

31.7 Section 1. Minnesota Statutes 2015 Supplement, section 123B.53, subdivision 1, is
31.8 amended to read:

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

31.11 (1) the amount needed to produce between five and six percent in excess of the
31.12 amount needed to meet when due the principal and interest payments on the obligations
31.13 of the district for eligible projects according to subdivision 2, including the amounts
31.14 necessary for repayment of ~~energy loans according to section 216C.37 or sections 298.292~~
31.15 ~~to 298.298~~, debt service loans, capital loans, and lease purchase payments under section
31.16 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section
31.17 123B.595, minus

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

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

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

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

31.26 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
31.27 amended by Laws 1992, chapter 499, article 5, section 24;

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

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

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

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

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 2. Minnesota Statutes 2014, section 123B.571, subdivision 2, is amended to read:

Subd. 2. **Radon testing.** A school district may include radon testing as a part of its ~~health and safety~~ ten-year facility plan under section 123B.595, subdivision 4. If a school district receives authority to use ~~health and safety~~ long-term facilities maintenance revenue to conduct radon testing, the district shall conduct the testing according to the radon testing plan developed by the commissioners of health and education.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management.

(b) The district must annually update the plan, ~~biennially submit a facility maintenance~~ the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 4. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 7, is amended to read:

Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal year 2017 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

(b) For fiscal year 2018 only, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

(c) For fiscal year 2019 and later, a district's long-term facilities maintenance equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2) the district's revenue under subdivision 1.

(d) Notwithstanding paragraphs (a) to (c), a district's long-term facilities maintenance equalization revenue must not be less than the lesser of the district's long-term facilities maintenance revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 5. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 8, is amended to read:

Subd. 8. **Long-term facilities maintenance equalized levy.** For fiscal year 2017 and later, a district's long-term facilities maintenance equalized levy equals the district's long-term facilities maintenance equalization revenue minus the greater of:

(1) the lesser of the district's long-term facilities maintenance equalization revenue or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014, section 123B.59, subdivision 6; or

(2) the district's long-term facilities maintenance equalization revenue times the greater of (i) zero or (ii) one minus the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the year the levy is certified to 123 percent of the state average adjusted net tax capacity per adjusted pupil unit for all school districts in the year preceding the year the levy is certified.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 6. Minnesota Statutes 2015 Supplement, section 123B.595, is amended by adding a subdivision to read:

34.1 **Subd. 8a. Long-term facilities maintenance unequalized levy.** For fiscal year
34.2 2017 and later, a district's long-term facilities maintenance unequalized levy equals the
34.3 difference between the district's revenue under subdivision 1 and the district's equalization
34.4 revenue under subdivision 7.

34.5 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
34.6 later.

34.7 Sec. 7. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 9, is
34.8 amended to read:

34.9 **Subd. 9. Long-term facilities maintenance equalized aid.** For fiscal year 2017
34.10 and later, a district's long-term facilities maintenance equalized aid equals its long-term
34.11 facilities maintenance equalization revenue minus its long-term facilities maintenance
34.12 equalized levy times the ratio of the actual equalized amount levied to the permitted
34.13 equalized levy.

34.14 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
34.15 later.

34.16 Sec. 8. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 10,
34.17 is amended to read:

34.18 **Subd. 10. Allowed uses for long-term facilities maintenance revenue.** (a) A
34.19 district may use revenue under this section for any of the following:

34.20 (1) deferred capital expenditures and maintenance projects necessary to prevent
34.21 further erosion of facilities;

34.22 (2) increasing accessibility of school facilities; ~~or~~

34.23 (3) health and safety capital projects under section 123B.57; or

34.24 (4) by board resolution, to transfer money from the general fund reserve for long-term
34.25 facilities maintenance to the debt redemption fund to pay the amounts needed to meet,
34.26 when due, principal and interest on general obligation bonds issued under subdivision 5.

34.27 (b) A charter school may use revenue under this section for any purpose related
34.28 to the school.

34.29 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
34.30 later.

34.31 Sec. 9. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 11,
34.32 is amended to read:

Subd. 11. **Restrictions on long-term facilities maintenance revenue.**

Notwithstanding subdivision ~~11~~ 10, long-term facilities maintenance revenue may not be used:

(1) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;

(2) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;

(3) for energy-efficiency projects under section 123B.65, for a building or property or part of a building or property used for postsecondary instruction or administration, or for a purpose unrelated to elementary and secondary education; or

(4) for violence prevention and facility security, ergonomics, or emergency communication devices.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 10. Minnesota Statutes 2014, section 123B.60, subdivision 1, is amended to read:

Subdivision 1. **Bonds.** When a building owned by a district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted ~~health and safety~~ long-term facilities maintenance program. Each year the district must pledge an attributable share of its ~~health and safety~~ long-term facilities maintenance revenue to the repayment of principal and interest on the bonds. The pledged revenue must be ~~transferred to~~ recognized in the debt redemption fund of the district. The district must submit to the department the repayment schedule for any bonds issued under this section. The district must deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

(1) insurance proceeds;

(2) restitution proceeds; and

(3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit ~~a combined~~ an amended application to the commissioner for ~~health and safety~~ long-term facilities maintenance revenue, according to section ~~123B.57~~, and requesting review and comment, according to section ~~123B.71~~, subdivisions 8, 9, 11, and 12 123B.595. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 123B.71, subdivision 12, do not apply to bonds issued under this section.

36.1 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
36.2 later.

36.3 Sec. 11. Minnesota Statutes 2014, section 123B.71, subdivision 8, is amended to read:

36.4 Subd. 8. **Review and comment.** A school district, a special education cooperative,
36.5 or a cooperative unit of government, as defined in section 123A.24, subdivision 2,
36.6 must not initiate an installment contract for purchase or a lease agreement, hold a
36.7 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of
36.8 an educational facility that requires an expenditure in excess of \$500,000 per school site if
36.9 it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital
36.10 loan outstanding, prior to review and comment by the commissioner. A facility addition,
36.11 maintenance project, or remodeling project funded only with general education revenue,
36.12 ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue,~~
36.13 ~~lease levy proceeds, capital facilities bond proceeds, or health and safety long-term~~
36.14 ~~facilities maintenance~~ revenue is exempt from this provision. A capital project under
36.15 section 123B.63 addressing only technology is exempt from this provision if the district
36.16 submits a school board resolution stating that funds approved by the voters will be used
36.17 only as authorized in section 126C.10, subdivision 14. A school board shall not separate
36.18 portions of a single project into components to avoid the requirements of this subdivision.

36.19 **EFFECTIVE DATE.** This section is effective the day following final enactment
36.20 and applies to review and comments for projects funded with revenue for fiscal year
36.21 2017 and later.

36.22 Sec. 12. Minnesota Statutes 2014, section 123B.79, subdivision 5, is amended to read:

36.23 Subd. 5. **Deficits; exception.** For the purposes of this section, a permanent transfer
36.24 includes creating a deficit in a nonoperating fund for a period past the end of the current
36.25 fiscal year which is covered by moneys in an operating fund. ~~However,~~ A deficit in the
36.26 ~~capital expenditure fund~~ reserve for operating capital account pursuant to section 123B.78,
36.27 subdivision 5, does not constitute a permanent transfer.

36.28 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
36.29 later.

36.30 Sec. 13. Minnesota Statutes 2014, section 123B.79, subdivision 8, is amended to read:

36.31 Subd. 8. **Account transfer for reorganizing districts.** A district that has
36.32 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has

conducted a successful referendum on the question of combination under section 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has been assigned an identification number by the commissioner under section 123A.48, subdivision 16, may make permanent transfers between any of the funds or accounts in the newly created or enlarged district with the exception of the debt redemption fund, building construction fund, food service fund, and health and safety long-term facilities maintenance account of the ~~capital expenditure~~ general fund. Fund transfers under this section may be made for up to one year prior to the effective date of combination or consolidation by the consolidating boards and during the year following the effective date of reorganization by the consolidated board. The newly formed board of the combined district may adopt a resolution on or before August 30 of the year of the reorganization authorizing a transfer among accounts or funds of the previous independent school districts which transfer or transfers shall be reported in the affected districts' audited financial statements for the year immediately preceding the consolidation.

EFFECTIVE DATE. This section is effective July 1, 2016, for fiscal year 2017 and later.

Sec. 14. Minnesota Statutes 2014, section 123B.79, subdivision 9, is amended to read:

Subd. 9. Elimination of reserve accounts. ~~A school board shall eliminate all reserve accounts established in the school district's general fund under Minnesota Statutes before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.~~ Any balance in the district's reserved for bus purchases account for deferred maintenance as of June 30, 2007 2016, shall be transferred to the reserved account for ~~operating capital~~ long-term facilities maintenance in the school district's general fund. ~~Any balance in other reserved accounts established in the school district's general fund under Minnesota Statutes before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007, shall be transferred to the school district's unreserved general fund balance.~~ ~~A school board may, upon adoption of a resolution by the school board, establish a designated account for any program for which a reserved account has been eliminated.~~ Any balance in the district's reserved account for health and safety as of June 30, 2019, shall be transferred to the unassigned fund balance account in the district's general fund. Any balance in the district's reserved account for alternative facilities as of June 30, 2016, shall be transferred to the reserved account for long-term facilities maintenance in the district's building construction fund.

38.1 **EFFECTIVE DATE.** This section is effective July 1, 2016, for fiscal year 2017
38.2 and later.

38.3 Sec. 15. Minnesota Statutes 2014, section 126C.40, subdivision 5, is amended to read:

38.4 Subd. 5. **Energy conservation.** ~~For loans approved before March 1, 1998, the~~
38.5 ~~district may annually include as revenue under section 123B.53, without the approval of a~~
38.6 ~~majority of the voters in the district, an amount sufficient to repay the annual principal and~~
38.7 ~~interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298.~~ For energy
38.8 loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298,
38.9 school districts must annually transfer from the general fund to the debt redemption fund
38.10 the amount sufficient to pay interest and principal on the loans.

38.11 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
38.12 later.

38.13 Sec. 16. Minnesota Statutes 2015 Supplement, section 126C.48, subdivision 8, is
38.14 amended to read:

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

38.17 (2) Notwithstanding any other law to the contrary, districts that have revenue
38.18 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
38.19 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to
38.20 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed
38.21 mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,
38.22 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy
38.23 under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's
38.24 revenue specified under this clause and the amount attributable to the same production
38.25 year distributed to the cities and townships within the school district under section 298.28,
38.26 subdivision 2, paragraph (c).

38.27 (3) The amount of any voter approved referendum, facilities down payment, and
38.28 debt levies shall not be reduced by more than 50 percent under this subdivision, except
38.29 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
38.30 more than 50 percent. In administering this paragraph, the commissioner shall first reduce
38.31 the nonvoter approved levies of a district; then, if any payments, severed mineral value
38.32 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
38.33 reduce any voter approved referendum levies authorized under section 126C.17; then, if
38.34 any payments, severed mineral value tax revenue or recognized revenue under paragraph

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

(4) Before computing the reduction pursuant to this subdivision of the ~~health and safety~~ long-term facilities maintenance levy authorized by ~~sections 123B.57 and 126C.40, subdivision 5~~ section 123B.595, the commissioner shall ascertain from each affected school district the amount it proposes to levy ~~under each section or subdivision~~. The reduction shall be computed on the basis of the amount so ascertained.

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

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 17. Minnesota Statutes 2014, section 126C.63, subdivision 7, is amended to read:

Subd. 7. **Required debt service levy.** "Required debt service levy" means the total dollar amount needed to be included in the taxes levied by the district in any year for payment of interest and principal falling due on its debts prior to collection of the next ensuing year's debt service levy excluding the debt service levy for obligations under sections 123B.595, 123B.61, and 123B.62.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2017 and later.

Sec. 18. **REPEALER.**

Minnesota Statutes 2014, sections 123B.60, subdivision 2; and 123B.79, subdivisions 2 and 6, are repealed for fiscal year 2017 and later.

ARTICLE 6

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2014, section 124D.52, subdivision 1, is amended to read:

Subdivision 1. **Program requirements.** (a) An adult basic education program is a day or evening program offered by a district that is for people ~~over 16 years of age~~ who do not attend an elementary or secondary school and are not subject to compulsory attendance. The program offers academic and English language instruction necessary to earn a high school diploma or equivalency certificate.

(b) Notwithstanding any law to the contrary, a school board or the governing body of a consortium offering an adult basic education program may adopt a sliding fee schedule based on a family's income, but must waive the fee for participants who are under the age of 21 or unable to pay. The fees charged must be designed to enable individuals of all socioeconomic levels to participate in the program. A program may charge a security deposit to assure return of materials, supplies, and equipment.

(c) Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. The memorandum of understanding must describe how the adult basic education program and the workforce development centers will cooperate and coordinate services to provide unduplicated, efficient, and effective services to clients.

(d) Adult basic education aid must be spent for adult basic education purposes as specified in sections 124D.518 to 124D.531.

(e) A state-approved adult basic education program must count and submit student contact hours for a program that offers high school credit toward an adult high school diploma according to student eligibility requirements and measures of student progress toward work-based competency and, where appropriate, English language proficiency requirements established by the commissioner and posted on the department Web site in a readily accessible location and format.

Sec. 2. Minnesota Statutes 2014, section 124D.52, subdivision 2, is amended to read:

Subd. 2. **Program approval.** (a) To receive aid under this section, a district, a ~~consortium of districts~~, the Department of Corrections, ~~or~~ a private nonprofit organization, or a consortium including districts, nonprofit organizations, or both must submit an

41.1 application by June 1 describing the program, on a form provided by the department. The
41.2 program must be approved by the commissioner according to the following criteria:

41.3 (1) how the needs of different levels of learning and English language proficiency
41.4 will be met;

41.5 (2) for continuing programs, an evaluation of results;

41.6 (3) anticipated number and education level of participants;

41.7 (4) coordination with other resources and services;

41.8 (5) participation in a consortium, if any, and money available from other participants;

41.9 (6) management and program design;

41.10 (7) volunteer training and use of volunteers;

41.11 (8) staff development services;

41.12 (9) program sites and schedules;

41.13 (10) program expenditures that qualify for aid;

41.14 (11) program ability to provide data related to learner outcomes as required by
41.15 law; and

41.16 (12) a copy of the memorandum of understanding described in subdivision 1
41.17 submitted to the commissioner.

41.18 (b) Adult basic education programs may be approved under this subdivision for
41.19 up to five years. Five-year program approval must be granted to an applicant who has
41.20 demonstrated the capacity to:

41.21 (1) offer comprehensive learning opportunities and support service choices
41.22 appropriate for and accessible to adults at all basic skill and English language levels of need;

41.23 (2) provide a participatory and experiential learning approach based on the strengths,
41.24 interests, and needs of each adult, that enables adults with basic skill needs to:

41.25 (i) identify, plan for, and evaluate their own progress toward achieving their defined
41.26 educational and occupational goals;

41.27 (ii) master the basic academic reading, writing, and computational skills, as well
41.28 as the problem-solving, decision making, interpersonal effectiveness, and other life and
41.29 learning skills they need to function effectively in a changing society;

41.30 (iii) locate and be able to use the health, governmental, and social services and
41.31 resources they need to improve their own and their families' lives; and

41.32 (iv) continue their education, if they desire, to at least the level of secondary school
41.33 completion, with the ability to secure and benefit from continuing education that will
41.34 enable them to become more employable, productive, and responsible citizens;

- 42.1 (3) plan, coordinate, and develop cooperative agreements with community resources
42.2 to address the needs that the adults have for support services, such as transportation, English
42.3 language learning, flexible course scheduling, convenient class locations, and child care;
- 42.4 (4) collaborate with business, industry, labor unions, and employment-training
42.5 agencies, as well as with family and occupational education providers, to arrange for
42.6 resources and services through which adults can attain economic self-sufficiency;
- 42.7 (5) provide sensitive and well trained adult education personnel who participate in
42.8 local, regional, and statewide adult basic education staff development events to master
42.9 effective adult learning and teaching techniques;
- 42.10 (6) participate in regional adult basic education peer program reviews and evaluations;
- 42.11 (7) submit accurate and timely performance and fiscal reports;
- 42.12 (8) submit accurate and timely reports related to program outcomes and learner
42.13 follow-up information; and
- 42.14 (9) spend adult basic education aid on adult basic education purposes only, which
42.15 are specified in sections 124D.518 to 124D.531.
- 42.16 (c) The commissioner shall require each district to provide notification by February
42.17 1, 2001, of its intent to apply for funds under this section as a single district or as part of
42.18 an identified consortium of districts. A district receiving funds under this section must
42.19 notify the commissioner by February 1 of its intent to change its application status for
42.20 applications due the following June 1.

APPENDIX
Article locations in 16-5025

ARTICLE 1	GENERAL EDUCATION	Page.Ln 1.22
ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 2.21
ARTICLE 3	CHARTER SCHOOLS	Page.Ln 20.29
ARTICLE 4	SPECIAL EDUCATION	Page.Ln 24.3
ARTICLE 5	FACILITIES AND TECHNOLOGY	Page.Ln 31.5
ARTICLE 6	SELF-SUFFICIENCY AND LIFELONG LEARNING	Page.Ln 40.3

120B.299 DEFINITIONS.

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

122A.413 EDUCATIONAL IMPROVEMENT PLAN.

Subdivision 1. **Qualifying plan.** A district, intermediate school district, or a cooperative unit, as defined in section 123A.24, subdivision 2, may develop an educational improvement plan for the purpose of qualifying for the alternative teacher professional pay system under section 122A.414. The plan must include measures for improving school district, intermediate school district, cooperative, school site, teacher, and individual student performance.

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

- (1) assessment and evaluation tools to measure student performance and progress, including the academic literacy, oral academic language, and achievement of English learners, among other measures;
- (2) performance goals and benchmarks for improvement;
- (3) measures of student attendance and completion rates;
- (4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice applicable to all students including English learners with varied needs under section 124D.59, subdivisions 2 and 2a, and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;
- (5) measures of student, family, and community involvement and satisfaction;
- (6) a data system about students and their academic progress that provides parents and the public with understandable information;
- (7) a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and
- (8) substantial participation by the exclusive representative of the teachers in developing the plan.

Subd. 3. **School site accountability.** A district or intermediate school district that develops a plan under subdivisions 1 and 2 must ensure that each school site develops a board-approved educational improvement plan that is aligned with the district educational improvement plan under subdivision 2 and developed with the exclusive representative of the teachers. While a site plan must be consistent with the district educational improvement plan, it may establish performance goals and benchmarks that meet or exceed those of the district.

123B.60 BUILDING BONDS FOR CALAMITIES.

Subd. 2. **Health and safety revenue.** For any fiscal year where the total amount of health and safety revenue is limited, the commissioner must award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

123B.79 PERMANENT FUND TRANSFERS.

Subd. 2. **Technical colleges.** Money must not be transferred from the postsecondary general fund to any other operating or nonoperating fund.

Subd. 6. **Account transfer for statutory operating debt.** On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "net unreserved general fund balance since statutory operating debt" to the account entitled "reserved fund balance reserve account for purposes of statutory operating debt reduction." The amount of the transfer is limited to the net unreserved general fund balance. If the net unreserved general fund balance is less than zero, the district may not make a transfer.